Dairy Farmers Unite to Tell Their Story

Earth, Wind and Fire—AgChoice Customers ‘Go Green’
At AgChoice Farm Credit, we recognize that you need more than just a lender. You deserve experienced business professionals who know and understand you and your industry.

Personalized, professional service is all in a day’s work at AgChoice Farm Credit. We have specialized teams of experts to service a variety of agricultural industries including dairy, timber and equine. We also support industry organizations and events, another way that AgChoice is able to expand our service to you.

Call us. We’re committed to making a difference.
Do you just hate it when you receive another customer service survey? If so, I don’t blame you. It seems like you take valuable time to fill out the survey and yet you never see any results from it. However, I hope I can persuade you that the surveys you do for AgChoice do make a difference.

Customer surveys are just one of the many ways we try to get feedback from customers. We know we can always improve on our service. We don’t always know how or where and that is where your feedback becomes invaluable.

We send out two different kinds of customer surveys. One is our annual survey that is sent to a representative sample of customers. This one has a series of questions and is designed to take just a few minutes to complete. The other survey gets sent to every customer when they close a new loan with us. This one just has four questions and can take less than a minute to complete:

1. How do you rate the overall level of service you received from AgChoice?
2. How well did AgChoice Farm Credit meet your expectations for turn-around time in processing this loan transaction?
3. Are you comfortable referring a friend or family member to AgChoice Farm Credit?
4. Would you be comfortable renewing your relationship with AgChoice through future business?

We also provide space for you to write in your own comments.

Over the years, we have discovered that your willingness to recommend AgChoice to your family or friends is the best way to measure your real satisfaction with our service. We call it the “payoff” question.

Every survey comes directly to me. Any survey where there seems to be a service problem gets a response, either directly from me or from someone who is better positioned to deal with the issue. We summarize and tally the survey results regularly and feed the data into a scorecard we use to monitor customer service and satisfaction. This information is provided to your Board of Directors on a quarterly basis.

Surveys are only one way we try to get customer-owner feedback. Other ways include:

• **Focus Groups.** We invite a small number of customers and non-customers to facilitated meetings to get feedback. Usually, the attendee does not know that it is being run by AgChoice. This is an excellent way to get the unvarnished truth.

• **Industry Meetings.** We try to be where you are.

• **Your AgChoice loan officer or branch contact.** Start there.

• **Call 800-349-3568 Ext. 6001 or email alamb@agchoice.com to reach me directly.**

Knowing you makes the difference. We highly value what you tell us. This is your organization, your cooperative. We know you have a choice. We want it to be AgChoice.
Kevin R. Grubb
Region #3 Director
Business Name: Key State Ag Service

AgChoice is pleased to welcome customer-owner Kevin R. Grubb to the AgChoice Farm Credit Board of Directors. Kevin is the newly appointed Director for Region 3, previously a vacant seat, and he will serve on the Governance Committee. His experience in running and managing a successful business will be a valuable asset in his role of serving AgChoice customer-owners.

Kevin and his wife, Pamela, own and operate Key State Ag Service, an agricultural services and supplies business in New Enterprise, Pa. Started in 1989, the business primarily serves dairy customers across Blair, Bedford, Cambria, Huntingdon and Somerset counties. The Grubbs sell and deliver liquid fertilizer, dairy supplies and bagged feed.

Focus on the customer is a key part of the Grubb’s business philosophy. Kevin’s day typically includes taking phone calls from customers, scheduling and sometimes making deliveries and managing all other parts of the business. Kevin explains, “Service to our customers is what has grown our business over the years. We strive to be honest and up-front with customers and we are honored to have such a strong, loyal customer base.”

Kevin’s dynamic personality, common-sense approach and experience in business and financial management make him an outstanding addition to the Board of Directors. “I’ve appreciated working with AgChoice in growing my own business and I am excited to be involved in this capacity to represent AgChoice’s customer-owners,” shares Kevin.

In addition to Key State Ag Service, Kevin also owns a 130-acre farm and raises some beef cattle. He serves on the board for Bedford Grange Mutual Insurance, is former board chairman of New Enterprise Church of the Brethren and is a past member of the Northern Bedford County School Board. Kevin and Pam are the proud parents of Cale, 21, who works full-time at Key State Ag Service making deliveries, and Jessica, 19, who is attending Alleghany College of Maryland and works in the family business when available.

The Nominating Committee serves an important role in the governance of AgChoice by choosing candidates for open Board of Director seats. As elected members, the term for the Nominating Committee is one year, with an Association policy allowing three consecutive one-year terms, a one-year break and then the option to run again.

