

RURAL LIVING YOUR WAY

LEADER

Farm Credit of the Virginias Winter 2017

Women hold an important role in rural economies and the agricultural industry.
This issue is dedicated to those women who represent our industry well!

Love of Life and Passion for Farming Leads Pre-American Cattle Legacy

Back to the Farm

WV Woman Mixes Family, Farming And Career Successfully



SAVE THE DATE



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

April 5, 2018 | Dayton, 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 guest speaker, Mr. Jason Karszes.

For more information or to sign up, 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 | GMonroe@FCVirginias.com

Completed packets are due no later than March 12.

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



LEADER

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

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Peery Heldreth

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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.



Petersburg Branch Office Change

As of January 1, 2018 the Petersburg, WV location will no longer be open to service our customers except by appointments only. All payments, account questions, and general needs will be handled by the Moorefield office.

Loan officers Andy Cumberland, Trey Keyser and Greg Mitchell will continue to serve the Moorefield, Petersburg and Romney locations.

Below you will find the contact information for the Moorefield office. We look forward to seeing you there soon!

Telephone: 304.538.7334	Address: 550 South Main Street
800.919.3276	P.O. Box 640
Facsimile: 304.538.6534	Moorefield, WV 26836



Holiday Schedule

Our offices will be closed for the following holidays:

Dec. 25 & 26 – Christmas (Monday and Tuesday)

2018:

Jan. 1 – New Year's Day (Monday)

Jan. 15 – Martin Luther King Jr. Birthday (Monday)

May 28 – Memorial Day (Monday)

July 4 – Independence Day (Wednesday)

Sept. 3 – Labor Day (Monday)

Oct. 8 – Company-wide Employee Meeting (Monday)

Nov. 12 – Veterans Day (Monday)

Nov. 22 & 23 – Thanksgiving (Thursday and Friday)

Dec. 24 & 25 – Christmas (Monday and Tuesday)

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Peery Heldreth

Letter from the CEO

As the 2017 agricultural season draws to a close, I'm very pleased to report that, with the continued success of our customer-owners, Farm Credit of the Virginias (FCV) remains well-positioned to continue to meet their needs, today and into the future.

On all financial measures, our cooperative is performing at or above our budget expectations. So far this year, loan volume has increased by 3 percent, a trend we anticipate continuing. Our permanent capital remains strong and above 20 percent, and net income is quite a bit higher than budget compared to this same period last year. This is in part due to loan growth but also because of lower net operating

expenses and lower provision for loan losses as the overall economy strengthens.

The improving economy has also decreased delinquencies to the lowest point we've seen in several years, and our overall credit quality remains favorable and stable. The diversification in FCV's portfolio helps to protect our cooperative from any one, or even several, sectors dramatically impacting our financial position. While the beef industry has had upward, now stable prices, they are still working through losses from the steep downturn just a short time ago. Unfortunately, the dairy sector remains stressed given continued low milk prices and recent projections are not providing any relief.

We are currently projecting FCV to become a \$2 billion institution within a few years. While size itself is not the goal, such growth will position us to continue to provide the capital our customers require in the good times and times of stress, withstand market fluctuations, and invest in our people and programs to better serve our customers.

We are committed to remaining reliable and supportive of agriculture and our rural communities. FCV's financial strength and expertise position us well to support our customer-owners through industry cycles. Your cooperative says it is a dependable lender, working with customers during the good and stressful times. However dependability does not

always mean we can save every operation. We cannot ignore good credit judgment or make credit decisions that are not constructive for the customer-owner or us as a lender. What we will do is continue to work hard with taking steps together.

As part of that investment, the Knowledge Center continues to expand its resources and offerings to benefit our customers. Each year, for example, we offer the AgBiz Planner program to help established producers learn how to better manage the finances of a successful business and to develop a business plan to guide their operations. This year's AgBiz Planner session is up and running, and in early 2018, we'll be launching AgBiz Basics, an on-demand, online course that will allow participants to complete a four-lesson module at their own pace. AgBiz Basics will provide a more introductory education about business planning and financial management skills, at the completion of which participants can decide to enroll in the more in-depth Ag Biz Planner Program.

Even sooner, the Knowledge Center plans to launch QuickBooks for Farmers, a tailored program to enable agricultural producers to capitalize on this powerful tool to streamline and manage their record keeping and financials. QuickBooks for Farmers will also be an online course so our customers can complete their learning at their convenience.

Outside of the Knowledge Center, we continue to support Farm Launch, a specialized financing program for beginning farmers who are unable to secure traditional financing. This program enables us to support these individuals who want to join us in the agricultural industry, but don't have the traditionally required collateral or other financial means.

As a cooperative, FCV has a different mindset than a traditional bank or business and we adhere to certain cooperative principals, including a commitment to our community. This is one reason we introduced Farm Launch: to help members of our community embark on their agricultural dreams. But our commitment

to our communities takes other shapes as well. One example of this is a garden established by our Rocky Mount branch employees on an adjacent lot owned by FCV. Fueled by the passion of these employees, as well as support from FCV and other community organizations, the farm raised 500 pounds of potatoes as its first crop this year, all of which was donated to a local food pantry to help community residents in need. The garden serves as a demonstration that a few dedicated individuals can make a very real difference.

FCV and our dedicated employees are proud to lead these and other initiatives. Each team member is focused on delivering exceptional service to our customers. As I approach the end of my first year as CEO, I also remain impressed by the resilience, commitment and industriousness of you, our customer-owners. ∞



Director Election Results

The ballots have been counted and we are excited to announce that the following individuals have been re-elected to serve as members of our Board of Directors: Ronald L. Bennett, Donna M. Brooke-Alt, Donald W. Reese and James F. Kinsey. ∞



Ronald L. Bennett

(incumbent)

Mr. Bennett operates a dairy farm. He serves on the Alleghany County Farm Bureau Board and on the Virginia Farm Bureau Dairy Advisory Board.



James F. Kinsey

(incumbent)

Mr. Kinsey is owner/manager of Kinsey's Oak Front Farm, a purebred Angus beef operation. He is also a member of the West Virginia Cattlemen's Association, West Virginia Farm Bureau, West Virginia Angus Association and American Angus Association.



Donna M. Brooke-Alt

(incumbent)

Ms. Brooke-Alt is president, co-owner and operator of Brookedale Farms LLC, a greenhouse, sheep and goat operation and agri-tourism operation. She serves on the board of directors for Mineral/Hampshire County FSA Board, Mineral County

Family Resource Network Board, Mineral County 4-H/FFA Livestock and is also serving on the Potomac State College Advisory Board.



Donald W. Reese

(incumbent)

Mr. Reese owns and operates Reese's Farm Fresh Produce. He is an agriculture teacher and FFA advisor at Halifax County High School and is a member of the Halifax County Cooperative Extension Leadership Council.

