

# CULTIVATE

A MAGAZINE FOR CLIENTS AND FRIENDS OF COMPEER FINANCIAL® SUMMER 2020



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WILL RECEIVE **\$177 MILLION**  
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# CULTIVATE

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This issue is interactive. Look for this icon throughout the issue, which indicates a link for additional information. 

Cover: On page 12, learn more about Eric and Stacy Gallagher's journey to country living.

*Cultivate* is brought to you by Compeer Financial. This publication's name represents our cooperative's commitment to growing long-term relationships with our member-owners and championing the hopes and dreams of rural America. We hope you find the information and stories in each issue informational and inspiring. Comments or suggestions for future issues can be sent to [Rebecca.Peterson@compeer.com](mailto:Rebecca.Peterson@compeer.com). 

# BEING AGILE *During the Unexpected*

It's been nearly six months since all 1,200 Compeer Financial team members began working from home to continue serving clients during the COVID-19 pandemic. **We're glad to be back in our offices and making on-site visits to provide services in person to those who are comfortable.** We still have some team members working from home and that continues to go well; however, it can't replace personally interacting with all of you. We miss connecting at events, meetings and workshops and look forward to eventually resuming those in full — once it's safe to do so.



The decision to close our offices and cease on-site visits back in March wasn't an easy one, but it was the right move when much was uncertain and unknown. We're thankful we were in a position to transition to a virtual service model when we did and before it became a necessity. This allowed us to maintain the level of service you received from us even when outside of our usual surroundings. Should the need arise, we're confident we can return to that model with ease.

We don't know how long we'll be managing the impacts of the COVID-19 pandemic. We do know, by experiencing so many other challenges in agriculture, **having a plan, knowing your operation and being agile can help reduce the overall impact of situations that are out of your control.** At Compeer, we say in the most difficult of times, opportunity can be had. This is true even in a pandemic.

Something else we reference frequently are the cycles of agriculture — and how important strategy is in successfully riding out those cycles. We're seeing that play out in regards to the pandemic's impacts on the dairy industry. Early on, dairy farms were forced to dump milk as restaurants closed and processors were not yet able to redirect supply channels to meet increased demand at grocery stores. Milk prices dropped sharply and some processors required production cutbacks on farms. By June, grocery store and quick-serve restaurants had recovered and month-to-month price gains were higher than ever.

Producers we work with who have solid financial and production information systems, along with implemented risk management plans, found it easier to adapt their operations during this time. They were able to adjust production levels, capital investments and cash outflows in anticipation of or in response to market shifts. And losses from sudden milk price drops were limited because they had price risk coverage through Dairy Margin Coverage, Dairy Revenue Protection, or futures and options. **Because they had a risk management plan in place, they could be confident they'd be able to work through those challenging months** without large losses to their business.



The dairy industry is a clear example of how even the worst times can present opportunity if you've laid the groundwork. **At Compeer, we have the opportunity to work with producers every day who are profitable in the midst of adversity** — because they've taken the time to thoroughly understand their business and financials, have a risk management plan in place and are willing to be agile.

This issue of *Cultivate* shares some of those stories of how preparation, knowledge and agility served as lifelines in the face of adversity. You'll learn what led a family grain farm to venture into vodka and then hand sanitizer; and how a father's foresight set up his son for success when confronted with the unexpected. You'll also read about our newest board director, Allyn Buhrow, who finds being open to learning and evolving is essential in his work on the farm, with his seed clients and in representing Compeer member-owners.

It's often been said over the past several months that we're living in a time unlike any we've seen before. Not only are we in a pandemic, but our country is having important conversations about racial injustice and equality. Compeer is committed to learning from these experiences and appropriately evolving — as we continue supporting all our clients, all workers in agriculture and all residents of rural communities so they can be successful in their endeavors.

No doubt, our lives, our businesses and our world will be forever altered by the events of 2020. **Moving forward in a world of uncertainty can be hard, but it doesn't have to be paralyzing.** Through openness and agility, the path will be far easier.

On behalf of Compeer, thank you for your partnership, your commitment to agriculture and your persistence during this time. I'm glad we're taking this journey together.

Rod Hebrink  
President and CEO



## SUPPORTING *the Communities We Serve*

As the impacts of the COVID-19 spread to rural and agricultural communities this spring, Compeer Financial dedicated \$830,000 to support relief efforts across our three-state territory of Illinois, Minnesota and Wisconsin. Our multi-faceted approach helped to directly impact the response efforts of local organizations and community partners.

"As people in agriculture and rural America grapple with the impacts of COVID-19, Compeer Financial is proud to support community response efforts," said John Monson, chief mission and marketing officer at Compeer Financial. "Our commitment to serve our clients and to champion rural America is steadfast, and we are dedicated to helping communities and people remain resilient during these challenging times."

Compeer's support came from the Fund for Rural America and the organization's newly established donor advised fund, the Agriculture and Rural Initiative.

- **\$300,000 to more than 40 different local community** and initiative foundations for COVID-19 emergency relief funds
- **\$225,000 in Emergency Response Equipment grants** prioritized for agencies with COVID-19 related needs
- **\$200,000 in General Use Grant dollars** prioritized for COVID-19 related needs
- **\$43,000 allocated to local offices** to support community response and needs
- **\$25,000 to help offset COVID-19 medical expenses** for clients and immediate family members
- **\$26,000 to food banks** in Illinois, Minnesota and Wisconsin
- **\$11,000**, in partnership with the association's Mission Financing Team, to support **health care facilities** with COVID-19 preparedness and response

"This pandemic has disrupted jobs, impacted education, affected childcare and much more, creating some pretty immediate needs in the communities we serve," noted Monson. "We truly believe that by working together, we can make a difference that matters now and as new challenges emerge in the weeks and months to come."

