

RURAL LIVING YOUR WAY

LEADER

Farm Credit of the Virginias Winter 2018

Director Election Results

Consumers are Driving the Agricultural Marketplace

Generations and Operations Evolve at Jeter Farms



SAVE THE DATE



April 2, 2019 | Rocky Mount, VA
Franklin Center, 50 Claiborne Ave., Rocky Mount, VA
9:30 a.m. – 2:30 p.m.

April 3, 2019 | Dayton, VA
Dayton United Methodist Church, 215 Ashby St., Dayton, VA
9:30 a.m. – 2:30 p.m.

**The 2019 Dairy Management Institute
offers a wealth of information that
you don't want to miss.**

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

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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. 5224.



The NEW Chatham office is NOW OPEN!



19651 US Highway 29, Chatham, VA 24531
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Holiday Schedule

Our offices will be closed for the following dates:

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

2019:

Jan. 1 – New Year's Day (Tuesday)

Jan. 21 – Martin Luther King, Jr. Birthday (Monday)

Feb. 18 – Company-wide Employee Meeting (Monday)

May 27 – Memorial Day (Monday)

July 4 – Independence Day (Thursday)

Sept. 2 – Labor Day (Monday)

Oct. 14 – Company-wide Employee Meeting (Monday)

Nov. 11 – Veterans Day (Monday)

Nov. 28 & 29 – Thanksgiving (Thursday and Friday)

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

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Peery Heldreth

Letter from the CEO

As winter settles in across our territory, we at Farm Credit of the Virginias (FCV) extend our warm wishes to all our customer-owners, many of whom have experienced unfortunate challenges this year. It's gratifying to us here at your cooperative to stand by these customers to the best of our ability as we pursue our mission of supporting agriculture and rural communities, in good times and in bad.

Always a concern for agricultural producers, weather again showed its power this year as rainfall pounded down during planting season. Corn, soybean and tobacco farmers were forced to replant their crops as the repeated deluges washed away their seeds, in some cases more than once, and in one case that we're aware of, a total of five times. The resilience of these farmers to replant, time and again, is representative of the dedication of all producers who strive in the fields every day. Moisture later in the season caused conditions ripe for mold, and some farmers were turned away at their elevators and stations. The full cost of this situation is still being assessed by those who were affected.

Dairy farmers continue to face tremendous pressures as prices remain well below production costs. Production typically drops in summer as cows respond to increased temperatures, and prices subsequently rebound in the fall in response to the lower supply. Unfortunately, we have not seen this price increase so dairy farmers continue to suffer. Exacerbating the situation are federal trade policies, including tariffs that remain on cheese exports to Mexico, at least until USMCA goes into effect next year. The federal government's farmer relief package offers our dairy farmers only six cents per hundredweight, small recompense for the more than \$1.50 loss per hundredweight these stricken farmers have realized. The trade war with China is also impacting some of our producers, particularly corn and soybean. And while the protein sector continues to experience slightly profitable results, a build-up of supply in our extensive cold storage capacity is only going to grow as high production levels continue, which indicates that these farmers must find new markets at a time when international policy is limiting their options.

Given the down cycle across ag sectors, FCV recognizes that many of our customers

are struggling, and we stand ready to help you navigate your options. I cannot stress strongly enough how important it is that customers reach out to their loan officers as soon as they realize they're in trouble. We understand that this is a difficult conversation to have, and the temptation to avoid it may be strong. But FCV's options to help grow more limited the closer a customer comes to missing a loan payment. With time to assess, document and plan, we can potentially restructure a loan to a longer term so payments are reduced, or we may be able to enact a limited period interest-only payment plan, or other solutions depending on

individual situations. Please, put us in the best position to assist you, so you can be in the best position to navigate your challenges and come out on the other side even stronger.

By necessity, designing solutions for customers in distress requires more information than we typically collect. To best support you, while also protecting our cooperative so we remain available for all of our customers, we may ask questions that seem somewhat intrusive, or we may challenge projections in the light of current market prices, or explore diversification options included in your business plan. This may feel like an additional burden at a time when your burdens are already heavy. Know, though, that our goal is your long-term viability, and our best interest is always what is in your best interests. Information is power, so arriving at the answers to our questions will also position you to make better decisions and devise the best plan for you, your family and your operation.

Our commitment to supporting our customers through these challenging times with a focus to their long-term success stems from our being a cooperative, owned by and dedicated to our customers. Another aspect of being a cooperative is that our customers elect our board of directors, a process that recently faced its own challenges. I sincerely apologize for the inconvenience to those of our customer-owners who voted using the first ballots mailed, which did not include the certification signature information on the outer envelope. Without these signatures, we would have been unable to confirm customer-owner status, and therefore needed to issue a second ballot mailing which forced some customers to need to vote twice. The error stemmed from the printing company not adding the signature line even though our proof was correct when we approved and delivered it to them. We instituted a process change to ensure this situation does not happen in the future. All costs for the second mailing are being covered by those responsible. Regardless, I recognize that our customer-owners are all

very busy and that this error took more of your time than it should have. Please know that we appreciate your participation in the director election and your attention to this important governance process — by electing your directors, you help influence the future direction of our cooperative.

