

Leader

A Colonial Farm Credit Member Publication

2015 - Issue 3

A note from Greg



Greg Farmer
President,
Colonial Farm Credit

The 2015 crops have been harvested, and there are wide ranges of yields and quality across our territory depending upon the amount and frequency of rain received during the year. Lower yields in some areas, combined with lower commodity prices, will squeeze profit margins

considerably. It is for these types of years that we (producers and lenders) build reserves in the form of liquidity and net worth. With our strong financial base and our commitment to finance agriculture in good times and bad, we stand ready to assist our customers through these difficult times. If the current environment has created stress for your operation, frequent and timely communication with your relationship manager is extremely important. The earlier that we are aware of potential problems, the more options we will have available to assist you.

During 2015, we experienced a significant increase in loan demand from existing and new customers, strong earnings and continued improvement in credit quality. Net income was \$13.8 million, including another large earnings distribution from the AgFirst Farm Credit Bank (our funding bank). This performance, combined with an already excellent capital position, allowed your board of directors to approve an estimated \$7.2 million cash patronage refund, equivalent to 25% of the interest earned on loan accounts during 2015. These funds will be distributed in May, and this will be the 18th consecutive year in which we have been able to return a portion of our profits to our customer-owners.

In keeping with the cooperative principle of educating our members, we kicked off our fifth

annual AgBiz Planner session for young farmers in November. This is an online course developed by Dr. Dave Kohl and offered through Farm Credit University, which teaches young and beginning farmers basic financial management and business planning skills. One of our relationship managers is assigned as a mentor to each participant, and Colonial Farm Credit covers the majority of the cost of the course. By the conclusion of the course, each participant will have written a business plan for his/her own operation. Our current class will graduate in March.

And speaking of educating our youth, please see the letter from a previous Colonial Agricultural Educational Foundation scholarship winner. As a

reminder, applications for the \$150,000 in available scholarships must be submitted by February 29.

As the Farm Credit System celebrates its centennial anniversary this year, we gratefully acknowledge the wisdom of our forebears in establishing a nation-wide system of farmer-owned cooperatives in 1916. These cooperatives have provided reliable and affordable credit and financial services to the agriculture and forestry industries, in both good and bad economic times, helping them to feed, clothe and house our country and much of the rest of the world.

Best wishes for a prosperous and healthy new year! ■

2015-2016 AgBiz Planner Class



(From the Left) Erick Watson, Ryan Callahan, Jarrett Callahan, Paul Rogers, III, David Turner, Coley Drinkwater, Nick Moody, and Jamie Turner

The fifth AgBiz planner class participants started the program in late November, 2015 with a kickoff meeting held at Colonial's Mechanicsville office. The class will meet in Raleigh, NC in March, along with participants from Farm Credit of the Virginias, Carolina Farm Credit, AgCarolina Farm Credit, and Cape Fear Farm Credit.

CAEF Scholarship Success Stories

The Colonial Agricultural Educational Foundation would like to highlight a previous recipient and share their story of how the scholarship assisted in their education and helped shape their future.

In a letter written to the Foundation, Elizabeth Welshonce tells us about her journey since following her educational dreams:

Your foundation continues to amaze me in how much you give back to our community! I can't believe how many more scholarships you have added. In an effort to update you on how much your scholarship helped me, I'm going to start from the beginning:

Your scholarship gave me the ability to go to my top pick school, Bridgewater College. Bridgewater is a private school, so a "little" more expensive than most, but your scholarship helped so much with my decision. Bridgewater was well worth the money because I got one of the best educations in the state that prepared me for my dream career as an educator. At Bridgewater, I earned a Bachelor of Arts degree in History and Political Science with a minor in education while also being able to play four years of NCAA collegiate softball. After graduating, I got married and I went on to teach high school social studies in Roanoke City. While in Roanoke, I had my son, Clay, who was born with a life-threatening disease called severe Hemophilia A. As the medical bills piled up due to my son's disease, I was constantly thankful that I earned your scholarship (and others) to lighten the load of debt so that I could focus on his health and wellness. We moved back to the Richmond area in the summer of 2014 where my husband works for Richmond City Department of Social Services and I am now teaching high school social studies in Chesterfield County. I'm so grateful for your help towards my career and personal goals.

