



MAY, 2016 Volume 69 No.5

Official Publication of the Arizona Farm Bureau

A Conversation with a Food Industry Executive: Beth Ford

Congress moved too slowly on GMO labeling and now food companies are taking their own initiative to address the issue. Beyond labels, some of our behemoth food companies are setting the model for innovation.

By Julie Murphree, Arizona Farm Bureau Communication Director

At the end of last year, the multi-billion dollar company, Land O'Lakes, promoted Beth Ford to group executive vice president and chief operating officer at Land O'Lakes, Inc. She has responsibility both for the Purina Animal Nutrition and U.S. Dairy Foods businesses and for Supply Chain and Operations, Information Technology and Research and Development across the entire Land O'Lakes, Inc. enterprise. Of course, I was curious to connect with Beth due to her role in supply chain and operations having covered supply chain management for the Institute of Supply Management for a decent chunk of my career. She was gracious enough to respond to my questions about the food supply chain.

And, her boss says great things about her. "Beth has done a remarkable job of establishing and leading a fully integrated supply chain and operations function. Adding IT and R&D to her responsibilities has resulted in even stronger functional teamwork and improved operating effectiveness. These accomplishments and her stronger partnerships with the business units opened new opportunities with our customers and built capabilities for continued rapid growth," said Chris Policinski, president and CEO of Land O'Lakes, Inc. "Beth's promotion continues my commitment to executive development and succession management."

Ford joined Land O'Lakes in 2011 from International Flavors and Fragrances (IFF). At IFF, she was responsible for optimizing the company's global manufacturing infrastructure, including consolidation of multiple international facilities as well as the construction of new manufacturing facilities in India, China and Singapore. Prior to IFF, she held leadership positions at companies in multiple industries including PepsiCo/Pepsi Bottling Group, Mobil Oil and Scholastic Corporation.

With corporate headquarters located in Arden Hills, Minnesota, Land O'Lakes, Inc., is one of America's premier agribusiness and food companies. It is a member-owned cooperative with industry-leading operations that span the spectrum from agricultural production to consumer foods. With 2015 annual sales of \$13 billion, Land O'Lakes is one of the nation's largest cooperatives, rank-

ing 203 on the Fortune 500. Building on a legacy of more than 94 years of operation, Land O'Lakes today operates some of the most respected brands in agribusiness and food production including LAND O LAKES® Dairy Foods, Purina Animal Nutrition and WinField Solutions. The company does business in all 50 states and more than 60 countries.



Says Beth Ford, "Companies need to focus on their core and build from there. Innovate from your expertise. The need for agility cannot be overstated; it's critical to responding to market changes and consumer needs."

This conversation with Beth is quite timely in today's GMO-labeling environment. More and more large food companies are labeling their key products for GMOs. In fact, you may hear commentaries such as, "We are not anticipating any supplier issues, but we have a lot of people and resources to throw at this - a lot of companies don't," said General Mills spokeswoman Mary Lynn Carver, on complying with Vermont's GMO labeling law. I asked Ford in this article about the issue too.

Arizona Agriculture: Land O'Lakes has been around for some time and as a premier agribusiness and food company it has links up and down the food supply chain. But because it's large, can it innovate in a market that moves at a fast pace? What's your best advice for companies wanting to effectively innovate?

Ford: We constantly innovate and do so across our enterprise. People know us for our butter, and we're an innovation leader in that space. Last year we introduced European-Style Butter, and it's been a great success. But our innovation spans our enterprise — from farm to fork. We also own Purina Animal Nutrition which is a leading provider of nutritious, scientifically-balanced feed for lifestyle and livestock animals.

Some of our greatest innovations are coming from our Winfield Solutions business, which is one of the country's leading suppliers of seed and crop and seed inputs and crop protection products. We've invested in technology and science, giving the producers the ability to select the tools they choose on the acre. We develop drought-resistant seed and tools — including our satellite R7® Tool — that help farmers pinpoint exactly what nutrients underperforming products need. We know

See FORD Page 4

2016 Legislative Wrap Up: A Mix of Everything

By Joe Sigg, Arizona Farm Bureau Government Relations Director

As the second session of the 52nd Arizona Legislature winds down, we can expect legislators to be eager for "sine die" since the 2016 election year means incumbents and new candidates have their feet already firmly planted on the raucous campaign trail.

And speaking of campaigns, you might recall Governor Doug Ducey started the session with a flourish of discussion on education and the economy. His education mantra might be most fully represented with the May 17 Special Election ballot initiative of Arizona Education Finance Amendment, Proposition 123 (*Arizona Agriculture's* April 2016 issue contains a full article on this topic).

In his State of the State, Ducey spoke about K-12 funding and reduced regulations for businesses. But in this year's Legislative Wrap-up, you'll note that education and reduced regulation was not a central focus; instead it reflects a mishmash of things. Bill's status was as of publication date.

KEY  PENDING  GOVERNOR SIGNED

House Bills

2001 – Unlawful Distribution of Private Images: You cannot post photos where people have an expectation of privacy and there is harmful intent in the posting. 

2023 – Delivery; Early Ballots, Limitation: Prohibits collection of ballots by another person. 



From drone legislation to weights and measures, this year's legislative session can be described as representing a mishmash of bills.

Mark Your Calendar - Page 2
Women's Leadership Conference in July

Policy Development - Page 5
It's That Time Again!

