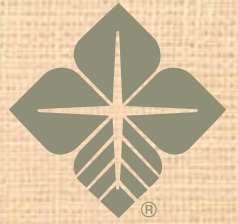


Harvest

SPECIAL EDITION | SUMMER 2016



AMERICAN
AGCREDIT

FARM CREDIT
100
ESTABLISHED 1916



FRESH
PERSPECTIVES
WINNERS

REACHING OUT TO
EMERGING
MARKETS

FARMER
VETERAN
COALITION



AMERICAN
AGCREDIT

OUR MISSION

Be the best lender to agriculture.
Period.

Harvest

A Publication of American AgCredit

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American AgCredit by the numbers

**\$8.0
BILLION**

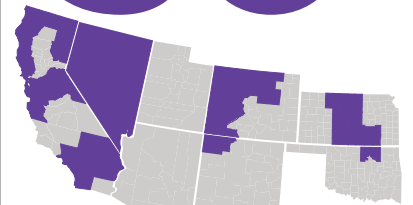
...in assets as of
June 30, 2016

450+

...full-time
employees
Association-wide

Member of the
Farm Credit System,
a government-
sponsored
enterprise with
more than...

30



...offices in a lending territory
throughout California,
Colorado, Kansas, New Mexico,
Nevada, and Oklahoma

Cooperatively owned
by more than...

7,300

...member-borrowers

6th
...largest Farm Credit Association
in the country

**\$305
billion**

...in assets as of
March 31, 2016

Association governed by a **19** member board consisting of borrower-owners

Standing with farmers and ranchers – yesterday, today and tomorrow

A joint message from the Chairman and CEO

This special 100-year anniversary edition of *Harvest* was created to celebrate American AgCredit and the legacy of the Farm Credit System. Founded by an act of Congress in 1916, the Farm Credit System has grown to become a critical component within the fabric of agriculture and rural America. Over the last century, the System has supported farmers and ranchers throughout the country, weathering the storms with producers and providing strong and stable support to those who depend on us as a reliable and consistent source of credit.

Today, the Farm Credit System provides more than \$305 billion in loans to more than 500,000 borrower-owners, representing more than one-third of the credit needed by U.S. agriculture. As part of this larger network, American AgCredit is the sixth largest lending association in the Farm Credit System, serving more than 7,300 borrowers with over \$8.0 billion in assets and financing.

What's inside

Within this centennial issue, we are shining a light on the remarkable story of Farm Credit, showcasing our unique and outstanding history over the years, and at the same time looking forward. Featured in this newsletter are stories about the important work that we do – supporting young people in their early endeavors in the marketplace (pages 18–19), crafting specialized financing programs for entrepreneurs seeking new markets (pages 16–17), partnering with veterans and other Farm Credit institutions (pages 8–9), and reaching out to assist trade and community organizations that help support agriculture throughout our territory (page 23). Most importantly, our objective is to continue to support agriculture of all sizes, in all markets, through the ups and downs of what can be a volatile industry.

Strength in diversity

American AgCredit's geographic presence in both western and plains states underpins a diversified portfolio and a foundation of strength and stability. Concerns over the extended drought are easing and demand remains strong for quality farmland. At the same time, after some bountiful years for most commodities, many of our borrowers are experiencing price volatility or a decline in prices in areas such as nuts, corn, wheat, beans, and dairy. On top of this landscape, exported products face additional challenges related to the strength of the dollar.

We are more than prepared for market changes such as these. Our diversity reduces the risk from any one event or market downturn and brings an added level of stability to our financial strength. In addition, we focus on internal governance



Board Chairman Charlie Talbott and CEO Byron Enix

and controls, sustaining a healthy permanent capital ratio and implementing risk management strategies to maintain a business model that is sufficiently flexible to withstand today's market challenges.

We will continue to remain actively engaged with you, our borrowers, our customers, and our owners, to help manage business challenges or develop and monitor risk management strategies through periods of diminished cash flow.

Mission driven

Acknowledging an incredible 100 years, we are reminded that our mission places us side-by-side as partners and advocates to the farmers and ranchers who produce America's food, fuel, and fiber. However, fully serving the mission of the Farm Credit System requires that we go beyond providing financial services to our current borrowers. We recognize the following needs:

- We must seek to ensure that all segments of agriculture have great financing options.

continued on page 22

Our objective is to continue to support agriculture of all sizes, in all markets, through the ups and downs of what can be a volatile industry.

100 years of progress

FARM CREDIT 100 CENTENNIAL EVENTS

FEBRUARY 2, 2016

Farm Credit opens 50-year-old time capsule buried in Larned, KS, at Farm Credit Council annual meeting.

FEBRUARY 3, 2016

Farm Credit organizations from across the country, along with elected leaders, celebrate their shared 100th anniversary at a congressional reception in Washington, D.C.

MARCH 21, 2016

Farm Credit announces winners of national Fresh Perspectives search.

JUNE 16-17, 2016

Farm Credit 100 Centennial Celebration is held in Washington, D.C.

SEPTEMBER 2016

A 100-year time capsule is reloaded with current artifacts and predictions from 4-H and FFA members about the future of agriculture, to be reopened in 2066.

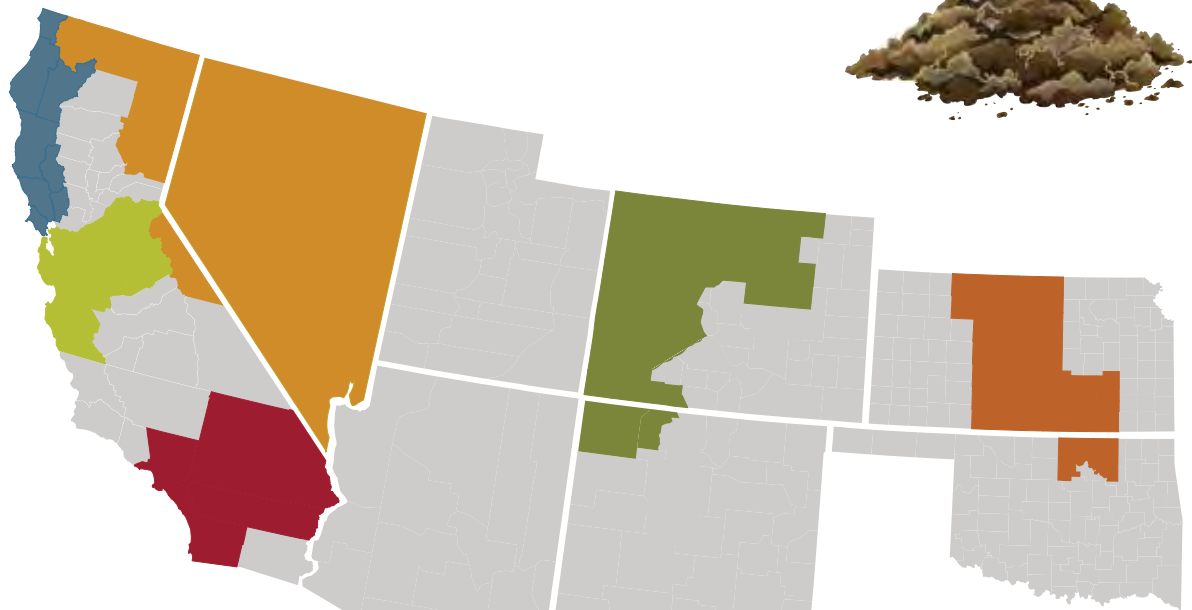
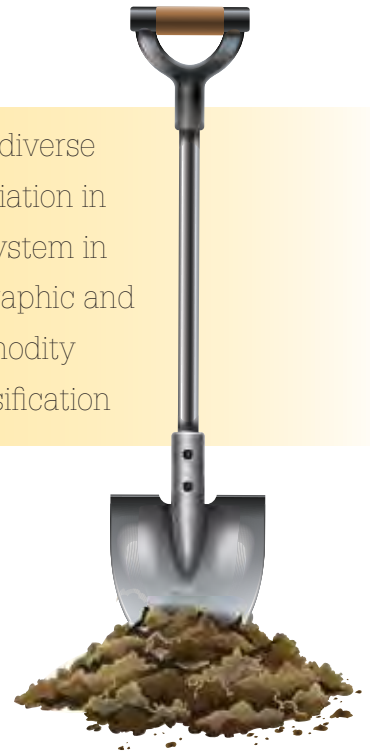


AAC BREAKING GROUND

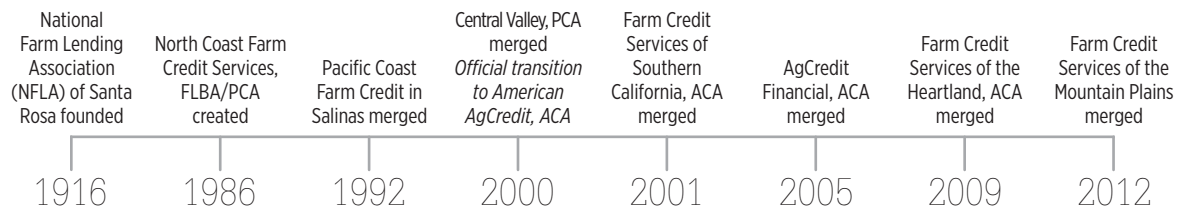
First association to merge the Production Credit and Land Bank entities into one cooperative (ACA)

