SmartStart Helps Make Dreams a Reality
Are You a Lifelong Learner?
Who Needs a Financial Plan?
Convenience at the Click of a Mouse!

AccountAccess is AgChoice Farm Credit’s 24-hour, online access to account information. From making payments to printing your interest paid statement for tax returns, your personal AgChoice account information is available at the click of a mouse. This great tool allows you to get information on your account from the comfort of your own home, at any time of day or night.

You can also use our Secure Messaging feature, store and retrieve documents in the Filing Cabinet and get up-to-date business trends and information using Key Market Indicators located in the Resource Center Tab. Market Indicators are uploaded each Monday morning, and are provided by Blimling & Associates to AccountAccess users only.

Enrolling in AccountAccess is easy! Call our Customer Care team at 800-998-5557 to sign up and start using these great features today!
Just like cake and ice cream ... You and AgChoice are a good pair!

Plan on Attending a Customer Appreciation Event Near You!

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<td>July 12</td>
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<td>Seven Mountains (Lewistown)</td>
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<td>Aug. 7</td>
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<td>The Atrium, Prospect</td>
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Invitations and additional information will be mailed as the dates draw near. Please feel free to bring a friend who, like you, could pair well with AgChoice. Be sure to check out the events page on www.agechoice.com for additional information. We are looking forward to seeing you this summer!
Knowing You Makes the Difference!

We can believe that we know where the world should go. But unless we’re in touch with our customers, our model of the world can diverge from reality. There’s no substitute for innovation, of course, but innovation is no substitute for being in touch, either. ~Steve Ballmer, Microsoft CEO

Our customer-owners, as successful agricultural producers, business owners and professionals, are competing in a rapidly changing market. Consider some of the major trends we are witnessing:

- Enhancements in technology, helping crops withstand drought, disease and pests
- Precision agriculture (satellite farming)
- Major volatility in input and output prices
- Consolidation of farms and a concurrent increase in the number of small agricultural producers in Pennsylvania
- Increasing numbers of farms in transition
- Marcellus Shale gas leases on farms
- Global economy volatility

To stay competitive in a world of unprecedented change, you must be knowledgeable and agile. At the same time, in order for us to create maximum value for you, the staff and directors of AgChoice must be very well attuned to what is happening in the market while having a deep understanding of what you need and want.

At AgChoice, we employ many different methods to ensure that our products and services align with your needs and wants. Following are some examples:

- Service on the farm or at your place of business
- Personal, customized service—getting to know you and really understanding your long-term dreams and goals
- Customer appreciation events held for every branch office (more than 3,300 customers and family members attended in 2012)
- Leadership advisory council (similar to customer focus group) meetings held across the state
- Staff and director involvement in local fairs and agricultural groups, such as 4-H, FFA and Extension boards
- Trade shows
- Customer education programs, such as AgBiz Masters and AgBiz Professionals
- Customer surveys (yes, I know we do a lot of these—but we really do respond to what you tell us)

We discuss the information we receive from you, and then make adjustments to our product and service offerings. Discussions can be spirited, and sometimes require further analysis so that we make the best decisions about how to use the resources of your cooperative to make changes that will have the most positive impact for you. A few of the services we have created based on your input over the past few years include consulting, business planning and accounting services, the AgBiz customer education programs (you asked what we could do to help our young and more experienced customers build their financial knowledge) and transition/succession planning services.

Charles Kettering (an American inventor) noted, “There is a great difference between knowing and understanding: you can know a lot about something and not really understand it.” At AgChoice, we strive to really know our customers—on both personal and business levels—and then translate that into a deep understanding that allows us to serve you in ways that will help you be more successful. This is a guiding principle for AgChoice, and it compels us to engage with you through many different pathways. Knowing you makes the difference.”

Darrell Curtis

Message from the President
You Learn Something New Every Day …

By Sue Thrift, AgChoice Farm Credit Corporate Secretary

… especially when you’re an AgChoice director. AgChoice directors are elected customer-owners who have a lot to learn when they win a seat on the Board of Directors. They already know about farming, and they understand how important education and training are not only to their success, but to the success of AgChoice. They are dedicated to our mission and willing to commit the necessary time to learn, because they know they are not only helping other customer-owners, but they will also become better business owners in the process.

It is the responsibility of the Governance Committee of the Board to determine what training is needed and who should attend. The Committee uses an annual evaluation of the directors to facilitate this process.