In order for a Director candidate to be eligible, the Nominating Committee must make sure the following guidelines are met. The candidate must:

• Be an AgChoice customer-owner
• Have good credit quality and be in good standing
• Own voting stock
• Meet the age requirement

The Nominating Committee members met in June to discuss possible candidate selections within their regions. Each region team reviewed lists of potential Board candidates and made choices of members to contact. The Nominating Committee considers the qualities and qualifications that are needed on the Board. After the potential candidates are selected, they are contacted and interviews and on-site visits are conducted.

For the 2010 election, candidates were chosen for Regions 2, 3 and 4, along with all region members agreeing on the At-Large candidates. In addition, 2011 Nominating Committee members for election were discussed. This Committee is comprised of a minimum of six candidates per region, four delegates and two alternates.

Customer-owners should rest-assured knowing the process of finding qualified candidates is rigorous and taken very seriously. Time spent on the process is well worth it in the end when high quality candidates are on the ballot.

The Annual Meeting Information Statement will be mailed in October. Take the time to read the publication, learn about the candidates and become informed on who you want to represent you on the AgChoice Board of Directors. If you are interested in either the Board of Directors or Nominating Committee positions, please contact your loan officer. Ballots will be mailed November 4, please make sure you exercise your right to vote!
Plan on attending a Customer Appreciation Event near you!

- **July 8** – New Stanton Branch
  Cedar Creek Park, Belle Vernon, Pa.

- **July 20** – Cumberland Valley (Chambersburg) Branch
  Green Grove Gardens, Greencastle, Pa.

- **July 23** – Meadville Branch
  McKeever Environmental Center, Sandy Lake, Pa.

- **July 30** – Curvyville Branch
  Morrisons Cove Memorial Park, Martinsburg, Pa.

- **August 6** – Seven Mountains (Lewistown) Branch

- **August 26** – York Branch
  4-H Center, York, Pa.

- **August 27** – Butler Branch
  Alameda Park, Butler, Pa.

- **September 7** – Susquehanna Valley (Lewisburg) Branch
  Ard’s Farm Market, Lewisburg, Pa.

- **September 15** – Coudersport Branch
  Forest Products Forum, State College, Pa.

- **September 16** – Endless Mountains (Towanda) Branch
  Branch office, Towanda, Pa.

Invitations and additional information will be mailed as the dates draw near. Be sure to check out the events page on www.agchoice.com for additional information or contact your local branch if you have any questions or need more information. We are looking forward to seeing you this summer!

Forest Products Customers: Executive Development Program—September 15

- Where is the Forest Products industry headed?
- What will I need to do so I can continue to be a player?
- How can I ramp up my business, be positioned for the future and be able to get the financing I need?
- How do I handle the other business challenges that are coming my way?

Answers to these and other questions will be addressed at the 2010 Forest Products Executive Development Program co-sponsored by AgChoice Farm Credit and the Pennsylvania Forest Products Association (PFPA). It will be held on September 15, 2010 in conjunction with the PFPA Annual Meeting. The Executive Development Program will run from 8:30 a.m. to 4:30 p.m. and the PFPA Annual Meeting will follow. Both events will be held at the Ramada Inn on Atherton Street in State College, Pa.

As a participant, you will receive updates from economists on both the industry and general economy, sharing trends and projections. Interactive models will be used to demonstrate what you will need to be able to afford to rebuild and re-grow your business. Other program sessions will walk you through exercises on how to look good to your lender, attract and retain top employees and grow leadership within your team. Segments are also planned on helping forest products business owners with ideas on how they can manage credit with their customers.

Mark September 15th on your calendar to attend this stimulating and educational event. Then watch for additional information, details and registration materials from AgChoice or PFPA in your mailbox or through email. For those planning to remain in the forest products industry, this is a “must-attend” event.

AgChoice Participates in Blue Ribbon Tastes of Farm Credit

AgChoice Farm Credit was one of four Farm Credit associations to participate in the recent Blue Ribbon Tastes of Farm Credit luncheons in Washington, D.C. The events showcased Farm Credit and its customers’ products to members of the United States House of Representatives and Senate. This year, AgChoice featured products from three of its customers including:

- Goot Essa – Howard, Pa.
- Flinchbaugh’s Orchard & Farm Market – Hellam, Pa.
- Fulton’s Dairy – Shippensburg, Pa.

