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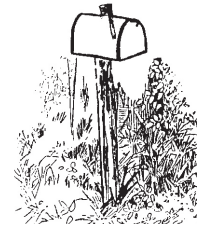
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"YOUR COUNTRY BANK"

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Think About It...

I have been reminded that maybe I should talk about the future instead of dwelling on the past. One person remarked to me, "That was then, this is now." Everyone wants to keep the next generation from making mistakes so it is reasonable that "the same old record is played over and over," sometimes discouraging the thinking process.

In this fast-moving, segmented world, we are reminded that people may not have time to think or dream. At times, it's difficult to distinguish between encouraging people and giving them time to dream about this life. I'm probably an example of dreaming too much, and not working... Old Professor Willert knew I liked livestock. When I was in high school he said to me, "Frank, quit dreaming about cows and get to work on that math."

The future of all young people depends on whether they are taught WHAT to think or taught HOW to think. I recommend teaching them how to think. Helicopter parents (the ones that hover over their children on every activity) can disturb the thinking process by being too involved. The younger generation can't always go home and have Mom and Dad solve their problems forever.

If kids are allowed to think for themselves, they learn to solve their own problems and there is no limit on what they can dream. There are lots of people we know who kept a dream going in real life and developed it into a business; they are called entrepreneurs. The dreams of this younger generation can be achieved if they are taught how to think.

I've been preaching on and on (which is a privilege of my age group). Instead of writing this whole article, I could have just used one sentence:

TEACH YOUR KIDS HOW TO THINK,
NOT WHAT TO THINK.

*Frank L. Bruning – Banker Frank
Chairman of the Board*

*"Invest a few moments in thinking. It will pay good interest."
~Author Unknown*

Economic Outlooks...

Two economists whose judgment I respect and value are Dr. David Kohl from Virginia Tech and Dr. Ernie Goss from Creighton University. Each has a little different take regarding rural banks and the state of the economy.

Dr. Goss feels the rural banking sector is strong and conservative, unlike some commercial banks. He is bullish on ag-dependent banks and their customers for three reasons: (1) the weaker dollar will make our agricultural goods more price-competitive abroad. A 10% decline in the value of the dollar raises ag commodity prices by about 7%. He also expects the Chinese currency in particular to appreciate more sharply against the dollar; (2) the emerging economies of the BRIC nations (Brazil, Russia, India, and China) will have a greater demand for food as they grow their economies; (3) the current Administration and Congress is committed to advance alternative energy sources, such as ethanol and wind.

I recently heard Dr. Kohl speak at the Fall Ag Credit Conference. In his speech, he compared the monetary problems of the PIIGS nations (Portugal, Ireland, Italy, Greece and Spain) to the U.S. building up its Debt-to-Gross-Domestic-Product ratio. His point: if we don't stop spending, we could become one of the problem nations.

Dr. Kohl is somewhat wary about domestic spending but bullish on the food, fiber, and fuel commodities; he feels the BRIC nations will continue to increase demand for farm-produced commodities, especially beef, pork and dairy. He cautions that 80% of farm expenses are related to unpredictable factors: oil, world politics and weather diversity. We also have to be careful because regulatory issues (cap and trade) and higher interest rates could soften growth in the ag sector. Dr. Kohl adds that the Federal Reserve likes to see 5% unemployment or less (it is 9.6% now), 2% inflation (currently .9%) and at least 3% growth (presently only 1.6%). All are troubling numbers that highlight how fragile our economy remains. Any event here or elsewhere could trigger a deflationary cycle.

Both economists are highly regarded and, while they have differing views, they advise vigilance and prudence in future financial activity. We encourage you to come hear Dr. Kohl speak in Bruning in December.

Fred D. Bruning - President

"Farming looks mighty easy when your plow is a pencil and you're a thousand miles from the cornfield." - President Dwight D. Eisenhower

Technology Updates...

