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LOOKING BACK, MOVING FORWARD



Texas Farm Credit has celebrated the 100th anniversary of the Farm Credit System this past year with great pride. Few businesses reach the century milestone, but Farm Credit has flourished as we have pursued our mission of supporting agriculture and rural communities.



The best part of the centennial year, though, has been the opportunity to celebrate with our member-owners and reminisce about the way agriculture and Farm Credit have changed over the century. It's been a wonderful trip down memory lane, as borrowers have shared their experiences and memorabilia. From stories of hard times when Farm Credit stood by them and their ancestors to opportunities for financing that couldn't be found elsewhere, a picture emerges of relationships that extend beyond business.

Indeed, we at Texas Farm Credit often refer to members, board and staff as a Farm Credit family. Living and working in the communities we serve establishes strong bonds and long-lasting friendships.

Farm Credit has evolved over the past century to keep pace with the dramatic changes that have occurred in agriculture. While we can't predict what the next 100 years will bring, we can guess that there will be up-and-down cycles and an even greater need for a dependable source of agricultural credit.

Texas Farm Credit will continue to be that steady lender. As a cooperative, we operate in the best interests of our member-owners, and with our reliable source of funds and our agricultural financing expertise, we will always strive to help our borrowers succeed.

Texas Farm Credit is honored to have helped generations of families start and grow their ag operations and to make their homes in the country. We look forward to helping you and future generations to do the same.

Sincerely,

Mark Miller
Chief Executive Officer



ALBERT CHAPA VISITS WA

During Farm Credit 100 Week

“I believe in what we do here. The things I learned on this trip make me even more proud to work in Farm Credit.”

— Albert Chapa

The annual Farm Credit Association Leadership Program was extra special for this year's participants — it coincided with Farm Credit 100 Week, a celebration of the Farm Credit System centennial in Washington, D.C. The mid-June centennial events included a congressional reception at the Library of Congress featuring Farm Credit customers' products, and visits with five senators, 10 congressmen and several congressional staff members.

All of that was in addition to the regular leadership program, which took Farm Credit employees to financial and policy organizations in the New York City area and Washington, D.C., to show them how the Farm Credit System attracts money from Wall Street and delivers it to rural America.

Albert Chapa, loan officer in Texas Farm Credit's Raymondville branch office, was this year's delegate to the four-day program, which was hosted by Farm Credit Bank of Texas. A Starr County native who grew up on a row crop and vegetable farm and ranch, he has been involved in agriculture for as long as he can remember. He first started as a Farm Credit lender in 2007.

We asked Albert for his impressions of the trip.

Texas Farm Credit (TFC): What were the highlights of the trip?

Albert Chapa: The best part of the trip for me was meeting other people from Farm Credit. Networking and making connections was invaluable.



During Farm Credit 100 Week in Washington, D.C., in June, U.S. Rep. Blake Farenthold, center, met with, from left to right, Jimmy Dodson, chairman of the Farm Credit Bank of Texas board and a member of Texas Farm Credit; Mark Miller, Texas Farm Credit CEO; Brian Lubin, a vice president at Farm Credit Bank of Texas; and Albert Chapa, loan officer at Texas Farm Credit.

TFC: What did visiting the Federal Farm Credit Banks Funding Corporation and the Farm Credit Administration teach you about the Farm Credit System?

Albert: I learned where the money that we lend to customers really comes from, specifically how we come together as Farm Credit to sell our bonds to investors. In a sense it helped me understand the importance of having a strong credit system so that we're able to offer sound financial resources to our borrowers for years to come.

TFC: How has seeing this side of the System impacted your impression of Farm Credit?

Albert: I love what I do as a lender — I believe in what we do here. The things I learned on this trip make me even more proud to work in Farm Credit.

TFC: Which elected officials did you visit?

Albert: We met with congressmen Blake Farenthold, Henry Cuellar and Filemon Vela.

TFC: Was there anything from the trip that reinforced for you why your customers should feel good about doing business with Farm Credit?

Albert: Yes. Our belief, our tradition, and our way of doing business would make anyone proud to do business with us. As long as we continue on with our mission — which is helping and watching our customers grow — and not deviate from that, we will certainly be around for another 100 years.

