



AGRICULTURAL LENDING DEVELOPMENT PROGRAM



September 12-16, 2016

A week-long school focusing on critical issues in agriculture lending



WASHINGTON
BANKERS ASSOCIATION



Preliminary Program



Monday, September 12

10 a.m. – 5 p.m.

U.S. AGRICULTURE OUTLOOK: PLOWING THE FIELDS OF PROSPERITY

Dive into the first session with longtime agriculture advocate John Blanchfield, as he looks at the trends and issues facing the agriculture industry and specific issues concerning the Pacific Northwest.

Presented by John Blanchfield, Principal, Agricultural Banking Advisory Services

INTEGRATED APPROACH TO FINANCIAL STATEMENT ANALYSIS

As agriculture consolidates, small borrowers get bigger and bigger borrowers diversify, it is important for lenders to understand how this affects their financial reporting. Requirements include better reporting and many institutions are playing catch-up. This session will include learning about key elements that bring together quality financial statements with stronger financial analysis.

Presented by Curt Covington, Senior Vice President, Farmer Mac

GOOD USE OF GOOD FINANCIAL RATIOS

Any good banker can calculate a set of financial ratios. This session will get to the root of what the ratios mean to a borrower's financial performance.

Presented by Curt Covington, Senior Vice President, Farmer Mac

****WELCOME RECEPTION TO FOLLOW****

Tuesday, September 13

8 a.m. – 4 p.m.

PRACTICAL TECHNIQUES AND TOOLS FOR ANALYZING CREDIT

This session will involve a wide-range discussion of the many risk factors facing lenders in today's complex agricultural credit markets and address a

variety of risk mitigations tools available to the lender.

Session Highlights

- How to determine accrual profits from cash budgets
- How to establish financial covenants that protect minimum levels of working capital
- Estimate sustainable sales growth, linking sales to working capital
- How to establish basic expectations for profits, cash flow and turnover ratios

Presented by Clive Humphrey, Director/Owner, 360 Credit Training Limited

THE MISSING LINK: UNDERSTANDING AG PITFALLS

Perfecting a security interest in farm operating assets can be a complex, baffling and sometimes limitless process. This session will look at the various sectors of agriculture that dominate the Northwest landscape with a focus on the unseen pitfalls that arise from poor due diligence, bad assumptions and weak loan documentation.

Presented by Steve Turner, Senior Partner, Baird Holm LLP

Wednesday, September 14

7:30 a.m. – 5 p.m.

FOOLPROOF CROP INSPECTION TECHNIQUES

Inspection of crops is a key piece of the agriculture lending puzzle. This session includes a half-day morning tour of a local agriculture site, where students will learn proper crop inspection techniques from an experienced field inspection team, as well as a visit to evaluate a dairy farm. Students should be prepared for hot-weather and in-field conditions.

Session Highlights

- Students will be able to see a variety of field and permanent crops grown in the Pacific Northwest
- See cultural, irrigation and pest management practices
- Learn proper evaluation of farm equipment

Presented by Roy Martin, Senior Vice President, Credit and Counterparty Risk, Bank of the West

The **Agricultural Lending Development Program** is designed to help agriculture lending professionals, credit analysts, accountants, commercial loan officers and managers, loan review officers and branch managers develop the specialized skills needed to effectively support the agriculture, commercial or business lending function in the bank.

This comprehensive week-long program will include sessions on financial analysis, financial ratios, analyzing credit, internal financial management and much more! This program also includes several interactive sessions and on-site field trips to give participants first-hand knowledge of topics and concepts.

CROP BUDGETING TOOLS AND TECHNIQUES

This session will explore best practices in the development and use of crop budgets for monitoring loan performance.

Presented by Roy Martin, Senior Vice President, Credit and Counterparty Risk, Bank of the West

BORROWER'S INTERNAL FINANCIAL MANAGEMENT AND CONTROL SYSTEMS

A key success factor to any farm or agri-business enterprise is good internal financial management. This session will explore what a 'good' financial management platform should look like and what every banker should expect.