First merger in the System, which saw the integration of two non-contiguous state associations into one

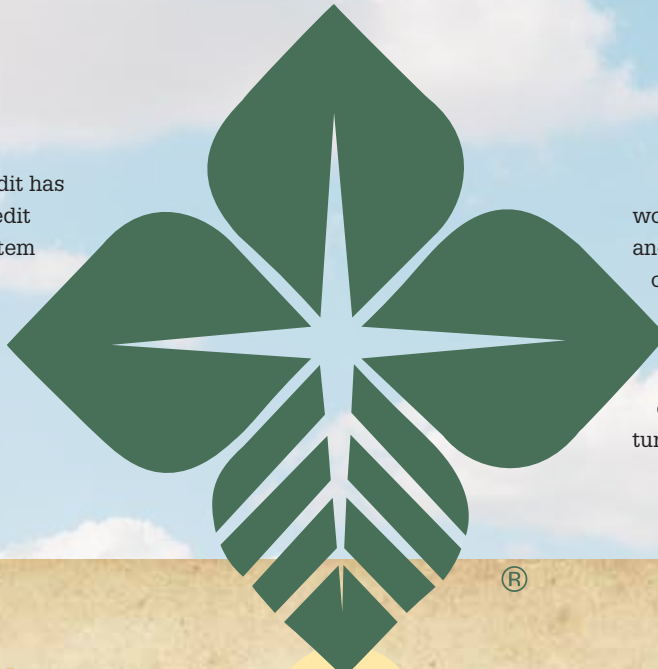
Most diverse association in the System in geographic and commodity diversification



MERGER HISTORY



A family comes together

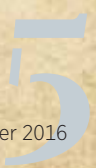


Over the last 100 years, American AgCredit has grown and merged with other Farm Credit associations to become the sixth largest System cooperative in the country. Through these mergers, we have developed partnerships with a broad spectrum of farmers, ranchers and Farm Credit thinkers who have paved the way toward the future.

Armed with a knowledgeable and hard-working team, and collaborating with farmers and ranchers big and small, we have positioned ourselves as a mission-driven and efficient organization. Moving into the next 100 years, we are prepared to offer the best financial services available, and primed to be flexible enough to evolve as the needs in the agricultural marketplace change.



ESTABLISHED
OCTOBER
1916

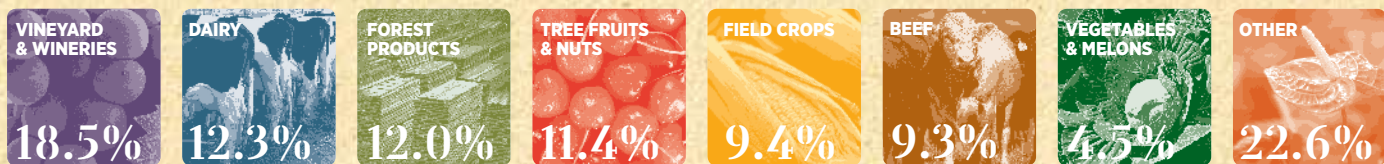


LENDING REPORT CARD

Loans by Size As of 6.30.16

Loan Range	\$0 TO \$250K	\$251K TO \$500K	\$501K TO \$1M	\$1M TO \$5M	\$5M TO \$25M	\$25M TO \$100M	Total
Loan Count	9,415	1,772	1,233	1,258	235	11	13,924
Principal (in thousands)	\$687,083	\$635,462	\$876,217	\$2,673,888	\$2,251,131	\$361,850	\$7,485,630

Commodity Breakdown As of 6.30.16



Lending to Young, Beginning & Small As of 6.30.16

LOANS IN 2016	Young	Beginning	Small	Total Loans			
	<i>(35 years of age or younger)</i>	<i>(Having 10 years or less of experience)</i>	<i>(Annual gross sales of \$250,000 or less)</i>	Y	B	S	
Loan Count	168	258	500				
Principal (in thousands)	\$63,271	\$128,386	\$73,512				
				TOTAL OUTSTANDING LOANS <small>in millions</small>	\$389.8	\$832.6	\$805.3
				PERCENTAGE OF TOTAL LOANS	10.40%	17.59%	35.62%
				PERCENTAGE OF TOTAL VOLUME	3.97%	8.49%	8.21%

What is the Farm Credit advantage?

When Congress created the Farm Credit System in 1916, it gave the System a mission to be a competitive, reliable source of funds for eligible borrowers in agriculture and rural America. Over time, Congress gradually expanded the System's portfolio to include rural infrastructure that supports agriculture, such as power generators, water systems, and telecommunications.

Through its cooperative banks and lending associations, the System provides more than one-third of the credit needed by those who live and work in rural America. Many of the foods on dinner tables across the country have benefited from Farm Credit. Land O'Lakes butter, Sunkist oranges, Blue Diamond almonds, and Welch's grape juice are all agribusiness operations financed by Farm Credit.

As a cooperative lending association, American AgCredit aims to support and strengthen agriculture, and to provide financial services to all market segments. There are many advantages for those farmers and ranchers who are our members, our customers, and our partners.

If Farm Credit were a single bank, it would be the ninth largest financial institution — measured by assets — in the United States.

Our focus

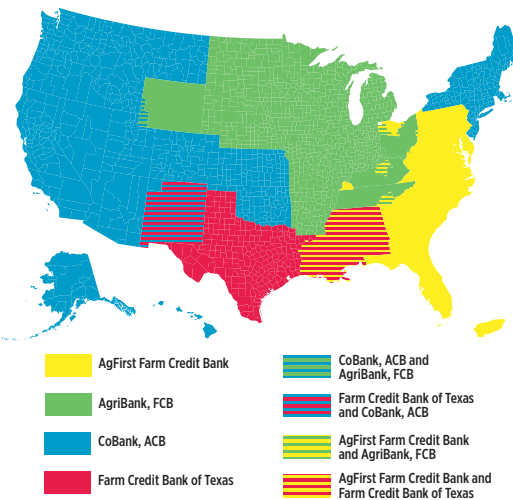
Chartered in 1916 to provide financial services to agriculture, American AgCredit has focused exclusively on agriculture for 100 years. This kind of specialized expertise means that we have a deep understanding of agriculture and rural communities. Over the last century, we have struggled along with our customers — restructuring through the Depression and weathering a host of regional disasters ranging from floods and fires to hail and thunderstorms. Throughout the years and the challenges, we have remained a solid financial partner to farmers and ranchers, ensuring the safety and security of the nation's food and fiber.

Based on our history, focus, and expertise, we offer insightful knowledge and a deep penetration in the marketplace that is unparalleled among other lenders.

Our funding

The Farm Credit System is the largest rural lender in the nation. Unlike commercial banks, the Farm Credit institutions do not take deposits. Instead, loanable funds are raised through the issuance of Farm Credit debt securities, which provide a dependable source of funding — AAA-rated Farm Credit bonds and notes, which are sold in the nation's capital markets.

Farm Credit System Bank Chartered Territories



Our cooperative structure

Our enduring strength lies in our structure. American AgCredit is a locally-based lending cooperative that provides funds and services to eligible operations throughout our territory. The key is that we are owned by our borrowers: farmers, ranchers, agribusinesses, rural homeowners, and other rural landowners. This cooperative structure gives our customers — and their customers — a vested interest and a voice in how we serve the communities in which we operate.

Cooperative ownership. As a co-op, we are owned by our customers — the farmers and ranchers who use our services. All member-borrowers have an equal voice in the business, regardless of their equity share: one member, one vote.

Shared earnings. If our customers have a successful year, we can return those earnings back in the form of dividends. The more we earn, the more dividends we can pay. This lowers our customers' cost of borrowing and ensures sharing the success for all.

Transparent governance. Our policies are set by our Board members, who are Farm Credit customers elected by their fellow customers. This provides transparency to our owners, and also gives them a voice in the management and processes.

American AgCredit is the sixth-largest Farm Credit association within the System.



Farmer Veteran Coalition

Supporting veterans through farming programs

Veterans returning to the United States from active duty face many challenges. The Department of Labor reports that as of May 2010, more than 20 percent of young veterans were unemployed, and other recent data show that 45 percent of Armed Forces service members are from rural America.

At the same time, USDA estimates that the U.S. will need one million new farmers and ranchers in the next ten years to replace the 50 percent of American farmers who are at retirement age. The USDA Veterans, Reservists and Military Families Task Force has developed programs to help communities establish job training programs and other efforts to assist returning military, including developing partnerships aimed at assisting veterans in establishing farm careers.

