

A high-contrast, black and white close-up photograph of a horse's face, focusing on its eyes and the texture of its coat. The horse's eyes are dark and expressive, looking slightly to the left. The coat has a thick, wavy texture. The lighting is dramatic, with deep shadows and bright highlights on the horse's features.

RURAL LIVING YOUR WAY

LEADER

Farm Credit of the Virginias • Fall 2017

Photo Calendar Contest Winners

Starting Young and Going Strong: Nicole Fansler, Mathias, W.Va

WVU Wardensville Bull Test and Sale Celebrates 50 Years



2017 CUSTOMER APPRECIATION EVENTS

We would like to thank our customers for attending their local Farm Credit customer appreciation events. We hope you enjoyed celebrating another great year as much as we did!



FARM CREDIT



LEADER

is published quarterly for stockholders, directors and friends of Farm Credit of the Virginias.

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Address changes, questions, comments or requests for copies of our financial reports should be directed to Farm Credit of the Virginias, ACA, by writing P.O. Box 899, Staunton, VA 24402 or calling 800.919.3276. Our annual and quarterly financial reports can also be obtained by visiting our website at FarmCreditofVirginias.com.

Farm Credit of the Virginias furnishes data to credit reporting agencies. The Association's reporting efforts are important for aiding consumers in obtaining credit, assisting businesses in credit approval, providing consumers with timely and accurate personal credit information, reducing fraud and abuse, helping prevent identity theft, and minimizing errors in credit reporting. If you have questions regarding this process, please contact our Credit Desk at 540-886-3435 ext. 5038.





Watch your mailbox!

2018 Director Election Ballot

Be on the lookout: your ballot should be arriving very soon.
Don't miss your opportunity to be heard. Vote!

All ballots must be returned by **Nov. 1, 2017**
to be included in the teller count.



FARM CREDIT

FarmCreditofVirginias.com

Holiday Schedule

Our offices will be closed for the following holidays:

Sept. 4 — Labor Day (Monday)

Oct. 9 — Columbus Day (Monday)

Nov. 10 — Veterans Day (Friday)

Nov. 23 & 24 — Thanksgiving (Thursday & Friday)

Dec. 25 & 26 — Christmas (Monday & Tuesday)

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Peery Heldreth

Letter from the CEO

It is hard to believe we are halfway through 2017. I am very pleased to report that our financial position, at this point in the year, has superseded expectations and we are performing ahead of our budget projections. For the most part, this is a result of growth in loan volume, which is tracking at slightly less than 4 percent net growth. Also contributing to the increase in our net income is a reduction in the assessment we are required to pay each year to the Farm Credit Administration, our regulator.

One benefit of FCV's (Farm Credit of the Virginias) continued growth is the patronage dividends we're able to distribute to our customer-owners. Each year, your board of directors recommits to sharing a significant portion of our profits with you, our customer-owners who are directly responsible for the

earnings. The patronage from FCV's operations held steady at 12 percent and again this year, your board elected to pass through the special patronage we received from AgFirst. This resulted in another 4 percent return to our borrowers for a total return of 16 percent of interest earned. In total, our customer-owners received \$15 million in patronage payments in April and June. We at FCV are gratified that we're able to continue to deliver such concrete returns, and while it's anticipated that the AgFirst payment will continue for several more years, we also expect that the amounts are likely to reduce.

Despite the overall success of our customer-owners, we recognize that some of our producers are still experiencing stress. Dairy producers in particular are facing continued low milk prices. Fortunately, the beef sector has

shown some recovery and an uptick in price is helping these producers turn around the downward trend they had been experiencing. We continue to work closely with our customers who are in challenging financial situations to do what we can to provide them the financial support to weather the current cycle.

As many of you have already experienced, we've also been meeting with customers at our annual series of appreciation events. I, my leadership team and our branch staff all welcome the opportunity to talk with you about your challenges and successes as well as share our vision for the future of your cooperative. In all, we've visited with 3,500 of our members at events that range in size, with one event having more than 700 attendees. At each event, I'm pleased to see familiar faces who demonstrate the longevity of the relationships we build, as

well as new customers just joining the FCV family.

Capping the series of customer events is our annual stockholders meeting, which this year will be held on Sept. 26. Following the meeting, we'll be distributing ballots for the annual director election. I encourage every member to vote in the election of these leaders who are essential to FCV's future. For our organization to be strong, we need support from our membership, and participating in the election of those who will guide FCV's strategy is an essential aspect of your support.

Under the direction of our board, FCV has implemented programs over the years designed to help our customers improve their operations and gain important insight and knowledge into business practices. Our annual Ag Biz Planner program kicks off on August 30 with another

class of committed producers who recognize the importance of business planning for long-term success. Our Knowledge Center continues to add resources, which we invite all of our members to take advantage of. Also please reach out to our talented staff with specific questions so they can offer assistance or connect you to other industry experts. We have also recently expanded our Farm Credit **EXPRESS** program to allow customers to purchase their farm equipment at even more dealerships throughout our territory. As of June 1, the program also includes leasing options for producers who prefer not to purchase their equipment.

Looking to the future of our cooperative, we recently held our annual leadership planning and board planning sessions. These sessions feature important strategy discussions to review current plans and anticipate future trends and

needs. In another nod to the future, FCV hired four summer interns this year who brought with them an enthusiasm to learn about agricultural financing. In past years, many of the college students who interned with FCV have rejoined us as dedicated, full-time employees after graduation.

It is employees like these who work hard every day to earn our customers' business. Our 9.8 rating in customer satisfaction is a testament that they are achieving their goal on behalf of our cooperative's members, and we look forward to continuing to serve your financing needs long into the future. ∞

The Balance of Passion and Economics in Farming

By: Dr. David M. Kohl

The agriculture industry is being transformed at an accelerated rate by global and domestic economics. Coupled with major megatrends such as consumer taste, demographic and generational shifts, technology, and a widening disconnect between farm and city, the landscape is definitely evolving. So, what is required of today's producer to be successful? In short, the answer is balance.