The Future of Automated Teller Machines

Some of you may not see the need for ATMs, but others of you could not imagine life without them. ATMs have been around since the 1960s and seem to be pretty simple machines from the outside—you walk up, insert your card, punch in some numbers, and it spits out cash. But new technologies are increasing their capabilities.

Talking ATMs—did you know that within a few years, it will most likely be mandatory for all ATMs to be voice-enabled? Anyone who has difficulty reading the ATM screen will be able to hear audible instructions instead. In order to carry out transactions privately, ATMs will be equipped with audio jacks for customers to plug in any standard headset.

Imaging ATMs—have you ever found yourself wanting to cash a check but the bank's not open? Currently, you could use an ATM to deposit a check by placing it in an envelope and then withdraw cash as a separate transaction, but you may not be able to access the full amount you just deposited. An imaging ATM, however, would allow you to feed the check in for scanning – without an envelope – and receive the total amount in cash immediately. An image of the check would appear on the screen for your verification and visual proof of deposit. You could choose to deposit part of the amount, make a payment on your loan, or receive the entire amount in cash.

Videoconferencing ATMs – wouldn't it be cool if you could ask a teller a question without having to be at the bank? The next generation of ATMs will have two-way videoconferencing capabilities so you can see and talk to a teller on the ATM screen, and that teller can also see you while answering your questions.

Iris-Scanning ATMs – this idea sounds like something out of a movie but is currently being tested! With this technology, a customer would step up to an ATM and an infrared light would scan their eyes to identify the unique aspects of the iris. Experts in biometrics claim that iris identification is even more accurate than fingerprinting. Verifying a customer's identity in this way would solve many fraud issues related to stolen cards and PINs.

A glance at our Bank logo may lead you to think we are too old-fashioned to embrace new technologies, but you might be surprised! We stay informed on all the cutting edge developments even though we may not deploy them as early as the "big banks." We are constantly evaluating whether these new developments would be secure enough and useful enough to benefit our customers. We like to use this "Technology Updates" column to make our customers aware of new bank technology as well. We aren't promising that we will decide to implement all of these features, but now you know what could be happening with ATMs in the next few years.

Tech Term of the Month – Biometrics. In information technology, biometrics refers to technologies that measure and analyze human body characteristics for authentication purposes. These characteristics can include DNA, fingerprints, eye retinas and irises, voice patterns, facial patterns and hand measurements. These technologies have many applications in the financial services industry such as for background checks, employee access authorization, and transactional identification. There is huge potential for biometrics to reduce fraud, increase security, and prevent identity theft.

*Angela Kuhlmann, Corey Swartzendruber
& Janet Germer*

Marketing Thoughts...

Can you believe what the grain market is doing? It's hard for me to admit when I am wrong, but I was wrong about what the grain prices were going to do this year. Every supply and demand indicator led one to believe grain would not rally this fall without the price of fuel going up. Well, grain prices have been going up while fuel prices (the price of crude oil) has gone down.

The rally seems to have started with the dry weather in the UK. Then the funds started investing in grain futures and things took off. Now reports are starting to indicate that the crop yields in the United States are going to be lower, leading to possibly the lowest ending corn inventory in a number of years.

This may make the farmer happy or stressed out, depending on how much of his 2010 corn and bean crop he has sold. For those with little or no 2010 grain priced, there is an opportunity to sell most of their crop at a very favorable price.

For those that have already marketed a large amount of grain, it can still be a great year. First of all, most farmers who locked some lower priced sales, locked the prices in at a level they are going to make some profit; obviously not as much as they could make today, but still at a profit. Most of my customers who sold more aggressively have from 50% to 70% of the crop priced. This means at harvest they will have from 30% to 50% to sell at the higher prices.

Looking at today's prices as I write this: corn on the board of trade is \$5.08 per bushel. Beans are \$10.84 per bushel. With the basis off, the local price of corn is \$4.43 for corn and \$10.09 for beans. Let's say you sold 70% of your corn for \$3.50 per bushel and 70% of your beans for \$8.75 per bushel. If you sold the balance of your corn at today's price, you would average \$3.80 for your corn and \$9.15 for your beans. If you only have 50% of your crop sold, you would be getting \$3.97 for your corn crop and \$9.42 for your beans. In either scenario, you can still have a very profitable year.