Also contributing to FCV's future is our new Chief Financial Officer, Justin Weekley, who joined the organization in early October. Justin brings extensive accounting and leadership experience and has already begun making noticeable contributions to our financial management. Our long-time CFO, David Sauer, will be retiring January 31, 2019, and we wish him well in his next endeavors.

As I contemplate this holiday season, I am grateful for many things, including the opportunity to lead this strong and vibrant organization staffed with such dedicated and skilled employees, and to serve you, our hard-working customer-owners. May you and your families have a very Merry Christmas and a healthy and bountiful New Year. ∞



Director Election Results

Our recent election has resulted in two individuals being named to our Board of Directors. Congratulations to Robert M. Chambers, Jr. and David W. Campbell.

Robert (Bob) M. Chambers, Jr.

Mr. Chambers is owner/operator of Brooke Farms LLC, consisting of crops and beef cows. He also owns and operates Liberty Equipment Repair Inc. and CCB Napa Auto and Truck parts. Mr. Chambers is a board member of the Fredericksburg Southern States Petroleum and Orange Madison Cooperative.

David (Wayne) W. Campbell

Mr. Campbell operates a beef cattle farm consisting of commercial cow-calf and seed stock Herefords and stockers. Mr. Campbell retired from Southern States Cooperative with 36 ½ years of service where he managed the Wythe County Cooperative at Rural Retreat and the Southern States Russell County Cooperatives in Lebanon and Honaker. Mr. Campbell is a Washington County Service Authority board member, serves on the Executive Committee as VP Policy and Industry Affairs for the Virginia Cattlemen's Association, the Virginia Cattlemen's Association Policy and Industry Advocacy Board, Abingdon Feeder Calf Board, Smyth/Washington Cattlemen's Association Board, Southwest Virginia Agricultural Association Board, and the NCBA Animal Welfare Committee.

Call to Serve

Nominating Committee Results

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) hold 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 Associations' welfare. Directors serve a four-year term. In 2019, three director seats will be up for election. Potential director 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.

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 election. The Nominating Committee that is elected in 2019 will be looking at director candidates for 2020. Nominating Committee members serve a one-year term. In 2019, potential nominating committee 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 3 – Kevin C. Craun, incumbent director: Rockingham County, VA.

Seat 7 – Barry W. Shelor, incumbent director: Floyd, Franklin, Henry, Montgomery and Patrick Counties, VA.

Seat 8 – Alfred W. Stephens, Jr., incumbent director: Bland, Carroll, Giles, Grayson, Pulaski, Smyth, Tazewell and Wythe Counties, VA.

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 540.801.0192, ext. 5246, or by e-mail at mdriver@fcvirginias.com. ∞

The elected members of the 2019 Nominating Committee are:

Seat 4

(Albemarle, Augusta and Nelson Counties, VA)

William Douglas Riley

Jeffrey A. Slaven

Irvin Dulaney White (*1st alternate*)

Kenneth L. Wampler (*2nd alternate*)

Seat 5

(Bedford, Botetourt, Roanoke and Rockbridge Counties, VA)

John A. Houser

Martha S. Moses

Jonathan P. Repair (*1st alternate*)

Eddie W. Epperly (*2nd alternate*)

Seat 11

(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.)

Jessica R. Groves

Joe W. Casto

Ronald L. Morrison (*1st alternate*)

Brent D. Sayre (*2nd alternate*)

Consumers are Driving the Agricultural Marketplace

By: Dr. David M. Kohl



Dr. Dave Kohl

The drivers of change in agriculture are undergoing a shift. In the past, improvements in mechanization, chemicals and biotechnology have led the way to increased production. Paving the road ahead will be biotechnology and engineering linked to information and aligned with changing consumer demographics and tastes. Drawing on “20/20 foresight,” or perceptual acuity, consider how agriculture is expected to change moving forward:

Marketplace Disruptions

The food and fiber marketplace in the agriculture industry is moving from commercialization or one-size-fits-all to very splintered segments. The brewing industry is a good example of this type of market disruption. Budweiser and MillerCoors are industry giants being challenged by microbreweries.

Further, the dairy industry is being challenged by almond, oat and soy beverages, which have contributed to a decline in fluid milk consumption. Cultured, plant-based meat alternatives — with the marketing tag of being good for the environment — are also being promoted in the marketplace. For example, the plant-based veggie burger known as the Impossible Burger is being introduced nationally as a meat alternative. Both the dairy and beef industries are working with industry regulators to ensure that only true milk and meat-based products can carry those labels.

In the past year, the major retail market disruptor has been Amazon.

These trends are only the point of the spear on challenges that producers, food processors, agribusinesses and large cooperatives will face in the future.

New generations of consumers — millennials, Generation Z and Generation A — are driving the food and fiber industry. The medical industry and younger generations are researching and observing the health and living habits of aging baby boomers as examples of what to do and what not to do for diet and lifestyle habits. Research results are influencing product consumption.

Combine these disruptions with the fact that 1 in 10 Germans and 6 percent of Americans are now vegans. Together, these trends will have a big impact on the future of agriculture.