“When beginning my first year on the AgChoice Board, the WOW factor definitely set in. The volume of information a director must comprehend is extraordinary,” shared third-year director, Brandon Weary. The goal is to bring new directors up-to-speed quickly so they can effectively participate in Board meetings. Training begins immediately. The first session is at the Administrative office with several members of the senior management team. This is followed by District training, held at AgFirst Farm Credit Bank in South Carolina, where new directors become familiar with other associations in our district and meet with the AgFirst District Board of Directors. Finally, System training is held in Washington, D.C., where new directors learn about the Farm Credit System on a national level.

New directors are assigned mentors; directors with several years of experience. Mentors discuss reports and other meeting details prior to the Board meeting, and sit next to new directors for the first year to answer questions.

Continuing education is equally important at AgChoice. Existing directors continually receive training. Regulations are always changing; policies change and directors need to keep up with new information. There are two annual meetings each year (District and System) where they receive updates and network with directors from other regions to see how they do things, how they handle issues and generally how their boards function. This information is brought back and shared in AgChoice’s Board meetings.

Directors also receive formal training. “The training we receive is intensive and thought-provoking,” notes Director Weary. Directors participate in a special training series offered to Farm Credit System directors, composed of five modules completed over several years: Board Strategy, Board Leadership, Finance and Risk Management, Human Resources and an experiential leadership session. A small group of AgChoice directors attends each module at a time and they report at the Board meeting on what they learned and how to apply it at AgChoice.

Training is also provided within Board meetings through special senior management reports and outside speakers. This past March the Board had a unique opportunity to hold its meeting in Washington, D.C. We had guest speakers from the American Farm Bureau, the Farm Credit Administration (our federal regulator), the National Council of Farmer Cooperatives and the Farm Credit Council. These speakers provided valuable information from hot legislative topics to updates on the Farm Bill.

AgChoice and our Board of Directors are highly committed to the success of our directors and our customer-owners. This is evident in the level of training that is completed by each director.
Blue Ribbon Tastes from Farm Credit

AgChoice Farm Credit was one of four Farm Credit associations to participate in the recent Blue Ribbon Tastes from Farm Credit reception held in Washington, D.C. The event showcased Farm Credit and fresh farm products to members of Congress and their staff. Thanks to the following Pennsylvania producers that provided product for the event: Cotner Farms, Inc., Fulton’s Dairy, Goot Essa, Scott’s Roasting, Sand Hill Berries, Mazza Vineyards and Young Grower Alliance.

In addition to the reception, AgChoice directors and staff met with congressmen and senators to discuss AgChoice Farm Credit and its role in building a stronger future for agricultural and rural communities.

To learn more about the Tastes from Farm Credit event visit www.blueribbontastes.com.

Congratulations to AgBiz Masters Graduates

Congratulations to the following young and beginning farmers for successfully completing the two-year AgBiz Masters program, a learning series for young and beginning farmers.

Jesse & Lauren Brant – Littlestown, Pa.
Christopher Burkhart – Lancaster, Pa.
Ben & Tyler Butler – Germantown, Md.
Jason & Jeff Gerber – Addison, NY
Marlin & Suzanne Hartzler – Belleville, Pa.
Ellis & Kerri Kreider – Quarryville, Pa.
Dana LeVan – Catawissa, Pa.
Travis Lippy – Glenville, Pa.
Blakslee Frederick Masters – Drums, Pa.
Corey & Amy Miller – Laceyville, Pa.
Chad Reinford – Mifflintown, Pa.
Krista Shaffer – Hollsopple, Pa.
Shane & Kristi Taylor – Brogue, Pa.
Brody Toy – New Bethlehem, Pa.
Daniel Walk – Bloomsburg, Pa.

Registration for the next class of AgBiz Masters will begin in August 2013 for the class held November 2013 through March 2014. For more information and to register, visit www.AgBizMasters.com.

13 Years of Service and Dedication Recognized

AgChoice said goodbye and good luck to retiring employee, Joyce Rohrbaugh, loan specialist, York branch. We thank Joyce for her tireless efforts, hard work and dedication, and we wish her the best of luck as she starts this new chapter in her life.
Calling All Shutterbugs!

Are you interested in photography?
Have you captured a smile or special moment and thought it would make a great calendar photo?
Well, now’s your chance to put your trigger finger on the camera and creative skills to work! AgChoice Farm Credit is looking for 12 winning photos to display in our 2014 Association calendar. We want this calendar to represent our customer-owners and employees and how you both contribute to the rural American dream. So get ready, aim and shoot! Your photo could be a winner!

Eligibility
- Customer-owners and employees of AgChoice Farm Credit and their family members are eligible to enter.
- All photos must have been taken in the AgChoice service territory, which includes 52 counties in Pennsylvania and four counties in West Virginia.