In addition to the luncheons, Board Chair Bill Jackson, Director Paul McPherson, Director Don Cotner and Director of Sales and Marketing Gary Heckman met individually with available representatives and senators to discuss AgChoice Farm Credit and its role in building a stronger future for agricultural and rural communities.
Summer 2010, AgChoice Farm Credit | 7

Making a Difference by Dressing Casually for a Cause

The FARM (Fun Activities Replenish Morale) Team strives to enhance the employee experience at AgChoice Farm Credit. By encouraging participation in fun activities, the team encourages stronger employee relationships, builds more productive teams and promotes a relaxed environment, helping to improve employee morale throughout all branch locations. As a way to give back, the FARM Team instituted a new program for 2010. The “Dress Casually for a Cause” program provides the opportunity for employees to donate money or items for a specific charity each month and in return, the staff member can wear jeans and/or sneakers for a day. To date, AgChoice collected $2,200 for the American Red Cross Haiti Relief Fund and $1,025 for Habitat for Humanity. In addition, staff members collected and distributed 98 books for various book drives across the state and $1,060 for St. Jude Children’s Research Hospital. Year-to-date total contributions equals $4,285 plus books for the above mentioned charities. Congratulations to all staff members for truly making a difference!

Congressman Thompson visits with Lewisburg Branch

Congressman Glenn Thompson visited the Susquehanna Valley Branch (Lewisburg) this April to get a better understanding of the projects and goals of AgChoice Farm Credit. In addition to touring the branch, he spoke with all of the staff members and met with Board members, Spangler, Cotner and Ulmer, along with an invited customer, John Dotterer. During the meeting, the AgBiz Masters educational program was discussed in detail. Congressman Thompson was impressed with this program and the joint collaboration from all program participants.

AgChoice Scholars: Experiential Learning. Fellowship.

AgChoice Farm Credit is pleased to introduce the AgChoice Scholars program, a unique experiential learning opportunity for a select group of Penn State students. This two-year program gives students firsthand experience working with Pennsylvania’s largest agricultural lender and a glimpse into the agricultural lending industry.

The AgChoice Scholars program is designed to build the future leaders of the agricultural industry while increasing the potential candidate pool for future AgChoice employees. By participating in this program, students will have the opportunity to network with their peers, AgChoice staff and other industry representatives. Students will gain:

- Hands-on experience in the agricultural finance industry
- Business and financial management training
- Leadership, teamwork and communication skills
- Scholarship money and other compensation

If you will be a junior this fall at the PSU main campus and are interested in applying to AgChoice Scholars, please contact Rachel Cloninger at rcloninger@agchoice.com or 800-349-3568 ext. 6017 to obtain an informational flyer and application. Deadline for applying is September 12, 2010.

Putting Profits in Customers’ Pockets

AgChoice Distributes $10.6 Million in Patronage to Customer-Owners

Returning profits to its customers in the form of patronage, is a distinct advantage to AgChoice Farm Credit’s cooperative structure. AgChoice distributed a total of $10.6 million in cash patronage, including revolved allocated surplus, to its customer-owners for the 2009 year.

Despite significant financial challenges in the agricultural and general economies, AgChoice achieved solid results in 2009. This, in turn, supports its patronage program and extra financial returns for AgChoice customers. AgChoice’s patronage model allows the organization to build capital and be profitable while providing a mechanism to return profits over time to its customer-owners. This year was the 11th consecutive year that AgChoice has paid patronage to its customer-owners, which is every year since AgChoice was formed in 1999.
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 2011 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 can 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 our vast array of industries in our territory including 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 2011 calendar, including one for the cover.
• Three winners will be chosen for top honors but all 12 winners will receive a special prize.
• All participants will have bragging rights for one year that their photo was chosen!

Important Information
• Entries must be received by July 31, 2010 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 Web site 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: ____________________________
E-mail: ___________________________________________
Name of photographer: _____________________________
Name(s) of people in the photo: _______________________
Where was the photo taken? ___________________________
Describe what is happening: ___________________________

Relationship to AgChoice (check one):
☐ AgChoice customer-owner ☐ AgChoice employee
☐ Customer-owner family member ☐ Employee family member

Signature of contributor: ___________________________

Send official entry form to: Photo Contest, AgChoice Farm Credit, 900 Bent Creek Boulevard, Mechanicsburg, PA 17050. Email jpgs to: photocontest@agchoice.com no later than July 31, 2010.
Healthy Credit Standing:
Healthy Interest Rates

These next three issues of the Leader will feature AgChoice loan officers as they share their “field” perspective on effective credit management by our customer-owners. This first article of the series is by Tim Mussmon, AgChoice loan officer from our Chambersburg branch.

Managing finances is as critical to a farmer as managing crops, livestock or other physical parts of the farm enterprise. When crops are harvested in the fall, most farmers already know what their cropping plan is for the next year. They know what will be planted in each field, what varieties will be used and what fertilizer and herbicide strategies will be used. Knowing your financial performance and needs in the same way is critical to having a strong business.

Managing finances starts with knowing your numbers. Like crop yield, you should know your financial numbers just as well. Yes, it takes time to get to that point. But where else can you invest your time and get a higher return? My observation is that the AgChoice customer-owners I work with who manage their finances effectively, roll-up their sleeves and “work with the numbers.” They do their own financial summaries and comparisons.