Call to Serve

Nominating Committee

Do you want to get more involved with your local Farm Credit cooperative? Well here's your chance! Each year, Farm Credit of the Virginias (FCV) holds elections for its Board of Directors and Nominating Committee. As you probably noticed, the results of the recent elections are presented in this issue of the Leader.

Annually, FCV 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 four-year term. In 2018, two director seats will be up for election. Potential director candidates will be selected from the following counties:

Seat 2 – W. W. Sanford III, incumbent director: Culpeper, Greene, Madison, Orange, Rappahannock and Spotsylvania Counties, VA. Mr. Sanford will not be able to seek re-election due to the age requirement.

Seat 9 – William J. Franklin, Jr. and Bobby C. Gray, incumbent directors: Buchanan, Dickenson, Lee, Russell, Scott, Washington and Wise Counties, VA. Mr. Gray will not be able to seek re-election due to the age requirement.

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 2018 will be looking at director candidates for 2019. Nominating Committee members serve a one-year term. In 2018, potential nominating committee candidates will be selected from the following counties:

Seat 4 – Charles E. Horn, Jr., incumbent director: Albemarle, Augusta and Nelson Counties, VA

Seat 5 – Charles B. Leech IV, incumbent director: Bedford, Botetourt, Roanoke and Rockbridge Counties, VA

Seat 11 – John E. Wells, incumbent director: Boone, Braxton, Cabell, Calhoun, Clay, Doddridge, Gilmer, Jackson, Kanawha, Lewis, Lincoln, Logan, Mason, Mingo, Pleasants, Putnam, Ritchie, Roane, Tyler, Wayne, Wirt and Wood Counties, WV

If you are interested in serving on either the Board of Directors or the Nominating Committee, please contact your local branch office or Melissa Driver, Corporate Secretary, at 540-434-7035, ext. 5246, or by e-mail at mdriver@fcvirginias.com. ∞

The elected members of the 2018 Nominating Committee are:

Seat 2

(Culpeper, Greene, Madison, Orange, Rappahannock and Spotsylvania counties, VA)

Thomas W. Clark

Phillip W. Goodwin, Jr.

William E. McDaniel (*1st Alternate*)

Stewart L. Morris, Jr. (*2nd Alternate*)

Seat 9

(Buchanan, Dickenson, Lee, Russell, Scott, Washington and Wise counties, VA)

William J. Fannon

Matthew C. Hill

Daniel S. Gibson (*1st Alternate*)

Travis L. Lewis (*2nd Alternate*)



Generation “Z” Is In The House

By: Dr. David M. Kohl

Much of the recent discussion on demographics has focused on the movement of the Millennial Generation as the Baby Boomers transition into retirement. Now, the term “pig in the python” better describes the children and grandchildren of Baby Boomers, instead of the Baby Boomers as it once did. At 73 million, Generation Z, or better known as Gen Z, is slightly smaller than the Millennial Generation. The members of Gen Z were born between 1995 and 2015. And the first wave of this group is now graduating from high schools and colleges, entering the workforce, and becoming potential business partners and owners. So, what are the most productive ways to work with Gen Z? Let’s examine some of their general characteristics as compared to previous generations.

First, this group prefers to work independently with no shared open workspace. This is contrasted to the Millennials, who are generally collaborators and want open office space to stimulate discussion. The Millennials also stress the balance of work and life time, while Gen Z tends to value flexibility, working anytime and in any place.

Next, the members of Gen Z will be conservative financially. For most, their childhoods were influenced by the Great Recession of 2008, which helped shape their financial philosophy. In many cases, they observed their parents in an era of job cuts and they watched as retirement portfolios were cut in half. Parents, grandparents, or at least someone they knew lost their home to bankruptcy. And of course, some were raised in a single parent home, which commonly impacts financial freedom.

Not unlike previous generations, Gen Z will challenge the status quo, consumer trends, the workplace culture, and society in general.

Interestingly, another tendency of Gen Z is less of a desire or need for recognition. This could present a potential clash with the Gen X or Millennial generations. Gen Z group does not expect a trophy just for participation, and in this regard can be more competitive and driven.

In general, this segment of the population likes to create personalized job descriptions and is very good at multitasking. This group shows a leanness of snapshot and social media dangers and will be calculated in the exposure of their personal information online. In addition, they prefer to work with organizations and businesses that support social causes and community service.

Companies and businesses that celebrate individuality will be appealing to Gen Z workers. This emerging demographic has only known a “connected world.” Thus, they will not draw a distinction between working in an office, at home, or out on a hike because they are always online. This segment will be “phigital,” or accepting digital space as an appropriate replacement for in-person meetings. In other words, from Gen Z’s view, dialing into a meeting via videoconference is no different than sitting face-to-face in a board room. In fact, they would rather Skype than waste time driving or delayed at an airport hub.

On education, this generation will turn today’s system upside down. The old classroom lecture will become obsolete with less memorization and more challenging work assignments that include discovery. This will be a generation of problem solvers that will enjoy critical thinking. Teachers will become more like facilitators inside the concept of “blended education.” This concept will include more online instruction followed by face-to-face meetings for case study and networking. The “high tech and high touch” approach is the blend of online education and human interaction that will be so critical with this new generation.

Not unlike previous generations, Gen Z will challenge the status quo, consumer trends, the workplace culture, and society in general. The aforementioned trends are an introduction to the new generation for management, board members, business owners, and the workplace. Also similar to other generations, they will be defined by the events and challenges that take place around the world during their lifetime. Through speaking events and interactions with college and university groups, 4-H, and FFA, I have already observed several Gen Z individuals in action. This generation demonstrates a curiosity and sense of engagement that will be necessary to lead businesses, classrooms, and public policy in the future. In some of the most impressive Gen Z members, I observed an innate knowledge of technology combined with a good work ethic and strong relational skills. In working with this generation, one has to keep an open mind and be ready to adopt new methods, but must also be extremely selective. ∞



2018

Farm Management Institute

Open To All In Agriculture...

Join us for the 2018 Farm Management Institutes that will be held in the Farm Credit of the Virginias footprint. This year's content and lecture will be relevant to those who are lifelong learners, including young farmers, potential young farmers, parents, 4-H and FFA students and those continuing or expanding their farming operations. Dr. Dave Kohl and Dr. Alex White will provide insights, materials and techniques to enhance your growth and success in agriculture.



Learn the latest market news and trends from both a global and domestic economic outlook



Gain insight on effective succession planning for the next generation



Develop your financial and management game plan for 2018 and beyond

The only cost to attend: Your Time!
It's a great investment!



FARM CREDIT

Knowledge Center

www.FarmCreditKnowledgeCenter.com

Two Locations

Thursday, March 1, 2018

*Plecker Center, Blue Ridge Community College
One College Lane, Weyers Cave, Virginia*

9:00 a.m. - 3:00 p.m.