Calendar Photos
Entries should include photos of the following subjects that represent rural living. The photos can be subject matters that include, but are not limited to the following:
- Family members on the farm or your business operation
- Seasonal photos of farm scenes or rural surroundings
- County fair accolades or county festivals
- Agricultural photos including the vast array of industries in our territory such as dairy, timber, crops, vegetables, farmer’s markets, equine, etc.
- Action photos such as planting or harvesting
- Rural living photos

Format
Please submit the following:
- Landscape (horizontal) photos only. Due to the design layout, vertical (portrait) shots cannot be used.
- 4 x 6 photo with negative or high-resolution digital images. Digital images must be emailed or on CD—no links to web libraries will be accepted.
- Digital images must be 1.5 MB or larger in size so when it is enlarged it does not lose color or sharpness.
- Photos must be identified with name and address on the back of each photo (please use label for this information and do not write on the back of your photo) and the negative must be secured to the photo in an envelope with the name and address on it.

Winning Photos
- Twelve photos will be selected and featured in the 2014 calendar, including one for the cover.
- Three winners will be chosen for top honors and will receive a $200, $150, $100 VISA gift cards, respectively. The remaining nine winners will receive a $50 VISA gift card.
- All participants will have bragging rights for one year that their photos were chosen!

Important Information
- Entries must be received by August 31, 2013, by mail or email.
- All photos (used or unused) will become the property of AgChoice Farm Credit.
- The entry form below will serve as a permission slip to use the photo in printed materials and/or for advertising purposes. All entries must provide all of the information below in order to qualify.
- The entry form can be downloaded from our website at www.agchoice.com/forms and must be attached to all emailed entries.
- No images will be returned. Please make duplicate copies or a duplicate CD for yourself if you desire to keep your photos. Negatives will be returned if we receive a written request for return with your entry.

AgChoice Farm Credit Photo Contest Entry Form

Name: _____________________________________________
Address: _________________________________________
City: _______________ State: ___________ Zip: ____________
Phone: ____________________________
Email: ____________________________________________
Name of photographer: ________________________________
Name(s) of people in the photo: ________________________
Where was the photo taken? ____________________________
Describe what is happening: ____________________________

Relationship to AgChoice
(in order for form to be valid, you must check one):
☐ AgChoice customer-owner ☐ AgChoice employee
☐ Customer-owner family member ☐ Employee family member

Signature of contributor: _____________________________

By signing the official entry form, we understand that the images will not be returned and each photo submitted comes with full and exclusive rights for AgChoice Farm Credit to print the photo, without credit, in AgChoice Farm Credit literature, without further obligation to the photographer or those people who have their person or items pictured.

Send official entry form to: Photo Contest, AgChoice Farm Credit, 900 Bent Creek Boulevard, Mechanicsburg, PA 17050. Email jpgs to: agchoicephotocontest@gmail.com no later than August 31, 2013.

Don’t delay!
Send us your photos by August 31
SmartStart Helps Make Dreams a Reality

By Raechel Sattazahn, AgChoice Farm Credit Marketing Officer

If you are a young or beginning and small farmer, SmartStart is for you! SmartStart rewards you for completion of educational programs that enhance your financial, business or production management skills. Not only does this help you be a more successful business operator, but the credits accumulate and can result in interest rate reductions on new term and operating loans with AgChoice Farm Credit.

1. Register for SmartStart by visiting www.agchoice.com/farms/smartstart. You do not need to be a current customer of AgChoice Farm Credit to enroll in the program. Registration is free.

2. Attend educational programs of your choice. Qualifying educational programs include AgChoice-sponsored programs such as Ag Forums and AgBiz Masters, as well as outside programs offered by Extension, industry organizations, universities and many others.

3. To submit programs for credits, complete the online SmartStart Application for Credits form at www.agchoice.com/farms/smartstart. You may also work with your loan officer or local branch office to submit this information.

4. Let your credits accumulate! Credits earned in the most recent two years will count towards the appropriate interest rate reduction on any new AgChoice loans.

For more information on SmartStart, email SmartStart@agchoice.com or contact your local branch office at 800-998-5557.

SmartStart Spotlight

Owning a pig farm has been a goal of Matt Brandt’s for quite some time. He was raised on a small farm in central Ohio, and has worked in the swine industry for many years, currently serving as a nursery and finishing supervisor for Country View Family Farms.

In 2012, Matt’s dream became a reality when he and his wife, Heather, purchased a 63-acre farm and built a 4,800-head nursery barn. Matt explains, “It was finally the right time and the right place.”

