

NORTHWESTERN Banker Newsletter

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Des Moines, Iowa

December 15, 1980

Ninth District Survey Shows—

Ag Debt Repayment Is Strong

THE DEMAND for agricultural loans in Minnesota, the Dakotas, Montana, northwestern Wisconsin, and the upper Peninsula of Michigan remained somewhat below normal in the third quarter, and it should at best get back to normal in the fourth quarter, according to the latest Agricultural Credit Conditions Survey published by the Federal Reserve Bank of Minneapolis. However, agricultural income and debt repayments were surprisingly strong in the third quarter and are expected to continue to be strong in the fourth quarter.

In the Bank's July survey of agricultural lenders in the Ninth District, bankers said they expected interest rates to decline in the third quarter, but not enough to drive the demand for ag loans higher than normal. Their expectations were realized. Interest rates on district agricultural loans did move down toward national money market rates, reducing their spread over the federal funds rate from 6 percentage points in June to 3½ points in mid-September. Interest rates were still at historically high levels, averaging 14% on short-term ag loans in the third quarter.

Ag Loan Demand Down
Partly because of the high

interest rates, ag loan demand in the third quarter was below normal. Many of the 125 bankers who responded to the survey agreed with the North Dakota banker who observed that farmers were "not in a buying mood." High interest rates along with large outstanding debts have apparently persuaded many farmers to hold off a bit longer on buying capital items such as machinery or breeding stock. Thus, few bankers in the October survey reported high loan-to-deposit ratios or unusually high rates of loan refusals, loan referrals, or funds shortages.

A majority of the surveyed bankers expected the demand for ag loans, both short- and long-term, to return to normal in the fourth quarter. The expected strengthen-

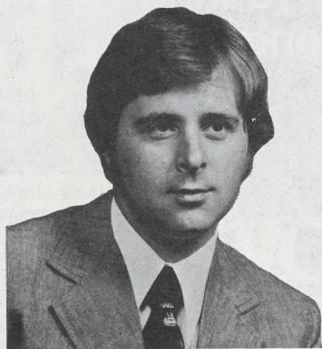
ing in demand did not appear to be related to interest rates nor to be caused by higher earnings and renewed investment. High livestock feed costs and poor crops in some areas probably account for most of the expected increase in the demand for ag loans, particularly short term operating loans.

Although ag loan demand was low, farm income has been surprisingly strong. Slightly more than half of the surveyed bankers reported that farm earnings in the third quarter were the same as or higher than they were a year ago, despite the fact that an overwhelming majority had expected earnings to be lower. The higher earnings can be attributed to the rebound in agricultural prices that followed the nationwide crop and animal losses of July and August.

Existing Debts Reduced
Higher farm earnings could

Repayments & Debt Position	October 1979	July 1980	October 1980
	(percent of banks reporting)		
Current rate of farm debt repayment			
slow	46	62	32
usual	52	36	59
rapid	2	3	9
Bankers expecting an adverse change in farmers' ability to repay debt	35	69	29
Number of farmers at debt limit compared with a year ago			
fewer	8	1	5
about the same	64	46	69
more	28	53	26

Chart prepared by the Research Department of the Federal Reserve Bank of Minneapolis.



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NEW ISSUE

SALE DATE: December 9, 1980

\$12,585,000
MINNEAPOLIS, MINNESOTA
General Obligation Redevelopment Bonds

MOODY'S: Aaa
S & P: AAA

Dated: January 1, 1981

Denomination: \$5,000

Both principal and semiannual interest (January 1 and July 1, first coupon due on July 1, 1981) payable at the Fiscal Agency of the City of New York City, New York, or at the City Comptroller-Treasurer's Office, or at the Fiscal Agency of the City in Minneapolis, Minnesota.

IN THE OPINION OF COUNSEL INTEREST ON THESE BONDS IS EXEMPT FROM ALL PRESENT FEDERAL INCOME TAXES.