While facilitating a young farmer conference, I asked participants to name some topics that they would consider industry opportunities, even if some may view the same topics as industry challenges. Their list included: the local, fresh, and organic movements; farm transitioning, whether generational or retirement; multi-complex businesses; entrepreneurial

endeavors inside and outside of agriculture; and a younger group that often multitasks.

This same session included a group of military veterans looking for ways to reconnect with agriculture and the land. This group struck me as special, in part because along with alumni from my high school – I recently celebrated the 50th anniversary of the 104-game winning streak of the boys basketball team; a modern-day record. One teammate was critically injured on the front lines in Vietnam. After returning home, he served as an inspiration to all the players during the streak.

For the veteran group, we asked how military experience and training could be advantageous in operating a farm business. Clearly energized by the question, the responses included critical thinking skills, strategic planning and execution, contingency planning, global awareness, attention to detail,

copied with adversity, strong work ethic, good communication, and the ability to develop solutions and teamwork. Interestingly, each of these skills has a direct connection in business.

One of the keys to being a viable and sustainable agricultural business is balancing the passion and desire of farming with the logic of economics. In other words, how does one translate passion into an actual and viable business? That is where the logic of economics comes in, and a basic business plan.

In July, Farm Credit University kicked off a pilot program called Ag Biz Basics. This program was designed to provide introductory educational training on the development of goals and financial statements. Whether for a veteran or entrepreneur, the Ag Biz Basics program allows anyone with agricultural aspirations to make a game plan before going into the field. Let's examine the necessary elements.



One of the keys to being a viable and sustainable agricultural business is balancing the passion and desire of farming with the logic of economics.

Setting Goals

Before embarking on any business adventure, one should articulate one's goals in writing. In other words, a working document that can be reviewed is necessary. This process should include goals that are one to five years out, and separated by business, family and personal aspirations. In order to maintain focus and balance in your goals, use the S.M.A.R.T. principle (specific, measurable, attainable, reasonable and rewarding, and timely). This goal setting process establishes the mission and vision of the business.

The other initial step in this process is developing and collecting all of your financial documentation, such as credit scores, tax forms, wills, insurances, etc. This information will be required in any meeting with a lender or advisors and needs to be updated and accurate. Of course, one's financial documentation should include the next three steps.

Cash Flow

The next step is a cash flow statement, or the business side of production planning. This step exercises one's critical thinking skills. In essence, the cash flow is simply an outline of your production plan and timetable with

numbers. Specifically, use different scenarios of price and cost. For example, conservatively estimate different levels (low, average and high) of bushels per acre and price per bushel, or production and price per pound of meat or milk, to develop a cash flow for the farm. For the military, this is similar to contingency planning, or planning for the unknown.

Balance Sheet

The development of a balance sheet, both business and personal, allows one to determine net worth, examine debt levels, and identify the assets and resources available to generate earnings. Often, the processes of developing cash flow and the balance sheet require one to work side-by-side with a lender, spouse, partner, mentor or team of advisors. In other words, this step helps you determine what you are worth financially.

Projected Income Statement

Finally, a projected income statement is a useful tool because it shows whether or not you made a profit. Specifically, this step allows for monitoring results, which reveals the tweaks needed along the way. This attention to detail in production, marketing, finance, and risk

management increases the probability of long term success.

Finding Balance

The four steps to a simple business plan in Ag Biz Basics:

1. Written goals for the business, family, and personal life – one to five years out.
2. Projected cash flow
3. Business and personal balance sheets
4. Income statement

Whether it is on the basketball court, in a military operation, or in business, viability and sustainability require a balance between one's passion and the logic of economics. Undoubtedly, farming is a passion; and those in the industry, young or older, share a love and respect for producing. However, in a rapidly evolving industry, the economics must be present to turn passion into profit; and specifically, the elements of setting goals, projecting cash flow, and developing balance sheets and income statements. The critical thinking and planning on the economic side of the scale balance the passion, but remember that neither passion nor economics are as strong without the other. ∞



David Kohl received his M.S. and Ph.D. degrees in agricultural economics from Cornell University. For 25 years, Kohl was professor of Agricultural Finance and Small Business Management and Entrepreneurship in the Department of Agricultural and Applied Economics at Virginia Tech, Blacksburg, Va. He was on special leave with the Royal Bank of Canada working on advanced initiatives for two years and also assisted in the launch of the successful entrepreneurship program at Cornell University. Kohl is Professor Emeritus in the AAEC Department at Virginia Tech.

FARM CREDIT Knowledge Center

FarmCreditKnowledgeCenter.com

Busy, productive and interesting could all be used to describe 2017 so far for the Farm Credit Knowledge Center. In April, we were excited to be able to take a group of Ag Biz Planner graduates to Washington, D.C., for a busy two and a half days. For our third annual trip, seven graduates joined us for visits with congressmen and senators from their districts, a tour of the Capitol, and a trip to the Farm Credit Council, where they were able to discuss policy. Each participant also had a chance to conduct an interview while at the Farm Credit Council, and the videos of these interviews are being used as Farm Credit shares stories about farmers in their digital marketing efforts.

Knowledge Center Director Matt Lohr left Farm Credit of the Virginias at the end of May to return full time to his family farm. While we were sad to see Matt leave the Knowledge Center, we are glad that he was able to return to farming full time and help continue the family farm. Matt was an integral part of establishing the Knowledge Center and he will be missed!

With Matt's departure, Kyley Clevenger, former Knowledge Center relations specialist, stepped in to the Knowledge Center director position. Kyley was raised on a family farm in Virginia, and has been with the Knowledge Center since its inception. She brings a wealth of agriculture knowledge as well as insights into what consumers want to know and how to effectively share that with them.

