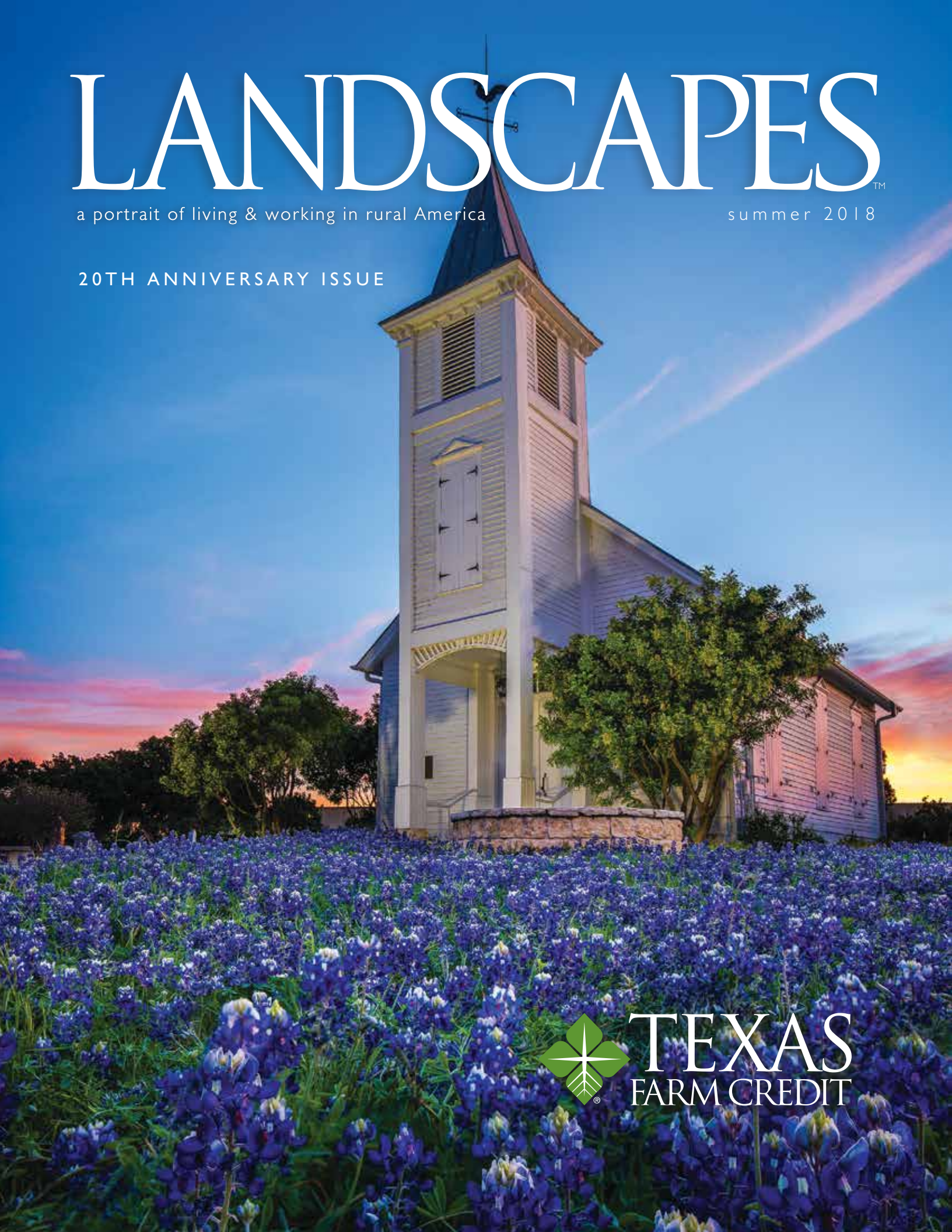


# LANDSCAPES™

a portrait of living & working in rural America

summer 2018

20TH ANNIVERSARY ISSUE



TEXAS  
FARM CREDIT



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Debbie Bengt



## COMMITTED TO AGRICULTURE, PROUD TO BE DIFFERENT

At Texas Farm Credit, we often talk about how Farm Credit supports rural communities and agriculture. It's our mission, and we're proud to fulfill it every day. But what does that really mean?

