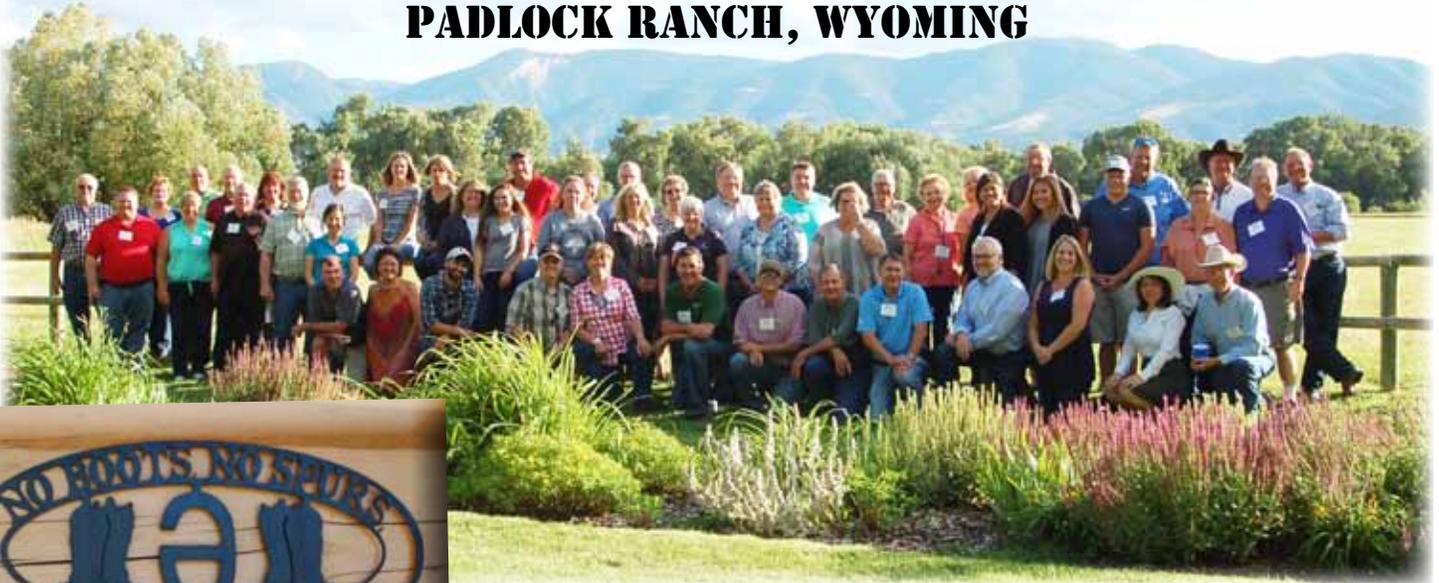


2016 FFSC ANNUAL CONFERENCE

PADLOCK RANCH, WYOMING



**Welcome to the 2016
FFSC Annual
Conference and
Padlock Ranch,** where

the hospitality and camaraderie were as large as the ranch itself. Over 60 professionals and family members gathered July 13-15 to meet new friends and reacquaint themselves with colleagues they'd not seen for a while. The opening reception featured a 'Dutch Oven' barbecue prepared over an open fire and served in the kettles it was cooked in. The greenhorns in the group had the opportunity to try their hand at ropin' a straw steer, photo at bottom right...one had horns, this one did not. It didn't matter to Paul Neiffer, though he actually was successful at 'catching' the calf. There was no word if he tried to wrestle it to the ground. That's Stephen Severe, Padlock's CFO and the group's host, offering tips on how to actually do it.



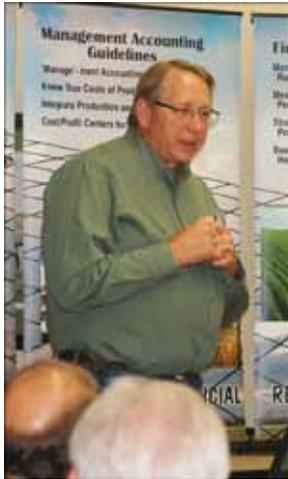
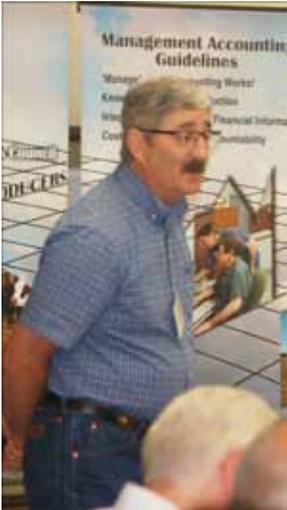
The real evening entertainment, featured 15-year-old Cora Wood at center in photo at bottom left. She's been writing and singing her own material for 10 years. Her music added a totally western flair to the entire evening.

