

RURAL LIVING YOUR WAY

# LEADER

Farm Credit of the Virginias ~ Winter 2015

Farm Credit 100

Director Election Results

Harmony Harvest






# Happy Holidays



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wishing you a joyous  
holiday season and a  
prosperous new year.*

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## 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 800-559-1016. Our quarterly financial report can also be obtained on our website: [www.farmcreditofvirginias.com](http://www.farmcreditofvirginias.com), or by email: [chite@fcvirginias.com](mailto:chite@fcvirginias.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.



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## Holiday Schedule

**December 24 and 25**—Christmas (Thursday and Friday)

**January 1**—New Year's Day (Friday)

**January 18**—Martin Luther King Day (Monday)

**February 15**—President's Day (Monday)

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Dave Lawrence

## Closing Out Another Strong Year

**W**ith harvest well underway, or complete for some of our customers' crops, it's that time of year that we look toward holidays and family. As the leader of the Farm Credit of the Virginias (FCV) family, which includes our employees, leadership and customer-owners, I'm pleased to share that as we near year-end, we anticipate another year of strong earnings and patronage returns to our valued shareholders.

Our increased earnings are a result of an approximate seven percent net growth in our portfolio volume, stemming from a combination of new customers joining our cooperative and expanded loans to current customers in our association's footprint. Once the 2015 financial results are finalized, the board will consider our capital requirements to continue funding borrower needs, and then decide specific patronage levels. We anticipate that once again we'll hit our target of 12 percent of loan interest accrued. In addition, for the third year AgFirst has announced a special patronage payment to FCV, which we again expect to distribute as a second patronage payment.

In addition to determining appropriate patronage distributions, the board of directors is essential to setting strategy and providing oversight, both critical roles. I'd like to thank all our customer-owners for participating in this year's election for three of our board positions, an important process that keeps our cooperative strong. I'd also like to thank those who were prepared to stand for election, and our nominating committee which again identified high-quality nominees for our member-borrowers to consider.

The new board will continue to work diligently to provide leadership to our organization, including selecting members to participate in an extensive director certification program. Ten of our 16 directors have achieved certification through the program, the Premier Governance Series, of which FCV is a founding investor.

A strong board contributes to a strong cooperative, as does a strong employee team. In September, I was privileged to honor team members who have achieved employment milestones of between 5 and 40 years with

our cooperative. Combined, these individuals represent 440 years of service, and the honorees included two employees who have reached 30-year milestones and two who have reached 40 years. This tenure builds a strong foundation for us to continue serving our customer-owners into the future, a mission all our employees are committed to delivering.

Farm Credit has been delivering on this mission from its inception, and in 2016 we'll be celebrating 100 years of providing reliable and consistent financing to our customer-owners. FCV will be recognizing this 100th anniversary with a range of events and activities, including customer appreciation events, community service projects and youth interaction activities. We look forward to celebrating our centennial milestone with you throughout next year, and to continuing to provide the financial services you need to thrive. ∞

# Farm Credit 100

**Farm Credit supports rural communities and agriculture with reliable and consistent credit today and tomorrow.**

**T**his focus on agriculture and rural America is the reason Farm Credit was established nearly 100 years ago, and we've been delivering on that mission ever since—helping fund America's food, fuel and fiber and supporting the thriving rural communities America's farmers call home.

While we have a national footprint serving all 50 states and Puerto Rico, our lenders are local – each locally owned and operated Farm Credit organizations provide services in the communities where they live and work. Farm Credit organizations are member-owned cooperatives and have a deep understanding of agriculture in their area.

This expertise enables them to understand the industry sectors they finance and provide an unparalleled level of knowledge and service to their borrower-owners.

Combined, Farm Credit organizations provide more than \$217 billion in loans, leases, and related services, which is more than a third of the credit needed by U.S. agriculture. This capital helps nearly 500,000 borrower-owners succeed and grow, today and tomorrow.

Throughout Farm Credit's centennial year, we'll be celebrating our historic milestone through several activities that demonstrate our commitment to rural America today and

tomorrow with 'Fresh Perspectives' and 'First Person.' Farm Credit 100 Fresh Perspectives is a search for 100 people who are changing the future of agriculture. Farm Credit First Person shares the impact that Farm Credit has had on our borrower-owners. Join us for a look back at our history through our timeline and help us look forward to the future of Farm Credit's support of agriculture and rural America by following our calendar of events.

For more information about Farm Credit 100 Fresh Perspectives and Farm Credit First Person, visit [www.FarmCredit100.com](http://www.FarmCredit100.com). To subscribe to the Farm Credit 100 blog, visit <http://www.farmcredit100.com/subscribe>.



President Woodrow Wilson signed the Federal Farm Loan Act on July 17, 1916. Although Congress had produced several rounds of rural credits legislation, President Wilson held out for a version with no direct government involvement.

# Director Election Results

The results are in and we are excited to announce that Charles (Chuck) E. Horn, Charles B. Leech and John E. Wells, all incumbents, have been re-elected to serve for another four year term. Congratulations to these three respected directors!



**Chuck E. Horn, Jr.**

**Charles (Chuck) E. Horn, Jr.** (incumbent) of Mt. Solon, Va. operates Delta Springs Farm, Inc. along with his wife, Jill and their two children, Olivia and Joe, and his parents. The main focus of the farm is the beef and poultry operations; however, the grain business is growing steadily with the increased demand from the poultry industry in the Shenandoah Valley. Their commercial beef operation runs 100 cow/calf pairs and 150 replacement heifers. The farming operation utilizes AI breeding along with purebred Angus bulls with a low birth weight in order to add value to the replacement heifers. The 600 head annually. Mr. Horn has been in the poultry business for 28 years



**Charles B. Leech**

**Charles B. Leech IV** (incumbent) of Lexington, Va., is a second generation Farm Credit borrower and has been farming his entire life. What was a beef cattle farm when he was a child became a dairy farm in 1968. Today, Mr. Leech is President of Ingleside Dairy Farm, Inc. The farm, with approximately 850 acres, currently has a total of 800 head of dairy cattle. Mr. Leech, his wife and children, also rent another 800 acres. Crops raised to feed



**John E. Wells**

**John E. Wells** (incumbent) of Palestine, W.Va., is a beef producer and owns Wells Farm, a 672 acre, Angus cow/calf operation. He is a business administration graduate of Glenville State College. Mr. Wells spent six years as a Farm Credit loan officer in Ripley, W.Va., before returning to the family farm full time in 1978. He has served as a director of Farm Credit for 28 years, first with West Virginia Farm Credit and now with Farm Credit of the Virginias; and is presently a Director of AgFirst Farm Credit Council. He has served as chairman of the Board of Farm Credit of the Virginias. Additionally, he

raising both turkeys and broilers. The Horns currently produce 1.8 million broilers annually for George's Foods. As a part of the poultry industry, Mr. Horn served on the Virginia Poultry Federation Board for seven years. He has also served on the FSA County Committee for six years. Mr. Horn feels that being part of a cooperative is what helps to keep agriculture strong and he is currently serving as chairman of the Augusta Petroleum Cooperative Board, which is part of Southern States Cooperative. Mr. Horn has various activities outside of the farm which consist of two civic organizations. He has been a member of the North River Ruritan Club for 26 years and he and his wife started the North River Cloverbuds 4-H program to help kids ages 5 to 8 learn about agriculture. The family attends the Bridgewater Church of the Brethren where Mr. Horn serves on various boards and commissions. Mr. Horn is a Blue Ridge College graduate with a degree in Animal Science. Mr. Horn has been a Farm Credit of the Virginias director since 2015.

