

Kansas Ag Bankers (KAB) Division

2021 Annual Report



Kansas Ag Bankers

A DIVISION of KBA

A message from the KAB Division President
Jay Meyer, Centera Bank, Sublette

Greetings from the KBA – Kansas Ag Bankers (KAB) Division Board of Directors. On behalf of the entire Board, I want to wish you and your family a Happy New Year! We hope your holiday season was filled with much joy and many blessings.

2021 brought continued challenges resulting from the Covid-19 pandemic. Of immediate concern to our nation's ag producers is the supply chain crisis and rising inflation. Although most of the Kansas ag producers we work with have experienced strong profitability in 2021, the prospects for next year appear less certain with rising input prices and the threat of falling commodity prices. I am confident that we as Kansas bankers will continue to find a way to assist our customers in meeting these challenges, providing them with some of the tools needed to succeed long term. As ag bankers we must continually strive to improve our own skills and stay abreast of industry trends, so that we are prepared to assist our customers in meeting the challenges they will face.



The KAB Division Board is putting the finishing touches on the 2022 Kansas Ag Bankers Conference scheduled for March 2nd and 3rd in Manhattan. The 2021 Conference was very well attended in spite of being held virtually. The presenters for the 2022 Conference are going to provide us with real-time perspectives related to what our ag customers are facing in the coming years and how we can assist them. Not only will you walk away with some valuable information and resources from industry experts, you will also be provided with great networking opportunities to learn from fellow ag bankers. In addition, there will be a number of vendors at the trade show informing us about new and exciting resources available. We hope you will make plans to attend this conference.

The KAB Division is supported by the membership of 125 ag banks from across the state. This membership enables KAB to support many organizations on a collective basis such as FFA, 4-H, KARL, Ag in the Classroom, and the Kansas Water Congress to name a few. KAB also contributes financially to support the KBA's lobbying efforts at both the state and federal levels. We strongly believe these contributions are strategic investments in the future of our rural communities and sincerely appreciate the support of our current membership. If you are not currently a member, please give serious consideration to joining our team.

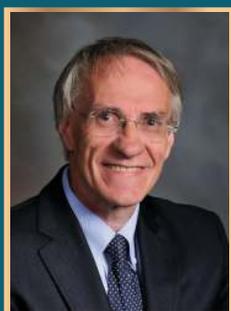
I have been honored to serve as your President this past year. It is very rewarding to work with such a dedicated and knowledgeable Board, and to have the opportunity to meet so many other ag bankers from across our great state. We, as a Board, owe a significant amount of our success to the support of the Kansas Bankers Association staff who work tirelessly behind the scenes. Their dedication and professionalism are invaluable and greatly appreciated. We look forward to seeing many of you in Manhattan at the 2022 Kansas Ag Bankers Conference on March 2nd and 3rd, 2022!

2021 KANSAS AG BANKERS CONFERENCE HIGHLIGHTS

Conference Speakers



Randy Blach
CattleFax



Dr. David Kohl
AgriVisions, LLC



Paul Mussman
AgWest



Eric Snodgrass
Nutrien Ag Solutions

The 2021 Kansas Ag Bankers Conference was held virtually March 3-4 with over 200 bankers in attendance.

The first presenter, Dr. David Kohl, shared how the sudden impact and lasting effects of the COVID-19 pandemic have created accelerated changes. It also has created economic and financial ripples that will be felt for years to many business models in agriculture. The 2020s will be the decade of economic divide that will test the art and science of agricultural lending. He also explained how management mindset will be a critical element for success in the decade of the 2020s in agriculture. The pandemic has shaped disruptions in markets, consumer trends and how one navigates everyday life. While some will equate the disruption as a negative, others will view it as an opportunity. This pandemic has added rocket fuel to change in business and society. In farm and ranch business management, teamwork with family members is critical for success.

Attendees then listened to a panel discussion, "Managing Credit Risk & Regulatory Relationships: Thinking Differently Together." Presenters were Doug Johnson, Ag Strategist from Moody's Analytics; John Jilovec, Deputy Regional Director from Kansas City Region of FDIC; and Mike Jackson, Vice President at Ford County State Bank in Spearville. The panel shared concerns, challenges and found opportunities in the current Ag Era.