Presented by Curt Covington, Senior Vice President, Farmer Mac

Thursday, September 15

8 a.m. – 5 p.m.

RED SKY IN THE MORNING – BANKERS TAKE WARNING

Good guys always pay right? Not always. Using a case study format, this session will focus on credit risk identification and risk mitigation tools available to the lender before the loan circles the drain.

Presented by Clive Humphrey, Director/Owner, 360 Credit Training Limited

Advisor Profiles

Curt Covington is the senior vice president, agricultural finance for the Federal Agricultural Mortgage Corporation (Farmer Mac). He leads Farmer Mac's business development efforts in the Farm & Ranch and USDA Guarantees segments, while also overseeing the company's credit administration and underwriting functions. Curt has over 30 years of experience in the agriculture banking industry, serving as the managing director of the Ag and Rural Banking Division for Bank of the West. He has served on several committees, including as the chairman for the Risk

Management Association's Agricultural Bankers Committee. He grew up in California, where his family farmed grapes and tree nuts.

Roy Martin has been exposed to agriculture all of his life. Growing up in Selma, CA., and working the fields as a youngster failed to deter his interest in agriculture. He has an A.S. degree from Reedley College and a B.S. degree in Animal Science from California State University Fresno in 1978. After a couple jobs right out of college he started his financial career as an ag

field representative at Crocker National Bank in Fresno. Over the years, Roy has been involved in agricultural lending or collateral inspection work in most of the major agricultural states. Currently, he is Senior Vice President and Manager of the Agricultural Field Office for Bank of the West in Fresno, CA. He is a member and past president of the Ag Lenders Society of California and a member of the Ag Advisory Committee for Reedley College. Roy is also co-owner and co-director of both the Agricultural Lending Institute, Inc. and the Agricultural Learning Institute of the Americas, Inc.

CLAUSE AND EFFECT: ANATOMY OF A GOOD DEAL GONE BAD

This session will take a look at the legal and bank workout as role players to look at a progressive case study of a crop loan where mistakes were made in due diligence, loan structure, deal points, securitization, documentation and client management. This will be an interactive and facilitative session involving panelists and students.

Presented by Steve Turner, Partner, Baird Holm

Friday, September 16

8 a.m. – Noon

CAPSTONE

This session provides students with the opportunity to apply credit risk principles discussed during the week. Students will be asked to prepare a credit presentation based on a case study.

Presented by Dave Hague, Retired Senior Credit Officer, Farm and Business Planning Consultant



Photos courtesy of Roy Martin

Instructors

Curt Covington – As the Senior Vice President, Agricultural Finance, Curt Covington leads Farmer Mac's business development efforts in the Farm & Ranch and USDA Guarantees business segments. In addition, he oversees the company's credit administration and underwriting functions. Curt's extensive experience in ag lending spans over three decades and his passion for rural America developed at young age on his family's grape and tree nut farm in Selma, California. Most recently, Curt served as the Managing Director for the Ag and Rural Banking Division at Bank of the West. He has also held various management roles within the Farm Credit System and at Rabobank. In addition to his role at Farmer Mac, Curt is a respected leader in the Agricultural Mortgage industry and is actively involved in leadership roles within industry trade groups. Curt studied finance at the University of Southern California and earned a Masters in Agribusiness from Santa Clara University.

Dave Hague – Dave is a former senior credit administrator-team leader for agricultural lending at Bank of the West having retired December 2012. He has been involved in agricultural lending since graduation from the Ohio State University in 1974. Dave started his career in New Jersey as a loan officer and served in various capacities with Farm Credit Associations in New England and New York through 1988. In 1984 he became president and CEO of an association. In 1989 Dave moved to California and started working for Farm Credit in southern California where he became chief credit officer. After more than 20 years with Farm Credit, he joined Sanwa Bank Credit Administration Department in 1995 to work primarily on the agricultural loan portfolio. Bank of the West acquired United California Bank (formerly Sanwa Bank) in 2002 and his responsibilities were expanded to team leader. Hague attended the University of Washington Pacific Coast Banking School 1994-1996. He spent four years in the Air Force prior to completing college work. He recently formed Hague Financial LLC and does farm and business consulting.

