

— SOUTH DAKOTA —

VAFA

VALUE ADDED FINANCE AUTHORITY

JUNE 30, 2020 • ANNUAL FINANCIAL REPORT

SOUTH DAKOTA VALUE ADDED FINANCE AUTHORITY

BEGINNING FARMER BOND PROGRAM

AGRIBUSINESS BOND PROGRAM

LIVESTOCK NUTRIENT MANAGEMENT BOND PROGRAM

VALUE ADDED AGRIBUSINESS RELENDING PROGRAM

VALUE ADDED SUB FUND

ANNUAL REPORT Fiscal Year 2020

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STATE FISCAL YEAR 2020 SUMMARY

The Value Added Finance Authority (the “Authority”) issued three new Beginning Farmer Bonds and one Livestock Nutrient Management Bond in SFY 2020. Here is a quick summary:

| | |
|--------------------------------|----------------|
| Samantha and Brett Hockenbrock | \$56,120.00 |
| Alex Hanson | \$287,925.00 |
| Evan Hanson | \$287,925.00 |
| JHGAS Farms, LLC | \$1,071,339.39 |

The Authority also closed two Value Added Agribusiness Relending Program loans totaling \$360,000.00.

AUTHORITY

The Authority was created in 1995 for the purpose of administering the Beginning Farmer Bond and Agribusiness Bonding Programs and to make annual recommendations to the Legislature and the Governor on programs to develop and promote agricultural processing activity in South Dakota. The Authority’s goal is to facilitate the retention of agricultural commodities and products in this state for the maximum feasible time span during the life cycle, use, or consumption of the commodity or product.

The Authority’s mission is to provide lower cost financing for qualifying beginning farmers and agricultural businesses. This objective is achieved by issuing federally tax-exempt bonds. The bonds, which are issued by the Authority to the bond purchaser, are non-recourse obligations. The principal and interest on the bonds do not constitute an indebtedness of the Authority or the State of South Dakota or a charge against their general credit or general funds.

The Authority is appointed by the Governor and is made up of seven members. A list of board members and their biographies starts on page 25 of this report.

GOVERNOR COMMITMENT

The Governor’s commitment to agriculture is evident in that the Governor has approved the issuance of the tax-exempt bonds for the Beginning Farmer Bond Program and the Agribusiness Bonding Programs.

Historically, the Beginning Farmer Bond Program and the Agribusiness Bond Programs have received annual bond authority allocations of \$10 million and \$30 million, respectively. If not fully utilized, the remaining authority is re-allocated to the South Dakota Housing Development Authority for certain housing and manufacturing projects.

AUTHORITY GROWTH

With the increasing environmental standards imposed by EPA, the Authority devised a program to assist producers in upgrading their nutrient management plans. The ***Livestock Nutrient Management Bond*** program was created in 2001 so producers may get an interest rate reduction on costs associated with a nutrient management plan. The bond authority for this program is included with the Agribusiness Bond authority.

The Authority expanded the programs it offers in 2002 with the ***Value Added Agribusiness Relending Program*** by applying to USDA for an Intermediary Relending Program loan. The Authority was successful in receiving a \$750,000 loan for the purpose of lending this money to agricultural businesses in South Dakota. The USDA loan of \$750,000 was matched by \$187,500, twenty-five percent (25%) of the USDA loan, with state rural rehabilitation funds, for a total loan fund of \$937,500. As loans are made, repayments are loaned out for additional projects. In State Fiscal Year 2004, application was made to USDA for a second Intermediary Relending Program loan. Once again, the Authority was awarded another \$750,000 loan in November 2004 to be matched with \$75,000, ten percent (10%) of the USDA loan, with state rural rehabilitation funds, for a total loan fund of \$825,000. In state fiscal year 2007, a third USDA application was submitted for another \$750,000. This application was approved with a twenty-five percent (25%) match requirement and closed in 2010.

The Authority further expanded the programs it offers in SFY 2014 when the ***Value Added Sub Fund*** (VASF) was transferred from the Board of Economic Development within the Governor's Office of Economic Development to the VAFA within the Department of Agriculture. The purpose of the VASF is to make grants and loans for agricultural development, feasibility studies, or marketing. An eligible project is a new or existing business that encourages or enhances agricultural development; any feasibility study, including any associated business plans; marketing study, including any associated business plan; or land use study, including any associated business plan.

As part of the American Recovery and Reinvestment Act (ARRA), in SFY 2011, the Authority issued three ***Recovery Zone Bonds*** to boost economic development efforts in the state. These bonds fell within the Authority's statutes and the board members were excited to be part of the economic development efforts this opportunity provided.

During SFY 2019, Governor Kristi Noem announced her intent to transfer the Division of Ag Development within the Department of Agriculture to the Governor's Office of Economic Development. In addition to transferring staff prior to the fiscal year-end, the Value Added Finance Authority was transferred under the GOED effective at the end of SFY 2019. In SFY 2020, it was abolished and all duties and responsibilities related to the nutrient management bond program, the agribusiness bond program, the beginning farmer bond program and the value-added agribusiness relending program were transferred to the Economic Development Finance Authority. Duties and responsibilities related to the value-added agriculture subfund were transferred to the Board of Economic Development.

BEGINNING FARMER BOND PROGRAM

The South Dakota Beginning Farmer Bond Program is a tax-exempt bond program designed to assist qualifying beginning farmers in the state of South Dakota to acquire agricultural property at lower interest rates. The Program enables lenders, individuals, and other entities to receive federally tax-exempt interest with respect to a loan or contract sale made to beginning farmers. Annually, the Beginning Farmer Bond Program is allocated \$10 million of the state's tax-exempt bond volume cap for the purpose of assisting beginning farmers in acquiring capital at reduced interest rates.

Activities eligible under the Beginning Farmer Bond Program include loans for the acquisition of agricultural land, the acquisition, construction, or reconstruction of agricultural buildings and fixtures, and the acquisition of depreciable agricultural property including machinery, equipment, and livestock. The maximum amount of a Beginning Farmer Bond is \$552,500 for calendar year 2020 (indexed annually).

Created in 1996, the Beginning Farmer Bond Program made an immediate impact on South Dakota's beginning farmers. Eight tax-exempt bonds were issued the same fiscal year, financing \$721,814.00 at an average interest rate of 7.26%. Since inception, 345 bonds have been issued financing \$46,944,865.85. At fiscal year-end 2020, 227 bonds have been paid in full, one withdrew after issue, and two have defaulted. A detailed list of the bonds issued since inception are included in the Portfolio section of this report.

South Dakota's Beginning Farmer Bond Program has seen tremendous activity. The following table demonstrates this activity by dollar value of bonds issued each fiscal year since inception of the program in 1996.

More important than dollar volume is the impact of the program on beginning farmers and ranchers, rural South Dakota communities, and agriculture. Interest rates received and the average age of these farmers and ranchers can measure the success of the program. With the average agricultural producer in South Dakota approaching sixty years of age, it is important to assist in the transition to the new generation of farmers and ranchers.

In addition, since the intent of the program is to reduce rates through the federal tax exemption, the rates received by beginning farmers and ranchers can gauge the success of the program. The average interest rate in FY20 was 4.3%. Although rates are determined by individual creditworthiness, typically, conventional rates without tax-exemption would be one to three percent higher.

AGRIBUSINESS BOND PROGRAM

The purpose of the Agribusiness Bond Program is to assist in the development and expansion of agricultural and business enterprises within the State of South Dakota. The Authority issues tax-exempt bonds to finance qualified projects according to the provisions of the Internal Revenue Code of 1986. Such provisions limit the list of projects that can be financed with tax-exempt bonds to manufacturing projects, including processing, certain housing projects, projects for tax-exempt organizations (501(c)(3)), and projects for first-time farmers. Therefore, with regard to the Authority's goal, the Agribusiness Bond Program is intended to finance value added agricultural processing and manufacturing projects.

No Agribusiness Bonds were issued in FY20. As of June 30, 2020 a total of \$20,437,500 in agribusiness bonds have been issued. Four bonds have been paid in full and there has been one default. A detailed list of bonds issued since inception of this program is included in the Portfolio section of this report.

LIVESTOCK NUTRIENT MANAGEMENT BOND PROGRAM

The Livestock Nutrient Management Bond Program was developed in 2001 as part of the Agribusiness Bond Program. Its purpose is to assist livestock producers in developing a

livestock nutrient management facility. This program will assist producers in obtaining lower-interest financing for costs associated with a management plan. The Authority issues tax-exempt bonds to finance the capital expenditures associated with the handling and/or processing of byproducts and livestock nutrients (manure). Any costs incurred for property or any portion used for the collection, storage, treatment, utilization, processing, or final disposal of livestock nutrients up to the point that the livestock nutrients have value are eligible.

The Livestock Nutrient Management Bond program has closed a total of 28 bonds since the program started in State Fiscal Year 2002. To date, \$19,451,297.56 has been issued since the program began and six bonds have been paid in full.

VALUE ADDED AGRIBUSINESS RELENDING PROGRAM (VAARP)

In fiscal year 2002, the Value Added Finance Authority created a direct loan program called the Value Added Agribusiness Relending Program. This is a low interest loan program available for new or expanding businesses involved in ag processing, marketing, or manufacturing. Some eligible costs include start-up costs or working capital, equipment, marketing, feasibility studies, and under some conditions, debt refinancing. The Value Added Finance Authority received a low-interest loan from USDA – Rural Development in the amount of \$750,000 for the start-up of this program. Upon loaning out the entire first loan, the Authority applied for another \$750,000 loan in 2004 and closed this loan in fiscal year 2005. In state fiscal year 2007, a third USDA application was submitted for another \$750,000. The Authority's application was approved and we closed this loan in SFY 2010.

Two loans were closed in state fiscal year 2020 for \$360,000. A total of thirty-eight loans for \$4,201,600 have been closed since the beginning of the program in fiscal year 2002. Twenty-six loans have been paid in full. A detailed list of these loans is included in the Portfolio section of this report.

VALUE ADDED SUB FUND

On July 1, 2013, the Value Added Sub Fund was transferred from the Board of Economic Development to the VAFA. The VAFA promulgated rules for the VASF and receives \$135,000 annually from the motor fuels tax to add to the fund which is used for feasibility studies for agricultural businesses.

The VAFA board may commission studies and pay the entire cost of the study from VASF if it determines that doing so may avoid duplication of effort or will serve an unmet need. The cost of any one study may not exceed \$100,000.

In FY 2020, there were no applications received for the VASF program.

AMERICAN RECOVERY AND REINVESTMENT ACT

In fiscal year 2011, the Value Added Finance Authority issued three Recovery Zone bonds. These were one-time tax-exempt bond issues as part of the American Recovery and Reinvestment Act and had to be issued before December 31, 2010. These bonds totaled \$24,750,000 and were issued for economic development projects in Sioux Falls and Mitchell.

BEGINNING FARMER BOND**FISCAL YEAR 2020 ACTIVITY**
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|----------------------------|-----------------|-------------|--|---------------|-------------------------|
| Brett/Samantha Hockenbrock | Britton | 5% | | \$56,120.00 | Contract for Deed (CFD) |
| Alex Hanson | Beresford | 4% | | \$287,925.00 | Cornerstone Bank |
| Evan Hanson | Beresford | 4% | | \$287,925.00 | Cornerstone Bank |
| | | | | \$631,970.00 | |

Three new beginning farmer bonds were issued in FY2020 for \$631,970.00 to purchase ag land.

