

Leader

A Colonial Farm Credit Member Publication

2016 - Issue 3

A note from Greg



Greg Farmer
President,
Colonial Farm Credit

The 2016 crops have been harvested, and as in 2015, there is a wide range 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. It is for these types of years that we (producers and agricultural cooperatives) build reserves in the form of liquidity and net worth. With our strong financial base and our 100-year history of financing agriculture in good times and bad, we stand ready to assist our customers through these difficult periods. If the current environment has created stress for your operation, frequent and timely communication with your relationship manager is extremely important. The earlier we are made aware of potential problems, the more options we will have available to assist you.

Your cooperative experienced strong loan demand from existing and new customers and excellent profits in 2016. We anticipate some deterioration in credit quality as the impact of lower commodity prices and yields on some crops flow through customer financial statements. Association net income was \$15.1 million (unaudited), including an unexpected \$2.9 million special distribution from AgFirst Farm Credit Bank (our funding bank). Our strong credit quality and excellent capital position allowed your board of directors to approve not only our budgeted \$7.5 million cash patronage refund (the equivalent to 25 percent of the interest earned on loan accounts during 2016), but also cash payment of the entire AgFirst special distribution. Combined, these two patronage distributions total more than \$10.4 million and are the equivalent of approximately 35 percent of the interest earned on your loans

last year. This additional distribution should be viewed as a one-time event and not anticipated in future years. These funds will be paid in the second quarter, and this will be the 19th consecutive year in which we have been able to return a portion of our profits to our customer-owners. We are pleased to be in the financial position to return approximately 70 percent of our earnings to you, and we know the timing will be appreciated considering this period of lower farm profitability.

In keeping with the cooperative principle of educating our members, we kicked off our sixth annual AgBiz Planner session for young farmers in November. This online course, developed by Dr. Dave Kohl and offered through Farm Credit University, teaches young and beginning farmers basic financial management and business planning skills. One of our relationship managers mentors 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.



AgBiz Planner Class of 2017 left to right: Chris Simms (mentor), Jason Hodges (participant), Keith Simpson (participant), Joel and Missy Stanley (participants), and Clay Roberts (mentor). Not pictured are Karl, Luke, and Jacob Shlagel (participants), Laura Huber (mentor), Angela Brice-Smith (participant), and Forrest Sanford (mentor).

And speaking of educating our youth, please see the reminder on page 3 about \$150,000 in scholarships available from the Colonial Agricultural Educational Foundation. Applications must be submitted by March 1.

Please join me in congratulating Brian Ingram, Mechanicsville Regional Lending Manager, on his retirement in December after a very productive 33-year career. Brian was instrumental to the successful operation of Colonial Farm Credit and its predecessor, Richmond Farm Credit. He provided excellent service to our customers, made sound credit decisions, and trained/developed numerous loan officers, many of whom have gone on to become senior managers of this and other Farm Credit associations. We wish Brian and his wife, Barbara, a rewarding and healthy retirement together! As a result of business growth and the retirement of Brian and other tenured employees, a number of new employees have recently joined our team. They are profiled on page 2.

On a personal note, early last year I informed you of my plans to retire this spring after 39 years with Farm Credit. So, this will be my last Leader magazine message. I have thoroughly enjoyed my career, and I cannot imagine having worked with or for any finer group of people or having served a more important industry. My heartfelt thanks to our customers, employees, directors and business associates for your kindness, hard work, and support over the years. Any success that I have enjoyed has been because of you and my wonderful family. The Association is in excellent financial condition, and it is in good hands with my successor, Paul Franklin, and his team at the helm.

Best wishes for a prosperous and healthy new year! ■

Important: 2017 Calendar Update

Due to a printing error, the Christmas and New Year's Eve holidays were inadvertently left out of the 2017 Colonial Farm Credit calendar. Corrected versions of the calendar are now available at your local office. If you picked up the original calendar and would like a replacement mailed to you, please contact Megan Lawson at mlawson@colonialfarmcredit.com.

New Employees

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



Michelle Akers began employment on November 14, 2016, as a loan specialist in our Mechanicsville office. Michelle has several years of loan specialist and customer service experience, having served as a loan

documentation specialist with Essex Bank in Richmond. She is currently pursuing a degree in finance from Christopher Newport University.