As a part of these efforts, the Fund for Rural America will continue to offer its annual grant programs, and, when appropriate, priority will be given to projects and initiatives related to COVID-19 response efforts. To learn more about the Compeer Financial Fund for Rural America and its offerings, please visit [compeer.com/giving-back](https://compeer.com/giving-back).



At top: Karen Gallagher, of Second Harvest Foodbank of Southern Wisconsin, accepts a donation of \$2,500 for COVID-19 relief efforts from Compeer Financial team member Tammy Beard. At middle: The Compeer Financial Fund for Rural America, along with our association's Mission Financing Team, supported several health care facilities with COVID-19 relief efforts. Mae DeWar-Aust of Lakeview Methodist Health Care accepts a gift from Bob Madsen of the Mission Financing Team. At bottom right: The Galesburg Community Foundation, represented by President & CEO Josh Gibb (left), accepts a donation from Compeer Financial team member Shane Kaiser.

# Moving Forward IN THE AGE OF COVID-19

*Disclaimer: This article is presented for informational purposes only. Compeer Financial can provide assistance with agribusiness finances and operations based on historical data and its long-term industry experience. Compeer Financial does not provide legal advice or certified financial planning. Producers should consult with their own professional advisors prior to making any decisions or operational changes.*

At Compeer Financial, we recognize the challenges those in agriculture and rural America have been facing over the last several months as a result of COVID-19. Our goal has always been to be there for our clients, through good and challenging times. We remain committed to providing you with the tools and resources to help you navigate the coming months.

## Risk Management Heading into Harvest

by Tom Timko, State Insurance Product Officer

Over the last 20+ years of serving those in the agriculture industry, there have only been a handful of times when I've heard from veteran farmers that they've "never experienced this before." Heading into the 2020 harvest season in the midst of a global pandemic is surely a first for many of us.

And while things like the weather and the markets continue to be outside of our control, it will be important in the months ahead to focus on the job at hand and areas within our control.

Before and during harvest, be sure to:

- Review all Schedule of Insurance documents for accuracy;
- Keep up-to-date and thorough records;
- Communicate regularly with your crop insurance agent with any questions or concerns; and
- Be timely when submitting any losses.

Compeer stands ready with tools and resources to best serve you

In our spring issue we looked at what was happening across industries at that time. Now, let's look forward to what the next several months may bring. Let's walk through some key areas of focus as we head into harvest and year end, and look at areas of opportunity. We'll explore risk management, maintaining financials, what's happening with interest rates and our latest benchmarking results for land values.

during this harvest season. As your trusted crop insurance partner, we remain committed to providing you with the top-level service you've come to expect from us.

During the pandemic, we're relying more heavily on our technology to conduct business and we've adjusted our approach to face-to-face meetings in the interest of health and safety. You can work with us virtually or, if you prefer, in person, knowing we'll practice appropriate social distancing and wear face coverings while we're together.

Harvest is the busiest time of year for many of us. If you have a scheduled meeting with your crop insurance agent or an adjuster, please notify us ahead of time if you have been exposed to COVID-19 or are feeling unwell. We will work together to find a way to service your needs while keeping everyone safe and healthy.

With good communication, we can add harvest 2020 as another one for the history books.



## Five Farm Focus Areas in the Time of COVID-19

by Paul Dietmann, Senior Lending Officer

As the economic impacts of COVID-19 continue to create challenges in the agricultural economy, maintaining up-to-date financials will provide you with an accurate picture of where your operation stands.

### UPDATE BALANCE SHEET



Typically, it's recommended to update it annually on December 31, to line up with your Schedule F. During tough times, updating your balance sheet on a quarterly or even monthly basis will help alert you to problems faster, rather than waiting for year end.

### MONITOR WORKING CAPITAL



An accurate balance sheet will allow close tracking of the farm's working capital. Working capital is calculated by taking current assets minus current liabilities. It's an important measure of the farm's ability to withstand unexpected setbacks or access additional credit if necessary. While it may fluctuate throughout the course of the year due to changes in inventories, accounts payable, and other factors, a good target is to maintain a working capital position of 15% of the farm's annual gross income. If working capital decreases or is depleted, it's time to take action to rebuild it.

### ANTICIPATE CASH FLOW



Creating a month-by-month cash flow projection on an annual basis will help to anticipate when cash flow is likely to be short. Being able to anticipate cash shortfalls will help you be proactive in developing ways to offset those shortages. During times

when revenue is uncertain, you don't want to wait until the farm checking account is empty to try to figure out how you're going to pay the bills next month.

### UTILIZE RELIEF PROGRAMS

Between federal programs such as the Paycheck Protection Program (PPP) and the Coronavirus Food Assistance Program (CFAP), and various programs offered by state governments and nonprofit organizations, there's been an alphabet soup of relief offered to farmers. Most are very worthwhile and can help offset some of the losses suffered by farmers. Some, such as the Economic Injury Disaster Loan (EIDL), come with significant strings attached. As with any new program, it's important to do your research and understand your commitment before you sign on the dotted line.

### CAPITALIZE ON CONSUMER TRENDS

Consumer demand for meat, produce and other products directly from farmers has skyrocketed. In some cases, it gives farmers the opportunity to sell at greater profit margins compared to traditional commodity markets. However, direct-to-consumer sales require more work for the farmer, and sale quantities tend to be small. Be sure to check with state and local authorities regarding any necessary licensing or other requirements that need to be met prior to beginning sales. If selling direct to consumers is something you've always wanted to try, there's never been a better time to do it.





