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CORPORATE REPORT

Strategies for Profitable Business

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## A FOOT IN **TWO WORLDS**

**HOW THIS FORTY-  
SOMETHING FINDS  
TIME FOR FINANCE  
AND FARMING**

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# From the **Bullpen** to the Farmyard

Baird Investor Combines Love of Farming and Finance  
Story by Nancy A. Herrick | Photography by Shanna Wolf

Jim Hodge knows some things that other financial consultants might not.

**He knows that billy goat urine helps prevent cattle from getting ringworm.**

**He knows it must be around 77 degrees for corn to pollinate.**

**He knows that cows won't gain weight if they are grazing outdoors in hot weather, but put them in an air conditioned barn or one with fans and misters and they are likely to fatten up.**

**He knows that barn swallows can predict the weather.**

Hodge started out in the “bullpen” at Robert W. Baird & Co. in Milwaukee in 1996, making cold calls just like all the other new hires setting their sights on an investment career. He has worked his way up to director and associate branch manager in Baird’s Private Wealth Management Group, and his team, The Hodge Williams Group, manages \$700 million in client investments.

But Hodge is a farmer, too, and he doesn’t just dabble in it.

He is a fifth generation farmer and one of the owners of The Good Acres LLC, the 1,200-acre Hodge-Nienhuis family farm in La Prairie Township southeast of Janesville. He and his wife, Sarah, are responsible for 500 acres on which they

grow corn, wheat and soybeans and keep 12 sheep, two goats, 12 head of Hereford cattle and more than 150 chickens.

“It’s a team effort, really,” he says, explaining that the farms of his father and Sarah’s mother are adjacent. “We share equipment and help each other out, but we make our own business decisions.”

On this sunny day with a breeze in the air, he looks out over his acreage, which extends almost as far as the eye can see, and talks enthusiastically about his two careers.

#### **A long daily commute**

As a farmer, he plants seed, fertilizes the crops, makes sure that the irrigation systems that cover 80 percent of his land are

working, runs the combine, handles the finances and much more. He is up before 6 each morning, tending to the immediate needs of the farm before he leaves at 7 a.m. to drive the 77 miles to his office in downtown Milwaukee. He leaves Baird after the markets close and tries to be home by 5:30 p.m. or so.

“Hands-free calling has come a long way,” he says smiling. “I’m never really out of touch, even when I am on the road. And with my iPhone and laptop, I can deal with just about every issue that comes up at the office.

“Baird is fine with it. I take off a few days in spring and fall for planting and harvesting, but otherwise I concentrate on the farm responsibilities in the evenings and on weekends.”

According to the U.S. Department of Agriculture, 86.5 percent of farms are family owned and the average age of a farmer is 57 years. The average farm size is 418 acres, with more than half of U.S. farms 99 acres or less.

The Good Acres is larger than 92.2 percent of the farms in the U.S. and Hodge’s portion is larger than 85.4 percent of them.

In other words, in addition to his full-time job at Baird, he is responsible for acreage that is in the top 15 percent, in size, of the farms in this country. And at age 42, he is significantly younger than the average farmer.

“That’s a good size farm to be working while having another full-time job,” says Robert Hoppe, agricultural economist for the USDA in Washington, D.C. “If he gets time off at planting and harvesting, it’s possible to do both. But you still have to address what needs to be done on a daily basis. He must be pretty tired.”

### Strong work ethic and technology

It doesn’t seem so to Pat Powell, managing director and branch manager at Baird in Milwaukee. Powell describes Hodge as someone who is energetic, focused and who doesn’t waste time.



“In wealth management, Jim works to meet the financial needs of high net worth individuals, but also is responsible for niche areas such as working with religious foundations and with families who have children in special needs situations,” Powell explains. “In his role as associate branch manager he helps recruit advisers to Baird and serves as a mentor to help them along.

“Jim has a strong work ethic and truly embodies values such as putting forth your best effort and doing the right thing,” Powell says. “He’s a remarkable guy who always remains positive and figures out ways to get things done.”

Hodge gets things done on the farm, too, in part by making the best use of his time, and also by taking advantage of new advances.

Jim Stute, agriculture agent for the University of Wisconsin Extension in Rock County, says farming is evolving. “Equipment and technology have come a long way in a relatively short time,” he says, “allowing one person to do much more.”

Planters would typically plant four or six rows, for example, but now the standard is 12 and Hodge’s covers 16 rows. Combines harvest six rows at a time. Tractors have GPS and on-board computers that will auto-steer after the farmers have mapped out the fields.