Over the next decade, 95 percent of success in business — particularly in agriculture — will be related to alignment.

Implications

Over the next decade, 95 percent of success in business — particularly in agriculture — will be related to alignment. Alignment is the meshing of optimal use of land, labor, capital and, most importantly, information regarding emerging marketing trends. Secondly, the ability to assemble people inside and outside the business to achieve your goals will be increasingly important. Finally, aligning your product and service with the marketplace will be critical.

Within these parameters, 75 percent of the new generation of buyers will purchase experiences rather than products. Yes, local, natural and organic distinctions will increase in importance. Using information technology to tell the story and point of origin of products will be critical in bringing authenticity to the marketplace. Additionally, developing products aimed at various ethnic groups and offering customized, convenient services will continue to drive changes in the marketplace both in the U.S. and abroad. This will be true regardless of the enterprise or size of the business.

Whether you are a producer or in a leadership position in agribusiness, the agriculture industry is in a major transition analogous to the mechanical, chemical and biological revolutions that challenged previous generations. The future is exciting, but it will not be one-size-fits-all and will constantly be changing. Information and knowledge applied to the marketplace will be the differentiator. ∞



2019 Farm Management Institute

Open To All In Agriculture...

Join us for the 2019 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, Virginia Tech, and Dr. Steve Isaacs, University of Kentucky, will provide insights, materials and techniques to enhance your growth and success in agriculture.

Hear from Dr. Kohl to



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



Assess your business IQ and develop your financial and management game plan for 2019 and beyond

And Listen to Dr. Isaacs to



Learn about rural community dynamics, leadership insights and land value trends

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



www.FarmCreditKnowledgeCenter.com

Two Locations

Wednesday, March 27, 2019

*Virginia Horse Center
487 Maury River Road, Lexington, Virginia
9:00 a.m. - 3:00 p.m.*

*Reserve your seat by March 8th at
<https://2019fmilexingtonva.eventbrite.com>*

Thursday, March 28, 2019

*Hilton Garden Inn
606 Emily Drive, Clarksburg, West Virginia
9:00 a.m. - 3:00 p.m.*

*Reserve your seat by March 8th at
<https://2019fmiclarksburgwv.eventbrite.com>*

For more information or to reserve your seat by phone or email, contact Kiley at
540-463-5255 ext. 5616
KClevenger@FCVirginias.com



Generations and Operations Evolve at Jeter Farms

By: Karen Macdonald

For five generations, the Jeter family has farmed in Roanoke, Virginia, expanding over time to hundreds of acres in two counties. Over the years, they've also altered what they produce, and most recently have responded to market pressures by adding a diverse agri-tainment operation to supplement their farming income.

The Jetters raise a commercial Black Angus herd of several hundred head, pasturing them across the acreage they both rent and own. Using rotational grazing, the current generations — Ned Senior and his sons, Ned Junior and Darrell — supplement the cattle's feed with hay raised on approximately 150 acres and silage from their approximately 180 acres of corn, which is also raised as a cash crop.

"We gear everything we do toward what we need to feed the cattle," says Ned, Jr. "They're really our bread and butter."

The family is working to expand their herd to fill the pastureland they currently

manage, retaining heifers that meet their quality standards and breeding their cows year-round. This sometimes means warming calves up in their truck when the weather turns cold, but the full-year approach has been in place at Jeter Farms since Ned's grandfather's day.

"My father had five siblings, and they all went to college," says Ned. "My grandfather used to say that with six kids to put through college, he had to breed year-round."

Ned and his brother also went to college, and at their father's request, worked in off-farm jobs for a while afterwards, Ned at the local Natural Resources Conservation Services office and Darrell with UPS. But the call of the family

farm was strong, and both brothers returned after 18 months in the workaday world.

"The local USDA office is literally a stone's throw from our farm, so I could see what was going on over there from my office," Ned says. "It was driving me crazy, so I turned in my resignation."

With the next generation returning to the farm, and Ned, Sr., not interested in expanding, the brothers focused on increasing their then-produce business. For several years, the brothers raised and delivered a variety of produce to the nearby Kroger distribution plant and other local food distributors. Raising produce is labor-intensive, though,



and when their migrant labor force, which they found through a missionary effort working in Nepal, moved on to other jobs, they faced a significant hurdle.

“When we had a labor force, raising produce was an easy decision,” says Ned. “But once our laborers found jobs elsewhere, it was a real challenge.”

After attempting unsuccessfully to fill the vacancies with local teen workers, the family decided to exit the produce industry, though one crop that harkened back to their grandparents’ days eventually led them into the first step of their now-thriving agri-tainment ventures: pumpkins.

Back in the 1960s and 70s, Ned’s grandparents had initiated agri-tourism by inviting local schools — starting with Ned, Sr.’s, of course — to visit their pumpkin patch and interact with their animals. Illness eventually put a stop to hosting these activities, but it seems the idea never left Ned’s grandmother’s mind.

“She really encouraged us to get back into it, and it made sense because we were already raising pumpkins and delivering them to other farms that were having these events,” says Ned. “After one long day of delivering our pumpkins, we decided we should do it ourselves the next year.”

