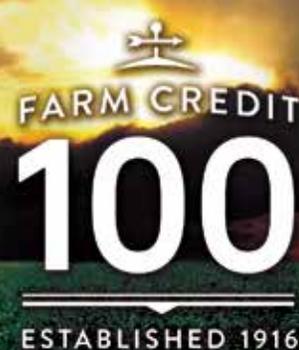


Established 100 years ago to provide
a permanent and reliable source
of credit for the nation's
farmers and ranchers.

AgTexas is Farm Credit...
STRONG



AGTEXAS OFFICES

AMARILLO

2001 S. Soney Road
Amarillo, Texas 79124
(806) 376-4669

HILLSBORO

218 E. Franklin
Hillsboro, Texas 76645
(254) 582-2471

BROWNFIELD

121 W. Broadway
Brownfield, Texas 79316
(806) 637-3589

LEVELLAND

301 E. Highway 114
Levelland, Texas 79336
(806) 894-6119

BURLESON

117 S. Burleson Blvd.
Burleson, Texas 76028
(817) 293-6103

LUBBOCK

6901 Quaker Ave.,
Suite 300
Lubbock, Texas 79413
(806) 745-4575

DIMMITT

112 E. Jones
Dimmitt, Texas 79027
(806) 647-3169

PLAINVIEW

104 I-27 North
Plainview, Texas 79072
(806) 296-2782

DUMAS

1315 E. First Street
Dumas, Texas 79029
(806) 935-6851

SEMINOLE

2015 Hobbs Highway
Seminole, Texas 79360
(432) 758-3201

FRIONA

1602 W. Highway 60
Friona, Texas 79035
(806) 250-2758

STEPHENVILLE

3145 West Washington St.
Stephenville, Texas 76401
(254) 965-3151

INSURANCE OFFICES

AMARILLO

2001 S. Soney Road
Amarillo, Texas 79124
(806) 418-2641

MULESHOE

623 West American Blvd.
Muleshoe, Texas 79347
(806) 272-4271

BROWNFIELD

121 W. Broadway
Brownfield, Texas 79316
(806) 637-3589

PLAINVIEW

104 I-27 North
Plainview, Texas 79072
(806) 296-2782

LUBBOCK

6901 Quaker Ave., Suite 300
Lubbock, Texas 79413
(806) 745-4575



THE COUNTRY IS WHERE WE'RE MOST AT HOME

Here at AgTexas Farm Credit Services, part of our mission is to help rural communities thrive. In fact, the need for dependable credit in rural areas is why Farm Credit got its start a century ago. At the end of 2016, Farm Credit's centennial year, AgTexas had \$1.61 billion in loans for agricultural operations, agribusinesses, rural homes and rural real estate.

In the early days, nearly everyone in rural Texas made a living from farming or ranching. But today you don't have to be a full-time farmer to enjoy rearing your children in a small town or retiring where you can watch wildlife at sunrise. Our lending cooperative puts the rural lifestyle within reach for people from all walks of life.

We understand rural property in Texas, and put our expertise to work for you when you want to buy or build a home in the country. Whether your goal is to find the right property, maintain an ag-use tax valuation, put in a well or hire someone to get the job done — our knowledgeable loan officers can point you in the right direction.

After you've chosen your property, we can finance the home and acreage with one loan, saving you time and money. Our flexible financing couples competitive rates and terms with expert knowledge of the markets we serve. We can even finance raw land now and make a construction loan when you're ready, or we can help you build a temporary or weekend home.

If ag operations are in your future, there is no need to go anywhere else to finance livestock, farm equipment, operating expenses and improvements — from home renovations to fences, barns and ponds. We also offer insurance to help you manage risk at your crop and livestock operations.

AgTexas understands why you make your home in the country, because we wouldn't want to be anywhere else, either. If you have friends who are ready to finance a rural home, send them our way. We'll be happy to help them become members of our cooperative and our community.

Tim McDonald
Chief Executive Officer

WWW.AGTEXAS.COM



Part of the Farm Credit System

A LIFETIME OF FARM CREDIT

During 2017, AgTexas will see more than a lifetime of experience leave our ranks for retirement. We salute them for their years of dedication and commitment to AgTexas and the people in agriculture. And, we are grateful they trained their replacements because each of them left big shoes to fill.



BILLY HASSLER

Billy Hassler, senior vice president of credit, is retiring after 38 years with AgTexas. He and his wife, Dianna, will be traveling some and playing with their granddaughter. Always connected to agriculture, Billy plans some consulting work for

a local rancher.

“AgTexas has been a great organization to work for,” Billy says. “We are like a big family. I wish the company, our team and our customers continued success.”

Same to you, Billy. Enjoy!