the cows include corn, alfalfa, and small grains. Mr. Leech and his wife, Linda, graduated from Virginia Tech in 1978, both with B.S. degrees in Dairy Science, and their adult children, Beau and Jennifer, also graduated from Virginia Tech with B.S. degrees in Dairy Science and all are employed full time on Ingleside Dairy Farm. Mr. Leech is the chairman of the Board of Directors of the Rockbridge Farmers Coop, a director of the Virginia State Dairyman's Association, and a member and past Deacon of Oxford Presbyterian Church. He has been a Farm Credit of the Virginias director since 2004 and currently serves as chairman of the Board.

has served as chairman of the CAP, Audit and Executive Committees. Mr. Wells is a third generation Farm Credit borrower. Mr. Wells has served as a county commissioner for Wirt County and is currently vice president of the Jackson County Calf Pool Cooperative and a member of the Board of Directors of the Wirt County Group, LLC. He is a member of the West Virginia Cattlemen's Association, the Wirt County Farm Bureau and is a member and trustee of Pisgah United Methodist Church. Mr. Wells and his wife, Patsy, have a son and daughter-in-law and two grandchildren who also reside on the farm.

Mr. Wells strongly believes in the cooperative principle and will continue to support the patronage refund distribution to the stockholders.



# Call to Serve

**A**re you interested in getting more involved with your cooperative? Yes? Well read on. Each year the Farm Credit of the Virginias holds elections for its Directors and the Nominating Committee. As you probably noticed, the results of the recent elections are presented in this issue of the Leader.

Annually, the Association holds elections for director positions. The Board of Directors is responsible for the oversight and conduct of the Association's affairs. The Board determines the strategic direction for the Association, formulates policies, provides supervision, and promotes the Association's welfare. Directors serve a 4-year term. In 2016, four director seats will be up for elections. Potential director candidates will be selected from the following counties:

**Seat 1** – Paul M. House, Incumbent Director: Arlington, Fairfax, Fauquier, Loudoun, Prince William and Stafford Counties, Va.

**Seat 4** – Joseph W. Wampler, Incumbent Director: Greene and Rockingham Counties, Va.. Mr. Wampler will not be able to seek re-election due to the Association's Bylaw's age requirement.

**Seat 8** – Barry W. Shelor, Incumbent Director: Carroll, Floyd, Franklin, Henry and Patrick Counties, Va.

**Seat 9** – Alfred W. Stephens, Jr., Incumbent Director: Bland, Craig, Giles, Montgomery, Pulaski, Roanoke and Wythe Counties, Va. and Mercer, Monroe, Raleigh and Summer Counties, W.Va.

Also annually, members are elected to serve on the Nominating Committee. This committee is responsible for selecting a slate of candidates for the next year's elections. The Nominating Committee that is elected in 2016 will be looking at director candidates for 2017. Nominating Committee members serve a one-year term. In 2016, potential nominating committee candidates will be selected from the following counties:

**Seat 7** – Donald W. Reese, Incumbent Director: Halifax and Pittsylvania Counties, Va.

**Seat 12** – Ronald L. Bennett, Incumbent Director: Alleghany, Bath and Highland Counties, Va. and Braxton, Clay, Fayette, Greenbrier, Lewis, Nicholas, Pocahontas, Randolph, Tucker, Upshur and Webster Counties, W.Va.

**Seat 14** – James F. Kinsey, Incumbent Director: Barbour, Harrison, Marion, Monongalia, Preston, Taylor and Wetzel Counties, W.Va. and Garrett County, Md.

**Seat 15** – Donna M. Brooke-Alt, Incumbent Director: Grant, Hampshire, Hardy, Mineral and Pendleton Counties, W.Va. and Allegany County, Md.

If you are interested in serving on either the Board of Directors or the Nominating Committee, please contact your local branch office or Carolyn Hite, Corporate Secretary, at 540-886-3435, extension 5015 or by e-mail at [chite@fcvirginias.com](mailto:chite@fcvirginias.com).



# The Millennials Are Coming

By: Dr. David M. Kohl

**D**o not mistake the title of this article for a likeness to Paul Revere's long ago call to arms. Nevertheless, a major wave of change in population demographics is coming. This change will impact the workplace, as well as consumer, political and social trends. From the corporate board rooms to small towns in America, the millennial generation (18 to 34 years of age) commands considerable attention and rightfully so.

A recent poll on CNBC, the business channel, finds that 75 percent of the workforce will be millennials by the year 2025. Millennials now exceed the population of those born between 1946 and 1964 known as the baby boomers. Additionally, as the senior generation, the baby boomers' death rate will begin to accelerate over the next decade.

The fact that the millennial generation is now the world's largest segment of the population makes examination of this group extremely pertinent. According to a recent Business Insider article, 30 percent live at home with parents or grandparents. They are delaying marriage by about a decade and waiting longer to have children. Many of this generation are saddled with high credit card debt along with college and university debt, measuring over 1.3 trillion dollars.

Undoubtedly, finances play a large role in the aforementioned statistics. The millennials use online networks to research purchasing decisions and in fact, make most of their purchases online. This generation is also known to exercise more, eat better and smoke less.

Today, members of the millennial generation have in some places already assumed leadership in agriculture's family businesses or are employed in lending or agribusiness. A millennial could be your business consultant. Their presence is significant in today's workplace. Therefore, it is important to ask what factors motivate this segment of the population base.

Having grown up with technology, gaming and quick information, this group expects constant feedback and recognition. This segment of the population wants access to the latest innovations and seeks a business or an opportunity that can offer such technology. The agriculture industry continues to utilize more technology of all types which really creates great opportunity with this generation. Some of the leading agriculture managers from the senior generation relish the opportunity to work side-by-side with the younger generation to experience new technology and strategies, energize the business, and move forward.

Recently, a study was commissioned by Elance-ODesk and Millennial Branding entitled, "The 2015 Millennial Majority Workforce." This study found that as a group, the millennials are very concerned about the balance between work and life. This is in contrast to the veteran and baby boomer generations who lived to work. The millennials work to live and seek situations of good work-life balance. However, while working, millennials want to make a difference and engage in meaningful projects. They enjoy flexibility in their work and time. They do well in a collaborative work environment but despite significant social interfacing, most prefer to work individually as opposed to team work. Millennials like an overall entrepreneurial spirit. Work culture is important; especially to the millennial generation. Specifically, the people with which they work matter a great deal even if working on an individual basis. Salary and earning potential while still important ranked at a lower priority when compared to the previous generations of baby boomers and veterans.

The commissioned study also found a good mentor or manager was high on the priority list for many millennials. They seek education and training and are quite open to

CONTINUED ON PAGE 22



*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



Farm Management  
Institute

You're Invited

## Family and Business Affairs Matter

What an exciting time to be involved in agriculture! Join us for the 2016 Farm Management Institute that will be held in the Farm Credit footprint. This year's content and lecture will be relevant to lifelong learners, including young farmers, potential young farmers, parents, students and those continuing or expanding their farming operations. Dr. Dave Kohl and Dr. Alex White will provide insight, materials and techniques to enhance your growth and success in agriculture.

Attend this institute of lifelong learning to become  
reenergized for the new year and beyond.