As a cooperative, we're owned by you and our many other stockholders. Our board members are borrowers themselves, who are voted into office by their fellow borrowers. They provide important direction and ensure the safety and soundness of our finances.

When we have a good year, our customer-owners benefit. Our net income is used in only two ways: It's retained as capital by our association to build financial strength that ensures continued lending, and — in successful years — it's passed on to you as patronage dividends that effectively lower your cost of borrowing.

In April, Texas Farm Credit customers received cash back for the 20th year in a row. So far this year we have distributed a record \$9.3 million in cash patronage to our customers, who are also co-op members and owners. About 3,500 checks were mailed out across our 100-county territory.

Last year, our financial success was highlighted by two cash distributions totaling a record \$13 million — \$8.1 million in cash patronage in the spring, and \$4.9 million in allocated equities in the fall. Our board of directors will once again evaluate the distribution of additional equities later this year.

Those aren't the only things that make Texas Farm Credit different. Our staff is willing to go the extra mile — or 100 miles, if necessary — to help you out. We'll come to your farm or business to touch base, talk about your operation and see if we can provide additional support. What's more, our deep understanding of agriculture is genuine. Most of us grew up in rural areas, and some of us still have a hand in farming or ranching, so we personally understand the business decisions you face.

We try to make a difference in your life and your ag business by offering specialized services and loan products. Some of these include home loans; crop, livestock, pasture and forage insurance; young, beginning and small farmers programs; equipment loans; and refinancing options.

Ultimately, however, what makes the Farm Credit difference is personal relationships — such as relationships that are formed when you become a customer-owner of the co-op or when our loan officers literally take their expertise to your farm or business.

We are truly committed to rural America and supporting the men and women who produce our food, fiber and fuel.

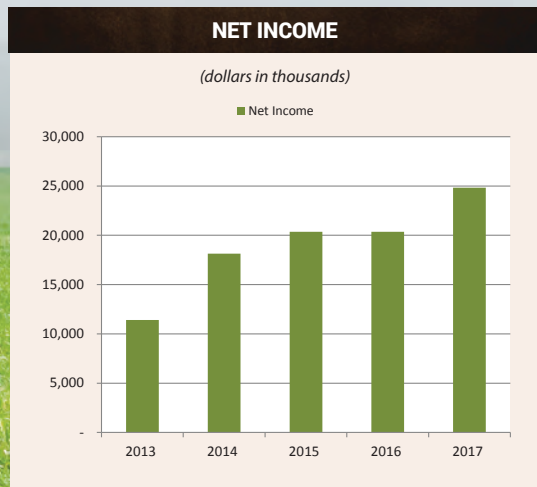
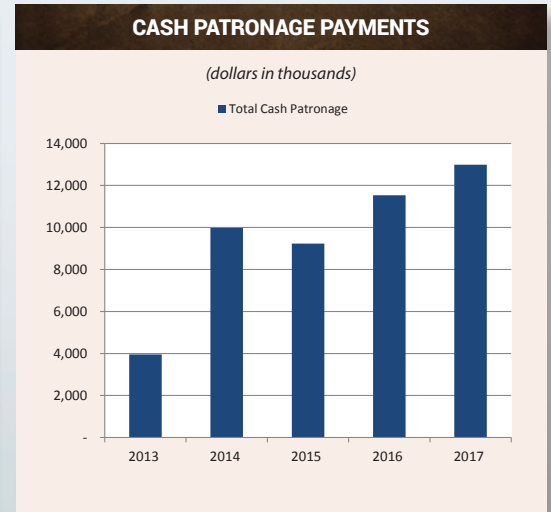
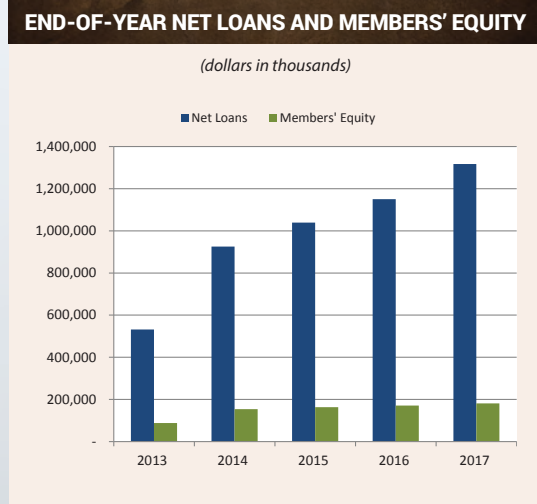
Thank you for choosing Texas Farm Credit as your lending partner.