The question then is, "When do I sell the balance of my crop which is not yet marketed?" I may not be the best one to ask, since I was totally wrong this year. I will only tell you "a bird in hand is worth two in the bush." Markets tend to overextend and then fall back. I don't know if we are there yet, but that day will come.

*Darrell Raum –
Senior Vice President
Credit Supervisor*

Address Changes...

In order to keep in contact with us, remember to always update your address when you move. Simply give us a call or drop us a note so that we can send your statements and any other information you may need. We want to be your Bank now and in the future!

What's In Your Wallet?

Huge numbers of identity thefts begin with something very old-fashioned: the loss (or theft) of a wallet or purse, according to the 2010 Identity Fraud Survey report by Javelin Strategy and Research.

To protect yourself, start now:

- Make photocopies of the front and back of every card you keep in your wallet: driver's license, credit and insurance cards, even video rental memberships and library cards. (Over-due videos and library books taken out in your name will result in fines)
- Having copies at home or in your hotel room safe while traveling will give you access to all your accounts. Plus, the back of a card usually lists important information, such as security codes and contact information to report loss or theft.

If your wallet is lost or stolen, here's what to do:

- Immediately call all your credit card companies to request an "account number change". DON'T CANCEL your account- that can hurt your credit score, especially if you have an outstanding balance. Explain that you want a new number issued so that nothing shows up on your credit report as "cancelled by consumer."
- Change the password to ensure that your account can't be opened by an identity thief. The best passwords use made-up words that are a mixture of letters, numbers, and symbols. Don't make passwords of your mother's maiden name, pet's name, or other identities that can be found online.
- File a report with the police in your hometown and the place where you and your wallet parted ways. Get copies. You'll need them in later dealings.
- Request a fraud alert be put on the credit accounts that the three major credit bureaus maintain about you: Contact Experian at 1-888-397-3742 (experian.com), TransUnion at 1-800-680-7289 (transunion.com), and Equifax at 1-800-525-6285 (equifax.com). With a fraud alert in place, creditors are supposed to verify your identity, usually by phone, before issuing new credit in your name.
- Ask the DMV to put a "flag" on your license file. This will make it harder for a thief to apply for a new copy of your license. It will help protect you if someone runs up traffic violations in your name. You may have to replace your license in person, proving your identity with a birth certificate, passport or Social Security Card (which you shouldn't carry in your wallet).
- Notify your bank. You'll want a new ATM or debit card and a new checking account if your checkbook is missing.
- Check your credit history about two weeks later. Visit AnnualCreditReport.com or call 1-877-322-8228 toll free for your free report and then look under "Inquiries" for any new credit applications made in your name.

The two-week wait provides enough time for thieves to apply for credit but generally not enough for cards to be issued. Recheck your credit report two to three months later.

*Craig Pope –
Hebron Branch President*

The Signs Of Fall



The Cornhuskers are playing,
The quarterback's been picked,
Cook's volleyball team is spiking,
If not, he gets ticked!

The leaves on the trees
Will soon change their hue,
And fall like big snowflakes
As leaves always do.

The seasons each hold
Their own special charm;
But fall really is special
For those on the farm.

The weather is now cooler
And crops are turning.
Farmers are itchin',
For harvest they're yearning!

The combines are out,
Trucks, tractors, and carts;
The wives all are sighing,
Soon they'll be running for parts!

Lines at the elevators
Soon will be long.
Men and women alike
Hope nothing goes wrong.

When harvest winds down
And crops all are sold,
The bankers are smiling,
If loans they do hold.

Bookkeepers, tellers, and loan officers, too,
Will help with your financial health
'Cause our mission statement for you is,
To help Build and Maintain Wealth.

So call with your questions,
(Some always arise;)
Our employees are definitely
The right ones to advise.

