

## SERVING THOSE WHO SERVE THE NATION

**F**arm Credit has been serving veterans for as long as we've been around.

Nearly a century ago, the United States entered World War I, sending more than 2 million troops to Europe over 19 months. Many of those soldiers and sailors were young farm people, and when they came home, some turned to their local Farm Credit cooperatives, established during the war, for financing to purchase land.

Since then, millions more young people from rural areas have fought to protect our nation's freedom. Even today, over 40 percent of the men and women who serve in the U.S. military come from rural communities, although just 16 percent of the American population lives in rural areas.

Coming home and building a new career can be difficult, and rural America is one place where they can start. As a cooperative lending organization that is owned by farmers and ranchers, Farm Credit has always worked hard to meet the financing needs of returning veterans.

Capital Farm Credit is proud to support organizations and programs that help our newest generation of veterans. One such program is the Farmer Veteran Coalition. Through a collaboration of the farming and military communities, the coalition aims to help 10,000 veterans through training, mentorship and direct assistance.

Another is Homegrown by Heroes, a labeling program that identifies and promotes agricultural products grown or raised by U.S. veterans and active-duty personnel. We are also proud to have several former military personnel on our staff and board.

Veterans Day was just a few weeks ago, but appreciating veterans' service — and providing service to them — is not limited to one day a year at Farm Credit. If you, or someone you know, is a veteran or current member of the U.S. military, please let us know. We'll be happy to offer guidance in making a home or a career in rural America.

Thank you to all of our vets — and best wishes to our customers and our friends for a very happy holiday season.

Sincerely,



Ben R. Novosad, Chief Executive Officer

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# THERE'S NO PLACE LIKE THE HOMESTEAD

A South Texas Family pursues a simpler way of life — living off the land and raising heritage breeds.

*Schalk family members gather with some of their critters. Standing, left to right, are Matthew, Amanda, Brian, Mary and Caleb. Joseph, front, holds an Embden goose.*

Photos by Rod Santa Anita



**T**ucked in a remote corner just north of the Rio Grande and west of the Gulf of Mexico, Brian and Mary Schalk's Grace Heritage Ranch is a throwback to a simpler farming life based on the Bible, hard work, self-reliance, God-fearing children and living off the land.

Five years ago, after deciding to "go off the grid," the couple established their isolated homestead on 100 acres near the tiny town of Santa Monica.

## DOWNSIZING THE HOME, UPSIZING THE LAND

"We moved here in 2010 with the idea of downsizing our home and upsizing the land," Brian explains. "We wanted to learn the homestead-type lifestyle, things we could teach our children, and things from the past that we could try to maintain now in the present and pass on to them for the future."

CAPITAL FARM CREDIT, ACA

Both Brian and Mary are natives of Wisconsin. When Brian joined the U.S. Air Force in the early 1980s, the couple was stationed in San Antonio until 1991, when he left the service and was hired by U.S. Customs, now a part of Homeland Security, where he still works. His career eventually led them to South Texas.

While living in nearby Bayview, near South Padre Island, Brian and Mary began looking for a small spread, and during an Internet search came across what would become Grace Heritage Ranch. Grace refers to both the Lord's blessings and the name of a favorite old donkey that has since passed away, Brian says. Heritage refers to their adopted lifestyle as well as the heritage livestock they raise for their family's consumption.

## THE HOMESTEAD LIFESTYLE

Self-sufficiency is the couple's goal. They only purchase some produce and food staples such as rice, flour and oil at a grocery store, and produce almost everything

else, including meat, eggs, milk, soap and other necessities. The couple and their six children, five boys and one girl, each take on chores based on their talents and personalities.

"We couldn't do this without the children," Brian says. "We hire little or no outside help. Our children have all been home-schooled, and one day a week, each high school-age child also goes out into the community to volunteer at an organization of their choice.

"When we bought the land, we didn't know anything about living on a farm but we decided to jump in feet first," Brian recalls. "The house and barn were already here, as well as the exterior fencing and corrals. We added the cross-fencing and the animals, stock ponds, rain collection system and everything else you see here."