Your First Farm Loan - Page 6
For beginner farmers: What You Need to Know

See WRAP UP Page 2

Eleven Reasons to Attend the Women in Agriculture Conference

By Peggy Jo Goodfellow, Arizona Farm Bureau Marketing Manager

It's time to register for the 20th annual Women in Agriculture Conference that will be held at the Wigwam Resort July 14 through 15. The theme this year is *On Target for the Future*.



Our mix of topics and speakers means all educational needs will be met.

Why should you attend the conference this year? Here are 11 good reasons.

- 1. Location, location, location!** The Wigwam Resort is more than a resort, it's part of Arizona history. Blending casual elegance with the charm of the Southwest, the Wigwam is a relaxing getaway destination. Plus, it's a rare find when that history is so embedded in Arizona agriculture!
- 2. Time of year.** In July, the traffic in the West Valley of the Phoenix area is less and more relaxed.
- 3. Free from Conflict.** The July dates for this conference don't conflict with FFA or the Summer Ag Institute activities.
- 4. Farm Tour.** Tour the Danzeisen's Dairy on Thursday, July 14 and taste all their milk flavors. They'll also share their story about opening up a retail line of their traditional dairy business.
- 5. Networking.** There is plenty of time to relax and network with your fellow aggies. Plus, you can make new friends.
- 6. Meet the Keynote.** Meet and talk with fellow agriculturalist and keynote speaker Mark Killian, Director of the Arizona Department of Agriculture.
- 7. Time for Discovering.** Learn that a Women's Place is in Control. (I love this one!)
- 8. Your Just Desserts.** There will be pie and ice cream for dessert.
- 9. Educational Drive.** Mix of speakers and topics means you'll come away with more knowledge and understanding.
- 10. Anyone's Welcome.** The educational conference encourages young and old, male and female and all segments of agriculture.
- 11. It's Inspirational and Encouraging:** One 2015 conference attendee said, "Being encouraged to speak to those who think differently." Another said, "Every aspect of the conference was excellent; I can't choose just one area."

To register for the conference go to www.azfb.org, then click on the red theme target. For hotel reservations call 800.327.0396 to book your hotel reservation by June 23, 2016 to receive the special group rate. If you need more information, contact Peggy Jo Goodfellow at 480.635.3609 or email peggyjogoodfellow@azfb.org.

Wrap Up

continued from page 1

- 2133 – TPT; Exemption; Aerial Applicators:** Exempts the sale of Agricultural Aircraft from sales tax. —
- 2171 – Weights and measures; Omnibus:** Adds weights and measures as a new division to the Arizona Department of Agriculture. —
- 2291 – Groundwater; Waterlogged area Exemption; date:** Exemptions from groundwater rules in waterlogged areas. —
- 2326 – Agricultural Feed; Sales; Tax Exemption:** Exemptions from livestock feed from sales tax. —
- 2340 – Wild Horses; Management; Prohibition:** Protection for Salt River horses. —
- 2455 – Wildfire Suppression; Joint Study Committee:** Establishes a joint wildfire suppression study committee (may not pass). —

Senate Bills

- 1190 – Conservation Districts; Education Centers:** Allows NRCD's to establish education centers. —
- 1191 – Water Protection Fund; Conservation; Supply:** Expands the use of the Arizona Water Protection Fund. —
- 1241 – Photo Radar Prohibition; State Highways:** Eliminates photo radar on Arizona Highways. —
- 1270 – Pest Management Division:** Completes the integration of the office of pest management as a new division within the Arizona Department of Agriculture. —
- 1243 – Mexican Wolf; G&F Approval; Reporting:** Provides for an MOU between Game and Fish and USFWS on wolves. —
- 1381 – Wine; Direct Shipment:** Allows for direct wine shipments to consumers for personal use under a lengthy list of criteria. —
- 1449 – Prohibited Operations; Unmanned Aircraft:** New regulation on unmanned aircraft. See the detailed article this issue regarding unmanned aircraft. —
- 1525 – JTED Restoration and Reforms:** Restores most JTED funding. —

We make insurance simple.®

A Farm Bureau agent makes insurance simple and affordable for you to protect your family, home and car.

With offices across the state, we make it simple to protect your family, home, car and business. Contact your local agent today.