*Janice Fintel, Pam Lemke
& Carm Hinrichs –
Bookkeeping Department*



What I Learned at Summer School...

As you may remember from my last newsletter article, I was headed off to summer school, (in the old days – that would have been back in Westerville). I had to attend a summer session to work on my handwriting skills; it didn't help much in that area. However, I did spend a little time there working on reading and I think that has paid off greatly.

Back to today, the University of Wisconsin is a big place and this summer school had around 150 classmates. My class shrank in size by 13% due to bank failures or near failures, mergers and people leaving banking. We attended two weeks of classes on bank related issues, economics, law and regulations, credit risk management, human resource management, asset liability management, team building and bank marketing.

This was my second year of on-campus classes and, like last year, I've got a schedule of papers to write on the following topics: Asset – Liability Management due October 15, 2010, Strategic Management Issues due December 1, 2010, Retail Banking due January 15, 2011, Loan Portfolio Management due March 1, 2011 and Bank Simulation Project Information Gathering due July 15, 2011. The estimate we were given for each project varied between 20 and 30 hours each. I'm hoping 20 hours each; we'll see.

So, just like summer school at Westerville being beneficial, as I finished my classes and projects last year and begin on this year's projects, I find out how much summer school helps you learn and grow. At my age (half century) it's a task to learn, but the effort so far has definitely been worth the reward. I have a deeper understanding of the Bank and the banking industry and hopefully that will result in continued growth and profitability for the Bank and will also assist my co-workers in taking on more responsibilities and assisting the Bank in launching new services and products.

I'll update you on my progress and, if applicable, I'll give you a dose of the executive summary from each of the papers. I promise that I'll improve on the subjects outlined; I can't promise there will be any improvement in my handwriting.

*Jerry Catlett –
C F O*

Since harvest is here for many of our ag customers, getting everything done all at once becomes a priority. To accomplish as much as possible, many farmers will seek hired help for additional "manpower." As many of our customers would be either the employer or employee in this situation, please keep in mind that the result of a suit in the Workers' Compensation Court established that a nonfamily employee must sign a statement acknowledging that they are aware that the Nebraska Workers' Compensation Act will not apply to that employment, and any injuries suffered on that job will not be covered. Please contact the attorney of your choice for further information on the subject, and **BE CAREFUL OUT THERE!**

Giving Thanks...

Time has zipped by again, and we find ourselves already in the third quarter of the year. School is not only back in session, the first six week period is almost finished. (Did everyone remember to balance eggs on end at the Autumnal Equinox?) The "holiday season" looms perilously close. Shopping time? I am not even finished with summer yet! In fact, I am not convinced I am caught up with this decade, much less this century! Isn't the year something like 1990 or so?

Maybe there are times the "busy-ness" overwhelms our daily "business." While life may seem more hectic and fast-paced than we anticipated or intended, it is all the more important to take a moment (every day, if possible) to acknowledge all the positive things in our lives. I try to take a moment daily to consider how lucky I am to have the closeness of my family (including siblings, children, grandchildren, aunts, uncles, cousins) and how fortunate I am to have the wonderful people in my life I call my friends and coworkers! I know the last year would have been a lot more difficult without the support of family and friends.

Now here is where I wax "trust officer." When we stop to consider our wonderful relatives, do we also review how we can make their lives easier or better? Have you prepared a living will or designation of health care power of attorney? If you are in the position of "parent," have you made a will or trust to administer how the assets you have accumulated will be distributed? We tend to think bad things will happen only to others, and we'll "always have tomorrow" to take care of it, so it is often easier not to get our financial affairs in order. In my capacity both as trust officer and loan officer, I have seen too many situations arise where families are torn apart over property, or fighting over how their parents should be cared for.

Please consider visiting with your preferred legal counsel to make arrangements to provide for the people in your life or to make their lives easier by having some of those all-important decisions made in advance. Bruning State Bank Trust Department can serve in many roles, such as a trustee, personal representative, or power-of-attorney. Please call us if you have questions about how we can help you!