Not all their ventures have been successful. A fruit tree orchard was killed off by an unusually wet winter. And the vegetable garden hasn't produced well due to a lack



of time to tend to it and the pressures of South Texas insects and heat.

But the Schalks plan to construct a high tunnel greenhouse to better tame the environment, and one of the boys is researching aquaponics for vegetable and fish production.

### GOING WITH HERITAGE BREEDS

When it came time to buy livestock, Brian and Mary didn't go with the norm, either. They credit their daughter Amanda, 28, for suggesting that they seek out older heritage varieties, which they were able to purchase online.

"We wanted dual-purpose cattle to supply our family," Brian explains. "Commercial breeds of cattle, like Holsteins and Jerseys, are bred to provide only large quantities of milk. We wanted cows that could provide both milk and meat, so our cows are American Milking Devons. The breed came here from England with the Pilgrims."



Top left: Amanda holds a San Clemente Island goat. Top right: Mary visits with Vietnamese pot-bellied pigs. Bottom: Caleb, left, and Brian feed a donkey.

**“Capital Farm Credit ... made it possible for us to take up the challenge of living off the land.” – Brian Schalk**

Their goats, chickens and turkeys are also heritage varieties. Once their numbers exceed the land's ability to sustain them, the excess animals are sold.

The Schalks have sold offspring of a rare breed of goat to buyers across the country, including one goat that was swapped for a different animal at a zoo in Illinois, Brian reports. The Jacob breed of sheep they raise dates back to Biblical times.

### RANCH BECOMES LANDMARK

Today, Grace Heritage Ranch has become a new landmark in the Lower Rio Grande Valley, attracting curious tourists by the hundreds.

"People asked so many questions about our farm that we decided in 2013 to start conducting tours," says Brian. "It's an

educational walking tour that allows us to show how it's still possible to live off the land."

In addition, the family was recently featured in the cover story of the Official Guide to the Rio Grande Valley, the 70th anniversary issue of the area's chamber of commerce.

### A GOOD PARTNERSHIP

Helping the Schalks in their journey has been their lender, Capital Farm Credit.

"Brian and Mary have been loyal Capital Farm Credit customers for over five years, coming to us first with their dream of a starting a self-sustaining homestead for their family," says Travis Richards, regional president in Capital's Edinburg office. "We helped Brian with his first purchase of the Grace Heritage Ranch and continue to help him expand this unique and environmentally friendly operation. Capital Farm Credit is proud to be able to help veterans like Brian and his family realize their dreams and to support unique and important agriculture operations such as theirs."

Brian agrees that the partnership with Farm Credit has been good for his family.

"Capital Farm Credit helped us in our enterprise in two major ways," he says. "First, they added funds to the proceeds we got from selling our home in Bayview to buy the 100 acres. They made it possible for us to take up the challenge of living off the land.

"Then, when an adjoining property became available, Capital added to the resources our three oldest children had pooled together to buy those 60 acres."

Brian and Mary hope that the added land will sustain their family for generations to come.

"Our six children parceled out the 60 acres so they'll each have 10 acres where they can raise a family and have their own animals and crops," says Brian. "Our long-term goal is to keep our family together out here and have a successful business to sustain us all." ■ By Rod Santa Ana

# Creating Opportunities for Future Leaders

## Eight Students Intern at Capital Farm Credit During the Summer

At Capital Farm Credit, we believe our internship program is very important to the future of agriculture. It gives us an opportunity to hire the best and brightest young people, and it also equips them with business experience and education about agricultural financing.

Developed and implemented in 2011, this internship program has grown to be one of the most sought-after training opportunities in Farm Credit. In fact, more than 300 applicants vied for our eight intern positions this year.

The 10-to-12-week program provides education and experience on credit extension, analysis techniques, marketing processes and operations in a Capital Farm Credit office. Each manager teaches objectives relating to their area of expertise, and explains the mission and culture of the association and the purpose of the Farm Credit System.