FISCAL YEAR 2019 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|------------------------------|-----------------|-------------|---|----------------|---------------|
| Gavin and Elizabeth Waletich | Britton | 5.0% | F | \$341,700.00 | CFD |
| Matthew Rausch | Watertown | 4.0% | F | \$320,000.00 | CFD |
| Jeffrey Thayer | Britton | 2.75% | F | \$122,200.00 | CFD |
| Steven Kallas | Wetonka | 3.0% | F | \$389,563.00 | CFD |
| | | | | \$1,173,453.00 | |

A total of 4 new beginning farmer bonds for \$1,173,453 were issued in 2019.

FISCAL YEAR 2018 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|-------------------------|-----------------|-------------|---|---------------|------------------|
| Harold & Madeline Fluit | Canton | 4.25% | V | \$250,000 | Premier Bank |
| Quinton Dorhout | Hawarden, IA | 4.00% | F | \$305,850 | Rivers Edge Bank |
| Joni & Benjamin Johnson | Hudson | 4.00% | V | \$355,000 | Premier Bank |
| Matthew Henley | Britton | 4.00% | F | \$509,600 | CFD |
| | | | | \$1,421,450 | |

A total of 4 new beginning farmer bonds for \$1,421,450 were issued in 2018

FISCAL YEAR 2017 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|------------------------|-----------------|-------------|---|---------------|------------------|
| Jeffrey & Tara Cole | Hudson | 3.55% | F | \$491,000 | First State Bank |
| Matt & Ashley Peterson | Sisseton | 5.00% | F | \$95,000 | CFD |
| Kaleb Freeman | Britton | 5.00% | F | \$448,000 | CFD |
| Adam Krause | Clear Lake | 4.75% | F | \$520,761 | CFD |
| Brent and Lyndy Krause | Brookings | 4.75% | F | \$416,000 | CFD |
| | | | | \$1,970,761 | |

A total of 5 new beginning farmer bonds for \$1,970,761 were issued in 2017 along with a refunding of \$93,888.06.

FISCAL YEAR 2015 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|---------------------|-----------------|-------------|---|----------------|--------------------|
| Jason & Andrea Eddy | Madison | 3.75% | V | \$273,000.00 | Home Federal Bank |
| Nathan Schultz | Lake City | 4.00% | V | \$425,000.00 | CFD |
| Nathan Schultz | Lake City | 5.50% | F | \$ 50,000.00 | CFD |
| Paul & Amber Amdahl | Milbank | 4.50% | F | \$369,890.00 | First Bank & Trust |
| | | | | \$1,117,890.00 | |

Four Beginning Farmer Bonds were issued in State Fiscal Year (SFY) 2015 for a total of \$1,117,890. The average interest rate was 4.5%.

FISCAL YEAR 2014 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|-------------------|-----------------|-------------|---|---------------|-------------------------|
| Charles Liesinger | Bridgewater | 4.50% | V | \$268,800.00 | Private Investor |
| Zachary B L Guy | Veblen | 4.00% | V | \$480,000.00 | Contract for Deed (CFD) |
| | | | | \$748,800.00 | |

Two Beginning Farmer Bonds were issued in SFY 2014 for a total of \$748,800.

FISCAL YEAR 2013 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|-------------------------|-----------------|-------------|---|----------------|----------------------|
| Ryan Wollschlager | Revillo | 4.14% | F | \$267,600.00 | Great Western Bank |
| Jamie W. Cremer | Marion | 4.00% | F | \$488,600.00 | Farmers State Bank |
| Robert and Lois Ragatz | Frankfort | 6.00% | F | \$500,000.00 | CFD |
| Paul and Charity Ortman | Marion | 3.95% | V | \$275,100.00 | Merchants State Bank |
| | | | | \$1,531,300.00 | |

Four Beginning Farmer Bonds were issued in SFY 2013 for a total of \$1,531,300.

FISCAL YEAR 2012 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|------------------------|-----------------|-------------|---|----------------|---------------------|
| Darin Zuehlke | Britton | 6.00% | F | \$442,900.00 | CFD |
| Jason and Darla Graves | Clear Lake | 4.50% | F | \$326,000.00 | Citizens State Bank |
| Morgan Holler | Groton | 8.00% | F | \$383,200.00 | CFD |
| Shannon Holler | Pierpont | 8.00% | F | \$299,300.00 | CFD |
| | | | | \$1,451,400.00 | |

Four Beginning Farmer Bonds were issued in SFY 2012 for a total of \$1,451,400.

FISCAL YEAR 2011 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|--------------|-----------------|-------------|---|---------------|--------------------|
| Adam Hunt | Milbank | 4.5% | F | \$378,000.00 | First Bank & Trust |
| Brad Neishem | Ethan | 7.5% | F | \$126,100.00 | CFD |
| | | | | \$504,100.00 | |

Two Beginning Farmer Bonds were issued in SFY 2011 for a total of \$504,100.

FISCAL YEAR 2010 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|------------------|-----------------|-------------|---|----------------|--------------------|
| Katie Bogue | Lake City | 5.00% | F | \$414,615.00 | CFD |
| Travis Ceroll | Sisseton | 5.00% | F | \$283,385.00 | CFD |
| Matt Storm | Ethan | 7.50% | F | \$210,000.00 | CFD |
| Adam Pauli | Milbank | 4.50% | F | \$284,000.00 | Great Western Bank |
| Jordan Pillatzki | Milbank | 5.15% | F | \$212,928.00 | Great Western Bank |
| | | | | \$1,404,928.00 | |

In SFY 2010, five bonds were closed totaling \$1,404,928. The average interest rate was 5.43%. Eighty percent of the bonds received a fixed interest rate and forty percent were purchased by a lending institution.

FISCAL YEAR 2009 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|------------------------------|-----------------|-------------|---|----------------|---------------------------|
| Thomas Schnabel | Eureka | 4.75% | V | \$249,774.00 | Great Plains Bank |
| Robert & Katherine Siemonsma | Sherman | 5.40% | V | \$210,000.00 | First National Bank of SF |
| Eric & Sarah Stengal | Milbank | 5.00% | F | \$325,000.00 | Great Western Bank |
| Kevin Schmidt | Tolstoy | 5.00% | F | \$404,396.00 | Plains Commerce Bank |
| Brandon Hagen | Lake City | 6.00% | F | \$128,000.00 | CFD |
| Robert Ash | Bristol | 6.00% | F | \$450,000.00 | CFD |
| William & Kayla Richter | Britton | 5.00% | F | \$450,000.00 | Plains Commerce Bank |
| | | | | \$2,217,170.00 | |

In State Fiscal Year 2009, seven bonds were closed totaling \$2,217,170 with an average interest rate of 5.58%. Eighty-Six percent of the bonds received a fixed interest rate and seventy-two percent were purchased by a lending institution.

FISCAL YEAR 2008 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|-------------------------------|-----------------|-------------|---|---------------|---------------------|
| Rustin & Austie Albrecht | DeSmet | 6.95% | F | \$230,000.00 | Well Fargo Bank |
| Brian C. & Jill Zuehlke | Britton | 6.00% | F | \$250,000.00 | CFD |
| Gregory & Jennifer Schumacher | Aberdeen | 6.00% | V | \$178,000.00 | Great Plains Bank |
| Eric J. Fiegen | Dell Rapids | 5.50% | F | \$29,200.00 | First National Bank |
| Harvey Schmidt | Dell Rapids | 5.25% | F | \$55,000.00 | First National Bank |
| | | | | \$742,200.00 | |

In State Fiscal Year 2008, five bonds were closed totaling \$742,200. The average interest rate was 5.31%. Sixty-three percent of the bonds received a fixed interest rate and sixty-three percent were purchased by a lending institution.

FISCAL YEAR 2007 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|---------------------------|-----------------|-------------|---|----------------|-----------------------|
| Damon Klumb | Ethan | 9% | F | \$250,000.00 | CFD |
| Benjamin Klumb | Ethan | 9% | F | \$250,000.00 | CFD |
| Todd & Pam Lounsbery | Reville | 6.5% | V | \$110,000.00 | Community State Bank |
| Robert & Teresa Shape | Belle Fourche | 7.0% | F | \$250,000.00 | First National Bank |
| Jay & Tara Mertens | Milbank | 7.5% | V | \$145,000.00 | First Bank & Trust |
| Terry & Sarah Jensen | Woonsocket | 5.75% | F | \$108,000.00 | American Bank & Trust |
| Allen Meyer | Sisseton | 6.0% | V | \$195,000.00 | Great Western Bank |
| Warren & Stephanie Symens | Amherst | 6.0% | F | \$100,000.00 | CFD |
| | | | | \$1,408,000.00 | |

In SFY 2007, eight bonds were closed totaling \$1,408,000. The average interest rate was 7.09%. Sixty-three percent of the bonds received a fixed interest rate and sixty-three percent were purchased by a lending institution.

FISCAL YEAR 2006 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|------------------------------|-----------------|-------------|---|---------------|-----------------------|
| Erin and Lisa Braun | Rosholt | 6.25% | V | \$240,000.00 | State Bank of Wheaton |
| Trent and Miracle Hemmingsen | Elk Point | 6.95% | F | \$150,000.00 | CFD |
| Linus and Renee Zach | Rosholt | 6.25% | V | \$100,928.00 | Great Western Bank |
| Robert and Connie Spindler | Hoven | 5.75% | V | \$54,000.00 | Plains Commerce Bank |
| Larry and Linda Fischer | Mobridge | 5.5% | V | \$250,000.00 | Dacotah Bank |
| Aaron Hough | Scotland | 5.25% | F | \$50,000.00 | CorTrust Bank |
| | | | | \$844,928.00 | |

In SFY 2006, six bonds were closed totaling \$844,928. The average interest rate was 5.99%. Half of the bonds received a fixed interest rate and eighty-three percent were purchased by a lending institution.

FISCAL YEAR 2005 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|------------------------------|-----------------|-------------|---|----------------|----------------------|
| Tim and Helen Zabel | Lowry | 4.5% | V | \$250,000.00 | Campbell County Bank |
| Prescott and Kerri Symens | Claremont | 6.0% | F | \$250,000.00 | BankWest, Inc. |
| Roger and Susan Peters | Lemmon | 4.5% | V | \$192,400.00 | Dacotah Bank |
| Kurt Zuehlke | Britton | 4.75% | F | \$131,875.00 | CFD |
| William and Brenda Frost | Gettysburg | 5.00% | V | \$228,000.00 | Plains Commerce Bank |
| Michael and Jennifer Martens | DeSmet | 5.00% | V | \$55,000.00 | Peoples State Bank |
| Jamen and Jackie Benson | Lyons | 6.00% | F | \$185,985.00 | CFD |
| Frank Nedved | Yankton | 6.75% | V | \$74,806.00 | CorTrust Bank |
| Joseph and Jillian Calmus | Canova | 6.00% | F | \$95,000.00 | CFD |
| Scott and Stephanie Raile | Eureka | 5.25% | V | \$72,000.00 | Great Plains Bank |
| | | | | \$1,535,066.00 | |

Ten Beginning Farmer Bonds were issued during SFY 2005 for \$1,535,066. The average bond issue was for \$153,506.60 and the average interest rate was 5.38%. Forty percent received a fixed interest rate and eighty percent were purchased by a lending institution.