*Elizabeth
Welshonce*



*Elizabeth, her husband, Mike,
and their son, Clay.*

Service Awards

CONGRATULATIONS to the following employees who will receive milestone service awards in 2016. This list represents more than 290 years of service to Farm Credit:

1 Year

Seth Diggs
(Tappahannock; May 18)
Ashley Meadows
(CMU Farmville; June 1)
Lindsay Miller
(Windsor/Dinwiddie; September 1)
Kristen Helms
(Finance; October 19)
Jeana Thompson
(Windsor; October 1)

5 Years

Caroline Coleman
(CMU Mechanicsville; December 1)
Kevin Goerger
(CLG Windsor; October 31)

10 Years

Don Costello
(Admin; February 1)
Harold Harris
(Farmville; March 16)
Susan Upshaw
(Mechanicsville; October 1)

15 Years

Robbie Vaughan
(Windsor/Chesapeake; January 16)
Bridgett Williams
(Tappahannock; April 1)

25 Years

Paul Franklin
(Chief Lending Officer; June 3)
Michael Lacks
(CLG South Hill; November 1)
Shaun Norr
(Mechanicsville/West Point; January 1)

35 Years

Connie Bailey
(Farmville/South Hill; August 10)
Billy Daniel
(CLG Chesapeake; June 29)
Susan Goodrich
(Windsor/Waverly; September 8)

40 Years

Darlene King
(Farmville/South Hill; July 1)
CLG = Commercial Loan Group
CMU = Country Mortgage Unit

Scholarship Application Reminder

The 2016–2017 scholarship application is now available online at colonialfarmcredit.com/scholarships. Only online applications are accepted and all applications are due February 29.

Colonial Agricultural
Educational Foundation 

Battle Creek Beef off to Nice Start on Historic Land

By Jonathan Cribbs, Associate Editor, Delmarva Farmer Magazine



Susie Hance-Wells

Susie Hance-Wells' family's new business represents just another pivot in the pastoral narrative of Taney Place Farm. The farm's roots go back to the 1700s and former U.S. Supreme Court Justice Roger B. Taney, who authored the Dred Scott

Decision in 1859 and helped plunge the country into civil war. He was born and raised on the farm, which overlooks the Patuxent River.

Taney Place Farm has survived the transformations of Southern Maryland's agriculture industry over the last century, and now it finds itself serving a new trend: educated, health-conscious consumers willing to pay a premium to know exactly what is – and is not – in their meat.

Enter Battle Creek Beef



"We wanted to produce a product that people would feel comfortable purchasing," said Susie Hance-Wells, who also serves as president of the Calvert County Farm Bureau. "When you go to a store today, you don't know what you're buying."

Battle Creek Beef has been in business for a few months, selling natural Angus beef. The cows are grazed on the farm's pastures, using rotational grazing, and are grass-fed and grain-finished with a ground corn ration and alfalfa hay in their last 60 to 90 days to create marbling, Susie Hance-Wells said. No growth hormones or medicated feeds are used in their raising. Customers can purchase custom cuts, packages or a quarter beef, mostly at a local farmers' market.

But Taney Place Farm was traditionally known for tobacco. The Hance family purchased the farm in the early 1800s and continued its tobacco tradition. That ended for the Hances – and most Maryland farmers – in the 1990s when the state bought out the tobacco industry.

Metro labor costs were also skyrocketing at that time, so Susie Hance-Wells and her husband, Walter Wells, took advantage of the booming horse boarding industry. At one point, they had 35 occupied stalls and an indoor arena. It was a lucrative investment.

"I thought we had died and gone to Heaven," Walter Wells said. "For 15 years, we had a waiting list."

However, the Great Recession throttled the horse industry, and the family finally got out of the boarding business entirely in May.

Meanwhile, their 26-year-old son, Charlie, had been working a desk job for a Dominion gas plant, imagining a life back on the family farm. "I'm not an indoor, sit-at-a-desk kind of worker," he said.

The family had raised cattle up until two decades ago, and Charlie thought the family might be able to take advantage of the local food movement sweeping across the Washington region and the nation. Taney Place Farm's fields were already fenced, it had automatic waterers and feeders, and its cattle barns were up. Battle Creek Beef seemed like the logical next direction.

At first, the family thought their product would sell quickly. And it did when customers saw it, for instance, at a farmers' market they use in neighboring St. Mary's County. They figured they needed to sell no fewer than four beef cows a month to support everyone, Susie Hance-Wells said. They're selling about two per month so far.