This year's interns and their internship locations were:

**Vance Bauer** – Fredericksburg

**Garrett Davenport** – Wichita Falls

**Carter Humphreys** – Lubbock

**Candace Morgan** – Bryan (*finance*)

**Cassidy Nutt** – Muleshoe, Levelland and Littlefield

**Linay Runnels** – Lubbock (*regional business development*)

**Keila Schilling** – Hereford

**Kristen Trapnell** – Bryan (*marketing*)

Upon completion of their internships, the students were required to give a formal presentation summarizing what they learned and



Our proud 2015 interns. From left to right are Garrett Davenport, Kristen Trapnell, Candace Morgan, Keila Schilling, Cassidy Nutt, Linay Runnels, Carter Humphreys and Vance Bauer.



offering recommendations on topics concerning their host office or areas of responsibility. Following are some observations from two of the interns:

**Garrett Davenport:**

“I’ve been able to experience what it is like to have professional responsibilities and some of the expectations that come along with them. I learned that Capital Farm Credit places a high value on the diversity of its human capital. Diversification benefits the association and its customers, using a large variety of ideas generated by a large variety of people.”

**Linay Runnels:**

“This experience certainly prepared me for the business world after graduation, and gave me several opportunities to meet with customers, learn about their businesses, build rapport and gain connections. Capital’s commitment to customers is what I have come to love about this company, and is something I was very unaware of prior to my internship. I quickly learned that Capital is more than just a bank.”

Capital Farm Credit takes every opportunity to reach out to applicants by attending career fairs and visiting career centers at colleges and universities across the state, said Randy Breitling, vice president of human resource management and administration.

*For more information, including job postings and application guidelines, students may e-mail Breitling at [Randy.Breitling@CapitalFarmCredit.com](mailto:Randy.Breitling@CapitalFarmCredit.com) or call him at (979) 822-3018, Ext. 6023.*



*The First Bale of Cotton 2015 winners, from left to right, are the Ortega brothers — Saul, Jose P. Jr. and Arturo.*

## Capital Customers Make 2015 First Bale of Cotton

The 2015 officially certified first bale of cotton in the United States was grown by the Ortega brothers Saul, Arturo and Jose P. Jr. of Platon Farms Inc. and delivered to the Harlingen Gin Company at 5:25 p.m. on July 16. The seed cotton weighed 1,660 pounds and was picked entirely by hand at their farm at Mercedes.

This is the Capital Farm Credit customers’ first time to win the contest — sponsored by the Harlingen Cotton Committee of the Harlingen Chamber of Commerce — for which they received a \$3,000 reward.

Established in 1997, Platon Farms Inc. produces cotton, sugarcane, corn and sorghum.

“We are so proud of delivering the first bale of cotton for 2015,” Saul Ortega said. “Platon Farms Inc. accepts this award in memory of my role model and father, Jose Platon Ortega Sr. He was an excellent role model and began farming in the early ’50s. He migrated to the U.S.

in search of the American Dream, and we are grateful to him and his vision.”

Once ginned, the bale of cotton was delivered to the Harlingen Area Chamber of Commerce. Since 1953, the Harlingen Cotton Committee has auctioned the first bale of cotton grown in the United States. The committee celebrated the 2015 cotton crop with a First Bale Auction and Scholarship Fundraiser on Aug. 14.

The Harlingen Cotton Committee also will be awarding \$5,000 in scholarship money to students attending Texas State Technical College. The college’s Lozano Long Opportunity Scholarship will match those funds, bringing the total scholarship to \$10,000 to support agriculture students in the Rio Grande Valley.

To qualify for scholarships, students are required to actively be pursuing enrollment in a college or university for the upcoming school year, with plans to earn a degree in an agriculture-related field.



# The Giving Tree

A Pampa Family Gives to Their Local Community



Debbie Davis

Have you ever heard of farmers who give away some of their crop each year?

That is what Lewis and Debbie Davis do with the Scotch pines that they grow on their diversified farming and ranching operation in the mostly flat and treeless Texas Panhandle just north of Pampa.

“It’s so much fun. I enjoy it. It was never meant to be a job,” says Debbie, who gives an ornament with each tree she sells.

