

Leader

A Carolina Farm Credit Member Publication

Summer 2010



Michael R. Morton

President's Message

During the month of April, Carolina Farm Credit held customer appreciation events in each of our 37 service centers. This is one of the highlights of our year, when we take time to stop, say thank

you, and show appreciation to you, our customers, for doing business with Carolina Farm Credit. The events were well attended and we trust that each customer enjoyed the food, fellowship, and time spent with our staff and other customers. For me personally, it was great to see many of our customers that quite frankly, I just don't get to visit with often enough. Of course, the distribution of our patronage refund checks is a big drawing card for these events. We were pleased to be able to pay approximately \$15.5 million in patronage to our customers this spring. Of that amount, we distributed approximately \$4.6 million in cash during our spring customer appreciation events. As you know, the return of our profits to our customers through our patronage program is what sets us apart from other lenders in our area. The Board recently approved the association re-establishing customer appreciation events in the fall. We are already looking forward to seeing you again this fall and distributing more checks.

On the legislative front, there has been much talk of financial regulatory reform in Washington since the meltdown on Wall Street in the fall of

2008 and the ensuing aftermath with its effect on the banking industry. Recently, the Senate passed its version of regulatory reform legislation to go along with the House bill that was passed at the end of last year. The bill now goes to a House-Senate Conference Committee, which will begin meetings to work out the differences between the two bills. Farm Credit's focus will be to influence the final structure of the bill where possible. We will work to ensure that the system is not adversely impacted as a result of difficulties experienced by other financial institutions and not shared by the Farm Credit System. Our efforts will focus on maintaining language in the House and Senate bills which supports FCA as the system's regulator. We are working to ensure new legislation does not have an adverse effect on our customers. Additionally, the system will support provisions in the House bill that could, if removed, increase the cost of funding for system borrowers. As always, we are making every effort to support agriculture and rural America, both

locally by making loans in our chartered territory, and in our nation's capital by supporting legislation that is positive for agriculture, rural America and the Farm Credit System.

Thank you again for your continued use of Carolina Farm Credit's products and services. We look forward to continuing to serve your credit and financial services needs in the future. See you in your office in the fall! ■



The winner of the 2009 Spryest Sprout Contest is Jack Wade Carver.

Jack is the son of H.R. and Caroline Carver of Roxboro, N.C. and the grandson of Rick & Debbi Carver. The winner receives a 529 Educational Savings Plan in their name valued at \$529.

Visit our website for Sprouts photos not published in the Leader.

Leader is published for stockholders, directors and friends of Carolina Farm Credit. Address changes, questions, comments or requests for copies of the association's financial reports should be directed to Carolina Farm Credit, ACA at 1-800-521-9952 or P.O. Box 1827, Statesville, N.C. 28687-1827. Contact us by e-mail: marketing@carolinafarmcredit.com. Our quarterly financial statement can also be obtained from our website, www.carolinafarmcredit.com.

BOARD OF DIRECTORS:
Thomas E. Porter, Jr., Chairman | Joseph A. "Joe" Lail, Vice-Chairman | John M. Barnard | E. Bernard Beck
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Director Elections Schedule

Director Elections are scheduled for later this fall. As a member-stockholder, the Board of Directors represents you and your interest in Carolina Farm

Credit, making your vote very important. This will be the sixth year for the vote-by-mail ballot process, which has returned an increasingly

higher number of votes since its inception in 2004. Directors whose terms expire in 2010 are as follows:

Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
					
Joseph A. Lail CLEVELAND COUNTY	Bobby J. Gambill ALLEGHANY COUNTY	W. Rex Bell IREDELL COUNTY	L. Kim Starnes ROWAN COUNTY	E. Bernard Beck RANDOLPH COUNTY	W. Steve Love ALAMANCE COUNTY

Please note the dates so you will know when to expect and return your ballots by mail and when the results of the election will be complete. ■

August 9	Annual Meeting Notice Mailed
August 30	Annual Meeting
September 7	Ballots Mailed

September 28	Polls Close
September 29	Results Announced

Carolina Farm Credit Holds 10th Annual Ag Leadership Institute

Carolina Farm Credit recently held its tenth annual Agricultural Leadership Institute in Asheville, N.C., at the Grove Park Inn. This educational conference brings together and celebrates young, beginning, small and minority farmers. It was created to equip these farmers to meet the challenges of modern agriculture and encourages the sharing of ideas and networking within the industry. This year's 34 participants were couples or individuals from farms across Carolina Farm Credit's territory and were selected for their leadership and achievements.

The dynamic and interactive three-day seminar was led by Dr. David Kohl, professor emeritus at Virginia Tech and professional speaker. This year, Dr. Kohl focused on the "Mega Forces of Agriculture." His topics are designed

to enlighten and help participants meet the daily challenges of modern agriculture while maintaining balance between family business, family life, and personal life.