June brought the 2nd Annual Ag in the City Day, held in partnership with the Boys and Girls Club of Harrisonburg. More than 250 children of various ages were able to spend a morning learning about different aspects of agriculture

from equipment to bees to gardening, goats and sheep, beef, 4-H and much more! This event allows children to be able to interact and engage with live animals and equipment and get their hands dirty as they plant seeds and learn about soil health and the environment. We are fortunate to be able to partner with many local groups to hold this event each year!

Throughout the summer we also continued to expand the information available on our website. We have added a live commodity price feed to our Commodities page, and have also added several different educational infographics under "Teaching Materials" in our Education and Awareness section. We are excited to be able to continue to expand the resources available for both farmers and consumers, and will be announcing several other new additions toward the end of the year.

Finally, in August, Lauren Arbogast joined the Knowledge Center team as the new relations specialist, filling Kyley's previous position. Lauren lives on a poultry, beef, crop and hay farm in Rockingham County with her husband Brian and their two children. She was recently named as one of the "Faces of Farming and Ranching" through the U.S. Farmers and Ranchers Alliance. Lauren will be a tremendous asset to our team and we are excited to move forward with many new ventures for the Knowledge Center!

For the most up to date information, and to access all of our resources online, be sure to visit our website at www.farmcreditknowledgecenter.com, and follow us on Facebook and Twitter! ∞



Dates to Remember

State Fair of Virginia

Sept. 29-October 8 In Doswell, Va.

For more information visit:

<http://www.statefairva.org/>



4th Annual West Virginia Women in Ag Conference

Oct. 20-21 at Camp Dawson in Kingwood, W.Va.

For more information visit:

<http://extension.wvu.edu/conferences/wia>



SAVE THE DATE



April 4, 2018 | Rocky Mt., Va.
Franklin Center, 50 Claiborne Ave., Rocky Mount, Va.
9:30 a.m.-2:30 p.m.

April 5, 2018 | Harrisonburg, Va.
Dayton United Methodist Church, 215 Ashby St., Dayton, Va.
9:30 a.m.-2:30 p.m.

The 2018 Dairy Management Institute offers a wealth of information you don't want to miss. Participants will hear from author, dairyman and guest speaker, Mr. Andrew Junkin.

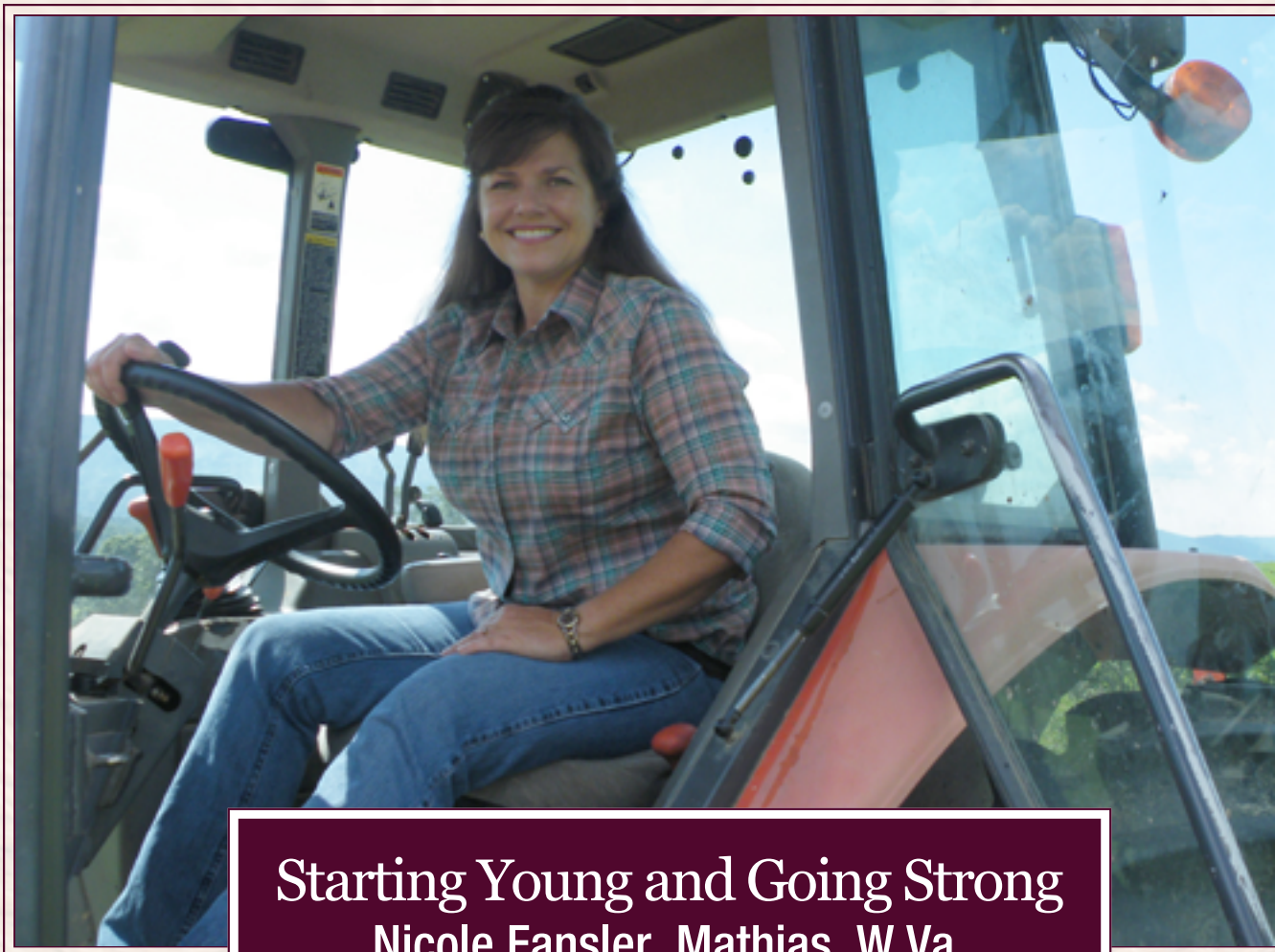
For more information or to signup, please contact:

Patti Craun, Dairy Specialist/Relationship Mgr.
Farm Credit of the Virginias, ACA | P.O. Box 2550, Harrisonburg, VA 22801
540.434.5385 ext. 5223 or 800.919.FARM | pcraun@FCVirginias.com

Gary Monroe, DMI Data Specialist
540.810.6777 or 800.559.1016, option 3

You do not need to be a Farm Credit customer to participate or attend.





