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# Top Producer

NOVEMBER 2013

A FARM JOURNAL PUBLICATION

MONEY • MARKETING • MANAGEMENT

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# FARMING AT THE SPEED OF BUSINESS

*Precision technology and good people make this Iowa farm grow*

BY ED CLARK

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It's the dog days of summer in central Iowa, a slow time for most crop farmers, but Dave Nelson projects an aura of urgency. He thinks fast, acts fast, even walks fast. It doesn't take long to figure out why this young producer is successful and what makes him tick.

He can quickly shift a discussion from people management to new technology, and he often operates simultaneously on two discussion platforms. But precision ag is his love, and it shows as his gestures expand and his face brightens. "It's a piece of my comparative advantage," Nelson says. "For me, it's important to be an early adopter."

Farming full time for just five years, Nelson is a new breed of cutting edge producers—full of

hope, optimism and excitement for the future of agriculture. "I see opportunities to grow," he says. However, Nelson is acutely aware that the history of agriculture is a cyclical one. To get ready for the turning of the current cycle, he's armed himself with a war chest of ideas and strategies to stay competitive. It is one of several reasons why Nelson was selected as a 2013 Top Producer of the Year finalist.

"We can survive a period of \$4 corn if we have to," Nelson says. A huge part of the Nelson Family

Farms' business strategy is to be precise with inputs on each acre, keeping costs as low as possible. "I'm not competitive when it comes to sports, but I am when it comes to farming and my business," says Nelson, a youthful 38. "I like challenges; I'm a perfectionist."

Part of that is keeping his pulse on each piece of equipment that he and his wife, Fonda, use in partnership with his parents, Gary and Karma, to farm more than 3,500 acres. "I called Dad from a meeting in St. Louis one day to ask him why the sprayer was not running," he explains. "He said, 'what do you mean; we are working.' I had to tell him that I was tracking what each piece of equipment was doing from my iPad."

**Hooked Early.** At just four months old, Nelson was already riding in the tractor cab with his father—early imprinting. Nelson even wanted to

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drop out of high school because he loved farming so much. But no opportunity existed for him to come back to the farm. After graduating, he attended Iowa State University and studied agronomy, which opened the door to an eight-year stint with Monsanto, followed by two years with Ziegler CAT.

In 2008, Nelson seized the opportunity to come back to the farm by purchasing Brokaw Supply Co. in Fort Dodge, Iowa, with his father. Brokaw specializes in sprayer and fertilizer application equipment, sales and service. The company's sales have increased more than seven-fold.

Without that opportunity, Nelson

would not have started farming when he did. "There are always ways to get home to farm, but sometimes you have to make those opportunities for yourself," Nelson says.

In the corporate world, Nelson not only learned goal setting, budgeting and other business skills useful on the farm, but he also honed his people skills and grew to understand the value of developing relationships with people who know more than he does.

Nelson also picked up the art of marketing. "Does John Deere advertise its products? Does Pizza Hut advertise what differentiates its pizza from the competition?" Nelson asks. His experience convinced him that farmers need to do that, too.

This prompted him to publish a 16-page quarterly newsletter for present and potential landlords, creating a Nelson Family Farms brand and a website that landlords can use with individual, secure logins so they can receive the latest information on each of their fields.

"Portraying yourself in a professional manner to your customers is very important," Nelson says.

But the No. 1 reason why Nelson wanted to leave the corporate world was to farm with his father. The business benefits from their different strengths and personalities. "I am the quick, gung-ho, let's do it if it makes sense partner," he says, noting that Gary is methodical and reflective. "I speed him up and he slows me down, so at the end of the day, we're just about right. As a team, we marry experience with youth, so farm managers know our operation will be around for decades, Nelson explains. "This is a huge comparative advantage, and we use it all the time."

To Nelson, being a good farmer isn't all there is to being successful. It's also about image. Today, the

image starts with none other than his clothes. Nelson is wearing blue jeans, white shirt, tie and sport coat. His attire, he readily admits, appropriately defines him as he straddles several worlds at once, from an in-the-dirt farmer tweaking his beta-testing precision planting system one day to corporate boardrooms several states away the next, sometimes within the same day.

It's a fast-paced life he thrives on, keeping him sharp and full of new ideas straight from experts for his day-to-day competition as a farmer.

"Dave has a unique blend of a researcher's curiosity combined with practicality," says Ted Crosbie, Monsanto Company vice president, who partners with Nelson for on-farm trials. "He sees the big picture."

**Technology Benefits.** His drive toward perfection has motivated Nelson to find a way to get his hands on precision ag equipment before it even rolls off the assembly line. He helps develop and field-test precision ag equipment for eight different companies, giving him up to five years to work with new equipment and software prior to its commercial release.