The first day wrapped up with "The Business of Agriculture" presented by Damian Mason, Producer, Host and Author and Agriculturalist. Damian provided a discussion about trends and issues impacting the future of food and agriculture.

Day two started with Randy Blach, CattleFax, as he opened his outlook stating, "You think about the timing of the Tyson fire we had last year, and the market was depressed in September and October, we had a backlog, and the prices were cheaper than normal" Blach said. Over the past couple years, the cattle industry has navigated two Black Swan events, with the most recent being supply chain challenges because of the Corona-virus pandemic.

Paul Mussman then provided his insightful presentation, "Update on Ag Markets and The Tools Farmers Can Use to Reduce Risk." Mussman shared tips for marketing and profitable decision making amidst a challenging economy.

During the 2021 annual meeting, the KAB Division honored the passing of Dr. Barry Flinchbaugh with a moment of silence.

Eric Snodgrass closed the conference with his ever-popular weather update. Record setting rains defined 2019 while flash drought, a derecho, 30 tropical cyclones, and western wildfires dominated weather headlines in 2020.

Thanks to the following sponsors: Platinum – Schools of Banking, Mammoth Creative Co., Country Banker, Bankers' Bank of Kansas, FarmerMac; Gold – Ag Risk Solutions, INTRUST Bank; Silver – First National Bank of Hutchinson, KBA Insurance Inc., FHLBank Topeka, Security 1st Title, Kansas Corn, Fort Hays State University Robbins College of Business and Entrepreneurship, Kansas Soy Commission, AgWest Commodities.

The next Kansas Ag Bankers Conference will be on March 2-3, 2022, at the Hilton Garden Inn and Convention Center in Manhattan, Kansas.

TAX EQUITY MESSAGE FROM KBA PRESIDENT & CEO DOUG WAREHAM

Three years ago, KBA's Board of Directors directed KBA's government relations staff team to pursue legislation that would begin addressing tax policies that harm the competitiveness of Kansas banks. As KBA began laying the foundation for the introduction of tax equity legislation at the Kansas Statehouse, it was imperative that we have the financial resources needed to educate state lawmakers and stakeholders of the need for a competitive tax environment that will sustain local credit provided by Kansas community banks for the long-term viability of the communities they serve. KBA's Kansas Ag Bankers (KAB) Division was the very first group to step forward and pledge financial resources to the tax equity cause. That investment paid dividends this past spring for Kansas banks and our rural customers with the adoption of Senate Bill 15, which will provide Kansas banks and their borrowers with the same tax exemption benefit enjoyed by the Farm Credit System for agricultural real estate loans and rural housing loans in communities of 2,500 or less. This new Kansas law will take effect on January 1, 2023, and it is a giant first step towards tax equity for Kansas banks. Thank you, Kansas Ag Bankers, for your foresight and collective financial support. Now let's take the tax equity battle to Congress!



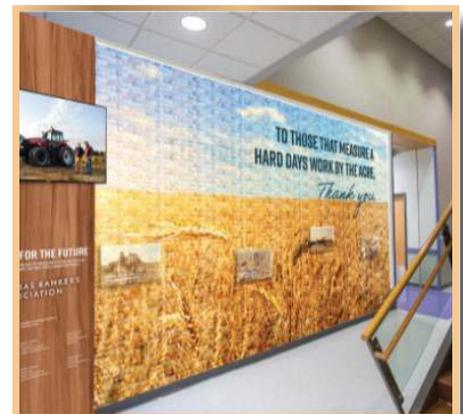
KAB DIVISION SUPPORTS FFA CAREER SHOW AND STATE OFFICER LEADERSHIP DEVELOPMENT



Kansas Ag Bankers (KAB) has a very long and proud history of supporting the Kansas FFA Foundation, which includes FFA members and agricultural education professionals across Kansas. For several years, the collective financial donations by the KAB Division has underwritten the cost of the Kansas FFA Career Show held in conjunction with the State FFA Convention every June. The career show features employment opportunities with ag-related businesses across Kansas and it provides our Kansas Bankers Association (KBA) with a front row promotion seat for career opportunities in Kansas banks. In addition to supporting the FFA Career Fair, KAB Division financial support also helps underwrite the leadership development training for the six members of the Kansas FFA State Officer Team. These young agricultural leaders, charged with spearheading training and development programs for the nearly 10,000 Kansas FFA members, participated in a Community Banking 101 training session at the KBA office highlighting the critical economic development and sustainability role banks play in rural Kansas communities.