Not satisfied with just a pumpkin patch, the brothers also decided to add a corn maze to their farm, though not without some hesitation from their grandfather. “When he saw us cutting the corn for the maze, he was a little dubious but still supportive,” Ned says. Unfortunately, he passed away before the first corn maze was open for business, though he would undoubtedly have been proud of his grandsons: after the 2006 opening weekend attracted just 30 people, within a week attendance jumped to the hundreds just through word of mouth and has grown ever since.

Jeter Farms’ agri-tainment operation now includes summertime tractor pulls and concerts, and with the coming of Autumn offers the corn maze, pumpkin patch, a pumpkin train and play equipment for the children.

Of course, running outdoor events always carries the threat of bad weather, something that has affected the Jeter Farms operation: in September, the day of their second tractor pull dawned bright and clear, but by the time the first guests started arriving a storm had blown in and the event had to be cancelled.

“Turning people away who’d made plans for the day and took the time to drive over here was heartbreaking,” Ned says. “Some of the pullers had driven six hours to get there and we’d spent weeks getting the area ready, but safety is more important. There’s always next year.”

The farm that holds the tractor pull arena is a recent acquisition, purchased with financing from Farm Credit of the Virginias (FCV). When the Jeters first found the opportunity to purchase the new farm, they shopped around for financing, though one of their first visits was with Joey Cornwell at FCV.

“The farm needed a lot of work, but Joey took the time to visit it with us and saw the potential. He said we should look at it as a blank canvas,” said Ned. “He was so encouraging, and he took the time to explain everything and really worked with us. Going with Farm Credit was a no-brainer.”

Running such a diverse operation is complex, so it’s fortunate that the three Jeter men in charge work fluidly together, sharing responsibility and taking on tasks as needed. “Everyone has an opinion and a personality, of course, but we work really well together,” Ned says. “We divide and conquer, and everyone has something they’re in charge of so we can each just go about our day.”



With as demanding as their lives are, the folks at Jeter Farms still focus on finding ways to do everything better. “Every hayride I give, I think about how we can make it even better. Every time I look around, I think about fixing fences or painting barns.”

One barn that’s getting special attention was built in 1871. It’s situated on the original homestead, and visitors are invited in to explore the construction that used 40 – 50 foot hand-hewn logs, assembled without a single nail. An even older building — the original farm house built in 1854 that was moved in 1963 when a nearby road was being widened — is also slated to welcome visitors in the future after renovations are complete.

Livestock, crops, attractions, events and renovations can clearly take up a lot of time, so it’s no surprise that one of Ned’s biggest challenges is finding time in his demanding life to spend with his family. “We work some pretty ridiculous hours depending on the season. We’re lucky that we have the support of our wives and close family who understand the demands of this way of life,” he says. “But, still, whenever I can, I do everything I can to be with my wife and our kids.” ∞

For more information about Jeter Farms, check out our Ag & Culture video series by visiting <https://www.youtube.com/watch?v=AXXWHUde-Z4> or JeterFarm.com.



Forging a Life and a Business, Together

By: Karen Macdonald

Ninth generation farmer David Falk's family is no stranger to change. The family farmed for many decades in Connecticut until they made the move to Madison County, Virginia in the 60s; later, injuries drove his grandfather and uncle to exit the business. David's father re-established the family farm as a cattle operation in the 90s, growing it over the next ten years until he could leave his off-farm job.

Today, the change being embraced by David and his October 2018 bride, Katelynn, is buoyed by optimism and informed by their own recent experience: they're building an event

barn that they've already started marketing as a wedding venue.

"We've already booked a couple of weddings just based on our 3D renderings," says David. "Now that our own wedding is over, we'll have the time to focus on advertising and marketing even more."

One of the strong selling points of Renback Barn — named after the family farm, which is in turn named for David's grandparents whose last names were Warren (providing the "Ren") and Greenbacker (providing the "back") — is its price point. Weekend weddings will range from \$5,500 for a Sunday event

to \$7,000 for Saturday, compared to the sometimes \$30,000 the couple encountered when shopping for their own venue.

"We're just 30 minutes north of Charlottesville, which is the number two wedding destination in the country," David says. The immediate Charlottesville area is home to hundreds of venues, and the Falks are hoping to attract some of that business to Madison County.

Another prominent advantage of Renback Barn is its setting: situated on a hilltop on a 27-acre plot abutting the family's 300-acre home farm, the location offers panoramic

“Now that our own wedding is over,
we’ll have the time to focus on
advertising and marketing even more.”



views of the Blue Ridge Mountains. An 1,800 square foot wraparound porch will allow guests to take full advantage of the scenic landscape.

The 6,000 square-foot barn will feature exposed log construction along with indoor plumbing, heat and air conditioning, which is not always the case with barn venues. A groom’s room and bridal suite situated on the balcony will provide privacy, and available tables, chairs, arbor and hay bales will simplify planning for clients. A warming kitchen will provide prep space for caterers.