It was also at that time that the Brandts became customer-owners of AgChoice. Matt already knew Loan Officer Shawn Frantz because of his involvement in the industry, and found working with her very easy. “The turnaround time for the loan was very impressive,” said Heather.

Matt added, “It was Shawn who told us that we would qualify for the SmartStart program, resulting in a significant interest rate reduction that basically put money back in our pockets.”

The Brandts are excellent examples of today’s beginning farmers, passionate about their roles in agriculture. In the future, they’d like to build a second barn on the property. “We love what we do,” Matt and Heather concluded.

Program Qualifications

- **Are you a young farmer?**
  A farmer whose age is 35 years or less.
- **Are you a beginning and small farmer?**
  A farmer with 10 years or less farming experience, and whose annual gross agricultural sales are less than $250,000.
AgChoice will once again have a strong presence at Ag Progress Days, held this year on August 13-15, in Rock Springs, Pa. Be sure to stop by our booth in the AgChoice building, located at the corner of Main Street and West 6th Street, to interact with our employees and understand the benefits of being a customer-owned cooperative.

Additionally, we are excited to offer special Ag Progress Days promotions for:

- Young or beginning and small farmers
- Women in agriculture

Young or Beginning and Small Farmers

Show your pride for being a young or beginning and small farmer! If you are in AgBiz Masters or SmartStart, stop by our booth wearing your program t-shirt and you will get $6 in food coupons to use at select food booths at Ag Progress Days.

Don’t already have a t-shirt but are interested in AgBiz Masters or SmartStart? Come see us and you’ll get a FREE t-shirt and food coupons.

Women in Agriculture

We think Farm Girls Rock! Clip this ad and bring it to our booth at Ag Progress Days and you will be the lucky recipient of a Farm Girls Rock pink hat*! Supplies will be limited each day, so make sure you bring this ad and come early!

*While supplies last. Coupon must be presented at Ag Progress Days in order to receive hat.
One of the exciting trends observed in the agricultural industry through interaction with people from around the globe at seminars is the emergence of lifelong learners.

These eager, inquisitive participants, regardless of their endeavors in agriculture, have found a competitive edge by developing a game plan for lifelong learning. They are on a quest for information, knowledge and forums at which to network and interact with like-minded people. Whether it is youth, young and beginning producers, the senior generation or agricultural product and service providers, the self-improvement light bulb has been turned on. Why has this trend emerged in agriculture?

I challenge you to critically think about your role as an agricultural knowledge worker. Since the beginning of the century, the great global agricultural commodity super cycle has elevated the importance of lifelong learning, transforming the needs, skills and mindsets of agriculturalists. It requires businesses, regardless of size, enterprise or location, to challenge the status quo concerning innovation, strategy and execution. In today’s fast-paced, interconnected global marketplace, being average will translate into obsolescence or, even worse, extinction within a five-year period.

Market volatility and margin compression as a result of intense global competition will create more opportunity in the next seven years than there has been in the past 30 years. The downside is that it will stage avenues for failure if one is not at the top of his/her game.

Fragile, Fragile, Fragile!

Whether it is the global, domestic or agricultural economy, or individual businesses, one adjective encompasses all: fragile! To demonstrate how fragile the business environment has become, consider an individual producer who is partially
In today’s fast-paced, interconnected global marketplace, being average will translate into obsolescence or, even worse, extinction within a five-year period.

financing the purchase of $2 million worth of land at inflated prices. This diversified crop and livestock farm with multiple family members has “rolled the dice” and is betting that the current commodity super cycle will endure. With corn prices at $7 per bushel and soybeans at $15 per bushel, all key financial benchmarks and metrics fall in the low risk “green light” category. However, if corn prices decline to $3 per bushel and soybeans drop to single digit prices, three-quarters of the farm’s financial ratios fall into cautious “yellow light” or dangerous “red light” levels.

The current business and financial landscape requires scenario planning for cost, revenue and interest rate changes. It is critical to develop a systematic risk management program that encompasses operational, marketing and financial management components. Plan to execute, monitor and tweak your strategies as the external and internal business environments evolve.

Learning Needs Assessment
The emphasis on lifelong learning and personal development is a major trend amongst elite manager groups. To determine your knowledge and training needs, start out with a good old fashioned SWOT analysis that examines strengths, weaknesses, opportunities and threats. For example, one business conducts this assessment of its owners, managers, employees and stakeholders to determine training and development priorities. They allocate up to two percent of revenues and up to five percent of the individual’s time for educational, professional and personal development. The organization recommends 25 percent of the time be spent outside the

agriculture industry to expand horizons, perspectives and develop empowerment amongst the team members. In some cases, team members are asked to prepare a brief summary of their experiences to share with others in the business to leverage information and knowledge exchange.

