

# Leader

A Colonial Farm Credit Member Publication

2011 - Issue 2



Greg Farmer

## President's Message

It was good to see so many of you at our four customer appreciation dinners in May! Total attendance was 1,076 (up 7% from 2010), and we distributed 484 patronage refund checks.

The patronage refund checks distributed at these dinners and in person or by mail shortly afterwards, totaled \$6 million, the equivalent of 18% of the interest earned on customer accounts during 2010—a record level. We feel very fortunate to be able to return such a large amount relative to interest paid, significantly lowering your effective borrowing costs, while so many other financial institutions continue to struggle.

During the two weeks following these dinners, we personally distributed 609 checks to customers who could not attend a dinner. I had the pleasure of visiting 18 customers with 10 of our credit officers, and our other senior managers made similar customer visits. We find this to be an excellent way of staying close to our customers, thanking you for your business and gaining a better understanding of your concerns and challenges. This is always one of the most enjoyable two weeks of the year for me, and it reinforces my opinion of what great customers we have the pleasure of working for.



In early May, more than 1000 people enjoyed the four customer appreciation dinners held across the association's territory.

In late May, several of our directors and senior managers visited with our U.S. Congressmen, locally and in Washington. Our message was simple: 1) Farm Credit is financially strong and stable, not wanting or needing any financial assistance, 2) We ask nothing from Congress except to be left alone so that we can continue meeting our mission of serving the credit needs of rural America, and 3) Our customers need relief from the increasingly burdensome employment, environmental and consumer protection regulations which stifle the economic recovery and reduce profits. House majority Leader Congressman Eric Cantor said, "I get it!" and "Colonial Farm Credit remains a reliable source of funding for Virginia's farmers."

At this writing, there appears to be a bumper small grain crop in the field. A strong yield (combined with good prices) provides the opportunity for profits. Near record commodity prices are a double-edged sword—providing opportunities for good profits for producers (assuming decent yields), but also increasing crop investment costs and potential risk. Further, the users of grain (livestock producers and dairies) are seeing profit margins squeezed. Unusually high temperatures are rapidly reducing soil moisture for spring planted crops—we'll need some rain soon.

During the month of July, our stockholders will receive the Annual Meeting Information Statement. I urge you to take an active role in the governance of your cooperative by reviewing the election material and casting your ballot when it arrives in August. Should you have any questions on the election process, please call me.

Thank you for your continued loyalty and support, and best wishes for a successful and healthy year! ■

## Hanover AgDay

By Diane Wheeler

In May, Hanover's third graders made the annual trek to Poor Farm Park for some agricultural education disguised as fun. 1350 students plus teachers, aides, and chaperones enjoyed a few hours visiting the nine stations set up for the students to learn about agriculture in their county. The stations represented the industries of forestry, conservation, aquaculture, dairy, grain, equine, and horticulture, plus Ag in the Classroom and animals completed the lineup. Yes, everyone learned something about agriculture, even the adults! This is the 18th year that Farm Credit has been the major organizer and coordinator for this event. ■



## HOLIDAYS

Farm Credit Offices are Closed

**Independence Day** Monday, July 4  
**Labor Day** Monday, September 5

## Ag Literacy Week



During National Agriculture Week (March 13-19), Virginia also celebrated "Ag Literacy Week". Because many children are now several generations removed from the farm, they have little understanding of Virginia's #1 industry. Friends of agriculture and industry leaders visited elementary schools across Virginia to help students develop a better understanding of, and appreciation for, agriculture. Virginia's Agriculture in the Classroom program coordinated these school visits and provided helpful materials including copies of *Ready, Set, Grow!*, a book about Virginia agriculture. After reading this book to several first grade classes at J. B. Fisher Elementary School in Richmond, Greg Farmer presented a copy to Virginia's Secretary of Education, Gerard Robinson, who also participated in this event and did a wonderful job reviewing and reinforcing facts about Virginia agriculture with the students. Greg thanked Secretary Robinson for his participation in Ag Literacy Week and for his support of agriculture education in Virginia's schools. Greg serves on the board of the Virginia Foundation for Agriculture in the Classroom. ■

## Livestock Show & Sale

By Hilary Thompson & Ryan Johns, Farmville

The annual Piedmont Jr. Livestock Show & Sale was held at the Southside Livestock Market in Blackstone, Virginia on May 21. More than fifty participants from nine different counties in Colonial's territory spent the day exhibiting in both showmanship and market classes displaying their lamb, swine, and beef projects. All exhibitors were members of their local 4-H or FFA group. Exhibitors, parents, volunteers, and all involved agreed that it was a fun-filled day with many learning experiences! The kids not only had a good time and met many new friends, but also learned the value of hard work.

Exhibitors must be ages 9-18 and are encouraged to contact their local Virginia Cooperative Extension office for additional details if interested in participating in next year's event.

