

Straight From the Farmer



Every year, Farm Credit takes a group of young farmers and ranchers, including Lone Star Ag Credit customers, to Washington, D.C. The purpose of the trip is to show these up-and-coming rural leaders how policy is made, and to give them the opportunity to meet the officials who make those policies and laws. It's our way of putting a face on agriculture and Farm Credit for the nation's lawmakers.

From our perspective, this is extremely important. Currently, there are only 29 farmers and ranchers in the new Congress that was seated in January — 25 in the House of Representatives and four in the Senate. An additional two House members own almond orchards, and two listed themselves as vintners. Moreover, just 15 percent of the entire population of the United States lives in a rural area, according to the USDA Economic Research Service.

Given those statistics, it's no wonder that agricultural producers and rural residents often feel their needs are overlooked or misunderstood in the political arena, the media and government. As every farmer and rancher knows, government policies and regulations have an enormous impact on the agricultural sector. From taxes and trade policy to the farm bill and Farm Credit, the laws that are passed and the programs that are implemented in our federal and state capitols influence farmers' and ranchers' ability to earn a living and feed the nation.

That is why Lone Star Ag Credit supports the efforts of commodity organizations that lobby on behalf of agriculture. We are proud of our customers who play important leadership roles in the farm sector and rural communities, and we encourage individual producers to do their part to educate elected officials about their business.

If we all speak up for agriculture, the message is more likely to be heard.


Troy Bussmeir
Chief Executive Officer



NATIONAL AG DAY: LONE STAR PROMOTES AG IN OUR COMMUNITIES

National Agriculture Day 2015 on March 18 was a very special day for Lone Star Ag Credit. In honor of the occasion, our credit offices invited their communities to celebrate their rich agricultural heritage by

- holding open houses
- hosting outdoor events
- sponsoring coloring contests
- inviting mayors to issue Ag Day proclamations at the celebrations.

Established 42 years ago by the nonprofit Agricultural Council of America, National Ag Day is a nationwide celebration of agriculture's vital role in our society. The theme of the 2015 event was "Agriculture: Sustaining Future Generations."

"This theme goes hand in hand with what Farm Credit was chartered to do," said Troy Bussmeir, Lone Star chief executive officer. "Lone Star Ag Credit has been and continues to serve as a lender to generations of agriculturists."

The goal of National Ag Day is to promote awareness of the impact of agriculture and its role in modern society. The National Ag Day program encourages every American to:

- understand how food and fiber products are produced
- appreciate the role agriculture plays in providing safe, abundant and affordable products
- value the essential role of agriculture in maintaining a strong economy
- acknowledge and consider career opportunities in the agriculture, food and fiber industry.

Because the events at all of the credit offices this year were so successful, Lone Star Ag Credit plans to celebrate the event annually.



Lone Star Ag Credit CEO Troy Bussmeir, left, and Carl A. McLaughlin, senior vice president of Frost Bank, visit at the Fort Worth credit office's National Ag Day open house.



Official proclamation recognizing National Ag Day from the New Boston Office of the Mayor



After reading her National Ag Day proclamation, Hillsboro Mayor Edith Turner Omberg, second from right, visits with Hillsboro credit office employees, from left to right, Anne Blaha, loan administrator; Karen Doscocil, marketing coordinator; Ryan Janek, credit office president; and Kari Buzbee, loan administrator.



Pictured at the Sherman credit office's National Ag Day celebration are Grayson County Commissioner Bart Lawrence, center, Lone Star Loan Officer Trevor Thompson, left, and Credit Office President Michael Shelley, right.



Celebrating National Ag Day in the Corsicana credit office are, from left to right, Navarro County Judge H.M. Davenport, Corsicana Mayor Chuck McClanahan, and Lone Star's Corsicana Credit Office President Kasey McGraw and Vice President Matt Lynch.



Stephenville credit office employees hold a National Ag Day reception at the Stephenville Downtown Plaza, located near the courthouse square. Cookies, milk and ice cream were served to all the guests. Pictured from left to right are Shelley Gilliland, senior loan administrator; Audra Berna, senior loan administrator; Isla Carpenter, senior loan administrator; and Tessie Doyle, senior credit analyst.