*Janet E. Germer, Trust officer -
Bruning State Bank Trust Department*

Howdy Buckaroos!

Halloween is just around the corner and I know you will all be ready to go out and do some Trick or Treating! What fun! But I want to remind you to be safe while having fun. Here are some safety tips I hope you remember:

- Plan your entire route, make sure your family knows what it is, and stay on it.
- Wait until you get home and your parents check your candy before you eat it.
- Visit only houses where the lights are on (usually there is a front porch light on).
- Never Trick-or-Treat alone. Go with a friend or two.
- Carry a flashlight.
- Take a cellular phone and watch with you, if possible.
- Walk, do not run.
- Finally, always be sure to say thank you for your treats.

Following these rules will help you have a safe and fun Halloween!

Keep Saving, Buck

Change Can Be Good!

Change – to alter, modify, vary, transform, adjust, or amend
One thing is certain...change happens in every aspect of our life and it happens on a regular basis. Change can be a scary thing and can make a person very nervous and stressed.

However....change CAN be good!

About a year ago, our agency was notified that we would lose a contract with a major insurance company unless we could meet their requirements. After much discussion and contemplation, we determined that the requirements were unreasonable for an insurance agency in a small rural community, so we decided to join a "cluster" giving us access to more insurance companies. As a result, this past year, we have been quoting and rewriting customers with different companies. This was not a welcome change and was very stressful, but we are happy to say that we can now offer our customers an even larger variety of insurance products at a very competitive rate. We have been able to SAVE our customers money with comparable (or in most cases...BETTER) coverage!

Looking for personal auto, home, renters, farm, motorcycle, RV, ATV, boat, umbrella or other coverage? We now offer: AAA, Farmers Mutual Insurance Company of Nebraska, Progressive, Dairyland, Safeco, Iowa Mutual, MetLife and Travelers!

Need commercial insurance? We now offer: Hartford, Travelers, Indiana, Iowa Mutual, Continental Western, First Comp and Guide One!

We also provide bonds, flood insurance, health insurance, Medicare supplements, Prescription Drug, long-term care, annuities! Insurance of ALL kinds!

Contact us today for a quotation...see how our new companies compare! Maybe it is time for a CHANGE for you!

*Fred Kobza, Kathy Roberts
& Kristen Monteforte –
Insurance Department**

*Not FDIC Insured *Not a guarantee of the Bank *Not a deposit of the Bank *Not insured by any federal government agency *May go down in value

Did you know we offer Home Loans with fixed rates with long terms?



You might think you have to go to a big bank or broker to get a long-term fixed rate home loan, but we provide these too AND we retain the servicing!

That means your home loan will stay right here with us, not be sold to another bank. So you always know who to call and where to send your payment. It is a GREAT time to lock in a low rate, so call us today!

Holdrege Branch Nearing Completion...

The oldest bank building in the United States is located in Philadelphia, Pennsylvania. The First Bank of the United States was chartered on February 25, 1791. The charter was for 20 years and it was created to handle the financial needs and requirements of the central government of the newly formed United States.

Officially proposed by Alexander Hamilton, Secretary of the Treasury, to the first session of Congress in 1790, the concept and support for the bank originated among the Northern merchants and New England state governments who wanted to see a sounder structure in the way business was done. On the contrary, the agricultural Southern States did not see a need for a central bank and were suspicious of the motives of the Northern States. After much debate, Congress approved the First Bank of the United States of America.

In the last decade of the 18th century, the United States had just three banks but over fifty currencies in circulation. It was very difficult to know what each of these currencies was valued at. Banking was not so simple then. Today, with technology, banking is much more convenient.

This leads us to the discussion of the Holdrege Branch Bank. The building is scheduled to be completed in November of this year. Many of you have witnessed the progress, and after a wet spring, the project is moving forward rapidly now. I would like to thank Kyle Anderson for his time and effort in overseeing the building project. Brown Construction is our general contractor and has worked with local contractors, along with others, to complete the project in a timely manner.