Reserve your seat by February 12th!

Friday, March 16, 2018

*Moorefield Armory
79 Robert C Byrd Industrial Park, Moorefield, WV*

9:00 a.m. - 3:00 p.m.

Reserve your seat by February 26th!

For more information about the Farm Management Institute or to reserve your seat, please call

540-434-7035 ext. 5270
larbogast@fcvirginias.com

Love of Life and Passion for Farming Leads Pre-American Cattle Legacy

By Karen Macdonald



Before there was a United States, before there was even a Declaration of Independence, there was Stuart Land and Cattle Company, the longest continuously operating, family-owned cattle farm in America. Founded by Scottish immigrants in 1774 and now led by matriarch Lynda Stuart, over the centuries the farm has passed down through the generations, sometimes through the mother's line, sometimes through the father's. But stay in the family it has, through all the dramatic changes time has wrought over the past 243 years.

Lynda came to the farm through her husband and retired U.S. Marine, W. A. Zan Stuart, who learned he'd be leading the farm while serving in Guam in 1943: He received a letter from his father informing him that he was to be "The Stuart" (a historic term referring to the Scottish clan leader) for his generation. With that mailed announcement, Zan's future was set, as the dutiful son and proud Scot headed home to Rosedale, VA to take over the reins.

While Zan grew into his role of managing a thriving cattle farm, Lynda was making her own way in agriculture in California. Starting out going on calls with her veterinarian father when just a toddler, she gained responsibilities over time, sterilizing his stainless steel needles and syringes, unpacking meds and stocking shelves, and eventually keeping his records. In the mid-1960s, after serving as a consultant to dairy operators, he became involved in mating cattle and established his own artificial insemination (AI) company, which was eventually sold to Carnation in 1972. With the sale, Lynda moved into an advertising and public relations role with the newly named Carnation Genetics.

An Unknowing Maverick

As a woman in agriculture, especially as far back as the 1950s, it would be easy to think that Lynda set out to be a maverick. In truth, she didn't even realize she was an anomaly.

"I'd been so involved in agriculture my whole life that I thought nothing of it," Lynda says. "I didn't even know what women's lib was, and then at an industry meeting in 1973 I overheard a colleague call me 'the

Stuart Land and Cattle Company was founded in 1774 and is now led by matriarch Lynda Stuart.

token woman.' I was stunned. And then I realized that at our meetings, I never did have to stand in line for the ladies' room."

Even as a child, Lynda was leading the charge, among the very few girls "allowed" to show animals at the 4-H fairs. True, she also had to attend the 4-H homemaking classes, but she was able to indulge her love of, and dedication to, her animals. "I had the advantage of a mother raising me to be a kid, not a girl, and a father who just depended on me, never mind that I was a girl," Lynda says.

Love at First Sight

Years into her agricultural career, Lynda attended what turned out to be a fateful Farm Show in Louisville, KY as a representative of her father's AI company. She was introduced to Zan, and it was love at first sight, quite literally: Upon meeting Lynda, Zan's first words were, "I love you. Will you marry me? What was your name again?" They began dating and married within the year.

In the early years, Lynda's role was primarily indoors keeping the operation's books. When the technology became available, she helped select and implement a computer system to manage the operation and the large amounts of genetic data being collected. "We were just partners, and we had so much fun," Lynda says. "My father taught me how to work, but my husband taught me how to have fun."

When Zan's health began to fail after more than 60 years of leading the family's operation, Lynda took a much more active role on the farm, working side by side with him. About a month before he passed away, Zan told the company's board of directors that if anything happened to him, "Lynda can handle the job for five years."

The board, composed of family members, trusted his judgment and put Lynda in charge. After four years, when she asked their intentions given the timeframe Zan had established, their response was, “You can’t leave.” Nearly ten years later, Lynda remains president and CEO of the family corporation.

Caring for the Cattle...

Stuart Land and Cattle covers 16,000 acres across four locations within Russell, Washington and Tazewell counties. There they manage and breed just under 1,400 head a year using a combination of AI and natural techniques, and carefully tracking data to breed for the optimum characteristics to meet consumer demand and yield the highest return.

“We do DNA workups on each individual animal and can identify which cattle have superior traits,” Lynda says. “We’ve been keeping data since time began, using AI and introducing new and improved genetics each year. With computers, analysis and decision making is so much easier.”

Each year, the highest caliber one-third of their calves, genetically speaking, are held back for replacements and the remainder are sent to feedlot and ultimately to harvest. With cattle being shipped at different times throughout the year, the company has established a consistent cash flow.

Beyond raising quality animals, Lynda and her team are dedicated to quality treatment of the cattle. “We don’t need to ramrod the cattle, run them, use sticks or rocks or cowboy them in any way. We need to observe them, and let them find their way,” says Lynda. “It was Temple Grandin who said there’s nothing wrong with eating animals, but during their lives they should be treated with respect.”

...and the Environment

Stuart Land and Cattle and the Stuart family are also dedicated to conservation, with 10,000 of their 16,000 acres in permanent easement with the Nature Conservancy.

“This land can never be developed,” says Lynda. “We can graze it, hunt on it, use it for recreation, but what actually happens to it is up to the Nature Conservancy.”



Lynda Stuart enjoys a night on the town with the VA Tech AGR alumni at a wedding reception.

“My father taught me how to work, but my husband taught me how to have fun,” Lynda says about her late husband, Zan.

The acreage, all timberland, is managed and harvested in the most environmentally friendly way, based on detailed land surveys that identify species of trees, plants, birds and animals, and protecting those that are native or rare.

“I like to think that we have a really important role as farmers,” says Lynda. “We’re feeding the world, and we also need to be mindful of the environment and be careful with our resources, including land, water and people.”

Support from Farm Credit

Stuart Land and Cattle has depended on Farm Credit for its financing for 30 years, using Farm Credit capital to improve its infrastructure following a practical, conservative strategy with every decision based on making the operation more efficient or improving conditions for their livestock.

“They understand what we’re doing and why, and they’ve been out on the farm and seen the operation,” Lynda says. “I’m on my third loan officer, and I’ve always known the next one who will be taking over, so the transitions have been easy.”

Passing on the Legacy

Combined, Lynda and Zan have managed Stuart Land and Cattle for more than 100 years. Now nearing time for her own retirement, it’s up in the air who will take over leadership of the operation. While the board and stockholders are all family members and active in the direction of the farm, there’s no one in the next generations interested in taking over active management of the operation, and the board is searching for a qualified candidate outside the family.

Lynda jokes that unlike when her husband was given the reins to the family legacy, “The days when people were able to tell the next generation what they were going to do are over.” But she hopes that someone in the family will choose to come back to keep operation’s management within the family.