## How They Give

The Davises are committed to helping their community, and feel that donating trees during the Christmas season makes a real difference.

Every year, for instance, they donate the Christmas tree that is displayed at the

Gray County courthouse. Shepherd’s Crook, a home health care organization, sponsors the lighting of the tree.

Each year, the Davis family chooses a charity to support.

“We give five dollars to that charity from every tree sold,” Debbie says, adding that a lot of their customers make an additional donation when they learn of the Davises’ contribution.

Organizations they have supported in the past include the local American Cancer Society; the Freedom Museum, a local veterans’ museum; Paint the Town Red, a church group that repairs homes; the local chapter fighting juvenile diabetes; and a local charity called Paula’s Bears.

“Paula was a customer and always brought her family out to get a tree,” Debbie says, explaining that when Paula died of cancer, her family started gathering teddy bears each Christmas to take to cancer patients undergoing chemotherapy, young and old alike.

The Davis family also hosts students who come out to the farm from a local elementary school. Gail Mertz, a customer of the Christmas tree farm, is the teacher who brings her special needs classes to the farm.

“The children come and tour, and have stories read to them,” says Debbie, noting that the students also cut trees for their classrooms.



Lewis and Debbie Davis inspect one of their Scotch pines.



## Farming for Five Generations

The Davises have a long history in the Pampa area. Lewis's grandparents settled south of Pampa before World War I, where his father, L. Keith Davis, was born in 1921.

"Now, my grandchildren are the fifth generation on the original farm south of town," Debbie says proudly.

The couple has two sons, Dave and Ryan, and five grandchildren. Dave and his wife, Natalie, have a girl and a boy, Madison, 15, and Drew, 12, and live on a farm just west of Lewis and Debbie's place in Roberts County. Ryan and his wife, Deborah, have three girls, Kellie Mae, 11, Katie, 8, and Kenedie, 5. They live on the old home place south of Pampa, in Gray County.

During the Christmas season, the grandchildren help at the tree farm.

"I think they come and help because I have cookies and hot chocolate," Debbie says, laughing,

The Davises also run a cow-calf operation, with pastures in Gray and Carson counties.

Before the drought, Lewis sold his aging herd of cattle and bought a younger Angus herd from a neighbor. The first year he had the new cattle, the drought worsened, and he worried he had made a major mistake. But since the rains have returned and cattle prices have remained strong, he says he's convinced that he made the right decision.

## Getting Into the Tree Business

Years ago, Debbie had the idea to add a Christmas tree farm to the family cattle and farming operation, which includes wheat, corn, cotton and grain sorghum production. At first the family was skeptical, but then Lewis began noticing that some farm magazines were featuring stories about Christmas tree farms. Ryan also noted that the subject had come up in some of his classes at college.

"Finally, they just said, 'Okay, we'll help you get it started,'" Debbie says, smiling. After they ploughed the original strip, Ryan and



The Davises financed their new grain elevator system with Capital Farm Credit.



Deborah helped Debbie to plant the trees the first year.

"Then after that," Debbie quips, "just whoever I could con helped me."

Many times, Debbie says, she did the planting herself, accompanied by Penny, the family's pet beagle, while the cats, Chan and Callie, milled around and watched. In 2000, she planted almost 400 Scotch pines. The next few years, she planted 120 trees each year.

"Now, I plant 30 to 60," she says, "depending on the weather."

Because of uncooperative weather, Debbie did not start any new trees during the last three years — at least none that lived. Two years ago, she planted trees but lost them to the drought. Last year, she didn't even try to plant because it was so dry.

"This year," Debbie says, "I was caught by the rains, so I am holding trees. I'll plant them this fall."

Today, a forest of some 300 trees covers the ground just west of the Davis home.

"Some are really large," Debbie says. "The really large ones, people can top."

Cutting the top off a large tree is like pruning

it, she explains. It won't kill the tree, and the tree continues to grow, she adds.

A majority of her customers are from the Pampa area, but some also come from Amarillo, Borger, Canadian, Perryton and surrounding towns.