## Keeping an Eye on the Markets

by Bill Moore, Chief Risk Officer

While the economic risks we bear as a result of COVID-19 remain uncertain, the general consensus is that the worst of the economic decline is behind us. As the ability of the U.S. general economy to rebound remains highly suspect, so does that of agriculture. In March and April, we saw grocery store sales skyrocket as food service business screeched to a near halt. The effects were felt across commodities as they were faced with impaired production and declining commodity prices.

Since that low, conditions have adjusted and prices have improved. Without knowing what the future holds, things have rebounded enough for many producers to now have the opportunity to assess and potentially reduce risk if they hadn't prior to March.

Having a strong risk management plan in place is key, with dairy serving as a prime example. On April 22, Class III July milk contracts traded as low as \$12.80, but as of July 31 trade above \$24. For the remainder of 2020, the CME curve is above \$17. This would mean that a Wisconsin dairy with 100% Class III could utilize DRP to provide a revenue guarantee above an average cost of production (COP) through the end of 2021.

For grain farmers, supply and demand has been a greater disrupter than COVID-19. Driving factors have been trade with China, acres

planted and weather. Compared to January, September Corn is off 20%. Since mid-March, basis has improved, but many producers are in a position where corn and soybeans trade below their COP.

Working capital and efficiency remain keys to success. While Compeer's benchmarking reports indicate that average working capital per acre changed little in 2019, the averages between the highest and lowest quartiles is wide, by nearly three times. This is where low interest rates may provide some relief.

Since the start of the U.S. pandemic, the Federal Reserve has cut rates to as low as they can go without going negative (a scenario they claim is not in the cards). While a wide selection of U.S. banks have pulled back on ag lending in recent months, Compeer continues to grow and serve its clients. Client borrowing costs are currently

between 50 and 150 basis points lower than at the beginning of this year. Conversions and/or new opportunities to finance are at historically low rates.

Reach out to your financial officer to discuss opportunities for your operation. The consensus on U.S. interest rates suggests rates will remain low while we get through COVID-19, but will begin to modestly rise once a true recovery begins to take hold.

**“While a wide selection of U.S. banks have pulled back on ag lending in recent months, Compeer continues to grow and serve its clients.”**

## 2020 Farmland Value Trends in Compeer Financial Territory

by Michael K. Morris, VP Appraisal, ARA, MAI

Some of you have probably wondered how the value of agricultural real estate has fared during the pandemic. Using a benchmark system, we have tracked land values over time by appraising the same 36 farms on an annual basis, as of July 1. These farms consist of a full range of agricultural properties distributed throughout the association territory.

Following is a brief snapshot of those benchmark changes from the 2019 to 2020 update.

### NORTHERN/WESTERN ILLINOIS

Illinois farmland is classified under a universally accepted soil survey system that breaks land down into quality classifications based on productivity indexes. While values and yields for each cropland type tend to vary by location, the relative productivity does not.

The following chart below illustrates changes by cropland type for the northern and western Illinois benchmarks. Average values across A, B and C farm types and areas were essentially static at -0.1%. The largest change in value for the update period was to the recreational/hunting benchmark at +8.6%.

Benchmark Value Changes				
Type of Land	Range	Average Value	1-Year Change	Range
1 - A High Quality Farmland	\$10,000 - 13,027	\$11,443	0.2%	-3.0% - +4.0%
2 - B Good Quality Farmland	\$7,000 - 10,588	\$9,464	-2.2%	-4.2% - 0.0%
3 - C Average Quality Farmland	\$4,099 - 10,101	\$7,021	2.0%	0.0% - 4.6%
Recreational	\$3,801	\$3,801	8.6%	NA

### CENTRAL/SOUTHERN MINNESOTA

Minnesota is divided into two benchmark regions within the Compeer territory, with two benchmarks in the central region and eight in the southern region. Each benchmark is valued as improved and unimproved, focusing on land values, without

considering building improvements. As a group, the benchmarks were -1.2% year over year, with two down 5.0% or greater. The chart below illustrates the changes by region.

Benchmark Value Changes - Bare Land				
Type of Land	Range	Average Value	1-Year Change	Range
Central Minnesota	\$5,402 - 6,769	\$6,086	1.7%	0.0% - 3.9%
Southern Minnesota	\$4,000 - 7,900	\$6,749	-2.2%	-5.8% - +1.6%

### WISCONSIN

Wisconsin land values are not driven as much by cash grain prices as Illinois and Minnesota and show slightly different trends. Benchmark values in Wisconsin peaked with the 2015 benchmark updates. Land values tend to be tied closer to milk prices and the demand for support land for dairy farms. While the benchmarks are shown as dairy and bare land in the table below, they are not

necessarily separate benchmarks. In Wisconsin, we track values separately for five of the dairy/improved benchmarks. The higher per-acre benchmark is a highly improved dairy farm with buildings making up the predominant value, while the others are improved farms where land makes up the bulk of the value.

Benchmark Value Changes				
Type of Land	Range	Average Value	1-Year Change	Range
Dairy Benchmarks	\$4,585 - 32,667	\$12,047	0.8%	-4.1% - +6.6%
Bare Land Benchmarks	\$3,886 - 11,156	\$7,006	0.6%	-6.2% - +6.4%

While there continues to be significant economic stress in agriculture, overall, land values continue to be stable. During the past year, we haven't seen significant land value changes across Compeer's territory or any significant trends in land markets based on land quality or location. Supply continues to be limited, with good demand for the right property based on location or investment potential. While there has been a slight increase in investor activity in some markets, the majority of buyers continue to be local farmers expanding their operations.

To access the full 2020 farmland benchmark report, visit the Appraisal page at [compeer.com](https://compeer.com).





