

THE FARMER'S EDGE



HURLEY & ASSOCIATES

Agri-Marketing Centers

Farewell

By Dave Dolan



I was introduced to Hurley & Associates and their marketing program back around the year 2000. This is when they first opened an office in Wheaton, MN. I was a grain merchandiser at Prairie Lakes Coop in Glenwood at that time. I loved Hurley's company philosophy and approach to marketing, so in 2004 I joined the company and have never looked back.

On July 1st, 2023, I will be stepping away from the company and entering the world of retirement. In July, it will have been forty-two years in the working world for me, with the last twenty years being at Hurley's. The past twenty years have been, by far, the most rewarding of my work career for two reasons.

1. **The company I worked for.** Thank you, Trent, David, and the Hurley fam-

ily, for allowing me to work for your company.

2. **The people I met along the way.** This includes clients, people in the Ag industry and especially teammates in the Hurley organization. These are Relationships I will never forget and will cherish forever.

The company is in great shape. I am proud and confident in the people that will take care of our clients' farm operations as we look to the future.

What's next for me? Well, lots of golf, mowing lawns, spending time with family, and giving back to God. The Lord has blessed me all these years, and I look forward to seeing how I can serve him better.

I hope this is not goodbye, just see you later. I will be around the community, golf courses, and maybe at a Hurley client event or two.

Thank you! Take care and God bless.

We would like to take this opportunity to thank Dave for all his hard work and dedication to his clients, and for what he brought to Hurley & Associates. Dave's last day with the company is June 29th and he will be very missed, everyone at Hurley & Associates would like to wish Dave good luck in his retirement.



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When Is the Right Time to Sell

By Freddie Norman

There are two events that cause me more stress than any other:

1. Buying a gift for a loved one for Christmas or a birthday - it has to be the perfect gift, and it has a deadline.
2. Figuring out what to write for my annual article for the Hurley Newsletter. I stress endlessly trying to decide what wisdom I have that I can share with all of you that will make your marketing decisions easier and better. It also has a deadline!

This year it is important that I accomplish two goals: To remember my good friend and longtime business associate Ida Hurley, and to share something that will make your marketing easier and better.

I met Ida at a farmer meeting in my hometown of Marianna, AR in late 1980. I was a broker at Merrill Lynch in Memphis at the time Ida was beginning her journey of helping farmers improve their marketing skills. We both had customers who were using the same advisor from Virginia. We learned that we shared the common goal of helping farmers. Over the next year and a half, we shared ideas, and in the Spring of 1982, I convinced her to use my services to broker her customers' trades.

Ida's passion and vision for improving farmers' lives through marketing and consulting were cutting edge at the time. She was a pioneer. Very few people were doing this type of work to the extent she was.

She believed there was much more to the process than trying to predict the markets. She believed that the business/financial aspects were the backbone to making wise marketing decisions.

Ida had a group of consultants that were known as the mar-

keting committee. We would meet regularly to develop annual market plans for clients.

Now to tie this article to the title. At one of the meetings, Ida posed a question to the group.

"At a party, when is the appropriate time to take an hors-d'oeuvre from the tray?" She answered, "When they are being passed around."

You might be asking, what does that have to do with marketing?

Opportunities come and go! We don't know when they will end. Market cycles, like parties, don't last forever. You have to take advantage of them when presented and use them to reduce risk and lock in revenues.

Ida believed in doing our due diligence and being prepared for these opportunities when they are presented. Know your costs and set your goals so that when opportunities present themselves you are prepared to make the right decision for your operation and your family.

I am honored and blessed to have known and worked with Ida for over 40 years. Hopefully, when it comes time for my article next June, it won't be as stressful now that I know I have 40 years of Ida stories to share.

Freddie Norman has been an advisor to Hurley & Associates since 1988 and is based in Memphis, TN.

"Without continual growth and progress, such words as improvement, achievement, and success have no meaning."

– Benjamin Franklin

U.S. Economy Slowing

By John A. Johnson

The U.S. economy is slowing. Consumer spending reported March was actually up .4%, which is positive, right? Wrong! When adjusted for inflation, the U.S. consumer spending number has been down for nine consecutive months beginning in July of 2022. The headwinds of inflation, plus more government spending, and higher interest rates have sapped consumers' collective ability to maintain their standard of living. Wages have been rising since the pandemic started winding down, albeit raises have been steadily running behind the rate of inflation, yielding a negative effect on purchasing power. Sadly, the shortfall has been made up in many cases by whipping out the plastic. Credit card debt has risen \$148 billion since the first of the year. We now are collectively carrying some \$17+ T (trillion) in consumer credit card debt. We all know that credit card interest is among the most expensive forms of debt that one can carry.