SHINGTON



U.S. Congressman Henry Cuellar (TX-28), center, meets with delegates from Farm Credit Bank of Texas and Texas Farm Credit.

TFC: What is the most interesting thing you learned?

Albert: This trip opened my eyes to understanding that some congressmen from the opposite party of my personal belief had an open mind and bipartisanship view toward Farm Credit. That was surprising for me and very impressive. It seemed that, in general, congressmen are willing to understand and share our mission to help support our farmers and ranchers.

TFC: How will you apply the experience at Texas Farm Credit?

Albert: This trip will help me be more confident in the message I convey to my customers because I now have more knowledge and understanding of the Farm Credit System. Also, getting to meet and network with Farm Credit employees from other areas of the nation gives me more resources and people to consult with and learn from.

TFC: Was there anything else that impacted you?

Chapa: It was very interesting how, although Farm Credit employees come from different locations and backgrounds, we are all working toward the same goal — helping our customers grow — and understand that it's important to make sure we hold true to our mission.



FARM CREDIT
100
ESTABLISHED 1916

YOUR CO-OP. YOUR SHARE.

2016 PATRONAGE PAYMENT

Texas Farm Credit Distributes Record \$6.8 Million to Customers

Texas Farm Credit distributed \$6.8 million in cash to its customers last spring through its patronage program. The payment was part of \$19.0 million of the association's record 2015 earnings that had been designated for borrowers.

As a cooperative, Texas Farm Credit keeps only the earnings it needs and returns the remaining surplus to borrowers, who are also co-op members and owners. Of the total patronage declared on 2015 earnings, the cooperative distributed a record amount in cash in April 2016, and set aside the remainder for its members.

Each time the lending cooperative distributes a patronage dividend, it refunds a portion of the interest paid on loans, lowering borrowing costs for its members. On average, a Texas Farm Credit borrower who had an interest rate of 5 percent in 2015 effectively would have paid just 4.2 percent after last spring's cash dividend. The remaining allocated surplus that may be eligible for distribution in the future would effectively lower borrowing costs even further.

"This was our best year ever from an earnings standpoint, and when our cooperative does well, we like to pass that on to our borrowers," said Mark Miller, Texas Farm Credit chief executive officer. "Our cooperative structure is at the heart of our success and commitment to our customers. We're proud that our record results and cash dividend coincide with the centennial of the Farm Credit System, a nationwide network of cooperatives with a mission to help agriculture and rural communities thrive."

The patronage dividend is possible because of Texas Farm Credit's growth and financial stability. Formed by the merger of AgriLand Farm Credit and Texas AgFinance in 2014, the co-op reported 12.2 percent increases in earnings and loans for the year ended Dec. 31, 2015. Net income was a record \$20.4 million, and its diversified loan portfolio surpassed the billion-dollar mark for the first time in 2015.

When Texas Farm Credit Does Well Financially,

You Benefit. That's one of the advantages of doing

business with our lending cooperative. We keep only

the earnings we need, and return the rest to our

members through our patronage program.

**THANK YOU
FOR YOUR BUSINESS**



TEXAS FARM CREDIT

TEXAS FARM CREDIT CELEBRATES

Texas Farm Credit Services' annual meeting on May 26 was no ordinary meeting. This year, the event was a celebration of the Farm Credit System's 100th anniversary.

Established on July 17, 1916, the System is a nationwide network of rural financing cooperatives — including Texas Farm Credit — that supports rural communities and agriculture with reliable credit and financial services.

ROBSTOWN MEETING ATTRACTS 200

Approximately 200 borrowers, board members and employees enjoyed good food and fellowship at the meeting, which combined the association's annual stockholders meeting and a customer appreciation dinner for the Robstown branch.

During the business session at the Congressman Solomon P. Ortiz International Center in Corpus Christi, attendees saw a video about Farm Credit history and heard a report on the centennial from Farm Credit Bank of Texas Board Chairman Jimmy Dodson of Robstown, who is a Texas Farm Credit customer.

Customer appreciation dinners are an annual tradition at Texas Farm Credit, a borrower-owned cooperative.

"The people we serve are important to us," said Mark Miller, Texas Farm Credit chief executive officer. "We take this time each year to let them know that we appreciate their business. The gatherings are one way that we can give back to our member-owners and say thank you."