BUCKEYE 🚛 311 N. Miller Rd. 623.935.6209	MESA 🚛 2500 S Power Rd., Ste 113 480-807-7987
BULLHEAD CITY 🚛 2071 Hwy. 95, Ste A 928.763.8464	ORO VALLEY 🚛 10355 N. La Canada Dr. #197 520.885.3083
CASA GRANDE 🚛 408 N. Sacaton, Ste. E 520.836.2511	PARKER 🚛 1212 S. Kofa Ave. 928-669-2437
CAVE CREEK 🚛 6554 E Cave Creek, Rd#4 480.575.0710	PAYSON 🚛 512 S. Beeline Hwy. #4 928.474.1775
CHANDLER 🚛 912 W Chandler Blvd, Ste., B-6 480.284.4223	PHOENIX 🚛 22601 N. 19th Ave. #106 623-434-8097
COTTONWOOD 🚛 1759 E. Villa Drive, #113 928.649.8686	PRESCOTT 🚛 21630 N 19th Ave, Ste B-18 623.388.3349
DEWEY 🚛 171 S. Hwy 69, # C 928.632.0014	SCOTTSDALE 🚛 4600 E Washingt Suite 300 602-772-4916
FLAGSTAFF 🚛 2733 E Lakin Dr. #1 928.527.1343	QUEEN CREEK 🚛 3005 N. Hwy. 89 928.778.9350
GILBERT 🚛 Higley Rd. #100 480.635.3860	SAFFORD 🚛 620 S. 1st Ave. 928.428.4618
GLENDALE 🚛 18301 N. 79 Ave., #D146 623.878.2491	SCOTTSDALE 🚛 7650 E. Redfield Rd. Ste. D-4 480.483.8787
GOLD CANYON 🚛 6499 S Kings Ranch Rd #1 480.621.3076	SHOWLOW 🚛 810 E. Duece of Clubs 928.537.2990
GOODYEAR 🚛 3673 S. Bullard Ave., Ste. 101 623.925.0190	SUN CITY WEST 🚛 13540 W Camino Del Sol Ste.18A 623.498.8657
KINGMAN 🚛 3518 N. Irving St., Ste. A 928.757.5555	TEMPE 🚛 6101 S Rural Rd #120 480.967.7306
LAKE HAVASU CITY 🚛 1600 McCulloch Blvd. N. Ste. B5 928.846.3232	TUCSON 🚛 460 W Roger Rd. # 101 520.407.1111
MARANA 🚛 11755 W Grier 520.682.4636	WICKENBURG 🚛 2331 Hualapai Mountain Rd. Ste. D 928-377-5000
MESA 🚛 1012 S. Stapley Dr., #114 480.649.0260	WILLCOX 🚛 365 N Haskell Ave. 520.766.3276
	WILLIAMS 🚛 128 W. Grant, Ste. A 928.635.2181
	YUMA 🚛 661 E 32nd St., Ste. A 928.782.0012
	7175 E 31st Pl., Ste. B & J 928.248.5038

🚛 Office with Ag Wise agents



FARM BUREAU FINANCIAL SERVICES

Insurance • Investments

www.fbfs.com

Western Agricultural Insurance Company*, Farm Bureau Property & Casualty Insurance Company* and Farm Bureau Life Insurance Company*/West Des Moines, IA. *Company providers of Farm Bureau Financial Services



Arizona Farm Bureau Federation

325 S. Higley Rd., Suite 210 • Gilbert, AZ 85296 • 480.635.3600 • fax 480.635.3781 • www.azfb.org

The Voice of Arizona Agriculture

OFFICERS

President • Kevin Rogers, Mesa
1st Vice President • Stefanie Smallhouse, Redington
2nd V. P. • John Boelts, Yuma
Exec. Secretary • James Klinker, Mesa
EXECUTIVE COMMITTEE
Bill Kerr • Buckeye
DeWayne Justice • Waddell

ARIZONA AGRICULTURE STAFF

Julie Murphree, Editor
Peggy Jo Goodfellow, Advertising
Please send comments to:
arizonaagriculture@azfb.org
For advertising, e-mail ads@azfb.org, call 480.635.3609 or visit www.azfb.org/publications.htm

Arizona Agriculture

is published 9 months, plus two special editions annually, (ISSN 0274-7014) by the Arizona Farm Bureau Federation...
325 S Higley Rd., Suite 210
Gilbert, AZ 85296
Periodicals postage paid in Higley, Arizona and additional mailing offices.

POSTMASTER

Send address changes to:
Arizona Agriculture
325 S Higley Rd., Suite 210
Gilbert, AZ 85296
Subscriptions are included in annual dues.



**ATTENTION
ARIZONA FARM BUREAU
MEMBERS
RECEIVE AN ADDITIONAL**

\$500

**FORD REBATE
ON TOP OF ALL OTHER FACTORY REBATES
JUST FOR BEING A MEMBER**

EXCLUDES SVT RAPTOR, SHELBY GT & FLEET DEALS

6400 N 51ST AVENUE, GLENDALE, AZ 85301
623.842.8600 | WWW.SANDERSONFORD.COM

Ford continued from page 1

what is going to work because we have more than 200 Answer Plot® locations across the country that allow us to research what works best and provide a proving ground for our products.

Companies need to focus on their core and build from there. Innovate from your expertise. The need for agility cannot be overstated; it's critical to responding to market changes and consumer needs.

Arizona Agriculture: I note that your bio identifies you as establishing and leading a fully integrated supply chain and operations function at Land O'Lakes. What's been the biggest challenge in this effort and how did you overcome it?

Ford: Land O'Lakes' unique position is that we operate across the value chain from farm to fork or retail. While this gives us a complete view, it doesn't mean that there aren't distinct segments with varied operating issues, velocities, and challenges requiring different competencies. Feed is different than dairy retail, for instance, but there are similarities in operating practices.

A great example is manufacturing. We have 80 manufacturing sites, some with Ag chemicals, others with animal feed and even others manufacturing dairy products like butter. We have all manufacturing and engineering under one leader because we focus on manufacturing competence and the similarities rather than the differences. This allows for talent development and leverage. At the same time, we act as business partners with the front end of the business, helping develop and shape go-to-market strategies and driving profit.

The words "full partner" and "integration" dictate teamwork and transparency of information that allows for the most robust business decisions to be made.

Arizona Agriculture: Production agriculture is ground zero of the food supply chain. Considering all stakeholders, and certainly farmers and ranchers, what do we need to be doing better to ensure strong links up and down the supply chain for the consumer and the overall health of the agribusiness and food market?

Ford: One of the top things we need to do to ensure ongoing success is address our challenges with recruiting and retaining top talent. We—Land O'Lakes, Inc. in particular and the industry as a whole—are growing, but the talent pool hasn't kept up with the demands. We need to have enough highly talented, highly trained people in positions to feed 9 billion people by 2050. More globally, the biggest challenge is feeding the world sustainably. Lastly, we need to address the headwinds that require better thinking, better planning and better execution.