In a very unscientific study, one analyst pointed out that during slower economic times Walmart's sales and profits tend to grow, while Target's volume trends lower. In better times the reverse is true. Walmart is due to report sales in the next couple of days and we are led by the pundits to believe that their report will bear out the predictions of a waning consumer economy, while Target just reported slightly slower sales and declining profits for Q1 of this year.

The world is abuzz with excitement over new developments in the world of Artificial Intelligence, (aka AI). While we are not very qualified to pass judgement on the merits or dangers, we hear a hue and cry on both sides, and we share the world's excitement in, and fears of, the breakthroughs on this front.

It appears that the most advantageous applications of AI technology which are apparent today, lend themselves to either war or agriculture. War, due to the enormous costs in lives and treasure is by far the most expensive and devastating, both financially and physically, activity of any country, great or small. AI, properly applied, can affect more destruction with less cost and much less chance of risking unnecessary human casualties than any development that has manifested itself in many decades. When one considers the

effects of unmanned drones, smart bombs, and the possibility of pinpoint accuracy of weapons – the prospects are mind boggling.

The future is just as, if not more, promising for the world that most of us live in – the world of agriculture. We read of driverless machines, machines that do the back-breaking work of harvesting sensitive crops, selective spraying, and hand weeding of certain crops. We read of a machine operator sitting in Iowa at a computer screen, operating a machine in a field in Alabama!

These developments are just scratching the surface of possibilities for this technology. The progress in this field is mindful of the breakthrough of a steel plow, or tractors to replace horse drawn implements, or practical means of crop irrigation, or mass processing and transportation of crops and goods from field to consumers. We as a civilization are on the cusp of modern-day advancement that will change the course of human history to a better standard of living requiring less manual labor to achieve and sustain those standards.

Along with the slowing economy, rising interest rates and persistent inflation, we would be remiss not to mention the crisis at our southern border. The enormous toll on human suffering, family separations and population relocations we are experiencing at our southern border is impossible to fathom without seeing some of it firsthand.

While this open border situation is designed and intended to be a humanitarian endeavor, it has turned into a morass of horror, both for the migrants themselves, or the American border residents who have tried to maintain some semblance of peace and security. In many cases they are experiencing pure chaos as their properties are invaded, ravaged and stripped, while their families, pets and livestock are mistreated, slaughtered and inadvertently set free in the world due to ruined fences, gates left open, and general disregard for common respect for other's property rights.

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Consultant Spotlight:

JESSE KLEBE



What do you most enjoy about your job?

I enjoy the fulfillment received each day in working for a company with faith-based values. Hurley & Associates exists to serve God's mission through agriculture. There are very few companies today which bring faith into the workplace. Hurley's values, rooted in faith, allow for strong relationships to develop with both clients and coworkers. Each marketing year is different and brings its own set of challenges. The relationships built over time provide an opportunity to take on each challenge as a team.

How did you get started in your career?

I first became acquainted with Hurley & Associates while at North Dakota State University (NDSU). I was working on a master's degree in Agribusiness & Applied Economics and serving as teaching assistant for NDSU's commodity trading class. Companies would occasionally speak to this class prior to career fairs. Hurley & Associates stood toe-to-toe with the ADMs, Bungies, and Cargills of the world. Ben Hawkins, a consultant from the Glenwood MN office, spoke about Hurley's approach to marketing:

- o First - start with farm financials.
- o Then - determine operational goals.
- o Finally - build a plan and take it to the market for execution.

After graduate school I worked for Archer Daniels Midland (ADM) in downtown Minneapolis, MN. At ADM I served as a spring wheat merchant, trading rail quantities of wheat from country elevators to domestic mills. I very quickly realized my passion was not to serve big business, but to bring these tools to the producer level. In the spring of 2020, I started as a farm marketing consultant for Hurley & Associates.

What are you most passionate about when it comes to serving your clients?

While in graduate school I focused on optimal inventory strategies under risk. We modeled inventory as an option on the right to sell. The same options theory applies in commodity markets. It has been rewarding to see how this knowledge can enhance a client's ability to market grain and turn volatility into opportunity.

What would be your ideal vacation?

My wife and I honeymooned in California where we visited Muir Woods, San Francisco, and Napa Valley. I would love the opportunity to take my wife back to some of the places we visited. The trip to California was incredible, from journeying through the colossal Red Woods to encountering the wineries of Napa Valley.

Jesse was raised on a family farm & ranch near Bottineau, ND where they primarily grew barley and raised cattle. Jesse graduated from North Dakota State University with a Master of Science in Agribusiness and Applied Economics with an emphasis on risk and inventory management.