Other speakers for the Institute included Dr. Alex White, Virginia Tech Professor in the Department of Agriculture and Applied Economics; Mike Morton, CEO of Carolina Farm Credit; Dr. Ted Katsigianis, Vice President of Agriculture at the Biltmore Company; Tom Haarmann, Manager of Financial Services with Carolina Farm Credit; and Dr. Michael Hester, Director of the Pastoral Counseling and Growth Center in Asheville. The group also took a tour of the Biltmore House, had lunch at the Lioncrest and enjoyed dinner at various local restaurants. Attendees of the 2010 Ag Leadership conference

were Kevin and Candy Baucom, Marshville; John and Carly Beam, Cherryville; Patrick and Elizabeth Brennan, Kernersville; Dan and Kasey Brooks, Monroe; Austin and Stacy Dunn, Mt. Gilead; Cameron Eaker, and Haley Ballard, Cherryville; John and Tina Gross, Sanford; Jason and Kristi Gurley, Gold Hill; Brian and Amy Howard, Harmony; Dale and Deborah Hudler, West Jefferson; Casey and Meredith McKissick, Old Fort; Chad and Jennifer Simpson, Monroe; Jay and Meghann Moore, Cleveland; Kaleb and Monica Rathbone, Waynesville; Tony and Dawn Spease, Pfafftown; Jason and Robin Starnes, Salisbury; Ross and Cherlon Young, Marshall. ■

Visit our website for photos of the participants.

Market Linked Certificates of Deposit

BY TOM HAARMANN,
FINANCIAL SERVICES MANAGER

As you know, the past two years has seen some volatility in the financial markets. Many people have been reluctant to invest money in stocks or mutual funds because of volatility and the possible loss of principal. As a result, investors have resolved to keep their cash on the sidelines or in guaranteed low yielding fixed rate products.

Market Linked Certificates of Deposit may provide an attractive alternative for the conservative investor who wants the earnings potential of the market combined with the security of FDIC insurance. These bank CDs are 100% principal protected when held to maturity. The rate of return is "linked" to the performance of an index, while the investor does not personally own any stocks or securities.

Interest is credited annually to the investor and can be withdrawn from the account or invested elsewhere. Designed for buy and hold strategies, the typical investors are baby boomers, families saving for college and retirees. ■

If you would like to learn more, please feel free to contact Tom Haarmann at (704) 761-2869.

Carolina Farm Credit Service Centers Hold Customer Appreciation Events

Each of Carolina Farm Credit's 37 service centers held customer appreciation events in April where patronage checks were distributed to members.

The amount of patronage totaled nearly \$15.5 million. Borrowers received a refund of 20 percent of the interest that accrued on their loans in 2009. A cash refund of \$4.6 million was paid, and the remainder was placed in allocated capital accounts for future revolvment.

"Carolina Farm Credit had another successful year in 2009. We're pleased to be able to share our success with our borrowers by putting our profits in their pockets," said Tommy Porter, Chairman of the Carolina Farm Credit board.

Here are a few photos from some of this year's events:



Commercial Ag Loan Officer, Keith Link with members, James & Renee Davis at the Lenoir Customer Appreciation Event



Director Kim Starnes with members Doris & Perry Teeter at the Sparta Customer Appreciation Event



Vice-Chairman of the Board of Directors, Joe Lail and AgriConsumer Loan Officer, Jill Sigmon with member Dale Little at the Newton Customer Appreciation Event

Home Loan Programs Expanded BY WAYNE HIGGINS, SENIOR VICE PRESIDENT

Our association has expanded the home loan programs and products that it offers in order to better serve our members and customers in the purchase, refinance and construction of homes. Our loan programs are specifically geared to meet the unique needs of our borrowers. The following type homes are eligible for financing: conventional, log homes, modular, manufactured, older homes, primary dwellings and second homes. The various home loan programs include:

- First-time homebuyer program
- Homes with acreage
- Loans up to 95% loan to value
- Government loans including USDA and VA loans—Up to 100% loan to value available
- Construction-to-permanent loans with a one-time closing
- Owner-contractor construction loan
- Cash-out refinances
- Lot/Home site loans (up to 30 year term)
- Homes located in a subdivision or town

We offer the customer many flexible and attractive features that make the home loan experience pleasant and financially rewarding including the following:

- Attractive and very competitive fixed interest rates
- Loans up to 30-year term
- No prepayment penalty
- Low-cost construction loans
- Low loan fees and closing costs
- All loans are processed by local, well trained staff who understand the needs of our customers

Now is an excellent time to consider purchasing or building a home to take advantage of the low interest rates and diverse loan programs. Our staff will work with each customer on an individual basis to find the specific loan program that is best suited to meet their needs and expectations. Give us the opportunity to serve you and experience your dream home. Remember, you do not have to be farming to qualify for our home loans. Visit our website for home loan information and an online application. ■



AgBiz Planner Program Provides Real-Life Skills

Nine Carolina Farm Credit members were among the inaugural group of 30 farmers from across the state that recently completed a Farm Credit University (FCU) AgBiz Planner program. The program, funded by a grant from the N.C. Tobacco Trust Fund Commission, is aimed at helping young, beginning, small, and minority farmers gain the business and financial skills to successfully manage and grow their operations.

With the help of Farm Credit loan officers who served as mentors, the group successfully completed the college-level, online course over several months, learning how to develop business and financial plans, as well as budgeting and management skills. The on-demand, 10-module computer course was designed by Dr. David Kohl, a retired Virginia Tech professor known for his agricultural financial and business management expertise.

Several participants also attended a two-day conference in Raleigh co-sponsored by Carolina Farm Credit, AgCarolina and Cape Fear Farm Credit.



Carolina Farm Credit CEO Mike Morton reports, "We are pleased to provide these educational opportunities so our farmer-customers can learn and benefit in ways that are certain to enhance their farming operations."

Carolina Farm Credit is now accepting applications for the next session of the AgBiz Planner program. Visit our website for an application and more information. The deadline to submit applications is September 1, 2010. ■

Cap Contest

Check out our website
www.carolinafarmcredit.com and
Facebook for cap contest photos! ■



Find us on Facebook and be sure
to sign up for our e-newsletter!