Remember to consider the whole person, and not just the business priorities. For example, an owner and employee entered a wellness program together and lost a combined 200 pounds, which had a positive impact on key health metrics. A balance between professional and personal development is key.

Advisory Teams
Another major business trend that supports the lifelong learning concept is developing and utilizing advisory teams. These teams are seen as an investment instead of a cost, and are often utilized to fortify individual and business strategic areas of weakness, building upon the strengths of advisors who are used as sounding boards for the exchange of ideas and suggestions for improvement.

Learning Priorities
It is a paradigm shift in agriculture to consider that your head can be more valuable than your hands in this intense information and knowledge-based world. Dr. Danny Klinefelter, a well-respected economist at Texas A&M University, says good managers prioritize. Taking this a step further, great managers prioritize their priorities. They can distinguish between the $100, $1,000 and $10,000 decisions and channel resources, energy and time for the best results. Sometimes the tractor seat can be more fun, but educational seminars may be more economical for long-run success. However, some producers accomplish both by listening to podcasts or audio books, monitoring markets and analyzing information from the tractor seat utilizing technology. Knowledge and information delivery methods to lifelong learners can include time-tested face-to-face meetings, online education or a blended approach.

Success Story
Recently, a young farmer and his spouse were on a panel discussion I moderated on family business transition and communication issues. The young couple explained they had completed personality profiles during a personal development seminar, and then they encouraged their parents to do the same. The bottom line is that the family is communicating much better now that they have learned about and understand each other’s personality styles and the different ways family members present their thoughts and perspectives. This take charge approach most likely will save thousands of dollars in legal fees and circumvent struggles in growth management in the future.

You are responsible for your own commitment to lifelong learning and personal development. If you manage employees, you are also responsible for identifying standards and metrics for employee personal development that align with business production, finance and marketing goals. A commitment to lifelong learning is a way to gain the competitive edge in a dynamic global marketplace. What is your game plan?

For more insights from Dr. Kohl, visit the Business & Economy Trends section on www.agchoice.com.

David Kohl received his M.S. and Ph.D. degrees in Agricultural Economics from Cornell University. For 25 years, Kohl was Professor of Agricultural Finance and Small Business Management and Entrepreneurship in the Department of Agricultural and Applied Economics at Virginia Tech, Blacksburg, Va. He was on special leave with the Royal Bank of Canada working on advanced initiatives for two years, and also assisted in the launch of the successful entrepreneurship program at Cornell University. Kohl is Professor Emeritus in the AAEC Department at Virginia Tech.

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Who Needs a Financial Plan?

Look in the Mirror!

By Tim Sutherland, AgChoice Farm Credit Wealth Advisor and
Julie Bozich, AgChoice Farm Credit Marketing Specialist

While you cannot predict the future, you can plan for it. Whatever your stage of life, a well-designed financial plan can be critical to your financial security and help maintain financial dexterity, even in uncertain times. We all possess a unique financial plan—some are better than others—and not having a formalized plan is an especially bad one.

Financial planning is a dynamic process that, when executed properly, increases the chances you will realize your goals. Everyone has goals—short- and long-term, large and small, expressed and sub-conscious—and it takes forethought and planning to set the right course to fulfill them.

As your circumstances change, so likely will your financial plan. Having a comprehensive plan can provide family protection now plus pave the way for a comfortable future lifestyle. The bottom line is that a good financial plan can afford you the confidence and flexibility to respond to whatever lies ahead.

Much like a puzzle, there are many interlocking pieces that must come together to produce your comprehensive financial plan with a satisfactory expectation of future success. The scope and scale of your plan will vary based on individual goals and circumstances, and it should consider multiple options before forging your final customized plan of action.

Risk Management
Risk management is the cornerstone of any financial plan. Start by identifying the risks to your future goals, and then determine your “risk” budget, purchasing various insurance coverages to meet your prioritized needs. Key risks to consider include farm continuation, debt reduction, income protection, key-person, survivor, asset protection, disability and elder care, among others. In addition, if you are in business with someone, it is important to formalize your business with legal agreements, which establish various ground rules during good times, before any future adverse events happen that can lead to hard, often emotional, decisions.

Transition Planning
Transition planning of a farm or agribusiness is often the centerpiece of your financial plan. A sound transition plan accounts for the needs of both the older and younger generations and mandates a comprehensive, balanced result that is favorable to all parties. Transition planning components include: farm and asset sale, business operations, debt management, cash flow, tax, leadership/management development, investment, health care, retirement and elder care, along with special situations. It is essential that the transition plan be balanced to financially provide for the older generation while not saddling the younger generation with too much acquisition debt.