FOUR BRANCHES HOST PARIS DINNER

That same month, four Texas Farm Credit branches in northeast Texas teamed up to host a customer appreciation dinner and centennial celebration. More than 270 people came to the Love Civic Center in Paris, Texas, on May 12 to enjoy good food and fellowship with Texas Farm Credit board members and employees from the Bonham, Clarksville, Paris and Sulphur Springs branches.



Joining CEO Mark Miller, second from left, are members of the Texas Farm Credit Board of Directors. From left to right are David Hill, Miller, Greg Richbourg, Bob Christophersen, Marion Brown, Thomas Barker, Jesse Howell, Jerry Chappell, Bobby Hobson, John Prukop, David Henneke, James Dawley, Joe Little and Jack Harbison. (Not pictured: Ralph Hesse)



The customer appreciation dinner included a 100th birthday cake, a video about Farm Credit's history, and a presentation by Miller.

Among the attendees were longtime members through much of the co-op's history, including William "Bubba" Justiss of Paris, a former Texas Farm Credit director and 57-year customer.

After dinner, Texas Farm Credit recognized Mary Cass of Paris, a Chisum High School senior who had recently received a \$2,000 scholarship from the co-op.

At customer appreciation dinners across the state this year, the lender awarded door prizes and presented attendees with Texas-shaped cutting boards commemorating the Farm Credit centennial.

CUSTOMERS AND CENTENNIAL



Texas Farm Credit's CEO, keynote speaker and the staff of the Robstown branch gather at the annual meeting and branch social on May 26. From left to right are Jason Floyd, loan officer; Mark Miller, chief executive officer; Yolanda Moran, loan administrator; Wes Thoms, loan officer; Jimmy Dodson, keynote speaker and Farm Credit Bank of Texas board chairman; Shane Brown, vice president and Robstown branch manager; Amanda Orrell, loan administrator; and Grace Ann Polasek, intern.



(Customers and Centennial, continued)



TEXAS FARM CREDIT

TEXAS FARM

This spring Texas Farm Credit awarded scholarships to five students across the state through the 2016 Marsha Martin Scholarship Program.

The scholarships honor the memory of Marsha Pyle Martin, a native of Paris, Texas, who at the time of her death in January 2000 was chairman and chief executive officer of the Farm Credit Administration, which regulates the nationwide Farm Credit System.

Since 2000, Texas Farm Credit has presented \$116,500 in college scholarships to students who are pursuing their education in agriculture-related fields. The recipients of this year's \$2,000 scholarships are Mary Cass of Paris; Alexandria Harrell of Gainesville; Kenneth Miller of Los Fresnos; Bailey Scogin of Raymondville; and Morgan Thomas of Raymondville.

"Marsha Martin was an inspiring leader and a dedicated advocate for agriculture and rural America," said Mark Miller, Texas Farm Credit chief executive officer. "We are proud to carry on her work through these scholarships, which recognize the achievements of outstanding students in the rural communities we serve."



CREDIT AWARDS \$10,000 IN COLLEGE SCHOLARSHIPS

2016 Marsha Martin Scholarship Recipients



Mary Cass



Alexandria Harrell



Kenneth Miller



Bailey Scogin



Morgan Thomas

MARY CASS graduated from Chisum High School and is studying ag leadership, education and communications at Tarleton State University. While in high school, Cass was a member of both the Chisum FFA chapter and the Lamar County 4-H Club, serving in leadership roles for both organizations, participating on several teams and showing steers. She holds the Lone Star FFA Degree.

In addition, Cass was a member of the Chisum BETA Club, Key Club and her high school's UIL Computer Applications Team, and was named a Distinguished Honor Graduate and a Texas Scholar. She has volunteered many hours for local causes, including the Salvation Army's Adopt-an-Angel Program and Meals on Wheels.

ALEXANDRIA HARRELL graduated from Lindsay High School and is studying animal science at Texas Tech University, with plans to pursue a doctorate in veterinary medicine. She was a member of the Lindsay FFA chapter, where she served as chapter president and chairman of the Lindsay FFA Show committee during her senior year.

