

LANDSCAPES™

a portrait of living & working in rural America

summer 2019



TEXAS
FARM CREDIT

LANDSCAPES

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Texas Farm Credit District lending cooperatives finance rural real estate, agriculture, agribusiness and country homes in Alabama, Louisiana, Mississippi, New Mexico and Texas. These financing co-ops are owned by their customers.

ON THE COVER: Golden sunlight illuminates a field of grain sorghum on a midsummer evening in Central Texas. Photo by Kanokwalee Pusitanun



Debra Ferguson/Southern Images

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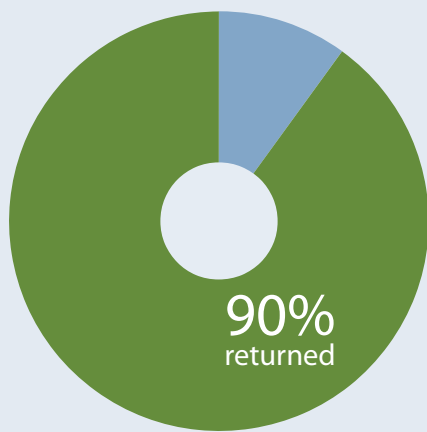
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Farm Credit Bank Returns 90 Percent of Earnings to Stockholders



Farm Credit Bank of Texas (FCBT) returned 90 percent of its 2018 net income to its affiliated lenders and other stockholders. In turn, all 14 lending cooperatives that own the bank paid patronage to their customers — farmers, ranchers, rural homeowners, agribusinesses and other borrowers.

Based on its \$190.5 million in net income and its solid capital position in 2018, the bank declared a record \$117.4 million in patronage. It distributed another \$54.7 million in preferred stock dividends.

The bank's loan volume totaled a record \$18.1 billion at the end of 2018. Credit quality remained very strong.

"Farm Credit Bank of Texas finished 2018 in excellent financial health," said Jimmy Dodson, FCBT board chairman. "We returned most of our earnings to our affiliated lenders. Plus, we also are investing in new technology for them and their borrowers."

TEXAS FARM CREDIT Video Wins National Contest

A Texas Farm Credit video featuring customers Bill Slomchinski and his son Brett of Pleasanton placed first in Farm Credit's 2018 video contest.

Texas Farm Credit was awarded \$10,000 in prize money to donate to the charity or community organization of its choice.

Organized by the national Farm Credit Council, the contest invited Farm Credit co-ops across the country to submit customer videos demonstrating the Farm Credit difference — what sets Farm Credit apart from other lenders.

Southern AgCredit in Mississippi was a contest finalist, too. Three other associations from the Texas Farm Credit District also entered videos — Alabama Farm Credit, Capital Farm Credit and Plains Land Bank.

To view the videos, go to FindFarmCredit.com/VideoContest.



Texas Farm Credit representatives are honored for their winning video at the 2019 Farm Credit Council annual meeting. Pictured behind them is a screenshot of their customer Bill Slomchinski, who was featured in the video.



TexasFarmCredit.com | (800) 950-8563

Stephen Schwartz

WHEN THE GOING GETS TOUGH, WE'RE HERE FOR YOU

You're probably familiar with the saying, "When the going gets tough, the tough get going." This particularly applies in agriculture.

Even when the sun shines and the perfect amount of rain falls, it's a tough business. Markets can dry up faster than crops. Machinery breaks when you need it most. Yet farmers and ranchers generally don't give up. They just work harder and smarter, optimistic that next year will be better.

But no matter how tough you are — mentally, physically or financially — it helps to have a lender who understands what you're going through.

Your staff at Texas Farm Credit understands the cyclical nature of agriculture. Many of us grew up in agriculture and still have personal connections to the land. We know that dealing with risk and managing a large budget can be stressful.

Texas Farm Credit wants you to succeed. As a responsible lender, we encourage all of our customers to make the best decisions for their needs. At the same time, we must ensure that the co-op continues to flourish. When we do well financially, every member-borrower benefits. That's one of the advantages of financing with our co-op — we look out for our borrowers' interests.

For Texas Farm Credit, 2018 was a good year. Thanks to our strong financial results, we were able to return \$11.5 million in patronage to our borrowers. That patronage payment effectively reduced your interest rate for 2018.

I sincerely hope that 2019 will be an excellent year for all of our customers. However, if the going gets tough, come see us. Whether you need a word of encouragement or financing advice — or want to share some good news — we are always here for you.