Arizona Agriculture: What do you see as future trends in the food supply chain?

Ford: The biggest trend in the food supply chain and in the industry as a whole is consumers' desire for information about where their food comes from, the ingredients and how it's produced. Put simply, consumers want transparency. This trend will only continue. And that's good news for all of us. We see this as an opportunity to tell our

story as a farmer-owned cooperative more deeply and broadly.

Arizona Agriculture: From the agriculture production side of it, organizations like Farm Bureau often see food companies making arbitrary (perhaps uninformed) decisions that dramatically impact production agriculture without often consulting with well-respected leaders in the farm and ranch industry. Recent antibiotic, GMO and cage-free decisions by corporations in the food chain come to mind. Often, the new decision actually has greater adverse impact on consumer health and food safety. What's your take on this?

Ford: Consumers are demanding more transparency about their food, and this has impacted food production and foodservice (restaurant) companies. We need to be responsive to consumer demands and respond appropriately. Companies need to be able to show that they hold animal care as a core value and how they're ensuring that through suppliers and members. For example, 100 percent of the member milk we process at our plants comes from FARM-verified farms [Farmers Assuring Responsible Management]. It's one way we can help consumers understand the importance we place on animal care.

That said, we have an obligation to educate. We need people to understand that foods made with GMOs are not bad food or different food. They're safe, affordable foods made with ingredients that help farmers produce more food more sustainably.

Arizona Agriculture: Talk about your perspective on American agriculture and certainly what agricultural production means to you and Land O'Lakes.

Ford: American agriculture feeds the world. We need all parties at the table as we figure out how to feed over 9 billion people by 2050. Farming isn't a job; it's a commitment and a way of life. The producers who are our member-owners know the end-to-end business that we're in. I would encourage farmers—and anyone working in agribusiness—to ask themselves whether we're in touch and aligned with marketplace demands.

Arizona Agriculture: What's your number one counsel to yourself to be successful in business and what you do?

Ford: It's the same advice that I give people about their careers: Get broad experiences, especially early, in their career paths. Don't be afraid to take what looks like a sideways tract to get additional experience. Realize your career is a journey, and you need to be a positive partner in that journey. Encourage others to succeed with you. Investing in education is some of the best money you'll spend.

Arizona Agriculture: What excites you on a daily basis about what you do?

Ford: I get excited when the company has success based on teamwork. Land O'Lakes is one of the most collaborative environments I've ever worked in and when a team of people successfully tackles a challenge together – each person bringing a different perspective and making the solution better – that's a good day. 🚗

Arizona Legislature Regulates Unmanned Aircraft Systems

By Joe Sigg, Arizona Farm Bureau Government Relations Director

Last year at our annual meeting we had a panel discussion on unmanned aircraft systems, and it was well received, along with the displays of actual working drones. The applications and uses have simply exploded, and we have predicted for some time, we would be in a new era of changes in the law and regulations because our technology (once again), behavior and practices are well ahead of how we sort things out.

But this technology, while having far ranging applications for agriculture comes at a cost, and not just in dollars. Increasingly there will be a learning curve for compliance.

Currently the U.S. Senate is debating reauthorization of the Federal Aviation Administration and there are amendments specific to this issue. Meanwhile the FAA has issued new proposed rules (about four years behind schedule) which would place the ceiling at 500 feet, allow only for daytime flights and within sight of the operator. Additionally, operators would need to take a written exam.

The proposed rules would also ban flying commercial drones near airports and not over people who have nothing to do with the drone's flight. The proposed rules don't impact recreational use.

The Arizona Legislature's Efforts

Curiously, the FFA proposal does not deal with privacy and civil liberties, but some rules

relating to this were issued separately by the administration. Clearly, more effort will be required for people to be comfortable and acceptable of these regulations.

And then there is Arizona Senate bill 1449 (from the Senate fact sheets):

- Establishes violations and penalties for drones and prohibits political subdivisions from regulation of unmanned aircraft.
- Political subdivisions are allowed to adopt ordinances or rules for the use of their own unmanned aircraft.
- Prohibits operation that is already outlawed by federal law or regulation.
- Unmanned aircraft cannot loiter or take pictures over or near a critical facility.
- Operators cannot intentionally photograph, record or collect information for surveillance or gathering evidence of another person or real property without consent (excluding law enforcement).

• Exempts operators from state law if they are in compliance with FAA authorization and rules.

• Operation cannot interfere with law enforcement or emergency operations.

Clearly, it is not a simple as buying the technology and reading the owner's manual, and you can expect the evolution of regulations to change in the coming years as more and more experience is gained. 🚗



As drone technology's economic opportunities get airborne, the states may need to address privacy and civil liberties issues while at the federal level operations and technical regulations are set.

rb RITCHIE BROS.
Auctioneers

lots which did not make the ramp are scheduled to be sold after the sale

rb auction **BROS.**

Sell where people are buying

Every Ritchie Bros. auction attracts a huge crowd of buyers from around the world. Sell your equipment at our next unreserved public auction in **Phoenix - June 29, 2016.** More people, better results.