The new building was built so that we would 1) show that Bruning State Bank is committed to serving your needs for a long time 2) make available a safe, friendly atmosphere for our customers 3) provide the tools for our officers and employees to give each customer the best service, and 4) show a dedication to our customers and employees by providing an environment of which they can be proud.

Our building will have a television, coffee bar, internet service for customers, a fireplace and safety deposit boxes for your use. The drive-up will have two lanes with a third lane for ATM use. The offices will be larger and more customer-friendly in the new Bank compared to our current facility. Our reception area is a very important feature of the Bank, as the receptionist is the first point of contact and you will continue to be greeted promptly as you enter the door in the new building as well.

We want to personally thank our current customers. The foundation has been set for future growth. We invite all area residents to come and see us anytime! Our goal is to provide the friendliest banking atmosphere in Holdrege. We pledge the finest personal service for our customers who will always enjoy a warm, professional atmosphere with our hometown touch. We want to be "Your Country Bank"!!

*John Boehler –
Holdrege Branch President*

HSA Changes Coming...

The massive health care bill was passed several months ago, but predictions vary widely on just how it is going to impact all of us. For the most part, we have to wait and see – how will premiums and costs change? How will the lawsuits come out? How will our deficit be affected? Big questions! But there are also some very specific and immediate changes coming as a result of the new health care bill, and some of those are related to Health Savings Accounts (HSAs).

There will be two main changes effective January 1, 2011:

- Over-the-counter (OTC) medication will no longer be considered a qualified medical expense.
- The penalty for using HSA funds for non-qualifying expenses will increase to 20%.

The first change regarding OTC medication means you will no longer be able to use money from your HSA to purchase items such as pain relievers, antacids, cold and flu remedies, or sleep aids, unless they are accompanied by a doctor's prescription. There are some exceptions, of course. You will still be able to purchase insulin with your HSA funds, as well as non-drug related items such as bandages, thermometers, and diabetes monitors. A detailed list of exceptions and requirements has not yet been released by the IRS, but you should generally assume that all OTC medications will no longer be qualified expenses as of January 1, 2011, unless you have supporting documentation from your doctor such as a note, prescription, or letter.

The second change regarding the increased penalty means that you will have to be especially aware of the first change to what's qualified! Funds that are used for non-qualified expenses incur income taxes plus a penalty fee if you're under the age of 65. As noted above, that penalty will increase from 10% to 20% as of January 1, 2011. Of course, we always encourage you to be careful that you use the money in your HSA for qualified expenses only, but this increased penalty makes it even more important for you to know what qualifies and to maintain proper documentation in case of a personal audit by the IRS.

If you ever have doubts or questions about what expenses are qualified medical expenses, you are welcome to ask us! And if we aren't sure, we will find the answer for you.

Despite these changes, HSAs still have many benefits and they are a great way to gain tax advantages, premium savings, and more control over your healthcare spending. An HSA with Bruning State Bank earns interest, incurs no monthly or annual fees, and allows you to have unlimited transactions and a free debit card. If you are interested in learning more about HSAs, we would be happy to discuss them with you!

Customer Service Representatives

GO GREEN!!

If you would rather receive an electronic copy of our newsletter by email, please contact Mabel at

mhogeland@bruningbank.com.



Are REITS Right for Your Portfolio?

Real Estate Investment Trusts offer a way for smaller investors to buy into big real estate.

If you dream of emulating Donald Trump but don't have millions to invest in real estate, a Real Estate Investment Trust or REIT can provide some of the upside income potential with a much smaller investment.

Simply put, a REIT is a way for everyday investors to invest in property and real estate. It can be commercial real-estate, apartments, condominiums, homes and other types of property. REITs specifically invest in properties that produce income and pass on the profit to investors in the form of dividends. In fact, REITs must distribute at least 90% of any profit to qualify for preferential tax treatment.

REITs come in three major forms. The most common and widely purchased are shares of equity REITs, which invest in commercially managed property that may produce income. This is generally the type of REIT that is referred to when discussing them as an investment tool.