How would you know how many bushels of corn were produced per acre if you weren’t working with the corn harvest? The same concept applies to your finances.

Treat credit with respect. It is a critical component in your business’ success. Run your credit report at least annually. Know where you stand. Make your payments on time to keep your credit status strong. Develop a monthly budget and compare it to your income and expenses routinely.

Make adjustments as needed. Your credit quality is important in our loan approval decisions.

The best decisions are made with good information. Good information is comprised of an accurate year-end balance sheet supported by a good record system. The balance sheet is an excellent snapshot of performance at a given time. With this kind of information you can evaluate your financial performance. Year-end is a good time to do this. How did you do versus the previous year? Which areas were strong? Which were weak? Look at this just like you look at crop or livestock performance.

Another important step is to plan for the capitalization needs of your business. There are going to be costs such as machinery purchases, significant maintenance costs and expansion. Use what you know today to develop a plan so you can prepare for these capital expenditures. You know you will have them if you plan to stay in business, so why not plan for them? Your plan should be projected out over the next two to three years. This will have a bearing on your borrowing capacity and credit status. A good capital expenditure plan will help you keep your credit status stronger.

The bottom line is that you want to have adequate borrowing capacity and the best interest rates and terms you can get. What will help you achieve that is planning effectively, monitoring results routinely, making decisions along the way and taking action as needed. Your AgChoice loan officer can be an integral part of that by serving as a counselor, providing information and perspectives and being a valuable resource.
“Participating in educational programs helps me to ‘think outside of the box’ when it comes to managing our operation,” explains Rich Lindell, a young dairy farmer in Warren county. As a current participant in AgBiz Masters, an educational program supported by AgChoice Farm Credit, Rich is among 110 other young and beginning farmers in Pennsylvania dedicated to building business and financial management knowledge, an important component of today’s successful managers.

Education has always been important to Rich and the Lindell family. Rich received his Associates degree from State University of New York-Morrisville and Bachelors degree from Cornell University, both in Animal Science. During his time at Cornell, Rich was active in the Farm Credit Fellows program, giving him greater exposure to farm financing. “I’ve always enjoyed finance,” explains Rich, who has been able to take his knowledge and put it to work in managing Lindell Farms, LLC, which consists of 950 acres and 330 cows. The business involves Rich, his wife, Antoinetta, and his parents, Jack and Gale.

Prior to Rich leaving for college, Jack and Gale milked approximately 65 cows. Anticipating his arrival home from college in 2004, the Lindells expanded their facilities in 2002, and later did further expansions after Rich graduated and started to acquire his own cows. Growing his share of the business was a priority for Rich and for approximately four years, he focused on acquiring more cows to build his equity. In 2008, the Lindells decided to create a LLC and Rich joined the business.

While Jack and Gale are involved in the operation, helping with the bookkeeping, taking care of calves and assisting where needed, they rely on Rich to make many of the management decisions on the operation. “We feel that it’s critical to give the younger generation the opportunity to make important decisions,” explains Jack and Gale. “We trust the knowledge and perspective that Rich brings from his educational background. Allowing him to manage the operation has helped him to grow and give him the confidence to manage the business for the future.”

This approach has worked well for the Lindell family, taking the operation from a lifestyle focus to a business focus. Some of the main business principles on Lindell Farms, LLC include:

- **Keep debt low**—The Lindells have the goal to stay above 65 percent equity. This allows them to manage the business in difficult years and handle any unplanned situations that may arise.
- **Keep costs low**—Efficiency is important on Lindell Farms and they strive to achieve good production levels while keeping costs low.
- **Control the core functions of the farm**—During 2009, the Lindells took on many projects—buying and renovating a neighboring farm for heifer facilities, building new manure storage facilities, as well as installing a flush system and sand reclamation lanes. With so much going on, it was difficult for them to effectively manage some key areas on the farm, such as breeding and feeding, and they recognize that controlling these core functions should be of the utmost importance.

The Lindells now use profit-sharing that results in Rich receiving 50 percent of the profits even though he does not necessarily have a 50 percent share in ownership of the operation. This change has encouraged Rich to continue to make positive management decisions so that the operation is successful. In the next few years, Rich intends to grow the business to 500 cows and focus on being efficient and profitable.

Beyond his involvement in AgBiz Masters, Rich participates in numerous other educational activities including attending the Northeast Dairy Producers Association conference, QuickBooks classes and Dairy Benchmark meetings. In addition to strengthening his business and production knowledge, Rich credits these opportunities with helping him to network with others in the industry. “It’s important to keep up with what is going on, and participating in educational activities allows me to do that,” explains Rich.