The mountains in the background are the Big Horns, yes, of that fame....and the weather was perfect the entire week with temperatures in the 80s and low humidity.





Presentations were all made at the Conference Center at the Ranch and included, clockwise from upper right: Marci Scott, an FFSC member and owner of S Ranch, Prior, MT who spoke on how her organization made the switch to enterprise accounting; Dick Wittman, an FFSC member and past president from Culesac, ID, who discussed why operations need to have systems hierarchies and the critical questions owners should ask regarding financial reporting systems. He also said the financial industry has created ‘robots’...”computers do all the work and those operating them do not know what is actually happening;” Colter Brown, with Northwest Farm Credit, Billings, MT, discussed the ‘world of today’s livestock markets;’ Scott George, past president of the National Cattlemen’s Beef Association gave an impassioned presentation on the politics of sustainable agriculture and the continuing assaults on animal agriculture; Wayne Fahsholtz, owner of AgWinGroup Ranch and former CEO of



Padlock Ranch, addressed ‘Why I need accounting as a manager’; the program was opened with an official welcome to Padlock Ranch which was given by Trey Patterson, current CEO of the sprawling property; John Gates (at far left), senior vice president for Eastern Montana, Northwestern Farm Credit Services, raised the question of what lenders are wanting to see from producers and those who prepare their financial reports; and, Brent Garlick, controller with AgReserves, Inc., discussed the operations of the enormous agricultural property holder.





Food and fellowship were plentiful at the conference. Clockwise from right: Brenda Duckworth presents the Marketing Committee report; Jeff Bushey reports on the activities of the Technical committee; the refreshments at the morning break on Thursday were not your usual bagels and donuts.... how about Brazilian-style beef, prepared fresh and grilled on-the-spot on giant skewers; the Thursday night Sheridan WHO Rodeo proved to be a big hit for all but especially for those who had never before seen a rodeo, let alone the Indian Relay Races (you'll have to ask someone what that was all about!); new member Jordan Steele adds caramel sauce to his ice cream during the now-traditional Ice Cream Social afternoon refreshment break; new members Doris McManus and Christie Rasmussen get acquainted during the morning break; Kentucky Shepher Purdue and U of Illinois when Jonathan Shepherd chats with Freddie Barnard and Phyllis Parks -- Barnard was part of the original group involved with developing the Guidelines documents in the 1990s and Parks is a previous FFSC president; Immediate Past President Kent Meister reviews some proposed changes to the bylaws and also names those on the roster standing for election.





Sometimes just saying ‘Thank You’ isn’t enough. Such was the case with a special plaque to thank FFSC Board Member Carl Naugle who served for many years as the Farm Credit System’s representative on the FFSC Executive Committee. He retired from MidAtlantic Farm Credit earlier this year and was unable to attend the Padlock Ranch meeting, but a special plaque for him was presented by President Paul Neiffer to Kelly Bohrer, who replaces him as the FCS delegate (photo at left). Bohrer is also with MidAtlantic Farm Credit.

Christine Rasmussen received a special recognition award from Paul to take with her on her return to Christiansen Land and Cattle Company in Kimball, SD. The award will be presented to Kathy Rancour, FFSC president in 2012. Shortly after leaving office Kathy was diagnosed with ALS (Lou Gehrig’s Disease) and has since retired from her role as CFO at Christiansen Land and Cattle. The award cites Kathy’s “Leadership, Courage, Inspiration and Friendship.”



Thanks, Paul.

Stephen Severe, (left) newly elected FFSC President, presents a special plaque and president’s gavel to Paul Neiffer who is now Immediate Past President. Paul served a full 1 1/2 terms as FFSC president following the untimely death of Jim Kelm in December 2014.