Working outside in December can be chilling, but a new heated and air-conditioned 18-by-24-foot building has been a blessing. For years, Debbie and her helpers worked out of a small portable building nestled in the forest of Christmas trees, but the 8-by-10-foot building wasn't big enough.

"It had only an electric heater that didn't seem to work real well," she explains. "It was quaint and sweet and people liked it, but it was cold if you sat out there all day."

## A Winning Combination

Lewis reports that throughout their farming career, Capital Farm Credit has been a major ally.

Wes Hukill, former branch manager with the Pampa office, arranged financing for their new grain elevator system.

Since Hukill retired earlier this year, Lance Weaver, vice president and relationship manager in the Pampa branch, has taken over as the Davises' loan officer.

"He and Kim Ballard at the Pampa office are just wonderful," Debbie says. "I think Lance will be really good to work with."

It's at times like these, when a customer is satisfied and happy, that Capital Farm Credit is especially proud to be a lender to agriculture. ■ By Dave Bowser

# Celebrate the Past, Embrace the Future



Excitement is building at Capital Farm Credit in anticipation of the Farm Credit System's 100th anniversary in 2016.

We are eager to celebrate the day when President Woodrow Wilson signed the Farm Credit Act on July 17, 1916, creating the Farm Credit System. On that day, farmers and ranchers across the country gained a new source of financing that would support agriculture in good times and bad.

The System's longevity has much to do with how it was structured by Congress nearly a century ago. Congressional lawmakers chose a cooperative structure, wherein members would have a say in how their lending institution is run and would share in its benefits.

Capital Farm Credit is proud to be a part of this System and to have been able to help agricultural producers, decade after decade.

Be on the lookout for future communications regarding our centennial plans.

We hope you will help us celebrate the Farm Credit centennial in 2016, and we look forward to working with you and future generations for another 100 years!



Bryan PCA Annual Stockholders' Meeting, Bryan, Texas, 1936

## FRESH PERSPECTIVES: Time Is of the Essence



### Nominate Ag and Rural Leaders for Farm Credit Centennial Program

Capital Farm Credit invites you to nominate an outstanding ag leader for the Farm Credit 100 Fresh Perspectives program, which will be part of the national Farm Credit System centennial celebrations in 2016. The program will recognize 100 individuals or groups that positively shape the future of rural America.

At Capital Farm Credit, we know that many of our customers are leaders and innovators, committing time and effort to such worthy causes as mentoring, volunteerism and conservation, to name a few. If you know an individual or group of individuals whose leadership and vision is changing the future of agriculture and rural America for the better, please consider making a nomination.

Even if you don't wish to enter a nomination, please help spread the word about Fresh Perspectives. Time is of the essence, however, as the nomination deadline is Dec. 18, 2015.

A panel of Farm Credit and ag industry representatives will select the 100 honorees, who will be announced during National Ag Week next March. One exceptional leader in each of 10 categories will receive a \$10,000 award to help further their leadership contributions to thriving rural communities and agriculture.

Farm Credit 100 Fresh Perspectives honorees will have the opportunity to share their stories, inspire with their vision and demonstrate their leadership through several opportunities during Farm Credit's centennial year.

#### Nomination Categories

Farmers and ranchers, as well as individuals who represent other agribusinesses, cooperatives, academic institutions, government agencies, community and nongovernment organizations, will be recognized in the following categories:

- Leadership (over 21)
- Youth Leadership (21 and younger)
- Rural Policy Influence
- Beginning Farmer or Rancher Achievement
- Entrepreneurship and Innovation
- Sustainability and Natural Resource Conservation
- Financial Stewardship
- Mentoring and Volunteerism
- Agriculture Education and Community Impact
- Rural and Urban Connection

#### How to Enter

Entering a nomination is easy:

1. Consider: Identify the category or categories that best represent your nominee's area of influence.
2. Click: Go to [FarmCredit100.com/Fresh](http://FarmCredit100.com/Fresh) for entry materials.
3. Complete: Submit a nomination form and short essay. Remember, nominations will be accepted until Dec. 18, 2015.

Nominate a leader today at [FarmCredit100.com/Fresh](http://FarmCredit100.com/Fresh).