

## **The Dirt - Fall 2019**

Welcome to the Fall Edition of "The Dirt". I said spring didn't feel like spring, well, I don't think we had a spring or a fall. We are almost done with harvest as of this writing. Many late-planted crops made fall slow and late also. With the very cold and cloudy days, the corn and soybeans have not dried very well at all in the field. Days that are fit to work have been very limited. Prevent plant, trade deals, Renewable Fuel Standards, low commodity prices, and lower yields have made this year very challenging. We will keep pushing forward and working for the best outcome.

In July, our Family Farms conference brought us another award selected by our peers. We received the Innovate Award and are grateful for the honor.

Our Management Development Peer Group met in August at Baum Farms in Geneseo, IL. Once again, it was especially worthwhile and a great learning experience. Baum Farms did a great job hosting this event.

This year has been difficult for many, but we have learned so much from it. The crop response to adverse weather, nutrient and water management in less than ideal conditions and just plain things that go wrong in adverse conditions and how we could possibly avoid these issues in the future. So not all is lost in effort.

Payton and Gracie are continuing their life journeys as you will read about later in the newsletter.

I would like to take this opportunity to thank our great crew here at Danner Farms. Brian Nollman, Julie Liercke, Ben Harner, Ken Hassler, Ivan Rae, Kayla Maurer, Chase Anderson, Natally Guzman, Nick Dewell and many other part time people who pitch in. Your dedication and hard work are very much appreciated!

We wish you a Happy and Blessed Holiday Season. Please reach out to us if there is anything we can do.

*-Billie*

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# Family Matters

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I can't believe I am already approaching my college graduation. It seems I was headed down to Manhattan, Kansas for my first semester at Kansas State just yesterday. I have loved my time at K-State but am excited for what the future holds. I will be graduating in December with my bachelor's degree in agricultural economics and a minor in international agriculture.



Following graduation in December, I will be starting a full-time position with John Deere in January. I will be starting in the Marketing and Customer Support Development program where I will complete 3 rotations over a 20-22-month time frame. My first rotation will be in Moline, Illinois at the John Deere Seeding Group. I am excited about this rotation and to be closer to home and the farm!



After living in Vienna, Austria for a year as a Fulbright Scholar, Payton moved to New York City in September and is now working at a hedge fund company. He lives in the neighborhood of Soho in Manhattan and is really enjoying exploring the city on the weekends. Between moving back to the States after two years in Europe, entering the working world and a tendon injury in June 2019 has been a very crazy year for Payton. He's looking forward to being back home in December.



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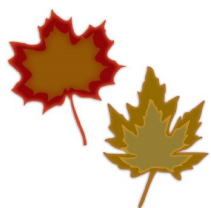


# Pictures



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Brian and Gretchen Nollman, and their daughter Anna took on another adventure this school year (2019-20) by hosting a young lady from Norway. So, let's introduce her.... her name is Annmarie Ericksen, she is currently 16 years old...will be 17 years old in less than a month. Annmarie was born in Bangkok, Thailand and then moved to Norway at the age of 8. She comes from a great family where her mom, dad, sister, and brother live in a city named Hamar, Norway. It has a population of around 30,000 people, which is about the size of Muscatine or so. As she said the first day, West Liberty is way smaller, but she likes it as it is still close enough to bigger cities. Annmarie attends West Liberty Highschool as a senior. She has enjoyed living in the country so far as it is peaceful and fun. She arrived on August 10, 2019, and let us tell you, the time has flown so far in 10 weeks of having her here in Iowa! When Annmarie first arrived, she stated it was hot and humid, a month later it cooled off, and now 10 weeks later it is cold as she says! We say welcome to Iowa where you can have all 4 seasons in one week sometimes. Once she was here a week or so, Brian gave her a tour of Danner Farms, showing her the grain elevator, sprayer, tillage equipment, tractors, planters, combines, semis and hopper bottoms. She couldn't believe how BIG the equipment was. Her favorite memory so far on the farm was getting to ride with Brian in the combine so that she could learn more about how corn is shelled as well as she enjoyed riding in the grain cart and tending to Billie while he cut beans. She is looking forward to more learning opportunities while here on the farm. She loves the calves that Brian, Gretchen, and Anna have, but can't wait to see the baby piglets too! She was active back home in Norway in sports, so while here in Iowa, she has participated in football cheerleading and ran cross country. She placed in the top 8 in quite a few of the past cross country meets so that was exciting for her as she didn't think when she started running 10 weeks ago, she would survive but she did! She is looking forward to trying out wrestling while here in the winter, and next spring she will be running track. Annmarie loves to eat and try new foods, so Gretchen and she are always thinking of good food to try and cook together. Other fun things she has been able to do while here in Iowa has been attend the Iowa State Fair, went to a college football game (Iowa vs. Penn State), experienced a hard rock/metal concert with us, participated in homecoming activities at the high school- including riding in the parade, play powder puff football and attend the dance. Brian, Gretchen, and Anna have enjoyed welcoming her into their family and look forward to sharing more memories with her over the next remaining 8 months.

