



Agribusiness Solutions at Work

Arbor Bank has a Commercial Feedlot Lending Solution no matter what kind of loan or line of credit. We are never as concerned with the size of your feedlot operation as we are with the quality of your business. You expect personalized, prompt and quality service. We value long-term relationships with you through the good years and the bad. All of our underwriting, field inspections and service are conducted by bankers with livestock experience.

A COMPLETE RANGE OF FINANCING FOR CATTLE PURCHASES,
CUSTOMER FINANCING, FEED, CATTLE CARE,
EXPANSION OF CURRENT OPERATIONS.

INCORPORATED IN 1865, ARBOR BANK HAS DEEP ROOTS IN THE
SOUTHEAST NEBRASKA AND SOUTHWEST IOWA REGION WITH
LOCATIONS IN NEBRASKA CITY AND OMAHA, NEBRASKA
AND OAKLAND, IOWA.

THE LATEST IN ELECTRONIC BANKING TECHNOLOGY.

Commercial Feedlot Lending

Feedlots require unique lending solutions and specialized products. Arbor Bank has experienced lending officers who have been involved in feedlot lending for several years and understand the business.

- **Cattle Ownership Financing.** Livestock owned by the feedlot throughout the feeding period is generally financed on an annually renewable revolving line of credit. The revolving line of credit allows the feedlot to take advantage of opportunities in the cattle market without delays. These revolving lines are generally governed by a borrowing base with typical margin requirements of 25 percent.
- **Procurement Financing.** Feedlots typically need a source of financing to procure cattle for their feeding customers. Procurement cattle financing is generally provided through a revolving line of credit. This line is governed by a borrowing base with no margin required for the first 30 days. After 30 days, these cattle will typically require a 25 percent margin until sold.
- **Customer Finance Line.** Commercial feedlot customers often take advantage of the convenience of financing cattle, feed, and yardage directly through the feedlot. The commercial feedlot needs a source of funding to support loans to its



customers. Customer finance lending is provided through the use of a revolving line of credit set up specifically for that purpose. Upon receipt of the customer down payment, assigned notes and collateral documents by the bank, advances are made to the feedlot covering the cost of cattle and feed.

- **Feedlot Operating Line.** Financing general operating expenses for the feedlot is usually provided by a revolving credit line that is renewed annually. This line is governed by a borrowing base with various margin requirements based on the collateral offered. Hedging expenses are generally covered by this line but may be separated if significant hedging activity requires a separate credit facility.
- **Feedlot Facility Loans.** Loans are available to buy, build or expand feedlot facilities for large commercial feedlots and small private operations as well. Construction and improvements are generally financed through term loans that are structured to meet the expected cash flow of the improved or expanded facility. Rates can be variable or fixed and terms can vary depending on the type of collateral and the repayment capacity of the operation.