# PUSHING PAST

## *The Status Quo*

Fifth-generation farmer continues to diversify



Opposite page: Ryan Peterson, who farms in the sandy soils of Sherburne County, Minn., relies on irrigators to keep crops watered during the growing season. Above left: Peterson is pictured with his wife Whitney and three sons (left to right) Hunter, Weston and Bentley. Above right: Once the kidney bean plants are ready for harvest, they are chopped down for drying; then, as pictured above, they are picked up by the combine and loaded for delivery.

CLEAR LAKE, Minn. — Ryan Peterson will spend Labor Day weekend harvesting his 2020 kidney bean crop. Planted in late May in the sandy top soils of Sherburne County, the 300 acres have been closely monitored throughout the summer and irrigated routinely to ensure strong production.

Peterson is also growing acres of corn, seed corn, soybeans and rye. What's more, he finishes about 400 head of Holsteins annually, as well as some Angus.

### NOT GETTING STUCK IN OLD HABITS

"We haven't shied away from trying different crops or even raising different livestock," Peterson said. "The generations before me once had a dairy operation and raised chickens but have learned to change course if necessary. Being agile and trying new or different things based on the market can be an advantage if you do it right."

These sentiments are echoed by Mark Koch, Peterson's financial officer at Compeer Financial. "Being flexible when considering how to diversify your operation

can have its benefits," Koch said. "Ryan has always been proactive in communicating his ideas, which, as his financial partner, allows us to have productive conversations ahead of time to evaluate potential opportunities."

Peterson noted that Koch has served as a great sounding board over the years.

"Partnering with our clients to achieve their goals by providing our industry expertise is always the best part of my job," Koch said.

### TAKING HIS SEAT AT THE TABLE

After graduating high school, Peterson went on to receive his associate's degree in construction. The timing wasn't quite right for Peterson to return to the farm full time, so he decided to make the most of the time he had before the opportunity came to join the farm.

"As much as I wished I could have joined the farm right away, I learned to appreciate my time away," Peterson said. "I was able to expand my skill sets in other areas, and, by observing the leadership styles of different supervisors, believe it equipped me to more effectively lead my own team."

In 2012, the opportunity for Peterson to return to the farm full time presented itself, and in 2016, he joined his father Alan as a partner in the operation. "From day one, my dad was intentional about creating a transition plan, which allowed me to start taking over some of the decision making and taking on additional responsibilities."

**"Being agile and trying new or different things based on the market can be an advantage if you do it right." — Ryan Peterson**

### ABOUT RYAN PETERSON

Fifth-generation farmer

His wife, Whitney, is an agronomist with Syngenta

Three sons: Hunter (11), Weston (7) and Bentley (1)

Volunteer firefighter with the City of Clear Lake since 2012

### CONTINUING THE LEGACY

After a courageous battle with cancer, Alan passed away in February of this year. "Even after the diagnosis, Dad never missed a day of work," Peterson said. "I am thankful that we could enjoy the time we had, knowing that the transition plan was already in place. His positive attitude and love of farming never wavered."

Since officially taking over the reins of the operation, Peterson continues to work alongside family members — including his uncle and younger brother, who are employed on the farm in varying capacities.

"This growing season has definitely been different, not being able to pick up the phone and call Dad, but I know that he left me with the necessary tools to continue our family's work — all the while not being afraid to try something new," Peterson concluded. ●



# PIECES of the Past

Gallaghers create a sentimental journey to rural living 



LAKE GENEVA, Wis. — Like most farmers in the 1960s, Harold Gallagher picked plenty of rocks from his farm fields every spring to prepare for planting. Over the decades, as the pile of stones steadily grew, he likely never saw them for more than a nuisance — an obstacle to overcome in order to do what he loved and provide for his family: farm.

Even less likely? The notion that this discarded fieldstone would literally become the focal point of his grandson's future home.

Ever since Harold and his wife Juanita purchased the rich, fertile farmland, his dream — and his son's dream after him — had been to build a house for the family to call home. But first came clearing and tilling acres for their inaugural planting season. After that, one growing season led to another, and constructing the family home never moved from the backburner.

Eric Gallagher's grandpa Harold passed away young — in his 50s — due to illness. After his death, George, Eric's dad, did the

farming but because he was still attending school, it became too hard. They started renting the farm acreage out so Grandma Juanita could provide for her family and, ultimately, keep the land in the family. Grandma promised Harold she would never sell the farm, and she held her promise to him.

In the summer of 2017, Eric and his wife Stacy took advantage of an opportunity to create their own little slice of paradise on a tract of the family property. Juanita was happy and at peace with the fact that the young couple built their dream and would "never sell the land forever" also.

Located in the lush and picturesque Lake Geneva, Wis., area — about a mile north of the Illinois border — the acreage is close enough to town for school and work (Eric works for the city of Delavan, Wis., and Stacy for a dentist), but remote enough to offer peaceful nights, starry skies and a tranquil environment where they raise their young daughter, Gracie.

From family collectibles to repurposed glass jar lamps to the fieldstone fireplace, the home has plenty of touches from the past.

"We're quite sentimental," Stacy explained. "Throughout the entire project, guarding the essence of family history was our priority."

## THE PROCESS

The 20-something couple did their research and knew what they were looking for in a home and a builder — no cookie-cutter gingerbread cottage for the Gallaghers. They found a contractor willing to listen and set about designing their modest but unique home.

**"We're quite sentimental. Throughout the entire project, guarding the essence of family history was our priority."** — Stacy Gallagher

Surprisingly, finding financing for the build was one of the most challenging aspects of the process. "We battled with logistics with the loan," Stacy said. "Some lenders don't want to deal with large acreage. It can get quite complex if you're not well-versed."