## Dates and Locations

Thursday, February 18, 2016  
*Culpeper, Va.*

Thursday, March 3, 2016  
*Wytheville, Va.*

Monday, April 4, 2016  
*Moorefield, W.Va.*

**There is NO cost to attend!**

For more information about the Farm Management  
Institute, please call your local branch office or

**800-919-3276**



FARM CREDIT





# Harmony Harvest

By Ryan Tipps

A flower farm conjures images of acres of beautiful blooms that overwhelm a visitor's senses with color and fragrance.

However, at Harmony Harvest farm it's something far greater than that. Flowers are grown, harvested and sold in a family setting where love and laughter nurtures each bloom. Jessica Hall oversees the farm in Weyers Cave, Virginia, with her husband, Brian.

What is noticeable during a visit to Harmony Harvest is the effort Jessica and Brian put into their craft and the connection that they foster with their customers. Their flowers offer a personal touch to events and to private moments, associating the farm intimately to some of the most emotional moments in a person's life: a marriage, the birth of a child, and other special occasions.

"We're all about local flowers, we're all about our customers, we're all about having people connect directly with the farm via our blog and social media," Jessica said. "But people also really like that we're such a family-run enterprise."

The United States has fewer than 1,000 cut-flower farms, and the three acres used for growing put Harmony Harvest in the top five percent in the nation in terms of scale. Most flowers sold in retail stores are imported from



countries such as Colombia or Ecuador, and the mass quantities needed for that demand limit the varieties available.

Harmony Harvest, located on 20 acres in the Shenandoah Valley, grows more than 200 varieties of flowers. Jessica and Brian, who both attended Virginia Tech and studied horticulture, moved to their farm four years ago and are wrapping up their third season of production.

"Our love story started with flowers," Jessica likes to say.

The couple partnered with Jessica's parents, Martin and Chris Auville, to start the operation. The Auilles own a farm only a couple of miles away from the Halls and have ties to Farm Credit that go back decades.

## An Idea That Bloomed

The epiphany for a flower farm came while Jessica and her mother were sitting on a beach.

"Where do florists get their flowers?," Chris asked almost innocently at the time.

From that point, Jessica was hooked on the idea. Utilizing previous career connections and pulling from all resources available, the Halls worked to create a business plan for a very unique farming enterprise.

The farm started with just one acre of production but has since grown to three, with room still to expand. There are two high tunnels and a greenhouse on the property, and the list of varieties is extensive, from the common garden zinnia to cotton to many others most people have never heard of.

"We look for those different things that people don't normally have access to," Jessica said. "It's really a passion that we have for growing beautiful and intriguing flowers, and then educating our customers."

They market using their website, social media, and their blog—anything that will help in building a connection with the end consumers.

Family has always been the backbone of the farm's success. Jessica and Brian have four children, including twins born in October. The older children help out on the property, making it three generations of family members doing their part. Jessica plants, harvests and does all the design work exclusively; Brian does farm



maintenance, fertilization, and irrigation; Chris runs the business side of things; and Martin is involved with the bigger projects. The older kids get their hands dirty weeding and doing other odd jobs.

Among the most lucrative components of the business are the floral designs that Jessica creates.



“She has always been artistic; we just never knew how to channel it until now,” Chris said.

Jessica makes bouquets for events, using an array of materials for her exquisite creations. She works closely with her customers to personalize the approach of the arrangements. The farm did floral designs for 30 weddings in 2015.

“We tell brides, ‘It couldn’t get more personal,’” Jessica said. “We have people who book us far enough out that we custom-grow just for their wedding. They think that’s really neat that they can come out and pick specific plants, knowing then that they’ll be grown just for them.”

She said the farm’s goal is to educate people about the range of choices available, to show them flowers that they’ve never before encountered. Jessica prefers to talk to a bride about color and style and texture, but wants final control of the specific floral choices.

“I’m going to give you that texture, that color, that feel, that look, that theme that you’re going for, but I’m going to use stuff that you don’t know to use,” Jessica said. “It’s like commissioning an artist. Let me do art for you on that special day, and I promise them that it will look nothing like anybody else’s,



which make the flowers one of their favorite parts of the wedding.”

The design side of the business lets Jessica and Brian see their flowers through all stages — from the origins as a seed to the point where the petals are taken down the aisle. That range helps to set the farm apart.

“It’s a complete story,” Jessica said.

## The Family Business

The Auvilles bought a house through Farm Credit when they were first married many years ago. Martin has long been debt-averse, and for that reason, he didn’t have any credit when the couple first wanted to build. Banks turned them down for loans because of that lack of financial history.

Farm Credit approved the Auvilles within 24 hours. Throughout the years, Chris says that Farm Credit has always trusted their work ethic and their value, even after Martin lost his job for a short time.

“I’m a kid watching this relationship being cultivated,” Jessica said. “Farm Credit stood behind my parents regardless. You work hard, and you pay your bills. Farm Credit stayed with them when things were tough.”

She added, “They always used Farm Credit, so we always used Farm Credit.”

Farm Credit helped with the loans for both the property and the Harmony Harvest farming operation. Jessica and Brian wrote their business plan through the Farm Credit Ag Biz Planner and have gotten to know the local loan officers over the years.

“I would invite any of them into my home to sit down and have dinner with my family. It feels like they are a part of our family business,” Jessica said.

Harmony Harvest is making financial strides every year. In 2015, for the first time, the Halls hired employees for the farm — as many as five were on hand to work during the primary growing season from June through the first of October. The Halls are members of the Association of Specialty Cut Flower Growers and admit that still being a young farm means that there is a lot that they are still learning.

But they’re definitely headed in the right direction.

For the 2016 growing season, they have been approved by Whole Foods and Martin’s grocery stores to sell bouquets in nearby locations. In the fields, they are perfecting their efforts at rotational and companion planting, as well as the use of cover crops.

“We really have taken the whole ‘buy local’ movement and used that to our advantage to help make it a complete story,” Jessica said. “It’s not just about food but also about the centerpiece that you’re setting on your table.”

For them, it’s a dream job. The business draws the family together, and the serenity of the setting is an ideal place for children to grow up.

“It’s so nice to walk outside in the morning and see the sun coming up over the mountains,” Jessica said. “I see nothing but farmland. This is my office.” ∞



# Farm Credit of the Virginias Employee Anniversary Celebration

By Ryan Tipps

**E**mployees who help make up the foundation of Farm Credit of the Virginias were honored for their years of service September 23 during a luncheon in Roanoke, Virginia.

The Employee Milestone Celebration at The Hotel Roanoke & Conference Center was a tribute to 28 employees who foster the organization's community-centric approach and who create a personal connection with customers. They are hard-working, dedicated, and innovative -- all of which shines through in their roles as lenders and support personnel in the agricultural industry.

CEO Dave Lawrence, who handed out gifts to those celebrating milestone anniversaries, initiated the annual event five years ago as a personal show of gratitude to the staff, as well as to help people within the organization connect with their colleagues face-to-face. The people honored have helped to foster the unity of the Farm Credit team and reinforce the kind of respect and inclusiveness typically seen among family members.

In all, employees with a combined 440 years of experience were honored.

"We've figured out how to bring the past and the future together to bring strength" to Farm Credit, Lawrence said in his presentation. "That's been a key to our success."

Lawrence noted, particularly, how workers who have been with Farm Credit for 30 and 40 years were the "go-to" people as the organization grew and developed. Their value has gone far beyond what words can adequately express.