*- Gretchen Nollman*

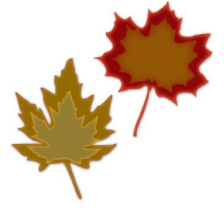


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## 6 Tips to Ensure a Smooth Transition to the Next Generation



Building a successful family business that lasts multiple generations creates unique challenges. Less than one-third family businesses survive the transition from the first generation to the second, and another 50% don't survive the transition from the second generation to the third. This means less than 17% of all family businesses make it to the third generation. So, how do you overcome the odds and successfully transfer your farm to the next generation?

**Accept that you will need a plan.** Don't think that the transition will just happen. Realize that you must think about transition and make deliberate decisions. Remember only 17% of family owned businesses survive 2 transitions and survival does not mean those transitions were smooth.

**Identify your Goals.** Transition can be a daunting project and sometimes you just don't know where to start. Start by writing down your goals. There are endless possibilities when it comes to transition, but probably only a few ways that actually meet your goals. To identify your goals, think about things that are important to you. Goals could be anything from saving taxes to making sure you can continue to have Thanksgiving Dinner as a family. Whatever your goals are, your advisors should use those goals to create a plan tailored for your operation.

**Don't try to do it alone – Use a Team Advisor Approach.** One of the reasons businesses don't survive transition is because they didn't ask for help. Seeking help from your trusted advisors will make transition more cost effective and efficient over time. Meet with your advisors as a group and explain your goals to them. They can help you think about legal/tax/family consequences that might be present in your transfer situation. It is important that your accountant and attorney, for example, work together to create a plan that addresses all of your needs.

**Consider Off-Farm Heirs.** If continuation of the family business is your number one goal, you have to consider what is equitable for on-farm and off-farm heirs. Consider which assets should be owned or controlled by those active in the business and which assets, if any, may be owned or controlled by inactive family members. Two mistakes that can cause business transitions to fail are (1) splitting assets equally and (2) not providing liquidity for buyout options. Consider life insurance proceeds or other investments as ways to help fund transitions.

**Plan for the Unexpected – Death, Disability and Retirement.** One reason businesses do not survive transition is because they put off transition planning and something unexpected happens. Make sure your plan addresses death, disability and retirement. Use buy/sell agreements so all parties know how they can exit the business. Provide leadership and development training to the next generation. Use standard operating procedures to document your daily activities. Make sure those in leadership roles have the proper skill sets because if they don't the business will not survive.

**Communicate your Plan.** Once you have a plan in place, you must communicate this plan with future generations. Explain your plan and your reasons for your plan to your kids and any key employees. Utilize your advisors if you need help with communication. Remember to be flexible with your plan and communicate changes you make along the way.

Transition planning is different for every family, but no matter the challenge you face or the goal you are trying to accomplish, following these tips will give your family the chance to pass your farm on to not only two or three generations, but many more.

*By Michelle Goeke*



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## Looking for Land to Lease

We are looking to rent farm ground for 2020 and beyond. If you are aware of property owners who might want to lease their land to us, please pass our information along.

***Thank You!***

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