"Farm Credit is proud to partner with the Farmer Veteran Coalition to help those who served our country in the military find new opportunities in agriculture," said Gary Matteson, chairman of the Farmer Veteran Coalition (FVC) board of directors. Matteson works for the Farm Credit Council in Washington, D.C., and is one of many Farm Credit staff members around the U.S. who volunteer their time as state chapter board members, business plan advisers, and financial skills trainers.

Founded in 2007 by longtime agribusiness innovator Michael O'Gorman, the Farmer Veteran Coalition is an organization that helps returning veterans find a path to farm business ownership, employment, or training on farms and ranches and in other agriculture-related careers.

The Farmer Veteran Coalition has members in all 50 states, coming from all branches of the military, and representing all military eras, from World War II, Vietnam, Iraq, and Afghanistan.

"There's a growing interest among veterans in farming, in part because there have been a good number of success stories," said O'Gorman, a Fresh Perspectives Top 100 Honoree (see related story, page 10). "And farming fits with their personality. Many vets want to do something hands-on that's both physically and mentally challenging. They're also looking for work that has purpose, which farming and producing food certainly does."

Coalition support programs

The FVC has two primary support programs that serve to support its mission, the Fellowship Fund and the Homegrown By Heroes product identity labeling program.

Farmer Veteran Fellowship Fund

The beginning years of farming or ranching can be challenging on many fronts. In order to help beginning farmer veterans improve their farm operations, FVC offers grants to successful applicants.

In addition to monetary awards, the Farmer Veteran Coalition provides direct assistance through critical services needed to build a successful business in the form of guidance in production, business planning, and marketing. Scholarships are also given to study for a career in agriculture at a college, university, or farm-training program.

The application also includes essay questions exploring the following areas: military and public service, motivation and experiences, and education and career ambitions in agriculture.

Since it began in April 2011, the Farmer Veteran Fellowship Fund has provided more than \$1 million to farmer veterans in 48 states.



The Farmer Veteran Fellowship Fund assists veterans with advancing their careers in agriculture by giving them access to funding, resources, and support services.

Homegrown By Heroes

Veterans can certify their products as "products grown, raised, and produced by hardworking farmer veterans." When certified, producers automatically qualify as a member of the Farmer Veteran Coalition, which gives them exclusive

STATE PARTNERS

Several state departments of agriculture have officially partnered with Homegrown By Heroes (HBH) to promote the HBH label within their states. States such as Arkansas, Illinois, Indiana, Kentucky, Louisiana, Maryland, New Jersey, Oklahoma, and Pennsylvania have developed labels that combine their own "Buy Local" logo with the HBH logo. Other states such as Maine, Ohio, South Carolina, and Tennessee have elected to promote the HBH label separately but in harmony with their own "Buy Local" labels. To find out how your state participates in this program, contact Farmer Veteran Coalition at hbh@farmvetco.org.

ELIGIBILITY REQUIREMENTS FOR FELLOWSHIP FOUNDATION SUPPORT

Must have served in the U.S. Armed Forces, currently be on active-duty, or serving in the military reserve/National Guard.

Be a member of FVC (you can join for free at www.farmvetco.org).

Must have an honorable discharge (other characters of discharge may be accepted on a case-by-case basis). Active-duty or reserve members need a command support letter.

Have an agricultural business in operation, and submit a business plan that includes a vision and goals for the future of the business.

Have farm training/experience and or transferable skills.

Have a desire to continue to serve others and make a positive impact on the farmer veteran community.

Be willing to fully participate in the Fellowship Program, which includes reporting progress, mentoring aspiring veteran farmers, and the possibility of representing FVC at events.

Have a personal investment in the farm business.

Provide a strategic funding request that will help the business grow in the long term.

Exhibit community involvement.



membership benefits, such as free education in food safety, planning, marketing, and business development.

Coalition growth

Since its founding, FVC has experienced tremendous growth, quadrupling from 2013 to 2015 and now at over 7,000 members. A survey of members in 2015 showed that 72% have post-9/11 service, 20% are ethnic minorities, 16% are women, and a staggering 59% have service-connected disabilities. Nearly two-thirds have some access to land.

In a recent hearing on “The Farm Credit System: Oversight and Outlook of the Current Economic Climate” to the U.S. Senate Committee on Agriculture, Nutrition, and Forestry on May 19, 2016, farmer-veteran Jed Welder, owner of Trinity Farms in Greenville, MI, spoke out in support of the program and Farm Credit, “Farmers, like veterans, are not victims: we are not looking for a free ride, just a fair deal. Having a lender that works with me, that knows my farm and the challenges I face, is more important than ever,” Welder said.

The organization offers a spectrum of services to veterans at any phase of their career development. Averaging more than 300 new veteran contacts per month, the coalition offers guidance, farm business assistance, and a sense of community to farmer veterans.



ELIGIBILITY FOR HOMEGROWN BY HEROES DESIGNATION

To meet eligibility requirements, the member and/or their Homegrown By Heroes product must:

Have veteran, active-duty, National Guard, or reserve member of the United States Armed Forces status, without regard to age or era of duty.

Veterans must provide a copy of their Department of Defense Form DD-214 or equivalent.

Characterization of service of Honorable or General (Under Honorable Conditions).

Active-duty members must provide a letter of support from their commanding officer or designated representative attesting to their service under honorable conditions.

Businesses or operations that are certified by the label must maintain 50% or greater veteran ownership and 50% or greater veteran management control.

Products certified under the label must contain 50% or more non-water ingredients produced by HBH certified producers.



Jed Welder

Trinity Farms, Greenville, MI

Army veteran Jed Welder served multiple tours overseas as an armor officer, deploying to Iraq, Afghanistan, and Bosnia during his military career. While he is quick to say he had the honor to serve with some of the greatest men and women in the world, in 2008 he and his wife decided to leave the Army and return home to Michigan.

“After repeated deployments and an ever-increasing operational tempo, we decided it was time to start both a family and a farm back in Michigan,” Jed says.

Today, Jed farms more than 800 acres, including land his parents had farmed since the 1960s. Initially raising corn and soybeans, Jed soon added one of the first hop yards in his county, and in 2015, added a grain drying and storage system with financing from GreenStone.

“As my business has changed and grown, GreenStone has grown with me,” he says. “Having a lender that works with me, that knows my farm and the challenges I face, is more important now than ever. They understand the crops in our area and what the prospects for harvest are because they are in the business of working with farmers every day.”

Story provided courtesy of Farm Credit Producing Excellence program. See more at www.farmcreditnetwork.com.

PRODUCTS:	Corn, soybeans and hops
SIZE OF OPERATION:	800 acres
IN BUSINESS SINCE:	2008
FARM CREDIT PARTNER:	GreenStone Farm Credit Services
WORKING WITH FARM CREDIT SINCE:	2008



Chase Hansen

Serenity Mountain Farms, Granby, CO

Chase Hansen currently serves in the Army Reserves while operating Serenity Mountain Farms in Granby, CO. His 12-acre farm sits at 9,000-foot elevation in the Rocky Mountains. Through the Fellowship program, Farmer Veteran Coalition purchased a passive-solar greenhouse so Chase can combat the winter temperatures that drop below zero. The greenhouse will extend the growing season for the many varieties of vegetables grown at Serenity Mountain.

Growing up, Chase worked on his maternal grandfather’s dairy farm and his paternal grandfather’s horse ranch, gaining an in-depth knowledge of livestock handling. In the spring of 2015, Chase completed a Controlled Environmental Agriculture course offered through Colorado State University. He also holds a degree in Business Management, and has owned a construction company. In his rural community, Chase volunteers his time in support of several veterans organizations: Rocky Mountain Warriors, the American Legion, and Project Sanctuary.

In the next five years, Chase plans to expand his operation to include livestock and to make value-added farm products, such as cheese and soap made from goat’s milk. His long-term goal is to create a healing space for veterans to learn about farming. Chase says, “It’s not easy to come to the life a soldier once had. Serenity Mountain Farms will provide veterans serenity in the mountains while learning a new career path.”

MILITARY BRANCH:	U.S. Army
PRODUCTS:	Diversified vegetables
AWARDED:	Farmer Veteran Fellowship Fund
WEBSITE:	www.serenitymountainfarms.org



Matt McCue

Shooting Star CSA, Fairfield, CA

Matt served in the Army, including a deployment to Iraq where he became interested in Iraqi farmers. Upon returning home, Matt attended the Center for Agroecology and Sustainable Food Systems (CASFS) at the University of California, Santa Cruz. FVC then assisted Matt in obtaining his first farm management position in 2008.

In 2009, he began Shooting Star CSA, in Northern California, with fellow CASFS graduate Lily Schnieder. They now raise 15 acres of organic vegetables and have over 250 CSA subscribers. “I realize that in order to succeed, I don’t need to travel endlessly. Like the plants, I can become a part of the environment and create a more meaningful bond with my world.”

Stories provided courtesy of the Farmer Veteran Coalition. You can read more at www.farmvetco.org/stories/.