Megan Quick began employment on December 1, 2016, as a relationship manager in the Mechanicsville office. Megan grew up on her family's farm in King William County and holds a bachelor's degree from

Longwood University. During her six years of employment with Essex Bank, her experience included the positions of branch manager and loan officer. Megan's work experience along with her exceptional customer service skills will serve us well as she focuses on consumer loans.



Patrick Tewell began employment on January 3, 2017 as our Chief Credit Officer. Patrick brings over 20 years of broad experience having worked for the Federal Reserve Bank of Richmond, Essex Bank, and the Farm Credit Administration's

(FCA) Office of Examination. He is a Certified Public Accountant, a graduate of the South Carolina Bankers' School, holds a bachelor's degree in accounting from Virginia Commonwealth University, and earned his Examiner's commission while at FCA. Patrick's risk management and regulatory experience will serve us well and we are pleased to welcome him as the newest member of our Leadership Team.



Amanda Rogers began employment on January 3, 2017, as a Country Mortgage Unit loan originator in our Lynchburg office. Amanda is a lifetime resident of the Lynchburg area and graduated from Virginia Tech in December

2016 with a bachelor's degree in animal and poultry sciences with a concentration in livestock production and a bachelor's degree in agribusiness management. She has worked in several agricultural related fields while performing her undergraduate research and internships.



Janeé Norman began employment on January 24, 2017, as human resources administrator, where she will work closely with and assume some responsibilities from the Association's director of human

resources. Janeé holds a master's degree in human resources management and has several years of human resources, banking, and management experience. Her passion for human resources as well as community-oriented volunteerism make her a great fit for Colonial Farm Credit.

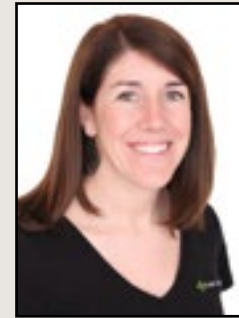
Re-Hired Employee



Ken Hatcher resumed employment on November 16, 2016, as a relationship manager with our commercial loan group. Ken was previously employed with Colonial Farm Credit for six years

in our Mechanicsville office (May 1995-April 2001) and possesses extensive lending experience through his previous position with the Association and his eight-year employment with Essex Bank and Virginia Community Bank. Raised on a dairy farm in Powhatan County, Ken knows the value of hard work, persistence, and patience. Ken has a bachelor's degree in business/economics with a minor in english from Randolph-Macon College.

Position Change



Ashley Meadows has accepted the position of relationship manager in the Farmville office effective May 1, 2017. Ashley has served as a Country Mortgage Unit loan originator in our Farmville office since June

2015. Ashley holds a bachelor's degree in finance, insurance, and business law from Virginia Tech and joined the Association with over eight years of banking experience with BB&T.

Promotion



Michael Lacks will be named the Association's next Chief Lending Officer-Commercial Loans effective March 23, 2017. Michael began employment with the Association in November 1991, holds a bachelor's

degree in mathematics and economics from Hampden-Sydney College, and holds an MBA from Averett College (now Averett University). He currently serves as a relationship manager with the commercial loan group. Michael's broad experience and strong skills will serve him well as he leads the commercial loan group.

Congratulations to all of these employees!

Retirement



Congratulations to **Brian Ingram** on his retirement effective January 1, 2017. Brian was employed by the Association for 33 years, most recently as regional lending manager for the Mechanicsville office. His strong

work ethic made his career a very successful one and he was a tremendous asset to the Association. We wish Brian all the best in his much-deserved retirement!