Mark Miller
Chief Executive Officer



8 REASONS TO FOLLOW US ON SOCIAL MEDIA



- Get the latest Texas Farm Credit news and information
- We want to hear from you
- Learn about job openings
- Get to know our team
- Enjoy a laugh with us from time to time
- Giveaways and contests
- Ag industry news and events
- Meet our customers

TEXAS FARM CREDIT REPORTS EXCELLENT RESULTS FOR 2018

Higher Earnings, Record Loan Volume & Record Patronage

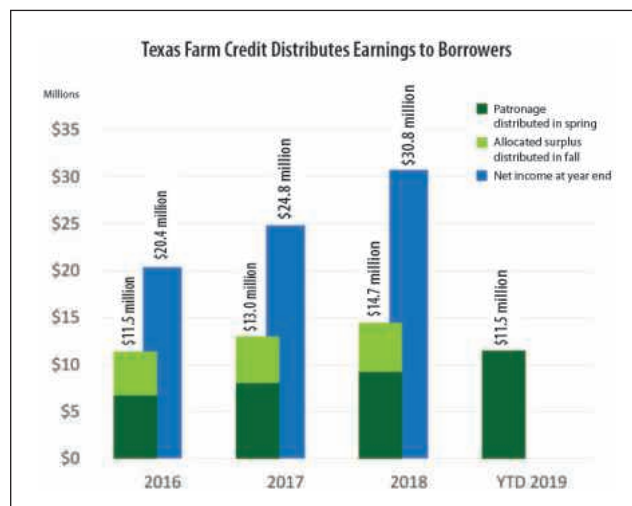
Texas Farm Credit had much to celebrate in 2018! Our earnings increased nearly 24 percent year over year to a record \$30.8 million. Last year we had \$1.3 billion in assets and the highest new loan volume ever. Credit quality remained strong, with 98.2 percent of loans classified as acceptable or special mention.

When you borrow from Texas Farm Credit, you're more than a customer. You're also a stockholder in our borrower-owned lending cooperative. This entitles you to share in our association's earnings through our patronage program.

Based on our co-op's continued financial success, we distributed a record \$11.5 million of our 2018 earnings to our customers in April — that's more than 3,700 patronage checks across 100 counties.

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

On average, a Texas Farm Credit borrower who had a 5 percent interest rate in 2018 effectively paid less than 4.2 percent as a result of this spring's patronage dividend.



Another \$7.4 million of our earnings that we allocated to members will decrease borrowing costs even more once distributed in the future.

"The cooperative spirit is at the heart of the way we run our business," said Mark Miller, Texas Farm Credit chief executive officer. "We have a mission to support agriculture and rural communities, and it doesn't stop at making loans. Thanks to our co-op's strong growth in 2018, we are returning more in patronage to our borrowers this year than ever."

Patronage is a distinct advantage of financing with a co-op lender. You not only receive a competitive rate up front, but you also get interest back when the association does well. Please tell your friends about our patronage program!



TAKE YOUR BEST SHOT

Texas Farm Credit Photo Contest Entries Due Aug. 1

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! Submit your entries online at www.texasfcs.com/news/photo-contest no later than **Aug. 1, 2019**.

FARM FAMILY OF THE YEAR

**For Texas Farm Credit
Director Bobby
Hobson, farming is a
good way of life.**

Bobby and Lisa Hobson had a good life 25 years ago when they were living in southern Mississippi after the latest of several job transfers. The only thing missing was enough family time.

"I was gone two or three nights a week," says Bobby, whose job with Shell Pipeline Co. often kept him on the road. "The kids were getting to an age where I was missing a lot."

That's when the rural way of life called the couple back home to Nacogdoches County, where the poultry business was booming. Bobby and Lisa returned to their agricultural roots with the help of their three children, who all had chores at their new poultry houses on family property.

"We got a chance to come home, and I could be with the kids as they grew up," he says. "I really enjoyed it."

In the years since, their farm has grown into a busy enterprise, with 17 broiler houses, a cow-calf operation and a custom hay-baling business.

The Hobsons' commitment earned them the 2019 Farm Family of the Year award. It was presented April 15 at the Nacogdoches County Chamber of Commerce's Agriculture Appreciation and Awareness Banquet.

A Farm Is a Family Affair

Several generations have contributed to the farm's success.

Bobby and Lisa's son, Robby, now farms alongside them. Their daughters, Amber



Lisa and Bobby Hobson, first and second from left, with their children, two of their children's spouses and their grandchildren

Hobson and Lizette Krieg, raise cattle in addition to working full-time jobs. Lisa's relatives gave the Hobsons room to expand by leasing five poultry houses to them. And Bobby partners with his brother, Larry, in the hay operation.