FISCAL YEAR 2004 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|----------------------------|-----------------|-------------|---|----------------|----------------------|
| Shawn DuFrain | Geddes | 5.50% | F | \$142,500.00 | CFD |
| Travis Petersen | Bradley | 5.00% | V | \$195,000.00 | Dacotah Bank |
| Troy Petersen | Bradley | 5.00% | V | \$195,000.00 | Dacotah Bank |
| Roger and Susan Peters | Lemmon | 4.00% | F | \$57,600.00 | Dacotah Bank |
| Joel Shoemaker | Webster | 7.75% | F | \$111,500.00 | CFD |
| Erin Wilkinson | Erwin | 5.00% | F | \$161,750.00 | CFD |
| Benjamin and Kelli Endorf | Mitchell | 4.00% | F | \$129,000.00 | CFD |
| Daron and Ann Larson | DeSmet | 4.50% | V | \$61,000.00 | Peoples State Bank |
| Derick Larson | DeSmet | 4.50% | V | \$53,000.00 | Peoples State Bank |
| Fredrick and Peggy Butzke | Salem | 6.50% | F | \$118,229.52 | CFD |
| Robert and Connie Spindler | Hoven | 4.50% | V | \$196,000.00 | Plains Commerce Bank |
| | | | | \$1,420,579.52 | |

During fiscal year 2004, eleven Beginning Farmer Bonds were issued for \$1,420,579.52. An average bond issue of \$129,144 was financed at an average interest rate of 5.11%. Fifty-five percent received a fixed interest rate, and fifty-five percent were purchased by a lending institution.

FISCAL YEAR 2003 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|------------------------------|-----------------|-------------|---|----------------|----------------------------|
| Michael and Caroline Schock | Spencer | 4.00% | F | \$250,000.00 | CFD |
| Jeff Schultz | Freeman | 5.75% | V | \$125,000.00 | Merchants State Bank |
| John Schultz | Freeman | 5.75% | V | \$125,000.00 | Merchants State Bank |
| Douglas and Jane Medhaug | Veblen | 7.00% | F | \$160,000.00 | CFD |
| Jason Vetter | Castlewood | 6.75% | F | \$184,320.00 | Citizens State Bank |
| Rodney D. Mathers | Mt. Vernon | 6.50% | F | \$63,900.00 | CFD |
| Brian and Cheryl Renelt | Wilmot | 4.75% | V | \$55,300.00 | Wilmot State Bank |
| Todd and Pam Lunzman | Frederick | 6.00% | V | \$44,612.00 | First Savings Bank |
| Cory Cole | Langford | 7.00% | F | \$68,100.00 | CFD |
| Cory Cole | Langford | 7.50% | F | \$156,900.00 | CFD |
| Jeffrey and Kelly Jo Miller | Britton | 6.00% | F | \$126,000.00 | CFD |
| James and DeNora Reuer | Hoven | 5.50% | V | \$77,500.00 | Community First Nat'l Bank |
| Cory Bierle | Lesterville | 4.75% | V | \$90,000.00 | CorTrust Bank |
| Michael and Cassandra Hunter | Huron | 5.25% | F | \$49,184.00 | American Bank & Trust |
| Jarrett Olson | Bristol | 6.00% | F | \$156,000.00 | CFD |
| Lon A. and Christine Peters | Murdo | 5.00% | V | \$249,200.00 | BankWest, Inc. |
| Todd Fuoss | Draper | 6.00% | F | \$200,000.00 | BankWest, Inc. |
| Andrew Meyer | Sisseton | 5.50% | V | \$150,000.00 | Great Western Bank |
| Bradley Ufen | Miller | 6.00% | F | \$230,000.00 | BankWest, Inc. |
| | | | | \$2,561,016.00 | |

During fiscal year 2003, nineteen Beginning Farmer Bonds were issued for \$2,561,016. An average bond issue of \$134,790 was financed at an average interest rate of 5.85%. Fifty-two percent received a fixed interest rate, and fifty-seven percent were purchased by a lending institution.

FISCAL YEAR 2002 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|------------------------|-----------------|-------------|---|----------------|---------------------------|
| Bryce Heinje | Wilmot | 6.00% | V | \$72,000.00 | Wilmot State Bank |
| David & Alvina Fischer | Eureka | 6.50% | V | \$250,000.00 | Great Plains Bank |
| Clint & Janine Ebel | Herried | 5.25% | V | \$72,100.00 | Great Plains Bank |
| Jason & Kristy Liebe | Milbank | 6.75% | F | \$180,000.00 | CFD |
| Kelley Heitmann | Lake City | 7.50% | F | \$101,400.00 | Wells Fargo Bank |
| Kelley Heitmann | Lake City | 8.00% | F | \$98,000.00 | Investor |
| Kelley Heitmann | Lake City | 7.50% | F | \$46,500.00 | Investor |
| Joshua Larson | Columbia | 5.85% | F | \$231,805.00 | Wells Fargo Bank |
| Jesse Strouckel | Roscoe | 6.00% | F | \$224,000.00 | CFD |
| Adam & Nicole Wright | Turton | 5.50% | F | \$70,200.00 | CFD |
| Chad Michael Rausch | Gettysburg | 5.50% | V | \$37,800.00 | Community First Ntl. Bank |
| Jason C. Schwab | Aberdeen | 6.50% | F | \$249,600.00 | CFD |
| Levi J. Neuharth | Ft. Pierre | 5.57% | F | \$80,000.00 | First National Bank |
| Bryan W. Wagner | Wetonka | 5.00% | F | \$200,000.00 | CFD |
| Jason Dan Griesse | Gettysburgh | 5.20% | V | \$86,358.64 | Plains Commerce Bank |
| Todd Klein | Winfred | 6.00% | F | \$218,947.00 | First National Bank |
| Jess & Kim Klein | Madison | 6.00% | F | \$216,147.00 | First National Bank |
| Thomas & Barbara Opitz | Sioux Falls | 4.62% | V | \$246,024.00 | CorTrust Bank |
| Robert Sorenson | Wilmot | 4.75% | V | \$138,000.00 | Wilmot State Bank |
| Keith & Kristy Jensen | Freeman | 5.75% | F | \$100,000.00 | Merchants State Bank |
| Michael Feistner | Woonsocket | 7.25% | F | \$130,000.00 | Community First Ntl. Bank |
| | | | | \$3,048,881.64 | |

During fiscal year 2002, twenty-one Beginning Farmer Bonds were issued for \$3,048,881.64. An average bond issue of \$145,184.84 was financed at an average interest rate of 6.05%. Sixty-seven percent received a fixed interest rate and sixty-seven percent were purchased by a lending institution.

FISCAL YEAR 2001 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|--------------------------|-----------------|-------------|---|---------------|----------------------|
| Jerry Biedenfeld | Pierre | 7.75% | F | \$ 41,006.00 | First National Bank |
| Randy & Jackie Lien | Veblen | 7.00% | V | \$ 224,592.00 | Great Plains Bank |
| Brian L. & Kim L. Peters | Britton | 7.75% | F | \$ 123,000.00 | CFD |
| Jonathon Jones | Alpena | 7.75% | V | \$ 72,500.00 | Norwest Bank |
| Don & Trista Nickelson | Frederick | 7.25% | F | \$ 50,000.00 | Norwest Bank |
| Gerald & Kay Retzer | Long Lake | 7.00% | V | \$ 39,500.00 | Security State Bank |
| Shannon & Michelle Klumb | Ethan | 6.07% | F | \$ 109,240.00 | CFD |
| Mark & Heidi Morlock | Eureka | 7.25% | V | \$ 161,470.47 | Great Plains Bank |
| Lance Friesen | Freeman | 7.75% | V | \$ 70,000.00 | Merchants State Bank |
| Eric & DeeAnn Hofer | Aberdeen | 7.00% | V | \$ 53,000.00 | Wells Fargo Bank |

| | | | | | |
|------------------------------|---------------|-------|---|----------------|----------------------------|
| James Andrews | Beresford | 7.95% | V | \$ 150,000.00 | State Bank of Alcester |
| Jason & Jennifer Bietz | Olivet | 8.25% | V | \$ 98,000.00 | Wells Fargo Bank |
| Kerry Hofer | Freeman | 7.75% | V | \$ 90,000.00 | Merchants State Bank |
| Matthew & Danette Schumacher | Sioux Falls | 7.25% | F | \$ 119,421.58 | CFD |
| Rick & Tiffany Tebay | Alpena | 7.25% | F | \$ 100,000.00 | Wells Fargo Bank |
| Murray & Shanon Toews | Yale | 8.00% | F | \$ 70,000.00 | Marquette Bank |
| Joshua & Angela Bieber | Bowdle | 7.00% | F | \$ 62,500.00 | Wells Fargo Bank |
| Bart Krautschun | Spearfish | 7.00% | F | \$ 52,855.00 | First National Bank |
| Troy David Peterson | Bradley | 8.00% | V | \$ 48,000.00 | Dacotah Bank |
| Troy & Melissa Mudgett | Clark | 8.00% | V | \$ 144,000.00 | Dacotah Bank |
| Kent & Cindy Zuehlke | Britton | 6.75% | F | \$ 216,000.00 | Wells Fargo Bank |
| Justin & Kelly Burke | Carpenter | 8.00% | F | \$ 192,650.00 | Peoples State Bank |
| Jim & Natalie Ketelhut | Pukwana | 8.00% | F | \$ 53,000.00 | First Fidelity Bank |
| Brian & Lola Scott | New Underwood | 7.00% | V | \$ 225,100.00 | First National Bank |
| Elden & Patricia Andersen | Badger | 8.00% | V | \$ 68,520.00 | Citizens State Bank |
| Arthur Wenzel, Jr. | Huron | 8.50% | F | \$ 38,000.00 | Marquette Bank |
| David R. Christenson | Britton | 7.50% | F | \$ 74,000.00 | CFD |
| Steven & Amy Noonan | Howard | 7.00% | F | \$ 186,114.00 | CFD |
| Todd A. Whempner | Wilmot | 7.75% | V | \$ 148,500.00 | Peoples State Bank |
| Scott & Kirsten Thompson | Flandreau | 7.00% | V | \$ 192,800.00 | Farmers State Bank |
| Rodney Yost | Iroquois | 7.50% | V | \$ 124,464.00 | Peoples State Bank |
| Ryan D. & Debra Olson | Erwin | 7.50% | V | \$ 31,200.40 | Citizens State Bank |
| Chad Jensen | Newell | 6.75% | F | \$ 17,983.00 | First National Bank |
| Darin & Julie Zuehlke | Britton | 6.75% | V | \$ 21,875.00 | First Savings Bank |
| Kurt Kuehlke | Britton | 6.75% | V | \$ 118,125.00 | First Savings Bank |
| Ross Halter | Huron | 7.00% | F | \$ 83,738.00 | Marquette Bank |
| Britt Hofer | Freeman | 7.50% | V | \$ 133,000.00 | Merchants State Bank |
| Eric & Wendy Zell | Huron | 7.50% | F | \$ 162,400.00 | Marquette Bank |
| Daniel J. Loehrer | Milbank | 7.00% | F | \$ 119,660.00 | Community First State Bank |
| Todd M. & Darcy A. Jones | Hayes | 6.75% | V | \$ 147,110.00 | First National Bank |
| | | | | \$4,233,324.45 | |

During fiscal year 2001, forty Beginning Farmer Bonds were issued for \$4,233,324.45. An average bond issue of \$105,833 was financed at an average interest rate of 7.39%. Forty-seven and one half percent received a fixed interest rate and eighty-seven and one half percent were purchased by a lending institution.