Call 602.269.5631 or visit rbauction.com/Phoenix

GOLD SPONSOR

David Sharp (Chairman) – Roll • Jason Walker (Secretary) - Casa Grande
Larry Hart (Treasurer) – Maricopa • Michael Edgar - Yuma
Jason Hardison – Palo Verde • Paul Ollerton – Casa Grande
Eric Wilkey – Casa Grande

The AGRPC's appointed members appreciate the continuing support of Arizona's grain growers and the Arizona Farm Bureau as the council pursues its efforts to maintain and increase profitability in all sectors of the state's grain industry.

ARIZONA
Grain Research & Promotion Council

The Policy Development Process Needs You!

Staff Reports

Policy Development – what is it, really? It's the process that Farm Bureau offers its members to surface solutions to the issues that threaten or challenge the agriculture industry. You, as a farmer or rancher member are the expert, the one that know what's going on "in the field" and know what will work or not work to fix it. That's why Farm Bureau goes out of its way to have you tell us what needs to be worked on before we go to work at the county courthouse, the state capitol or in Washington, DC.

Why are we so effective in the political arena? Because it's you, our farmer and rancher members, who live the issues day in and day out, who come up with the solutions that we work to implement. Policy Development and Implementation – that's the heart of Farm Bureau, and it only works if you get involved and let us know what concerns you have and the solutions you'd like to see implemented.

In March we kicked off the annual Policy Development process by gathering the members of our Commodity Advisory Committees together. These are small groups of producers who meet once a year to surface issues of concern that are specific to their segment of agriculture. These segments include: Air & Water Quality, Beef, Citrus, Cotton, Dairy, Equine, Hay & Forage, Horticulture, Labor, Nursery, Sheep & Goat, Water, and Wheat & Grain.

What issues did our farm and ranch leaders feel need to be solved? Everything from securing water rights to securing a reliable supply of legal labor, from reforming the Endangered Species Act to stopping the expansion of the Mexican Gray Wolf recovery area, and from protecting the right to grow genetically modified crops to dealing with air quality non-attainment designations.

What do YOU think needs to be done? If you have thoughts or ideas on ways to address these or other issues, be sure to be part of the solution by participating in our Policy Development process. This summer, you'll be invited to attend your county's Policy Development (PD) meeting.

Be sure to attend. It's where you can devise new policy, proposals to be approved at the county, state and/or national Farm Bureau annual meetings and become part of our official policy which is then worked on for implementation. If you can't make the meeting, feel free to call or email your field managers. They'll be sure your ideas become part of the conversations that guide the Farm Bureau's work on our members' behalf.

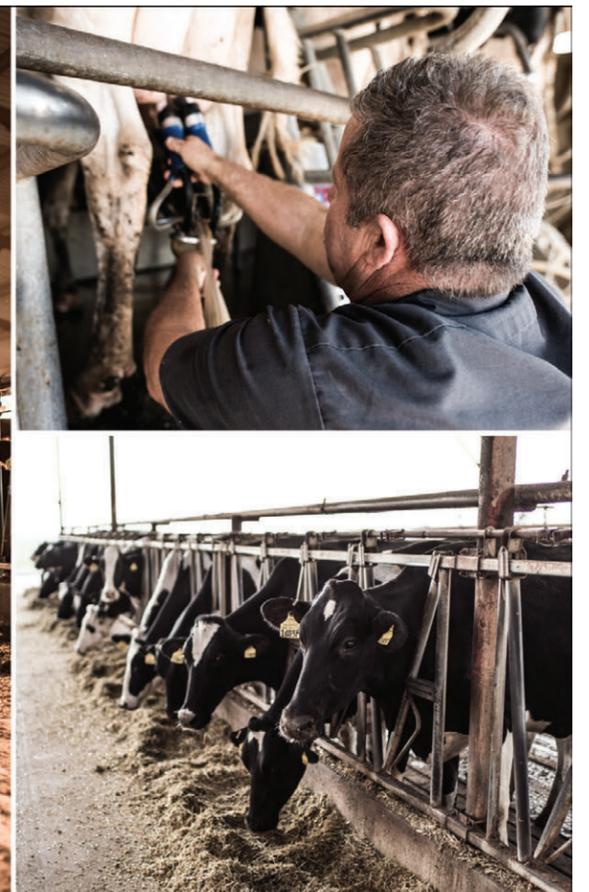
Stefanie Smallhouse is 1st vice-president of the Arizona Farm Bureau and chair of the Policy Development Committee. "Our Commodity Advisory Committees surfaced a lot of important issues that need addressing. Now it's time for our Ag members in each county to surface solutions for us to implement," says Smallhouse. "You can be part of the solution by participating in your county's PD meeting."

You can find updated meeting information at www.azfb.org/apps/calendar, where you can select your county's calendar of events. Current policies and information on key issues can be found at www.azfb.org under the Public Policy tab.

To discuss how you can be the solution to the Ag issues that concern you or to learn about the many ways to get involved and make a difference, contact Amber Morin at 480.635.3611 or email ambermorin@azfb.org, or Christy Davis at 480.635.3615, email christydavis@azfb.org.



In March, Arizona Farm Bureau kicked off the annual Policy Development process by gathering the members of our Commodity Advisory Committees together. The effort consists of small groups of producers who meet once a year to surface issues of concern that are specific to their segment of agriculture that include Air & Water Quality, Beef, Citrus, Cotton, Dairy, Equine, Hay & Forage, Horticulture, Labor, Nursery, Sheep & Goat, Water, and Wheat & Grain. This year, more than 80 farmers and ranchers attended. This is the first effort in the year to drive policy action on behalf of our industry.



Standing by you
for 100 years

www.fcsw.com
800.822.3276

We've spent the last century focused exclusively on agriculture with low rates, unmatched expertise and the best customer service around. The way we look at it, we're just getting started.