"They helped build a wonderful foundation that we are now building upon," Lawrence said.

The CEO also credited their stability and institutional knowledge while saying he treasured the new energy and ideas of younger employees. He said both generations work hard to carry on Farm Credit's traditions and help the organization adapt to serve its changing customer base.

In the coming years, he said, "The opportunities for Farm Credit are very bright."

## Those celebrating anniversaries were:

### 5 years

Sitting from the left: Blair Anderson, Elsa Southard and Ashley Shiflet

Standing: Tammy O'Roark and Brian Taylor

### 10 years

Sitting from the left: Ashlie Howell, Linda Whitmer, Missy McMillion, and Kathy Stewart

Standing from the left: Ryan White, Paul Eberly, JT Anderson and David Wise (Sarah Gibson not pictured)

### 15 years

Sitting from the left: Stacy Keplinger, Vanessa Brown and Cathy Crews

Standing: Rodney Dellis and Dewey Brown

### 20 years

From the left: Laura Staley, Susie Johnson and John Brickley

### 25 years

From the left: Tim Long and David Sauer

### 30 years

Teresa Harris (Dave Walker not pictured)

### 40 years

Donna Mendez and Pam Bennett



5 Years of Service



10 Years of Service





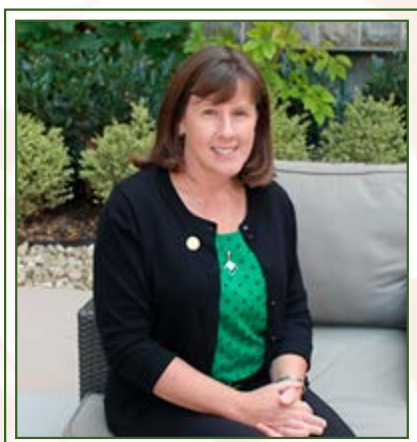
15 Years of Service



20 Years of Service




25 Years of Service



30 Years of Service



40 Years of Service



**2016 VCA ANNUAL WINTER MEETINGS**

*All meetings start at 4 p.m. with supper included*

*January 18th - Barboursville Fire Hall in Barboursville, VA*

*January 19th - Blue Ridge Community College in Staunton, VA*

*January 20th - Old Dominion Ag Center in Chatham, VA*

*January 21th - Washington County Fair Grounds in Abingdon, VA*

**For more information please contact the  
Virginia Cattlemen's Association Office at 540-992-1009**

**SAVE THE DATE**

**7/8/2016**

**Virginia Cattlemen's Association  
Annual Meeting & Convention**

**McCormick Farm  
Raphine VA**







# FARM CREDIT Knowledge Center



**N**ovember was a very busy month. The Farm Credit Knowledge Center team, in conjunction with industry partners, continues to focus on providing information and educational resources to those interested in the many facets of agriculture.

The month began with a Precision Agriculture and GIS workshop in Fauquier County. Participants enjoyed a great meal and had a chance to network before the workshop began with a brief presentation from the Fauquier County GIS Director Drew Fioranelli. He shared information that is available on the GIS site and ways that it can be of benefit to producers. This was followed by a presentation by Tim Woodward of Tellus Agronomics on the many precision agriculture technologies available and how they can be used together to increase efficiency, decrease expenses and improve the bottom line for producers. Woodward emphasized that there is a lot of data available to help in making decisions, and it is important to make sure that the data is interpreted accurately to get the most return on investment. Following Woodward's presentation, a panel of local producers discussed different precision agriculture technologies that they currently use and how it has benefitted them. They concluded

by fielding questions from the audience. The evening provided an opportunity for producers to learn more about precision agriculture from industry experts in a relaxed and informal setting.



**Attendees at the Chatham FMI had a great time!**

Later that same week, a Farm Management Institute was held in Chatham at the Olde Dominion Agriculture Complex. This all day workshop had previously been scheduled for March of 2015, but due to inclement weather, it was rescheduled for the fall. A group of more than 50 participants, ranging from high school FFA members to seasoned farmers, came to listen to Dr. Dave Kohl and Dr. Alex White. The dynamic duo discussed trends in agriculture as well as considerations for transitioning or maintaining a farm business. The day included an interactive portion where participants split into two different

groups by age to provide different perspectives based on experience.

The following week, nearly 100 producers attended an evening workshop in Chatham on Water Systems and Fencing Cost Share opportunities. This workshop was held in partnership with local Soil and Water Conservation Districts, Gallagher Fencing and Will Roberts, a past Ag Biz participant who also owns Rawhide Fencing and Sta-Bull Livestock Equipment. The presenters covered different options available to producers on installing stream fencing, interior fencing and alternative water sources for livestock. At the end of the evening, Roberts generously donated a 10 foot gate for one of the door prizes that participants could win.

The month concluded with a Hops Production Workshop held in Lovingston at the Nelson Center. As microbreweries expand in popularity throughout Central Virginia, the interest in producing hops has also increased. This evening workshop, done in partnership with Virginia Cooperative Extension, included presentations from Laura Siegle and Stan Driver. These two industry experts gave an overview of the production and marketing of hops, trellis management and the industry resources available to assist producers.

The Farm Credit Knowledge Center is proud to offer such a variety of workshops for farmers throughout the Farm Credit of the Virginia's footprint. We look forward to continuing these partnerships to assist and benefit agricultural producers in 2016. Be sure to visit the Knowledge Center website at [www.farmcredithnowledgecenter.com](http://www.farmcredithnowledgecenter.com) and check the calendar for more upcoming workshops like these! ∞





# CAP News

(Communications Advocacy Program)

**F**arm Credit employees and the Board of Directors strive to build strong relationships with members of Congress and their districts that fall into our footprint. This enables Congress to stay aware of the needs of the agriculture industry, farming and the rural communities. These relationships are built by attending certain events such as the ones listed below.

## September



**September 8:** Matt Lohr, Director of the Knowledge Center, and Bette Brand, Chief Sales Officer, participated in a tour of the Shenandoah Valley Produce Auction with Virginia First Lady Dorothy McAuliffe and talked about their partnership between the Produce Auction, Farm Credit and the local food hub.



From the left: Matt Lohr, Director of the Farm Credit Knowledge Center, Virginia First Lady Dorothy McAuliffe and Chief of Sales Officer, Bette Brand stopped for a quick picture while touring the Shenandoah Valley Produce Auction in September.



**September 29:** Matt Lohr participated in a reception with Senator Tim Kaine in Washington, D.C.

## October

**October 12:** Farm Credit Sponsored the Virginia Agribusiness Council's Annual meeting and Bette Brand participated in the state legislative policy development meeting.



## November

**November 9:** Loan officer Adam Davis met with Congressman Robert Hurt and announced patronage paid to Farm Credit customers in his district.



Congressman Robert Hurt meets with Adam Davis, loan officer in Halifax, and Colonial ACA Director and local farmer Bobby Jones at the Farm Credit office in Farmville, Virginia.

# Community Service

In honor of Farm Credit's 100th Anniversary, each branch within our association will gear their Community Service project toward the '100' theme. We have asked that each branch commit to a community service project to be completed over the next year, which ties into our theme. The project can involve any organization that the branch chooses. For example, a branch could partner with their local food bank and set a goal of donating 100 pounds of fresh produce or commit to donating 100 books to a local school. This allows us to celebrate this milestone while continuing to make a difference in the lives of many!

Here are a few examples of what some branches will be doing in 2016!