MATURITIES

<u>8.60%</u>			<u>8.70%</u>		
\$1,850,000	July 1, 1982	8.00	\$1,200,000	July 1, 1986	8.25
700,000	July 1, 1983	8.10	1,050,000	July 1, 1987	8.30
3,250,000	July 1, 1984	8.15	1,185,000	July 1, 1988	8.35
<u>8.70%</u>			800,000	July 1, 1989	8.40
1,350,000	July 1, 1985	8.20	1,200,000	July 1, 1990	8.45

\$16,400,000
MINNEAPOLIS, MINNESOTA
General Obligation Public Improvement Bonds
(Development District No. 54)

MATURITY

8.60%

\$16,400,000 January 1, 1984 to yield 8.15

**LEGALITY TO BE APPROVED BY FAEGRE & BENSON, ATTORNEYS,
MINNEAPOLIS, MINNESOTA**

The City of Minneapolis is a political subdivision of the State, incorporated in 1867. The corporate limits of the City encompass approximately 58.7 square miles. The Minneapolis-St. Paul seven-county metropolitan area consists of Hennepin, Anoka, Carver, Dakota, Ramsey, Scott and Washington Counties. There are more than 1,100 manufacturing firms in the City. Major manufacturing categories include electronics and instruments, food processing, textiles and apparel, computers, graphic arts, machinery and metal fabricating. The ten largest manufacturing firms in the City are: Bemis Company; Electric Machinery Manufacturing Co.; Graco, Inc.; Honeywell, Inc.; International Multifoods Corporation; Land O'Lakes, Inc.; Munsingwear, Inc.; Northrup King Co.; Peavey Company; and Pillsbury Co. The University of Minnesota is primarily located in the City and has an enrollment of approximately 50,000 and an annual payroll of over \$50,000,000. Air service is provided for residents of the City at the Minneapolis-St. Paul International Airport. Freight service is provided to and from the City by five national railways and one state railway, by 11 barge companies (on the Mississippi River) and by numerous motor freight carriers.

These bonds are being issued under the provisions of Chapters 458 and 475 of the Minnesota Statutes and the Minneapolis City Charter, to finance various public redevelopment costs incurred by the Minneapolis Housing and Redevelopment Authority with respect to various renewal projects within the City and to finance the acquisition and construction of public improvements within the Centre Village Development District. In the opinion of counsel, these bonds are legal and binding general obligations of the City of Minneapolis, Minnesota, and all taxable property located therein is subject to the levy of sufficient taxes to pay the principal of and interest on the bonds without limit as to rate or amount.

FINANCIAL STATEMENT

Market value taxable property, 1980	\$8,295,675,480
Assessed value taxable property, 1980	2,084,603,717
Net direct debt including this issue	97,015,258
Total direct and overlapping debt	155,529,747
Population, 1980 estimate: 370,091	Net direct debt per capita: \$262.14
	Total debt per capita: 420.25

Tax collections have approximated 98.71% of taxes levied for the past five years.

We own and offer subject to prior sale and change in price and subject to our attorney's approving opinion:

The information contained herein is not guaranteed, but is derived from sources we deem reliable and is that on which our purchase of these bonds are based. Bonds of a particular maturity may or may not still be available or may now be available at a price or yield different from that indicated above.

1911
1912
1913

1914
1915
1916

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1918
1919

1920
1921
1922

1923
1924
1925

1926
1927
1928

1929
1930
1931

1932
1933
1934

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FIRST NATIONAL LINCOLN

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were recently held for Dr. J.H. Atkinson, 63, one of the original directors and chairman of the board of the Community State Bank. Dr. Leo Schmall has been elected as chairman of the board and Richard W. Ermer has been elected director to fill the vacancy.

RUTHVEN: The Federal Reserve Bank of Chicago announced approval of the application of Ruthven Investment, Ltd., to become a bank holding company by acquiring Ruthven State Bank.

Nebraska News

BEATRICE: Kenneth Cain, vice president and cashier at Beatrice National Bank & Trust Co., has been elected a district director of the board of Bank Administration Institute, a national research and educational association for banking.