Starting Young and Going Strong Nicole Fansler, Mathias, W.Va.

By: Karen Macdonald

With the number of women in agriculture actually shrinking – down 2 percent between the 2007 and 2012 ag censuses – it's becoming increasingly rare to find a female principle operator. It's even rarer to find a woman who not only runs her own highly successful diversified farming operation, but who started it when she was just 4 years old and never wanted to do anything else.

Nicole Fansler was raised on a poultry and beef farm where both her parents were full-time farmers, inspiring her interest from a very young age. Inquisitive, she also spent a lot of time with her grandfathers, both of whom worked in livestock, asking question after question. Her interest didn't fade, and when she was 4, each gave her a cow to start her own herd.

Nicole took her new career seriously,

working extra chores for her parents to earn feed for her cows. She learned quickly that the more she worked, the more she'd earn, and the more cows she could add to her own herd. She also learned how to negotiate: at 5, she asked her parents to trade one of her now older cows for one of their heifers, and they agreed. She continued trading up her cows as well as buying and raising small, cheaper calves from the stockyards, and making other

adult-level decisions for her herd as well as theirs: helping with record keeping, making breeding decisions to improve herd genetics, and deciding which heifers to keep and sell.

"I don't have any memories of even thinking about doing something else," Nicole says. "My primary focus has always been raising and marketing cattle."

Nicole expanded her livestock knowledge at the stockyard, where she'd go with her

grandfather and spend hours just to observe the buying and selling. By high school, she was working at the livestock markets, building her insight into livestock marketing that serves her well today. At the same time, she recognized that diversification would be key to her long-term success, and with 15 cows on rented land, she also rented several older poultry houses to raise turkeys under contract for a local integrator.

After earning an associate's degree in animal science and agricultural technology from Potomac State College, Nicole started seriously expanding and defining her own operation. She started with 12 acres, built her own modern poultry houses to raise chickens, and started growing her herd. Today, just over two decades later, she farms 1,000 acres of pasture land, hay and corn crops; raises 80 cow/calf pairs; raises nearly 400,000 chickens a year; and backgrounds 400 stocker calves.

Helped by her partner, John Peyton, for the past five years, she's also raising their 3-year-old son, Jacob, with her 21-year-old daughter, Jaclyn, having now graduated from West Virginia University with a degree in animal science and agribusiness. While Jaclyn is currently pursuing a career in an ag-related field, she continues to maintain her own herd of 12 cows, a herd started when she was just 5, keeping with family tradition. Jacob has gotten his own early start, being given his first cow last year and already making pasturing decisions.

"I believe in getting children involved in farming at an early age because the young years are very impressionable," Nicole says. "My parents involved me at a young age, and I believe in doing that with my children."

Nicole has been buying and selling livestock for herself and her family, growing and developing a background/stocker operation for many years.

Ten years ago, with financing from Farm Credit of the Virginias, she established a livestock order buying business after getting licensed as a buyer and building on her relationships with customers in the Midwest.

"I needed access to funding to launch and operate that business on top of expanding



my farm," Nicole says. "I reached out to Farm Credit, and I was very warmly welcomed into their loan program."

Nicole now travels the area buying load-lots of carefully selected, backgrounded cattle, in addition to working one day a week at the stockyard, and, of course, working her own farming operation.

Questions often arise about special challenges women face in the male-dominated world of agriculture, but Nicole says that her challenges are no different than any other diversified farmer: planning carefully and making smart decisions to be prepared when the unexpected happens.

"I've always viewed challenges as motivations that inspired me to work harder," Nicole says. "I wanted to prove that even as a female I could continue the farming tradition of my family just as well as a man could."

But still, there is a perception among some that women can't quite cut it in agriculture but with Nicole, the perception doesn't last long: "When I encounter new customers, there's sometimes an initial hesitation, but once I start talking about what I'm doing, and why,

it becomes clear that I know what I'm doing, and the hesitation disappears," she says.

Nicole continues to work with Farm Credit for her financing needs, in part because of their continued support for her goals. "Farm Credit understands what I'm doing here on the farm and in the livestock business, and what I'm working to accomplish," she says. "We're on the same page, and this allows me to fully maximize the potential of the farm and the business."

Looking forward, Nicole believes farming will always be full of trials and triumphs; you just need to appreciate the importance of both. Nicole plans to expand her farming operation as well as her cattle order buying business. "We all want to give the consumer a great product, and we take great pride in keeping the land in farming and production," says Nicole. "It's very rewarding to know that you can do that – be a part of something bigger that will last for many generations." ∞

For more information or to contact Nicole Fansler, email her at NicoleFansler@yahoo.com.

CAP News

(Communications Advocacy Program)

Farm Credit is known for building relationships with its customers, but it goes further than that. The Farm Credit System was established by Congress more than 100 years ago, and the directors and employees of Farm Credit understand the importance of sharing the Farm Credit story with those key members. Relationships are built by visiting and meeting with representatives in Washington, D.C. and the states within our territory, making trips to locations they are visiting and participating in events where we can share our story.

April 6 – Employees attended the Virginia Agribusiness Council Connections meeting in Abingdon, Va. State Rep. Israel O'Quinn was there and visited with them.