“I think that between the families there will be someone who says they’d like to prepare and learn and take over,” Lynda says. She adds, though, that, “Farming isn’t about the money, it’s a way of life, and you need to have passion for it.” ∞





Back to the Farm

By Marla Haislip

KIRBY, WV – Once a farmer, always a farmer — and for one West Virginia woman farming is her passion. For the past 21 years, professor Beth Loy, who has a doctorate in economics, has worked at West Virginia University.

Her beginnings were a bit different. She grew up spending most of her time on the 225-acre farm owned by her grandparents Ersel “EB” and Glenna Loy of Kirby.

That West Virginia century farm has been in the family since 1852, changing “Loy” hands for six generations.

“As a child I spent all my time with my grandparents. I got off the school bus there every day,” Loy said. Although her career took her away from the farm, Loy’s roots were still planted deep in its soil.

After the passing of her father three years ago Loy began to gradually take over the farm. “My reason was I love being on the farm, I’m

where I needed to be in my career, and my mom had a stroke,” Loy said.

Loy said when her mom had a stroke she decided to make sure her mom saw the family on the farm again doing what they did for generations, and that was to raise cattle. “This year mom reached recovery and I decided to start serious farming,” Loy said.

Loy said over the past five years she’d split her time between Morgantown and Kirby working on the farm periodically investing in infrastructure such as fencing and water.

“We are lucky with water. We have three ponds, two spring fed fountains and four well-based fountains, two are heated,” Loy said.

Loy was very familiar in the “how to’s” of water and farm ponds. “My dad, Gary, worked for the Department of Agriculture. His job was to assist farmers with designing. He designed hundreds of farm ponds in Hampshire County,

worked on erosion control and soil management,” Loy said.

In addition to working on the water supply Loy said one of the first things she did was build a catch/working pen, which is where cattle are sorted and vaccinated, and feet and eyes are checked. These are all a part of Loy’s “jobs” on the farm.

She also makes hay, square and round bales; cleans out fence lines; and isn’t a stranger to operating her grandfather’s 1955 John Deere tractor. “I have a new 2016 John Deere, but my favorite one is my granddad’s,” Loy said.

With solid infrastructure under her belt and a plan, she was ready to go one step further. “I went to Farm Credit and presented my business plan, which was to purchase a herd of Angus,” Loy said.

Loy said Farm Credit felt she had a good business plan and she was able to get her first herd. “When I told mom to get in the truck

Right: No pun intended, the old and the new, Betty and Beth Loy and their John Deere tractors, 1955 and 2016. Six generations have owned the Loy Farm since 1852. Betty and Beth Loy are numbers five and six.

Opposing page: Beth Loy and her Angus herd. "The herd is friendly enough to pet."

we're going to get a herd of cattle, she said, "They'd better all be black like your grandfathers." And they were, 22 pairs — female and baby — all Angus that will be grown without hormones and antibiotics.

Loy refers to her mom, Betty, as the administrator of the farm. "She knows how to administer orders and make sure we don't rest on our laurels. She made sure I was raised to be very independent. Whenever she would hear something negative about her daughter, a female, running the farm, she would tell me to think about how proud my dad and grandparents would be if they were still alive. That's always motivated me," Loy said.

The 85-year-old matriarch takes care of the 30-herd of Savannah and Boer/Kiko goats recently introduced to the farm.

"The goats are my life. I check on them every day. I feed them and make sure they are OK. I talk to them and watch them when they



are in labor. I keep up with their shenanigans of getting their heads stuck in the fence or knocking over feed troughs," Betty said.

She said she has so much fun with the goats that life on the farm never gets lonely.

Rare Savanna goats are raised for meat. They originate from South Africa and are very hardy. Loy says her goats will go as breeding animals because they are so hardy, and some will be used for 4-H and FFA show goats. Beth Loy is a certified quality meat goat producer.

Loy says it's not easy to be in the farming business. Beth is the one who cares for the animal's feet, eyes and worming. "I trim the feed about every six weeks and worm them every six weeks. This area is wet. We really need a cold winter," Loy said. She says you have to have a good support system if you can't be there 100 percent of the time.

When Loy is in Morgantown, the family that leases the farmhouse helps watch over the farm along with her mom and friend Mark Smith. She said no farmer can do it alone and a business plan is necessary to be a success.

During the winter Beth plans to build a new heifer pen. "March will be the time for me to take my vacation. That is when this place will become complete chaos. That's when the goats and the cows have babies. Everyone pitches in," Loy said.

Loy's mother Betty has been the influencing factor in Beth taking over and bringing the farm back to the way it was in the past, raising Angus.

The future for this female owning and operating the farm is already planned out. "I want to grow the herd, increase it to 50, and prove myself as a high-quality Angus grower," Loy said. ∞



Betty Loy and her beloved goats. "The goats are my life," says Betty.

Herbs at Shenandoah Growers



Farm Credit Knowledge Center Explore. Discover. Succeed.

It is the Farm Credit Knowledge Center's slogan, but also the goal and the sum of the mission of the Knowledge Center: Explore. Discover. Succeed. Agriculture is diverse and ever changing; agricultural producers and those interested in working in the agriculture industry need to stay on top of these changes, and be able to diversify or adapt to meet the needs of consumers so that they can continue to operate in an ever-changing economy.

We were excited to work with Farm Credit loan officers Chase Scott, Joey Cornwell and Becky Daubert to help coordinate a one-day tour for a group of producers at the end of October that offered an opportunity for those producers to visit and network with other farmers who have implemented diversity on their farms to increase profit and meet a growing need. Thirteen dairy farmers traveled from the Rocky Mount area to visit with three different operations in the Shenandoah Valley

whose owners diversified their dairy operations. Each of these farms added produce, which is sold mainly through the Shenandoah Valley Produce Auction, and several added poultry to their operations. The Shenandoah Valley producers shared how and why they chose to diversify their operations, and what it has meant to their operations as a whole. They discussed the positives as well as the challenges and shared some insights

with visiting producers. The tour concluded with dinner where Jeff Heatwole, who runs the Shenandoah Valley Produce Auction, joined the group to share about the produce auction and answer questions. The visiting producers from Rocky Mount hope to be able to take the information they learned, as well as the contacts, back to Franklin County to help grow and expand the produce auction there. They also plan to continue to diversify their own operations to continue to be successful and profitable for years to come.





The following week we were pleased to be able to offer an Agriculture Tour for ten Virginia State University (VSU) students. This two-day tour was developed by our Knowledge Center intern Jordan Scott with assistance from Bette Brand and Kyley Clevenger. It was designed to give VSU students insights into the diversity of agriculture in Virginia, and highlight some of the options that are available to them after graduation. Students were able to tour a variety of different operations from nurseries and orchards to a dairy, greenhouse

and beef cattle operations. These ten students met with the owners and operators at the different stops and were able to learn about how and why they chose that type of agricultural production, some of their challenges, and what they have learned along the way. The students also had an opportunity to learn what it takes to make each of these types of operations successful, and some of the skills

and knowledge that is helpful in each of the different agriculture segments. They returned to VSU with a better understanding of just how diverse and all-encompassing agriculture in Virginia can be, and what it takes to be successful in the agriculture industry.