MILITARY BRANCH:	U.S. Army
PRODUCT:	Organic vegetables
WEBSITE:	www.shootingstarcsa.com



Congratulations to the
Top 10
ag innovators & leaders

FRESH PERSPECTIVES

By Tim Tesconi

BEGINNING FARMER OR RANCHER



Joshua Eilers
Capital Farm Credit, ACA

AGRICULTURE EDUCATION AND COMMUNITY IMPACT



Christine Fesko
Farm Credit East, ACA

FINANCIAL STEWARDSHIP



Reggie Knox
California FarmLink

RURAL POLICY INFLUENCE



Barry Flinchbaugh
Frontier Farm Credit, ACA

SUSTAINABILITY AND NATURAL RESOURCE



James Harrison
Farm Credit East, ACA

ENTREPRENEURSHIP AND INNOVATION



Trevor Hoff
MidAtlantic Farm Credit, ACA

YOUTH LEADERSHIP (UNDER 21)



Sue McCullough
Effie Kokrine FFA

MENTORING AND VOLUNTEERISM



Penny Lauritzen
1st Farm Credit Services, ACA

RURAL AND URBAN CONNECTION



Kelly Mosley
Farm Credit of Florida, ACA

LEADERSHIP (21 AND UP)



Russell Redding
AgChoice Farm Credit, ACA

Farm Credit 100 Fresh Perspectives honors 100 agricultural leaders, innovators and visionaries who are positively shaping the future of agriculture and farm communities in rural America. More than 1,000 nominations from all 50 states were received, and then narrowed to 100 honorees by a distinguished panel of agricultural industry representatives and Farm Credit leaders, including American AgCredit Board Director Kirvin Knox. The honorees were announced on National Ag Day, March 15, at the National Press Club in Washington, D.C. Two honorees come directly from our territory: California FarmLink and FFA dairy breeder Carly Olufs.

Olufs, a senior at Petaluma High School in Petaluma, CA, was recognized for her work as a young pioneer in genetics, breeding dairy cows under the category of Beginning Farmer or Rancher Achievement. She was nominated by American AgCredit and is the daughter of American AgCredit Chief Innovation Officer Paula Olufs.

California FarmLink, located in Santa Cruz, CA, was named among the Top 10 distinguished honorees, under the category of Financial Stewardship. American AgCredit was an early funder of the organization. As a Top 10 award winner, California FarmLink will receive a \$10,000 award to help further its contributions to thriving rural communities and agriculture. To learn more about the Farm Credit 100 Fresh Perspectives honorees, visit www.farmcredit100.com

GRAND PRIZE WINNER

California FarmLink: Growing new farmers

California FarmLink is nurturing the next generation of farmers and ranchers to produce food for a growing world population.

The private, nonprofit organization, based in Santa Cruz, CA, is providing assistance that links beginning, limited-resource, and immigrant farmers with land and loans to become self-sustaining, independent agricultural producers. These are farmers who don't qualify for traditional agricultural financing because of their age, inexperience, and lack of assets.

"Our goal is to create a new economic model for small, low-income, underserved, and beginning

farmers," says Reggie Knox, executive director of California FarmLink.

In the last five years, California FarmLink has helped more than 1,500 farmers start and grow farming businesses. Since becoming a Community Development Financial Institution in 2013, FarmLink has become the largest agricultural micro-lender in the nation, providing more than 120 loans to farmers who would have no access to financing.

Among FarmLink's borrowers, 70 percent are Latino,



Reggie Knox is the executive director of California FarmLink, which was awarded as a Top 10 honoree under the Financial Stewardship category

many of them former field workers who now own thriving farming operations. These farmer are filling a growing need in our nation's food production system.

"As the average age of the American farmer continues to rise, there must be a means and incentive to bring new farmers into the fold," said Knox.

California FarmLink is thinking outside the box to put new farmers on the ground.

TOP 100 WINNER

Carly Olufs: Breeder of super cows

Carly Olufs is an 18-year-old dairy cattle breeder from Petaluma, CA, who takes the pursuit of excellence very seriously, whether



Carly Olufs, a Top 100 Fresh Perspectives winner, is preparing herself to work with the nation's dairy farmers to improve milk production, optimize feed efficiency and enhance herd health.

it's her own academic achievements or the genetics of her prized cows.

When she joined 4-H at the age of 10, Carly found her passion in raising and breeding Holstein and Jersey dairy cattle. She never looked back, earning awards and accolades as she triumphed in the show ring and the marketplace. As a teenager, she founded her own company called Carly-O-Jerseys and Holsteins. She is proud to say that one of her first-generation cows was named the U.S. National Champion Jersey Cow at the All American Jersey Show in Louisville, KY, and also the Supreme Champion Dairy Cow

of the North American International Livestock Exposition. Not bad for a budding bovine entrepreneur who just graduated from high school.

"My passion for the dairy industry has driven me to accomplish great things and has helped me pave the path for my future goal of becoming a dairy cattle geneticist," said Carly, who will be a freshman this fall at Oklahoma State University.

She plans to maintain her cow business while delving into dairy cattle genetics at OSU and seizing every educational opportunity that comes her way.

A history of lending to agriculture



Founding the System

JULY 17, 1916

President Wilson signs legislation creating the Federal Land Bank System. The first loan is made less than a year later.

Farm Credit milestones appear above the timeline.

New Credit, New Service, Better Funding

MARCH 4, 1933

The Agricultural Credits Act of 1933 marks the creation of 12 intermediate credit banks, opening the door for short-term and intermediate operating credit. This strengthens the System's funding capability.



1903 1904 1905 1906 1907 1908 1909 1910 1911 1912 1913 1914 1915 1916 1917 1918 1919 1920 1921 1922 1923 1924 1925 1926 1927 1928 1929 1930 1931 1932 1933

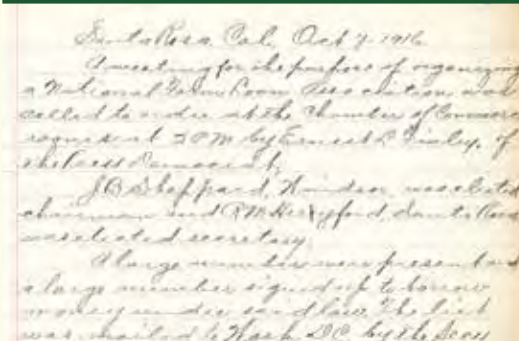
Congress established the Farm Credit System as a government-sponsored enterprise (GSE) when it enacted the Federal Farm Loan Act of 1916. Current authority is granted by the Farm Credit Act of 1971. The Farm Credit System is considered the first GSE chartered by the United States.

American AgCredit milestones appear below the timeline.

American AgCredit Is Born

OCTOBER 7, 1916

The National Farm Loan Association (NFLA) of Santa Rosa is founded. Board minutes from October 1916 document the initial meeting setting up the Association.



KANSAS HISTORICAL MARKER

BIRTHPLACE OF FARM CREDIT

This 260 acres was collateral for the nation's first Federal Land Bank loan made on April 10, 1917 to farmer-stockman A. L. Stockwell. At those days, farmers and ranchers found credit hard to come by. If available, it was often very expensive... as much as 10 percent per month. Recognizing the importance of agriculture to our nation's economy, Congress passed the Federal Farm Loan Act which was signed into law by U.S. President Woodrow Wilson in 1916. The Federal Land Bank, which makes long-term real estate loans to farmers and ranchers, was the first of the three lending institutions which comprise today's cooperative Farm Credit System. Wichita was granted the first of 12 Federal Land Bank charters nationwide and charged with developing lending programs in Kansas, Oklahoma, Colorado and New Mexico. In turn, it issued the first local association charter to the Pawnee County National Farm Loan Association of Larned.

Originally started with seed money appropriated by Congress, the Farm Credit System has long since repaid all government funds. Today, it is entirely owned by the farmers and ranchers it serves.

The First Loan

APRIL 10, 1917

The first Farm Credit loan is made to farmer-stockman A. L. Stockwell through Pawnee County National Farm Loan Association of Larned, KS now known as American AgCredit.



AMERICAN
AGCREDIT

WAR BOND GRANARY FOR

DEBTS AND EMERGENCIES

POST-WAR EQUIPMENT AND IMPROVEMENTS

Production of War

DECEMBER 10, 1941

Three days after Pearl Harbor, officials of the Banks for Cooperatives meet in Washington, D.C., to set new priorities — the entire Farm Credit System prepares to fight inflation and feed a nation at war.

Farm Credit milestones appear above the timeline.

An Independent Path

DECEMBER 4, 1953

The Farm Credit Act of 1953 makes the Farm Credit Administration an agency of the executive branch and sets the System on a path towards independence.



Expansion

The Farm Credit Administration becomes the authority, providing the Farm Credit System's capital.

1940 1941 1942 1943 1944 1945 1946 1947 1948 1949 1950 1951 1952 1953 1954 1955 1956 1957 1958 1959 1960 1961 1962 1963 1964 1965 1966 1967 1968 1969 1970

American AgCredit milestones appear below the timeline.

Oklahoma Blossoms

1944

The Federal Land Bank Association of Ponca City is established — now existing as the Ponca City office of American AgCredit.