The company has to improve its marketing, she said. "The buyers are there. The money is there," she said. "We know we've got a good product. We know we've got it reasonably priced."

To start, the Battle Creek Beef probably needs a new brochure and a more personal customer service approach, Susie Hance-Wells said. They'll soon be raising hogs, and she said they'll also sell eggs so customers can get more of what they need from Battle Creek.

To truly succeed in the future, the farm needs to establish its own bloodlines to achieve consistency of marbling and taste in the meat – a process that could take five to 10 years, she said.

But there's inherent value to locally raised food and a farm with a deep and storied history. "The idea of what a farmer does is very appealing to them," she said. ■

Ten Virginia Farms Recognized for Exemplary Conservation Practices

By VASWCD and DCR



Bobby Jones

A group of 10 exemplary farmers were recently recognized with a Virginia Clean Water Farm Grand Basin Award. The awards are given each year to farmers or farm owners who are doing their part to protect soil and water resources. One winner is selected from each of

Virginia's 10 major river basins.

The program is sponsored by the Virginia Department of Conservation and Recreation in partnership with Virginia's 47 soil and water conservation districts. The awards were presented Dec. 7 during the Virginia Association of Soil and Water Conservation Districts annual meeting in Richmond.

"These farms represent the best in conservation farming in Virginia," said DCR Director Clyde Cristman. "By voluntarily implementing practices such as stream fencing, cover crops, riparian buffers, nutrient management plans and more, these producers are not only improving conditions on their properties, but they're also improving conditions for people who live downstream."

Colonial Farm Credit director Robert "Bobby" M. Jones of Poor House Dairy was selected as a recipient for the James River Basin area, nominated by the Piedmont Soil and Water Conservation District. ■

For a full list of recipients, please visit www.dcr.virginia.gov/soil-and-water/cwfa-winners



Bobby Jones (center) accepts the Clean Water Farm Grand Basin Award from Secretary of Agriculture and Forestry Todd Haymore (left) and Virginia Department of Conservation and Recreation Director Clyde Cristman (right). Photo courtesy of DCR.

"We know we've got a good product. We know we've got it reasonably priced." ~ Susie Hance-Wells

Colonial Farm Credit Events



Patronage Distribution

Colonial director Bobby Jones (right) joins Representative Robert Hurt (left) for a patronage photo at the Farmville office. More than \$5 million was returned to customers in Hurt's district.



Agribusiness Council Dinner

Colonial Farm Credit President Greg Farmer (right) visits with Congressman Scott of Virginia's 3rd District at the recent Virginia Agribusiness Council dinner in Richmond, Virginia.



Hanover Ag Day

This year's Hanover Ag Day was held at a new location. The Meadow Event Park proved to be a very exciting venue, free of bees and resilient to the threat of rain. As they do every year, Hanover's third graders enjoyed learning about grains, forestry, soil and water, gardening, Virginia agriculture, farm animals, and the equine and dairy industries. Hanover Ag Day continues to be a very successful event, thanks to our main sponsor, the Hanover Ruritan Club, as well as our many presenters and volunteers!



Customer Event Changes

As part of the Farm Credit 100 year anniversary we will be changing the annual customer events this year.

- Events will be held at various times of the year, not necessarily in May. Dates will be chosen that are best suitable for each specific area so as to make it easier for the most customers to attend.
- Some events may be mid to late afternoon and some may be held in the evening.
- Checks will not be handed out at the event. Because some events will be later in the year, we will mail the checks out in May.
- Events will be more informal/casual in nature and include a birthday celebration to honor 100 years of Farm Credit serving agriculture and rural America.

Once the final dates and times are chosen, your local branch will have that information to share and it will be posted on our website. Please be on the lookout for an invitation to the customer event nearest you! ■

New Employees

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



Kristen Helms began employment on October 19, 2015 as an accountant in our Finance department. Kristen has nine years of prior financial services and accounting experience. Kristen is a graduate of University

of Mary Washington with a BS in business administration.