Nelson's management philosophy is to understand which acres are most profitable and which ones eat up money. With the help of a custom-designed accounting system, Nelson breaks down inputs and returns on every acre of ground they rent, virtually in real time. This system makes per acre balance sheet comparisons possible at the micro level.

"Growth is maximizing every acre to its potential," Nelson says. "It's not about how many acres you farm."

He believes if you manage every acre the right way, people will notice, and growth will naturally flow to you. After leaving a 10-year career in corporate America, Nelson has grown the farm from 800 acres to more than 3,500 in just five years.

But sometimes taking a step forward means taking a step back. Two years ago, they decided to give up



Taking a page from his experience with corporate America, Dave Nelson of Fort Dodge, Iowa, works to test and implement the newest technologies on his family's farm, build their brand, and facilitate on- and off-farm relationships. But you won't find this Top Producer of the Year finalist taking a break; he's preparing for the future. Photo: Brent Isenberger

400 acres. “As we studied each farm for its contribution to our profitability on a per acre basis, we realized it was costing us money,” he says. “We were better off increasing yields and income on the remaining acres. But it was hard to give that farm up when we were trying to grow.”

» **“WE ARE POISED TO PULL THE TRIGGER AT ANY MOMENT ON AN OPERATION OR A GRAIN SALE.”**

Nelson positions the farm for the long term through firm cost control and benchmarking it against some of the nation’s best-run farms.

One key low-cost strategy is strip tillage. Planting and placing nutrients in the strip between corn rows eliminates four to six trips through the field, which Nelson calculates can save \$20 to \$40 per acre.

It’s not just about cost savings. “We take a strong position on how we leave the land for the next generation, but we don’t go overboard to the point where yield is reduced,” he says. “More tillage than necessary destroys the soil structure.” By letting soils heal through strip tillage, Nelson believes nutrient and water-holding capacity is improved.

Another integral team member is Dave’s wife, Fonda, who provides input for decisions and is responsible for Brokaw’s accounting department. Fonda also runs the combine and grain cart several days each week.

“Looking ahead, we are planning for tomorrow instead of waiting to see what tomorrow will bring,” he says. “We are poised to pull the trigger at any moment on an operation or a grain sale.”

Nelson realizes his world of growing corn and soybeans is not

just about him. He’s eager to share what’s worked and what hasn’t, and as a frequent national speaker, he wants other young producers to benefit from his experience.

**People First.** Nelson may exude youth’s bravado, but he makes decisions with data and common sense. He also surrounds himself with a trusted team of partners, advisors and family members. Life in corporate America before coming home to farm taught Nelson that he is only as good as the people around him.

The gratitude he has for the dozens of people who have helped him throughout his career shows in the language he uses: Nelson doesn’t call people employees and workers, but rather partners, team members, trusted advisors, friends. “Dave has always put people first,” says his mother, Karma. **TP**



Learn more about Nelson Family Farms and meet Dave Nelson by visiting [www.TopProducer-Online.com/MeetDaveNelson](http://www.TopProducer-Online.com/MeetDaveNelson).

## NELSON FAMILY FARMS AT A GLANCE

**OPERATION:** Primarily practicing strip till, the Nelsons farm 3,500 acres of corn and soybeans near Ft. Dodge, Iowa. Since 2008, Nelson Family Farms has quadrupled in acreage.

**STRUCTURE:** Formed in 2011, Nelson Family Farms is an LLC between two families, Gary and Karma Nelson, who have been farming since 1973, and Dave and Fonda Nelson, who joined the operation in 2008. Gary and Dave are responsible for the row crops and the farm’s marketing strategy, and Karma is the farm’s bookkeeper, while Fonda leads Brokaw’s accounting department. The two families are also 50/50 partners in Brokaw Supply Co., which operates in two states—Iowa and Minnesota. Dave and Fonda have three children: Morgan (9), Tyson (7), and Mason (19 months).



This Iowa farm family works to build Nelson Family Farms’ brand and grow landowner relationships. Photo: Brent Isenberger

**CONSERVATION:** Nelson Family Farms are active leaders in strip tillage. They have won numerous environmental awards, including the 2012 Iowa Farm Environmental Leader Award and the No-Till Innovator Award in 2009. Nelson also frequently speaks at national conservation meetings.

**LEADERSHIP AND COMMUNITY:** Nelson serves on the Federal Reserve Bank of Chicago’s Advisory Council and speaks about opportunities for young producers in agriculture. He has also been a school board member.

Nelson Family Farms was an Iowa Hall of Pride Host Family in 2012, a member of the Fort Dodge Leadership Council and participant in the Executive Program for Ag Producers. Nelson is also a tech official and event coordinator for the National Tractor Pullers Association.