Clive Humphrey – Clive is the Director and Owner of 360 Credit Training Limited. Prior to opening his own firm, he was a Director, Senior Credit Specialist at Moody's Analytics, a division of Moody's Corporation. Moody's Analytics is a leading provider of banking training with over 50 instructors based in North America, Europe and Asia. He was a Director and Shareholder of Financial Projections Limited since 1998 and with his colleagues sold that business to Moody's in early 2008. He has 14 years experience of delivering credit and risk management training to bankers around the world. Clive's banking career began in London, England in 1979 with ABN Bank (now ABN Amro) as a Credit Analyst. Following some time as a Relationship Manager and Team Leader he became Manager of the Corporate Banking Department and then moved to Birmingham, England where he was appointed manager of ABN's branch operation. In 1990 Clive joined Royal Trust Bank to establish a new operation in Birmingham. Over the next five years he was responsible for four other regional offices, was part of the Bank's Real Estate Development and Investment lending operation and finally was involved in recoveries and workouts as Director, Special Accounts. In 1992 Clive earned a Master of Business Administration degree from the University of Birmingham, England. He is also an Associate of the Chartered Institute of Bankers. After 16 years of banking experience Clive joined Financial Projections as a trainer. Since then he has worked with participants at all levels of experience from Graduate Trainees to Senior Management. The participants on his workshops have represented many different areas of banking including Relationship Management, Risk Management,

Treasury and Derivative Sales, Legal Counsel, Internal Audit and Operations Management. In June 2005 Clive was invited to be a Speaker at the Agricultural Lending Institute (ALI) and returned to ALI in 2006 and 2008 to deliver classes to both first and second year participants. Clive's key skills are in delivering credit and risk management training.

Roy Martin – Roy has been exposed to agricultural all of his life. Growing up in Selma, California and working the fields as a youngster failed to deter his interest in agriculture. He has an A.S. degree from Reedley College and a B.S. degree in Animal Science from California State University Fresno in 1978. After a couple jobs right out of college he started his financial career as an ag field representative at Crocker National Bank in Fresno. From 1986 to 1999 Roy was involved in agricultural real estate lending with Doane Western, Travelers Insurance Company and being self employed as a loan broker. Over the years Roy has been involved in agricultural lending or collateral inspection work in most of the major agricultural states. Currently he is Senior Vice President and Manager of the Agricultural Field Office for Bank of the West in Fresno, California. He is a member and past president of the Ag Lenders Society of California and a member of the Ag Advisory Committee for Reedley College. Roy is also co-owner and co-director of both the Agricultural Lending Institute, Inc. and the Agricultural Learning Institute of the Americas, Inc.

Steven Turner – Steven C. Turner is a partner in the firm of Baird, Holm, McEachen, Pedersen, Hamann & Strasheim. Mr. Turner received his undergraduate degree from Indiana State University in 1972 and a master's degree from the same institution in 1973. Mr. Turner received his law degree with honors from Creighton University School of Law, Omaha, Nebraska, in 1976. Mr. Turner was an adjunct professor of law at the Creighton University School of Law, teaching bankruptcy and reorganization, for the years 1985 to 1990. Mr. Turner is a member of the American Bar Association, the Nebraska Bar Association, and the American Bankruptcy Institute. He is a former director of the American Bankruptcy Institute and the former chair of the Uniform Commercial Code Committee of the American Bankruptcy Institute. Mr. Turner is a member of the American Bar Association Uniform Commercial Code Committee, the Business Bankruptcy Committee, and the Commercial Financial Services Committee. He served as chair of the Commercial Financial Services Committee, Subcommittee on Agricultural and Agribusiness Finance from 1988-1994. Mr. Turner is a fellow in the American College of Bankruptcy. Mr. Turner's practice areas include commercial law, letters of credit, banking, loan and financing transactions, bankruptcy and workouts.