April 7 – Bette Brand, chief external affairs officer, participated in a tour of Mennel Milling in Roanoke, Va., with Katie Frazier, president of the Virginia Agribusiness Council and State Sen. Dave Suetterlein.

April 12 – Bette Brand joined other industry leaders to meet with Sen. Kaine (D-Va.) at Richdale Farm in Wytheville, Va., to talk about the Farm Bill and other issues facing farmers in Virginia.

April 19-21 – The Knowledge Center led a group of AgBiz Planner graduates on a trip to Washington D.C. who were able to meet with members' staff. Additional FCV employees also attended along with the Knowledge Center team.

April 25-27 – Seasoned employees participated in the Washington Experience where they met with Farm Credit Council staff, Senate and House staff members, USDA and FCA to gain a better understanding of the important work going on in Washington, D.C.

May 5-7 – The Virginia Horse Council Legislative Trail Ride took place at Graves Mountain Lodge. Farm Credit proudly sponsored and Bette Brand attended to advocate for farmers and rural communities with members of the Virginia General Assembly.

June 13-15 – Summer interns and new employees participated in the AgFirst Washington Experience where they met with Farm Credit Council staff, Senate and House staff members, USDA and FCA to gain a better understanding of the important work going on in Washington, D.C.

June 23-25 – Congressman Bob Goodlatte's 13th Annual Golf and Tennis Tournament was held at the Homestead in Hot Springs, Va. – Bette Brand participated. It was a relaxed weekend to talk to the Congressman and his staff about issues affecting agriculture.

July 25-27 – The Farm Credit System held their national communication's conference and Fly-In in Washington, D.C. This allowed Farm Credit employees, directors and customers to meet with their state representatives and share what was impacting their operations and the agriculture industry. A Farmer's Market reception was held at the Library of Congress where Farm Credit customers displayed their products for senators, members of Congress and staffers to take and sample.

July 26 – We were honored to join West Virginia Commissioner of Agriculture, Kent Leonhardt, and his staff during the West Virginia Poultry Association Festival.



L to R: Greg Mitchell, Farm Credit loan officer; Joe Hatton, Deputy Commissioner of Agriculture; Kent Leonhardt, W.Va. Commissioner of Agriculture; and Donna Brooke-Alt, Farm Credit Director participated in the W.Va. Poultry Festival that was held in Moorefield.



Charlotte Shelton, one of the owners of Albemarle Cider Works in Albemarle, Va., was thrilled to bring the hard cider attendees tasted while at the Farmers Market held at the Library of Congress.



Eli Cook, owner and operator of Spring Valley Farm and Orchard in Slanesville, W.Va. supplied the peach syrup produced from peaches grown on his expanding W.Va., operation.



Calvin Rigglesman, owner-operator of Bigg Riggs Farm, Gourmet Central and Flying Buck Distillery in Augusta, W.Va., provided several of his products for the Farmers Market held at the Library of Congress.



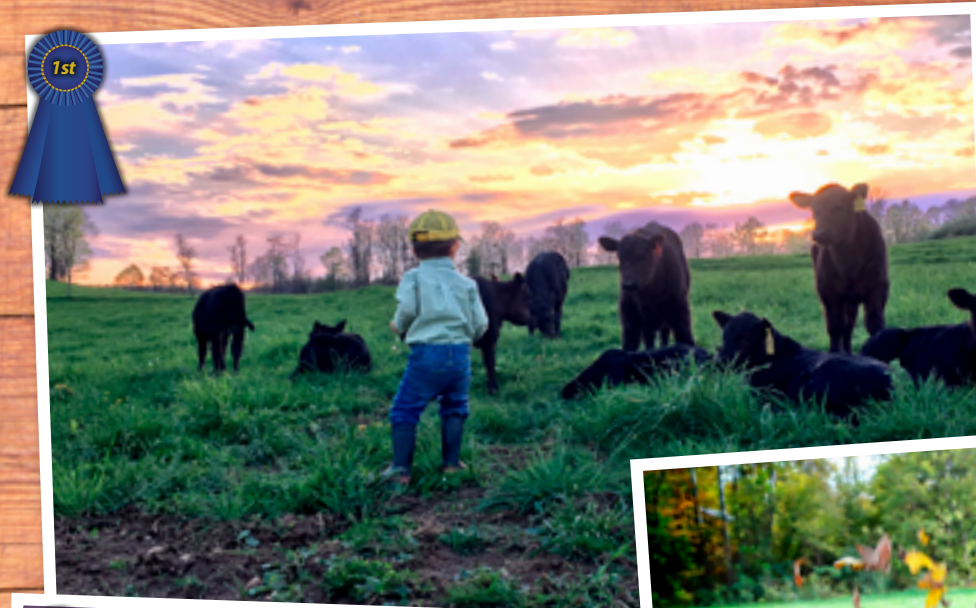
Several Virginia producers met with their state and district representatives while in D.C. in July.

For more information about the Farm Credit customers who attended and were highlighted in D.C., visit FarmCreditVoices.com.

2018 Photo Calendar Contest Winners

We're pleased to announce the top 3 winners of our 2018 Photo Calendar Contest. The contest was extremely successful and competitive, pulling in over 320 photo entries and 1,000 votes!

First place goes to Casey Hayes of Rio, W.Va., second place to Kayla Mitchell of Damascus, Va.; and third place to Scott Gumm of West Union, W.Va.



Congratulations to our winners and thanks to everyone who participated in this year's contest! Please visit our website beginning January 2018 to participate in the 2019 Calendar Photo Contest.





Farm Credit Recognizes Top Team Members

Farm Credit of the Virginias recently announced its top performing team members for 2016, recognizing the contributions of these employees to the organization's continued growth and support of the farmers, ranchers and rural homeowners it finances.