"Plus, we didn't fit the mold; we were young, but we had our own ideas," she continued. "We knew we wanted expertise, service and peace of mind."

Once they met Compeer Financial Loan Officer Ty Rohloff, however, they never looked back.

"Talking to Ty — that sealed our deal," Eric said. "He took us seriously, never judged us for our age, inexperience or goals. His knowledge is incredible. He helped us make sense out of all the logistics and details."

## THE PRODUCT

The end result of all this planning and effort? A stunning barn-red-sided home with enough comfort and character to last generations of Gallaghers. Incorporating

unique qualities into the living space came naturally to Eric and Stacy.

"This property was part of my grandparents' farm," Eric noted. "I have so many memories of camping and hunting with my dad out here. I wanted to recognize and remember that."

On sunny, summer afternoons, Eric and Stacy would pack up Gracie and their labs, Ruger and Remi, for a family outing to Harold's old rock pile, where they gathered the raw materials for the home's landscaping and fireplace.

According to Stacy, "All the fieldstone around our house and in our fireplace are from the property that was farmed in the '60s. Eric hand-cut all the stone and did the masonry himself."

Their country dream didn't stop with the house. Since moving in, the Gallaghers obtained a home equity line of credit from Compeer to build a shed and have plans for adding chickens and maybe some other livestock into the mix.

## THE PEOPLE

"Even though my grandpa is gone and my dad is retired from farming, I still have connections to the land," Eric said. "My good friend farms the land, so I get to hop in the combine or tractor to pick and haul corn. My 6-year-old is by my side every minute of it. She loves it."

For those who love the land, this is what life in the country is all about — setting those family memories in stone. ●

*Above left: Eric, Stacy and Gracie Gallagher enjoy some family time in the front yard of the home they built on family property.*

*Above right: The Gallagher family home overlooks the acreage Eric's family farmed beginning in the 1960s.*



*A Mindset for*  
**SERVICE**

*Strengthening relationships from the field to the boardroom*

ASHTON, Ill. — Growing up, Allyn Buhrow was active in both 4-H and FFA, even serving a term as a state FFA officer. This service mindset continues to be a driving factor for Buhrow. After serving on the nominating committee for Compeer Financial, throwing his hat in the ring for the board of directors seemed to be the natural progression.

“I’ve always taken pride in serving my community and the ag industry,” Buhrow said. “Being elected to the Compeer board by my peers allows me to help make a difference for the future of the cooperative.”

Elected to the board of directors in 2019, Buhrow continues to get acquainted with the diverse segments Compeer serves, including mission financing, food and agribusiness, and emerging markets.

“I have been a client of Compeer since 2006, and even though I was always aware of Farm Credit and its product offerings, it wasn’t until I joined the board that I realized just how many facets of the agriculture industry Compeer supports,” Buhrow said. “To be a part of a group that has so much passion and knowledge of the industry is not only an amazing learning opportunity, but it also brings me confidence that we can serve Compeer stockholders well into the future.”

**GETTING TO WORK**

After receiving his bachelor’s degree in agriculture economics and farm management from the University of Illinois,

Buhrow returned to his hometown of Ashton, where he accepted a position with a local seed agency selling for Pioneer. Twenty years later, Buhrow continues to proudly serve about 60 growers in his area.

“Having a background in agronomy has certainly helped me provide better service to the growers I work with,” Buhrow noted. “Technology has definitely evolved. With the increase in data available to us, we have been able to create more personalized services, plans and recommendations for the growers we work with, in addition to custom treatments.”

Buhrow also farms alongside his parents, growing corn and soybeans. During the busiest times of year, he credits reliable help, strong communication and good time management as keys to being able to get things done. “My dad and I have grown a strong partnership over the years, which has allowed me to put the skills I’ve learned to work for both our own operation and those in our area to be successful.”

**LOOKING TO THE FUTURE**

This fall will be one of change around the busy Buhrow household. Allyn and his wife Amy, who is employed at Northern Illinois University, have two children. Their son Brett will be starting his freshman year of college at the University of Illinois, and their daughter Andrea will head into her sophomore year of high school.

“As we look to the future of agriculture, I believe the agriculture industry will continue to see rapid change — from



**ALLYN BUHROW**   
Ashton, Ill.

- Family includes wife Amy and two children, Brett and Andrea
- Works for a local seed agency selling Pioneer-brand seed and also farms with his parents
- Elected to the board in 2019, and current term expires in 2023
- Serves on Compeer Financial's Governance, Corporate Giving, and Young, Beginning, Small Farmer committees

consumer trends to a generational shift in farm ownership,” Buhrow said. “By having a finger on the pulse of those changes, I am committed to working with other board members to best serve our fellow member-owners.” •



Opposite page: Allyn Buhrow farms in Ashton, Ill., alongside his parents, growing corn and soybeans. Above left: The family home of Buhrow, his wife Amy and two children, Brett and Andrea. Above right: Buhrow takes a closer look at how his 2020 corn crop is coming along.



# From Seed to Spirit TO SANITIZER

Distillery pivots to provide hand sanitizer for local community



FOND DU LAC, Wis. — Five years ago, Jay Retzer began searching for ways to add value to his farming business.

“After that golden era of crop protection ended, margins were tight,” Retzer said. “We weren’t looking to expand but to work with the resources we had.”

And that’s where he found craft distilling.

The leap didn’t seem too far-fetched. Many existing distilleries in Wisconsin touted ingredients from local farmers, and the Retzers already grew two of the main ingredients for making spirits: corn and wheat.