Mark Miller  
Chief Executive Officer

# 2017 FINANCIAL HIGHLIGHTS

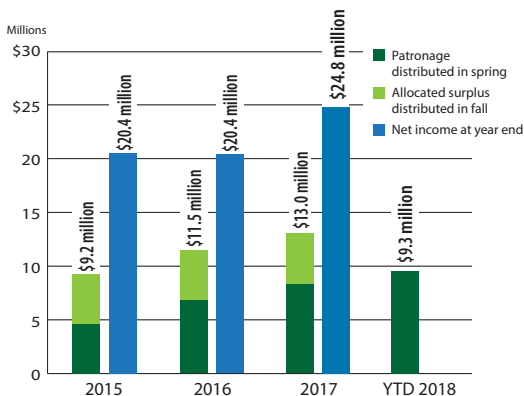
Texas Farm Credit had much to celebrate in 2017, as our earnings increased 22 percent year over year, reaching a record \$24.8 million. Strong loan growth resulted in a record \$1.3 billion in loans and \$1.4 billion in assets at year end.

Credit quality remained strong, with 98.2 percent of loans classified as acceptable or special mention. Texas Farm Credit's continued financial success was highlighted by the return of a record \$13 million to our stockholders last year.



## TEXAS FARM CREDIT RETURNS PATRONAGE FOR

### Texas Farm Credit Distributes Earnings to Borrowers



In a cooperative, the members enjoy economic participation. That's one of the seven guiding principles of a co-op.

In April of 2018, Texas Farm Credit customers received cash back for the 20th year in a row. We distributed a record \$9.3 million cash patronage to our customers.

Patronage lowers borrowing costs by refunding a portion of the interest that customers paid on their loans.

On average, a Texas Farm Credit borrower who had an interest rate of 5 percent in

2017 effectively paid just 4.2 percent as a result of this latest patronage dividend. Another \$6.9 million of our co-op's earnings from 2017 has been allocated for future distribution, which will decrease borrowing costs even further.

"Sharing our success with our borrowers through patronage is one of the defining principles behind our cooperative," said Mark Miller, Texas Farm Credit chief executive officer. "This year we are returning much more in patronage to our members thanks to a record-breaking year in 2017."

# TEXAS FARM CREDIT STOCKHOLDERS PARTICIPATE IN 2017 FARM CREDIT YOUNG LEADERS PROGRAM

Nathan and Amber Ryser of Honey Grove, Texas, recently learned how Farm Credit uses its cooperative structure and unique funding mechanism to lend support to rural communities and agriculture across the United States. The Ryasers represented their lender, Texas Farm Credit, at the 2017 Farm Credit Young Leaders Program in Washington, D.C., and New York City.

The 12th annual program began in the nation's capital, where the 23 participants joined Farm Credit representatives from around the country in meetings with U.S. Agriculture Secretary Sonny Perdue and Sen. Pat Roberts, chairman of the Senate Agriculture Committee. The Ryasers also discussed policy issues with USDA officials, Sens. John Cornyn and Ted Cruz, and Rep. John Ratcliffe.