Service Awards

1 Year

Michelle Akers

(Mechanicsville;
November 14)

Rachel Bell

(Mechanicsville/
Tappahannock;
May 23)

Amy Kusmin

(Finance;
April 25)

Chris Lee

(Country Mortgage Unit;
July 25)

Megan Quick

(Mechanicsville;
December 1)

Tammy Warren

(Country Mortgage Unit/
Windsor; September 6)

5 Years

Megan Lawson

(Administrative;
March 12)

10 Years

Kim Spillman

(Farmville;
January 1)

15 Years

Debbie Clements

(Country Mortgage Unit;
December 1)

20 Years

Jim Belfield

(Leadership Team;
July 21)

25 Years

Ben Harman

(Appraiser;
July 6)

Sue Nicely

(Leadership Team;
May 18)

Lynn Slaughter

(Mechanicsville/Goochland;
October 1)

Page Wilmore

(Tappahannock;
February 1)

30 Years

Cyndi Drust

(Finance;
August 10)

(almost) 40 Years

Greg Farmer

(CEO; November 7;
retiring March 23)



Scholarship Application Reminder

Applications for 2017-2018 academic year scholarships are now being accepted. To apply, please visit www.colonialfarmcredit.com/scholarships. Only online applications are accepted and the deadline is March 1, 2017.

Kroger Community Rewards Program

Colonial Agricultural Educational Foundation



The Colonial Agricultural Educational Foundation is enrolled in the Kroger Community Rewards program, which will assist the Foundation with our fundraising efforts. Everyone can help with this effort if they shop at Kroger and use their Kroger Plus card.

Please follow these steps to register your card:

- Go to <https://www.kroger.com/communityrewards>
- If you have already set up an online account for your Kroger Plus card to view your rewards points, etc., click Sign In and proceed to log in (then skip the next bullet).
- If you have not previously set up an online account, please click Create an Account and sign up by entering your ZIP code, clicking your favorite store, entering your email address, creating a password, and agreeing to the terms and conditions. You will then receive a message to check your mailbox. From your inbox, click

the link within the body of the email. Click on My Account and use your email address and password. Click on Edit Kroger Community Rewards information and input your Kroger Plus card number. Update or confirm your information.

- Once logged in, click Enroll Now.
- Enter our organization number of 85534.
- Click Search and select Colonial Agricultural Educational Foundation, Inc then click Enroll.

Notes:

- If you typically use your phone number at the register, call 800-576-4377 and select option 4 to get your Kroger Plus card number.
- Members must swipe their registered Kroger Plus card or use the affiliated phone number for their registered Kroger Plus card when shopping for each purchase to count.
- Individual purchases will begin counting towards our organization within 7-10 days of registering your Kroger Plus card.
- Individuals will be required to re-enroll their designated organization annually.

- The organization will only be informed of the number of supporters and our total amount of donation from Kroger. We will not receive information about individual card usage.
- The following purchases are excluded from card totals: alcohol; tobacco; government assisted pharmacy expenses; postage stamps; gift cards, debit cards, reloadable cards; lottery tickets; money orders; fuel; and sales tax.

Every time a member shops for groceries and scans their card or inputs their affiliated phone number, our organization automatically starts earning a rebate. Kroger will pay up to \$3 million on an annual basis to participating organizations based on their percentage of spending as it relates to the total spending of all participating Kroger Community Rewards organizations.

Thank you for your consideration in registering your Kroger Plus card with the Foundation to support its fundraising efforts! Please share this information with family, friends, etc.

Colonial Farm Credit events

Keeping Up with the Jones'



During the month of October, the Jones family hosts weekends full of fall activities at their dairy farm located on the Nottoway/Dinwiddie County line. The Fall Festival includes a corn maze, farm tours, hay rides, a pumpkin patch, a petting zoo, a play zone for children, and delicious concessions that consist of homemade delights. This year, at night, the corn maze turned into the Legends of Horror. Adults and children of all ages enjoyed the arrival of fall with all the fun and family activities provided at Richlands Dairy Farm! Hugh Jones, owner of Richlands Dairy Farm, is a Colonial Farm Credit director.

Hanover Ag Day



The 24th annual Hanover Ag Day was held at Meadow Event Park in October. Over 1,200 Hanover third-graders gathered over two days to learn about different areas in agriculture, including dairy, vegetables, flowers, grains, soil and water, forestry, and farm animals. As is in previous years, the students enjoyed a few hours of learning about agriculture and, because of favorable weather, were able to enjoy a picnic lunch at the park. All students were sent home with a coloring activity book on how to save money and learn good spending habits.