“We decided to become our own end user,” said Retzer, who in addition to farming, is a dairy lending specialist at Compeer Financial. “It doesn’t take a lot of grain to make a lot of spirits. The margins and numbers looked appealing, and we had passion for the venture, so we did the research and dove in.”

Jay and his wife Heidi, a high school special education teacher, founded Ledgerrock Distillery in Fond du Lac, Wis., in 2017. Distilling began in April of 2018.

## FAMILY FARM FOUNDATION

Ledgerrock is a true extension of the family farm.

“When we created the look and feel of our logo and branding, we felt it was very important to keep things centered on the farm,” Heidi noted. “That’s our story and our background.”

“We’re located in the corner of a soybean field, and I think people like that we’re not located in town on Main Street,” she continued. “It’s a full experience to come out to the farm and meet the family that does everything from seed to spirit.”

The Ledgerrock tasting room is a place for customers to gather, drink signature cocktails, take tours and buy Ledgerrock products. Heidi also plans events at the distillery, which includes hosting cheese tastings, local musicians and a market featuring local businesses.

Opposite page: Jay Retzer, co-owner of Ledgerrock Distillery and a dairy lending specialist at Compeer Financial, stands with his distilling equipment at the distillery outside Fond du Lac, Wis.  
Above: A collection of Ledgerrock Distillery products. See page 18 for more on the spirits of Ledgerrock.

"Our promise is that our customers will always feel welcome," Heidi said. "You'll always be greeted when you come through the door, and we hope it's a place to gather with the community and even learn about how the products get from field to glass."

The family affair doesn't stop with Jay and Heidi. Their son Bryce, 22, runs most of the distilling process. He started learning from the beginning, when he was just 20 years old.

"He's probably one of the youngest distillers out there," Jay said.



It's a family affair at Ledgerrock. The Retzers from left to right: Brock, Heidi, Jay, Bryce and Hoyt.

### PIVOTING IN A CRISIS

As coronavirus began to spread throughout the country this spring, the young distillery faced some challenges. With stay-at-home orders issued, they weren't seeing foot traffic to their tasting room or customers buying their product at local restaurants.

Then one day, they received a couple of phone calls from local community members asking if they had produced any hand sanitizer. COVID-19 brought an increased demand for hand sanitizer, and some distilleries across the country had started to produce it.

"We didn't know the first thing about hand sanitizer," Heidi said. "That obviously was not part of our original business plan."

But soon after, an email arrived in their inbox from the World Health Organization informing them that, as a registered distillery, they were able to produce hand sanitizer. The email even included a recipe for making it.

"We had a family meeting and decided to go for it," Heidi noted. "Once the word got out, the phone starting ringing. Some days I had appointments every five minutes for people picking up orders."

They were working around the clock. "Between all of us, we kept the still running 24 hours a day for about a month," Jay said. "It was a lot of work, but it was a bit of a silver lining after having to shut down. We were able to keep the community safe, keep our business going and spread awareness of our brand."

In addition to selling to local customers, the Retzers donated sanitizer to community first responders, nursing homes, food pantries and local FFA chapters.

Their one learning from the pivot to hand sanitizer? "I wish we would have jumped in to take advantage of the opportunity faster," Heidi said.

### CONSIDERING VALUE-ADDED VENTURES

The Retzers say when considering taking on a value-added business, it's important to do work up front before jumping in.

"Talk with people who are already doing what you do and learn from them," Jay said. "Make sure it's a good fit for you, not just in terms of dollars. Be cautious about taking something on that you might not have a passion about. If you have a vision and you know what you want, stay true to that."

Other words of wisdom? "Do your research, trust your instincts," Jay added. "If you've completed the legwork, research and budgeting, you're on the right track."

The ability to jump in on new or diverse opportunities is an asset in today's agricultural economy. Jay tells this to his dairy clients as well.

"You're more likely to weather the storms if you're open to change and diversify, and if you're always looking for the next opportunity," Jay said. "If there's something you can do to add value, why not explore it?"

### THE SPIRITS OF LEDGEROCK

- **Vodka:** Made from 100 percent corn on the Retzer farm, this was the distillery's first offering, as it's the fastest to produce, only taking two to three weeks.
- **Gin:** Similar in process to vodka, but with added juniper and botanicals, the Frostbite Gin takes about three weeks to make from start to finish.
- **Bourbon:** Dark spirits like bourbon don't have to be distilled as much as clear spirits, but they spend a considerable amount of time aging in barrels. The barreling process takes anywhere from 13 months to four years. Ledgerrock bourbons are still young, but the Retzers' goal is for all future bourbons to be at least 5 years old.



## START, MANAGE & GROW WITH AN ORGANIC BRIDGE LOAN

### SOLUTIONS AS UNIQUE AND HARDWORKING AS YOUR OPERATION.

If your farm is a non traditional agricultural operation marketing products directly to consumers or through local and regional food systems, Compeer Financial® can help.

### ORGANIC BRIDGE LOAN PROGRAM

We understand that business transitions can be difficult. When your operation is looking to transition from conventional to organic grain production, we are here to help. Our new Organic Bridge Loan Program will help maintain liquidity to suit your needs.

Loan proceeds can be drawn for two or three years during the transition process, and you are only required to pay the annual interest during the transition.

Once you have achieved organic certification, the loan converts to a term loan with fully amortized principal and interest payments. The length of the loan term will be determined based on available cash flow.

Partner with us to make your goals possible.

[COMPEER.COM/EMERGINGMARKETS](https://compeer.com/emergingmarkets)



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# CONNECTING TOGETHER *Online*

MyLearning and MyCompeer provide unique access for Compeer clients

As we continue to navigate work and life in these challenging times, technology and digital tools have become vital in giving clients at Compeer Financial the flexibility needed to conveniently manage their accounts and get business done.