“Post-farming” Retirement Planning
“Post-farming” retirement planning prepares you financially for when (not if) you can no longer farm. It involves creating inflation-adjusted, tax-protected future non-farm income. Maximizing your Social Security retirement benefits, creating wealth outside the farm during your farming career and designing a retirement health/elder care program, are all part of an effective farmer retirement plan.

Estate Planning
Estate planning will enable you to increase the likelihood of sustaining your farming tradition and legacy. The focus should center on a clear and well-communicated estate plan that transfers your assets to future family generations pursuant to your inheritance goals. You should aim for an estate transfer plan that is fair to all family heirs, not equal, and one that minimizes future death tax liability.

To get started on your own financial plan, consult your spouse and/or business partner first and commit to hiring a competent financial planner with the necessary expertise to address your needs—and then trust him/her enough to execute the planning advice.

For more information about our financial planning services, or to schedule a consultation to discuss your situation confidentially, contact our Wealth Management team at 800.246.6893.
Matt Cox, executive director of Miracle Mountain Ranch (MMR), first visited the camp in 1976 when his father was invited to speak there by one of the founders. Matt was compelled to return time and time again ... as a camper, counselor, student and, eventually, as an employee who started as a hay farmer and stayed.

Situated on more than 600 acres in rural Warren county, MMR is a faith-based, non-profit, western-themed camp devoted to evangelism and discipleship modeled through teaching, training and life experiences by qualified staff. Program highlights include summer camps for youth, a college-level school of discipleship and customized retreats for adults and families. Accommodations for visitors include 21 bunkhouses, a large dining room, meeting space and more. Two large barns and three arenas, with names like Santa Fe Station and Lone Star Livery, are used for horsemanship classes and other indoor horse activities. Outdoor recreation areas for sports, paintball, wilderness challenges, trail riding and hiking offer expanded options to reach campers in meaningful ways.

While horses are at the core of the operation that hosts a herd of about 75, it is clear that the animals are resources used to teach much more than horsemanship. Likewise, non-horse activities are conducted with a focus on developing character and personal growth. With his passion revealed by a tear in his eye, Matt shared that experiences at MMR are designed to “give people a chance to rise above day-to-day problems, build self-confidence and regain hope.” He explained that the activities offered are simply tools used to teach life skills in an environment of emotional and physical security.

During 2010, efforts to expand the scholarship program were increased, and the response from local businesses and churches has exceeded expectations. Last year, 280 youth were able to attend camp as a result of full or partial scholarships. Marketing Manager Donnie Rosie related, “It’s really cool to see hundreds of kids afforded this opportunity who would not have had a chance otherwise.”

To secure adequate land for MMR to maintain its level of service and potential for growth, the decision was made in 2010 to purchase 536 acres that the camp had been leasing. While pursuing options, camp officials discovered AgChoice Farm Credit. A group meeting with MMR and AgChoice employees (including Loan Officer Shelley Carfolo who maintains a strong working relationship with camp staff) was held at the ranch and a viable plan was established. Matt recounted that “AgChoice not only provided financing but educated us about our options.” He added, “They really stood out. It was like they were working for us.”

When asked about the future, Matt said, “We want to keep doing what we do but do it better and expand.” With that goal in mind he is contemplating, “How do we do it somewhere else?” At MMR, there’s always hope.

For more information about MMR, visit http://mmrm.org.
Royal Recipes—Summer Bounty

During the summer months it seems that our gardens runneth over with delicious sweet corn, squash and zucchini. How about pairing summer’s bounty with your favorite dairy product for a summertime combination that can’t be beat!

The Pennsylvania State Dairy Royalty team knows the importance of everyone getting 3-Every-Day of Dairy™. The dairy case has something for everyone including low-fat and fat-free varieties as well as lactose-free products. Families can choose milk, cheese or yogurt products to meet their taste and nutritional needs. Try one of the recipes below to incorporate the dairy products you love with the bounty of the season!