Next the group traveled to the New York City area. During visits to the Federal Farm Credit Banks Funding Corporation and a Wall Street brokerage firm, they learned how investors purchase highly rated Farm Credit notes and bonds, supplying steady funding for loans and related services. Together, 74 borrower-owned Farm Credit cooperatives provide \$257.2 billion in financing to farmers, ranchers, rural homeowners, agribusinesses and other eligible borrowers.

“Our annual program is designed to give participants insight into the ways Farm



*Amber and Nathan Ryser of Honey Grove, Texas, attended the 2017 Farm Credit Young Leaders Program on behalf of Texas Farm Credit. They celebrated the completion of the program in New York City with Stan Ray, right, Farm Credit Bank of Texas chief administrative officer and Tenth District Farm Credit Council president.*

Credit supports agriculture and rural communities,” said Stan Ray, president of the Tenth District Farm Credit Council, which hosted the Young Leaders Program. “The trip is also an opportunity for these young ag producers to share their experiences and ideas with lawmakers whose policies touch the lives of farmers and ranchers.”

Nathan Ryser works alongside his mother, Phyllis Ryser, as an insurance agent in the family's business, Country Side Insurance. Amber Ryser is a teacher at Morning Star Academy in nearby Bonham. Nathan

also grows wheat, soybeans and cotton in partnership with his father, Wayne Ryser, who served on his Farm Credit cooperative's board for many years. Nathan's father and uncle taught him to always search for better, more efficient farming techniques, which has led to higher production and profits in an ever-changing industry.

The Tenth District Farm Credit Council is the regional member of the national Farm Credit Council, the trade association that works on behalf of Farm Credit cooperatives and their member-owners.

## 20TH YEAR IN A ROW

### A Year of Growth for Texas Farm Credit

Earnings increased 22 percent year over year to a record \$24.8 million in 2017. Strong loan growth resulted in a record \$1.3 billion in loans and \$1.4 billion in assets at year end. Credit quality remained strong, with 98.2 percent of loans classified as acceptable or special mention.

Through our insurance program, last year Texas Farm Credit insured 192,000 acres of row crops and 3.2 million acres of pasture. We also expanded our insurance staff and

service territory in 2017 by purchasing Wallace Crop Insurance in Bonham, Texas.

Patronage is just one way that Texas Farm Credit gives back. In keeping with our mission to support agriculture and rural communities, our co-op set a goal of donating 2 percent of earnings to charitable causes when we launched our Passion Forward program last year. Employees also receive at least two paid days per year to volunteer with nonprofit community organizations.

Patronage is a cornerstone of the cooperative business model: When we have a good

year, the board of directors decides how much of the association's earnings to hold as a capital cushion to manage risk or to fund growth. Then we share the remainder in the form of a patronage refund to our owners.

The size of your individual patronage payment is based on the interest income that your loan generated for the association.

Tell your friends and neighbors about Texas Farm Credit's patronage program. Patronage refunds are a distinct benefit of financing with our cooperative.

# TEXAS FARM CREDIT HOLDS GRAND OPENING AT NEW NACOGDOCHES OFFICE

Texas Farm Credit Services celebrated the grand opening of its new Nacogdoches office on March 27 with a ribbon-cutting ceremony and open house for customers, members of the business community and the public.

The new 3,600-square-foot building at 3338 Park St. is home to the lending cooperative's timber financing team. As a tribute to the woodlands of East Texas, the building showcases native woods such as cypress, walnut, hickory, pine, white oak, magnolia and pecan. The team also is using its forestry expertise to create a park-like setting at the 2.5-acre wooded site.

"We are devoted to agriculture, and aim to be the best source of financing for the timber industry in Texas," said Angela Shannon, vice president of forest products lending and Nacogdoches branch manager. "Our state-of-the-art new facility is one of the ways we can bring value to our customers."