The Knowledge Center continues to help provide information and resources for all those interested in agriculture through online resources, workshops, tours and other events. We are excited to be able to collaborate with different agriculture industry experts to help put together many different types of programs. For more information on upcoming events, feel free to visit the Knowledge Center website at www.farmcreditknowledgecenter.com, or contact any Knowledge Center team member. We can be reached by email at knowledgecenter@fcvirginias.com. ∞



The tour participants stopped at Ingleside Dairy.





WV Woman Mixes Family, Farming And Career Successfully

By Marla Haislip | Images Courtesy Frostmore Farm

DUNMORE, WV – Rachel Taylor didn't grow up on a farm. As a matter of fact, the new mother of Bryce, a six-month-old has earned her master's degree and is a full time physician's assistant.

Husband, Adam, is a civil engineer for the national forest service and works for Monongahela Park Service. But as fate would have it, while in college Rachel and Adam decided they were going to make a change in their future. "We purchased a farm in 2011 owned by Adam's father," Rachel said. "The farmhouse was built around 1900."

Located on the property was a 100-year-old "sugar shack" still standing complete with equipment for making maple syrup. Rachel said they had no intention of producing maple syrup, however since everything was in place, they began doing research on 'how to' and as they say, the rest is history. "While we were in college we cleaned up some of the old maple equipment and started making maple syrup there on a small scale with family and friends," Rachel said.

She says the maple business started as a hobby and turned into a business that steadily expanded each year as they tapped more trees and produced more syrup. In 2014, 370 buckets were harvested making 155 gallons of syrup.

When not at her health care job, Taylor spends her time at home working on all manner of jobs for the maple operation from helping to sap trees, maintaining lines and checking for leaks. "I do filtering of syrup and help with the processing," Rachel said.

The by-products produced from the sap includes maple candy, maple cream, maple cotton candy, maple coated nuts and maple balsamic vinaigrette.

Anyone in the area can stop at the Taylors' roadside stand where syrup is sold to passers-by on the honor system. The little self-serve farm stand is stocked with a supply of products and instructions including costs and how to put funds in an envelope and slip it through a slit in the wall.

Efforts and constant study to improve has awarded the Taylor's the second certified organic maple syrup business in West Virginia in addition to being organic certified.

Last year the Taylors purchased a second 40-acre farm. "We decided to purchase our new house at an auction in the area. We went through Farm Credit for our mortgage," Rachel said. She said when something is purchased at an auction the process moves quickly.

"We felt that Farm Credit had a great deal of knowledge about agriculture. Most mortgage companies don't have that," she said.

The two farms are about 12 miles apart. "The new house/farm is where we grow blueberries and strawberries," Rachel said.

In addition, the farm has been stocked with horses, cows and chickens. Apple trees have been planted. A high tunnel is used to grow tomatoes, cabbage, peppers, squash and as Rachel puts it, "A lot of everything."



Above: A rarity these days, a roadside honor system market.

Opposing page: Adam and Rachel Taylor doing the first tapping on the Frostmore Farm in 2015.

And the new house is where Rachel says they have embarked on yet another venture. It's called "farm stay," she said. Farm stay is not new, says Rachel. "A lot of people are doing it. It's kind of bringing people back to the land movement."

This venture began with making the new house basement into two bedrooms, a kitchen, bath, living room and entertainment area complete with a pool table. "People come to rent the basement apartment and stay to learn what we are doing on the farm and how we are doing it," Rachel said.

Rachel said the "farm stay" basement opened in January and it's amazing how many people have already stayed. She says some city folk

have never been to a farm and they just stand and look at the horses. The idea of the farm stay is to educate visitors about farming, with topics such as how to make butter, spin wool and how to be self-sufficient.

Frostmore, located in Pocahontas County between Frost and Dunmore, thus the name, is what Rachel calls a pretty special place. "We're in a national radio quiet zone because we have the Green Bank observatory located here," Rachel said.

Being in the zone there is no cell phone service, and because of that, people seem to live in another time and another place, so to speak. "You don't see people walking around with phones up to their ear. There is no wireless internet in the schools; they are hard-wired," Rachel said.

She says people get together and have game nights, with covered dishes and play volleyball or barbecue. "One of the most popular events is square dancing," she said.

Looking back at what her family has taken on, she says she has no regrets. "There is a lot of opportunities for women in agriculture in West Virginia. It's a lot easier for women now than it was 20 or 30 years ago," Rachel said.

Rachel said many women have gotten established through Annie's Project. The project began with Annette Fleck, who had a mission to empower farm women to be better business partners through networks and by managing and organizing critical farming information.

Rachel's advice to anyone interested in farming of any kind is relatively simple: "Before you dive into something, research it. Mentor with others doing something similar and adhere to suggestions and their pitfalls. Look before you leap." She says so many people jump into a new venture and put the cart before the horse.

The future for the Taylor family is already in progress with the "farm stay." In addition they want to be self-sufficient, making hay and butchering their own meats, a skill that Adam already has. "We want to have more livestock and grow our farms and our family," Rachel said. ∞



School kids waiting in line to get a taste of the dripping maple.



Friend Adele Fenwick and Rachel Taylor putting in drip lines at the Frostmore Farm in Pocahontas County.

Farm Credit *EXPRESS*

What if you could get a Farm Credit loan or lease at the dealer for your farm equipment — without ever setting foot in a Farm Credit office? Now you can with Farm Credit **EXPRESS**! Better yet, you can buy equipment at any of nearly 1,000 Farm Credit **EXPRESS** participating dealer locations in the Southeast and get a Farm Credit loan or lease that books back to your local Farm Credit office. The simple application is completed at the dealership and usually approved in 20 minutes or less. Farm Credit **EXPRESS** is a quick, easy alternative to dealer-provided financing without the hassle of making a separate trip to the lender's office. Better still, it also gives you a tool that may help you get a better deal on your equipment purchase — with a little knowledge and asking the right questions.

So you've picked out the perfect piece of equipment to purchase for your farm. You can picture what it looks like in your fields, how it's going to make your farm more efficient and your life a little easier. In fact, there's only

one question left: How are you going to pay the dealer for it? Finance it through a dealer program (often at 0% interest)? Get a loan or lease from Farm Credit? Perhaps pay cash? Let's look at the options and what you should consider to make the best decision for you.