 **FARM CREDIT SERVICES**
S O U T H W E S T

Your First Farm Loan

What You Need to Know

By David Penney, Vice President, Farm Credit Services Southwest

Applying for your first farm loan from an agricultural lender may seem like a daunting task. Although many banks strengthened their underwriting requirements after the last recession, obtaining credit is still very possible.

Having been an agricultural loan officer for more than twenty years, I have compiled a list of tips and recommendations to make navigating the process easier.



Many of the tips provided in this article about farm loans reflect a need to thoroughly understand your financials, have complete and accurate numbers and be realistic about what a financial institution can do for you and your business.

1. Know your financials: The days of lenders making decisions strictly based on a customer having adequate collateral are over. It is extremely important that a borrower understands his/her financial position. This includes understanding both the balance sheet (a summary of what you own and what you owe) and the earnings statement (identifies profit and loss performance). This knowledge is important so you can show your lender that you have both the equity to support an economic downturn and the earnings to make your debt payments.

2. Have accurate numbers: It is impossible for a lender to make a good loan decision if the financial information you provide is inaccurate. For loan approval, a lender needs to show an adequate capital (equity) and capacity (repayment) position for any customer. This cannot be done if the information is not of good quality. If you struggle in this area, take an accounting course or work with an accountant who understands agriculture.

3. Take a look at your credit report:

It is almost guaranteed that any potential lender will run your credit report, and what it shows could impact their credit decision. If you take a look at it beforehand, you will know if there are any issues or if there is incorrect information. If there are negative issues with your credit, be proactive and talk with your lender up front. If there is inaccurate information, dispute it with the credit reporting agency. You are entitled to a free copy of your credit report annually from each of the three nationwide consumer credit reporting companies. You can request your free report at www.annualcreditreport.com.

4. Prepare a budget, and be realistic: In most cases, lenders will require an income and expense budget for the coming year. Make sure you account for all projected income and expenses, including debt payments and family living expenses. Also, be realistic with your budget items. Many times, budgets will show income that is too high to be realistic, or expenses that are too low. There are some good resources on the web to help with budgeting, and your potential lender can also be a source for some historical benchmark information to see if your assumptions are realistic.

5. Have adequate liquidity: Liquidity is cash or assets that can be quickly converted to cash to meet short-term obligations. When the unexpected happens, such as equipment breaking down, vendors not paying on time or a crop that didn't yield as expected, it is crucial to have liquidity to fall back on. Liquidity is a safety cushion when unanticipated problems occur and is crucial for any size operation.

6. Be flexible: When running any kind of business, things never go exactly as you planned. That's why it is important to have contingency plans and to be able to make changes to your business plan if things don't happen the way you initially envision. Lenders like it when customers think about these possibilities beforehand and are flexible enough to make important changes if necessary.

7. Have a mentor: There are many successful farmers and ranchers in Arizona, and probably quite a few that are located not too far from you. If you become friendly with one, see if they will be willing to mentor you as you build your business. These people have a wealth of knowledge and experience which many will be willing to share. Take advantage of their expertise!

Applying for a farm loan isn't a difficult process, but if you can incorporate some of these tips, it should make it a smoother one. Should you have any questions or comments on any of the above, please do not hesitate to contact me. 🚗

Stop the Grand Canyon Watershed National Monument Designation!

The following is Coconino County Farm Bureau President Jim Parks' Testimony during a Congressional field hearing hosted by U.S. Congressman Paul A. Gosar regarding abuses of the 1906 Antiquities Act by Presidential proclamations. Specifically, the hearing was an effort to stop the designation of 1.7 million acres in the Grand Canyon Watershed as a national Monument and reflected the enormous opposition to the proposed designation. The hearing took place last month in Kingman, Arizona.

Parks' Testimony

Arizona has more national parks and monuments than any other state in the nation.

"Almost 70% of all land in Arizona is under the control of the federal government, leaving less than 20% of Arizona's land in private hands. Privately-owned land is the foundation of our state's economic engine," states the Arizona Chamber Foundation.

The proposed Grand Canyon Watershed National Monument is one of the latest in a long line of abuses of the 1906 Antiquities Act by presidential proclamation. At 1.7 million acres, an area larger than the state of Delaware, the proposed monument would have far reaching negative economic and social impact on people in the states of Arizona, Utah, Nevada, and beyond. A quote from the Cedar City News near the Arizona Strip sums up the economic and social disaster that a national monument can bring to local folks: "Garfield County- Since the birth of Grand Staircase -Escalante National Monument in 1996, city and county officials say they have seen such a severe decline in industry that it has led to an increased loss of both revenue and residents. This has caused school enrollments to fall so low districtwide that they are now considering filing a State of Emergency."

Within the boundaries of the proposed Grand Canyon Watershed National Monument are over 64,000 acres of Arizona State Trust lands and almost 28,000 acres of private land. This alone violates federal and state laws, as it amounts to a "taking" of these



Jim Parks spoke before a full house last month during a field hearing hosted by U.S. Congressman Paul Gosar to encourage the current administration not to designate the Grand Canyon Watershed as a national Monument.

See **WATERSHED** Page 8

\$500 Bonus For Arizona Farm Bureau Members



\$500 BONUS CASH



2015 FORD F-150



Arizona Farm Bureau members get \$500 Bonus Cash* toward the purchase or lease of any eligible 2014/2015/2016 Ford vehicle.