Designing both their barn and business capitalized on their experience and incorporated extensive research. “As we looked at venues for our own wedding, we’d pay attention to what we liked and didn’t like,” David says. “For example, the barn for our wedding didn’t have heat and the bathrooms weren’t connected to the barn, so we’ve included them in our barn.” Online research, meetings with a lawyer, outreach to wedding planners and others in the business, and working with an architect supplemented their planning.

Also supporting their dreams is Farm Credit of the Virginias (FCV), which provided the real estate loan for the land and the construction loan for the barn. “They really understand the challenges of starting a

business that isn’t going to make any money until the structure is built,” says David. Extending the real estate loan to 25 years to reduce the mortgage payments and establishing interest-only payments for the first year of the construction loan have helped set the couple up for success. “They go above and beyond to make things happen for you so you can create an opportunity for yourself.”

David also appreciates the convenience of working with FCV. “I’ve never even been to their office. Every document I’ve needed to sign, our loan officer has driven out to where I was, even out in the field so I could just climb down the tractor,” he says.

The couple is also enjoying support from their community of church, family and friends, including building the porch using timber harvested from the Falks’ land, a friend’s portable sawmill and volunteer labor. “People want to help us, which we really appreciate,” says David, who is active in the community himself. “We plan to return the favor somehow, maybe by hosting prom or something like that.”

The driving force behind Renback Barn is the young couple’s desire for Katelynn to be able

to leave her full-time job in Charlottesville to make her own footprint in the farm’s operation and spend her days alongside David working and promoting growth at Falk Farm. “Katelynn loves farming. She grew up riding horses and working on farms and at the rodeo, and we thought this would be a fun and profitable way for her to be a part of the farm,” David says. Once the barn opens in May, they hope to schedule one event per month through 2019, which will cover their costs, and then build up business over time until Katelynn can step away from her off-farm job. Another local barn venue is host to 60 weddings a year, cause for optimism for the Falks as they launch their new venture.

Meanwhile, David will continue the process of taking over primary responsibility for the family cattle and hay operation as his father steps down toward retirement. With close to 2,500 acres of owned and rented land serving as home to crops as well as 800 head of Black Angus, including 275 breeding cows, he’ll be kept more than busy.

David and Katelynn are just starting out — he graduated from Eastern Mennonite University in 2015 and she graduated from Virginia Tech in 2016 — but they’re both focused and excited about the future of Renback Barn. “We’re just looking to make a name for ourselves,” says David. “And rather than work for someone else, we want to work with each other to make a life together. ∞

Visit RenbackBarn.com for more information.

CAP News

(Communications Advocacy Program)

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

Farm Credit's top federal legislative priority for 2018 continues to be ensuring passage of a strong farm bill this year. The House and Senate each passed versions of the Farm Bill this summer, and are working to negotiate differences between the two proposals in light of the current Farm Bill technically expiring September 30. When Congress returns for its "lame duck" session in November, Farm Credit will be urging Congress to pass a new Farm Bill by December 31. Remember, as a customer-member, you can join Farm Credit's

advocacy team- just visit <https://farmcredit.com/takeaction> and sign up for the action alert system. Once you are signed up, Farm Credit will contact you via email and text message when it's time to contact Congress again regarding the Farm Bill and other key legislation for agriculture and our rural communities.

The outcome of the November 2018 mid-term elections will mean changes in leadership in the U.S. House of Representatives, including the likely election of Rep. Collin Petersen-MN as chair of the House Agriculture

Committee. Petersen previously served as Chair of the committee that is tasked with passing the Farm Bill. In addition, Farm Credit will also welcome six new U.S. Representatives throughout Virginia, West Virginia, and Maryland to Congress. We'll be working with our partners throughout these states to educate these new congressmen and women about agriculture and Farm Credit. Key issues for agriculture in Congress in 2019 include Farm Bill programs, infrastructure investment, and trade policy.



Farm Credit of the Virginias partnered with the Virginia Dairywomen's Association, Virginia Cattlemen's Association, Virginia Farm Bureau, Virginia Forestry Association, and the Virginia Agribusiness Council to host staff from Senator Mark Warner and Senator Tim Kaine for tours of several farms and forest products businesses in Orange and Spotsylvania counties (pictured left and above). Farm Credit of the Virginia's also coordinated farm visits for the Legislative Director for Congressman Morgan Griffith in Montgomery county, and a stop at Board member Barry Shelor's dairy farm in Patrick County with CEO Peery Heldreth and External Affairs Director Katie Frazier.



Farm Credit of the Virginias partnered with MidAtlantic Farm Credit and industry partners in Virginia to host Congresswoman Barbara Comstock on a full day of farm tours throughout Loudoun and Clarke counties, continuing annual ag tours the Congresswoman participated in throughout her time in Congress.



Farm Credit 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 External Affairs Director Katie Frazier participated along with employees and directors from Colonial Farm Credit.



Farm Credit representatives also hosted Congressman David Brat for the Virginia Cooperative Council breakfast in Richmond and posed for a photo with poster showing the amount of patronage paid in the congressman's 7th district. CEO Peery Heldreth and External Affairs Director Katie Frazier participated along with employees and directors from Colonial Farm Credit.