Pay Cash: It sounds simple. You may even get a better price or free upgrades added since the dealer/manufacturer won't be financing the equipment. You avoid having to make that "dreaded payment" for years and you don't have any interest expense. While it sounds good on the front end, make sure you think in terms of your whole financial picture. Do you have adequate cash reserves and liquidity? If not, paying cash for equipment is seldom your best move. Worse yet, unless your revolving line of credit is paid to \$0, you're ultimately financing equipment on the revolving line and that's never a good long-term situation. Do you owe money on other loans? If so, you may be able to get the equipment loan at a lower rate and use cash to pay down or pay

off higher rate loans. Again, think in terms of your total financial picture before you pay cash for your equipment.

Dealer/Manufacturer Provided Loans:

Equipment companies learned a long time ago that they sell more equipment by making it easy and/or offering low interest rate financing. What about 0% interest loans? These type of loans have become the norm in equipment and automotive finance. Are they really 0%? Well, the stated interest rate in the contract is 0%, but (as the old saying goes) there is seldom any free lunch. Simply put, dealers and manufacturers have to make money. They can't afford to have their money loaned to you for three, five or even seven years without making anything on it. In fact, lots of them have loans they're paying interest on too so they have to at least recover that cost. They also have to cover the risk that some loans will default and they'll lose money. Be sure to ask what the price is if you don't finance it through the dealer/manufacturer. Unless the price is the same either way, you're



FARM CREDIT **EXPRESS**

ultimately paying a finance charge equal to the difference between those two prices. One other thing to keep in mind: Paying off a 0% loan early doesn't save any of the finance charge like it does with a simple interest loan. In fact, the effective rate caused by the "hidden" finance charge can end up quite high if the loan is paid off early. Dealer provided financing is a great option to consider and can be the least costly way to acquire equipment. Be sure you ask the right questions, know what you're getting and consider all options before deciding.

Farm Credit EXPRESS: Ask your equipment dealer if they offer Farm Credit **EXPRESS**. The program is just as simple as dealer financing but gives you a way to get the same discounts or free upgrades as if you paid cash (since it's not financed through the dealer/manufacturer). The program offers fixed rate loans with monthly, quarterly, semi-annual or annual payments. Farm Credit **EXPRESS** loans earn patronage refunds that can significantly reduce your effective interest rate and interest cost. New equipment and used equipment less than 10 years old qualifies for 0% down payment and up to a seven-year term. Used equipment less than 25 years old can be financed for up to seven years with a 10% down payment. Used equipment more than 25 years old can be financed for up to three years with a 15% down payment. New in 2017, Farm Credit **EXPRESS** also offers leasing as another tool to meet your equipment needs. Be sure to consider leasing if it's right for you (see next section).

Leasing: Have you ever thought about leasing equipment instead of owning it? Historically, most people used leasing as a tool to manage income taxes once they maxed out the IRS Section 179 deduction. There are other reasons leasing can be a good tool to meet your equipment needs. There are lots of different lease structures but we'll focus on the Fixed Purchase Option which allows you to purchase the machine at a pre-determined cost or turn it back over to the lease company when the lease matures. Simply put, leasing transfers the ownership risks to someone else. That can be to your benefit with equipment that is unique or atypical for your region. It's also a good tool to consider for equipment where the latest and greatest technology changes quickly. Leasing can be a good fit too if you want to keep relatively new equipment at all times. Leasing usually gives you a lower monthly payment compared to financing the full cost of the equipment. By nature, leasing is generally more expensive than owning because you're paying a premium for someone to take the ownership risk for you and essentially provide a down payment. Leasing is more complex than buying the equipment outright for the same reasons. Make sure you understand all of the terms of the lease – especially any hour/mileage limitations and excess wear penalties. It's always a good idea to talk with your accountant about leasing and make sure the lease is properly structured to work with your income tax situation.

Wow, this all seems like a lot to consider but it really isn't. It's this simple:

1. Ask the right questions.
2. Consider all of the options and compare the total cost of acquiring the equipment.
3. Choose the best option for you. Remember, the cheapest total cost to acquire the equipment is usually best BUT only if:
 - a. Paying cash doesn't leave you owing a balance on your revolving line of credit and you still have adequate cash reserves and liquidity.
 - b. The cheap interest rate and lower interest cost that comes with shorter loan terms is manageable without creating a cash flow crunch during the life of the loan.

Let's help set the record straight:

Whether you farm full-time or part-time, farm 1,000 acres or a half dozen, whether you have a large herd of cattle or a small livestock operation, grow sod or operate a nursery or greenhouses, you'll need to purchase equipment at some point. You are potentially eligible for Farm Credit and Farm Credit **EXPRESS**. The program is available for almost any type of mobile farm equipment — things like tractors (big or small), trailers and farm implements to combines and self-propelled forage harvesters. And with everything you've just read, it seems to be a very good option. Visit the website www.farmcreditexpress.com for more information, including a list of all participating dealers. ∞

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 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.

July 28 – Virginia’s Governor’s Forum took place in Roanoke, VA and was attended by Bette Brand, chief external affairs officer.

Aug. 2-3 – Congressman Morgan Griffith’s leadership event took place at Primland and Director Bill Franklin and Bette Brand attended.

Aug. 7-8 – Congressman Bob Goodlatte participated in tours of the Shenandoah Valley. Tour stops included Ingleside Dairy with Charlie, Linda, Beau and Jennifer Leech, as well as Lohr’s Farm with Matt Lohr. Bette Brand participated in the tours.

Congressman Bob Goodlatte visited farms in Shenandoah Valley with the Farm Credit team.



Aug. 15 – Sen. Mark Warner conducted a farmer listening session for the Farm Bill in Catawba, VA. Bette Brand introduced the senator and facilitated the meeting.

Aug. 15-16 – Farm Credit hosted a tour for two members of the Heritage Foundation, visiting farms in the Shenandoah Valley, Lexington and Piney River. One of the farms visited was Ingleside Dairy, owned by Chairman of the Board, Charlie Leech and his wife, Linda.

Sept. – Farm Credit of the Virginias partnered with MidAtlantic Farm Credit, VA Cattlemens and the Virginia Agribusiness Council to



host Congresswoman Barbara Comstock on a full day of farm tours.

Farm Credit employees joined Congresswoman Barbara Comstock on a full day of farm tours.

Sept. 18 – Farm Credit directors Bill Franklin, Bobby Gray and Al Stephens, along with employees, met with Congressman Morgan Griffith in Abingdon to talk about ag-related issues. They also stopped to take a photo with the patronage poster depicting the amount of patronage distributed in the congressman’s 9th district in 2016.

Sept. 29 – Several Farm Credit employees and directors met with Congressman Bob Goodlatte in Roanoke, VA to talk about issues affecting the agriculture industry and posed for a photo with the patronage poster showing the amount of patronage paid in the congressman’s 6th district. Directors Charlie Leech and Kevin Craun participated as well as employees Bette Brand and David Sauer, chief financial officer.