- Collecting food for local food bank
- Winter coat drive
- Toy drive
- Meal preparation and delivery for the needy

And much more!

Be on the look out for community service updates in the spring edition of the *Leader* magazine in 2016. ☞

**2016 COMMUNITY SERVICE CONTRACT**  
**\$100 FOR 100**

**FARM CREDIT 100**  
ESTABLISHED 1916

1. Branch name: \_\_\_\_\_

2. Name of the organization your branch will be working with: \_\_\_\_\_

3. Describe the goal that has been established that ties to the \$100 for 100 theme: \_\_\_\_\_

4. Branch Member Signatures: \_\_\_\_\_

**\$100 FOR 100 IDEAS:**

- 100 cans of food for a food drive
- 100 pints of blood at a blood drive
- 100 toys for Toys 4 Tots
- 100 donations received for a walk/run
- 100 books collected for a local school/daycare
- 100 shoes for Soles4Souls
- 100% participation in a walk/run.
- 100% participation in Angel tree adoption
- 100 hours of service for branch
- 100 meals donated to Ronald McDonald house
- 100 tickets sold for a raffle to support a local organization

**FARM CREDIT Country Mortgages**

## What additional community service efforts have been taking place?



Cheyenne Rhodes, Generalist from the Harrisonburg, Va., office, helped the local Young Farmers organization scoop ice cream.



Maria Martinez, Generalist from the Staunton, Va., office, assisted as a Spanish Interpreter at Harrisonburg High School.



Teresa Karst, Branch Manager in Ripley, W.Va., volunteered at the Jackson County Community Foundation Benefit.



# Invest, Mentor and Educate

**F**or the past century, Farm Credit has been partnering with farmers to help them develop and implement their dreams. Cultivating relationships, providing business solutions, and thinking outside the box have all been a key part of our success over the years. As the agricultural industry continues to evolve and we begin focusing on our next 100 years, we remain just as committed to serving the next generation of producers.

Almost two years ago, Farm Credit of the Virginias began looking at ways to better reach and serve beginning, small, minority and veteran farmers. As the average age for farmers today approaches 60, we understand the importance of having a new and diverse group of farmers willing to enter this profession. After many months of research, an exciting new program called FarmLaunch was created to be a resource to these farmers. With the words Invest, Mentor and Educate serving as its foundation, Farm Credit of the Virginias stands ready to partner in launching these creative new business ventures.

For many wanting to enter a farming enterprise, securing the proper credit has been a challenge. Undeveloped credit scores, minimal collateral and limited business knowledge can stand as major barriers. FarmLaunch was created as a “second chance” when traditional financing wasn’t an option. Our loan officers shared numerous stories of those beginning farmers who had past work experience, strong character, community involvement and outstanding references willing to stand behind them.

Unfortunately due to low credit scores or poor capacity, they had to be turned down for a loan. This program aims to take those farmers who fail to qualify under traditional underwriting and turn their dreams into a reality. It also gives special consideration for those individuals who have and are still serving in the armed forces.

Besides being eligible for non real estate loans up to \$50,000 with a five year payback, the program also comes with a loan officer mentor who is willing to invest time and efforts into their operation. This personal resource will be an invaluable asset to those needing some guidance along the way. The Knowledge Center, which serves as the educational hub within Farm Credit of the Virginias, stands ready to provide information and training to strengthen these business plans. The combination of financing, mentoring and educational opportunities makes for a unique program to launch the dreams of this next generation.

For additional information, interested applicants can check out the Knowledge Center website at [www.farmcreditknowledgecenter.com](http://www.farmcreditknowledgecenter.com). They can also call 800-919-FARM (3276) or stop by any of our branch offices and speak to a loan officer about the program details. Our board of directors has endorsed this new program and is excited to see how our association can assist new producers in building a successful future in farming. As we celebrate our 100th anniversary next summer, we eagerly seek innovative ideas to ensure that we will be around to serve for 100 more. ❧





**Keith Bohrer**  
Spring Gap Farm, Hampshire County, W.Va.

**M**y name is Keith Bohrer and I live on Spring Gap Farm in Hampshire County, West Virginia. My father, Greg, and I are the fourth and fifth generations owning and operating Spring Gap Farm. Our farm has always been primarily a beef cattle operation. We are diversifying into other areas of agriculture. I recently purchased some Katahdin hair sheep and have started raising Hampshire & Berkshire hogs for pork sales at our family's convenience store. We also grow corn and small grains for making feed and selling for fall decorations.

### What type of operation or business are you involved in?

In September 2014, my family opened a hardware store in nearby Augusta, West Virginia called HomeTown Solutions. We sell plumbing and electrical supplies, lawn and garden supplies, paint and sundries,

hardware, fasteners, pellet and wood burning stoves, appliances, and much more. The store provides Hampshire County's residents a place to purchase hardware products and avoid the 45 minute drives to bigger areas. Thus far, the business is exceeding our expectations and has been blessed by the support of our local community.

### What has been your biggest obstacle?

Time management has been my biggest obstacle to this point. It's difficult dividing time between a new business and the existing farm. Maintaining the work versus family and friends balance can be challenging at times, but proves to be rewarding.

### What has been your greatest accomplishment?

Opening a new business and being self-employed is my greatest accomplishment, which could never have happened without

the assistance and support of my family and our great team of employees.

### What is your ultimate goal?

My ultimate goal is to complete the link between our farming operation to our retail businesses. One day, I hope to see Spring Gap Farm's beef and pork sold at our restaurant and convenience store (two other businesses operated by family) as well as straw, pumpkins, and possibly even Christmas trees grown on our farm and sold at our hardware store. The process has been initiated, but I imagine it will take years of hard work to reach this goal.

### What have been your keys to success?

A few key things that have helped me so far ... Realizing that all blessings come from God and in agriculture we see the most literal meaning of Galatians 6 "you reap what you sow." Complete commitment to your business





and your dream, and working extra hard to achieve it, is the only way it can ever come true. I enjoy the work I do every day and look forward to the next.

### **What youth organizations were you a part of growing up? Did they help shape who you are today?**

Growing up I was an active member in 4-H, FFA, and my church youth group. Being a part of these groups helped me learn to communicate with the people I'm working with both colleagues and customers. My experiences have also taught me to look ahead and take steps now to better prepare for the future.

### **How did you become aware of Farm Credit?**

I attended a Hampshire County Farm Bureau dinner a few years back. The local Farm Credit loan officer was there explaining Farm Credit's history, services, and company information. This was the first time I heard about Farm Credit, and went into the office a few days later to talk about how we could work together.

### **How would you explain your relationship with Farm Credit?**

Farm Credit has been a great partner in my early years as a farmer and entrepreneur. The entire Farm Credit team has helped me at different times with things such as, financial paperwork, business plans, agricultural

seminars, as well as loaning money for agriculture and residential purposes.

### **What was your experience like with the AgBiz Planner?**

The AgBiz Planner program was a great tool to help me figure out the financials of our farm. Meeting other young farmers and talking about our operations was the most enjoyable part of the program. It's not very often that I get to compare notes with other young people from different areas and talk about what works and what is challenging. I would recommend any farmer, no matter their experience, to take part in the program. It's a great tool to help better prepare ourselves in the changing world of agriculture. ∞



# Evaluating Farm Financial Health: How Understanding Your Balance Sheet Can Put More Money in Your Pocket

By: David Cuddy, Commercial Ag Loan Officer, Farm Credit of the Virginias



David Cuddy

**A**s you may recall from the fall edition of the *Leader*, when I last visited with you, we went over the highlights of putting together a basic

financial statement for your farming operation. While admittedly, the process of collecting and putting together this statement can be somewhat less than enjoyable for most, the information it can unlock can be very valuable in terms of improving your profitability.