Before joining the Hurley team, Jesse was a spring wheat merchandiser for Archer Daniels Midland (ADM) in Minneapolis, MN. Jesse's merchant desk managed the trade of milling quality spring wheat trains to domestic mills. He hopes his prior knowledge and experience will help clients achieve economic stability and maintain the dignity and value found in the farm family.

Jesse lives in Little Falls, MN with his wife and three children. In his spare time, Jesse enjoys landscaping, spending time outdoors, and going on adventures with his kids.

U.S. Economy Slowing

By John A. Johnson
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There are also pictures of literal mountains of trash being discarded on private properties, as well as encounters with sick, injured, and dying or dead immigrants being regularly found by private citizens.

Smaller cities along the border have long been overwhelmed by vast numbers of migrants arriving daily, with no resources, no food, and no accommodation.

We are left to wonder what the purpose of all this chaos is. Who or how does anyone benefit from this destruction of the rule of order?

The world's economy seems to center on achieving a sustainable supply of the available energy, as well as choosing and supporting a side of the Russia/Ukraine conflict. The reports from the fighting are painting a gruesome picture of death and destruction. Despite its smaller relative size and limited resources, Ukraine has waged a very commendable defense of its homeland. We see the suffering and destruction of their country and pray there can be a peaceful settlement to stem the loss of human life and property.

John A. Johnson has worked for Hurley & Associates since 2000. John is semi-retired now living the life of chasing grandkids. John is based in Sikeston, MO.

“Agriculture is the most healthful, most useful, and most noble employment of man.”

– George Washington

Upcoming Client Appreciation Events

BROOKINGS OFFICE:

Dell Rapids, SD June 29th, 2023
Rocky Run Golf Course
Registration – 9:45 am
Tee Off—10:30 am
Social & Snacks-3:00 pm

Mitchell, SD August 16th, 2023
Highland Conference Center
Social—5:00 pm-6:00 pm
Supper—6:00 pm-8:00 pm
RSVP By August 7th

Brookings, SD
Tailgate & Football Game
More Information to Come!

CHARLESTON OFFICE:

Charleston, MO July 6th, 2023
Charleston Country Club
11:00 am/12:00 pm Registration and Lunch
12:00 pm Tee Time
Social Hour 5:00 pm
Supper 6:00 pm

GLENWOOD OFFICE:

Minot, ND July 18th, 2023
52 Pines
Social Hour—5:00 pm
Supper—6:00 pm

Valley City, ND July 19th, 2023
Reserve at Woodward
Social Hour—5:00 pm
Supper—6:00 pm

Alexandria, MN July 20th, 2023
Carlos Creek Winery
Bold North Cellars
Social Hour—5:00 pm
Supper—6:00 pm

UPCOMING CLIENT EDUCATION:

GRUNDY CENTER OFFICE:

July 20th, 6:00 pm to 8:00 pm
Hurley Summer Workshop
Grundy Center Office
Grundy Center, IA 50638

No matter how the environment we are in changes, these key principles are always necessary to survive, and more importantly thrive.

This article was written by our founder Ida Hurley 25 years ago. We hope you enjoy her words of wisdom and how this incorporates today.

Discipline, Decision, Delegation

By Ida Hurley
January 26th, 1998

Not many months ago we were talking about the miraculous economic growth being experienced in Asia. Now we are seeing the "house of cards" tumble. We are also experiencing volatile weather patterns brought on by the "El Nino" effect.

How do you survive in an environment like we are experiencing? You need discipline; you need to be ready to make decisions quickly; and you need to learn to delegate responsibilities.

DISCIPLINE:

I once asked a friend how she was able to manage so much responsibility and do everything she did so well. Her answer seemed too simple at the time. "You can do most anything you want to do", was the answer I was given. How could that be? I wanted to do much more with my time, but it just seemed to go by so fast. About that time, events happened in my life to change my priorities. Then I realized what she was telling me—I could do anything I WANTED TO DO if I wanted to do it badly enough. All of a sudden, my goals in life were clearer, and as they became clearer, I started budgeting my time and realized how much of it I had been wasting in the past.

When you have clear goals in life, you begin to discipline your time and your money. You plan more effectively.

DECISION:

In the marketing business we are judged by how close we have gotten to the highs during any one year; whether options made money or lost money; and how we "score" with what clients could have done on their own or with some marketing "super star". Many times, we have increased client's

monetary goals by \$10,000 to \$50,000 or even more, but we are judged at the end of the year because options expired worthless.

All of those decisions are based on one thing, EMOTION! No sound decision can be made on emotion. Once you have your goals in place, however, those decisions become based on something more solid.