FISCAL YEAR 2000 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|----------------------------|-----------------|-------------|---|---------------|----------------------------|
| Neil & Tammy Tolton | Midland | 7.00% | V | \$ 32,727.00 | First National Bank |
| Andrew & Julie Boomsma | Wolsey | 7.25% | F | \$ 110,000.00 | Norwest Bank |
| Levi Haefner | Mound City | 6.75% | F | \$ 55,000.00 | Norwest Bank |
| Ryan & Peggy McLellan | Eagle Butte | 6.50% | F | \$ 247,080.00 | Norwest Bank |
| Danny Phelps | Arlington | 7.75% | V | \$ 47,844.00 | Citizens State Bank |
| Jason Stoesser | Ft. Pierre | 6.00% | F | \$ 204,826.00 | CFD |
| Brian & Susan Dodd | Mt. Vernon | 7.25% | V | \$ 55,000.00 | Commercial Trust & Savings |
| Larry & Charlotte Akkerman | DeSmet | 6.75% | V | \$ 89,000.00 | Peoples State Bank |
| Roy Gjerde | Vienna | 7.00% | F | \$ 14,000.00 | Dacotah Bank |
| Joshua Larson | Woonsocket | 7.50% | F | \$ 128,000.00 | Marquette Bank |

| | | | | | |
|----------------------------|--------------|-------|---|----------------|----------------------------|
| Tigh Fliehs | Claremont | 7.21% | F | \$ 250,000.00 | CFD |
| Trent & Stephanie Damm | Badger | 7.25% | V | \$ 100,000.00 | Citizens State Bank |
| Craig & Melanie Jantz | Carpenter | 7.00% | F | \$ 86,000.00 | Marquette Bank |
| Kerry Hofer | Freemen | 7.25% | V | \$ 90,000.00 | Merchants State Bank |
| Timothy & Kelly Bowar | Faulkton | 6.25% | F | \$ 235,000.00 | CFD |
| Todd & Shawna Stroschein | Clear Lake | 7.90% | F | \$ 153,100.00 | Dacotah Bank |
| Patrick & Rebecca McMahon | Hermosa | 8.00% | F | \$ 250,000.00 | CFD |
| Ed McMahon | Hermosa | 8.00% | F | \$ 250,000.00 | CFD |
| Floyd & Trina Cleveland | Sisseton | 7.50% | V | \$ 66,315.00 | Peoples State Bank |
| John Hunt | Eagle Butte | 8.65% | V | \$ 85,260.00 | First National Bank |
| Heath Tilton | Iroquois | 6.75% | F | \$ 125,000.00 | Marquette Bank |
| Douglas Fast | Iroquois | 6.75% | F | \$ 125,000.00 | Marquette Bank |
| Patrick & Carol Knecht | Houghton | 6.75% | F | \$ 62,500.00 | First State Bank |
| Paul & Nicole Sumption | Frederick | 6.75% | F | \$ 31,005.00 | Norwest Bank |
| Ron & Mavis Weidner | Winner | 8.00% | F | \$ 60,400.00 | First Fidelity Bank |
| Dan & Amy Wilkinson | Iroquois | 6.75% | F | \$ 74,500.00 | Peoples State Bank |
| Mark Wilkinson | Lake Preston | 6.75% | F | \$ 74,500.00 | Peoples State Bank |
| Eric N. Thomas | Bowdle | 7.00% | F | \$ 30,000.00 | Norwest Bank |
| Cliff & Julie Keller | Tolstoy | 7.25% | F | \$ 51,600.00 | Norwest Bank |
| Brandon Rau | Java | 7.00% | F | \$ 212,500.00 | Norwest Bank |
| Duane & Rose Ann Zabel | Selby | 7.25% | F | \$ 37,800.00 | Norwest Bank |
| Steve & Tricia Zabel | Selby | 7.25% | F | \$ 37,800.00 | Norwest Bank |
| Corey & Kristi Eberhart | Java | 6.75% | V | \$ 119,770.00 | Great Plains Bank |
| Chet Carr | Prairie City | 6.90% | F | \$ 30,000.00 | Community First State Bank |
| Randy Czmowski | Lily | 8.25% | F | \$ 37,700.00 | Dacotah Bank |
| Marshall & Carolyn Edleman | Willow Lake | 7.75% | F | \$ 207,000.00 | Marquette Bank |
| Jeffrey & Linda Stewart | Lake Preston | 7.50% | V | \$ 50,000.00 | Peoples State Bank |
| Ralph Weber | Montrose | 7.50% | F | \$ 89,150.00 | Norwest Bank |
| Kevin Weber | Montrose | 7.50% | F | \$ 89,150.00 | Norwest Bank |
| | | | | \$4,094,527.00 | |

During fiscal year 2000, thirty-nine Beginning Farmer Bonds were issued for \$4,094,527. An average bond issue of \$104,988 was financed at an average interest rate of 7.21%. Sixty-six percent received a fixed interest rate, and eighty-seven percent were purchased by a lending institution.

FISCAL YEAR 1999 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|--------------------------|-----------------|-------------|---|---------------|----------------------------|
| Dion Rosenow | Lemmon | 6.90% | F | \$ 78,800.00 | |
| Chad Groos | Colman | 7.25% | V | \$ 62,500.00 | First Savings Bank |
| Chad & Cindy Kehn | Bonesteel | 7.00% | V | \$ 88,000.00 | Butte State Bank |
| Michael Finkbeiner | Mobridge | 8.00% | V | \$ 51,000.00 | Farmers State Bank |
| Andrew Boomsma | Wolsey | 7.00% | F | \$ 76,244.00 | Norwest Bank |
| David Leheska | Chamberlain | 7.50% | V | \$ 15,000.00 | Norwest Bank |
| Anthony & Darcie Sees | Menno | 6.50% | F | \$ 87,000.00 | CFD |
| Kevin & Dawn Hrnir | Sisseton | 6.00% | F | \$ 56,000.00 | CFD |
| Nathan Luvaas | Bradley | 7.85% | V | \$ 63,000.00 | Dacotah Bank |
| Jamason C. Larson | Langford | 8.00% | F | \$ 115,000.00 | CFD |
| Curtis & Roxanne Johnson | Keldron | 6.75% | V | \$ 72,000.00 | Community First State Bank |
| Chad J. Hofer | Bridgewater | 7.00% | V | \$ 35,000.00 | Merchants State Bank |

| | | | | | |
|---------------------------|--------------|-------|---|----------------|----------------------------|
| Timothy Jerald Zubke | Milbank | 5.80% | V | \$ 205,600.00 | Minnwest Bank |
| Jason & Pamela Fauth | Leola | 6.75% | F | \$ 127,000.00 | Norwest Bank |
| Michael & Sandra Larson | Mitchell | 6.75% | V | \$ 30,000.00 | Peoples State Bank |
| Stephen J. Albrecht | DeSmet | 6.75% | V | \$ 90,000.00 | Peoples State Bank |
| Steven Palmer | DeSmet | 6.75% | V | \$ 60,000.00 | Peoples State Bank |
| Stephen & Jodi Walters | Huron | 7.00% | F | \$ 75,000.00 | Marquette Bank |
| Daniel & Kristie Nigg | Sisseton | 7.25% | V | \$ 54,000.00 | Marquette Bank |
| Gary & Donna Wik | Webster | 8.00% | F | \$ 250,000.00 | CFD |
| Neil & Tammy Tolton | Midland | 7.00% | F | \$ 50,750.00 | First National Bank |
| Randall&MaryLou Tollefson | Mitchell | 7.00% | F | \$ 80,668.42 | Commercial Trust & Savings |
| Jason Vincent | Iroquois | 7.00% | F | \$ 24,000.00 | Community First State Bank |
| Daniel Jensen | Huron | 7.00% | F | \$ 126,000.00 | Community First State Bank |
| Cody Roettele | Columbia | 6.50% | F | \$ 110,000.00 | Norwest Bank |
| Chad J. Hofer | Bridgewater | 6.75% | F | \$ 14,500.00 | Merchants State Bank |
| Scott Meier | White Lake | 7.00% | F | \$ 62,400.00 | CFD |
| Michael James Wolff | Forbes – ND | 6.00% | F | \$ 95,000.00 | CFD |
| Chad J. Hofer | Bridgewater | 6.50% | F | \$ 75,888.00 | CFD |
| Justin & Sarah Bieber | Bowdle | 6.50% | F | \$ 149,850.00 | CFD |
| Dennis & Shari Evenson | McIntosh | 6.75% | F | \$ 29,700.00 | Community First State Bank |
| Justin James Eberhart | Eureka | 6.76% | F | \$ 25,000.00 | Norwest Bank |
| Jeff & Stacie Gruenhagen | DeSmet | 7.00% | F | \$ 115,000.00 | Marquette Bank |
| James & Willa Lolling | Lake Preston | 6.50% | V | \$ 235,752.00 | Peoples State Bank |
| Duane & Rose Ann Zabel | Selby | 6.50% | F | \$ 57,000.00 | Norwest Bank |
| Steve & Tricia Zabel | Selby | 6.50% | F | \$ 57,091.39 | Norwest Bank |
| Danny & Marnie Goehring | Mound City | 6.00% | V | \$ 101,337.00 | Campbell County Bank |
| Eric & DeeAnn Hofer | Aberdeen | 6.75% | F | \$ 62,030.00 | Norwest Bank |
| | | | | \$3,163,110.81 | |

Fiscal year 1999 saw thirty-eight Beginning Farmer Bonds issued amounting to \$3,163,111. An average bond issue of \$83,266 was financed at an average interest rate of 6.86%. Sixty-five percent received a fixed interest rate, and seventy-eight percent were purchased by a lending institution.

FISCAL YEAR 1998 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|---------------------------|-----------------|-------------|---|---------------|----------------------------|
| Tim Wolles | Dell Rapids | 6.60% | F | \$ 233,500.00 | First National Bank |
| Dennis & Marie Maier | Morristown | 7.25% | V | \$ 146,000.00 | F & M Bank |
| Steve & Rashell Hulm | Trail City | 7.50% | F | \$ 97,050.00 | CFD |
| Jeff & Connie Maier | Morristown | 7.25% | V | \$ 137,025.00 | F & M Bank |
| Rodell Storbakken | Britton | 7.25% | V | \$ 35,000.00 | First Savings Bank |
| James G. Carter | Ft. Pierre | 6.75% | V | \$ 130,000.00 | First National Bank |
| Curtis & Roxanne Johnson | Keldron | 7.00% | V | \$ 80,000.00 | Community First State Bank |
| James & Robin Baker | Fairfax | 7.00% | V | \$ 91,000.00 | Butte State Bank, NE |
| Kevin & Christal Espeland | Selby | 7.00% | F | \$ 40,000.00 | Norwest Bank |
| Victor L. Weber | Alexandria | 7.50% | V | \$ 71,200.00 | The Security State Bank |
| Charles & Koreen Anderson | Lemmon | 7.50% | F | \$ 45,900.00 | Dacotah Bank |
| Arlo J. Burbach | Scotland | 5.10% | F | \$ 46,215.00 | CFD |
| Mark D. Grimsrud | Sisseton | 7.00% | F | \$ 117,883.00 | CFD |
| Kevin Bertsch | St. Lawrence | 7.85% | F | \$ 190,414.00 | First State Bank |