Farm Credit representatives also met with Congressman Rob Wittman in Hanover, VA to talk about issues affecting the industry and posed for a photo with poster showing the amount of patronage paid in the congressman’s 1st district. Director Paul House and CEO Peery Heldreth participated along with employees and directors from Colonial Farm Credit.



Farm Credit of the Virginias and Colonial Farm Credit representatives met with Congressman Rob Wittman to discuss ag related issues.

Bette Brand attended an event with Virginia gubernatorial candidate Ed Gillespie to talk about agricultural issues in Virginia.

Oct. 11 – Mark Haddix, relationship manager–wood industry, joined Sen. Shelly Moore Capito, local government officials and wood products industry professionals for the announcement of an expansion project at the Armstrong Flooring Plant in Beverly, WV.



Mark Haddix, Farm Credit timber expert, met with Sen. Shelley Moore Capito in Beverly, WV.



Internship Highlights with Jordan Scott

Only a few people would question the value of an internship. From getting an inside look at your chosen industry to helping grow your professional network, the career perspective and lessons learned during an internship are something that can't be found anywhere other than experiencing it for yourself.

Every year, Farm Credit welcomes college students for internships, giving them first-hand insight into how the organization helps area farmers and rural communities. Jordan Scott, Virginia native, was given the opportunity to intern with our Association this fall. As she was given the chance to gain insight into who we are, she is now going to give us some insight into why working with Farm Credit was so valuable.

Name of your hometown?

I am originally from Richmond, VA but have lived in Petersburg, VA for the last five years.

What college did you graduate from and what degree did you receive?

I recently graduated in May of this year from Virginia State University, earning a Bachelor of Science in agriculture.

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

Before attending VSU I had no experience in the agriculture industry. During my educational career I had secured internships and job opportunities with Virginia Cooperative Extension (with a focus in urban agriculture), 4-H (where I taught two Health Rocks! classes per week), Virginia State University (where I transcribed audios of ag-professionals discussing their experience in implementing silvopasture system) and the Small Farm Outreach Program (where I gained field experience in agricultural production on VSU's 43,560-acre plot and provided administrative support to the director and assistant director of the program).

What degree path did you choose in college, and why?

Growing up in Richmond City I hadn't had any real exposure to agriculture until my senior year of high school when the VSU USDA Liaison visited my school and introduced the field to my senior class. He spoke of what agriculture was, the importance of it, and how there is room and a place for each of us in the industry. I chose to pursue a degree in agricultural business and economics for many reasons — from the growing demand of careers to the diversity of opportunities within the field — but the greatest would have to be the satisfaction that a job in agriculture brings. No matter what role I've played in working in the field of agriculture, I have witnessed first hand the positive impact it leaves on those we serve. Whatever path I ultimately take, I plan to continue to serve as an advocate and educate the youth on the benefits and opportunities within the industry.

Why did you pursue an internship at Farm Credit?

One of my first experiences with Farm Credit was during my senior year at VSU in my Agribusiness Entrepreneurship course. Every year this class undergoes a Business Development Program in which each student creates an original business plan that they may one day use to seek funding and initiate their business. Farm Credit worked one-on-one with each of the aspiring business owners giving valuable feedback, tips and suggestions on improving and completing our business plans. Their help and guidance really allowed us to apply knowledge from the classroom to the field. I even ended up coming in second place! It was due to Farm Credit's appreciation for the agriculture industry and commitment in not only further educating those in the field, but anyone interested in learning more, that I chose to pursue this internship.

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

I've learned so much so far that it's hard to choose just one lesson! I'd have to say that the greatest skill or experience I've gained would be event planning. I was able to organize the 2017 VSU Agriculture Tour, from creating a schedule and finding the most convenient routes to take to creating a budget and securing funding for this event on my own. Although it was a lot harder than I thought it would be, I'm very thankful for the experience.

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

I encourage every student to not be afraid to try to learn something new when looking for an internship. Prior to my internship with Farm Credit, I'd only had experience working in Richmond and Petersburg and therefore, had only been exposed to urban agriculture. While I still have a great interest in urban agriculture, I believe that college is the time to dip your feet in all waters to learn and develop your passion rather than finding comfort in your first experience. I'm glad that I was afforded the opportunity to leave my hometown and continue to build upon and diversify my knowledge of the field and can only hope the same for others.

Where do you see yourself after completing this internship?

After completing this internship, I will be joining the Virginia AgriBusiness Council in preparing for their 47th Annual Legislative Appreciation Banquet in January. I'm very excited for this opportunity not only due to the fact that I will continue to gain valuable experiences to further develop me as a professional but also because it will be a great networking opportunity. ❧

Unclaimed Funds

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 1-800-919-3276 to inquire about unclaimed property.