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**AgBiz Masters**
A Learning Series for Young & Beginning Farmers
Dairy Profit Analyzer
A Must-Have for Today’s Dairy Businesses

Dairy producers: take control of the factors that influence your profits! AgChoice Farm Credit has a unique tool that can provide you with up-to-date information to make smart business decisions, year-round. It’s called Dairy Profit Analyzer.

What is Dairy Profit Analyzer?
Dairy Profit Analyzer is an invaluable tool to help you optimize your profits. It is fully customized to your herd and your dairy business, compiling the latest information directly from your bookkeeping software and generating reports to assist you in managing your operation.

How does Dairy Profit Analyzer work?
After signing up for Dairy Profit Analyzer, AgChoice’s Business Management Services team will work with you to pull information from your bookkeeping system. Data is entered on a monthly basis and reports are generated to provide you with year-to-date progress. All results are tracked against budgeted goals and compared to your prior year’s performance. With the help of Dairy Profit Analyzer, you will have the detailed information that you need to drill down on business opportunities or challenges, allowing you to take timely action.

“In today’s dairy industry, it’s important to know our operation’s cost of production. Dairy Profit Analyzer makes it easy to understand and helps us to make sound decisions for our operation.”
—Chris Brechbill, Brechland Farms, Chambersburg, Pa.

What are the benefits to you?
- Your business’s year-to-date information is summarized in an easy to understand format.
- Information is updated with monthly data for routine analysis and use in “real time” decision-making.
- Results are monitored in relation to your budgeted figures and goals.
- Data is benchmarked against other dairies in Pennsylvania and New York that are participating in Dairy Profit Analyzer.
- Reports allow you to analyze the factors that influence your business’s profitability.

What is included in the Dairy Profit Analyzer reports?
Participants using Dairy Profit Analyzer receive a comprehensive business analysis through the reports generated by Dairy Profit Analyzer. These reports include:
- Farm business graphs—convenient charts that show herd size, milk sold, net income per month and cost of production as compared to projections and prior year’s results
- Debt schedule report—a spreadsheet that tracks borrowing and repayment on a monthly basis
- Eleven detailed reports—a series of reports that show your gross margin, net cost of production, net margin, cash flow and breakeven milk price

How can you get started?
Dairy Profit Analyzer is a must-have for your dairy business. To learn how Dairy Profit Analyzer can help guide your business in the right direction, contact Mike Hosterman with AgChoice’s Business Management Services team at 800-554-9055 ext.4107 or your local AgChoice branch office at 800-998-5557.
Dairy Farmers Unite to Tell Their Story

By Mid-Atlantic Dairy Association

Dairy farmers have a great story to tell—about how they care for their animals and their land, how they produce fresh, wholesome milk for the public and how their family businesses contribute to the local community. It is a story that many dairy farmers agree needs to be told more often today.

Farmers now account for less than two percent of the U.S. population, further widening the gap between consumers and farmers. Long gone are the days when most Americans had a direct tie back to agriculture through a grandparent or other relative. Still, many people are interested in learning more about how the food they consume is produced.

Recognizing the need to open the dialogue about modern dairy farming, the national dairy checkoff program introduced the “Telling Your Story” training program nearly two years ago. The program is designed to help dairy farmers become spokespersons for their industry, building positive relationships with their neighbors, their community, the media and consumers.

“The goal of the Telling Your Story program is to help bridge the gap between farm and city and to demonstrate that we all have a stake in how our food is produced,” said Laura England, executive vice president of communications for Mid-Atlantic Dairy Association. “Through the program, dairy farmers learn how they can tell their story to their non-farm neighbors and community leaders.”

The Telling Your Story program, offered locally through Mid-Atlantic Dairy Association and Pennsylvania Dairy Promotion Program, includes four modules: “Connect with Your Community” (community outreach training), “Capture the Crowd” (presentation training), “Control the Questions” (media training) and a recently added module called “myStory” that offers general communications training.

Producers can choose the training that best suits their needs and interests.

To date, more than 85 dairy farmers and industry representatives have gone through the training programs. Among them are members of the David Herbst family of Smithsburg, Md., who participated in the “Connect with Your Community” training to develop a public relations plan for their farm, which will soon include on-farm processing and a retail store.

“We are working on a farm logo and a mission statement,” David Herbst said. “We also are preparing a tri-fold brochure to promote our farm activities to tour bus operators and civic organizations that might want to see how a dairy farm operates.”

Diane Hoover of Lebanon, Pa., chose to participate in the “Capture the Crowd” training because she felt the community was losing touch with the farm.

“As farmers, we tend to stay on the farm and they (consumers) don’t come to us,” Hoover said. “We need to go to them if we want them to understand more about where their food comes from.”
Since her training, Hoover has presented her story at two Rotary club meetings. Daniela Roland of Saxton, Pa., has presented to the Rotary as well, noting that the members were happy to learn about dairy farms and the impact they have on local economies.