Texas Farm Credit's Nacogdoches branch has a long history of financing timberland, cattle and poultry operations, agribusinesses such as sawmills, and other rural needs in Angelina, Nacogdoches, Panola, Rusk, Sabine, San Augustine and Shelby counties. Features that will enhance customer service at the new building, located at the southwest corner of Park Street and Northeast Stallings Drive, include ample meeting space, web-conferencing



*Texas Farm Credit Services hosted the grand opening of its new office at 3338 Park St. in Nacogdoches on March 27. Angela Shannon, vice president of forest products lending and Nacogdoches branch manager, with scissors at center, celebrates the opening with Texas Farm Credit board members and employees, the building's design and construction team, Nacogdoches County Chamber of Commerce representatives and other guests.*

capabilities and technology upgrades for fast, efficient loan transactions.

Customers and guests gathered at the new office for building tours and a rib-eye lunch from CC's Smokehouse. Each guest also received a Texas-shaped wooden cutting board bearing Texas Farm Credit's logo.

Wayne Mitchell, president of the Nacogdoches County Chamber of Commerce, and other chamber representatives attended the ribbon-cutting, along with local architect Laura Culpepper, who designed the lender's new buildings in

Nacogdoches and Fairfield, and representatives of the engineering firm Two Fifteen Consulting. The new office was built by local firm Alvin Stanaland Construction.

Also on hand were Texas Farm Credit CEO Mark Miller, Chief Credit Officer John O'Brien and Chief Risk Officer Lane Pepper; board members Jerry Chappell, James Dawley, Marion Durand and Bobby Hobson; Nacogdoches branch employees Shannon, Chris Adams, Rose Everett and Chad McClung; and staff members LeAnn Beasley and Ashley Harris.



## TEXAS FARM CREDIT PHOTO CONTEST

Take your best shot related to farming, ranching or a rural lifestyle, and you could win a cash prize and a spot in the next Texas Farm Credit calendar!

Each year we offer our customers a beautiful wall calendar featuring local images such as crops, livestock, wildlife, scenery, farm families and kids.

We hold a contest to find the top 12 photos, then feature the winners in print and on our website starting in October. The top three entries also win up to \$500.

The contest is now open! All entries must be submitted online at [www.texasfcs.com/news/photo-contest](http://www.texasfcs.com/news/photo-contest) no later than Aug. 1, 2018.

# GIVING CREDIT WHERE CREDIT IS DUE

A Texas farm family says Farm Credit was one of the missing pieces that helped their operation grow.



*Rollin and Dawn Mangold, with their son, Walt*



Photos by Jim Lincoln

**L**ike most people, Texas farmer Rollin Mangold didn't like shopping for a bank. He didn't have time for it, and because his family had financed with a local bank for generations, it didn't occur to him to change lenders — until the local bank was sold.

Luckily for Rollin, he still didn't have to shop for financing; financing came looking for him.

A local businessman and friend suggested Rollin visit with a Texas Farm Credit loan officer.

"We made him explain a lot before we did anything," Rollin says emphatically, recalling the number of questions he threw at the loan officer. "And he did a good job, and we've been there ever since."

For the Mangolds — Rollin, his wife, Dawn, and his nephew Matthew — having dependable and available financing with the Farm Credit cooperative came at a perfect time, one of a few factors that allowed them to rapidly grow their diversified farming operation near La Coste, Texas.

"Commodity prices were strong. We picked up some additional lease land, and having the financing to back all that was a big thing," Dawn says. "It really all happened at the same time that we got on board with Texas Farm Credit. It all just rolled together."

## FARMING ON THE EDGE OF A GROWING CITY

A third-generation farmer, Rollin says he grew up knowing production agriculture would be his life's work. The same was true for Matthew. The two men grow corn, cotton, wheat, oats, grain sorghum, sunflowers and vegetables, farming both jointly and separately.

"Corn is my favorite crop to grow," Rollin says. "Corn will tell you anything that's wrong with it, if you know how to read it. Just the color and the location of the discoloration on the leaves can tell you what it is deficient in, but we don't want to see any discoloration. To me, it's the easiest and it's always the most fun to harvest. I like watching Matt make the combine roll, especially when a lot of trucks are rolling out of the field."

