Your cooperative is experiencing another strong year in all respects. Loan volume is up, credit quality remains very sound and net income was $7.8 million (unaudited) through August. Compared to the same period last year, loans to new customers are up substantially this year in both number and volume.

Earlier this year, I announced my plans to retire next spring after almost 40 years with Farm Credit. In August, our board of directors selected Paul B. Franklin, Sr., current chief lending officer, as my successor as president and chief executive officer. Paul’s experience and education make him an excellent choice; and having worked with Paul for the last 25 years, I’m confident of his ability to successfully lead this organization. He and I will be working closely together to effect a smooth transition. Additional information about Paul can be found elsewhere in this newsletter.

Many of us will have new congressmen next year as a result of changing congressional district boundaries or the retirements of several long-time friends of rural communities and agriculture/forestry (Rep. Robert Hurt and Rep. Randy Forbes). It is imperative that we get to know our new representatives as quickly as possible to educate them on the social, environmental and economic contributions of these industries. Congressional action significantly influences the viability of the agriculture and forestry industries and the businesses that serve them. Congress approves the Farm Bill and other related legislation, and our representatives can be helpful in limiting burdensome regulations. We at Farm Credit will continue to work closely with our friends at Farm Bureau, the Virginia and Maryland Agribusiness Councils and the national Farm Credit Council to build strong relationships with our federal legislators, and I urge you to do the same.

Director and nominating committee elections were held in September via mail ballot. Thank you to all who took an active role in the governance of your cooperative by casting your ballot and/or agreeing to run for a position. Congratulations to Jeffrey W. Griffith (Lothian, MD), John F. Davis (Port Royal, VA) and L. Wayne Kirby (Mechanicsville, VA) on their re-election to our board of directors. Please see the list of 2017 nominating committee members elsewhere in this newsletter.

Director R. Kenneth Hatcher, Sr. (board member since 2008) announced his retirement effective with this year’s annual meeting. We thank him for his leadership and contributions to our success during his tenure. Mr. Hatcher has been a valuable member of our audit committee for many years, and we wish him continued success in his farm operation.

I’ve enjoyed seeing many of you at our customer appreciation events as well as while accompanying our relationship managers on individual visits this summer. It is fascinating and rewarding to see the variety of successful businesses that we finance, ranging from several-thousand acre grain and timber operations to relatively small organic vegetable operations and everything in between. It is our mission and privilege to provide capital to all agriculture and forestry operations, regardless of size or type.

As we continue to celebrate Farm Credit’s centennial anniversary, we appreciate those of you who have helped us celebrate by attending our customer events and the many messages and gestures of support. The ultimate vote of confidence is your continued patronage.

Thank you for your continued support and loyalty, and best wishes for a bountiful harvest.

---

The Colonial Agricultural Educational Foundation (CAEF) highlights a previous recipient to share their story of how the scholarship assisted in their education and helped shape their future. In a letter written to the Foundation, Dr. Katelyn Inge Myers tells us about her journey since following her educational dreams:

I would like to share what I am doing now since receiving your scholarship. After high school, I attended James Madison University and majored in Health Sciences. After graduating from James Madison, I attended the Virginia College of Osteopathic Medicine in Blacksburg, Va. and graduated from there as a Doctor of Osteopathic Medicine. I am currently a 3rd year Family Medicine Resident at Spartanburg Regional Medical in Spartanburg, SC. After I complete my 3 year residency, I will be returning to Virginia to practice as a Family Medicine Physician. I am very proud of my dedication and accomplishments. I am married and my husband is attending Sherman School of Chiropractic in Boiling Springs, SC.

All of the scholarships that I received were very beneficial to me as my education has been quite costly! I truly appreciated all assistance and it very much helped me to achieve my goals and aspirations.

Dr. Katelyn Inge Myers

Colonial Agricultural Educational Foundation
New Employees

Please join us in welcoming the following new employees to the Colonial Farm Credit family:

Chris Lee began employment on July 25, 2016 as a mortgage loan specialist in the Country Mortgage Unit. Chris has held various positions in the financial industry and worked as a Mortgage Loan Specialist with the SunTrust mortgage division for four years.

He has experience in many areas such as loan file review, collecting and processing of client documents, verification procedures, appraisals, title work and some closing conditions. He also has knowledge of Fannie Mae, FHA, VA, TRID, and mortgage regulations and compliance.

Sam Norman began employment on August 8, 2016 as a Country Mortgage Unit loan originator in our Mechanicsville and Tappahannock offices. Sam previously held a dual role position as a loan assistant and customer service representative for Farm Credit of the Virginias.