The world and our lives seem to get more hectic every day. You'd think, with all the technology we have today, we'd be looking for something to do, rather than constantly struggling to keep up. But for most of us, it seems there is less and less time in a day and more and more things in need of our attention. It's hard to keep up with the things you have to do and next to impossible to do the things you need to do or would like to do. Believe me, I get it. I'm right there with you. And with everything on our plates, finding time to sit down and crunch numbers just never seems to make it to the top of our "to do" list. It's one of those "I need to" things that just never seem to get done. For a lot of us, a shoebox full of receipts or stack of papers on the dash board is about all of the financial record keeping and analysis we can seem to manage.

But with just a small investment of time here and there, you can turn that pile of receipts into some very useful information. Let's take a

look at a handful of tools that with a relatively small investment of time and effort, could pay some significant dividends for you and your operation. Hopefully, you took a few minutes to put together the basic financial statement we talked about last time. Admittedly, it's been a couple of months, so you may need to update a few things to make sure it's current, but this statement provides some very valuable insight into determining the financial health of your operation and will be the source of information for the two financial ratios we'll discuss through the rest of this article.

As a lender, there are several important indicators I look at to evaluate the health of an operation. Using the financial statement, one of the most obvious of these is Debt/Asset ratio. You can find this ratio by simply dividing your total debt by total assets, just as the name implies. This ratio is an indicator of Leverage or equity. From a common sense standpoint, I'm sure most of us understand what leverage is. The longer the handle on the wrench, the easier that rusty bolt is to turn. Leverage is what lets you pick up a roll of hay with your front end loader or makes a see-saw go up and down. And the same analogy applies to finance. The more leverage you have, the stronger your financial position and the "healthier" your operation is. As a lender, your debt/asset ratio tells me how long the handle is on your wrench, if you will. Debt/asset ratio is certainly not the only measure of leverage or equity, but for our purposes, it does the job, and is pretty simple to calculate.

Debt/asset ratio indicates what portion of your assets is financed with debt. Obviously, the

less debt you have, the better-off financially you are. This is a ratio where "lower is better"; as debt increases relative to assets (increasing the debt/asset ratio), the handle gets shorter and shorter on the wrench and that bolt is harder and harder to turn. Now that we've established what it is, what's a good number for debt/asset ratio? Like most things, there's no "one-size-fits-all" answer to this question. Younger farmers, those just starting out, and operations in or just out of an expansion will generally, by default, have a higher level of debt relative to assets. Many factors can influence the true implications of a given debt/asset ratio for an operation, but as a general rule if you're debt/asset ratio is 25 – 30% or less, you should be in excellent shape. A ratio of around 30 – 60% is generally acceptable, but obviously, risk increases as the numbers go higher. If debt/asset ratio is above 60 – 65% then you are most likely in the "danger zone" and need to look at making some changes to improve your situation. Again, these are general guidelines, so don't assume that if you're at 60% that you've got nothing to worry about, but they do provide a place to start. To keep things in common sense terms, I'd look at equity as the financial foundation of your operation. If you're going to build a house, you need to start with a good foundation. That foundation will help the house to stand against the storms life throws at your family and we all know about the house built on shifting sands. A strong equity position improves your ability to weather the financial storms that life invariably will bring your way.



A few ways to improve a less-than-desirable debt/asset ratio include:

- Make additional principal payments on debts, where possible/prudent
- Increase operating profits which will allow you to more easily complete the first suggestion
- Avoid unnecessary capital expenditures/purchases
- Control expenses/family living withdrawals and apply savings toward debt payment

The next major factor we'll look at is Liquidity. If equity is the foundation, then liquidity might be looked at as the sill plate, or the anchor that holds the house firmly to the foundation's anchor. In common sense terms, liquidity is a measure of the farm's ability to meet all financial obligations over the next 12 months with cash-on-hand or through the sale of assets that would normally be expected to be converted to cash during that same time period. Current Ratio is calculated by dividing Current Assets/Current Liabilities. We calculated both of these on the farm financial statement. If you missed that installment, though, current assets include cash, market livestock, feed, accounts receivable or any assets that will be sold over the course of the operating cycle to generate cash. Likewise, current liabilities are any debt which must be paid in full over the next 12 months, such as credit accounts with suppliers, operating lines of credit, etc... The resulting ratio (Current Assets/Current Liabilities) is referred to as the Current Ratio. While this is not the only measure of liquidity, it's simple to calculate with the information from the financial statement.

When evaluating Current Ratio, a higher value is better. An operation that has \$100,000 in current assets and \$100,000 in current debts has a 1:1 Current Ratio, meaning they have exactly enough current assets to cover their debt obligations over the next 12 months. An operation that has \$125,000 in current assets and \$100,000 has a current ratio of 1.25:1. It's important to note before we go any further, that to get a truly accurate measure of liquidity, you'd

need to also add in all debt payments on longer term loans over the next 12 months, as well as any deferred tax liability you may be carrying. If these are not added in, then keep in mind that you're overstating your current ratio somewhat.

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## With just a small investment of time here and there, you can turn that pile of receipts into some very useful information.

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Benchmark values for current ratio can vary greatly depending on the type of operation you have. For example, a dairy farm that receives milk checks twice a month can generally tolerate a lower current ratio than a cow/calf operation that only sells calves once per year, simply because the dairy has a more consistent and frequent flow of income. Current ratio can also fluctuate significantly during the course of a year or operating cycle. For example, if you purchase a load of stocker cattle, when they are first turned out, they are generally worth significantly less than they will be in even a couple of months, simply because they will gain weight over time. If you purchased the cattle on credit, then your current ratio will be less desirable when the calves are first turned out, but should improve as the calves gain weight and increase in value.

Rather than giving specific values for determining whether your current ratio is where it should be or not, given the variability in what a "good" current ratio is, let's just say that the higher this ratio is, the better. If you'd like to drill down more on your specific situation, try contacting your lender or extension agent and they should be able to help you determine more precisely where you stand.

Even though there may be more variation in terms of where different types of operations should be in terms of liquidity, it's importance cannot be overstated. Having solid liquidity

provides weathering ability. Like a savings account, strong liquidity provides a safety net or cash reserves to meet unexpected expenses or to make up for shortfalls in operational income. We all know that it's important to have some money put back for a rainy day. Liquidity does that for your operation and reduces your dependence on debt to manage through short term financial difficulty.

If your liquidity isn't where it should be, there are several things you can do to improve the situation, including:

- Make sure that timing of debt payments matches timing of cash-flows (income)
- Look at debt structure to balance operating needs and long term investments/debt reduction
- Look for ways to reduce production costs
- Sell excess or unneeded assets such as unused equipment to generate cash and reduce current debts

With these two ratios, we've laid the groundwork to analyzing the financial health of your operation. If you find yourself in a less-than-desirable position on either or both of these indicators, there's no better time than the present to start thinking about changes you could make to improve your foundation and increase the stability of your financial house.

With the next installment in this series, we'll add in income and expense information to calculate another ratio or two, and then tie it all together to get a picture of overall financial health, as well as ways to improve in areas that may not be quite where they need to be. By including a basic analysis of income and expenses, we can expand on the information we've gathered so far and begin to drill down into some strategies to put more jingle in your pocket.