“I know how important it is to get the dairy message out to the community,” Roland said. “I want to use what I’ve learned and share it with others so they know more about the dairy industry.”

Hoover and Roland are among 34 active participants of the Pennsylvania speakers bureau program, supported by Mid-Atlantic Dairy Association, Pennsylvania Dairy Promotion Program and the Center for Dairy Excellence.

Through May of this year, more than 30 presentations were made and/or scheduled on behalf of the speakers bureau members.

Scheduling presentations on behalf of speakers bureau members is the job of Shirley Krall, a dairy farmer from Lebanon, Pa. and trained spokesperson herself. Krall was hired to research community organizations and schedule speakers on their programs. She also oversees the administrative functions of the speakers bureau.

“My greatest thrill is to see the feedback forms from the farmers and civic organizations,” Krall said. “After hearing a presentation from one of our speakers, the civic organizations tell me they had no idea about how much the dairy industry encompassed.”

With a successful speakers bureau program under way in Pennsylvania, Mid-Atlantic Dairy Association’s goal is to develop similar programs throughout the territory it serves.

“We are reaching out to dairy farmers and dairy organizations in Delaware, Maryland and southern New Jersey,” said Cindy Weimer, director of industry image and relations and coordinator of the Telling Your Story program for Mid-Atlantic Dairy. “We want to broaden the scope of the program to educate even more consumers about modern dairy farming.”

Dairy farmers, however, are not the only ones who have taken advantage of the Telling Your Story training programs.

Mid-Atlantic staff presented media training to 50 veterinarians attending the Mid-Atlantic Conference for Bovine Practitioners last year. From that opportunity came another to work the staff of Mid-Maryland Dairy Veterinarians in Hagerstown, Md., which specializes in dairy production medicine in four states.

“With the increased scrutiny in the dairy business and increasing numbers of anti-agriculture groups, we wanted our team to be more aware of media relations, interviewing techniques and current hot topics facing our industry,” said Matt Iager, DVM, one of eight veterinarians with Mid-Maryland Dairy Veterinarians.

According to Dr. Iager, the training was “an extremely valuable tool” in helping them develop better strategies for answering media questions. “Some of the educational tools and tips given allowed us to develop better ideas systematically before presenting information to a media audience,” he said. “We felt more confident within our expertise.”

While educating adult audiences is important, not to be forgotten are school-aged children. The Discover Dairy program provides a series of dairy-themed videos and lesson plans geared toward upper elementary students. Among the topics covered are animal care, environment, community and nutrition. For more information, visit www.discoverdairy.com.

Dairy farmers interested in learning more about the Telling Your Story training programs are asked to contact Cindy Weimer at 814-498-2058 or via e-mail at cweimer@milk4u.org. Additional information is available on Mid-Atlantic’s website, www.dairyspot.com, under the “Dairy Farming” section.

Wayne Beidel of Newburg, Pa., writes down key messages about his farm operation during a Telling Your Story training workshop.

Mid-Atlantic Dairy Association and Pennsylvania Dairy Promotion Program are the local planning and management organizations funded by dairy farmer checkoff dollars. They work closely with Dairy Management Inc.™ and are responsible for increasing demand for U.S.-produced dairy products on behalf of Mid-Atlantic dairy farmers.
Earth, Wind and Fire
AgChoice Customers ‘Go Green’

By Raechel Sattazahn, AgChoice Farm Credit Marketing Specialist

Expiration of electricity rate caps, environmental concerns with drilling oil and the rising cost of fuel, are just a few of the main drivers encouraging more and more of today’s businesses and homeowners to embrace alternative energy technologies. In this issue of the Leader, we are pleased to highlight three AgChoice customer-owners that have recently introduced alternative energy projects on their operations.

David and Vicki Stewart
Mifflin county

In their own words, Dave and Vicki Stewart have always “believed in green energy.” More than 25 years ago, they installed a few solar panels for domestic hot water at their former home and in 2001, they introduced geothermal heat to their current home. However, neither of those projects was to the magnitude of their latest project—a solar array of 288 panels with the capacity to produce 77 kW, which is enough to cover the electricity needs of six chicken houses, their home and a beef farm.

David and Vicki have truly been pioneers, being one of the only agricultural operations to have a larger-scale solar array on their farm. Vicki explains, “It’s been a learning experience every step of the way.” The Stewarts were able to take advantage of several grant and tax credit programs, and it is estimated that they have been able to fund approximately 60 percent of the project from these programs, about 30 percent from federal incentives and 30 percent from state incentives.

