

Live, Laugh and Farm

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Creative management enables a strong balance sheet and allows (from left) Jackson Dohlman, Tim Richter and Randy Richter to open doors for young people to farm.

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different doesn't really have anything to do with farming," Tim says. "Our core business value—that of having fun—isn't business-oriented. It's very personal."

How do they gauge fun in their line of work? "One way is a job well done, which is what we try to do in all we do.

Strong profits allow partners to expand, invest in causes

Tim Richter has a weakness for the big and bold statement, and he has a personality to match. "Who would have thought that grain producers could make all this money at the unfortunate expense of livestock producers, who work very hard every day of the year?" Tim rhetorically asks. "It's really not right.

"As a grain producer, I'm very grateful," he adds. With decades of experience in both the grain and hog farm sectors, Tim knows that high profits aren't forever, so he enjoys them while they last and stashes away a healthy portion for future price gyrations.

In addition to topflight management, the head of operations for Saratoga Partnership in Lime Springs, Iowa, is known for his dry wit.

"I have no relationship skills, zero," he notes. At that, Jackson Dohlman, a fellow partner 27 years Richter's junior, rolls his eyes; you get the impression it's not the first time Tim has made that statement.

Spend a morning with Tim and his partners—his brother Randy and Dohlman—and it's obvious he has no problem connecting with people when he needs to, though perhaps he does it in an unconventional way. In fact, the absence of conventional thinking characterizes all three partners. For instance, they don't consider traditional benchmarking against other operations to be useful on their end because the data is so inaccurate.

"We benchmark against ourselves," Tim says. That doesn't mean for a minute that they don't value feedback from other farmers. Actually, the opposite is true. They are members of three peer groups and are in constant contact with progressive producers nationwide.

Pink Flamingo Mascot. It's apparent that the three partners of Saratoga Partnership love what they do, love to make money and love to have fun. When deciding on a logo, they chose a pink flamingo. "Who we are and how we are

Nothing is half-baked," Randy says. Their strong dedication to constantly improve, to do what they do better, is apparent. While all three farmers love a good laugh, they are serious about living and working in a way that reflects their strong values.

"We want to enable people with a passion for farming," Tim says. "I want to serve as a facilitator between retiring farmers and young people wanting to farm. Our employees hopefully become managers and eventually will share in profits, ownership and wealth."

Dohlman is the first employee turned owner; he became a full partner when Saratoga Partnership was created six years ago.

The other overarching goal is to give something back to the community. In 2010, the partners made a commitment to donate \$10,000 per year to charities and nonprofit organizations. This past year, they exceeded that pledge. Causes vary from area fire departments and food pantries to disaster relief.

They also give back to their community and support the next generation of farmers by sponsoring two college scholarships of \$2,000 each.

Living by their values meant first creating a business that was profitable and sustainable. That business was Richter Inc., the partnership that Tim and Randy successfully operated for decades and an important part of why Saratoga was chosen as a Top Producer of the Year finalist in 2012.

A Transformation. Tim credits a shift in the dynamics of his farm to The Executive Program for Agricultural Producers (TEPAP) at Texas A&M University, which he attended in 1998. The weeklong program teaches advanced agribusiness skills with a faculty of prominent agribusiness experts. All three Saratoga partners have attended.

"That took the blinders away," Tim says. "Not only has it changed how we farm, it's changed our lives. We were exposed to new ideas and people who were highly successful, some in unconventional ways."

The partners attribute their willingness to think out of the box to their battery of consultants, whom they consider to be their board of directors. The most recent addition to the group was a financial expert to consult on crop budgets and financial statements and serve as a comptroller.

Better Together. Tim and Randy note that since they formed their business in 1981, they have had to overcome the challenge of working together as brothers. "Despite occasional family conflicts, our goals have remained the same throughout the years," Tim says. "We realize that we are stronger together than we are separately."

Randy agrees, adding, "When you mix family and financial problems, everything takes on a magnitude of 10. Being able to persevere and overcome the 1980s financial crisis and still work together as a family defined our character as an operation. We are survivors, and we know we can adapt and overcome."