AAC Footprint Grows

1948

The National Farm Loan Association (NFLA) of Santa Rosa is merged with NFLA of Napa, NFLA of Marin, and NFLA of Sonoma.



CA Mergers & Consolidations

AUGUST 1, 1986

North Coast FLBA is established from a merger between FLBA of Ukiah, FLBA of Santa Rosa, FLBA of Ukiah, and FLBA of Eureka. North Bay, PC merges with Redwood Empire, to become North Coast, PCA.





Standing Authority, Greater Responsibility

DECEMBER 24, 1980

Credit Act Amendments of 1980 broaden the System's lending authority for the creation of Service Organizations, and recognize the System's commitment to Young, Beginning & Small (YBS) farmers.

Associations Restructure for the Future

OCTOBER 1, 1999

The "Parent ACA" arrangement is developed, allowing the ACA to become a holding company for FLCA and PCA organizations — setting the pattern for subsequent mergers at the association level.



1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001

CA Mergers & Consolidations

MAY 1, 1987

Central Valley, PCA is established, from a collaboration between Modesto and Merced PCAs.



CA Associations Integrate to ACAs

FEBRUARY 1, 1992

Pacific Coast Farm Credit Services, ACA is established from a merger between North Coast Farm Credit Services, ACA and Pacific Coast, PCA/FLCA. Sierra-Bay, FLCA charter is established.

American AgCredit is Named

JUNE 20, 2000

Pacific Coast Farm Credit, ACA consolidates with Central Valley, PCA. The name of the parent company is changed to American AgCredit, ACA.

AAC Charters First ACA

DECEMBER 31, 1988

North Coast Farm Credit Services, ACA, is created through the integration of the North Coast, FLBA and the North Coast, PCA.



Central Kansas Consolidates

OCTOBER 1, 1995

Farm Credit Services of Central Kansas, PCA is formed from the consolidation of 16 District PCAs (pre-1986) and merges with Flint Hills, PCA.

Paid in Full

JUNE 10, 2005

Twenty years after the peak of the Farm Crisis, the System repays the last of the federal capital provided during the emergency, returning to fully borrower-owned status.

District Banks Merge

JANUARY 1, 2012

U.S. AgBank and CoBank merge. This merger adds geographic diversity and allows the merged lender to serve virtually every key agricultural commodity throughout the West.

Farm Credit 100

JULY 17, 2016

Farm Credit marks its centennial and looks ahead to continuing serving as the financial underpinning of U.S. agriculture and rural America.

Farm Credit milestones appear above the timeline.

2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016

Continuing to Grow

JANUARY 1, 2005

American AgCredit expands with the merger of AgCredit Financial, Pacific Coast Farm Credit Services, and Intermountain Farm Credit, ACAs.

Merger with Mountain Plains

JANUARY 1, 2012

American AgCredit, ACA merges with Farm Credit Services of the Mountain Plains.

American AgCredit milestones appear below the timeline.

Merger with Heartland

DECEMBER 1, 2009

American AgCredit, ACA merges with Farm Credit of the Heartland.

OK & KS Consolidate Services

DECEMBER 31, 2008

Farm Credit of the Heartland, ACA is established from a merger between Federal Land Bank of Ponca City, FLCA and Farm Credit Services of Central Kansas, ACA.



AMERICAN
AGCREDIT
MONEY FOR AGRICULTURE

400 Aviation Blvd., Suite 100, Santa Rosa, CA 95403
800.800.4865 | info@agloan.com | AgLoan.com

Expanded services to support ag business

While American AgCredit's core services provide financing for real estate, operations and facilities, our expertise in agriculture allows us to offer additional value-added services that work together to deliver an umbrella of financial and business support. These include insurance, dealer-direct financing, and leasing.

Crop insurance

Farming has inherent risks. Weather, other acts of nature, or market price fluctuations often affect profitability. In order to better manage this risk, American AgCredit sells crop insurance to qualified farmers and ranchers. Many types of crop insurance are available to farmers in the United States, including Multi-Peril Crop Insurance (MPCI); Crop Hail, Whole Farm Revenue Protection (WFRP); Pasture, Rangeland, Forage (PRF); and Livestock Gross Margin (LGM) – Dairy to name a few.

In addition to crop insurance, American AgCredit may sell to its borrowers Credit Life Insurance (CLI) for short-term coverage on commercial loans. The insurance policy will pay off the loan commitment between the Association and the borrower in the event of a debtor's death.

As a tool for farmers, crop insurance is often considered essential, particularly in areas where extreme weather such as drought, flooding, or hail can wipe out an entire crop, or leave some areas devastated and others untouched.

"In 2011, we had a severe drought. We lost all our corn," said John VanCuren of VCO Farms in Wichita, KS. "Without crop insurance that year I wouldn't be standing here today," he said. "I could not have gone on without crop insurance to help us get through the troubled times. The peace of mind is something you can't put a price on."

Crop insurance has been called the linchpin of the federal safety net for America's farmers and ranchers.

AgDirect

Introduced in 2012, AgDirect® provides dealer-direct equipment financing through an alliance of Farm Credit partners.

Through AgDirect, farmers and ranchers can easily and quickly finance or lease everything from full fleet orders to individual equipment without having to modify the terms of their existing term notes or operating loans. The program offers competitive interest rates and the most flexible financing terms in the ag

AgDirect is ideal for producers thinking about reamortizations, payment extensions, or partial payoffs.

equipment business – with options such as variable or fixed rates, short-term financing, delayed payments, and refinancing alternatives. One of the most attractive features of the program is its simplicity and efficiency, saving the need for added trips, calls, and forms. Everything can be completed right at the dealership. According to American AgCredit Vice President of Midwest Underwriting Matt Keating, most financing can be handled in just a few steps. "We had a customer here in Colorado who realized the need for some additional equipment. He called the dealer, gave them the details, and by the time he arrived at the dealership financing was finalized and he was able to complete the deal that day."

Leasing

In January 2015, American AgCredit launched a new and enhanced leasing department. Three full-time employees are now dedicated to assisting lenders and borrowers with any leasing issues.

The decision to expand the leasing team was based on American AgCredit's commitment to offer the best of all products and services available through the Farm Credit System today. Leasing is a great tool that can satisfy a variety of needs for ag businesses, and leases can range from sheds and storage facilities, to wine barrels, tanks, pumps, bottling lines, tractors and

Whole Farm Revenue Protection (WFRP) is a new crop insurance program introduced in 2015. Aimed to help support sustainable and organic producers, WFRP is a crop-neutral revenue insurance policy designed to protect revenue on a farmer's whole farm, not just one crop. Under this new policy, diversified farms that might not have access to crop or revenue insurance for each crop they grow can insure all the crops they grow and livestock they raise with one whole farm insurance policy.

Whole-farm crop insurance is available in every state and every county in the country, with different closing dates based on which part of the country the farm is in. Check with your local agent for closing dates, which vary by state.

For more detailed information on these programs, visit AgLoan.com, or talk directly to your loan officer, or your leasing or insurance agent.



David Costa of Costa Farms in Soledad, CA

- **Leasing can conserve cash.** Leasing typically requires only one payment in advance as opposed to a larger down payment through traditional loans.
- **Leasing may have potential tax advantages** realized through accelerating the write off-period. Some leases are structured so that the customer writes off 100% of the lease payment as a rental expense as opposed to depreciating the asset over a longer period of time.
- **Leasing can be structured** in order to allow you to depreciate the asset yourself. A conditional sale lease allows the customer to take advantage of section 179 and bonus depreciation the same as a conventional loan but still only requires one payment in advance as opposed to a larger down payment.
- **Leasing may yield a cheaper payment** than a loan. Some leases can be structured so the tax savings realized by the lessor is passed on to the customers, effectively lowering the lease payment.

fleet vehicles, solar arrays, and climate-controlled greenhouses.

"In farming, cash flow flexibility is paramount," said customer Bill Steed of Fairfield Farms, who leased a solar array to support his business needs. "The solar lease we obtained through American AgCredit helped enable that extra flexibility in our cash flow, which has proven more advantageous for our farming operation than potential tax advantages from a comparable loan product," he said. "Working with American AgCredit on the lease was a seamless and painless process for us."

AgConnect gets behind farmers venturing into emerging food markets

By **Tim Tesconi**

The stages of food delivery traditionally have involved a production chain beginning with harvesting, storage, and processing, and moving into packaging, sales, and consumption. In recent years, this production chain has been shortened by an evolving business model that focuses on shortening this delivery and supply chain with an emphasis on freshness, seasonality, local availability, and farm-direct sales.

Sometimes referred to as the farm-to-table movement, these emerging food markets are primarily aimed at producing food locally and delivering that food to local consumers. This often includes organic farming initiatives, sustainable agriculture, and community-supported agriculture (CSA), a shared cooperative model of direct sales from growers to community members.