A goal must be in place, with the discipline to follow it—and then an intelligent decision needs to be made on how to reach that goal. Farmers are risk takers, or they would not have chosen this occupation. However, risks should be calculated.

DELEGATION:

All agriculture requires disciplined decisions, not just marketing. Farms are getting bigger and as you take on more land and more responsibility, it becomes necessary to delegate. The successful operations we see, however, delegate the responsibilities within the family or business, or they hire outside consultants. It is difficult for some to recognize the worth of intellectual capital. In this environment, however, it could be more important than your tractor or combine.

All three of the above are difficult --- at first --- but become easier as you put them into practice. It starts with one simple decision. What do you really want?

- **Decide** what you want and discipline yourself to get it.
- Make **decisions** rationally, not by emotion.
- **Delegate** responsibility fully in special areas, including commodity marketing.

NOW HIRING

Charleston, MO

Regional Manager

- Proven Leadership
- Passion for serving ag producers
- Team focused

Brookings, SD

Farm Marketing Consultant

- Passion for serving producers
- Growth mindset
- Excellent interpersonal skills

Glenwood, MN

Farm Marketing Consultant

- Passion for serving producers
- Growth mindset
- Excellent interpersonal skills

Brookings, SD, Glenwood, MN, or Grundy Center, IA office

Hog Marketing Consultant

- Passion for serving hog producers
- Growth mindset
- Team focused

If you or someone you know may be interested in one of our open positions, please apply on our website.

hurleyandassociates.com/careers/

HA Portal Highlight

Scenario Tool

Your operation may have a variety of situations that could impact the cash flow of your operation. In the Hurley Advantage Portal, you can make temporary adjustments to items in your cash flow in order to preview how that situation could impact your bottom line. It is called the Scenario Tool and the green button can be found on the Executive Summary or in the Cash Flow section.

	1	2		
Acres	1,000	1,000	500	500
Yield	185	185	45	45
Production	185,000	185,000	22,500	22,500
Price	\$5.6973	6.29	\$12.883	12.883
Revenue	\$1,032,264	\$999,139	\$344,853	\$344,853
Expense per acre	\$818.05	818.05	\$665.62	665.62
Total Expense	\$818,050	\$818,050	\$332,810	\$332,810
Debt	\$41,902	41902	\$76,942	76942
Cash Surplus	\$172,332	\$139,187	-\$64,899	-\$64,899
Goals	\$16,667	16667	\$4,333	8333
Cash Surplus	\$155,643	\$122,520	-\$73,232	-\$73,232
Floored	68 %	76 %	67 %	67 %
Hedged	19 %	21 %	22 %	22 %
Committed	5 %	6 %	0 %	0 %

The first column shows the existing values being used to calculate your Current Cash Flow (1). Use the editable boxes in the second column (2) to make changes to create various scenarios. Once you begin making changes, you will see the word Saved appear at the top left. Changes can be made to each individual product in the following areas:

- Yield
- Price
- Expense per Acre
- Debt

To reset values, select the update button next to 'Saved' (3). This will also refresh upon logging out. If you need the values in terms of percentages, use the calculator button (4) next to the total expense values. This will allow you to select a percentage to increase or decrease your expense.

At the bottom of the page, your results are displayed. Results are displayed in the 3 columns below. The first shows the resulting cash flow from the changes you made. The second shows your cash flow prior to the changes and the third highlights the differences.

Scenario Cash Flow		Current Cash Flow		Changes in Cash Flow	
Revenue	\$1,419,242	Revenue	\$1,377,117	Revenue	\$42,125
Expenses	\$1,162,810	Expenses	\$1,150,860	Expenses	\$11,950
Debt	\$118,844	Debt	\$118,844	Debt	-
Cash Surplus	\$137,588	Cash Surplus	\$107,413	Cash Surplus	\$30,175
Goals	\$25,000	Goals	\$25,000	Goals	-
Cash Surplus	\$112,588	Cash Surplus	\$82,413	Cash Surplus	\$30,175



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Trent Hurley, Chief Executive Officer
David Hurley, President of Hurley & Associates, Inc.
Ida V. Hurley, Founder
Dennis E. Hurley, Chairman of the Board

LOCATIONS

Grundy Center, IA
319-777-7952

Britton, SD
605-277-1750

Wayne, NE
605-705-4040

Brookings, SD
605-705-4040

Cologne, MN
320-634-4001

Wessington, SD
605-554-0230

Glenwood, MN
320-634-4001

Canyon, TX
979-272-2182

Caruthersville, MO
573-333-1138

Snook, TX
979-272-0539

Charleston, MO
573-683-3371

Edna, TX
361-782-6715