Less common versions of REITS include mortgage REITs, which make loans to owners of real estate or invest in current outstanding mortgages. According to Investopedia.com, these REITs account for less than 10% of REITs available today (2009). The final version is a hybrid of the equity REIT and the mortgage REIT and also accounts for a small percentage of REITs. These hybrids combine the mortgage investment of one with the property management of the other.

Most REITs contain numerous properties ranging in size, activity and function. Like portfolio diversification, a REIT's diversification may provide some protection from the ups and downs of individual properties such as occupancy rates, defaults on rents, and downturns in industry sectors or local markets. Specialized REITs hold only specific types of property, such as apartments, commercial office space or retail.

Like other investments, REITs carry the risk of loss of investment. Because they can be a complicated investment product, consult your financial professional before investing to better understand whether REITs are right for your portfolio. Investing in real estate or REITs may not be suitable for all investors and is subject to significant risks. These risks may include limited operating history, potential conflicts of interest, payment of significant fees to affiliated sponsors, advisors and general partners, potential illiquidity and liquidation at less than the original amount invested, and possibility of declining real estate values. Income payments are not guaranteed and subject to the claims paying ability of the company. Investors should carefully consider their investment objectives, risk, charges, and expenses of REITs before investing. For a prospectus and more complete information, including risks, expenses please contact your financial advisor. All investors should obtain a prospectus and read it carefully before investing.

*Chris Tonniges –
Vice President Bruning State Bank
Registered Representative*

Securities offered through Securities America, Inc. Member FINRA/SIPC. Christopher J. Tonniges, Registered Representative. Advisory Services offered through Securities America Advisors, Inc. Christopher J. Tonniges, Investment Advisor Representative. Bruning State Bank and Securities America companies are not affiliated. *May lose value *Not FDIC insured *No Bank guarantee Written by Securities America for distribution by Christopher J. Tonniges.

On-Farm Grain Storage...

I think we are living in the "Age of Expect the Unexpected". It doesn't seem like things follow what we call "normal" anymore, though it does keep life interesting and challenging. I attended several farm marketing workshops earlier this spring and the recommendations were to get part of the 2010 crops marketed...which most of us did! Who would have thought about fires, droughts, and floods in various parts of the world to impact world grain stocks and availability? We "normally" expect corn prices to gradually decrease in price from early summer to harvest. That happened during the month of July, but things caught on fire in August and September. With above average projected yields, there should still be more crops to sell at higher prices.

One topic I have been thinking about is "on-farm grain storage". I think farm storage makes financial sense. During most times, the basis is highest at harvest time. As you move into the crop marketing year, basis tends to narrow. From visiting with a crop marketing company, their opinion is a farmer can improve his price/bushel of corn sold by about 35 cents/bushel if he has on-farm storage. That margin adds a benefit to the net farm income. The Farm Service Agency in Custer County has a special financing program to promote bin construction. The interest rate for the month of September in 2.25% fixed for seven years. In my opinion, this makes erecting grain storage feasible. If you could net even 30 cents/bushel, this would pay for itself during the seven year period.

I was talking to a customer recently who said on farm bin storage provided several benefits. Of course, the main reason he gave was to acquire better prices and lower basis. Many years it is July of the following year before all of the prior year's crop is delivered. Other items mentioned were a better utilization of labor and capital by using trucks and hired labor throughout the year rather than one time during harvest season. The argument for selling at harvest is convenience and, in a normal year, this convenience can be costly. However, once you store your own corn, it becomes another job of keeping the corn in condition and then moving it again to market. Improper storage is the leading cause of grain loss. Protecting that grain in storage becomes another task for the farmer.

Please keep this information in mind as you make decisions with this year's crop. On-farm grain storage may be something to consider.