Alexander, Brian D & Williams, Jr., James E.....	Rural Retreat, VA	Heath, Curtis D.....	Atkins, VA	Lawrene N & Thomas E	Catlett, VA
Alexander, Donald R & Rosco J	Upper Tract, WV	Hedrick, Elton V & Starlett M	Axton, VA	Reed II, Kenneth P.....	Derry, PA
Andrews, Sean Christopher	Elkview, WV	Henderson, Aaron Dequan & Abrams, Robert J	Halifax, VA	Reedy, Angela D.....	Leon, WV
Bayes, Barbara H.....	Alum Creek, WV	Hess, Lyle F & Willie M.....	Chatham, VA	Rexrode, Oliver C.....	Keezletown, VA
Beery, Warren E.....	Dayton, VA	Hoffman, William J & Andrea	Fredericksburg, VA	Rickman, James T, III & Faye S.....	Midlothian, VA
Belknap, Frank A & Lewis, Carolyn J	Gassaway, WV	Holcomb, Michael S.....	Fairmont, WV	Robinson, Harry R, Jr.....	Bland, VA
Best, Roger L.....	Staats Mill, WV	Hounshell, Anthony E.....	Wytheville, VA	Roller, John D & Hawkins, Sheila D	Crozet, VA
Booher, Earl W.....	Bristol, VA	James, Rebecca & Jonathan D	Culpeper, VA	Rowe, Walker Elliott, III	Providencia, Chile
Brown, Dexter K & Berman J	Halifax, VA	Kerns, Wesley A & Camerone R.....	Romey, WV	Seaman, George W, Jr & Lisa A	Core, WV
Buan, Amelia C.....	Cluster Springs, VA	Kiger, Frederick L & Jessica R	Waynesboro, PA	Shamblin, Philip.....	Looneyville, WV
Burdick, Scott H & Donna S.....	Fairmont, WV	Lantz, Jerry T & Kristy L	Grafton, WV	Sink, Jessica A	Chatham, VA
Burnside, Dennis J.....	Clarksburg, WV	McGowan, Gina R & Cox, Carol D.....	Doraville, GA	Smith, Christopher A	Chatham, VA
Carter, Maria D & Stephen R	Callands, VA	McMillion, Judd L & Melissa D & Perry M.....	Frankford, WV	Splan, Rebecca K.....	Middleburg, VA
Circle W Farms Inc & Stanley E & Larry M &.....		McQuerry, Michael J.....	Mt Nebo, WV	Stanger, Richard T	Riner, VA
Robert C Wolfe	Philippi, WV	Meade, Jack L & Margaret L.....	Nickelsville, VA	Summerfield, Jason W	Wooster, OH
Cornett, Edward S.....	Elk Creek, VA	Mindeman, Trent & Dawn	Troutville, VA	Three Fox Ventures LTD & Todhunter, John A & Holli	Delaplane, VA
Craven, Christopher P & Rachel M	Bluemont, VA	Montgomery, Austin R, Whitney T & Michael R	Waynesboro, VA	Vaughan, Gary Easley & Ester N.....	South Boston, VA
Cummings, Hobert D.....	Prociuous, WV	Moore, Daniel Lee & Sabrina Ann	Chatham, VA	Vaughan, Jesse R & Elizabeth S	Leesburg, VA
Daniels, David W & Darlena.....	Yellow Springs, OH	Morris, Robert W, Jr & Stephanie D.....	Grottoes, VA	Weaver, Thomas F	Wytheville, VA
Dove, Christopher W & Hardman, Rodney L.....	Baker, WV	Mullenax, William G & Patricia J.....	Harman, WV	Westfall, Garrett W & Aaron K	Davisville, WV
Duncan, Luann H.....	Waynesboro, VA	Murray, Timothy E & Ruth E.....	Elk Creek, VA	Williams, James E & Brenda D	Parkersburg, WV
Ferratt, John P.....	Abingdon, VA	Musick, Matthew T & Amy Lynn	Lebanon, VA	Wolford, Matthew K & Gary W & Naomi R.....	Exchange, WV
Forever Green Enterprises LLC & Greenway, Tim P &		Mustard, Robert Allen & Robert C	Bland, VA		
Wright, Joseph A.....	Lynchburg, VA	Nicholas, Mary Ellen.....	Boyce, VA		
Frank, Kenneth B.....	Waynesboro, VA	Ole McDonald's Farm LLC & McDonald,			
Garner, Jeffery Paul & Lorena Kristen Garner.....	Purcellville, VA	Michael L, Deborah A, Steven C.....	Sarver, PA		
Graves, John D & Ellen W.....	Fairfield, VA	Osborne, Rebecca	Woodlawn, VA		
Hale, Frankie W	Moneta, VA	Petrick, Douglas F & Arrington, John D.....	Lebanon, VA		
Hammonds, Robert & Stephanie.....	Gate City, VA	Pursley, Tracy.....	Evans, WV		
Hasse, Jonathan James & Dawn A	Madison, VA	Rabens-Weaver, Frances.....	Meadowbrook, WV		
Hayhurst, Charles L & Eileen.....	Wallace, WV	Ralls, Steven D & Kathleen A & Anfinson,			

Consolidated Balance Sheets

	September 30, 2017	December 31, 2016
<i>(dollars in thousands)</i>		
Assets		
Cash	\$ 1,967	\$ 5,730
Loans	1,854,036	1,798,996
Allowance for loan losses	(15,231)	(14,483)
Net loans	1,838,805	1,784,513
Loans held for sale	2,135	1,317
Accrued interest receivable	15,279	9,352
Investments in other Farm Credit institutions	19,756	19,698
Premises and equipment, net	10,079	10,228
Other property owned	1,704	2,467
Accounts receivable	8,441	22,046
Other assets	2,273	3,182
Total assets	\$ 1,900,439	\$ 1,858,533
Liabilities		
Notes payable to AgFirst Farm Credit Bank	\$ 1,457,185	\$ 1,423,922
Accrued interest payable	3,644	3,265
Patronage refunds payable	136	15,230
Accounts payable	2,796	3,380
Other liabilities	18,227	21,913
Total liabilities	1,481,988	1,467,710
Members' Equity		
Capital stock and participation certificates	10,612	10,433
Retained earnings		
Allocated	92,568	92,568
Unallocated	315,295	287,846
Accumulated other comprehensive income (loss)	(24)	(24)
Total members' equity	418,451	390,823
Total liabilities and members' equity	\$ 1,900,439	\$ 1,858,533

Consolidated Statements of Comprehensive Income

	For the three months ended September 30,		For the nine months ended September 30,	
	2017	2016	2017	2016
<i>(dollars in thousands)</i>				
Interest Income				
Loans	\$ 24,479	\$ 22,355	\$ 71,929	\$ 66,282
Interest Expense				
Notes payable to AgFirst Farm Credit Bank	10,868	9,473	31,357	28,159
Net interest income	13,611	12,882	40,572	38,123
Provision for loan losses	—	250	750	1,750
Net interest income after provision for loan losses	13,611	12,632	39,822	36,373
Noninterest Income				
Loan fees	129	233	421	590
Fees for financially related services	3	4	50	38
Patronage refunds from other Farm Credit institutions	2,774	3,226	8,263	9,713
Gains (losses) on sales of rural home loans, net	250	240	603	646
Gains (losses) on sales of premises and equipment, net	15	22	71	57
Gains (losses) on other transactions	24	30	61	41
Other noninterest income	30	20	81	58
Total noninterest income	3,225	3,775	9,550	11,143
Noninterest Expense				
Salaries and employee benefits	4,068	4,415	13,455	13,897
Occupancy and equipment	329	307	1,066	1,023
Insurance Fund premiums	546	620	1,601	1,684
(Gains) losses on other property owned, net	7	131	579	(6)
Other operating expenses	1,752	1,488	5,159	4,818
Total noninterest expense	6,702	6,961	21,860	21,416
Income before income taxes	10,134	9,446	27,512	26,100
Provision for income taxes	35	15	63	28
Net income	10,099	9,431	27,449	26,072
Other comprehensive income	—	—	—	—
Comprehensive income	\$ 10,099	\$ 9,431	\$ 27,449	\$ 26,072

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.farmcreditofvirginias.com



Farm Credit of the Virginias
P.O. Box 899
Staunton, Virginia 24402

NMLS #456965

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Give us Your Best Shot!

Enter the 2019 Farm Credit of the Virginias Calendar Photo Contest

Here's your chance to take your best shot for the 2019 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: \$300 Second Place: \$200 Third Place: \$100

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 hard copy 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 no later than midnight Eastern time, May 31, 2018.
- 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 2019 Farm Credit of the Virginias calendar.

Visit FarmCreditofVirginias.com for more information about the 2019 contest!

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