Until next time, may the rain come when you need it, the sun shine on cut hay and the Good Lord bless each of you. As always, if you have any questions or would like additional information on this discussion, feel free to contact me at [dcuddy@farmercreditofvirginias.com](mailto:dcuddy@farmercreditofvirginias.com) or (276) 628-5191. ∞



# Unclaimed Funds

If your name is listed, we may have funds for you!

Alfaro, Domingo J & Roberta B	Hialeah, FL	Gillenwater, Alvin L & Godsey,	Nickelsville, VA	Peters, Mark & Donita	Gate City, VA
Allessio, Lawrence J & Julia	Salem, WV	Barbara S	Gate City, VA	Phillips, Shane M & Vuncannon,	
Andrick, Jeremy & Pritt, Jason C	Lumberport, WV	Graham, Roy Glen & Carolyn A	New Castle, VA	Keith W	Damascus, VA
Arbogast, William E & John M	Staunton, VA	Gray, James G & Phyllis	Vincent, OH	Price, Joshua P & Danny Ray &	
Arthur, Linwood E Sr & Jeri A	Capon Bridge, WV	Hall, Adam R	Mcgaheysville, VA	Chase, Jennifer A	Wytheville, VA
Atkinson, Mark W	Blue Ridge, VA	Hanes, Roger L & Jean R		Ramsey, Lewis C	Wingina, VA
Baldwin, Dwight F & Anne S	Lewisburg, WV	Harper, Cleddith R & Karen S & Conant,		Rardin, Joshua E	Southside, WV
Barker, Dorian E	Chatham, VA	Arnold B & Pamela J & Easter, Bryan D &		Ratcliff, David B Jr & Hutton,	
Baston, Connie G & Conrad D	French Creek, WV	Rosa M & Smith, Deron L & Debra L	Ripley, WV	Amanda Jean	Damascus, VA
Blevins, Charles Edward Jr	Saltville, VA	Hawkins, Earl Bradford	Culpeper, VA	RBP Litter Service Inc & Fries, Brent L & Sharon M	
Bomar, Christy W	South Boston, VA	Hayes, Kenneth W Jr & Webb,		Harrisonburg, VA	
Bowman, Delmar R, Jr	Marion, VA	Harold L	Ronceverte, WV	Renzelli, William N III	Philippi, WV
Bowman, Evan D	Barboursville, VA	Hess, Kenneth D & Bert &		Rigdon, Gregory K & Ruth A	Lost Creek, WV
Branson, Robert N	Baker, WV	Virginia & Kelli S	Leon, WV	Robinson, Titus & Stansberry, Marcia L	Pennsboro, WV
Brevington, Paul P & Jean R	Catlett, VA	Hicks, Micajah A Jr	Charlottesville, VA	Rumer, Boyd S	Sunset, TX
Byler, Joseph E & Verina J & Ezra I &		Hill, Matthew C	Clinchport, VA	Sanders, Virgie M	Flint Hill, VA
Mary Catherine	Augusta, WV	Hinkle, Darin & David A	Mt Clare, WV	Schell, Wayne S & Owen D & Eileen M & Leecy, Tiffany	
Campbell, Estate of Beulah & Charles, Duty,		Hoffman, George B & Samantha C	Letart, WV	H	Scherr, WV
John E & Campbell, Betty Ann	Bristol, VA	Huff, Anthony C	Floyd, VA	Shifflett, Melvin E	Warrenton, VA
Cannaday, Mark J	Boones Mill, VA	Ingram, Joseph R	Fincastle, VA	Shupe, Gary Eugene Jr	Duffield, VA
Cannaday, Mark J & Nancy J	Boones Mill, VA	Jackson, Gary W & Courtenay B	Charlotte, NC	Sloan, Lonnie R & Nestor, Ruby H	Ferrum, VA
Cantrell, Jeremy K	Duck, WV	Jones, Elmer & Christine B	Gate City, VA	Smith, Albert C Jr	Broad Run, VA
Carpenter, Scott Alan	Weston, WV	Jones, Irene W	South Boston, VA	Spangler, Sharon & Glick, Larry W	Harrisonburg, VA
Carter, Randy Don	Rocky Mount, VA	Keiter, Gabriel C & Anna M	Franklin, WV	Springwood Angus LLC & Meadows,	
Cassell, Roy E Jr & Denise T	Patrick Springs, VA	Keplinger, Naomi M	Petersburg, WV	Andrew W & Katherine E & Entsminger,	
Click, Michael T & Oscar E &		Kerr, Teresa Aldred D & David V	Locust Grove, VA	Harold P & Janet J	Buchanan, VA
Rhonda G & Riley, Angel	Leon, WV	Linkous, Robert B Sr	Thaxton, VA	Stafford, Phillip S & Blankenship,	
Cochran, Robert S	Jane Lew, WV	Knight II, Winston I	Orange, VA	Darren DeWayne Jr	Pearisburg, VA
Cox, Bobby A Jr	Duffield, VA	Lane, Donald Bill	Ft Blackmore, VA	Stapleton, Linda & Glen W	Nickelsville, VA
Daily, William C Jr & Marife M	Peoria, AZ	Linkous, Robert B Sr	Wirtz, VA	Stemple, Lewis W & Nancy E	Belington, WV
Datadeen, Kousilla	Queens Vlg, NY	Martin, Tony L & Angela S &		Steve McGuire Trucking Inc &	
Davis, John L	Salem, WV	Campbell, Donald M	Bedford, VA	McGuire, Steve A	Moneta, VA
Depriest, Charles L II	Williamsburg, WV	Maxey, Thomas L & Lynn C	Callaway, VA	Terry, David Wilmer & Jason B	Rural Retreat, VA
Devillier, William F & Elizabeth R	Charlottesville, VA	Mcateer, Sean P	Frostburg, MD	Thompson, Jennings	West Union, WV
Drozdzowicz, Carla K & Caliendo, Angela M &		McDaniel, Earl F III	South Boston, VA	Throckmorton, Harold H & Bernard	South Boston, VA
Jernick, Susan L & Webb, Maria L	Flemington, NJ	McDowell, A Scott & Clephas, Dawna E	New Castle, VA	Timber & Land Associates Inc & Stewart, Sammy L &	
Dymond, Floyd G	New Port Ritchey, FL	McVey, Gary P & Amanda	Palestine, WV	Rhonda K	Elkview, WV
Eisendrath, Allen	Rockville, MD	McWilliams, Russell J & White,		VanBuren, Brian L	Neola, WV
Emerson, Spencer C Jr & Nichols,		Irvin Dulaney	Barboursville, VA	Varner, William R & Delilah R	Saltville, VA
Bobby L Sr	Chatham, VA	Messick, Jonathan & Jeremy P	Midland, VA	Webb, Donna M	Oak Hill, WV
Evans, Jerald E & Janice J	Salem, WV	Michael, Dale Scott II & Dale S	Keezletown, VA	West, Jarrod W	Ghent, WV
Evers, Mark A & Sara M	Wolcottville, IN	Midkiff, Thomas A & Sandra A	Halifax, VA	Whitlow, Wesley A & Ingram, Nelda	Alton, VA
Farley, Randall & Leta	Jumping Branch, WV	Miller, Leonard C	Spencer, WV	Williams, John D & Church, Steven L	Clinchport, VA
Ferri, Michael R & Michele V	Warrenton, VA	Mooney, Christopher J	Harrisville, WV	Wolfe, Gary D Jr & Sabrina K	Petersburg, WV
Ferris, James E & W E	Thaxton, VA	Moore, Gareth A & Zajac, Anne M	Pembroke, VA	Woodbury, Anthony R	Forestville, CA
Fox, Frank J	Merritt, NC	Morris, Joel & Barbara G	Somerville, VA	Woods, Brandon J & Tracy	Gate City, VA
Garland, John V	Charlottesville, VA	Morris, Stanley T	Mt Nebo, WV	Worsham Cassie V & Vaughan,	
Gaze, Barbara J & Flye, Arthur J Jr	Boston, VA	Nicholson, Thomas L & Haught,		John S	South Boston, VA
Gibbs, Mary I	Sandyville, WV	Vincent G Jr	Rixeyville, VA	Wright, Randolph P & Danny P &	
Gibson, Bryan S	Spencer, WV	Patterson, David E & Sandra J	Clarksburg, WV	Randolph C	Moneta, VA
Giles, Samuel M, II & Giles, Samuel M	Chatham, VA	Pennington, Zachary K	Marion, VA		