*Dan Jelinek –
Bank of Broken Bow
Branch President*

Fraud Resolution at Bruning State Bank

Debit card fraud has been a hot topic in the news and ads again recently. We encourage you to always monitor your account activity through:

- Monthly statements
- Online Banking
- Messenger email or text messages

That way, you can identify suspicious activity and promptly notify us of any unauthorized transactions. We can then credit those amounts back to your account so you aren't liable while we investigate and resolve the fraudulent charges. We do our best to make sure there is no hassle or disruptions for you as a result of card fraud!

Fall Harvest Is Here!

Do you have your combine and grain trucks ready to go? Harvest time is HERE!

Please keep some things in mind during harvest so you have the necessary records in the event you have a loss:

- Keep production separate by section and also keep Irrigated production separate from the Non-Irrigated production in order to maintain separate unit structures and to allow for appropriate loss payment.
- When co-mingling this year's grain, bin markings need to be made in permanent marker and need to include both the unit number and the date. Remember to keep load records and other field records by section and practice in order to help prove the bushels in the bin. Contact us RIGHT AWAY if you intend to come in LAST year's grain with THIS year's grain!!!
- Please contact us if you have ANY questions prior to or during harvest. If production records aren't properly maintained, you could lose your separate unit structure – plus – any loss payment could be reduced or eliminated!
- Give us a call right away if you think you will have a loss on ANY unit so the appropriate loss notice can be submitted.
- Bring your production information to us once harvest is complete. We will review each unit to determine if there is a loss.
- The crop insurance premium is due on October 1st and interest will be added if payment is not received by November 1st.

Also, here are some reminders regarding 2011 Wheat insurance:

- September 30, 2010 was the final date to make any changes in your 2011 Wheat Crop Insurance coverage.
- The final planting date in most counties is October 15, 2010.
- Report your acres and plant dates to us by section and practice as soon as planting is completed.
- Remember to notify us of any marital status changes or any changes in the shareholders of corporations, trusts, or other entities.
- Review your Schedule of Insurance for accuracy. Acres need to match what will be certified at the FSA office.
- Contact us right away if you think you have a loss!

Please give us a call or stop by our office if you have any questions on multi-peril crop, crop hail, livestock, or pasture-rangeland-forage coverage.

We hope you have a safe and prosperous harvest!

*Jeff Hammer, Kathy Roberts
Craig Pope, Shari Fischer
Janet Germer & Ryne Philippi –
Crop Insurance Agents**

*Not FDIC Insured *Not a guarantee of the Bank *Not a deposit of the Bank *Not insured by any federal government agency *May go down in value

BRUNING STATE BANK

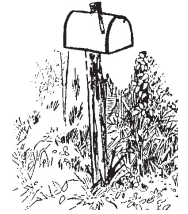
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YOUR COUNTRY BANK



Farmers & Ranchers College...

While many of you are busy with harvest, we are planning the upcoming Farmers & Ranchers College events. The mission of this group is to provide high-quality continuing education to farmers and ranchers in a rapidly changing global agricultural environment.

To start out the year, the first program will be on November 30th from 10:00 a.m. - 2:00 p.m. at the Davenport Community Center in Davenport, NE with Dave Goeller and Dave Specht discussing Family Farm Succession Planning.

Dr. David Kohl from Virginia Tech will be our next speaker. Dr. Kohl will be at the Bruning Opera House on December 13th from 1:00 p.m. - 4:00 p.m.

Watch for more details on the upcoming workshops for this season.

Fred D. Bruning & Sarah Miller

Welcome To...



Bruning State Bank would like to welcome Joe Streufert to our Bank staff in Holdrege. Joe is new to Nebraska, having just moved here from Springfield, Mo., where his wife Brindi is currently working on her Doctorate in Psychology. Joe comes to the Bank with 8 years of banking experience. Joe and Brindi decided to move to the area to be closer to family and return to a rural setting. Stop by the Branch in Holdrege to welcome Joe!

In observance of the following holidays, we will be closed at all Bank locations on:

*Monday, October 11
Columbus Day*

*Thursday, November 11
Veteran's Day*

*Thursday, November 25
Thanksgiving*