FCV's "Circle of Excellence" award recognizes new business generation, leadership and customer service as well as loan servicing and credit administration performance. Ten employees have earned this year's Circle of Excellence distinction: Brian Wilkerson, Kim Love, Steven Bowman, Brian Repass, Ryan White, Jessica Baker, Mark Haddix, David Cuddy, Andy Puckett and Ashlie Howell

(not pictured). Also pictured are CEO Peery Heldreth (back row, second from right) and Chairman of the Board, Charlie Leech (back row, right). These employees were recognized as top performers within the Association for their contributions to the organization in 2016.

"These employees made great strides in strengthening our cooperative by bringing in new customer-owners and continuing to support our existing members with financial support and informed business advice," said Peery Heldreth, FCV's CEO. "The financial results the organization enjoyed are a direct result of their efforts and are reflected in the patronage dividends we were able to return to our customers this year."

In April, FCV distributed more than \$15 million to its customer-owners as a result of the organization's 2016 financial performance.

"Our board and management appreciate all our employees, who are each committed to supporting our customer-owners, regardless of their role within the organization," said Heldreth. "The Circle of Excellence winners are exceptional in their dedication to our organization and their customers." ∞

Above: The Circle of Excellence winners, from left to right, were recognized in April for their contribution to the organization in 2016: Brian Wilkerson, Kim Love, Steven Bowman, Brian Repass, Ryan White, Jessica Baker, Mark Haddix, David Cuddy and Andy Puckett. Not pictured: Ashlie Howell.



2017 Summer Interns

By: Ryan Tipps

Few people would question the value of an internship. From getting an inside look at your chosen industry helping to grow your professional network, the career perspective and lessons learned during an internship are something that can't be found in any textbook.

Every year, Farm Credit of the Virginias welcomes college students for internships, giving them firsthand insight into how the organization helps area farmers and rural communities. During the summer of 2017, four students interned with FCV: Brennon Bays, Ian Mongold, Seth Thomas and Kathryn Wright. As they got the opportunity to gain insight into who we are, they are now going to give us some insight into them and showcase exactly why working with Farm Credit during the summer was so valuable.



BRENNON BAYS

Hometown: Huddleston, Va.

College: Virginia Tech

Bays is 19 and will graduate from Tech this fall with a Bachelors of Science degree in agricultural economics. His passion for agriculture and his understanding of the current needs of farmers comes from a variety of areas, notably his experiences working for farmers and from the education he has received at Tech.

What is your farming experience or relationship to the agriculture industry?

I have grown up on a fifth-generation cow/calf operation in Bedford County. I've also worked with raising bull dairy calves from the dairies in the area.

What degree path have you chosen in college, and why?

When I got to Virginia Tech, I wanted a way to connect with leaders in the agricultural community and was able to do so greatly because of my membership in the agricultural fraternity, Alpha Gamma Rho.

When I chose my major, I originally wanted to go completely into business, but later decided that I didn't want to lose my association with agriculture. The agricultural economics degree at Virginia Tech suited this perfectly. It gives me the opportunity to study the business world on a macro level and specialize in agricultural business.

Why did you pursue an internship at Farm Credit?

I wanted to increase my chances of working for Farm Credit later in my career, and it seemed like a good way to prepare myself for a possible career in agricultural finance. I wasn't expecting to have such a hands-on experience at Farm Credit. I expected to observe more than anything.

What is one thing you have learned during your internship that you weren't expecting?

I was pleasantly surprised when asked to do real work and contribute to the loan process.

What advice do you have for students interested in interning (whether at Farm Credit or in general)?

I would highly recommend this internship to anyone trying to boost their resume, trying out

a career path in lending, or just wanting to gain a better understanding of agricultural finance. At this point, internships are almost required rather than recommended in order to be a competitive applicant for a job.

Where do you see yourself after graduation?

After graduation, I will be searching for a job in the agricultural sector of business without being in the production side of agriculture. Preferably, I'd like to focus on agricultural lending or some type of sales.



IAN MONGOLD

Hometown: Elkton, Va.

College: Virginia Tech

This 21-year-old has lived his entire life on his grandfather's beef farm and is now going into his senior year at Tech. He saw firsthand how important agriculture is on the community and national levels, and he has fond childhood memories of his grandfather taking him out into the fields in a 1950 Farmall M and letting him drive around by himself.

What is your farming experience or relationship to the agriculture industry?

I grew up on my grandfather's beef farm with roughly 250 head of cattle. Over the years, I have helped him after school, on the weekends and currently on breaks from college. Some of the jobs I have done include mowing, raking and baling hay, planting corn and soybeans, and chopping barley.

What degree path have you chosen in college, and why?

I have chosen to go the finance degree path, on the Chartered Financial Analyst track. Going into college I did not have a clue about what major I wanted to do other than business, but after taking intro to finance, I became very interested

in the subject. In my junior year, I took financial analytics and was convinced that finance was the right decision.

Why did you pursue an internship at Farm Credit?

Growing up on a farm, I had some familiarity with Farm Credit -- I had seen Farm Credit booths at county fairs, among other places. Midway through my junior year, I was looking for places that offered internships in my area, and I happened upon Farm Credit, which was perfect because it blended finance and agriculture into one experience.

What is one thing you have learned during your internship that you weren't expecting?

Being with Farm Credit this summer, I have gotten the opportunity to learn more about other types of farms. Prior to this, my ag experience was primarily beef. With Farm Credit, I have had the opportunity to learn more about poultry, dairy and agribusiness through farm visits and cases. These experiences have broadened my ag knowledge.

Where do you see yourself after graduation?

I am still not completely sure what I want to do after graduation. I would like to find a full-time job in the finance field; however, after my summer experience I would like that to be either directly or indirectly ag related. I would also like the opportunity to continue to work on the farm (as my free time would allow) and may also consider graduate school at some point.

What advice do you have for students interested in interning (whether at Farm Credit or in general)?