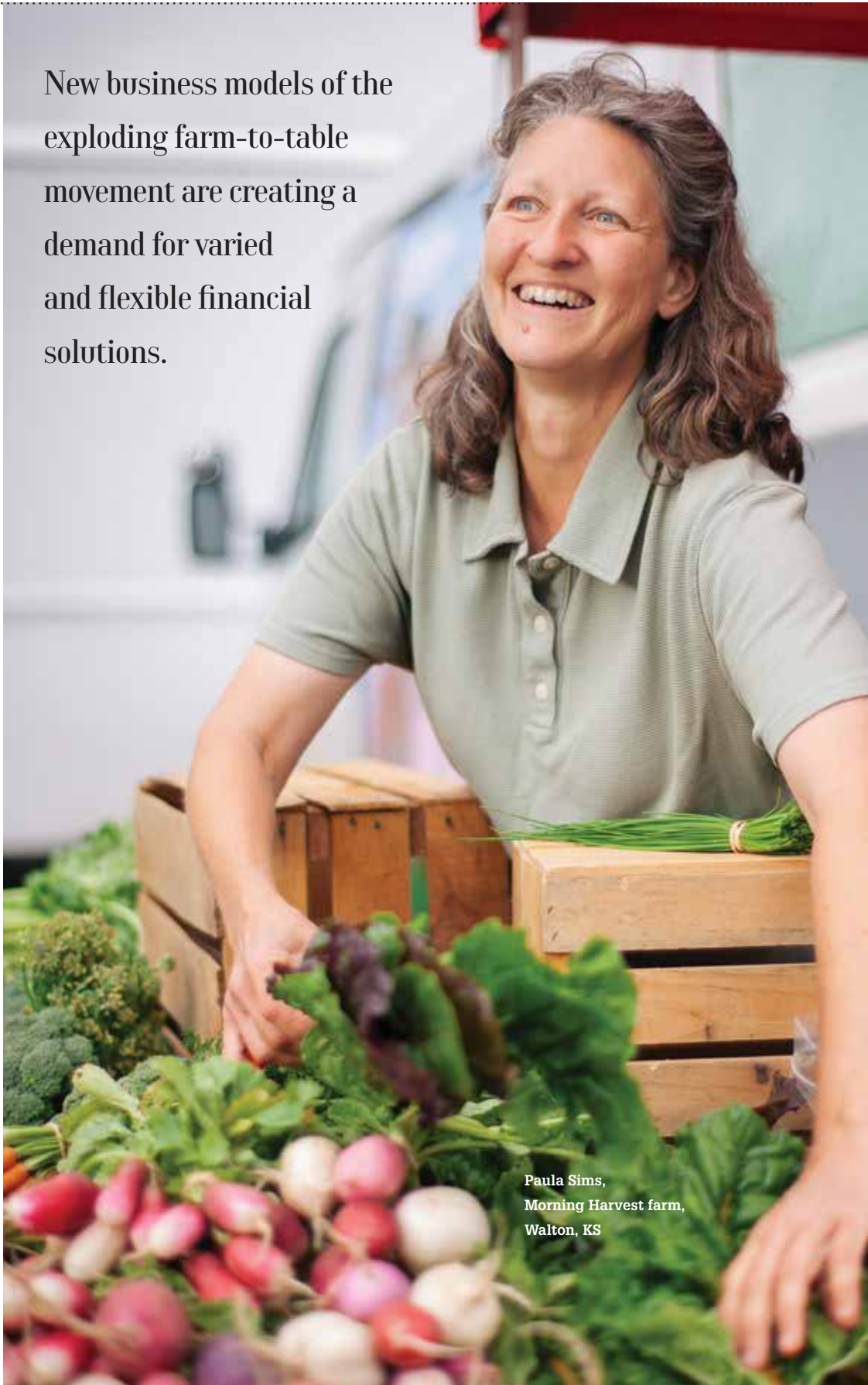
While the seeds of this change have been sprouting over the past two to three decades – supported by writers and food experts such as Michael Pollan and Alice Waters – these new business models have exploded in the marketplace, and demands for financial and business resources have grown exponentially.

In order to provide support for the growing legion of emerging market producers, American AgCredit is rolling out a loan program called AgConnect, aimed at expanding financing opportunities for agricultural producers moving into emerging food markets or starting new and unique farming ventures.

Emerging business examples

AgConnect loans have already been made to innovative farming businesses like Go Green Agriculture, which uses the latest in water conservation technology and greenhouse design to grow hydroponic organic lettuce and kale. Go Green Agriculture, based in Southern California, is owned and operated by Pierre Sleiman Jr., a young entrepreneur who hatched the idea for his green food business in his dorm room while a student at University of California, Riverside.

New business models of the exploding farm-to-table movement are creating a demand for varied and flexible financial solutions.



Paula Sims,
Morning Harvest farm,
Walton, KS



Paula and Eric Sims sell heritage pork direct from their farm.

With an AgConnect loan, Sleiman launched his high-tech farming venture in Encinitas in San Diego County, and is now successfully producing and selling all the greens he and his family grow. He markets the lettuce and kale directly to restaurants in the area and, as production increases, through wholesale channels as well.

Sleiman believes his successful agriculture business model can be used to grow organic food locally and sustainably in every city of the United States. He said consumers love the idea that 100 percent of Go Green's irrigation water is recaptured and reused, reducing water usage by up to 80 percent. And his hydroponic greenhouse "farm" uses one-third of the land it would take to grow his lettuce and kale on conventional dirt farms.

"We are game changers" says Sleiman, 28, whose visionary ideas for food production earned him a visit to the White House. There he was recognized by President Obama as a "Champion of Change" for the future of agriculture.

Allison Paap, vice president and lending manager at American AgCredit's office in Temecula, worked with Sleiman to secure the AgConnect loan. She said Sleiman is a prime example of the unique and innovative farming endeavors that fit the profile for the AgConnect loan program.

AgConnect loans on pace with food movement

American AgCredit has formalized the criteria for the AgConnect loans so they can be part of the financial resource toolbox throughout the Association's territory. The loan program is available to producers in niche agribusiness enterprises, such as small to medium-scale food producers focused on selling directly to consumers and restaurants.

The loans can be used for real estate, operat-

ing expenses, livestock, equipment, and other needs for starting new ventures in agriculture. In addition to the money, borrowers may be eligible for other kinds of support.

The AgConnect loan program is on pace with the growing food movement in the United States and the consumer demand for local, sustainably grown produce, meat, poultry, and dairy products. California is a leader in farm-to-fork food production but AgConnect loans have helped producers in other states where American AgCredit does business, especially Colorado, where new food ventures are booming.

Pear Blossom Farm in agriculture-rich Palisade, CO. is a small-scale family business that grows and processes fruits and vegetables, with four generations of the Walcher family working together to create what they call "a legacy of good taste" in both their fresh and preserved farm products. This family farm has used an AgConnect line of credit to expand and become more efficient in operating the farm and processing facility.

The Walchers sell fresh produce from a roadside stand during the harvest season but also transform the fruits of their labor into incredibly flavorful fruit butters, preserves, syrups, sauces, and salsas. Thom Walcher, one of the owners of Pear Blossom Farm, said the family uses recipes handed down by his great-grandmother. Grandma's recipes and the meticulously farmed peaches and other fruit create products of taste and distinction, the heritage of Pear Blossom Farm.

Still, said Walcher, "...farming is a tough business and food processing is capital intensive." He said the line of credit from American AgCredit allows him to buy supplies in larger quantities, which saves money and improves profits.

"When it is time to buy \$5,000 worth of jars, you need to buy them. The line of credit allows us to do just that," said Walcher.

Brooke Driehuis, a loan officer in Colorado, serviced the loan for Pear Blossom Farm and

continues to work with the Walcher family and other producers in her region to finance value-added farm businesses.

"American AgCredit truly understands agriculture and knows so much more about what we do than commercial banks," said Walcher.

In Kansas, an AgConnect loan helped Eric and Paula Sims start a small-scale farming operation that produces organic vegetables, eggs, beef, and pork for farmers markets in the south-central part of the state. Jennifer Bracken, a regional marketing manager in Kansas, worked with the Sims to provide essential financing to make their farming dream a reality. She said the Sims are dedicated farmers, working overtime to produce high-quality organic food valued by patrons at farmers markets.

The Sims used the AgConnect loan to buy land and equipment so they could become farmers on a part-time basis, perhaps becoming full-time farmers one day as their farm business grows. Eric holds a full-time job off the farm but helps Paula nights and weekends with the farming and marketing.

In Fort Jones, Siskiyou County, in Northern California, the family farm is alive and very well where the Harris brothers run their Four Brothers Heritage Farm, financed with an AgConnect loan made by Christine Taylor, a loan officer based in Reno, NV. Four Brothers relies on the different skills of family members to produce and sell top-quality beef and pork to fine-dining restaurants in the San Francisco Bay Area.

Brothers Tom, Preston, Jim, and Rich Harris and their families joined together to start their ranch-to-restaurant meat business after inheriting 150 beef cows from their grandfather. Using their AgConnect loan, the brothers expanded by adding heritage pigs. They now run 75 Chester White and Berkshire sows that produce hundreds of piglets each year. The young porkers root in pastures of plenty and pig out on organic grains until they are ready to be harvested and on their way to be the centerpiece on a dinner plate in San Francisco.