Value Added Finance Authority | FY20

| | | | | | |
|----------------------------|--------------|-------|---|----------------|------------------------------|
| Brian & Natalie Bertsch | Miller | 7.85% | F | \$ 179,615.00 | First State Bank |
| Christian & Kris Havey | Mission | 7.50% | V | \$ 60,000.00 | Community First National, NE |
| Gene Ericson | Alcester | 7.08% | V | \$ 104,400.00 | Alcester State Bank |
| James & Christine Keeter | Miller | 7.85% | F | \$ 96,500.00 | First State Bank |
| Adam Van Hove | Freeman | 7.25% | F | \$ 250,000.00 | First National Bank |
| Kent & Sandra Schmidt | Marion | 6.50% | F | \$ 231,927.50 | Farmers State Bank |
| Scott A. Carlson | Lake Preston | 6.50% | F | \$ 53,760.00 | F & M Bank |
| Steven Holtquist | Milbank | 6.50% | F | \$ 132,000.00 | CenBank, MN |
| Billy & Bonnie Bieber | Timber Lake | 7.05% | F | \$ 37,000.00 | Norwest Bank |
| Steven & Vikki Hasche | Lake Preston | 7.00% | V | \$ 190,000.00 | Peoples State Bank |
| Galen & Connie Schaefer | Freeman | 7.75% | V | \$ 65,260.00 | Merchants State Bank |
| Rick & Marybeth Lundberg | Alcester | 7.06% | V | \$ 41,000.00 | Alcester State Bank |
| Louis & Jacquelyn Fritz | Raymond | 7.85% | V | \$ 187,500.00 | Dacotah Bank |
| Rodell & Lynn Storbaken | Britton | 7.25% | V | \$ 38,000.00 | First Savings Bank |
| Philip & Jill Jerde | Reva | 7.00% | V | \$ 250,000.00 | Community First State Bank |
| Eric & Laurie Casper | Lake Preston | 6.00% | F | \$ 130,000.00 | CFD |
| Duane Oligmueller | Miller | 7.85% | F | \$ 40,650.00 | First State Bank |
| Lance & Lisa Minor | Brookings | 6.05% | V | \$ 95,000.00 | First National Bank |
| Brad Farrar | Hurley | 7.75% | F | \$ 172,550.00 | Merchants State Bank |
| Allen & Mitzi Schrempp | Lantry | 6.75% | F | \$ 250,000.00 | Norwest Bank |
| Joe & Tammy Schrempp | Lantry | 7.00% | F | \$ 22,180.00 | Norwest Bank |
| Jeb Schock | Bowdle | 7.00% | F | \$ 124,500.00 | Norwest Bank |
| Dan & Marcie Kari | Bison | 7.00% | F | \$ 45,000.00 | Community First State Bank |
| Eugene & Eleanor Raap | Aberdeen | 8.00% | V | \$ 165,000.00 | Dacotah Bank |
| John Schallenkamp | Bridgewater | 6.50% | F | \$ 36,000.00 | Farmers State Bank |
| Wendy Nielsen-Fry | Pierre | 6.75% | V | \$ 189,680.00 | First National Bank |
| Brandon Rock | Long Valley | 7.50% | F | \$ 160,000.00 | First Fidelity Bank |
| Joe & Tammy Schrempp | Lantry | 7.00% | F | \$ 40,000.00 | Norwest Bank |
| Craig & Doriene Olson | Mound City | 7.00% | F | \$ 22,700.00 | Norwest Bank |
| John & Gayle Bechen | Letcher | 7.25% | V | \$ 37,800.00 | Norwest Bank |
| Brodie James Dailey | Clear Lake | 6.00% | F | \$ 67,200.00 | CFD |
| Brodie James Dailey | Clear Lake | 6.00% | F | \$ 63,626.82 | CFD |
| Richard J Wells | Clark | 7.00% | F | \$ 225,000.00 | CFD |
| Louis & Jacquelyn Fritz | Raymond | 6.50% | F | \$ 45,000.00 | CFD |
| Larry K & Kristie M Gordon | Hitchcock | 7.50% | F | \$ 24,000.00 | Marquette Bank |
| Brian Smith | Davis | 7.00% | F | \$ 240,929.49 | Dakota Heritage State Bank |
| Mark Houerstadt | Florence | 7.50% | F | \$ 30,000.00 | Peoples State Bank |
| Brian & Jeff Feistner | Woonsocket | 7.00% | F | \$ 29,500.00 | Community First State Bank |
| Jason & Joey Pekarek | Highmore | 7.50% | V | \$ 160,000.00 | Hand County State Bank |
| Charles Ericksen | Garretson | 7.50% | F | \$ 72,000.00 | First National Bank |
| Cory & Melissa Schrag | Marion | 6.50% | F | \$ 163,000.00 | Farmers State Bank |
| Jarrold Kramer | Freeman | 6.50% | F | \$ 231,250.00 | Farmers State Bank |
| Todd Sprung | Corona | 7.20% | V | \$ 118,900.00 | CenBank |
| | | | | \$6,379,615.81 | |

During fiscal year 1998, \$6.38 million in Beginning Farmer bonds were issued to fifty-seven Beginning Farmers. The average bond issue was \$112,140 with an average tax-exempt interest rate of 7.05%. Sixty-four percent of the bonds received fixed interest rates. Lending institutions purchased eighty-six percent of the bond issues, and the remaining bonds financed contract for deeds.

FISCAL YEAR 1997 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|----------------------------|-----------------|-------------|---|----------------|-----------------------------|
| Dale & Carol Tjarks | Flandreau | 5.77% | V | \$ 209,600.00 | CFD |
| Adam Wright | Turton | 7.00% | F | \$ 40,365.00 | CFD |
| Darin Schmiedt | Woonsocket | 8.00% | F | \$ 20,184.62 | CFD |
| Donald Churchill | Pierre | 8.25% | F | \$ 70,000.00 | First National Bank |
| Gilbert G. Rodgers | Wessington | 7.00% | F | \$ 147,000.00 | CFD |
| Travis Smith | Harrold | 7.50% | F | \$ 27,000.00 | First National Bank |
| Craig L. Goens | Castlewood | 7.75% | F | \$ 30,000.00 | First Premier Bank |
| Troy Walraven | Meckling | 6.75% | V | \$ 35,000.00 | Norwest Bank |
| David D. Melius | Northville | 8.00% | F | \$ 192,000.00 | CFD |
| Lance Larsen | Groton | 8.00% | F | \$ 67,000.00 | CFD |
| Gorden L. Kane | Marvin | 7.50% | F | \$ 36,480.00 | People State Bank |
| Lyndel & Kimberly Johnson | Bison | 6.75% | F | \$ 25,000.00 | Community First State Bank |
| Timothy & Shelly Murphy | White | 6.00% | F | \$ 73,800.00 | First National Bank |
| Daniel & Suzanne Crick | Menno | 7.00% | F | \$ 227,500.00 | CFD |
| Scott A. Reed | Flandreau | 7.25% | F | \$ 70,000.00 | First National Bank & Trust |
| Greg R. Johnson | Shadehill | 7.00% | F | \$ 22,110.00 | Community First State Bank |
| Brandon Rau | Java | 7.25% | V | \$ 37,500.00 | Norwest Bank |
| Lyndel & Kimberly Johnson | Bison | 6.75% | F | \$ 35,525.00 | Community First State Bank |
| Jess A. Martin | Marcus | 7.50% | F | \$ 35,000.00 | First National Bank |
| Scott Schauer | Leola | 7.50% | F | \$ 29,300.00 | Dacotah Bank |
| Jaylon Gerlach | Stickney | 7.00% | F | \$ 49,000.00 | Commercial Trust & Savings |
| DeJon & Jeri Bakken | Keldron | 7.00% | F | \$ 18,300.00 | Community First State Bank |
| Jason C. Street | Reville | 7.50% | V | \$ 84,000.00 | Community State Bank |
| Dennis & Jill Anderson | Dell Rapids | 7.00% | F | \$ 103,896.00 | Norwest Bank |
| Travis A. Smith | Harrold | 6.75% | V | \$ 31,500.00 | First National Bank |
| Jeff & Margie Parmely | St. Lawrence | 7.50% | V | \$ 78,400.00 | Hand County State Bank |
| Cameron J. Miles | Meadow | 7.00% | F | \$ 21,600.00 | Community First State Bank |
| Greg & Edith Stamp | Astoria | 6.25% | F | \$ 23,000.00 | First National Bank |
| Tim Dagel | Watertown | 7.75% | V | \$ 51,520.00 | Peoples State Bank |
| Chipp I. Gerlach | Stickney | 7.00% | F | \$ 40,000.00 | Commercial Trust & Savings |
| Ronald D. Fravel | Ft. Pierre | 6.75% | V | \$ 80,000.00 | First National Bank |
| Dean Ramlo | Brookings | 6.25% | V | \$ 46,000.00 | First National Bank |
| David & Sandra Elofson | Brandon | 7.00% | V | \$ 118,000.00 | First National Bank |
| David Richard Schmidt | Flandreau | 7.25% | F | \$ 42,000.00 | First National Bank |
| Ross J. Hunter | Ardmore | 6.75% | V | \$ 250,000.00 | First National Bank |
| Mark Johnson | Reville | 7.00% | F | \$ 128,000.00 | Bank of South Dakota |
| Kenneth & Holly Veldkamp | Dell Rapids | 7.75% | F | \$ 106,000.00 | First National Bank |
| Donavon & Michelle Tilberg | Mt. Vernon | 7.00% | F | \$ 17,000.00 | Commercial Trust & Savings |
| Wyn & Charlene Johnson | Baltic | 7.85% | F | \$ 150,000.00 | First National Bank |
| | | | | \$2,868,580.62 | |

Thirty-nine bonds were issued during fiscal year 1997 exceeding \$2.87 million. The average bond issue and interest rate were \$73,553 and 7.15%, respectively. Seventy-two percent of bond issues received a fixed interest rate, and lending institutions purchased eighty-two percent of the bond issues.

FISCAL YEAR 1996 ACTIVITY
Beginning Farmer Bond Program

| Name | Location | Rate | | Amount | Lender |
|----------------------------|-----------------|-------------|---|---------------|---------------------|
| Ryan Ronning | Alcester | 6.55% | V | \$ 75,000.00 | Alcester State Bank |
| Robert & Sheila Schlechter | Miller | 7.50% | F | \$ 200,646.00 | First State Bank |
| Travis F. Peterson | Bradley | 7.25% | F | \$ 42,000.00 | Dacotah Bank |
| Gary Schauer | Leola | 6.50% | V | \$ 30,355.00 | Dacotah Bank |
| Scott Daniel Schauer | Leola | 6.50% | V | \$ 36,550.00 | Dacotah Bank |
| Randy & Diana Erickson | Platte | 7.50% | F | \$ 190,000.00 | CFD |
| Michael Finkbeiner | Roscoe | 8.25% | V | \$ 42,000.00 | Farmers State Bank |
| Albert Richardson | Geddes | 8.00% | F | \$ 105,263.00 | CFD |
| | | | | \$721,814.00 | |

Summarizing the activity during fiscal year 1996 in which the program began accepting applications in February 1996, eight bond series were issued for \$721,814 with the average bond amount of \$90,227 and an average interest rate of 7.26%. Fifty percent of the bonds received fixed interest rates, and the remaining fifty percent were variable or adjustable rates. Lending institutions purchased seventy-five percent of the bond issues and the remaining bonds purchased by contract sellers.

AGRIBUSINESS BOND

FISCAL YEAR 2014 ACTIVITY
Agribusiness Bonding Program

| Name | Location | Rate | Amount | Lender |
|--------------------------|-----------------|-------------|---------------|------------------------|
| Yankton Ag Service, Inc. | Yankton | 2.80% | 500,000 | First National Bank SD |

One Agribusiness Bond was closed in State Fiscal Year (SFY) 2014 for \$500,000.

FISCAL YEAR 2012 ACTIVITY
Agribusiness Bonding Program

| Name | Location | Rate | Amount | Lender |
|---------------|-----------------|-------------|---------------|-------------------|
| Stuart Samson | Eden | 4.75% | \$340,000 | Great Plains Bank |

One Agribusiness Bond was closed in SFY 2012 for \$340,000.