Maria Jo Noble (Bradford)  
2012-2013 Pennsylvania Dairy Princess

Spaghetti Squash Pie

**Ingredients:**
- 1 spaghetti squash (3 lb.)
- ½ lb. ground beef
- 1 jar (14 oz.) spaghetti sauce
- 1 tsp. Italian seasoning, divided
- 2 Tbsp. flour
- 3 Tbsp. butter, melted
- 3 eggs, beaten
- ½ cup grated Parmesan Cheese
- 2 cloves garlic, minced
- 1 cup shredded Five Cheese Blend

**Directions:**
Heat oven to 350º. Pierce squash with fork several times. Microwave on high 15 minutes or until tender when pierced with knife. Brown meat in large skillet; drain. Return to skillet. Stir in spaghetti sauce and ½ tsp. seasoning; bring to boil. Simmer on medium-low heat 5 to 8 minutes or until slightly thickened. Cut squash in half; remove seeds. Scrape squash into large bowl. Add flour; toss to coat. Add butter, eggs, Parmesan and garlic; mix lightly. Spoon into 10-inch pie plate sprayed with cooking spray; top with meat sauce, leaving ½-inch rim around edge. Top with shredded cheese and remaining seasoning. Bake 30 to 35 minutes or until squash is heated through.

Callie Curley (Susquehanna)  
2012-2013 Pennsylvania Alternate Dairy Princess

**Zucchini Lasagna**

**Ingredients:**
- 2 ½ cups zucchini, sliced ¼-inch thick
- 1 lb. lean ground beef
- ¼ cup onion, chopped
- 2 small tomatoes, cut up
- 1 (6 oz.) can tomato paste
- 1 garlic clove, minced
- ½ tsp. dried oregano
- ½ tsp. dried basil
- ¼ tsp. dried thyme
- ¼ cup milk
- ⅛ tsp. pepper
- 1 egg
- ¼ cup Ricotta Cheese
- ¼ cup Mozzarella Cheese, shredded
- 1 tsp. flour

**Directions:**
Cook zucchini until tender, drain and set aside. Fry meat and onions until meat is brown and onions are tender; drain fat. Add next 8 ingredients and bring to a boil. Reduce heat; simmer, uncovered 10 minutes or until reduced to 2 cups. In small bowl slightly beat egg. Add Ricotta Cheese, half of shredded Mozzarella Cheese and flour. In a baking-roasting pan arrange half of the meat mixture. Top with remaining meat and zucchini. Bake uncovered at 375º for 30 minutes. Sprinkle with remaining cheese. Bake 10 minutes longer. Let stand 10 minutes before serving.

Heather Wasson (Centre)  
2012-2013 Pennsylvania Alternate Dairy Princess

**Southern Style Baked Corn**

**Ingredients:**
- 2 cups whole kernel corn
- 2 cups cream style corn
- 2 eggs, beaten
- 1 8-oz. package of corn bread mix
- 1 cup sour cream
- ½ cup melted butter, cooled
- salt and pepper to taste
- Parmesan Cheese

**Directions:**
Mix whole kernel corn, cream style corn, eggs, corn bread mix and sour cream in a bowl. Stir in cooled butter and add salt and pepper. Spoon into a 10x10 baking dish and bake at 350º for 30 minutes. Sprinkle with Parmesan Cheese and bake 15 minutes longer.

To learn more about the Pennsylvania Dairy Princess & Promotion Services program or to schedule a county princess to come talk to your school or group, check out its website at www.padairy.org.
The shareholders’ investment in the Association is materially affected by the financial condition and results of operations of AgFirst Farm Credit Bank. Copies of AgFirst’s quarterly and annual financial reports to shareholders are available free of charge at www.agfirst.com, or by writing to AgFirst Farm Credit Bank, Financial Reporting Department, P.O. Box 1499, Columbia, SC 29202-1499.

Copies of the Association’s Annual and Quarterly reports are available upon request free of charge by calling 1-800-349-3568 or writing Terry Davis, Controller, AgChoice Farm Credit, ACA, 900 Bent Creek Boulevard, Mechanicsburg, PA 17050 or accessing the website, www.agchoice.com. The Association prepares an electronic version of the Annual Report which is available on the Association’s website within 75 days after the end of the fiscal year and distributes the Annual Reports to Shareholders within 90 days after the end of the fiscal year. The Association prepares an electronic version of the Quarterly report within 40 days after the end of each fiscal quarter, except that no report need be prepared for the fiscal quarter that coincides with the end of the fiscal year of the institution.