Farm Credit gift supports value-added experiences programming for WVU Davis College Students

By: Julie Cryser, Assistant Dean of Advancement, Davis College



“Supporting young agriculturalists helps us to ensure our industry’s future by encouraging these individuals to pursue what they are passionate about.”

Farm Credit’s CEO,
Peery Heldreth

Five years ago, the West Virginia University Davis College of Agriculture, Natural Resources and Design set as a priority providing students with value-added experiences — outside the classroom internships, research opportunities and study abroad — to help with recruitment and retention.

With a recent gift of \$500,000, Farm Credit of the Virginias will help to ensure students continue to have access to those opportunities that enhance their college experience.

The gift also allows the WVU Davis College to hire a Farm Credit of the Virginia’s Value-Added Experience Program Coordinator, whose salary will be paid entirely by the financial institution for two years.

“Farm Credit’s mission is to be an engaged partner in our rural communities. Supporting young agriculturalists helps us to ensure our industry’s future by encouraging these individuals to pursue what they are passionate about. Without experiences such as these, it is challenging to determine a specific area of interest in such a broad industry. Tomorrow’s ag. leaders are today’s ag. students and beginning farmers. Investing in today’s youth is one of the smartest decisions we can make. These experiences will help mold and develop them into well-rounded and experienced individuals which businesses look for when hiring,” commented Farm Credit’s CEO, Peery Heldreth.

In late July, Jacob Dolence, former director of Boundaryless at Northern Arizona University in Flagstaff, joined the college as its first value-added experience coordinator.

The Wyoming native earned his bachelor’s degree in natural resource recreation and tourism and a graduate certificate in environmental education from the University of Idaho. He then went on to receive a master’s degree in sustainable communities from Northern Arizona University.

Dolence credits the opportunities he had — and the inspirational professors he connected with — as a student at the University of Idaho, the state’s land grant institution, with shaping him as a person and propelling him into a career of helping students succeed.

On his journey to becoming a Mountaineer, Dolence won a business plan competition and founded an internet company to help college students buy and sell cheaper textbooks. Prior to joining Northern Arizona University, he served two terms as an AmeriCorps volunteer teaching field-based science to K-12 students.

During his seven years at NAU, Dolence was a teaching faculty member in the first year student success program and, for the last three years of his tenure, directed the student innovation and entrepreneurship incubator, Boundaryless.

“I have a deep drive to help train the leaders of the future. It’s the potential I see in

each student that motivates me the most,” he said. “I’m very excited about connecting Davis College students to value added experiences that fit their interests and majors. I want to make sure they have the ability to grow their leadership, get practical work, research and project experience, and get out into the state, region and world ready to lead our communities and economies toward a vibrant future.”

Dolence is responsible for bringing under one umbrella all value-added experience programs to create synergy and leverage resources. The Davis College now has more than 20 funds that support value-added experiences for undergraduate and graduate students. The programs and students Dolence works with range from fashion to forestry to farming.

“These funds help students to conduct ground-breaking undergraduate research, provide innovation and entrepreneurial experiences, enhance study abroad, and build quality students who will be the doers and thinkers who create solutions to the world’s agricultural, natural resources and design challenges,” said Davis College Dean Daniel J. Robison. “As a result, each year students in the college receive leadership training, business development experience and academic enhancement resources above and beyond their day-to-day college education.”

Robison said these kinds of experiences are transformational for students and will put them ahead as they start their careers and make them more effective members of the communities that Farm Credit serves.

The money provided by Farm Credit will also create a Farm Credit Value-Added Experience Fund which, when fully endowed, will provide approximately \$14,000 a year to run the value-added experience program and provide additional funding for students.

The Young Innovator Fellowship program, supported by Farm Credit for the past three years, is an example of the types of programs that this position would coordinate.

The program provides leadership and entrepreneurial training, as well as start-up funding for businesses. By providing students with outside the classroom experiences, they are able to grow leadership and thinking skills.

“By bringing these students together under one coordinated effort and as their own cohort, we are able to help them share in their experiences and develop relationships beyond the classroom,” said Todd Petty, associate dean for academic affairs. “By offering them internship and mentorship opportunities, scholarship and travel funding, we are able to create the margin of excellence that will propel these students through their careers.”

These coordinated efforts will also boost the college’s relationships with companies throughout the state, region and nation who are seeking valuable interns, help students create long-term mentorship relationships and provide them with leadership experiences that will enhance their performance in the workplace or developing their own entrepreneurial endeavors.

“The Farm Credit of the Virginias Value-Added Experience Program Coordinator will also assist us with marketing these programs

to potential students through recruitment fairs and other venues, allowing us to use these programs as a draw to recruit the best and brightest students,” he said.

Farm Credit also supports an enhancement grant, funded in 2013, that provides travel funds, research grants and stipends to graduate students.

This gift has been made through the WVU Foundation, the non-profit corporation that generates and provides private support for West Virginia University.

Farm Credit of the Virginias, ACA is part of a nationwide network of cooperative lending institutions that provides financing for farm and country home loans; land purchase, home construction, and improvements; buildings, machinery, livestock and equipment; operating expenses and lines of credit; and much more.