The Stewarts also credit AgChoice Farm Credit for assisting them in making the project possible. “Our loan officer, Lacey Lingle, really helped to move the project along,” say David and Vicki. In the case of the Stewarts, Lacey and AgChoice were able to offer the Stewarts the flexibility in financing to take on this solar project.

In addition to saving approximately $600 to $800 per month in electricity costs for their home and many barns, the solar array also produces some extra electricity that goes back into the electric grid and is purchased by the electric company. David and Vicki are able to earn Solar Renewable Energy Certificates (SRECs) from all of the energy produced and can sell them as added income in their operation. With an expected pay off in approximately five years, the Stewarts look at their solar project as an investment that will benefit their operation for many more years to come.

The Stewarts offer the following advice to others interested in pursuing alternative energy projects, “It’s important to be proactive. Be sure to learn everything that you can and don’t be afraid to ask questions.”

Vicki Stewart (left) and AgChoice Loan Officer Lacey Lingle (right).

Mary Jean Gould-Earley, MD
Laurel Highland Farm & Equine Services, LLC • Lycoming county

When Mary Jean Gould-Earley bought her farm perched on top of a hill in Lycoming county in 1995, she knew that it would be a great location for a wind turbine. Years later in 2008, she decided to install a 10 kW turbine and has been very pleased with the investment that powers her home.

Mary Jean and her husband, Edward Earley, DVM, own and operate Laurel Highland Farm, a 116-acre farm where they raise Fell ponies, Friesian horses and Angus cattle for grass-fed beef. Mary Jean and Edward feel it’s important to “do their part” in taking care of the environment. Besides the wind turbine, they also use geothermal energy to heat their home. Her husband, an equine veterinarian, farms a total of 200 acres and uses corn grown on the farm to fuel an outdoor furnace, which in turn, is used to heat buildings for his veterinary practice, Laurel Highland Equine Services.

The 23-foot diameter wind turbine sits on top of a 100-foot tower located at the edge of a ridge on the farm. The blustery location is ideal for the turbine, which will start at wind speeds of 7.5 mph or higher. One of the main reasons for her decision to
“It just made sense,” explains Mac Curtis about his decision to install a combustion furnace that burns manure produced on his turkey farm. Litter is slowly fed into the unit that burns it as fuel and then heats water that is used to heat two 50-foot by 615-foot turkey barns.

After several years of researching burners, many factors led to the Curtis’ decision to install the burner including:

- **High propane costs**—Since the Curtis’ use propane to heat their turkey barns, it resulted in a significant increase in one of their input costs. Mac estimates that the burner will save their operation at least $25,000 per year.

- **Soil already high in phosphorus**—Having only 70 acres on their farm, the soil was already very high in phosphorus from manure spread on the land over the years. By using the burner instead of spreading the manure on land, it is estimated that the Curtis’ are able to reduce 20 tons of phosphorus per year going into the Chesapeake Bay. As a member on the Snyder County Conservation District Board and long-time advocate of conservation, Mac is pleased to be doing his part to help the environment and reduce pollution in the bay.

- **Biosecurity**—Biosecurity is a major concern on poultry operations and installing this unit now allows the Curtis’ to handle all of the manure on the farm.

In addition to the factors listed above, the Curtis’ have witnessed many other benefits to the burner. The heat produced by the burner creates an even, dry heat in the barns. While the Curtis’ just recently began using the burner in February of 2010, they credit the heat produced by the burner to better growth and health of their poults (young turkeys). Another major advantage of the burner is its flexibility with varying temperatures, a must in the ever-changing weather of central Pennsylvania. The Curtis’ also have an additional source of income by being able to sell the ash created by the burner for fertilizer or an animal feed additive.

“AgChoice was our partner on this project from the very beginning,” shares Mac who appreciates AgChoice’s commitment to the agricultural industry. Mac also emphasizes that it was very valuable for them to be able to secure grants for up to 80 percent of the cost of the project, including those from Natural Resources Conservation Service—National Fish and Wildlife Federation, Pennsylvania’s Energy Harvest program and The Pennsylvania State University.

Mary Jean Gould-Earley

have the turbine installed was the deregulation of electricity prices. “The turbine now saves us a significant amount of our electricity costs, up to 100 percent in the summertime,” says Mary Jean. “Plus, it doesn’t require a lot of maintenance.”

Mary Jane was able to cover approximately 30 percent of the cost of the project with tax credits that she received. She estimates that she should be able to pay off the project in five to seven years. Energy that is produced in excess of what is needed for the house goes back into the electric grid, potentially providing additional income and a quicker payback for the turbine.

Mary Jean recommends that others interested in wind energy should first make sure that they are in a suitable location for a turbine by looking at wind maps. She also notes that the Database of State Incentives for Renewables and Efficiencies (DSIRE) Web site located at www.dsireusa.org, can be very helpful in learning about tax credits and other funding available for alternative energy projects.