Isle of Wight County Fair



The Windsor office entered the hay bale decorating contest at the Isle of Wight County Fair again this year with a birthday cake and presents to celebrate Farm Credit's 100th birthday.

International Cotton Tour



The International Cotton Advisory Committee (ICAC), located in Washington, D.C., had 20 attendees on a cotton tour coordinated and lead by the Sales & Market Development VDACS staff on September 9 to learn more about U.S. cotton. Countries represented on the tour included Australia, Bangladesh, Brazil, Burkina Faso, Columbia, Cote d'Ivoire, Egypt, India, Mali, Pakistan, Russia, Switzerland, and Taiwan. Each participant was a diplomat in the U.S. for their respective country. Many had never seen cotton growing. The group toured Rogers Farms and Byrum Family Farm, and their meeting was held at the Airfield 4H Center. ICAC's mission is to assist governments in fostering a healthy world cotton economy. The role of ICAC is to raise awareness, to provide information, and to serve as a catalyst for cooperative action on issues of international significance. Paul Rogers, owner of Rogers Farm, is a Colonial Farm Credit director.

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Wittman Farm Tour



On October 10, Congressman Rob Wittman visited three farms in the Hanover, Va. area for a farm tour of his congressional district. Locations included the farm of J.N. Mills, a local grain farmer and Colonial board member; Agriberry, a local CSA (community supported agriculture) and pioneer in the farmers market area and a training ground for young adults wanting to get started in farming; and a tour and lunch at the grain farm of Wayne Kirby, local farmer and Colonial board member.

Congressman Wittman spent the morning touring and answering questions from farmers on a variety of topics. Many of the questions were concerning over-regulation from the EPA and the FDA with the new rules of the Food Safety Modernization Act (FSMA). With regard to the Trans-Pacific partnership (TPP), Congressman Wittman wanted to make sure that U.S. producers were getting a premium for their products and also ensure tobacco was not excluded from the investor's state dispute settlement proceedings.

Charles County Fair



Young 4-H'ers showing their goats at the Charles County Fair in Maryland in September.

Celebrating 105 Years of Farming



The comptroller of Maryland, Peter Franchot, recognized full-time farmers, Russell and Eileen Shlagel of Shlagel Farms for operating their family-owned farm for 105 years in Charles County, Md. The Shlagel's are long-time customers of Colonial Farm Credit.

Northumberland Young Farmers Banquet



Dale Saunders and Kirk Vanlandingham hand out corn yield contest awards.



Donald Gawen receives the young farmers award for family farm of the year.

Farm Credit was once again a sponsor of the Northumberland Young Farmers Banquet, which was held in December at Calvary United Methodist Church in Farnham, Va.



PHOTO CONTEST

Submissions for the 2018 calendar contest are now being accepted online.

**Deadline
June 30, 2017**

Please visit
www.colonialfarmcredit.com
to enter.



Colonial Farm Credit
7104 Mechanicsville Tnpk
Mechanicsville, VA 23111

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Recipe courtesy of www.marthastewart.com



Directions

1. Heat oil in a large stockpot over medium Italian seasoning; season with salt and pepper. Cook, stirring frequently, until onions are translucent, 5 to 8 minutes.

2. Add broth, tomatoes and their juice, tomato paste, and 3 cups water to pot; bring mixture to a boil. Reduce heat to a simmer, and cook, uncovered, 20 minutes.
3. Add vegetables to pot, and return to a simmer. Cook, uncovered, until vegetables are tender, 20 to 25 minutes. Season with salt and pepper, as desired. Let cool before storing.

Cook's Notes

Freeze soup in small containers, then pull out only what you need; there's no need to thaw the soup before reheating.

Everyday Vegetable Soup

Ingredients

2 tablespoons olive oil
2 cups chopped onions or thinly sliced leeks (whites only)
1 cup thinly sliced celery
2 teaspoons Italian seasoning
Coarse salt and ground pepper
3 cans (1 1/2 ounces each) reduced-sodium vegetable or chicken broth
1 can (28 ounces) diced tomatoes, with juice
1 tablespoon tomato paste
8 cups mixed fresh or frozen vegetables, such as carrots, corn, green beans, lima beans, peas, potatoes, and zucchini (cut larger vegetables into smaller pieces)