KAB SPEARHEADS SUPPORT FOR FARMER TRIBUTE WALL AT KANSAS WHEAT INNOVATION CENTER

The partnership between Kansas ag bankers and Kansas wheat producers dates back to the very first Kansas banks opening their doors for business in the mid-1850's. The availability of local agricultural credit and steadily improved production practices has led to Kansas becoming referred to as The Wheat State and globally referred to as The Breadbasket to the World. Kansas wheat has been, and moving forward will continue to be, a critically important commodity for Kansas farmers and for our overall Kansas economy. KBA's Kansas Ag Bankers (KAB) Division recognizes the importance of wheat production, not only for Kansas producers, but for the long-term viability of the Kansas economy. The KAB Division is proudly investing in a tribute wall at the Kansas Wheat Innovation Center, which supports getting improved wheat genetics in the hands of Kansas wheat producers.



KBA - Kansas Ag Bankers Division 201-2022 Board of Directors

Jay Meyer

President
Centera Bank, Sublette

Mikel Hadacheck

Secretary/Treasurer
Astra Bank, Belleville

Robert Rugan

Farmers Bank & Trust, Great Bend

Lucas Sawyer

Prairie Bank of Kansas, Inman

Stephen Hendrickson

Citizens Bank of Marysville, Hanover

Brad Zimmerman

First National Bank, Scott City

Brett Wicker

Bank of Commerce, Chanute

David White

Vice-President
INTRUST Bank, NA, Wichita

Tim Smith

Past President
First State Bank, Plainville

Shelly Turner

Security State Bank, Scott City

Lindsey Martin

Bank of Protection, Ashland

Tricia Fowler

Heartland Tri-State Bank, Arlington

Greg Saville

First National Bank and Trust, Phillisburg



KAB Division Provides Scholarships for College Students

The KSU Foundation inspires and guides philanthropy toward university priorities to boldly advance K-State. In 2003, the Kansas Ag Bankers endowed \$100,000 to the Kansas State University Foundation. That fund continues today, awarding scholarships to KSU students enrolled in Ag Economics. The purpose of this scholarship is to honor Kansas Ag Bankers and to provide financial assistance to students properly enrolled in the College of Agriculture at Kansas State University. To be eligible, the students shall be undergraduate students enrolled in the Department of Agricultural Economics in the College of Agriculture, pursuing a career in banking or finance, reside in Kansas and have a minimum grade point average of 3.2.

2020-2021 KAB Budget

Income

Dues (\$100 per bank)	\$13,600
Interest Income	\$900
AG Bankers Conference	\$120,000
Miscellaneous	\$500
Total Income	\$135,000

Expense

Administrative Fee	\$15,000
KBA Capital Campaign	\$5,000
Conference Expense	\$60,000
Board Meetings	\$5,000
Board Travel/Special Events	\$1,500
ABA Conference (President)	\$3,000
ABA Conference (Kansas Night)	\$1,500
Printing/Letterhead	\$500
Postage	\$500
FFA Donation	\$5,000
KARL Donation	\$2,500
4-H Donation	\$2,500
Ag in Classroom Donation	\$2,500
KS Water Cong/Conf	\$1,000
KBA Margin Management	\$4,000
Misc. Expense	\$2,500
Kansas Pride, Inc.	\$1,000
Women Managing the Farm	\$500
Conference Expense	\$13,000
Fed Affairs Rep	\$2,500
KBA Staff Travel	\$3,500
Promotions/Advertising	\$2,500
Total Expense	\$135,000



Kansas Ag Bankers

A DIVISION of KBA

KAB DIVISION PARTNERS INCLUDE:



KANSAS
FFA FOUNDATION



THANK YOU!