Farm Credit was established in 1916 and is now the largest single provider of agricultural credit in the United States. Farm Credit of the Virginias provides more than \$1.8 billion in financing to rural homeowners, farmers and landowners in 96 counties in Virginia, West Virginia and Maryland. ∞

Inclusion Council



The Inclusion Council is excited to announce that our organization was able to collect 12 large totes of goods needed by The Haven — including coats, gloves, socks, duffle bags, toiletries and other supplies. The generosity of our team really shines when we get together and we certainly left our mark on Charlottesville, VA.

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.

Adams, James P & Tara E	Wytheville, VA	Hayhurst, Jay C & Aaron R.....	Jane Lew, WV	Poling, Peggy J & Elwanda	Philippi, WV
Anderson, Jack R & Ida J	Ivanhoe, VA	Hedrick, Gregory Alan & Julie Ann.....	Peterstown, WV	Raines, Ralph C & Jeffrey L & Lois I	Abingdon, VA
Atwell, Larry B & Elizabeth J.....	Rural Retreat, VA	Herter, Clyde S	Petroleum, WV	Ralls, Steven D & Kathleen A & Anfinson,	
Bailey, Stephanie L	Cross Lanes, WV	Higgins, Danny Ray	Galax, VA	Lawrence N & Thomas E	Catlett, VA
Barkley, Bobby G & Wanda G	Seneca Rocks, WV	Hodges, David J & Mildred J.....	Danville, VA	Ratliff, Robert Cullen & Robert P	Lebanon, VA
Bittinger, Larry E.....	Augusta, WV	Ingo, Garland L & Elizabeth U	Wytheville, VA	Richardson, Jene.....	Sutherland, VA
Bowyer, Norma C & David E	Alma, WV	Jacobs, Michael W	Lovettsville, VA	Richey Farm LLC & Richey, Wilson A & Lisa M.....	Esmont, VA
Brandon, Charles W, Sr. & Kurl E & Brandon,		Jenkins, Michael Z & Dari S	Pulaski, VA	Ritchie, Steven C & Lori A.....	Walsenburg, CO
Charles W , Jr.	Alton, VA	Kaylor, Jerry D & Linda S	Bristol, VA	Robbins, Stephanie D & Franklin G & Connie R	Marion, VA
Brian, James T.....	Scottsburg, VA	Keene, Debra K	Abingdon, VA	Rosenberger, Nathan T	Jeffersonton, VA
Buckbee, Garrett C & Haslacker, John S	Maysville, WV	Kerzic, John D	Macarthur, WV	Sarver, Larry J & Danny R.....	Rocky Gap, VA
Callison, Ryan M	White Sulphur Springs, WV	Knepper, Gary L, II & Candy S.....	Cedar Bluff, VA	Saufley, Samuel P	Grottoes, VA
Carter, Maria D & Stephen R	Callands, VA	Kohler, Stewart E	Spotsylvania, VA	Shank, Lynnwood E & Naomi W.....	Dayton, VA
Chitwood, Gregory S & Allen, Karen E	Chatham, VA	Lawhorn, Jordan N & Jesse S	Salem, VA	Sirk, Mark W & Kristi A.....	Moorefield, WV
Cleland, James L	Gallipolis Ferry, WV	Linton, Brittany N & Cynthia D.....	Midland, VA	Smith, Shirley L & Bradley W & Leigh E	Gainesville, VA
Clendenin, Dwayne R & Betty.....	Ripley, WV	Lipps, Erica A & David I	Hillsboro, WV	Speck, Beatty L & Josephine F	Greenville, VA
Cooley, Charles E & Aiko T	Abingdon, VA	Longanacre, Estate Of Paul Douglas, II	Sinks Grove, WV	Spell, Glenn H & Peebles, Sara.....	Halifax, VA
Cornelius, Jennifer L & Christopher A	Lewisburg, WV	Mack, John Robert Lee	Rocky Mount, VA	Steinman, Paul Dean, Jr & Marc J.....	Arthurdale, WV
Deavers, Darryl K & Cynthia L	Crimora, VA	Martin, Roger D & Tracy E.....	Mannington, WV	Stork, June W.....	Crozet, VA
Debusk Farm Inc & Debusk,		Miller, Robert S & Robert L	Hiltons, VA	Street, Aaron H & April A	Union, WV
David E & F Amanda.....	Glade Spring, VA	Miller, Roderick K & Lisa G	Bridgewater, VA	Stutts, Thomas A	Alton, VA
Delp, Travis L & Erin J & Jones,		Mongold, Vernon R, Jr & Rhonda H.....	Linville, VA	Taylor, Donald W, Jr & Sharon W.....	Avon, NC
Linda M & Harold B.....	Blue Ridge, VA	Mooney, Daniel L & Candice K.....	Shady Spring, WV	Teets, Donald W & Mary M	Morgantown, WV
Dinkle, Glenn T & Glenn D.....	Huddleston, VA	Morgan, Ricky D & Miranda D.....	Simon, WV	Vanderhyde, Larry J	Chatham, VA
Eanes, Timothy W & John Wayne	Ringgold, VA	Mountaineer Trout Farm LLC	Josephine, WV	Vencill, Gene T	Bristol, VA
East, John W	Aylett, VA	Mustard, Robert Allen & Eleanor R & Robert C	Bland, VA	Vision At Work Inc	Danville, VA
Elliott, Denise	Lewisburg, WV	Myers, Willie E & Sabrina D.....	Moneta, VA	Wade, Kenneth G & Edith M & Karen	
Fields, Kenneth E & Tammie D	Abingdon, VA	Nesselrodt, Eugene D, Jr & Sherry L.....	Harrisonburg, VA	E & William K	White Sulphur Spr, WV
Fields, Wade T & Holly R	Leroy, WV	Nester, William K, Jr & Victoria L	Lewisburg, WV	Ward, David M & Cynthia D.....	Mineral Wells, WV
Fishback, Kenneth M & Kimberly K.....	Spotsylvania, VA	Orsburn, Anthony W & Katerena A	Philippi, WV	Ward, George T, Jr & Cheryl R	Marshall, VA
Floyd, Travis K & Spooner, Lisa K.....	Crimora, VA	Owen, John Landis.....	Gretna, VA	West, Colby A & Kimberly A	Sandyville, WV
Fouts, Janice Lee.....	Huntington, WV	Pate, John L	Daniels, WV	Williston, Trent	Jane Lew, WV
Francis, Michelle A & Adam R	Leasburg, NC	Patterson, James P & Tina D	Ringgold, VA	Wilson, Thomas L & David A	Bland, VA
Gohman, Nichole Williams	Bristow, VA	Perdue, Wesley	Wytheville, VA	Wingfield, Josephine A.....	Elkins, WV
Haines, Roger L, Sr & Vickie A	Augusta, WV	Perkins, McGinnis J & Judith L.....	Natural Bridge, VA		
Hanshaw, Kevin L & Tessa S	Danese, WV	Perry, Frank S & Shipley, Jayme J.....	Kansas City, KS		
Hardy, Mark D	Purcellville, VA				