Compeer's newest online tools — MyLearning and MyCompeer — make it even easier for clients to manage their accounts and access exclusive online educational resources.

The team at Compeer Financial understands working and living in rural America is hard work. As your partner, Compeer is proud to provide robust online tools to make it even easier for clients to work with us — at any time and from anywhere.

Ready to get started with MyLearning and MyCompeer? Visit us online at [compeer.com/online-services](https://compeer.com/online-services) to enroll or call us at (844) 426-6733.



## MyLearning: Free customized videos, interactive modules and downloadable tools and worksheets

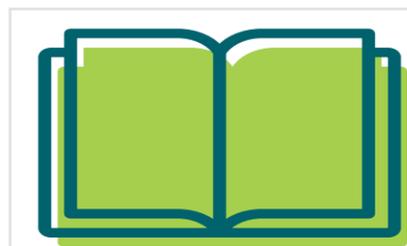
You know that continued learning is a key component for success in agriculture. Farmers excel when it comes to solving problems — and to be able to problem-solve without reservation requires staying informed and growing your knowledge base. As a Compeer Financial client, you have access to an exclusive library of content tailored specifically to you and your operation through our new MyLearning portal.

Is it time to update your balance sheet and you need a refresher course on how to do that? Curious about getting started with a transition plan? Ready to get serious about developing a practical

grain marketing plan? MyLearning can help you with all of these and more through our customized videos, interactive modules, downloadable tools and worksheets, and even some opportunities for peer-to-peer discussions.

Even better, all of our MyLearning content is designed with your busy schedules in mind. MyLearning programs are quick and to the point, helping you easily find the information you need. Access

MyLearning (you'll find it in MyCompeer under "Tools") to boost your farm business skills, whenever and wherever you need it.



BOOKKEEPING AND ORGANIZATION



CREATE A PRE-HARVEST MARKETING PLAN



FARM FINANCIALS: FIND YOUR REASON WHY



## MyCompeer: Client Portal

Our newly launched MyCompeer portal is an interactive tool that gives clients unique access to their account information at Compeer Financial. Using MyCompeer is straightforward and intuitive — clients can view their account balances and payment information, look up account statements and review select crop insurance documents. Clients can also securely upload and share documents with their account team at Compeer and manage their contact information and communication preferences — all in one place.



Check out MyCompeer's newest enhancements:

### ONLINE BALANCE SHEET

Creating an accurate balance sheet is one of the most important steps in building a solid financial foundation — balance sheets help you assess and manage the financial health of your farm.

IN PROGRESS BALANCE SHEET	
John Doe - 1234567   Balance Sheet Date: 12/31/2020	
<b>ASSETS</b>	
✓ > CHECKING AND SAVINGS	\$245,000
✓ > MARKETABLE SECURITIES	\$89,200
✓ > ACCOUNTS RECEIVABLE	\$475,250

Compeer recently added an interactive balance sheet tool within MyCompeer, allowing clients to easily input their assets and liabilities line by line to create a complete balance sheet. Clients can submit this balance sheet directly to the team at Compeer within the tool — and the balance sheet can also be downloaded and printed for other uses.

This simple-to-use tool makes it easier and provides more flexibility for Compeer clients. To use the balance sheet tool, clients just need to enroll in MyCompeer and after logging in, click "documents" and then "balance sheets" to get started.

### RENEW OPERATING LOANS ONLINE

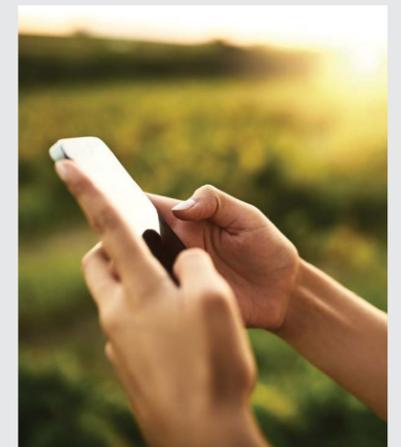
Earlier this year, Compeer Financial launched the online renewal of certain operating loans. This is an easy and simple process. Clients with operating loans that are eligible for online renewal will receive direct communication from Compeer about due dates and how to complete the renewal online.

This renewal process takes just minutes to complete online, and it saves valuable time because you don't need to schedule an appointment to sign your renewal documents.

MY ACCOUNTS	
Quickly access all the loan, lease and other accounts you have access to.	
Loans & Bonds	Investment Accounts
Account	Primary CIF
OPERATING - 9876543210	
John Doe	0000001
Up for Renewal - Renew Now	

## Enrollment is Quick & Easy!

- Visit [compeer.com/online-services](https://compeer.com/online-services) and click "MyCompeer"
- You'll need the email address associated with your current Compeer account
- You'll be asked questions about your credit history to verify your identity
- You'll be asked to create a username and password, and to further verify your identity using a PIN sent to your phone



## Coming soon!

Compeer is making enhancements to our Online Banking and Mobile Banking App!

Later this fall, you'll see some changes in our Online Banking systems — including a fresh, new look and updated tools to make it even easier for you to manage your Compeer accounts online.

Stay tuned — more details to come!



## BOARD OF DIRECTOR ELECTION BALLOTS DUE OCTOBER 2

The Compeer Financial Board of Directors election is underway. Our board of directors sets business direction, and monitors and evaluates operations, all while taking into consideration client needs, the changing marketplace and Compeer's commitment to serving agriculture and rural America.