DAKOTA CITY: The Dakota County Bank has announced plans to construct a bank building on Broadway Street.

GRAND ISLAND: Melvin H. Gosda, president of Kriz-Davis Co., was elected to the board of directors of Overland National Bank.

Minnesota News

ADA: G. Howard Spaeth, chairman of the board of the First State Bank, has announced that John W. Johnson has been promoted to the position of cashier. Mr. Johnson has had about 25 years of banking experience, part of that time as cashier of the Norman County State Bank at Hendrum.

EDINA: J. Peter Meyers, president of Americana State Bank, announced the appointment of a new executive vice president and the promotion of two officers. Gerald F. Marick has been appointed executive vice president and member of the bank's board of directors. He will become the bank's chief lending officer. Sally A. Robson has been promoted from assistant cashier to assistant vice president and is responsible for the bank's marketing function. Joe H. Arends has been promoted from assistant cashier to cashier. Mr. Arends began his career at Americana Bank after graduation from Willmar Community College in 1976.

NEW ULM: John Campe, executive vice president of Klossner State Bank, has been appointed chairman

of Gov. Al Quie's appointments advisory committee.

NORTHFIELD: Wilmer C. Brosz, president of Northwestern Bank, announced the addition of Gary J. Perkins to its staff. Mr. Perkins will be assistant to the vice president.

South Dakota News

ARTESIAN: The Live Stock State Bank marked the completion of 50 years of service in the Sanborn and Miner County areas with a free brunch. Ten \$100 time certificates were given away during the observance.

North Dakota News

VALLEY CITY: Stanley O. Johnson was elected assistant vice president of the Northwestern National Bank. He has been with the bank over 11 years. He graduated from North Dakota State University.

Montana News

DILLON: George Henry has been moved to the Dillon Nursing Home in Dillon, Mont. 59725. Mr. Henry retired as a vice president at First

REMINDER!

REMINDER!

IBAA CONVENTION TRAVEL AND TOUR OFFERED BY MARQUETTE-SEDARD

In connection with IBAA's March 22-26 Convention in Las Vegas. Departs Minneapolis for Jamaica March 14.

Tour Includes—Round trip charter air to Montego Bay; Round Trip Transfers; 7 Nights Accommodations at the **Mallards Beach-Hyatt** on the beach at **Ocho Rios**; Baggage Handling; Overnight at Registry Hotel, Minneapolis on evening of March 21; Round Trip Transfers in Minneapolis; Round Trip Charter Air to Las Vegas, and Round Trip Transfers in Las Vegas.

Arrangements are open to your friends and relatives. For more information or for reservations, write or call:

Richard E. Holmes
Marquette National Bank
777 Marquette Avenue
Minneapolis, Minnesota 55480
[612] 370-2222

Bankers Service

LOAN ACTIVITY BULLETIN

- Who:** names of all debtors in the county recorded during the period
- What:** name of secured party
- When:** the date the loan was filed with the Secretary of State
- Where:** location where loan made



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National Bank, Minneapolis, several years ago and has since been affiliated with State Bank & Trust Co. here.

Wyoming News

EVANSTON: First Wyoming Bank has announced the promotion of Karen Byrd to real estate loan officer. She has been serving the bank as head teller and more recently as real estate loan assistant.

BANKERS PARTICIPATING

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BANKERS AVAILABLE

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 Operations Officer with ag lending \$25,000
 Instalment Loan Officer \$22,000
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POSITION AVAILABLE

AG LOAN OFFICER—Experienced college graduate preferred. Excellent benefits. Send resume and salary requirement to file LBT, c/o Northwestern Banker (PA)

AG LOAN OFFICER—3-5 years ag loan experience. Degree preferred. Salary commensurate with experience. Excellent benefits, bonus program. Phone Billings, Montana, (406) 248-1860. (PA)

OPENING FOR CASHIER. Must have experience in accounting, regulations, and operations. Some loan experience helpful. Salary open. Write Farmers & Merchants Bank & Trust, Burlington, Iowa 52601. (PA)