Consolidated Balance Sheets

<table>
<thead>
<tr>
<th>(dollars in thousands)</th>
<th>March 31, 2013</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>95</td>
<td>642</td>
</tr>
<tr>
<td>Investment securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held to maturity (fair value of $2,653 and $2,642, respectively)</td>
<td>2,392</td>
<td>2,392</td>
</tr>
<tr>
<td>Loans</td>
<td>1,409,256</td>
<td>1,409,086</td>
</tr>
<tr>
<td>Less: allowance for loan losses</td>
<td>11,210</td>
<td>10,704</td>
</tr>
<tr>
<td>Net loans</td>
<td>1,398,046</td>
<td>1,398,382</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>5,969</td>
<td>5,110</td>
</tr>
<tr>
<td>Investments in other Farm Credit institutions</td>
<td>22,154</td>
<td>22,401</td>
</tr>
<tr>
<td>Premises and equipment, net</td>
<td>3,732</td>
<td>3,697</td>
</tr>
<tr>
<td>Other property owned</td>
<td>697</td>
<td>1,005</td>
</tr>
<tr>
<td>Due from AgFirst Farm Credit Bank</td>
<td>2,964</td>
<td>14,382</td>
</tr>
<tr>
<td>Other assets</td>
<td>4,766</td>
<td>5,169</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$1,440,815</td>
<td>$1,453,230</td>
</tr>
</tbody>
</table>

| **Liabilities**        |               |                   |
| Notes payable to AgFirst Farm Credit Bank | 1,143,512 | $1,160,477 |
| Accrued interest payable | 1,659 | 1,788 |
| Patronage refunds payable | 840 | 12,485 |
| Other liabilities      | 23,163        | 14,251            |
| **Total liabilities**  | 1,169,174     | $1,188,001        |

| **Members’ Equity**    |               |                   |
| Capital stock and participation certificates | 10,787 | 10,695 |
| Surplus                |               |                   |
| Allocated              | 137,909       | 137,817           |
| Unallocated            | 122,986       | 115,558           |
| Accumulated other comprehensive income (loss) | (41) | (41) |
| **Total members’ equity** | 271,841 | 264,229 |
| **Total liabilities and members’ equity** | $1,440,815 | $1,453,230 |

Consolidated Statements of Income

(UNAUDITED)

<table>
<thead>
<tr>
<th>For the three months ended March 31, 2013</th>
<th></th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment securities</td>
<td>$37</td>
<td>$37</td>
</tr>
<tr>
<td>Loans</td>
<td>16,753</td>
<td>17,018</td>
</tr>
<tr>
<td><strong>Total interest income</strong></td>
<td>16,790</td>
<td>17,055</td>
</tr>
<tr>
<td><strong>Interest Expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes payable to AgFirst Farm Credit Bank</td>
<td>6,245</td>
<td>6,446</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>10,545</td>
<td>10,609</td>
</tr>
<tr>
<td>Provision for (reversal of allowance for) loan losses</td>
<td>513</td>
<td>(731)</td>
</tr>
<tr>
<td><strong>Net interest income after provision for (reversal of allowance for) loan losses</strong></td>
<td>10,032</td>
<td>11,340</td>
</tr>
<tr>
<td><strong>Noninterest Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan fees</td>
<td>326</td>
<td>483</td>
</tr>
<tr>
<td>Fees for financially related services</td>
<td>294</td>
<td>297</td>
</tr>
<tr>
<td>Patronage refunds from other Farm Credit institutions</td>
<td>2,266</td>
<td>2,021</td>
</tr>
<tr>
<td>Gains (losses) on other property owned, net</td>
<td>(86)</td>
<td>(59)</td>
</tr>
<tr>
<td>Gains (losses) on sales of rural home loans, net</td>
<td>43</td>
<td>40</td>
</tr>
<tr>
<td>Gains (losses) on sales of premises and equipment, net</td>
<td>14</td>
<td>30</td>
</tr>
<tr>
<td>Other noninterest income</td>
<td>521</td>
<td>136</td>
</tr>
<tr>
<td><strong>Total noninterest income</strong></td>
<td>4,078</td>
<td>3,948</td>
</tr>
<tr>
<td><strong>Noninterest Expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>4,422</td>
<td>4,299</td>
</tr>
<tr>
<td>Occupancy and equipment</td>
<td>318</td>
<td>307</td>
</tr>
<tr>
<td>Insurance Fund premiums</td>
<td>270</td>
<td>133</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>1,515</td>
<td>1,449</td>
</tr>
<tr>
<td><strong>Total noninterest expense</strong></td>
<td>6,525</td>
<td>6,188</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>7,585</td>
<td>9,100</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>7,525</td>
<td>$9,030</td>
</tr>
</tbody>
</table>
AgChoice Farm Credit’s royalty services are a complement to our oil/gas/mineral rights lease planning, wealth management and credit solutions. We serve as your trusted business partner and successfully administer the many facets of your royalty wealth.

Simply put, we shoulder the burden of administering your royalty wealth so you have more time to enjoy your financial good fortune with comfort and confidence. You can count on AgChoice to actively track developments in the shale energy formations and hydrocarbon energy industries to identify the financial impact on your royalty wealth.

Contact us today! We can help you with lease administration, document management, tax/record administration and business services.

800-998-5557
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