She earned her bachelor’s degree at Virginia Tech majoring in animal & poultry sciences with a minor in agriculture and applied economics and recently completed her master’s degree in agricultural and applied economics.

Tammy Warren began employment on September 6, 2016 as a Country Mortgage Unit loan originator in our Windsor office. Tammy worked the last 15 years for the Bank of Southside Virginia in Wakefield VA where she was responsible for various financial duties such as processing loan transactions, preparing loan files, and completing loan draws.

Coloanal Farm Credit events

New Farmers’ Market Sponsorship

Standing left to right are Charlotte County Farmers’ Market board members, Beth Reynolds, Cornell “Brick” Goldman and Jim Brooks, along with relationship manager, Hilary Thompson. Colonial Farm Credit presented the board members with a sponsorship check for their recently opened farmers’ market. The market is located in Drakes Branch, VA and draws approximately 300 people each Friday during its operating hours of 10AM-4PM. The market specializes in locally grown produce, beef, baked goods and other homemade specialty items.

Hubner Seed Field Day

Local farmers enjoy fellowship and freshly grilled steaks prepared by Ronnie Gill and Seth Diggs from the Tappahannock office at Jeff Hinton’s Farm.

Aquaculture Workshop

Farm Credit sponsored the annual Fish School at Virginia State University in July. This 3-day event provides an overview of various aquaculture management systems (pond culture of finfish and shrimp, cage culture, tank culture and aquaponics) and is a unique opportunity for participants to “get wet” and practice many of the skills that they have learned.

CEO-ELECT

Paul Franklin has been named the Association’s next chief executive officer effective March 23, 2017. Paul has been with the Association for over 25 years and has served as chief lending officer since 2007. Paul received a bachelor’s degree in agricultural economics from Virginia Tech and his MBA from Troy University. Additionally, Paul is a graduate of the Louisiana State University School of Banking. Congratulations, Paul!
The Virginia Cooperative Extension held a BQA clinic in July at the Doswell Ruritan Club. This program provided attendees with a knowledge of Veterinary Feed Directives, low-stress cattle handling, beef management tips, chute-side training, services provided by Extension, and an agricultural advocacy. Speakers included Bom Harris, DVM; Dr. Tim Marshall, Abraham Baldwin Agricultural College; Laura Maxey-Nay, Virginia Cooperative Extension; and Rachel Waggie, Virginia Cooperative Extension.

Attendees became BQA certified in the state of Virginia which shows consumers they’ve had the training to humanely treat their cattle.

On Friday, July 15th, the Colonial Farm Credit offices celebrated 100 years of service to rural communities across America. Several local customers at each location stopped in for cake and refreshments to join in on the celebration!
Colonial Farm Credit Events continued

Colonial Farm Credit Employee Awarded Honorary State FFA Degree

Dinwiddie relationship manager Lindsay Miller and her husband, Thomas (Hucky), traveled to Blacksburg in June to attend the Virginia FFA Convention where they were both recognized with honorary degrees. Recipients of the Honorary State FFA Degree are nominated for the award in recognition of their work in helping to advance agricultural education and the FFA and who have rendered outstanding service. Both Lindsay and Thomas are actively involved in the Dinwiddie FFA Alumni organization.

Annual Customer Appreciation Events

Farmville customer appreciation event at Wick’s Lake Isle

Hughesville customer appreciation event at Rita B’s Barn

Windsor customer appreciation event at the Colonial Farm Credit Windsor office

Nominating Committee

<table>
<thead>
<tr>
<th>District</th>
<th>Nominating Committee member</th>
<th>Alternate Nominating Committee member</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Christopher D. Parker (Prince George’s County MD)</td>
<td>Joseph W. Wood (St. Mary’s County MD)</td>
</tr>
<tr>
<td>2</td>
<td>Eleanor Jean Carlton (King and Queen County VA)</td>
<td>Howard L. Chandler, Jr. (King and Queen County VA)</td>
</tr>
<tr>
<td>3</td>
<td>Jack E. Bulls (Amelia County VA)</td>
<td>William Roger Bowles (Fluvanna County VA)</td>
</tr>
<tr>
<td>4</td>
<td>Daniel Edward Glenn, Jr. (Prince Edward County VA)</td>
<td>James Alvin Thomas, Jr. (Buckingham County VA)</td>
</tr>
<tr>
<td>5</td>
<td>Marvin Lewis Everett, III (Southampton County VA)</td>
<td>Steven E. Oakes (Nottoway County VA)</td>
</tr>
<tr>
<td>6</td>
<td>G. Henry Goodrich (Surry County VA)</td>
<td>Joseph H. Barlow, Jr. (Suffolk VA)</td>
</tr>
</tbody>
</table>