FISCAL YEAR 2011 ACTIVITY
Agribusiness Bonding Program

| Name | Location | Rate | Amount | Lender |
|--------------|-----------------|-------------|---------------|--------------------|
| Joseph Fritz | Rosholt | 5.17% | \$557,975 | Great Western Bank |

One Agribusiness Bond was closed in SFY 2011 for \$557,975.

FISCAL YEAR 2009 ACTIVITY
Agribusiness Bonding Program

| Name | Location | Rate | Amount | Lender |
|--------------------|-----------------|-------------|---------------|-----------------------|
| Dakota Layers, LLP | Flandreau | 5.25% | \$1,389,598 | U.S Bank- Spencer, IA |

One Agribusiness Bond was closed in SFY 2009 for \$1,389,598.

FISCAL YEAR 2008 ACTIVITY
Agribusiness Bonding Program

| Name | Location | Rate | | Amount | Lender |
|---------------------------|-----------------|-------------|--|---------------|--------------------|
| Farmers Ag LLC | Madison | 6.35% | | \$5,804,927 | First Bank & Trust |
| SD Oilseed Processors LLC | St. Lawrence | 6.75% | | \$10,000,000 | First Bank & Trust |
| | | | | \$15,804,927 | |

Two Agribusiness Bonding program loans were closed in SFY 2008 for \$15,804,927.

FISCAL YEAR 2006 ACTIVITY
Agribusiness Bonding Program

| Name | Location | Rate | | Amount | Lender |
|-----------------------------|-----------------|-------------|---|---------------|----------------------|
| Wild Dutchman Products, Inc | Mound City | 6.75% | F | \$325,000 | Campbell County Bank |

During fiscal year 2006, the fourth Agribusiness Bond was issued for the above project. Wild Dutchman Products, Inc used the bond proceeds to purchase equipment and construct a new building for their seed business in Mound City.

FISCAL YEAR 2002 ACTIVITY
Agribusiness Bonding Program

| Name | Location | Rate | | Amount | Lender |
|--------------------------|-----------------|-------------|---|---------------|------------------|
| Farmers Elevator Company | Humboldt | 6.25% | F | \$600,000 | Wells Fargo Bank |

During fiscal year 2002, the third Agribusiness Bond was issued for the above project. The Farmers Elevator in Humboldt used the bond proceeds to construct a fertilizer storage/blending facility and for equipment.

FISCAL YEAR 2001 ACTIVITY
Agribusiness Bonding Program

| Name | Location | Rate | | Amount | Lender |
|-----------------------|-----------------|-------------|---|---------------|---------------------|
| Sterling Technologies | Toronto | 6.25% | F | \$ 420,000 | First National Bank |

During fiscal year 2001, the second Agribusiness Bond was issued for the project listed above. The bond was issued to purchase equipment and construct facilities to process colostrum for animal and human consumption.

FISCAL YEAR 1999 ACTIVITY
Agribusiness Bonding Program

| Name | Location | Rate | | Amount | Lender |
|------------------------------|-----------------|-------------|---|---------------|----------------------|
| Castlewood Farmer's Elevator | Castlewood | 7.50% | F | \$ 500,000 | Citizen's State Bank |

The Agribusiness Bonding Program was utilized for the first time by the aforementioned project with Castlewood Farmer's Elevator. By using tax-exempt bonds to finance the construction and equipment for the feed mill, the business realized an interest rate 150 basis points less than conventional financing. Over the life of the loan, the tax-exempt rate results in substantial savings to the business.

LIVESTOCK NUTRIENT MANAGEMENT BOND**FISCAL YEAR 2020 ACTIVITY*****Livestock Nutrient Management Bond Program***

| Name | Location | Rate | | Amount | Lender |
|------------------|-----------------|-------------|---|----------------|---------------|
| JHGAS Farms, LLC | Irene | 5.75% | F | 1,071,339.39 | Cortrust Bank |
| | | | | \$1,071,339.39 | |

One Livestock Nutrient Management Bonds were issued for a hog confinement building in FY 20.

FISCAL YEAR 2019 ACTIVITY***Livestock Nutrient Management Bond Program***

| Name | Location | Rate | | Amount | Lender |
|----------------------|-----------------|-------------|---|----------------|-----------------------|
| Three Lost Pigs, LLC | Orient | 3.8% | F | \$755,478.17 | American Bank & Trust |
| Karl Schenk | Mission Hill | 5.75% | F | \$2,000,000 | Cortrust Bank |
| | | | | \$2,755,478.17 | |

Two Livestock Nutrient Management Bonds were issued for hog confinement buildings in FY 19 for \$2,755,478.17.

FISCAL YEAR 2015 ACTIVITY***Livestock Nutrient Management Bond Program***

| Name | Location | Rate | | Amount | Lender |
|---------------------------|-----------------|-------------|---|---------------|------------------------|
| Jeff Howard | Groton | 4.00% | F | \$ 195,000 | Home Federal Bank |
| Sterling Technology, Inc. | Brookings | 4.00% | F | \$ 163,000 | First Bank & Trust |
| Lincoln Land LLC | Centerville | 4.00% | F | \$5,500,000 | Frazer Lanier Co. Inc. |
| | | | | \$ 5,858,000 | |

Three Livestock Nutrient Management Bonds were issued in State Fiscal Year (SFY) 2015 for a total of \$5,858,000.

FISCAL YEAR 2014 ACTIVITY***Livestock Nutrient Management Bond Program***

| Name | Location | Rate | | Amount | Lender |
|----------------------|-----------------|-------------|---|---------------|--------------------|
| Britannia Dairy, LLP | Flandreau | 4.25% | F | \$ 106,715 | First Bank & Trust |

One Livestock Nutrient Management Bond was issued in SFY 2014 for \$106,715.

FISCAL YEAR 2009 ACTIVITY***Livestock Nutrient Management Bond Program***

| Name | Location | Rate | | Amount | Lender |
|--------------------|-----------------|-------------|---|---------------|-----------------------|
| Dutch Dakota Dairy | Lake Preston | 6.25% | F | \$259,260 | Home Federal Bank |
| Dakota Layers, LLP | Flandreau | 5.25% | F | \$1,900,000 | U.S. Bank-Spencer, IA |
| Patrick Taggart | Dallas | 4.75% | F | \$150,000 | BankWest |
| Modak Dairy | Goodwin | 6.30% | F | \$663,350 | Home Federal Bank |
| | | | | \$2,972,610 | |

A total of four Livestock Nutrient Management Bonds were issued in SFY 2009. These four bonds totaled \$2,972,610.

FISCAL YEAR 2008 ACTIVITY
Livestock Nutrient Management Bond Program

| Name | Location | Rate | | Amount | Lender |
|---------------------------------|-----------------|-------------|---|---------------|--------------------|
| Lazylot Dairy Inc. | Cottonwood | 6.00% | F | \$150,000 | Home Federal Bank |
| Swier Dairy Limited Partnership | Ramona | 6.00% | F | \$350,000 | Home Federal Bank |
| Wildrose Dairy, LP | Brandt | 6.75% | F | \$309,060 | First Bank & Trust |
| Mossing's Dairy Inc. | Egan | 6.50% | F | \$350,000 | Home Federal Bank |
| | | | | \$1,159,060 | |

A total of four Livestock Nutrient Management Bonds were issued in SFY 2008. These four bonds totaled \$1,159,060.

FISCAL YEAR 2007 ACTIVITY
Livestock Nutrient Management Bond Program

| Name | Location | Rate | | Amount | Lender |
|-----------------------------|-----------------|-------------|---|---------------|-----------------------|
| Drumgoon Dairy Partnership | Lake Norden | 6.0% | F | \$309,931 | First Bank & Trust |
| Global Dairy Partnership | Bruce | 7.0% | F | \$290,990 | MetaBank |
| Hiles Farms, Inc | Wolsey | 7.15% | F | \$135,299 | American Bank & Trust |
| Wellhouse Dairy | Castlewood | 7.5% | F | \$52,000 | Citizens State Bank |
| Mill Valley Dairy, LLC | Milbank | 7.0% | F | \$211,140 | First Bank & Trust |
| Old Tree Farms, LLC | Brookings | 7.0% | F | \$181,060 | First Bank & Trust |
| Royalwood Farms Partnership | Brandon | 6.5% | F | \$180,000 | Home Federal Bank |
| Rodell Storbakken | Sisseton | 5.25% | V | \$77,675 | Dacotah Bank |
| | | | | \$1,438,095 | |

A total of eight Livestock Nutrient Management Bonds were issued in SFY 2007. These eight bonds totaled \$1,438,095.

FISCAL YEAR 2006 ACTIVITY
Livestock Nutrient Management Bond Program

| Name | Location | Rate | | Amount | Lender |
|-----------------------------|-----------------|-------------|---|---------------|----------------------------|
| Stockmen's Livestock Market | Yankton | 5.6% | V | \$425,000 | First Dakota National Bank |
| LDL Cattle Company | Ipswich | 5.5% | F | \$315,000 | Campbell County Bank |
| Philip Livestock Auction | Philip | 5.2% | F | \$50,000 | First National Bank |
| | | | | \$790,000 | |

In State Fiscal Year 2006, five Livestock Nutrient Management Bond applications were received with three of these closing in SFY 2006 for \$790,000.

FISCAL YEAR 2005 ACTIVITY
Livestock Nutrient Management Bond Program

| Name | Location | Rate | | Amount | Lender |
|-------------------------|-----------------|-------------|---|---------------|----------------------|
| Prairie Gold Dairy, LLC | Flandreau | 1.33% | V | \$3,000,000 | W.R. Taylor Co., LLC |

One Livestock Nutrient Management Bond was closed in SFY 2005 for \$3,000,000.

FISCAL YEAR 2002 ACTIVITY
Livestock Nutrient Management Bond Program

| Name | Location | Rate | | Amount | Lender |
|----------------------|-----------------|-------------|---|---------------|---------------------|
| Boadwine Farms, Inc. | Baltic | 5.50% | F | \$300,000 | First National Bank |

One Livestock Nutrient Management Bond closed in SFY 2002 for \$300,000.

VALUE ADDED AGRIBUSINESS RELENDING PROGRAM

FISCAL YEAR 2020 ACTIVITY
Value Added Agribusiness Relending Program

| Name | Location | Rate | Amount | Product |
|-----------------------|-----------------|-------------|---------------|---------------------|
| Creekside Bean & Vine | Spearfish | 3% | \$110,000.00 | SD Made retail/deli |
| Agrovive, LLC | Tea | 3% | \$250,000.00 | Ag Mfg |
| | | | \$360,000.00 | |

Two direct loans were made to value added agricultural businesses in SD for \$360,000.

FISCAL YEAR 2019 ACTIVITY
Value Added Agribusiness Relending Program

| Name | Location | Rate | Amount | Product |
|---------------------------|-----------------|-------------|---------------|----------------|
| LemmonMade Inc. | Lemmon | 3% | \$250,000.00 | Meat Products |
| Jackson Winery & Vineyard | Belle Fourche | 3% | \$30,000.00 | Sparkling Wine |
| | | | \$280,000.00 | |

Two direct loans were made to value added agricultural businesses in SD for \$280,000.00.

FISCAL YEAR 2018 ACTIVITY
Value Added Agribusiness Relending Program

| Name | Location | Rate | Amount | Product |
|---------------------|-----------------|-------------|---------------|------------------|
| Chris Hill | Pierre, SD | 3.0% | \$63,000 | Hunting Building |
| Dakota Butcher, LLC | Watertown, SD | 3.0% | \$135,000 | Meat Products |
| | | | \$198,000 | |

In SFY 2018, two loans were closed totaling \$198,000.