Take advantage of resources that you have such as academic advisors. When starting an internship, don't be nervous; they won't expect you to know everything in an hour. Meet everyone and use your time as a chance to network with people in your organization -- they will be able to help you in the future. Lastly, enjoy your time wherever you intern. Personally speaking of my experience with Farm Credit, everyone is very nice and approachable. Take advantage of your opportunities to learn as much as you can, and don't be afraid to ask questions.



SETH THOMAS

Hometown: Mountain City, Tenn.

College: Emory & Henry

Thomas, 20, has long been rooted in community agriculture through 4-H and FFA programs. He is a fifth-generation burley tobacco farmer. As burley has become more scarce in his region, he has seen many farms struggle and ultimately sell out over the past decade. His passion for agriculture stems from this predicament because he knows that his generation is being called upon to find new roads to supplement a healthy and diverse ag market.

What is your farming experience or relationship to the agriculture industry?

I'm a fifth-generation burley tobacco and beef-cattle producer with strong ties to both 4-H and FFA, where I have competed and won state titles in both programs.

What degree path have you chosen in college, and why?

I chose to attend Emory & Henry College as it was a local small school in my community. Though Emory doesn't offer a diverse palate of majors, pursuing a business management degree from them made great sense to me as they're a liberal arts college that requires courses from every field of study to create well-rounded and balanced students.

Why did you pursue an internship at Farm Credit?

Farm Credit has a great presence in my community, and I was well-educated about the benefits they offer. Being someone who is passionate about agriculture -- not just in my community, but nationwide -- I felt that it was a good fit. Farm Credit invests a lot into the training of its employees so they are well-versed in the

industry and to best serve their customer-owners every day. I am humbled by the educational experience Farm Credit has offered me through this internship, which will benefit me for the rest of my professional career and personal life.

What is one thing you have learned during your internship that you weren't expecting?

We all know agriculture is one of the most important infrastructure tiers the United States offers, yet far too often we hear how gloomy the market is -- as the Jason Aldean lyrics go: "Diesel's worth the price of gold, but it's the cheapest grain we've ever sold." I for one was one of those who drank the water on this ideology and began to think it might be the death for small farming as only the big dogs could turn a profit with such small margins the market offers. However, by working with Farm Credit, my knowledge of small part-time farming has grown exponentially, and I now have a better understanding of what farmers are having to do in order to make it in today's markets. Honestly, farming isn't what it was 10 years ago, but that's not a bad thing. As I watch small farmers continue to evolve each and every day, it only proves to me that small farms are here to stay for generations to come, because they play one of the most integral parts in the American agriculture industry. I've learned that without them, the whole system would fall.

Where do you see yourself after graduation?

I love where I live; I am passionate about my region. I see myself working somewhere within my community in an industry that's tied directly or indirectly to agriculture. Ag is something I care about, and I think it's important to work in an industry that you're passionate for because that's when you will perform at your highest level.

What advice do you have for students interested in interning (whether at Farm Credit or in general)?

Everything is a teaching point, whether it's the interview process, your first day, or your last day. Every moment you get to experience these things, use it as a teaching point. Most of us interning are just getting out of college and stepping into the job market for the first time, so these are all topics that are invaluable because

they are essential to our survival in one of the most competitive job markets this country has seen in years. Because of these circumstances, most know that we don't have a great amount of experience and are more than willing to share their experience and knowledge with you, you just have to be willing to ask. If you do, you won't regret it because that information is what will help you and propel you into creating your experiences and knowledge to further benefit your career.



KATHRYN WRIGHT

Hometown: Enosburg Falls, Vt.

College: Virginia Tech

At 21, Wright strives to be an "advocate" in her area and on social media. Most of her Facebook page is filled with her teaching 4-Hers at workshops around the East Coast (4-H has taught her, too, many things). There is much that makes her passionate about the ag industry, including how expansive and connected it is in feeding the entirety of the human population. She grew up on her family's dairy farm, and her job was health management of the calves and heifers. Learning this sense of nurture and care at such a young age is what drove her to learn more about the industry in college.

What is your farming experience or relationship to the agriculture industry?

I grew up on my family's dairy farm in Vermont. They milk 500 registered Holstein cows and run a large maple sugaring operation. My favorite part about growing up on the farm was being able to show our cows through 4-H. In high school I competed nationally on the Vermont state judging team and also went to several national 4-H conferences. Through college I have made myself extremely involved in ag. I am affiliated

with both the ag sorority, Sigma Alpha; and the ag fraternity, Alpha Gamma Rho. I am also involved with the Dairy Club. I competed nationally on the Virginia Tech collegiate judging team.

What degree path have you chosen in college, and why?

I chose to study Dairy Science because my passion has always been dairy from growing up on my family's dairy farm. I wanted to gain a deeper knowledge in dairy so after college I can further my passion by working in the dairy industry.

Why did you pursue an internship at Farm Credit?

I have always been interested in the loan officer role. Several people I know have worked for Farm Credit and have told me how great of a place it is. I love the thought of lending to farmers so they can grow and thrive in their operations.

What is one thing you have learned during your internship that you weren't expecting?

How to analyze tax returns. This is something that is very useful and something that I will not be taught in college. This is just an example of one of the many things I have learned this summer that will be very valuable throughout life.

Where do you see yourself after graduation?

After graduation, I would like to have a job within the agricultural industry. I would love a career with Farm Credit because I like the loan officer position.

What advice do you have for students interested in interning (whether at Farm Credit or in general)?

My advice for students interested in interning anywhere would be to set goals for yourself in the beginning of the summer. Coming in organized and ambitious will be the best thing you could do for yourself. Internships are a learning experience to help you gain skills and decide what you want to do after college. Farm Credit puts a lot of time and thought into their internship program, so taking it seriously and getting the most out of it is important. ∞

WVU Wardensville Bull Test and Sale Celebrates 50 Years

By: Kevin Shaffer

The West Virginia Bull Evaluation Program at Wardensville is a progressive performance evaluation center focused on increasing the efficiency and profitability of West Virginia cattlemen. The program has evolved significantly since its inception, but the primary goal remains the same—identifying genetically superior bulls that will improve the bottom line of commercial cattlemen in West Virginia and the Mid-Atlantic region. Housed at the WVU Reymann Memorial Farm in Wardensville, W.Va., the program is sponsored by WVU Extension Service, and WVU Division of Animal and Nutritional Sciences.