Bobby reports that he picked up a strong work ethic from his father, the late Joe Hobson, a cattle producer and USDA inspector.

"You have responsibilities and learn good work habits," he says. "It's a lesson in farming that sticks with you the rest of your life."

Giving Back to the Community

Bobby also works hard for the benefit of the local community. He is president of the Douglass ISD Board of Trustees, chairman of the Nacogdoches Soil and Water Conservation District (SWCD) board of directors, and a member and past chairman of the Texas Farm Credit board.

"That's evidence of his leadership skills," says Larry Poe, SWCD vice chairman and a retired agriculture teacher. "He's very

dedicated. They don't make them any better."

Mark Miller, Texas Farm Credit CEO, salutes the entire Hobson family for their contributions to agriculture.

"Bobby spends a lot of his time doing things for agriculture and rural communities," Miller says. "The poultry and cattle still need attention when he's taking care of his other duties. His family does a good job of filling in for him, so he's able to make that sacrifice."

"He's the epitome of what you want in a director. He doesn't speak a lot in the board room, but when he talks, people listen. Whatever he says is right on the mark."

Looking back, the Hobsons say that returning to farming and ranching was one of the best decisions they ever made.

"Daddy always said it's hard work, but it has its rewards," Bobby says. "Just trust in yourself. It's not always going to be easy, but it's a good way of life."

HELPING THE NEEDY

TEXAS FARM CREDIT EMPLOYEE GOES ABOVE AND BEYOND TO HELP HER COMMUNITY.

In October 2018, Jenn Correa answered a call for help.

Correa, a senior loan administrator at Texas Farm Credit's Tyler branch office, received a phone call from a mother named Krista who wanted to apply for a loan to buy her children some winter clothes.

Realizing the caller was in need, Correa and her husband, Romeo, purchased clothing for the three children. On delivery day, they saw Krista's empty home and discovered she was financially stressed. Her car had just broken down, and she had no way to transport her children to school or get to work.

Here was a woman of faith who just needed to catch a break, they thought.

Correa sprang into action and began raising funds. Many people opened their hearts and their wallets. With their donations, Correa was able to give the family a car and necessary maintenance, a new couch for their home, essentials for the children and more.

Passion Forward

Texas Farm Credit recognized Correa's kindness in January with its first Tommy Dean Shearrer Community Activist Award, which included a \$2,500 donation to a charity of her choice. The award is in remembrance of Tommy Shearrer, a former Texas Farm Credit board member, who was killed while trying to help someone in 2012. The Atascosa County farmer and rancher was known for his strong sense of civic duty.

"We need to support the community where we live," he would often say. "Our community provides for us, and we should be involved in our community."

The annual award is given to an employee whose volunteerism demonstrates passion



Jenn Correa, left, senior loan administrator at Texas Farm Credit's Tyler branch office, presents a check for \$2,500 to Missy Zivney of the Tyler nonprofit Refuge of Light, on March 27.



Texas Farm Credit created the Tommy Dean Shearrer Community Activist Award in 2018 in remembrance of its late board member, above.

and service to the community or charities. It is part of the rural lending co-op's philanthropic Passion Forward initiative, which gives back 2 percent of the co-op's earnings to charitable causes.

"This award is near and dear to my heart," Mark Miller, Texas Farm Credit CEO, said during Correa's award ceremony. "We recognize the employee who has done the most for communities during the year. We had a lot of good nominations, but Jenn Correa rose to the top. Numerous employees submitted her name, and our leadership team all agreed that she should be the first winner."

Passing Along Her Blessings

In March, Correa presented her award's \$2,500 donation to Refuge of Light, a Tyler nonprofit that helps girls who have been rescued from sex trafficking. The faith-based charity was founded 10 years ago by Mike and Norma Mullican and their daughter, Missy Zivney, to equip the girls with confidence and life skills so they can have a successful future.

The donation comes just in time for an expansion at Refuge of Light, which has received licensing approval to operate a

residential treatment center that will care for up to 13 girls.

Safe Home for Teens

Its safe home serves girls ages 10-17 who have been taken in by Child Protective Services, and houses them until they can be placed in foster care or with a family. One highlight is a weekly Brave Girl mentoring program that includes a meal at a handmade table.

"A lot of them don't ever sit down and have a family-style meal," Zivney said. "That gives the girls the opportunity to talk about their day. Sometimes girls sit there with their arms crossed, but they will eventually open up."