A \$500 scholarship is offered to any graduating senior who has shown at the event for a minimum of 3 out of the last 5 years. This year no scholarship was presented, as there were no graduating seniors. Applicants for next year's scholarship must return their application by March 1st.

Colonial Farm Credit is one of the main sponsors, providing monetary assistance and volunteers on the day of the show, as well as the months leading up to it. The Piedmont Jr. Livestock Show and Central Virginia Livestock Show, held in Lynchburg, VA, are also sponsored by Virginia Cooperative Extension and other area businesses.

A youth agricultural loan program is offered by Colonial Farm Credit and provides assistance to active members of 4-H and FFA. This program affords them the opportunity to establish and

operate income producing projects. If you would like additional information, please call or stop by your local office. ■



## Summer Town Hall Meetings



Todd Haymore

The Virginia Agribusiness Council is holding regional Town Hall Meetings this summer in several locations across the state. Todd Haymore, Secretary of Agriculture & Forestry, will discuss Governor McDonnell's efforts related to international trade, economic

development for agribusinesses, and industry promotions. Colonial Farm Credit is sponsoring the meeting on August 25, at the West Point Community Center in West Point, Virginia, from 2:00-5:00 pm. To register, at no cost to you, call (804) 643-3555, or click on Town Hall Meetings at [www.va-agribusiness.org](http://www.va-agribusiness.org). ■



Congressman Randy Forbes (left) is pictured with Colonial Farm Credit directors Robert Spiers and Paul Rogers during their visit in Washington where they discussed agriculture issues. The mock check represents the \$1,693,000 in patronage refund returned to Farm Credit customers in Virginia's 4th District.



Dr. Alex White (standing, left) and Dr. Dave Kohl team up to discuss estate planning

## Young Farmer Institutes Offer Agriculture's Future a Day of Financial Education

The continued growth and prosperity of the agriculture industry rests in the hands of its young farmers. To this extent, Farm Credit has been providing a forum to help young farmers prepare for the future for nearly a decade. The Virginia Farm Credit Associations were proud to sponsor two Young Farmer Institutes in 2010. The first session was held at the Virginia Farm Bureau headquarters in Goochland, Virginia and the second was held at WVU Jackson's Mill in Weston, West Virginia. Both sessions featured Dr. Dave Kohl, the program's long-time lecturer, and Dr. Alex White, who serves as an instructor of Agricultural and Applied Economics at Virginia Tech. Dr. White is a newcomer to the Young Farmer Institute and brings considerable experience with financial planning strategies for farmers and small business owners. The courses he teaches include Agricultural Financial Management, Personal Financial Planning, Agricultural Management & Problem Solving, and Retirement Planning. Alex also heads up the Dave Kohl Agribusiness Centre, a student-based consulting project. He has worked with Farm Credit in various capacities for the past 20 years. He currently speaks to Farm Credit employees as a

part of the Farm Credit University training program. Further, Alex is a customer of Farm Credit.

The Institute covered current trends in agriculture with a focus on the following:

### Positioning Your Business for Agriculture's Next Decade

- Five Dimensions of Agriculture
- Global Economics
- Direction of Ag & General Economy
- Direction of Land Values
- Economic Indicator Benchmarks

### Management Techniques

- Personal Finance—Family Living, Credit Scores, Credit Card Debts, Tips in Investing, etc. Illustrated Through an In-class Case Study
- Dashboard Scorecard Checkup (Financial Ratios for your operation)
- Business Lite Assessment

The Young Farmer Institutes are free to attend and will continue in 2012. Please contact your loan officer or stop by your local Farm Credit office for more information. Seating is limited. ■



Paul Rogers

Colonial Farm Credit board member Paul W. Rogers, Jr. has been re-elected to another term as chairman of the VDACS (Virginia Department of Agriculture and Consumer Services) board. By virtue of this position, he also serves on the Virginia Tech Board of Visitors. Mr. Rogers is a corn, cotton, and peanut farmer from Surry County.

## Director Elections

The official notice and information statement for the 2011 annual stockholder's meeting will be mailed to our voting shareholders in July and the ballots for directors and nominating committee members will be mailed after the annual meeting. ■

## Employee Service Awards

On behalf of the Leadership Team and Board of Directors, CONGRATULATIONS to the employees listed below who will receive service awards in 2011. This list represents 268 years of service to Farm Credit:

### 1-Year

- Laura Huber (Hughesville)
- Kathy Lewis (Farmville)
- Kevin Robertson (Country Mortgage Unit, Hughesville)

### 5-Years

- Don Costello (Administration)
- Harold Harris (Farmville)
- Susan Upshaw (West Point)

### 10-Years

- Robbie Vaughan (Chesapeake)
- Bridgett Williams (Tappahannock)

### 20-Years



- Paul Franklin (Administration)
- Michael Lacks (Commercial Loan Group, South Hill)

### 30-Years



- Terri Branch (Administration)
- Connie Bailey (South Hill)
- Billy Daniel (Commercial Loan Group, Chesapeake)
- Susan Goodrich (Waverly)

### 35-Years



- Jimmy Johnson (Administration)
- Darlene King (South Hill)

# Farm Credit MEMBER Savings

As a member of Colonial Farm Credit, you qualify for discounts from several businesses. Be sure to identify yourself as a Farm Credit Member and provide member IDs as listed below.