Below is a list of unclaimed funds. Unless the funds are claimed, they will be considered forfeited to Farm Credit or sent to the Unclaimed Property Division, depending on state law. Please contact our office at 540-886-3435 or 800-559-1016 ext 0 to inquire about unclaimed property. ∞

## THE MILLENNIALS ARE COMING, CONTINUED FROM PAGE 8

change. In the agriculture sector, several of these individuals are enrolled in the young and beginning farmer and rancher programs. In general, these individuals also tend to be very creative.

Yes, the millennial's are coming; but many are already here at your doorstep ready for the challenge. Interacting with this

group of individuals in schools, classroom, and seminars, I have observed another interesting trend. Many millennials have key business skills required for success in today's technological environment. However, some feel entitled and expect the world owes them a living. Others exhibit excellent work habits as well as a good, "old- fashioned" work ethic.

As always, business owners and managers must be extremely selective in the hiring process. Most importantly, to truly thrive in today's environment, businesses must develop a culture that incorporates the many important factors that motivate this generation. ∞



# Consolidated Balance Sheets

	September 30,		December 31,	
(dollars in thousands)	2015		2014	
	(unaudited)		(audited)	
<b>Assets</b>				
Cash	\$	3,178	\$	6,038
Loans		1,665,425		1,583,241
Allowance for loan losses		(13,941)		(12,465)
Net loans		1,651,484		1,570,776
Loans held for sale		1,671		1,077
Accrued interest receivable		13,133		7,854
Investments in other Farm Credit institutions		23,782		24,613
Premises and equipment, net		8,035		8,092
Other property owned		5,245		2,786
Accounts receivable		9,753		28,685
Other assets		2,661		4,592
Total assets	\$	1,718,942	\$	1,654,513
<b>Liabilities</b>				
Notes payable to AgFirst Farm Credit Bank	\$	1,335,565	\$	1,275,765
Accrued interest payable		3,031		2,809
Patronage refunds payable		158		21,209
Accounts payable		2,197		2,074
Other liabilities		16,372		16,429
Total liabilities		1,357,324		1,318,286
<b>Members' Equity</b>				
Capital stock and participation certificates		13,215		13,159
Retained earnings				
Allocated		92,568		92,568
Unallocated		255,862		230,527
Accumulated other comprehensive income (loss)		(27)	(27)	(27)
Total members' equity		361,618		336,227
Total liabilities and members' equity	\$	1,718,942	\$	1,654,513

# Consolidated Statements of Comprehensive Income

	For the three months ended September 30,			For the nine months ended September 30,		
	2015		2014	2015		2014
(dollars in thousands)						
	(unaudited)					
<b>Interest Income</b>						
Loans	\$	21,362	21,362	\$	63,118	\$ 59,271
Investments		—	—		—	5
Total interest income		21,362	21,362		63,118	59,276
<b>Interest Expense</b>						
Notes payable to AgFirst Farm Credit Bank		9,002	9,002		25,967	23,779
Net interest income		12,360	12,360		37,151	35,497
Provision for loan losses		1,000	1,000		2,000	1,200
Net interest income after provision for loan losses		11,360	11,360		35,151	34,297
<b>Noninterest Income</b>						
Loan fees		125	125		499	471
Fees for financially related services		5	5		19	22
Patronage refunds from other Farm Credit institutions		3,399	3,199		9,444	9,451
Gains (losses) on sales of rural home loans, net		252	252		721	344
Gains (losses) on sales of premises and equipment, net		25	25		34	44
Gains (losses) on other transactions		(34)	(34)		(15)	61
Other noninterest income		10	10		156	150
Total noninterest income		3,782	3,782		10,858	10,543
<b>Noninterest Expense</b>						
Salaries and employee benefits		4,257	4,257		13,191	12,501
Occupancy and equipment		264	264		939	903
Insurance Fund premiums		434	434		1,252	1,081
(Gains) losses on other property owned, net		120	120		340	175
Other operating expenses		1,454	1,454		4,915	4,611
Total noninterest expense		6,529	6,529		20,637	19,271
Income before income taxes		8,613	8,613		25,372	25,569
Provision for income taxes		9	9		37	135
Net income		8,604	8,604		25,335	25,434
Other comprehensive income		—	—		—	—
Comprehensive income	\$	8,604	8,604	\$	25,335	\$ 25,434

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](http://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.farmcreditofvirginias.com](http://www.farmcreditofvirginias.com)



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# Give us Your Best Shot!



## Enter the 2017 Farm Credit of the Virginias Calendar Photo Contest

Here's your chance to take your best shot for the 2017 Farm Credit of the Virginias Calendar Photo Contest and to win a prize! We are looking for images that include anything related to farming, ranching and rural lifestyles. Photo opportunities might include but are not limited to crops, livestock, wildlife, scenery, or farm families and kids.

### Prizes:

**First Place: \$100.00 | Second Place: \$75.00 | Third Place: \$50.00**

### Requirements:

- The contest is open to everyone, including employees, members of Farm Credit of the Virginias and the general public.
- Participants may submit up to three entries. We will not accept more than three entries per person. Submissions can be made by anyone on behalf of the photographer, however, only the photographer will be eligible to win a prize and receive credit in the calendar.
- Only digital photos will be considered. No hardcopy prints will be accepted.
- The preferred orientation is horizontal (landscape). Vertical (portrait) may not be considered due to the calendar format.
- Text or captions on photos, photo composites, resolution-enhanced photos and major image alterations will not be accepted. Photos can be cropped.
- All photo files must be at least 1 MB in size. Photos with original pixel dimensions of at least 2,700 pixels wide and 2,100 pixels tall are ideal.
- No entries will be accepted by email. All entries must be made through the online submission form at [FarmCreditofVirginias.com/photo-contest.html](http://FarmCreditofVirginias.com/photo-contest.html) no later than midnight eastern time, May 31, 2016.
- All photo submissions become the property of Farm Credit of the Virginias. No images will be returned.
- The top 3 photos will be featured in the 2017 Farm Credit of the Virginias Calendar.



Submit your entries at [FarmCreditofVirginias.com/photo-contest.html](http://FarmCreditofVirginias.com/photo-contest.html)

**Hurry! Deadline for entries is May 31, 2016.**

 **FARM CREDIT**  
**Country Mortgages** 