FISCAL YEAR 2017 ACTIVITY
Value Added Agribusiness Relending Program

| Name | Location | Rate | Amount | Product |
|-------------------------|-----------------|-------------|---------------|----------------|
| Randell and Nora Boesem | Newell | 3.0% | \$115,000 | Meat Products |
| C9 Enterprises, LLC | Wall | 3.0% | 187,500 | Meat Products |
| | | | \$302,500 | |

In SFY 2017, two loans were closed totaling \$302,500.

FISCAL YEAR 2016 ACTIVITY
Value Added Agribusiness Relending Program

| Name | Location | Rate | Amount | Product |
|---------------------|-----------------|-------------|---------------|----------------|
| SJB Enterprises | Buffalo Gap | 3.0% | \$190,000 | Feed |
| Badlands Distillery | Kadoka | 3.0% | \$178,000 | Distillery |
| | | | \$368,000 | |

In SFY 2016, two loans totaling \$368,000 were closed.

FISCAL YEAR 2015 ACTIVITY
Value Added Agribusiness Relending Program

| Name | Location | Rate | Amount | Product |
|-------------------|-----------------|-------------|---------------|----------------------|
| Dakota Butcher | Clark | 3.0% | \$180,000 | Meat Products |
| AgVision Labs LLC | Alpena | 3.0% | \$250,000 | Soil Test & Analysis |
| | | | \$430,000 | |

In SFY 2015, two loans totaling \$430,000 were closed.

FISCAL YEAR 2014 ACTIVITY
Value Added Agribusiness Relending Program

| Name | Location | Rate | Amount | Product |
|---------------------------|-----------------|-------------|---------------|----------------|
| White Headed Robin Winery | Viborg | 3.0% | \$ 55,000 | Wine |
| Jackson Winery | Belle Fourche | 3.0% | \$150,000 | Wine |
| | | | \$205,000 | |

In SFY 2014, two loans totaling \$205,000 were closed.

FISCAL YEAR 2012 ACTIVITY
Value Added Agribusiness Relending Program

| Name | Location | Rate | Amount | Product |
|----------------------|-----------------|-------------|---------------|----------------|
| Prairie Berry Winery | Hill City | 3.0% | \$109,200 | Wine |

In SFY 2012, one loan for \$109,200 was closed.

FISCAL YEAR 2011 ACTIVITY
Value Added Agribusiness Relending Program

| Name | Location | Rate | Amount | Product |
|----------------------------|-----------------|-------------|---------------|----------------|
| Kevin and Michelle Franker | Viborg | 3.0% | \$50,000 | Wine |
| | | | \$50,000 | |

One loan was closed in SFY 2011 for \$50,000.

FISCAL YEAR 2010 ACTIVITY
Value Added Agribusiness Relending Program

| Name | Location | Rate | Amount | Product |
|--------------|-----------------|-------------|---------------|----------------|
| Tri-Ag Sales | Hurley | 3.0% | \$150,000 | Seed |
| Tim Tiede | Parkston | 3.0% | \$150,000 | Seed |
| | | | \$300,000 | |

Two Value Added Agribusiness Relending program loans were closed in SFY 2010 for \$300,000

FISCAL YEAR 2007 ACTIVITY
Value Added Agribusiness Relending Program

| Name | Location | Rate | Amount | Product |
|-----------------|-----------------|-------------|---------------|----------------|
| Hecla Feed, LLC | Hecla | 6.25% | \$20,000 | Feed |
| | | | \$20,000 | |

One Value Added Agribusiness Relending program loan was closed in SFY 2007 for \$20,000.

FISCAL YEAR 2006 ACTIVITY
Value Added Agribusiness Relending Program

| Name | Location | Rate | Amount | Product |
|--------------------------|------------------|-------------|---------------|-----------------|
| Steck Wholesale Foods | North Sioux City | 4.75% | \$150,000 | English Muffins |
| Kim and Gloria Jorgenson | Waubay | 5.25% | \$120,000 | Meat Products |
| | | | \$270,000 | |

Two VAARP loans were closed in SFY 2006 totaling \$270,000.

FISCAL YEAR 2005 ACTIVITY
Value Added Agribusiness Relending Program

| Name | Location | Rate | Amount | Product |
|----------------------------|-----------------|-------------|---------------|----------------|
| Prairie Berry, LLC | Hill City | 4.00% | \$61,300 | Wine |
| Glacial Lakes Meat & Proc. | Britton | 4.00% | \$175,000 | Meat Products |
| Dakota Farms International | Willow Lake | 4.00% | \$105,000 | Barley Tea |
| Valiant Vineyards, Inc. | Vermillion | 4.00% | \$150,000 | Wine |
| Prairie Berry, LLC | Hill City | 4.00% | \$83,700 | Wine |
| | | | \$575,000 | |

In fiscal year 2005, five direct loans were made totaling \$575,000.

FISCAL YEAR 2004 ACTIVITY
Value Added Agribusiness Relending Program

| Name | Location | Rate | Amount | Product |
|-----------------------|-----------------|-------------|---------------|----------------|
| Glendon Shearer | Wall | 4.00% | \$52,000 | Cedar Dowels |
| Dakota Shine | Mitchell | 4.00% | \$75,000 | Seed Oil |
| Frohling's Meat, Inc. | Hecla | 4.00% | \$30,650 | Meat |
| | | | \$157,650 | |

Three loans were made in fiscal year 2004 totaling \$157,650.00.

FISCAL YEAR 2003 ACTIVITY
Value Added Agribusiness Relending Program

| Name | Location | Rate | Amount | Product |
|---------------------|-----------------|-------------|---------------|----------------|
| K Bar J Enterprises | Newell | 4.00% | \$20,000 | Leather |

| | | | | |
|-------------------|-----------|-------|-----------|--------------|
| Dakota Shine | Mitchell | 4.00% | \$50,000 | Seed Oil |
| Dakota Shine | Mitchell | 4.00% | \$25,000 | Seed Oil |
| Beverly J. Hubers | Brandon | 4.00% | \$53,000 | Horticulture |
| Hecla Feed, LLC | Hecla | 4.00% | \$150,000 | Feed |
| Peanotz, Inc. | Carpenter | 4.00% | \$150,000 | Soybeans |
| | | | \$448,000 | |

In fiscal year 2003, the Value Added Finance Authority awarded nine loans totaling \$448,000 at four percent interest. The average loan was \$74,667.

FISCAL YEAR 2002 ACTIVITY
Value Added Agribusiness Relending Program

| Name | Location | Rate | Amount | Product |
|------------------------|-----------------|-------------|---------------|----------------|
| K Bar J Enterprises | Newell | 4.00% | \$10,000 | Leather |
| Frohling's Meats, Inc. | Hecla | 4.00% | \$113,250 | Meat |
| Frohling's Meats, Inc. | Hecla | 4.00% | \$5,000 | Meat |
| | | | \$128,250 | |

Three loans were awarded through the Value Added Agribusiness Relending Program in fiscal year 2002 totaling \$128,250 for processing businesses.

VALUE ADDED SUB FUND

FISCAL YEAR 2020 ACTIVITY
Value Added Sub Fund

There were no applications received in FY20 and no board studies commissioned.

FISCAL YEAR 2019 ACTIVITY
Value Added Sub Fund

There were no applications received in FY19 and no board studies commissioned.

FISCAL YEAR 2018 ACTIVITY
Value Added Sub Fund

| | | | | |
|-------------------------|-------|-------|-----------|-----------------------------|
| S.D. Soybean Processors | Volga | 0.00% | \$100,000 | Edible Oil/Food Grade Study |
|-------------------------|-------|-------|-----------|-----------------------------|

In SFY 2018 VAFA, approved one application for VASF to SD Soybean and commissioned two studies. The County Site Analysis Program (CSAP) for \$19,000 and a Feed Mill Study for up to \$12,500 for SFY 2018.

FISCAL YEAR 2017 ACTIVITY
Value Added Sub Fund

No applications were received in FY 17; however, the VAFA board commissioned two studies for \$125,000. The County Site Analysis Program (CSAP) for \$100,000 and a Dairy Processing Study for up to \$25,000.

FISCAL YEAR 2016 ACTIVITY
Value Added Sub Fund

| | | | | |
|---------------------------|---------|-------|----------|----------------------------|
| Yankton Area Prog. Growth | Yankton | 0.00% | \$10,000 | Rail/Industrial Park Study |
|---------------------------|---------|-------|----------|----------------------------|

| | | | | |
|------------------|--------|-------|-----------|-----------------------|
| Hydrogreen, Inc. | Crooks | 0.00% | \$143,135 | Hydroponic Feed Study |
| | | | \$153,135 | |

In addition to the two feasibility study applications approved for a total of \$153,135, VAFA commissioned a study for the County Site Analysis Program (CSAP) for SFY 2016 totaling \$87,000.

FISCAL YEAR 2015 ACTIVITY
Value Added Sub Fund

| Name | Location | Rate | Amount | Project |
|-------------------------|-----------------|-------------|---------------|----------------------------|
| Ring-Neck Energy & Feed | Onida | 0.00% | \$22,500 | Ethanol Processing Study |
| CLR, LLC | Sioux Falls | 0.00% | \$27,565 | Biodiesel Production Study |
| | | | \$50,065 | |

In addition to the two feasibility study applications approved for a total of \$50,065, VAFA commissioned a \$100,000 study for the County Site Analysis Program (CSAP) for SFY 2015.

FISCAL YEAR 2014 ACTIVITY
Value Added Sub Fund

| Name | Location | Rate | Amount | Project |
|------------------|-----------------|-------------|---------------|----------------|
| Global Dairy, LP | Estelline | 0.00% | \$33,750 | Digester Study |
| | | | \$33,750 | |

In addition to the one application approved for \$33,750, the VAFA commissioned a \$100,000 study for the County Site Analysis Program (CSAP) in SFY 2014.

AMERICAN RECOVERY AND REINVESTMENT ACT BONDS

FISCAL YEAR 2011 ACTIVITY
American Recovery and Reinvestment Act

| Name | Location | Rate | Amount | Product |
|----------------------------|-----------------|-------------|---------------|----------------|
| Lumber Exchange, LLC | Sioux Falls | 2.8215%Ind | \$18,350,000 | Building |
| Retail at Dawley Farm, LLC | Sioux Falls | 4.5% | \$4,600,000 | Building |
| DT Builders, LLC | Mitchell | 4.5% | \$1,800,000 | Building |
| | | | \$24,750,000 | |

Three bonds were closed in fiscal year 2011 totaling \$24,750,000 economic development projects in South Dakota.

VALUE ADDED FINANCE AUTHORITY MEMBERS

The powers of the Authority are vested in its Board of Directors. These seven individuals appointed by the Governor, consist of the following:

Robert Hull – Chairman

Mr. Hull served as the Executive Director of the Northeast South Dakota Community Action Program for 30 years prior to semi-retiring in 2004 and then serving the agency (N/K/A Grow South Dakota) as an advisor through 2009. Mr. Hull also served as the Executive Director of a sister organization, the Northeast South Dakota Economic Corporation for 26 years. Three years prior to becoming Executive Director, he was the Head Start Director. He was an instrumental advisor in the organization of the Beadle and Spink Enterprise Community (BASEC). In 1998 he was recognized as the Small Business Advocate of the Year for South Dakota and Region VIII by the Small Business Administration. Prior to 1971, he taught school for two years in Herreid, SD. From January 2010 to January 2013, Bob served as a Loan Originator (covering SD) for the Community Development Bank, Ogema, MN. He served as the Acting Director of BASEC in late 2011 and early 2012. Bob is an avid hunter, houses numerous hunting dogs and is an active volunteer for several community entities.