It's not really possible to get a close-up look at a ranch that is measured in hundreds of square miles and expands across state lines... but Padlock Ranch CFO Stephen Severe did his best for those who could stay over for part of the day once the meeting officially closed on July 15. With nearly two dozen folks in tow, Stephen led a caravan of pickup trucks -- no sedans, please...high clearance required -- on a trip nearly 20 miles back into the ranch property. Countless cattle-guards were crossed and four times gates had to be opened and closed as the group wound its way through a number of range pastures while making stops along the way.



The ranch encompasses nearly 475,000 acres, straddles the Wyoming and Montana state lines and includes property leased from the Crow Indian Reservation. The primary operation is cattle production with over 10,000 mother cows and their little ones. Breeding is done through AI and bulls that are sent into the pastures.

Corn silage and locally grown hay are the primary feedstuffs for the animals along with open grazing --- the ratio is 35 acres of rangeland per animal, an extreme contrast for those familiar with pasturing in other parts of the country.

Lunch for the group was prepared by the wife of one of the cowboys who oversees 2,000 head of livestock deep into the property. The family home, which includes 3 children, is the sod-roofed ranch house shown below. The roof structure provides for natural cooling under the intense summer sun. It features all the amenities of any other American home including satellite reception and regular utilities and the children are home-schooled along with those of neighboring families. The greatest benefit to such a way of life is "The super quiet and the billions of stars in the sky every night."



A team of current, past and potential future FFSC leadership gathered prior to the annual conference for a **Strategic Planning Session** at the Lodge on Padlock Ranch. Their goal was to review the history of the Council, examine what the founders had in mind and determine if those ideals are still current, and anticipate the direction needed in the future.

Those taking part in the program were: Stephen Severe, 2017 FFSC President; Paul Neiffer, 2015-2016 President; Brenda Duckworth, Marketing Committee co-chair; Ken Hilton, 2007 President; Todd Doehring, 2017 Secretary/Treasurer; Jan Bitter, 2017 Vice President; Keith Raynor, Membership Committee co-chair; and, Kent Meister, 2013 President.

A formal report from the group will be forthcoming and members will be included in distribution of that document.

The Lodge was built to house guests staying at the property and is occasionally used for meetings. It is very remote yet features all the amenities of a resort-type facility but provides no cell phone service, something that was desired by the group. Severe notes there are some side-effects from its remote location....rattle snakes very routinely take up residence under the main entry steps and bears have eaten into the cover of the outdoor hot tub on a number of occasions.





Padlock's Severe to Head FFSC Leadership Team

Stephen Severe, center, has been elected president of the Farm Financial Standards Council. He is flanked by Janice Bitter, who has been elected vice president of the group, and Todd Doehring, the organization's new secretary/treasurer. Severe is chief financial officer at Padlock Ranch near Ranchester, WY, where the group's annual meeting was held in early July. Bitter is a vice president with Farm Credit East, Homer, NY, and Doehring is a director with Centrec Consulting Group, located in Savoy, IL. Severe is holding a branding iron bearing the Padlock Ranch emblem.

The Council held its annual meeting at the sprawling 475,000-acre ranch and the week's activities included two days of long-range strategic planning as well as general discussions with agricultural financial advisors, academics, accountants and farmers/ranchers from across the country.

Newly-elected members of the organization's Board of Directors include: Ekatrina Vorotnikova, University of Idaho, Moscow, ID; Freddie Barnard, Purdue University, West Lafayette, IN; Angela Chesley, Van Bruggen/Vande Vegte, PC, Rock Valley, IA; Lyle Anderson, Rabo AgriFinance, Billings, MT; Dale Beerwinkle, Beerwinkle Livestock, Hydro, OK; and, Ronald Jones, Scythe and Spade, Twin Falls, ID. Each will serve a three-year term with the Council.

While meeting at Padlock headquarters the Council approved the adoption of new versions of the *Financial Guidelines for Agriculture* and the *Management Accounting Guidelines for Agriculture*. Both documents have undergone revisions to style and format and the new versions will become available in January 2017. The original *Financial Guidelines* were introduced in 1993 as a guide for bringing industry-wide uniformity in assisting farm and ranch owners / managers and their accounting teams to develop standardized financial record keeping formats and programs.

The group also discussed some possible changes to its organizational structure and fees being charged for the Guidelines documents.

In 2017 the Council will meet July 27 and 28 in Syracuse, NY.