Cathy Pittman began employment on January 14, 2016 as a Country Mortgage Unit loan originator in our Windsor office. Cathy has twelve years of mortgage origination experience and an extensive knowledge of all

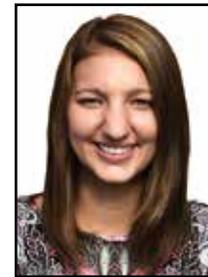
secondary market lending including conventional, VA, FHA, and USDA. ■

Employment Changes



Kevin Goerger accepted the relationship manager position in the Commercial Loan Group in the Windsor office effective November 2, 2015. Kevin has four years of experience as a portfolio loan officer in

our Windsor office, having begun his employment with Colonial Farm Credit in October 2011. During this time, Kevin has honed his analytical and customer service skills while servicing a significant and varied portfolio. He also possesses personal agricultural experience through a part-time farm operation. These experiences have positioned Kevin well for his new role in the Commercial Loan Group. Kevin is a graduate of Virginia Tech with a BS in biological systems engineering.



Lindsay Miller transferred to the Windsor (Dinwiddie) office as a loan officer effective November 9, 2015. Lindsay is a lifelong resident of Dinwiddie County and her roots in the Dinwiddie community are a valuable asset in

the Dinwiddie office. Lindsay began employment on September 1, 2015 in the Farmville (South Hill) office. She is a graduate of Virginia Commonwealth University with a BS in business with a concentration in corporate risk management.

Congratulations, Kevin and Lindsay! ■



The photo contest for our 2017 calendar is now open for submissions!

Visit colonialfarmcredit.com for more details. Deadline to submit is June 30.

100 Years Strong

On July 17, 2016 Farm Credit will celebrate its 100th year of providing reliable and consistent credit to America's farmers, ranchers, and other rural businesses. On that date, President Wilson signed legislation creating the Federal Land Bank System – the first loan was made less than a year later. Since that time, rural enterprise has changed dramatically. From the horse-drawn plows of 1916 to today's GPS navigation systems guiding planting, fertilization, and harvest, Farm Credit was there. When times were tough – through the Dust Bowl and Great Depression, World War II and multiple economic downturns – Farm Credit was there. An entire century of providing support to rural communities and agriculture, enabling hardworking producers to grow the food, fuel, and fiber to power our nation and the world.

Throughout 2016, the Farm Credit system will be celebrating the centennial in various ways. To find out more about the centennial, as well as Farm Credit's rich history, please visit www.farmcredit100.com. In addition, Colonial Farm Credit will partake in our own celebration, including activities at your local office and the annual customer events. ■



Recipes



Here are two warm, quick, and easy recipes for those cold winter days!

Enchilada Bubble Bake

Ingredients

- 1 lb lean (at least 80%) ground beef
- 2 cans (7.5 oz each) Pillsbury™ refrigerated biscuits
- 1 can (15 oz) Progresso™ black beans, drained
- 1 can (10 oz) Old El Paso™ enchilada sauce
- 1 can (8 oz) tomato sauce
- 1 cup shredded Mexican cheese blend (4 oz)



Directions

1. Heat oven to 350°F. Spray 13x9-inch (3-quart) glass baking dish or pan with cooking spray.
2. In 10-inch skillet, cook beef over medium-high heat 5 to 7 minutes, stirring occasionally, until no longer pink. Drain, if necessary.
3. Meanwhile, separate each can of dough into 10 biscuits. With pizza cutter, cut each biscuit into quarters.
4. In large bowl, stir together beef, beans, enchilada sauce and tomato sauce. Stir in biscuit pieces. Spread mixture evenly in baking dish. Sprinkle cheese over top.
5. Bake 25 to 30 minutes. Let stand 5 minutes before serving.

Caramel Apple Dessert

Ingredients

- 1 1/2 cups Original Bisquick™ mix
- 2/3 cup granulated sugar
- 1/2 cup milk
- 2 medium apples, peeled and sliced (2 cups)
- 1 tablespoon lemon juice
- 3/4 cup packed brown sugar
- 1/2 teaspoon ground cinnamon
- 1 cup boiling water

Directions

1. Heat oven to 350°F. Mix Bisquick and granulated sugar in medium bowl. Stir in milk until blended.
2. Pour into ungreased square pan, 9x9x2 inches. Top with apples; sprinkle with lemon juice. Mix brown sugar and cinnamon; sprinkle over apples. Pour boiling water over apples.
3. Bake 50 to 60 minutes or until toothpick inserted in center comes out clean. Serve warm with whipped cream.

Tip: Substitute pears for the apples for yummy Pear Dessert Squares. ■



Recipes and photos courtesy of www.bettycrocker.com.

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