It's a six-hour drive to deliver the meat to restaurants south of the Golden Gate Bridge. But the Harris brothers say it's the trade-off for their ranching way of life on land they love and respect.

Program support

The Association has assigned liaisons throughout its territory to focus specifically on serving the AgConnect producers. For additional information on the program, you can read more on the website at AgLoan.com, or contact your loan officer.

Supporting young people with interest-free funds and animal purchases

By Cathy Barnes

As part of our mission to serve all levels of agriculture, the AgYouth Program offers interest-free funding to assist 4-H and FFA students in purchasing and caring for animal projects.

Some of those animals are then purchased by American AgCredit when they are taken to county fairs and auctions. In addition, we support two Sectional FFA Project Competitions in Northern California and numerous 4-H events throughout our territories.

Whether it is allowing a young person from an urban area to have their first experience raising and caring for a farm animal, or reinforcing the love and respect of agriculture for a member of a longtime ag family, we are committed to the success of young people in agriculture across all communities we serve.



Photos clockwise from above: Kayleen Kemp, Fortuna, CA, FFA; Alex Bartolomei, Healdsburg, CA, 4-H; Gabriela Verduco, Merced HS, CA, FFA; Tanner Mendes, Fortuna, CA, FFA; Westside 4-H Club, CA; Brody Van Vleck, Eureka, CA, FFA; Guy Wright, CO; Blake Mae Southard, Healdsburg, CA, FFA; Addison Zellitti, CO.



“Thank you, American AgCredit, for providing me a loan to raise a goat. I had an amazing experience.”

—Ricardo Ortega





“Thank you for supporting FFA and me by purchasing my lamb. This will help me continue my education. FFA has taught me the value of serving others, which has helped me in all aspects of my life.”

—Jessica Vause



Alliances strengthen outreach and support

Joining forces with other Farm Credit institutions

By Jennifer Bracken

American AgCredit, along with other Farm Credit associations, participates in Farm Credit marketing alliances in Kansas, Oklahoma, and California. Marketing alliances exist to allow Farm Credit associations within a state or region to pool resources for support of agricultural organizations across the state at a higher level than they might be able to support individually. In addition to serving borrower-owners, American AgCredit believes it is important to support statewide agricultural organizations.

Each alliance meets at least annually to review sponsorship and donation requests. A budget is established, and members agree on the organizations to support for the upcoming year. As the year progresses, various employees from the participating associations attend and repre-

sent their association and their alliance at trade shows, meetings, and conferences.

The Kansas Alliance

The Farm Credit Associations of Kansas join together to sponsor and support events, organizations, AgYouth, and commodity groups throughout Kansas. Just a few of these groups include the Kansas 4-H Foundation, Kansas FFA Foundation, Kansas Livestock Association, Kansas Commodity Classic, and the Women Managing the Farm Conference. This alliance consists of American AgCredit, and five other Farm Credit Associations in the state. Other projects that the Farm Credit Associations of Kansas and CoBank have supported include the Kansas Wheat Innovation

Center, the Kansas FFA State Fair Ag Education Building, and a recent donation to local ranchers affected by the Anderson Creek Wildfires in south-central Kansas.

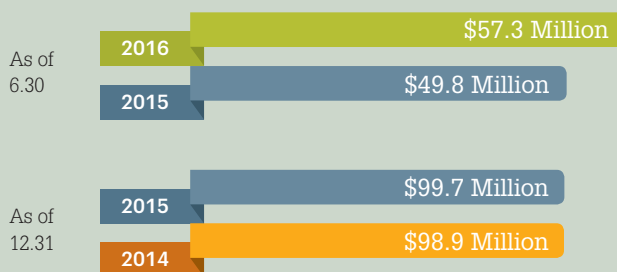
The Oklahoma Alliance

Oklahoma takes part in Farm Credit alliances as well. American AgCredit is one of five associations that make up the Farm Credit Associations of Oklahoma. The Oklahoma Alliance supports the Oklahoma 4-H Foundation, Oklahoma Department of Agriculture Ag in the Classroom, Oklahoma FFA Foundation, Oklahoma State Fair, Oklahoma Youth Expo, and Women in Ag programs, just to name a few. The Farm Credit Associations of Oklahoma designed and created a shower trailer

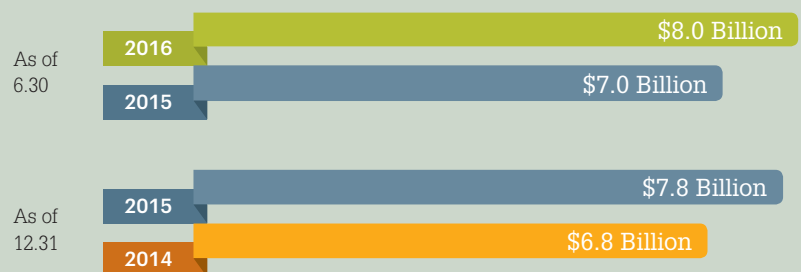
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FINANCIAL HIGHLIGHTS

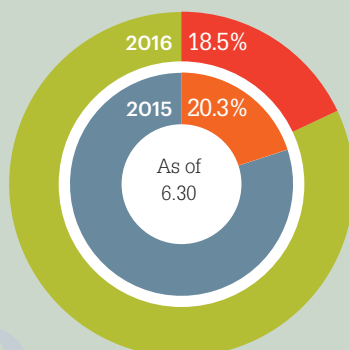
Net Income



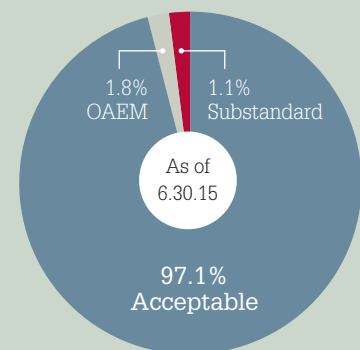
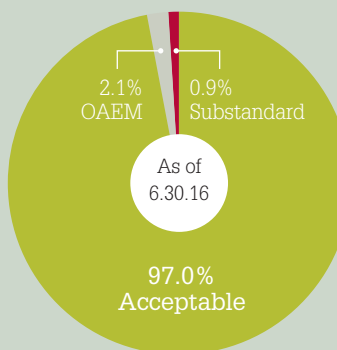
Total Assets



Permanent Capital Ratio



Credit Quality



Transforming the farm

2016 Young Farmer/Rancher Executive Institute

By Dr. David M. Kohl

The Farm Credit System is now a centenarian: celebrating 100 years of serving agricultural lending needs. As part of the Farm Credit System, American AgCredit also reached another milestone in offering the 25th year of the only Farm Credit System program that combines multiple generations of producers with the purpose of discussing the challenges and practices of business transition management. Started in the fall of 1992, this multiple-day educational program has evolved over the years to become one of the industry's premier lifelong learning events.

During this program, businesses attempt to resolve the complexities of business transition.

This year's silver anniversary event was hosted by American AgCredit in Denver, CO. Nearly 100 individuals from farms and ranches operating in seven states attended. Dr. Don Jonovic, renowned family business expert, served



Pictured is Dr. David Kohl and Dr. Jonovic, along with the Peterson family from Kansas. From left, David Peterson, Kendal Peterson, Dr. Don Jonovic, Greg Peterson, Marla Peterson, Nathan Peterson, and Dr. David Kohl.

group enriched discussions and participation.

The most interesting value from this program is in experiencing the different concerns and perspectives from the older generation as compared to the younger generations. Representing ages 18 to 34, the millennial generation had a strong showing among the participants. As we explored in detail, some business transition challenges are universal, no matter the age, while others are unique to the generation.

Communications

With a 38th-floor view, the group overlooked the beautiful Rocky Mountains. As group discussions progressed, communication was one of the clear generational differences.

This included how decisions were made, how to establish family meetings, and varied communication styles. Indeed, the "high-touch" older generation is quite different from the "high-tech" younger generation. The younger generation wanted clarity on family documents, agreements, and goals. In particular, the younger generation asserted that maintaining a healthy work-life balance is not laziness. As one young family stated, "Just getting the senior generation to start planning and giving up the secrets of financial plans would be a great start."

Individual roles

Both generations must commit to serious and thoughtful discussion focused on roles, responsibilities, and accountability. This discussion

should include aligning each other's expectations together as well as outlining specific individual responsibilities with timelines. During these discussions, difficult issues such as an unproductive sibling should be included. Transparency along with clearly defined roles and responsibilities are significant factors in any successful transition.

Financial philosophy

Rising to the top of many discussions, profit, equity, and financial philosophy emerged as key issues. The younger generation focuses on ways to maximize profit while the older generation attempts to minimize taxes. In addition, other prominent differences included growth versus risk, and generating enough business income to support all parties. The younger generation sought understanding of the financial, marketing, and operational management, along with accurate, transparent records. They also looked for mentorship from the senior generation. Together, many from all generations agreed that the establishment of an advisory team, including accountants, lawyers, and others, that met periodically would greatly help facilitate this process.