An active showman, Harrell exhibited crossbred steers and Maine-Anjou heifers at shows across the state, and participated in the Houston Livestock Show and Rodeo's Commercial Steer Feeding and Management Contest for eight years. She was a member of the Texas Junior Maine-Anjou Association, serving as the organization's vice president and queen. In addition, Harrell was a member of the National Honor Society and volunteered many hours at a local vet clinic.

KENNETH MILLER attended Los Fresnos High School and is studying agricultural business at Texas A&M University. While in high school, Miller was an active member of the Los Fresnos FFA Chapter, serving as president and participating in farm business management, chapter conducting, ag advocacy and livestock judging competitions.

Miller was an active showman, raising swine and rabbits. A varsity football letterman, he was selected to the All-State Academic Offensive Team as a senior. Miller was a member of the National Honor Society and the Los Fresnos High School Technology Academy.

BAILEY SCOGIN graduated from Lyford High School and is studying plant and environmental soil science at Texas A&M University. While in high school, she was an active member of the Lyford FFA chapter, serving as a chapter officer for three years and as the Tip-O-Tex District vice president during her senior year. She is a two-time state winner of the FFA Ag Research Proficiency Award for Agriscience and the FFA Senior Prepared Public Speaking, Plant Science competitions.

During her senior year, Scogin served as a member of the Texas State 4-H Council, and as vice president of both her district and county 4-H councils. In addition, Scogin participated in several sports including basketball, cross country, softball, and track and field. She was a member of the National Honor Society and served as Spanish Club president in 2015-16.

MORGAN THOMAS graduated from Lyford High School and is pursuing a degree in animal science and agricultural economics at Texas A&M University. She held leadership positions with both 4-H and the FFA, including Lyford FFA chapter president, Tip-O-Tex FFA District reporter, state 4-H officer and Willacy County 4-H Club president. She was a state finalist in many FFA competitions, including creed speaking, public speaking and livestock judging.

As a sixth-generation cattle rancher, Thomas served as a cattle division junior director of the Texas Junior Livestock Association for four years. She has exhibited market lambs and cattle at shows across the Rio Grande Valley and was a 34-time breed champion or reserve breed champion exhibitor at the Rio Grande Valley Livestock Show. In addition, Thomas was a three-year varsity cheerleader, and was named Universal Cheerleaders Association All-American during her senior year.

The Results Are In! PHOTO CONTEST

2017 Texas Farm Credit



First place by Jerry Chappell



Second place by Ashley Zdansky



Third place by Kayla Otahal



The fifth annual Texas Farm Credit photo contest encouraged customers and employees from the Texas Farm Credit service area to submit photos of crops, livestock, farm families, wildlife and outdoor scenery. The outpouring of beautiful photos we received will help build a 2017 monthly calendar that illustrates our region's rich diversity.

FIRST PLACE went to Jerry Chappell, a Texas Farm Credit director, who received a \$500 cash award for his picturesque image of "Cotton Harvest" in Raymondville, Texas.

Ashley Zdansky **PLACED SECOND** with her image of "April Shower" in Raymondville, Texas.

The **THIRD-PLACE** award went to Kayla Otahal for her photo of "This Side of the Fence" in Robstown, Texas.

Texas Farm Credit thanks all those who submitted photos, and we encourage customers to start shooting photos now for next year's competition.

Congratulations!

TEXAS FARM CREDIT ACQUIRES RIO GRANDE VALLEY INSURANCE AGENCY

Texas Farm Credit recently acquired Donaho Insurance Agency, Inc., a full-service crop insurance agency in Raymondville, Texas.

Donaho Insurance Agency has been owned and operated since 1989 by Donald Donaho, who brings a tremendous amount of experience and expertise to Texas Farm Credit's crop insurance team. Donaho and his staff will continue to operate from their office in downtown Raymondville.

"This partnership represents our strong commitment to providing crop and pasture insurance to help the farmers and

ranchers we serve mitigate risk in their operations," said Jolene Curtis, chief operating officer at Texas Farm Credit. "This is a very exciting opportunity for Texas Farm Credit and our crop insurance team as we look forward to expanding our footprint and presence in the lower Rio Grande Valley with Donald."

Texas Farm Credit finances agricultural operations, agribusinesses, rural homes, and the purchase and improvement of rural real estate such as farms, ranches and land. In addition, the financing co-op offers insurance services to help its customers manage the risk in their lives and agricultural enterprises.