Now in its 51st year, the West Virginia Bull Evaluation Program, or Wardensville Bull Test as it is more commonly known, develops and evaluates over 150 bulls annually for some of the state's most progressive seedstock breeders. Since its inception in 1967, the program has been on the leading edge of performance evaluation in cattle. Early on, the program focused on improving growth rate and feed conversion, but to meet the demands of an evolving market, the program later shifted to emphasizing calving ease and carcass quality. As input costs have steadily risen in recent years, the program has



Farm Credit, proud sponsors and supporters of the WVU Wardensville Bull Test and Sale, presented a beautiful sign commemorating the program's milestone.

also focused on feed conversion efficiency and identifying complete bulls that can function efficiently in all sectors of the beef industry. Each year, the program culminates with a sale on the fourth Thursday in March.

A Bull Development Program Available To Mid-Size Seedstock Breeders In The Region

The program is more like an alliance than a typical bull test. There are no single consignments and several cooperators have 10 or more bulls in the program, making their yearling and ultrasound data more meaningful and useful.

Evolving throughout its lifetime to best serve the current and future needs of the beef industry, the Wardensville Bull Test has rapidly incorporated emerging technology to evaluate traits of economic significance. In addition to traditional measures of growth, fertility and body composition, the program measures individual feed intake and provides the cooperators and customers insight into each bull's ability to convert feed into marketable product.

As a requirement for participation, the cooperators annually retain ownership on a number of cattle through the West Virginia Feedlot and Product Information Program (West Virginia's Ranch to Rail Program began in 1983) and collect yearling ultrasound body composition data on their replacement heifers. The cooperators live and produce in the real world. The cattle are solid and dependable, but you are invited to evaluate these bulls/cooperators yourself and reach your own conclusions. For more information about the program feel free to contact the program coordinator, Kevin Shaffer, or station manager, Jerry Yates. You can also find more information at <http://extension.wvu.edu/agriculture/livestock/wardensville-bull-test>.



Consolidated Balance Sheets

	June 30, 2017	December 31, 2016
(dollars in thousands)	(unaudited)	(audited)
Assets		
Cash	\$ 2,714	\$ 5,730
Loans	1,835,120	1,798,996
Allowance for loan losses	(15,191)	(14,483)
Net loans	1,819,929	1,784,513
Loans held for sale	1,647	1,317
Accrued interest receivable	13,466	9,352
Investments in other Farm Credit institutions	19,756	19,698
Premises and equipment, net	10,116	10,228
Other property owned	1,497	2,467
Accounts receivable	5,661	22,046
Other assets	2,349	3,182
Total assets	\$ 1,877,135	\$ 1,858,533
Liabilities		
Notes payable to AgFirst Farm Credit Bank	\$ 1,442,649	\$ 1,423,922
Accrued interest payable	3,546	3,265
Patronage refunds payable	169	15,230
Accounts payable	2,070	3,380
Other liabilities	20,421	21,913
Total liabilities	1,468,855	1,467,710
Members' Equity		
Capital stock and participation certificates	10,540	10,433
Retained earnings		
Allocated	92,568	92,568
Unallocated	305,196	287,846
Accumulated other comprehensive income (loss)	(24)	(24)
Total members' equity	408,280	390,823
Total liabilities and members' equity	\$ 1,877,135	\$ 1,858,533

Consolidated Statements of Comprehensive Income

	(unaudited)		(unaudited)	
(dollars in thousands)	For the three months ended June 30, 2017	2016	For the six months ended June 30, 2017	2016
Interest Income				
Loans	\$ 24,124	\$ 22,082	\$ 47,450	\$ 43,927
Interest Expense				
Notes payable to AgFirst Farm Credit Bank	10,491	9,427	20,489	18,686
Net interest income	13,633	12,655	26,961	25,241
Provision for loan losses	250	1,000	750	1,500
Net interest income after provision for loan losses	13,383	11,655	26,211	23,741
Noninterest Income				
Loan fees	153	199	292	357
Fees for financially related services	8	5	47	34
Patronage refunds from other Farm Credit institutions	2,712	3,206	5,489	6,487
Gains (losses) on sales of rural home loans, net	156	185	353	406
Gains (losses) on sales of premises and equipment, net	21	15	56	35
Gains (losses) on other transactions	181	41	37	11
Other noninterest income	25	18	51	38
Total noninterest income	3,256	3,669	6,325	7,368
Noninterest Expense				
Salaries and employee benefits	4,418	4,616	9,387	9,482
Occupancy and equipment	394	365	737	716
Insurance Fund premiums	534	537	1,055	1,064
(Gains) losses on other property owned, net	579	178	572	(137)
Other operating expenses	1,592	1,584	3,407	3,330
Total noninterest expense	7,517	7,280	15,158	14,455
Income before income taxes	9,122	8,044	17,378	16,654
Provision for income taxes	14	6	28	13
Net income	9,108	8,038	17,350	16,641
Other comprehensive income	—	—	—	—
Comprehensive income	\$ 9,108	\$ 8,038	\$ 17,350	\$ 16,641

The shareholders' investment in the Association is materially affected by the financial condition and results of operations of AgFirst Farm Credit Bank. Copies of AgFirst's quarterly and annual financial reports to shareholders are available free of charge at www.agfirst.com, or by writing to AgFirst Farm Credit Bank, Financial Reporting Department, P.O. Box 1499, Columbia, SC 29202. Farm Credit of the Virginias complete quarterly and annual financial reports are available online at www.farmcreditevrginias.com



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