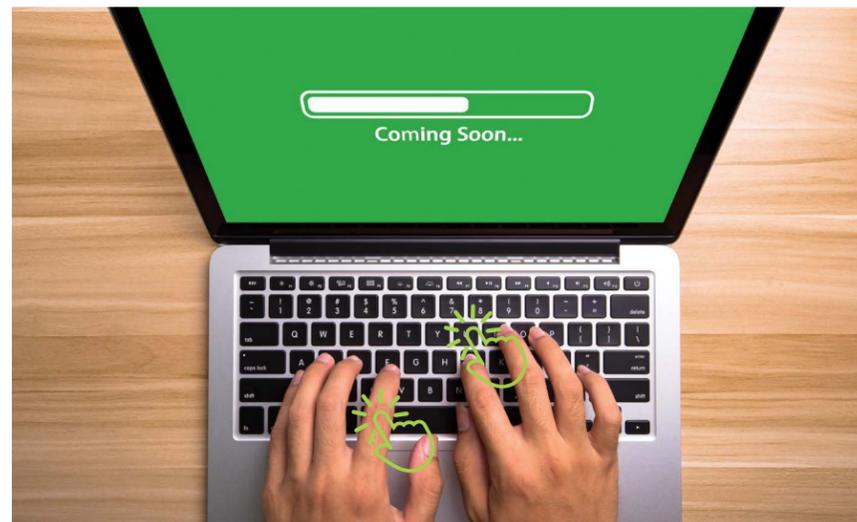
Our member-owners have a voice in our cooperative, and voting in the election is an important opportunity to let your voice be heard.

Here are a few things to keep in mind:

- Three director positions are up for election, one in each state in our territory – Illinois, Minnesota and Wisconsin.
- Eligible voting members will receive their ballot in the mail in early September.
- Visit [compeer.com/elections](https://www.compeer.com/elections) to learn more about the 2020 candidates and hear about their approach to the cooperative model and agriculture.
- Ballots must be received by October 2.

## COMING SOON!

Compeer Financial is launching a new Online Banking platform at the end of October – providing clients with enhanced tools and new features to easily and conveniently manage their money. Look for more information about these exciting changes later this fall!



## UPCOMING GRANT PROGRAM DEADLINES

For more information on the grants available or to apply for a grant, visit [compeer.com/giving-back](https://www.compeer.com/giving-back).



### Farmers Market – Organization Grant

**Application Period:** October 1–November 15

Compeer Financial's Farmers Market – Organization Grant helps organizations enhance services to consumers and vendors, benefiting all those utilizing the market.



### Farmers Market – Vendor Grant

**Application Period:** October 1–November 15

Compeer Financial's Farmers Market – Vendor Grant supports farmers with marketing or technology advancements, including branding development, website creation or mobile payment technology products or fees. Applicants must be a client of Compeer Financial.



### General Use Grant

**Application Period:** November 1–December 4

Compeer Financial's General Use Grant underscores our commitment to champion the hopes and dreams of rural America. The purpose of the General Use Grant is to fund programs and organizations whose work aligns with our mission of "Enriching agriculture and rural America."

## ATTEND A COMPEER WEBINAR

Join our free webinars for insightful market updates, best practices and more. Attend live or watch our extensive on-demand library. For more information, visit us at [www.compeer.com/webinars](https://www.compeer.com/webinars).

Topics covered include:

- Market updates
- Farm financial management
- Stress management
- Women in ag
- And many more!

## HOLIDAY HOURS

Compeer Financial will be **CLOSED** for business in observance of the upcoming holiday:



**Labor Day**  
(Monday, Sept. 7)

## BEGINNING FARMER?

*We have a program for you!*



### GROUNDBREAKERS BEGINNING FARMER PROGRAM

Starting a career in farming comes with its own unique challenges. Compeer Financial® can help you get started to make your dreams of building a legacy a reality. **From special financing and long-term fixed rates to a grant program and educational resources including a tailored conference**, we're here to help you succeed. And our experienced financial team will guide you every step of the way.

See how we're supporting the next generation of agriculture:

[COMPEER.COM/BEGINNINGFARMERS](https://www.compeer.com/beginningfarmers)

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### LET'S MAKE YOUR PLANS A REALITY, TOGETHER.

We see potential in your plans. Our unique perspective is born from decades of working with commercial producers and agribusinesses. Our Food and Agribusiness team understands your challenges and opportunities and is equipped with the **financial solutions and funding capacity** to meet your needs. As these industries become increasingly complex, our experienced financial team will guide you every step of the way.

Partner with us to make your goals possible.

[COMPEER.COM/FOODAGRIBUSINESS](https://www.compeer.com/foodagribusiness)

Compeer Financial can provide assistance with financing and operations based on historical data and industry expertise. Compeer Financial does not provide legal advice or certified financial planning. Compeer Financial, ACA is an Equal Credit Opportunity Lender and Equal Opportunity Provider and Employer. © 2020 All rights reserved.



2600 Jenny Wren Trail  
PO Box 810  
Sun Prairie, WI 53590

*Nominations are now open!*



## GROUNDBREAKER OF THE YEAR

*presented by Compeer Financial®*

**GroundBreaker of the Year winner receives a \$5,000 cash award!**

Do you know a young, beginning and/or small-operation farmer or rancher who is passionate about what they do and makes a positive impact on their industry and profession?

Nominate them for our **GroundBreaker of the Year award**.

**Nomination deadline: October 31, 2020**

**Winner will be announced at the  
2021 GroundBreakers Conference**

For more information or to submit a nomination, visit:

**[compeer.com/groundbreakeroftheyear](https://compeer.com/groundbreakeroftheyear)**



Willard Mott  
GroundBreaker of the Year  
Award Winner - 2020