**Dell Computers:** Save up to 30% depending on configuration. Go to [dell.com/farmcredit](http://dell.com/farmcredit) or call 877-289-9437. Use member ID CS25031329

### Car Rentals:



**Alamo:** Visit [Alamo.com](http://Alamo.com) or call 800-462-5266 and use Farm Credit ID: 308635.



**National:** Go to [nationalcar.com](http://nationalcar.com) or call 800-328-4300 & use Corporate ID: 5700069.



**Enterprise:** Go to [enterprise.com](http://enterprise.com) or call 800-593-0505 and use Customer #: XZ12G01. PIN is: FAR.



**Sprint Wireless Voice/Data Services & Equipment:** Save 12% on your monthly service charges. Go to [sprint.com/farmcredit](http://sprint.com/farmcredit) or call 866-853-4931. If requested, please reference Farm Credit Council by phone and MFCCS\_ZZZ online.



**Floral Ambiance:** Go to [floralambiance.com](http://floralambiance.com) or call 800-672-4137. Use promotion code [focsflowers](http://focsflowers) to receive \$10 off orders of \$30 or more. Note: The owner of this business is a Farm Credit loan customer!

## Colonial Agricultural Educational Foundation

# Hanover Farmer Wins \$2,500 for Colonial Agricultural Educational Foundation Through America's Farmers Grow Communities<sup>SM</sup> Program

Olivia Nuckols of Beaverdam has been selected as a winner in the America's Farmers Grow Communities<sup>SM</sup> program, which gives farmers the opportunity to win \$2,500 for their favorite local nonprofit organizations. The Monsanto Fund sponsors the program, and winning farmers designate a local nonprofit organization to benefit from the donations. Olivia has designated Colonial Agricultural Educational Foundation, located in Mechanicsville to receive the donation. The \$2,500 donation was awarded at a ceremony held on March 22, 2011 at the Colonial Agricultural Educational Foundation office. ■



Rose Bradshaw, Monsanto; Sue Nicely, Colonial Agricultural Educational Foundation; Olivia Nuckols

## 2011 Scholarship Recipients

Congratulation to the 2011-2012 recipients of the Colonial Agricultural Educational Foundation Scholarships! Recipients and parents were honored at the four customer appreciation dinners (Groups from Doswell & Wakefield pictured below). Refer to the scholarship link on [www.colonialfarmcredit.com](http://www.colonialfarmcredit.com) to see the entire list of recipients and their chosen colleges. ■



## Colonial Farm Credit Partners with MARBIDCO to Offer Programs to Maryland Farmers

Colonial Farm Credit is working closely with the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) on the financing of several of their innovative programs.

The State of Maryland established MARBIDCO in 2004 as a quasi-public corporation whose mission is to assist Maryland's farm, forestry, seafood and recreation-based businesses to achieve profitability and sustainability by providing targeted services. Some of these services include:

- Developing agricultural industries and markets;
- Assisting with rural land preservation efforts; and
- Offering capital and credit at affordable interest rates for investment in agricultural and resource-based businesses.

**For the upcoming year, MARBIDCO has several programs available for these groups.**

- The Maryland Resource-Based Industry Financing Fund offers low-interest loans to established agriculture industry firms for the purchase of land and capital equipment for production and processing activities.
- The Rural Business Equipment and Working Capital Loan Fund offers low-interest loans to agriculture industry firms and producers for working capital and equipment purchases.
- The Maryland Vineyard Planting Loan Fund offers low-interest loans to help meet the unique financing needs of Maryland's rural landowners wanting to plant grapes and develop wineries.
- The Forestry Equipment and Working Capital Loan Fund offers low-interest loans to Maryland's forest products businesses with respect to working capital and equipment purchases.