Because of their 25-mile proximity to San Antonio, urban sprawl has forced the Mangolds to rely on leased land to grow their operation — but there has been no shortage of property to lease.

"We had to grow to maintain, if that makes any sense," Rollin says. "A lot of the places around here are small, the property values are going up, and a lot of them are for sale. I see a day when some of the land we lease will be sold, and if we can afford it, we will definitely be calling on Texas Farm Credit to help us. And if it's not meant to be, we will have other parcels of land to back it up. We're just trying to protect our livelihood."

While they are multigenerational farmers, Rollin and Matthew didn't inherit any land. However, they still lease most of the property that Rollin's parents farmed,



*Rollin, left, and his nephew Matthew inspect a field of oats. The two men farm both jointly and independently. Rollin and his wife say they're glad Matthew decided to join them in the family venture, and he has become an integral part of their operation.*

maintaining important relationships with other local landowners.

“We’ve been asked to farm almost every piece we’ve got,” he says. “We don’t go hunting for it.”

## STAYING OUT OF EQUIPMENT DEBT

As is the case with most farming operations, equipment is an important part of the Mangolds’ operation. Dawn still recalls an early meeting with their first Texas Farm Credit loan officer, who recommended that they minimize their equipment debt.

“That was the best advice he ever gave you,” Dawn tells her husband. “That first year, I don’t know how much money we saved on interest, but it was ridiculous. And so then you kick yourself for waiting so long to make a change. But we’re creatures of habit. You get up and roll along the way it is.”

Rollin, who loves machinery and tinkering with it, quickly agrees.

“He taught us a lot early on, and we did have a lot of equipment debt when we started with Texas Farm Credit,” he says. “We also had a terrible note on our house with the way it was structured, but we straightened all that out and made it better.”

While he still heeds his first loan officer’s advice, Rollin tries to find a balance

between expense and efficiency. Last year, he upgraded his cotton harvest equipment with an advanced cotton picker-baler that reduces harvest time — a huge difference-maker when weather is your biggest enemy. Last August for instance, when Hurricane Harvey was approaching Texas, Rollin traveled down to the Gulf Coast, a high-producing cotton area, to help fellow producers with their harvest before the storm hit.

“When it’s time to get it, you got to get it — today might be good, but a week from now it might be a different story,” Rollin says. “A cotton crop is most at risk when it’s

**“We’ve had several banks approach us to try to get our business for our operating notes in the last couple years, but they can’t compete with what Texas Farm Credit offers.”**

— Dawn Mangold

defoliated, and the weather can really affect it. I can only imagine what some of those guys went through.”

Dawn points out other ways that their family, which includes 9-year-old son Walt, benefits from the technology and more efficient equipment.

“Not only is the speed of getting the crop out probably the biggest incentive to offset the cost, but we have the extra time to spend together, and Rollin’s not worried

about it out in the field,” she says. “Our motto at home is ‘Farm Family,’ and we’re ever proud of it! We teach Walt the importance of what that is, the good parts and the difficult ones, because they’re true life lessons for us to learn from and to pass down.”

## DOING BUSINESS AT THE KITCHEN TABLE

The Mangolds have a new loan officer now, Pleasanton Branch Manager Sarah Franklin, and they value their relationship with her and the lending co-op as much as ever. It’s not uncommon for Sarah to make the one-hour drive from her office to the Mangolds’ house, where she’s greeted with warm hugs before they discuss business, seated around the kitchen table.

“We’ve had several banks approach us to try to get our business for our operating notes in the last couple years, but they can’t compete with what Texas Farm Credit offers,” Dawn says. “Not just on interest rates, but with the ease of doing business.”

Sarah says that being a reliable and convenient financial partner is just part of her job, and it reflects the way that Farm Credit lenders respect their customers’ daily toil.

“Just to be a farmer is such a brave thing, because your living is based on so many things that you cannot control,” she says. “And we understand that, and it’s why I do what I do for people like the Mangolds.” ■ SH



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