Correa said she feels blessed to have been chosen for the 2018 Community Activist Award.

"This was not done on my own," she said. "It was by the kindness of those who came together for a greater good."

"To be able to further pass blessings on to those with Refuge of Light is wonderful. The love and service they give to those who have been hurt is so inspiring to me."

DAUGHTER *like* FATHER

Texas Farm Credit jumpstarts
a young grower's career as a
fourth-generation farmer.



BLAKE BICKHAM

Odem, Texas

A loan through Texas Farm Credit's young, beginning and small farmer program enabled this 23-year-old to plant her first crop this year.

New farmer Blake Bickham plants her first-ever crop this spring on the same 300 acres near Odem, Texas, where her dad got his start in farming.

At age 23, Blake Bickham planted her very first crop this spring, and it wasn't on just any field. It's the same 300 acres where her dad began farming in the 1980s. And just like him, she is growing her budding operation with the help of Texas Farm Credit.

Bickham hadn't intended to farm after college. She went to Texas Tech University to become a teacher. Her parents, Brad and Sarah, wanted her to experience life off the farm.



Photos by Eddie Seal

Three generations of Bickham farmers and Texas Farm Credit customers, left to right — Brad, Blake and Larry

But when she graduated in May 2018, she knew teaching wasn't her love. It was farming. So she moved back to the family farm near Odem, Texas, to work for her father.

"Blake came home on Monday, and we had her covered in dust by Wednesday," her dad says with a laugh. "She pulled a lot of weeds last summer."

Grabbing a Lifetime Opportunity

By harvest time, Bickham knew just what she wanted to do with her life — farm full time like her dad and her grandfather Larry.

"I realized farming wasn't just my job. It's my passion," she says.

That's when her dad made her a similar offer to the one his dad made him. She could lease the same 300 acres where her father started farming and launch her own operation. She seized her dream.

Sowing Seeds of a New Career

Bickham planted 50/50 cotton and grain sorghum on her land this spring, using her dad's equipment. And she continues to work for the family business while managing her operation.

"I wouldn't be able to farm without Texas Farm Credit," Bickham says. "The entire team rallied around me. They opened the door for me to build my own business."

Bickham's everyday operating costs are covered by her loan, obtained through Farm Credit's young, beginning and small farmer lending program.

"It's challenging and exciting to be my own boss. I can't wait to see what the future holds."

— Blake Bickham

Learning Never Stops

Bickham may have started driving a grain buggy at age 10 and worked every harvest since, but she's learning farming from the ground up.

Daniel Castro, a long-time Bickham employee, is showing her how to best maintain and operate machinery. Her father is helping her develop management skills.

"Dad is teaching me the why of farming, and Daniel is teaching me the how," she explains.

"I knew I had a lot to learn, but I'm just now grasping the magnitude," Bickham explains. "It's one thing to work a harvest. But it's another thing entirely to work the whole growing season."

Promising Future Ahead

She says she'll always keep learning, just like her dad. He continually looks for the next innovation to increase efficiency and yield. In fact, he was an early adopter of minimal-till farming and GPS-based applications.

"It's challenging and exciting to be my own boss," Bickham says, beaming. "I can't wait to see what the future holds."

Her mom adds with pride, "Blake is fearless and works as hard as any man. I know she'll do great." ■ KFF

Four-Legged FARMHANDS

Some of the hardest working helpers on our farms, ranches and hunting land are the four-legged kind. They help us herd our livestock, keep predators at bay and retrieve our prey.

Landscapes pays tribute to those faithful animals who help us on the land.



Laurie Tolboom-Martin

At branding and doctoring time, a calm and steady horse is an important member of the team. This ranch horse belongs to Capital Farm Credit customer Gabe Neill of Brownfield, Texas.



James Prince

Maverick, a soft-mouthed white Labrador retriever, fetches a blue goose. Now deceased, he was a beloved member of the family of Wendy Swift, Texas Farm Credit human resources manager.



Jeff Bedwell

Ginger, a great Pyrenees guard dog, keeps her sheep corralled and safe. She belongs to Jeff Bedwell, Central Texas Farm Credit vice president and branch manager in Brady.



Munoz Photography

Sometimes you can't stop a border collie from herding, even when there's a fence in the way. Lily, above, is owned by Alabama Farm Credit customer Christa Walker.



Ernest Teves

Don't be fooled by docile-looking donkeys Bob and Linus, owned by Farm Credit Bank of Texas employee Ernest Teves. They'll challenge any predator that threatens the cattle on their Zephyr, Texas, ranch.

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