Enjoy valuable savings on your choice of vehicles from our comfortable and capable lineup of cars and trucks — like the all-new 2015 F-150. With best-in-class towing and payload** and a military grade, aluminum-alloy body, the F-150 is always ready to get the tough jobs done.

Take advantage of this exclusive special offer today.

Visit www.fordspecialoffer.com/farmbureau/az



*Program #32000: \$500 Bonus Cash offer exclusively for active Arizona, Georgia, Illinois, Iowa, Kansas, Michigan, Mississippi, Missouri, and Tennessee Farm Bureau members who are residents of the United States. Offer is valid from 1/1/2015 through 12/31/2016 for the purchase or lease of an eligible new 2014/2015/2016 model year Ford vehicle including Hybrids and Final Pay Units. Incentive not available on Mustang Shelby GT/RS500, Mustang Boss 302, Mustang Special 50th Anniversary Edition, F-150 Raptor. Offer is subject to change based on vehicle eligibility. This offer may not be used in conjunction with other Ford Motor Company private incentives or AZFD Plans. Some customer and purchase eligibility restrictions apply. You must be an eligible Association member for at least 30 consecutive days and must show proof of membership. Limit one \$500 Bonus Cash offer per vehicle purchase or lease. Limit of five new eligible vehicle purchases or leases per Farm Bureau member during program period. See your Ford Dealer for complete details and qualifications. **Class is Full-Size Pickups under 8,500 lbs. GVWR.



This generation of students will deliver the next generation of solutions.

At the Morrison School of Agribusiness, we are developing graduates armed with skills and expertise to lead the global agribusiness industry. Housed within a

top-ranked business school, our degrees prepare future agribusiness leaders to navigate complex business and policy issues. wpcarey.asu.edu/agribusiness-degrees



the **morrison school of agribusiness**



Can We Lease Your Land for Our Solar Farms?



Do You Have Large Power Lines on Your Land? Lease to Us Today!



This depicts 3 phase power, notice the 3 conductors on the top of the power pole.

Large Power Lines on Your Property?? Lease Us Your Land! **We Will Pay \$750-\$1,250/Acre/Year – 20 to 40 Yr. Lease**

We Require Large Tracts of Land (Over 125 Acres) w/ 3Phase Power for Our Solar Farms

Large Land Tracts Needed – Land Cannot be in Flood Zone – Must Not Be Wetlands

Long Term Land Leases Needed-(20 – 40 Year Leases – \$750-\$1,250/Acre/Year)

CALL (828)-817-5400

Visit our website at www.InnovativeSolarFarms.com

Email Us – InnovativeSolarFarms@gmail.com

Ever Wonder How Farmers Under Forty Think?

By Julie Murphree, Arizona Farm Bureau Communication Director

A few months back, I had interviewed Buckeye-Arizona Dairy Farmer Wes Kerr, a young and up-and-coming agricultural leader, about his genetics work with dairy cattle. We covered a lot of ground during the process including his thoughts on the future.



Understanding our up-and-comers' optimistic thinking means we can have great expectations about the future. At a minimum, it should encourage us to come alongside the young farmer and rancher. Photo shows Wes Kerr presenting at last year's Women in Agriculture convention.

Since the average farmer today is in his late fifties, it might be wise of us to understand what the younger generation is thinking; certainly what they're up to. So this was one reason I asked Kerr about his take on the future.

In particular, I asked him, "As a farmer under 40, what do you think is your future? Speak also in terms of your generation in general." He gave some insightful points that follow.

1. I consider myself a long-term optimist but a short-term pessimist.
2. I believe that the future is very bright for agriculture.
3. Our world will continue to need agricultural commodities, and technology will continue to provide new ways of meeting demand.
4. However, there are threatening realities that we must overcome and that is why I am a proud member of the Arizona Farm Bureau.
5. I am positive that together we will overcome these challenges.
6. My generation in general is good at seeking out new possibilities and questioning the status quo.
7. As a younger generation, I believe we are constantly asking the very important question, "Is this the best way?"
8. My generation is also not afraid of new technology, we are eager to try new technology and we thrive on it.

I also asked Kerr, "You've also shown a willingness to take a risk, go out on a limb, or buck the trends. Why?"

Said Kerr, "I believe that life is precious, fleeting and should be lived to the fullest. Every person has unique talents, interests and gifts that they should use to make a positive impact on our world. I am innately curious about the world we live in. I find creation to be fascinating and incredible.

"My curiosity and desire to seek truth and understanding is what propels me to try new things. Every idea is a crazy idea until it works. However, the curious side of me must always be tempered with the business side. I try very hard to make my experiments small enough so that if they go wrong, it is not going to harm our business, but I also need my experiments to be big enough to analyze the data. At the end of the day I try to be data driven. Every experiment must sink or swim on its own merit. If it fails, it fails and I will be the first to admit it."

Understanding our up-and-comers' optimistic thinking means we can have great expectations about the future. At a minimum, it should encourage us to come alongside the young farmer and rancher and encourage their interests and efforts. It might even mean we ask how to support their efforts with some of our own resources, including financial and knowledge resources.

For the full interview with Wes Kerr, go to the March 2016 issue of *Arizona Agriculture*. 🚗

Watershed continued from page 6

state and private lands. The violation of our 1910 Arizona Enabling Act, a contract between the United States and the Territory of Arizona, which enabled Arizona to become a state in 1912, ensures the sale and management of State Trust Lands to benefit the schools of Arizona. The sale of these state trust lands will be negatively impacted by closing of access to those lands, making them unsalable and therefore useless as a generator of school funding for the benefit of Arizona's schools and children.