SHELLEY SAMSEL

At the time of her retirement, Shelley Samsel served as senior loan administrator in the Levelland branch office. Now she looks forward to more time for family and travel, and mostly for being a grandma.

The best part of Shelley’s job was working with her stockholders. Though it’s hard to tell who will miss her most, Doug Hoelscher — Levelland branch manager — or the farmers and ranchers she took such good care of for 17 years.



FRANCES KERR

Frances Kerr has a super power — making a difference for others. She grew up in south Louisiana with loving, hard-working parents, and credits them with her sense of commitment. An AgTexas employee for 15 years,

Frances retired as vice president of human resources.

She and her husband, Bo, are best friends. Although we’re happy they can spend more time together in the future, we will miss Frances’ broad, welcoming smile and her calm, helpful manner.



ALAN WATSON

There is no doubt what Alan Watson is retiring to. “My four beautiful grandkids,” he will happily tell you with a big grin.

He and his wife, Treva, are moving to Granbury to be closer to their family and

home — Coleman, Texas.

“I have truly been blessed to work for Farm Credit, my only employer since college graduation. I’ve worked with great employees and members,” he says.

Alan retires with 39 years in the Farm Credit System, the last 17 of which were as chief operating officer with AgTexas. He has been a go-to guy not only for those at AgTexas but also in the System and his community.



Levi and Jesse Berry of Happy, Texas, attended the 2016 Farm Credit Young Leaders Program on behalf of AgTexas Farm Credit Services. They are pictured here with Stan Ray, right, Farm Credit Bank of Texas chief administrative officer.

Young Farmers Play an Important Role in Rural Communities

Since 2006, AgTexas has sponsored young borrowers to attend an annual educational travel program aimed at association stockholders under the age of 45.

Jimmy Dodson, now board chairman at Farm Credit Bank of Texas, put it well when he described the program's intent in its second year.

"We put this program together to help support our young stockholders and the important role they play in the agriculture industry and their rural communities," Dodson said in 2007. "We hope this event not only expressed our appreciation to them, but also gave them an inside look at the Farm Credit System, how their loans are funded and how their voices can be heard in Washington."

Levi and Jesse Berry of Happy, Texas, were among 22 agricultural producers who attended the 2016 Farm Credit Young Leaders Program in New York City and Washington, D.C. Several months later, the trip is still fresh in their minds.

"Levi and I were very interested to learn the process of funding Farm Credit loans," said Jesse. "It's very different from the public's perception."

She told us the people who spoke with them were very knowledgeable and passionate about Farm Credit, adding that "it is reassuring to know those people are on our side." She also told us that every facet of the trip was marvelous, and the organization of those hosting the event was impeccable.

BOARD APPOINTS NEW REGION V DIRECTOR



Darren Tye

Earlier this year, the AgTexas Board of Directors appointed Darren Tye from Kress, Texas, to fill an unexpired vacancy on the board. He represents Region 5, and his term will expire in 2018.

Darren and his wife, Shelly, farm and raise cattle in Swisher, Castro and Hale counties, and have worked with AgTexas since 1995. His lender notes that Darren "exemplifies all the qualities of a leader — appreciative, honest, humble, open to new ideas and able to adapt to the ever-changing agricultural world." It sounds as though we have the right man for the job.

Welcome to the board, Darren, and thank you for representing our member-owners.



COUNT ON IT!

LONG DAYS ON THE TRACTOR
FRESH FACES IN THE PASTURE

CASH BACK FROM AGTEXAS

OUR CO-OP'S MEMBERS GET THEIR FAIR SHARE OF OUR EARNINGS

LOOKING BACK

	2014	2015	2016
Stockholders	3,249	3,364	3,424
Net Earnings	\$24.5 million	\$30 million	\$28.6 million
Loan Volume	\$1.4 billion	\$1.5 billion	\$1.61 billion
Patronage Cash Payout	\$8.7 million	\$11.9 million	\$12.2 million



Each member's patronage refund is based on the proportion of interest earned on his or her loan to the total interest earned by the association. A patronage refund may be paid in cash, allocated surplus, stock or any combination of these items.

AgTexas had another solid year in 2016, and was delighted to share another record-setting patronage payout.

Based on our 2016 operations, AgTexas declared \$14.8 million in patronage. We mailed the first \$12.2 million to member-owners in March, and allocated the remainder to stockholders for distribution in the future. Stockholders are not required to pay tax on this year's nonqualified allocation until they receive it in cash.

Distributing profits to our members in the form of patronage dividends effectively reduces the cost of borrowing from our cooperative. If this was your first year to receive a patronage check, you are now a believer — just like hundreds of other AgTexas customer-owners.

As our association grows with creditworthy loan customers like you, AgTexas profits will also increase. Spread the word. We want to work with more farmers, ranchers, agribusinesses or rural landowners **JUST LIKE YOU!**