Ag In the Classroom: Search for Teacher of the Year

Ag in the Classroom is accepting applications for their teacher of the year award at AgInTheClass.org. All PK-12 teachers who currently integrate agriculture into core subject areas are encouraged to apply. The winner will receive a $500 stipend as well as a trip to the national Ag in the Classroom conference in Kansas City, MO in June 2017. The deadline for applications is November 1, 2016.
Colonial Agricultural Educational Foundation Turns 25

The Colonial Agricultural Educational Foundation was established in 1990 as the ‘brain child’ of H. Earl Longest, who was CEO of Colonial Farm Credit at the time. The Foundation was set up with a governing board consisting of seven board members: one Colonial Farm Credit employee, two Colonial Farm Credit directors, and four other members that either had an ag education or agricultural background. The annual report with the first five recipients and original board members is shown above.

The majority of endowments were established by clubs, organizations, or family members of someone to be memorialized. Many, but not all, of the endowments are tied to having an agricultural background or the student required to major in an agricultural related field. Colonial Farm Credit provided the seed money in 1990 and continues to financially support the Foundation today, including a $1.5 million donation in 2013 which increased the amount of all endowments and created three $5,000 Colonial Farm Credit scholarships.

Since inception, the Foundation has awarded a total of 1,838 scholarships totaling over $2 million. The program has grown from 5 scholarships totaling $4,500 available in 1991 to 89 scholarships and grants totaling $150,000 available in 2016. Donations and support of the Foundation are always appreciated. You may contribute monetarily or by donating recyclables. To see a list of current and previous scholarship recipients, please visit www.colonialfarmcredit.com.

Unclaimed Accounts

To see a complete list of unclaimed accounts, please visit the Financial Resources page of our website at www.colonialfarmcredit.com.

The persons listed, at their last known address, are the rightful owners of unclaimed funds held by Colonial Farm Credit. To claim these funds, please contact Kristen Helms at 804-746-4581 ext.1109 by October 14, 2016.

Calendar Contest Winners

1st – Angela Dawson from Heathsville, VA – Winter wheat at sunset

2nd – Barbara Hale from Dinwiddie, VA – Rainbow in Dinwiddie

3rd – Gene Campbell from King William, VA – Winter at Bleak Hill Farm

HOLIDAYS

Farm Credit Offices are Closed

Thanksgiving
Thursday, Nov. 24
Friday, Nov. 25

Christmas
Friday, Dec. 23
Monday, Dec. 26

New Year’s
Monday, Jan. 2
Everyone loves a warm soup when it’s cold outside. This tomato soup with grilled cheese will warm you up when the temperature goes down. “Try pouring the soup directly over the sliced sandwich for an irresistible cheesy bread soup” (www.bonappetit.com/recipe/tomato-grilled-cheese-soup).

Grilled Cheese Sandwich And Tomato Soup

**Ingredients**
- 4 tablespoons (½ stick) unsalted butter, plus ½ cup (1 stick) at room temperature, divided
- 1 medium red onion, chopped
- Kosher salt, freshly ground pepper
- 2 tablespoons tomato paste
- 2 28-oz. cans crushed fire-roasted tomatoes
- 4 cups vegetable broth
- 2 sprigs thyme
- 1 bay leaf
- 2 tablespoons sugar
- ½ cup heavy cream
- 16 slices Pullman loaf
- 16 ounces cheddar, grated

**Directions**
1. Heat 4 Tbsp. butter in a Dutch oven or medium stockpot over medium heat. Add onion and cook, stirring often, until softened and lightly browned around the edges, 8–10 minutes. Season with salt and pepper. Add tomato paste and cook, stirring to coat onion, until tomato paste is slightly darkened in color, about 2 minutes. Add canned tomatoes, vegetable broth, thyme, bay leaf, and sugar and bring to a simmer. Season with salt and pepper and cook until flavors are melded, 35–40 minutes. Remove from heat and stir in cream. Remove thyme stems and bay leaf and let cool slightly. Working in batches, purée in a blender until smooth.

2. Heat a dry skillet, preferably cast-iron, over medium heat. Dividing evenly, spread room-temperature butter over bread slices. Top unbuttered side of 8 slices with cheddar, dividing evenly. Top with remaining bread, buttered side up, and cook, turning once, until bread is golden brown and cheese is melted, about 3 minutes per side. Cut sandwiches into soldiers and serve alongside hot soup for dipping.