Action items

At the end of the three-day educational session, each business was asked to develop an action item specific to their business.

continued on page 22



Dr. Kohl presents issues on economics and agriculture for farm families at American AgCredit's Young Farmer/Rancher Executive Institute.

as my co-facilitator for the event. Since its inception, I continue to enjoy each year of this valuable program. Dr. Jonovic and I facilitated this year's event with a mixture of lecture, discussion and a case study. For the study, participants were asked to act as consultants and make suggestions for improvement. This exercise resulted in engaging discussion and also displayed a process that could be taken back to each individual business.

Many of the businesses represented were multi-generational, some with the third through seventh farm generations in attendance. The program included a wide range of agricultural businesses that varied in size, commodities, and entrepreneurial ventures that were marketed both domestically and internationally. In addition, interspersed in the group were American AgCredit team members. The diversity of the

CEO message

continued from page 3

- We nurture the growing trends of young and beginning farmers coming into agriculture.
 - We support a higher involvement of women in agriculture as primary farm owners.
 - We embrace and encourage the expansion of conventional farming methods to include nontraditional practices as profit centers or for diversification of income.
- The financing of new, innovative, and emerg-

ing markets, alongside our long-term track record of supporting young farmers and ranchers, is one of the hallmarks of how we strengthen and support the future of agriculture. It is not simply thoughtful; it is mandatory. In these pages, we highlight that focus. Our story about the Fresh Perspectives honorees highlights the best and brightest in agriculture. Read page 10 to discover today's innovators and leaders in agriculture.

Looking forward

The nature of our cooperative system requires us to be both responsible stewards of our owners'

assets and responsive service providers to the borrowers who depend on us for our agricultural expertise and experience. This means we keep our finger on the pulse of what's happening today and where the industry is heading for the future.

Farming is a tough job, but at the heart of it is a vibrant community contributing to the future of our nation's health and food security. No single segment of our nation's economy has a more profound impact on every American, every day. We've faced cycles of prosperity and decline together over the decades and we will continue to stand with the farmers and ranchers of America for the next 100 years.

Alliances

continued from page 20

for volunteers helping residents displaced by tornadoes in recent years. The alliance enjoys supporting and being involved in agricultural and community projects across Oklahoma.

Due to its large geographic footprint and the multitude of organizations sponsored, the California Farm Credit Alliance launched a website in 2011 to promote its activities and link outreach to one shared source of information. You can view this at www.FarmCreditAlliance.com.

CoBank and the seven affiliated Farm Credit Associations committed \$100,000 to alleviate hunger in drought-stricken farm communities throughout the state. The associations together pledged \$50,000, which CoBank matched on a dollar-for-dollar basis.

The California Alliance

The Farm Credit Alliance in California consists of American AgCredit, CoBank, Farm Credit West, Fresno Madera Farm Credit and other chartered Farm Credit Associations – Golden West, Yosemite and Colusa-Glen. Northwest Farm Credit is also included in some select efforts.

The California Alliance supports Young Farmers and Ranchers, multi-cultural agricultural conferences, California Cattlemen's Convention, California Farm Bureau, California Holstein Con-

vention, and various other commodity and trade organizations.

Their support as a group is broad, and includes print, television, billboard, and internet advertising, and spans three tiers of outreach: sponsorships (of events and organizations), memberships (of ag-affiliated trade groups), and donations to ag-related institutions and programs. Additionally, the alliance bands together to donate to farm communities throughout the state, particularly during times of need. Most recently,

Benefits

Not only do alliances help American AgCredit reach more farmers and ranchers through the pooling of resources, but they also enable the Association to support more statewide initiatives than if these sponsorships were approached individually. Other positive features of alliances include the ability to promote and support agriculture-friendly legislation at both the state and federal level, and enabling employees from various associations to attend sponsored events and meet up with borrower-owners across multiple states.

Young Farmer/Rancher

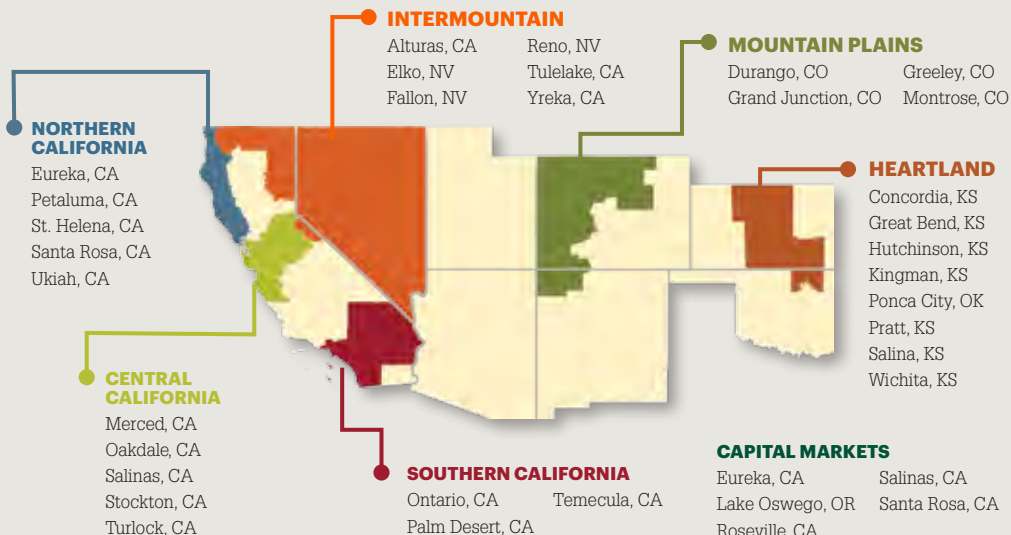
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One prevalent action item was to develop an advisory team and establish regular family meetings. Others wanted to have periodic business and family meetings, for both strategic and day-to-day matters. Some businesses were motivated to better utilize time with their lender in order to understand financials for the existing and future generations.

As the Farm Credit System enters its next 100 years, business transition management will continue to evolve. The recent meeting of the generations in Denver, CO, was a great way to celebrate a quarter century of investment by lenders and businesses working side by side to ensure the future legacy of agriculture.

AMERICAN AGCREDIT OFFICES

800.800.4865 Pacific Time 800.799.6545 Mountain Time 800.466.1146 Central Time



Supporting ag communities and industry



Northern California staff volunteered their time and efforts to help build a house with Habitat for Humanity.

American AgCredit's commitment to a thriving agricultural marketplace extends beyond providing financial services. Our legacy includes sponsorships, memberships and donations—all critical components to support agriculture and the communities that we serve.

Agriculture is a multi-faceted industry that not only involves crops and livestock, but also the people that live and work in those communities.

American AgCredit strives to be a good community citizen in the areas where we do business

Farming is a way of life, and we acknowledge this through financial contributions to organizations and initiatives that improve the lives and livelihoods of farmers

and ranchers.

As partners with Farm Credit, we take part in alliances that assist us in focusing financial stewardship where it can have the most positive impact to the larger farming community. (For more information on these alliances, please see page 20.)

To underscore our commitment to the communities and industries we serve, American AgCredit's direct contributions target organizations that work in three focus areas:

Agriculture education and training: Provides support for training and education programs that focus on agriculture to ensure that farmers and ranchers can continue to grow, and to assist in keeping them up to date in a changing world.

Industry champions: Supports trade groups, trade shows, and related media with the goal to support our greater agricultural industry, and to connect both with our customers and with those organizations while helping inform and educate the general population about agriculture.

Communities: Partners and provides support for local communities where we do business, and where our member-owners are involved.

In addition, the Association provides support to local and regional nonprofits in the form of community philanthropy. As part of the American Diabetes Association Tour de Cure, staff, family, and customer cycling teams in each of the states where we operate have raised significant funding to support research and cure efforts against diabetes. We also encourage our customers and staff to get involved in volunteering, such as spending time building homes for those less fortunate with Habitat for Humanity.

Our support for our communities runs deep and broad. These efforts are aimed at building thriving communities where we work and live. American AgCredit is proud to contribute to supporting agriculture from the ground up.

CATEGORIES OF SPONSORSHIPS AND OUTREACH SUPPORT

- Trade groups — such as Women in Ag, Young Farmers & Ranchers, Woolgrowers Association
- Memberships — Avocado Society, United Dairymen
- Rodeos
- County and state fairs/livestock purchases
- Trade shows — Farm & Ranch Expo, Pacific Nut Producers Trade Show, Alfalfa Symposium, Cattlemen's Convention, Wine & Grape Expo, etc.
- Farm Bureau events
- Community events
- Volunteer activities and fundraisers to assist people in need

OUTREACH INITIATIVES

- **Scholarship program**
\$80,000 available Association-wide for young people interested in working in agriculture
- **AgYouth program**
\$500,000 available Association-wide in interest-free funds for livestock projects for 4-H and FFA students
- **AgConnect program**
Financing available for qualified emerging market producers



The AAC Wichita, KS, cycling team raised money for the American Diabetes Association Tour de Cure.



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