Stute, who has his doctorate in crop science, says that with such advances come bigger price tags. “But the greater efficiency also makes the equipment more cost effective.”

### Degree in agribusiness

Hodge has quite an investment in his equipment, which he says helps him to be a more successful farmer. But he says farming helps him be a more successful financial consultant and investor, too.

Hodge attended the University of Wisconsin – Platteville and then Arizona State University, graduating with a bachelor’s degree in agribusiness. He spent his early years at Baird concentrating on building up his client base while living in the suburbs of Wauwatosa and then Elm Grove while his wife, Sarah, taught school in Brookfield. Sarah Hodge had grown up on the farm next door in Janesville. The two met in 4-H.

“After Sarah’s dad passed away, we found ourselves spending more and more

time on the farm,” he says. “Every weekend, in fact.

“We liked that life while we were growing up and decided we wanted that for our kids, too. We thought, ‘why not do this?’”

So in 2002, when their oldest child, Maddie, was about to enter kindergarten, they built a house on five acres of family land and moved permanently to the farm. Now Maddie is 14, Liza is 12 and James George is 6. They help out on the farm, are members of 4-H and are particularly busy with their projects before the county fair each year. In fact, Liza’s Hereford was named Grand Champion at the Rock County Fair.

Sarah Hodge no longer teaches, but uses her master’s degree in English part-time working in publishing, while also managing the farm animals and being there for the kids.

“I am so blessed,” he says. “I love both jobs and am grateful I can do both of them. Baird gave me a chance to build a wonderful career, but I love farming, too.”

#### Relates to other business owners

Cliché or not, it’s a win-win for everyone involved because Hodge’s farm experience carries over into investing in so many ways.

“If you are running a business yourself as Jim does, you understand first-hand how that’s done, from development to marketing,” Powell says. “That situational expertise means he speaks the language and can relate to other business owners and investors.”

Hodge says there are many crossovers between farming and financial consulting.

“Equities, bonds, commodities markets—I watch them all every day and they are relevant to both of my careers,” he says.

“There are also basic tenets of investing that can be applied to farming, like diversification, risk management and having a plan and sticking with it,” he says. “That’s as true for farmers as for investors.”

This year, for example, by diversifying and sticking with his crop rotation plan, he may have had a light corn crop because of the drought but a successful wheat crop. The jury is still out on soybeans.



Jim Hodge lives a dual life. He is a director and associate branch manager at Milwaukee’s Robert W. Baird & Co.’s Private Wealth Management Group, where he and his team manage \$700 million in client investments. He is also a fifth generation farmer and one of the owners of a 1,200-acre farm near Janesville.

“We had 100 bushels of wheat per acre this year,” he says, “whereas most years between 60 and 70 bushels is considered good. And there have been years when corn is selling for \$3 a bushel. This year it is over \$8 per bushel.”

Deciding how much of a crop to sell or store also can be a challenge. “It’s like the stock market,” he says. “How much of a position should we hold, how much should we sell?”

Teamwork also applies to both.

“Paul Purcell, chairman of Baird, is a strong believer in teams. Each person on my team has strengths and we work together to meet the needs of clients,” he says.

“A strong team is just as important in farming,” according to Hodge. “I rely on others and we all work toward the same goal; I simply couldn’t do it alone.”

His team includes wife Sarah; his father, also named Jim Hodge, who can handle farm problems that need immediate attention; his mother-in-law Nancy Nienhuis; part-time and seasonal help he hires; and even his children. His son is so good with the chickens, for example, that Hodge calls him “the chicken whisperer.”

Hodge has found quantifiable success in both careers. His clients are well-served at Baird and his farm is profitable. But putting the business of farming aside, Hodge just loves farm life.

“I love autumn. I love the harvest, and Sarah feels the same way,” he says. “It’s our favorite time of the year.

“And when it’s busy during summer, I get up at 5 when it’s getting light outside, but it’s so quiet. I love to just watch the barn swallows and listen to them fly around.

“Did you know they can predict the weather?”

Barn swallows, he says, usually arrive around Memorial Day and leave around Labor Day. Old time farmers say that if they leave early there will be an early frost. In August, the birds were already gathering into flocks and they left his barn a week early. “Time will tell whether or not we will see an early frost,” he says. 🍷

*Nancy A. Herrick is a Milwaukee writer and editor.*