Amanda Patterson, left, was the lucky winner of the Lampasas credit office National Ag Day gift basket. She is pictured with Lampasas Credit Office President Macy Blankenship.



Nathan Winstead, Lone Star's Round Rock credit office president, second from left, celebrated National Ag Day with the Williamson County commissioners, who issued a proclamation in honor of the event.

LONE STAR MEMBERS PARTICIPATE IN FARM CREDIT YOUNG LEADERS PROGRAM

Chris and Jennifer Krause of Moody, Texas, member-borrowers of Lone Star Ag Credit, were among 29 young agricultural producers selected from a multistate region to attend the 2014 Farm Credit Young Leaders Program.

The program began in New York City, where the participants learned how investors buy Farm Credit notes and bonds, providing the funding that Farm Credit lending cooperatives put to work in rural communities. Nationwide, Farm Credit provides more than \$200 billion in financing to farmers, ranchers, rural homeowners, agribusinesses and other eligible borrowers.

Next, the group traveled to Washington, D.C., and discussed policy issues with U.S. Department of Agriculture officials, Senate and House agriculture committee staff, and agriculture industry leaders.

The five-day program ended with an awards ceremony at George Washington's Mount Vernon plantation, where the first president embraced innovation at his farming and milling operations.

"As part of our mission to serve rural America, Farm Credit has a strong commitment to helping young people in agriculture be successful," said Stan Ray, president of the Tenth District Farm Credit Council, which hosted the ninth annual Young Leaders Program. "These impressive participants were selected by their lending cooperatives because they represent the future of agriculture, and we want them to know the role Farm Credit plays in their industry and communities."



Lone Star Ag Credit members Chris and Jennifer Krause, left, celebrate the completion of the 2014 Farm Credit Young Leaders Program with Jimmy Dodson, chairman of the Farm Credit Bank of Texas Board of Directors, at Mount Vernon, Virginia.

The Krauses have a cow-calf operation where they raise registered Brahman and certified F1 Brangus cattle. Chris is a deputy area engineer with the U.S. Army Corps of Engineers, and Jennifer works for defense contractor CACI International Inc.

The Tenth District Farm Credit Council is the regional member of the national Farm Credit Council, the trade association representing the legislative and regulatory interests of the Farm Credit System.

Lone Star Ag Credit Distributes \$12.1 Million Patronage Payment to Borrowers

When you borrow from Lone Star Ag Credit, you become a stockholder in our customer-owned lending cooperative. That entitles you to share in our association's earnings through our patronage program.

In April we returned \$12.1 million of our 2014 earnings to our borrowers in cash!

Cooperatives have a unique structure and philosophy. Unlike investor-owned companies, which maximize profits in order to generate a return for investors, cooperatives provide services for the benefit of their members. Any surplus earnings are returned to members in proportion to their patronage of the cooperative — in other words, how much business they conduct with the co-op.

At the end of every fiscal year, the Lone Star Ag Credit Board of Directors decides how much of the association's earnings to hold as capital to fund growth and provide protection from loss. We return the remainder to our members in the form of a patronage refund.

The size of your individual patronage payment is based on the interest income your loan generated for the association. By returning a portion of the interest you paid, your patronage refund effectively lowers the cost of borrowing from Lone Star Ag Credit.

With this year's patronage payment, Lone Star is returning over 44 percent of our 2014 net income to our stockholders, effectively lowering our borrowers' interest rates by a full percentage point for 2014. In other words, you not only receive a competitive rate up front, but you also could get some of that interest back when the association does well.

Please tell your friends about our patronage program. It is one of the distinct advantages of financing with a co-op lender.

LONE STAR AG CREDIT IS NOW SOCIAL!

Lone Star Ag Credit looks forward to communicating with you on social media.

- You can visit us on Facebook and "like" the Lone Star Ag Credit Facebook page.
- You can find us on Twitter @LoneStar_LSAC.
- Our Lone Star Ag Credit Instagram name is LONESTAR_LSAC.
- We can be found pinning on Pinterest boards as Lone Star Ag Credit.

Of course, you can always find us on our newly designed Lone Star Ag Credit website, as well, at www.lonestaragcredit.com.

Come get SOCIAL with us!