As a "taking," all monuments conflict with the Fifth Amendment of the Constitution of the United States, that requires the government to compensate citizens when it takes property for public use.

This holds true for state and private lands held within the proposed monument.

When the Grand Canyon-Parashant Monument was declared in 1996, there were thousands of acres of private land and state trust lands within its boundaries. One family which owned 12 square miles of private ranch land within the boundary was denied access by Bureau of Land Management by road closures, making it practically impossible for them to continue their ranching operations and forced them to sell out to the BLM and move elsewhere.

This proposed monument also violates the Multiple-Use Sustained-Yield Act of 1960 and the Federal Land and Policy Management Act of 1976 which both legally prohibit the federal land management agencies from affecting the state's jurisdiction and responsibilities. In addition, there has been no NEPA study done on the lands within the proposed monument.

It can be argued that the Antiquities Act is unconstitutional because it grants the Executive Branch of the

United States with the power to seize land, which is not granted anywhere within the Constitution. In fact, Article 4, Section 3 suggests that congress only has the power to dispose of land, not to acquire.

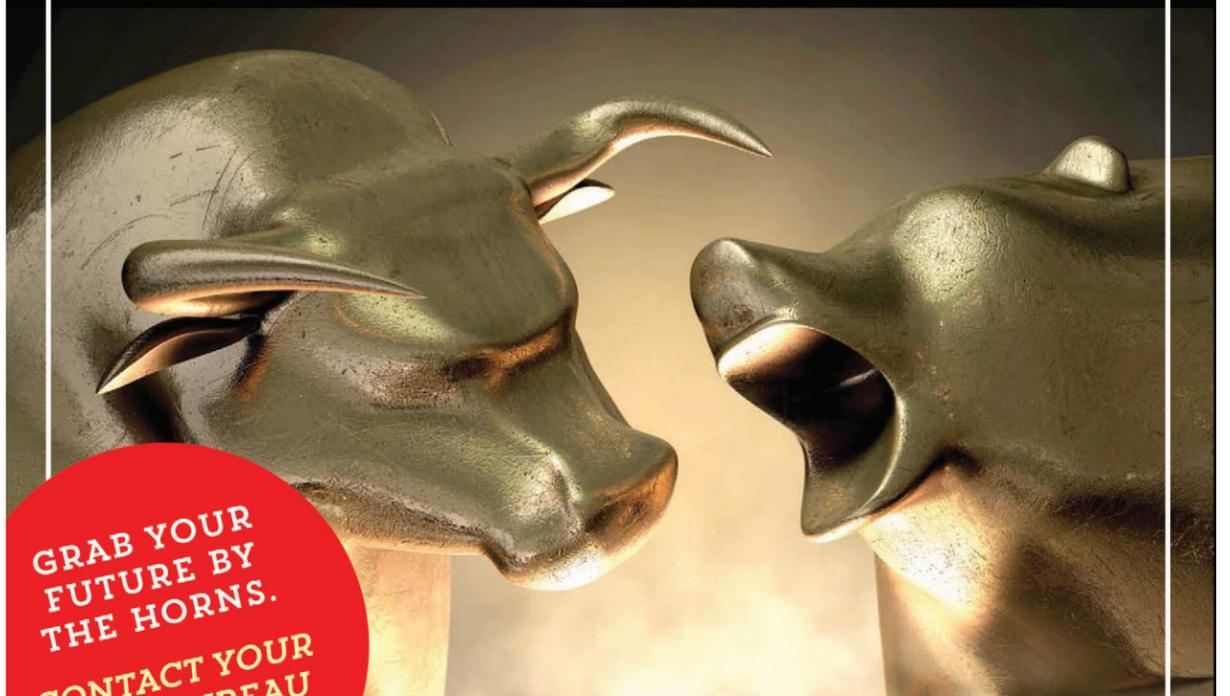
Section 2 of the 1906 Antiquities Act states "the President of the United States is authorized ...to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest ... the limits of which in all cases shall be confined to the smallest area compatible with proper care and management of the objects to be protected....". At 1.7 million acres, this proposed monument, the proposed Sedona Red Rocks National Monument, and almost all other National Monuments proposed or proclaimed within the last 80 years have gone completely against the original intent of the Antiquities Act itself.

Because the Presidents, from both parties, who proclaimed these national monuments, cannot be trusted to even follow the original law intended to govern the process of proclaiming a national monument, the Antiquities Act needs to be overhauled and the privilege of monument designation be changed, and reserved to the People and the United States Congress, NOT the Executive Branch of Government alone. 🚗

Jim Parks
President
Coconino County Farm Bureau and Cattle Growers Association

TAME — THE — MARKET

LOCK IN GAINS AND NEVER LOSE MONEY¹



GRAB YOUR
FUTURE BY
THE HORNS.

CONTACT YOUR
FARM BUREAU
AGENT TODAY!

**FARM BUREAU
FINANCIAL SERVICES**

Arizona Farm Bureau

Fill Your Plate

Our Websites are Mobile Friendly!

Both azfb.org and fillyourplate.org are mobile friendly

¹Surrender of the contract may be subject to surrender charges. Withdrawals before age 59 ½ may result in a 10% IRS penalty tax. Additionally, there is a charge for the Simple7 Income Rider once it is activated. Farm Bureau Life Insurance Company*West Des Moines, IA. *Company provider of Farm Bureau Financial Services A144 (4-16)