To strengthen their working relationship, the partners took a personality test to help identify who is best at the different skill sets needed on the farm. Dohlman's skill in employee management is one reason he's the operation's head of human resources, a task that Tim, who is head of marketing and finance, says he is glad he doesn't have to perform.

Employee management is at the top of the partners' list of what makes them successful. Dohlman has monthly meetings with employees to set goals and expectations. For the remainder of the month, they track their progress to see if they are achieving those goals. Dohlman consistently asks employees for feedback, which gives them a sense of pride and ownership. Regular meetings allow conflicts to be resolved in a structured manner, he notes.

"It wasn't working for our employees to have three different bosses," adds Dohlman, who also serves as crop production manager.

"The advantage in having more than two in the partnership is that we can get down to what we're good at," Randy says. "Successful people do not try to be good at everything." Randy is in charge of payroll, safety training,

workers' compensation and taxes. He is also involved with crops, maintenance and the drying facility. He does not have a specific title at the moment and "floats" to wherever he is needed most.

Besides treating its employees with dignity, Saratoga treats landowners royally by keeping them informed, being transparent and paying them bonus rents after a good year. The partners paid out \$400,000 in landowner bonuses in 2010-11.

Treating landowners well goes beyond bonuses. The partners work to improve the value of their rented land, whether through tiling, mowing waterways, improving soil fertility, yield maps or other approaches. Their philosophy is to treat rented land no differently than land they own.

Growth Strategy. Whether it's with Richter Inc. or Saratoga Partnership, Tim and Randy have always structured their operation so they know the true cost of each profit center.

That knowledge, coupled with their core values, will remain in the forefront as they expand. First, the partners are looking to farm more land, both through renting and possibly purchasing. To reach prospective landowners and provide up-to-date information to current ones, they created a state-of-the-art, interactive website, www.leasemyfarmland.com. "We didn't want it to be about us, we wanted it to be about what we can do for landowners," Randy says.

Tim says forming Saratoga Partnership is the best decision he ever made. "We have made great strides. It will be a journey to see where we go from here," he says.

Saratoga Partnership at a Glance

Family: Tim and Sue Richter have two children, Denise, 21, and David, 19; Randy and Connie Richter have three children, Nathaniel, 27, Melanie, 25, and Mychelle, 22; Jackson and Wendy Dohlman have a son, Lyndon, 5, and a daughter, Taleah, 2. Spouse feedback is very important for all three partners, who rely on their wives to keep them in balance and to share in the vision of Saratoga Partnership.

Business Structure: Saratoga Partnership was formed in 2006 as a crop production partnership. Since then, it has acquired a piece of land. Farm equipment, grain bins and other equipment, buildings and some land is leased to Saratoga by Richter Inc., the prior partnership of Tim and Randy, which still exists. One advantage in keeping Saratoga primarily as a production partnership is that it is easy to determine cost of production.

Machinery Sharing: A creative way Saratoga manages its machinery costs is through involvement with two machinery-sharing LLCs. One shares an 8,500-gal. manure tank applicator, which enables the two operations involved to buy a new unit with state-of-the-art technology. The partnership also shares a combine that is upgraded on a regular basis with Idaho producers. The Idaho producers use it for wheat and other crops, then ships the combine to Iowa for corn and soybean harvest.

Positioning for the Future: Saratoga is continually looking for ways to do things better. On the production side, recent examples include hiring a planter consultant, making major planter refinements and increasing corn plant populations by 1,200 to 1,500 seeds per acre. It's paid off. In 2011, Saratoga's corn yield was its highest ever. The trio of partners works with a software company to implement tracking and performance management tools. Through a smartphone app or tablet, the company provides automated solutions for Saratoga to achieve best operating practices, enabling it to maximize profits, improve efficiency and virtually eliminate the burden of record keeping and reporting.



The success of Tim Richter, Jackson Dohlman and Randy Richter's farm partnership is linked to the support of their wives, Sue, Wendy (not shown) and Connie, respectively.

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