- The Agricultural Cooperatives Equity Investment Fund provides a portion of the capital investment needed by cooperatives that do not have the necessary equity available.
- The Rural Business Energy Efficiency Improvement Loan Fund offers low-interest "micro" loans for energy efficiency projects undertaken by food and fiber producers and processors implementing the recommendations of a third-party energy auditor.
- The Maryland Shellfish (Oyster) Aquaculture Financing Fund helps watermen (and others) who wish to transition from wild oyster harvesting to start or expand underwater shellfish farming enterprises using leased growing areas in the Chesapeake or Coastal Bays plans.
- Local Government Project Cost Share Program is designed to lend support to local and regional rural business development efforts.
- The Installment Purchase Agreements Program(s), working in conjunction with state and local farmland preservation agencies, enables the purchasing of easements on agricultural properties using tax-advantaged financial arrangements structured to benefit both landowners and the participating units of government. ■

For details on these programs, contact

MARBIDCO at:  
MARBIDCO  
Clock Tower Place  
1410 Forest Drive, Suite 28  
Annapolis, MD 21403  
(410) 267-6807  
www.marbidco.org

## USDA offers Loans Targeting Socially Disadvantaged Groups

The Farm Service Agency (FSA) recently announced specially-targeted farm loans known as Socially Disadvantaged Applicant (SDA) Loans. These loan programs are designed to help farmers purchase and operate family farms.

FSA reserves a portion of its loan guarantee funds each year for SDA loans. USDA defines socially disadvantaged applicants as a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians and Alaskan Natives, Hispanics, and Asians and Pacific Islanders.



Guaranteed loans may be made for farm ownership or operating purposes, and may be made by any lending institution subject to Federal or State supervision (which includes Farm Credit) and are guaranteed by FSA. Typically, FSA guarantees 90 or 95 percent of a loan against any loss that might be incurred if the loan fails.

Repayment terms for direct operating loans depend on the collateral securing the loan and usually run from one to seven years with repayment terms as long as 40 years.

For more information about these and other types of loans, visit the FSA's home page at <http://www.fsa.usda.gov> and click on "Farm Loan Programs." ■

## Farm Credit Retail Bonds

The Federal Farm Credit Banks Funding Corporation has launched a Farm Credit Retail Bond Program. Unlike commercial banks that have access to deposits, the five Farm Credit System Banks generate funds by issuing highly-rated consolidated System-wide debt securities, such as bonds and discount notes, with various yields, maturities and structures.

Farm Credit Retail Bonds are consolidated System-wide bonds issued in denominations of \$1,000 for fixed-rate bonds and \$100,000 for floating-rate bonds. The unsecured bonds may have maturities ranging from one year to thirty

years. However, the Funding Corporation expects most maturities of Retail Bonds to be five years and longer.

Farm Credit Retail Bonds will be available to investors through a select group of securities dealers that comprise the Funding Corporation's Farm Credit Retail Bond Selling Group. Interested investors can obtain information and a list of Retail Bond Selling Group members on the Funding Corporation's website: [www.farmcredit-ffcb.com](http://www.farmcredit-ffcb.com).

Farm Credit Retail Bonds are the general unsecured joint and several obligations of the Farm Credit System Banks and are not obliga-

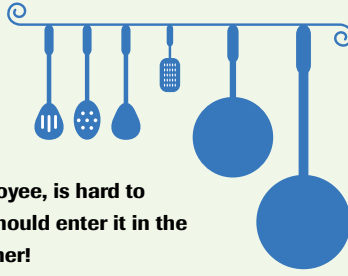


tions of or guaranteed by the United States or any Federal agency or instrumentality, other than the Banks. This information does not constitute an offer to sell or solicitation to purchase Farm Credit Retail Bonds.

The Farm Credit Retail Bonds are not deposits of a Farm Credit System Bank or Association and are not insured by the FDIC or any other agency of the United States. The Farm Credit Retail Bonds are subject to investment risk, including the possible loss of principal and value. ■

# What's Cookin' in Colonial?

By Diane Wheeler



When you have lots of squash, what do you do? You make a casserole! This one from Eva Leftwich, Mechanicsville employee, is hard to beat! Let me know if you have something better. If so, you should enter it in the Keepin' It Rural recipe contest. You could be the \$3000 winner!

## SQUASH AU GRATIN WITH WHITE CHEDDAR

### Ingredients

1 medium/large onion	3/4 teaspoon salt
2 lb fresh sliced yellow squash	1/4 teaspoon black pepper
2 eggs	2 Tablespoon sugar
1/2 cup milk	1/2 lb white cheddar, grated
1 Tablespoon margerine	

### Directions

Thinly slice onion and squash. Preheat oven to 350 degrees. Cook onions and squash in a small amount of boiling water for 10-15 minutes or until fork tender; drain well. Arrange in pan. Add salt and pepper. Mix eggs, sugar, milk, and cheese; pour over squash mixture in pan. Dot with thin slices of margarine. Bake at 350 for 30-45 minutes. Cut into squares or spoon out. ■



**Are you a local cooking legend?  
Have a killer recipe that is always  
the first dish gone at the pot-luck?  
If so, your recipe could win you  
bread, chedda', greens—the kind  
that fills your bank account!**

**Get the rules and enter at  
[ikeepitrural.com!](http://ikeepitrural.com)**



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