Bank Agency in northern Iowa has immediate opening for fully licenced agent to manage a well established agency. File LBR, c/o Northwestern Banker. (PA)

TRUST ADMINISTRATOR for growing \$45 million central Iowa trust department. Will report to department head. Excellent career opportunity. Salary commensurate with education and experience. Send resume to: File LBR c/o Northwestern Banker. (PA)

LOAN OFFICER with consumer and ag lending experience wanted for position leading to manager of community bank office in prime Iowa farm area. Excellent opportunity for growth oriented person. Salary commensurate with banking experience and education. Send resume to: File LBS c/o Northwestern Banker (PA)

LOAN OFFICER with experience in farm loans, instalment loans and general banking work. Salary open. Polk City Savings Bank, Polk City, IA 50226 (PA)
 Illinois bank near Mississippi River needs officer with farm background and general banking experience. Send resume to Howard Grigsby, Bank of Stronghurst, Stronghurst, Illinois 61480. (PA)

Commercial Loan Person, with minimum three years experience, for major Iowa bank. \$23,000-\$25,000
Operations Officer, with 3-5 years experience, for \$30 million Iowa bank. \$22,000

Second Person for community bank in Iowa. Must have all-around banking experience. \$25,000 +

Marketing Officer with bank background to head department for \$60 million bank. \$23,000-\$25,000

Ag Representative \$22,000-\$25,000

Write or call Malcolm Freeland, Freeland Financial Service, Inc., 306 - 15th Street, Des Moines, IA 50309. Phone (515) 244-8163. Employer pays fee. (PA)

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PARTIAL LIST OF AVAILABLE POSITIONS

LENDING—Rural Iowa bank seeking individual with heavy experience in Agricultural loans. Needs someone that does not need training. \$26,000.

ASST VP—5 years experience in commercial lending with large bank. Keen business judgment is the key. \$28,000.

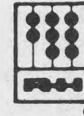
LENDER—At least 2 years of experience in handling instalment loans, student loans, mastercharge, direct & indirect loans. \$17,000.

TRUST OFFICER—Some experience in trust dept. or legal firm. Will eventually take on full responsibility of the trust dept. Excellent opportunities for advancement. \$20,000

VICE-PRES—Iowa bank seeking #2 person with heavy experience in operations and lending. Position open due to promotion. \$35,000.

LENDING—Rural bank seeks individual with 2 years of ag lending experience.

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 FOR FURTHER INFORMATION
 RESPOND IN CONFIDENCE TO:



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AG LENDING OFFICER. . .Iowa \$20-26,000
 AG LOAN & OPERATIONS OFFICER. . .Iowa. \$20-\$28,000
 PROFESSIONAL FARM MANAGER. . .Illinois. \$20-22,000
 CEO. .Iowa \$30-35,000
 AG LENDING REP. . .Iowa \$20,000

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POSITIONS AVAILABLE

TRUST HEAD—100MM metro area bank with growing trust dept. Must be proven administrator with good marketing skills. Prefer law degree \$35,000

MARKETING OFFICER—Management position with progressive 75MM bank. Responsibility for deposit services and retail banking. Bank experience required \$25,000

SECOND OFFICER—Good opportunity for lender with commercial and instalment loan experience. Bank is 35MM and located in Western state. \$28,000

JUNIOR COMMERCIAL LOAN—Prefer degree and formal credit analysis experience. Several openings in major metro areas of Midwestern states. \$18-20,000

INSTALLMENT LOAN HEAD—Position requires 5 years of consumer lending experience including dealer contracts. Department is 10MM and growing. \$25,000

COMMERCIAL LOAN—80MM suburban bank located in large Missouri city. Minimum 3 years commercial loan experience in large bank. \$28,000

Additional opportunities available for junior and senior officers. Please forward resume and salary history.

TOM HAGAN & ASSOCIATES
 OF KANSAS CITY

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