Mr. Hull is a past Chairman and board member of the Dakota Resources, Inc. (fka SD Rural Enterprises Inc.). He served as a member of the board for the Rural Learning Center and was an active member and President of the Sisseton Economic Development Corporation. Mr. Hull also served on several other boards and committees too numerous to mention. He has served on the Value Added Finance Authority Board since inception in the mid-1990's, serving as Chairman for most of his term.

Mr. Hull graduated from Sisseton High School at Sisseton, SD and was honored as Alumnus of the Year in 2006. He received a B.S. Degree from Northern State University in 1968. Mr. Hull and his wife, Colette, are life-long residents of Sisseton, SD. They have two daughters, Andree Hull and Dawn Zahn, and three grandchildren.

Mark Gross – Vice Chairman

Mark Gross is a fourth generation producer on his family's diversified crop and livestock farm located in Hutchinson County. The operation consists of corn, soybeans, wheat, alfalfa, grass hay, a cow/calf beef operation and custom spraying. In addition to farming Mr. Gross is a seed advisor for Golden Harvest Seeds, serves on the Seed Advisor Executive Council for Syngenta, and is the owner of the Seed Mill in Bridgewater.

Mr. Gross is actively involved on the Board of Directors with the South Dakota Corn Growers Association and the South Dakota Corn Utilization Council. He has served as both Vice President and President of both organizations. He is currently the USDA FSA State Committee Chair. He previously served as president of the Bridgewater Farmers Union Coop and serves as the Pleasant Township Clerk. Mr. Gross was appointed to the Value Added Finance Authority board in 2001.

Mr. Gross obtained his Bachelor of Arts degree in Business Administration from Augustana College and in his spare time, he enjoys spending time with his family and traveling. Mark and his wife, Stacy, reside in Sioux Falls with their four children: Kaylee, Alexis, Landon and Allison.

Jim Doolittle

Mr. Doolittle recently served thirteen years as the Executive Director of Black Hills Community Economic Development and currently is an economic development consultant. He was formerly a K-12 School Administrator in Western South Dakota for 30 years. He has, along with his wife Karen, been lifetime owners/operators of a family cattle operation in Harding County near Buffalo, SD.

Mr. Doolittle is a high school graduate from Buffalo, South Dakota. He continued his education at Black Hills State University, where he graduated with a B.S. and M.S. in Education and Education Administration. Mr. Doolittle is a member of Harding County Stock Growers and S.D. Grasslands Coalition. He is a former member of the South Dakota Rural Enterprise Board of Directors, Phi Delta Kappa (professional education group), and the Rural Learning Center Advisory Board.

Mr. Doolittle currently resides in Belle Fourche with his wife Karen. They have three children Charles, Leslie, and Samantha. Mr. Doolittle was appointed to the Value Added Finance Authority in November of 2008. Mr. Doolittle's personal and professional interest is to help strengthen the economy of South Dakota so more opportunities are available for young people to stay in the state.

Marcia Hendrickson

Marcia Hendrickson is the President and CEO of Mitogenics, LLC. It is a research and development company that has developed compounds for treating mitochondrial diseases such as type 2 diabetes and Alzheimer's Disease.

Ms. Hendrickson was appointed by SD Governor Rounds to the Value Added Finance Authority in 2007. Marcia graduated from South Dakota State University with a Bachelor of Science in Microbiology and is also a Certified Public Accountant (retired). Marcia and her husband, Chuck, live outside of Chancellor, SD. They have 3 children, Ann, Katie, and Joe.

Charles (Chuck) Jepson

Chuck Jepson and his wife Ginger reside in Fort Pierre, SD. Over the past 15 years, Mr. Jepson has started several agriculture ventures including Harrold Grain Company, Hi-Plains Agronomy, Global Harvest Birdfood of South Dakota, and Liberty Grain. Mr. Jepson is currently CEO of Harvesting Technology. His company markets proprietary, value added opportunities to the ethanol and biofuels industry. Mr. Jepson is also a member of Iron Horse, LLC which is currently developing several agricultural business models served by the Dakota Southern Railroad.

Mr. Jepson grew up on the family farm near Tea, SD. He graduated from Lennox High in 1975 and University of Sioux Falls in 1979 with a degree in Economics. Chuck Jepson was appointed to the Value Added Finance Authority Board by Governor Dugaard in July 2011.

Nathan Jensen

Mr. Jensen, his wife Kristin, their son, Grant, and daughter, Addison, reside in rural Beresford where they raise corn, soybeans and alfalfa. Mr. Jensen attended South Dakota State University and graduated from Cal Poly with an undergraduate degree in Food Marketing and Agribusiness Management as well as a Master's in Business Administration. Previously, Mr. Jensen spent four years as the Chief Financial Officer for

a commercial dairy operation and twelve years in agribusiness lending with the Farm Credit System. Today, Mr. Jensen is serving as the Senior Vice President for First Dakota National Bank, a commercial agriculture bank with 19 full-service banking locations in 14 South Dakota cities and six loan production offices in South Dakota and Nebraska. Jensen oversees corporate agribusiness development and serves as a member of the Agribusiness Division leadership team for the Bank's 19 locations.

Mr. Jensen is the Treasurer of the Central Plains Dairy Foundation, Vice President of the South Dakota Agriculture Foundation, President of the Watchdog Education Foundation, and previously served as the President of the Central Plains Dairy Association. He is also an alumnus of the South Dakota Ag and Rural Leadership Program (Class VII). Mr. Jensen was appointed to the Value Added Finance Authority Board by Governor Dugaard in January 2014.

Jim Schmidt

Jim Schmidt has a foot in three worlds; Farming, County Government, and Affordable Housing. Jim holds a Bachelors degree from Augustana University and a Masters Degree from the University of S.D. His work experience beyond the farm includes; public school teacher, school administrator and has served as a Community College President.

Jim's public involvement includes; past president of the Sioux Falls Area Chamber of Commerce, Past President of the SD Associations' of County Officials, currently serving as a member of the Board of Directors for the National Association of County Officials, past chair of the multicultural Board of Directors and is very active in the Rotary Club. Rural Affordable housing has been one of his keen interests earning him the Friend of Affordable Housing award from the SD Housing & Development Authority. He currently chairs the Glory House Board of Directors and Rehabilitation Center for Drugs and Alcohol. He has also been named to the Board of Trustees of the SDML Workers Compensation Fund. Mr. Schmidt is currently chairing two committees for The National Association of Counties; the Ag and Rural Affairs committee and the Rural Action Caucus.

While all these activities have been part of his professional life his farming life has been constant as he continues each year to operate the family farm that was established in 1891. He and his wife Teri have two daughters; Brittany & Brianna, one son Anthony from a previous marriage.

Staff and Attorney

The Governor's Office of Economic Development services the VAFA programs. Staff and contracted attorneys providing services during SFY20 included the following individuals:

| | |
|----------------|--|
| Steve Westra | Commissioner |
| Cassie Stoeser | Director of Finance |
| Terri LaBrie | Executive Director, Value Added Finance Authority |
| Bond Counsel | David Claypool, Dorsey & Whitney, LLP, Des Moines, IA |
| | Cristina Kuhn, Dorsey & Whitney, LLP, Des Moines, IA |
| Attorney | Tim Engel, May, Adam, Gerdes, and Thompson, Pierre, SD |

**SOUTH DAKOTA VALUE ADDED FINANCE AUTHORITY
STATEMENT OF INCOME AND RETAINED EARNINGS
For the Period Ending June 30, 2020**

REVENUE**June 30, 2020**

| | |
|---------------------------|--------------------|
| Application and Loan Fees | \$36,347.08 |
| Other | \$0.00 |
| TOTAL REVENUE | \$36,347.08 |

EXPENDITURES

| | |
|---------------------------|--------------------|
| Salaries/Benefits | \$5,007.95 |
| Travel | \$0 |
| Contractual Services | \$34,438.67 |
| Supplies & Materials | \$134.81 |
| Other – transfer out | \$7,040.30 |
| TOTAL EXPENDITURES | \$46,621.73 |

| | |
|---------------------------------------|--------------------------|
| NET REVENUES OVER EXPENDITURES | (10,274.65) |
| BEGINNING CASH BALANCE | <u>14,462.64</u> |
| ENDING CASH BALANCE 6/30/20 | <u>\$4,187.99</u> |

**VALUE ADDED SUB FUND
POSITION STATEMENT
For the Period Ending June 30, 2020**

| | <u>Loans</u> | <u>Cash</u> | <u>Net Position</u> |
|-------------------------------|----------------------------|----------------------------|----------------------------|
| Beginning Position | \$648,717.43 | \$1,098,023.60 | \$1,724,461.93 |
| Repayments on Loans | (\$137,528.83) | | |
| New draws on Loans | \$0.00 | | |
| Loan Forgiveness | (\$18,315.00) | | |
| Net Lending Transactions | | \$137,528.83 | |
| Interest received on Loans | | \$202.28 | |
| Interest earned on Acct | | \$22,141.64 | |
| Prior Period Adjustment | | \$121.99 | |
| Motor Fuel Tax income | | \$135,000.00 | |
| Transfer Out or Grant Expense | | (\$1,000,000.00) | |
| Board Study Expense | | \$0.00 | |
| Admin Exp | | (\$5,704.98) | |
| Ending Position: | <u>\$492,873.60</u> | <u>\$387,313.36</u> | <u>\$880,186.96</u> |

VALUE ADDED AGRIBUSINESS RELENDING PROGRAM (VAARP) FUND
Statement of Income and Retained Earnings
As of June 30, 2020

| <u>REVENUE AND DRAWS</u> | <u>June 30, 2020</u> |
|---|-----------------------------|
| Fees/Charges | \$ 3,800.00 |
| Draws from USDA | 0 |
| Draws for Match | 0 |
| Principal received on Loans | 212,917.22 |
| Interest received on Loans | 42,222.83 |
| Interest earned on Account | 825.36 |
| Other | 0 |
| TOTAL REVENUE | \$259,765.41 |
| <u>EXPENDITURES AND LOANS</u> | |
| Interest paid USDA, RD | \$ 13,813.92 |
| Principal paid USDA, RD | 81,700.08 |
| New Loans | 360,000.00 |
| Other, Misc. Expense | 80.00 |
| TOTAL EXPENDITURES | \$ 455,594.00 |
| NET REVENUES OVER EXPENDITURES | \$ (195,828.59) |
| BEGINNING CASH BALANCE | <u>988,725.93</u> |
| ENDING CASH BALANCE | <u>\$ 792,897.34</u> |

VALUE ADDED AGRIBUSINESS RELENDING PROGRAM (VAARP) FUND
Balance Sheet -- As of June 30, 2020

| | |
|---|------------------------------|
| ASSETS: | |
| Cash and Reserves | \$ 792,897.34 |
| Loans Outstanding | 1,431,720.46 |
| TOTAL ASSETS | <u>\$2,224,617.80</u> |
| LIABILITIES: | |
| Loan Payable to USDA, RD | 1,299,692.32 |
| Prior Period Adjustment to USDA Payable | \$ 0 |
| TOTAL LIABILITIES | \$1,299,692.32 |
| TOTAL FUND BALANCE: | \$ 924,925.48 |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$2,224,617.80</u> |

SOUTH DAKOTA

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

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