John Blanchfield – John Blanchfield owns Agricultural Banking Advisory Services, an independent consultancy that is dedicated to helping ag bankers and their customers better understand the intersection of ag policy and the real agricultural economy. John has been involved in agricultural banking and finance for nearly 40 years. He recently left the American Bankers Association where he oversaw all agricultural banking policy for the association for over twenty five years. While at ABA Blanchfield delivered over 500 speeches on agricultural banking and policy around the US and the world, was interviewed by hundreds of publications, and made numerous radio and television appearances. For many years Blanchfield served on the CFTC Ag Advisory Committee, and the Agricultural Advisory Board of the CME Group. He is currently a member of the World Bank's Agri-Fin Steering Committee, and is on the faculty of the National School for Advanced Agricultural Lenders.



PROGRAM

September 12-16, 2016 • Anthology Event Center, Richland, WA
 Registration must be received by August 1, 2016 to qualify for early bird pricing.

WBA, IBA, OBA, MBA Members: \$2,250 early bird, \$2,500 regular
 Non Members: \$3,250 early bird, \$3,500 regular

REGISTRATION FORM

(photocopy for additional registrants)

Name _____

Title _____

Bank/Firm _____

Work Address _____

City/State/Zip _____

Phone _____

Email _____

Mentor Name _____

Title and Bank _____

Phone Number _____

Email _____

Manager Name _____

Title and Bank _____

Phone Number _____

Email _____

Enclosed is a check for \$ _____
 or

VISA/Mastercard # _____

Expiration Date _____

Name on Card _____

Ways to Register:

Mail: WBA, 1601 Fifth Avenue, Suite 2150, Seattle WA 98101

Call: (206) 447-1700. **Fax:** (206) 223-6453. **Online:** s.wabankers.com/aldp.

* WBA will be processing all registrations *

Cancellation Policy: For all cancellations that occur up to seven days prior to the start date, a \$50 cancellation fee will be charged. For cancellations with less than seven days notice, there will be no refunds. A substitute can attend at no fee. For cancelled courses and/or seminars, full fees will be refunded. Cancellation Procedure: Cancellations must be sent in writing to the WBA office via email, fax, or mail. No refunds will be granted until a written cancellation request is received by WBA.

Who Should Attend?

The **Agricultural Lending Development Program** is designed for agriculture lending professionals, credit analysts, accountants, commercial loan officers and managers, loan review officers and branch managers. In order to obtain the greatest benefit from this course, participants should have a general understanding of accounting and have a basic understanding of financial statement and credit analysis.

Location

The Agricultural Lending Development Program classes will be held at Anthology Event Center, located at 706 Williams Blvd. in Richland, WA. Classes will include several field trips to various agricultural sites throughout the area.

Mentors

This is one of the unique aspects of ALDP program. Students are paired with an executive mentor from their bank who works with them to reinforce the classroom learning experience. Each student is required to have a mentor during the program, who acts as a sounding board to assist in understanding topics that may be outside the student's current knowledge base. After the program is finished, students and mentors are encouraged to discuss takeaways and what students can bring back to their bank. This is one of the few banking related programs in the country where mentor and mentee are partnered to ensure the most complete development of the student.

Homework

Participants should expect to have homework to be completed following classes. This helps prepare them to understand topics and challenges them to be proactive in their learning. This also allows them to work with their mentors to better understand the industry.

Lodging

WBA has a block of rooms at the [Homewood Suites Richland](#), located half a mile from the venue, for \$139 plus tax per night. Reserve your room by calling (509) 371-1550 and let the agent know you are with the WBA group. For other hotel information, please contact WBA staff.



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