Consolidated Balance Sheets

	September 30, 2018	December 31, 2017
<i>(dollars in thousands)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Assets		
Cash	\$ 1,091	\$ 5,082
Loans	1,835,025	1,844,949
Allowance for loan losses	(15,480)	(17,461)
Net loans	1,819,545	1,827,488
Loans held for sale	4	1,388
Accrued interest receivable	15,352	10,127
Equity investments in other Farm Credit institutions	20,740	20,763
Premises and equipment, net	10,232	10,142
Other property owned	1,021	1,221
Accounts receivable	8,266	25,059
Other assets	3,123	2,338
Total assets	\$ 1,879,374	\$ 1,903,608
Liabilities		
Notes payable to AgFirst Farm Credit Bank	\$ 1,415,315	\$ 1,437,895
Accrued interest payable	3,944	3,634
Patronage refunds payable	179	25,254
Accounts payable	2,110	3,146
Other liabilities	10,217	10,858
Total liabilities	1,431,765	1,480,787
Members' Equity		
Capital stock and participation certificates	10,583	10,493
Retained earnings		
Allocated	92,568	92,568
Unallocated	344,488	319,790
Accumulated other comprehensive income (loss)	(30)	(30)
Total members' equity	447,609	422,821
Total liabilities and members' equity	\$ 1,879,374	\$ 1,903,608

Consolidated Statements of
Comprehensive Income
(unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
<i>(dollars in thousands)</i>	2018	2017	2018	2017
Interest Income				
Loans	\$ 25,718	\$ 24,479	\$ 75,714	\$ 71,929
Interest Expense				
Notes payable to AgFirst Farm Credit Bank	11,739	10,868	33,887	31,357
Net interest income	13,979	13,611	41,827	40,572
Provision for loan losses	1,000	—	2,000	750
Net interest income after provision for loan losses	12,979	13,611	39,827	39,822
Noninterest Income				
Loan fees	206	129	575	421
Fees for financially related services	3	3	39	50
Patronage refunds from other Farm Credit institutions	2,721	2,774	8,041	8,263
Gains (losses) on sales of rural home loans, net	198	250	480	603
Gains (losses) on sales of premises and equipment, net	22	15	187	71
Gains (losses) on other transactions	(18)	24	2	61
Insurance Fund refund	—	—	1,673	—
Other noninterest income	14	30	54	81
Total noninterest income	3,146	3,225	11,051	9,550
Noninterest Expense				
Salaries and employee benefits	4,246	4,067	13,724	13,451
Occupancy and equipment	319	329	1,042	1,066
Insurance Fund premiums	319	546	952	1,601
(Gains) losses on other property owned, net	4	7	59	579
Other operating expenses	1,558	1,753	5,343	5,163
Total noninterest expense	6,446	6,702	21,120	21,860
Income before income taxes	9,679	10,134	29,758	27,512
Provision for income taxes	33	35	57	63
Net income	9,646	10,099	29,701	27,449
Other comprehensive income	—	—	—	—
Comprehensive income	\$ 9,646	\$ 10,099	\$ 29,701	\$ 27,449

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



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