Morrill (Mac) and Melody Curtis
WindView Farm • Snyder county

“IT JUST MADE SENSE,” EXPLAINS MAC CURTIS ABOUT HIS DECISION TO INSTALL A COMBUSTION FURNACE THAT BURNS MANURE PRODUCED ON HIS TURKEY FARM. LITTER IS SLOWLY FED INTO THE UNIT THAT BURNS IT AS FUEL AND THEN HEATS WATER THAT IS USED TO HEAT TWO 50-FOOT BY 615-FOOT TURKEY BARNs.

AFTER SEVERAL YEARS OF RESEARCHING BURNERS, MANY FACTORS LED TO THE CURTIS’ DECISION TO INSTALL THE BURNER INCLUDING:

- **HIGH PROPANE COSTS**—SINCE THE CURTIS’ USE PROPANE TO HEAT THEIR TURKEY BARNs, IT RESULTED IN A SIGNIFICANT INCREASE IN ONE OF THEIR INPUT COSTS. MAC ESTIMATES THAT THE BURNER WILL SAVE THEIR OPERATION AT LEAST $25,000 PER YEAR.

- **SOIL ALREADY HIGH IN PHOSPHORUS**—HAVING ONLY 70 ACRES ON THEIR FARM, THE SOIL WAS ALREADY VERY HIGH IN PHOSPHORUS FROM MANURE SPREAD ON THE LAND OVER THE YEARS. BY USING THE BURNER INSTEAD OF SPREADING THE MANURE ON LAND, IT IS ESTIMATED THAT THE CURTIS’ ARE ABLE TO REDUCE 20 TONS OF PHOSPHORUS PER YEAR GOING INTO THE CHESAPEAKE BAY. AS A MEMBER ON THE SNYDER COUNTY CONSERVATION DISTRICT BOARD AND LONG-TIME ADVOCATE OF CONSERVATION, MAC IS PLEASED TO BE DOING HIS PART TO HELP THE ENVIRONMENT AND REDUCE POLLUTION IN THE BAY.

- **BIOSECURITY**—BIOSECURITY IS A MAJOR CONCERN ON POULTRY OPERATIONS AND INSTALLING THIS UNIT NOW ALLOWS THE CURTIS’ TO HANDLE ALL OF THE MANURE ON THE FARM.

IN ADDITION TO THE FACTORS LISTED ABOVE, THE CURTIS’ HAVE WITNESSED MANY OTHER BENEFITS TO THE BURNER. THE HEAT PRODUCED BY THE BURNER CREATES AN EVEN, DRY HEAT IN THE BARNs. WHILE THE CURTIS’ JUST RECENTLY BEGAN USING THE BURNER IN FEBRUARY OF 2010, THEY CREDIT THE HEAT PRODUCED BY THE BURNER TO BETTER GROWTH AND HEALTH OF THEIR POULTS (YOUNG TURKEYS). ANOTHER MAJOR ADVANTAGE OF THE BURNER IS ITS FLEXIBILITY WITH VARYING TEMPERATURES, A MUST IN THE EVER-CHANGING WEATHER OF CENTRAL PENNSYLVANIA. THE CURTIS’ ALSO HAVE AN ADDITIONAL SOURCE OF INCOME BY BEING ABLE TO SELL THE ASH CREATED BY THE BURNER FOR FERTILIZER OR AN ANIMAL FEED ADDITIVE.

“AGCHOICE WAS OUR PARTNER ON THIS PROJECT FROM THE VERY BEGINNING,” SHARES MAC WHO APPRECIATES AGCHOICE’S COMMITMENT TO THE AGRICULTURAL INDUSTRY. MAC ALSO EMphasizes THAT IT WAS VERY VALUABLE FOR THEM TO BE ABLE TO SECURE GRANTS FOR UP TO 80 PERCENT OF THE COST OF THE PROJECT, INCLUDING THOSE FROM NATURAL RESOURCES CONSERVATION SERVICE—NATIONAL FISH AND WILDLIFE FEDERATION, PENNSYLVANIA’S ENERGY HARVEST PROGRAM AND THE PENNSYLVANIA STATE UNIVERSITY.
Once a Princess, Always a Promoter

By Alexa Stoner, AgChoice Farm Credit Marketing Manager

There’s an old saying in the dairy promotion world, “Once a princess, always a promoter.” This is certainly true of several AgChoice staff members who were at one time sporting crowns and promoting dairy products for their counties and/or state.

During June Dairy Month, we take time to reflect on the hard working men and women who provide us with safe, wholesome dairy products. At AgChoice, we wanted to reflect on the many staff members who participated in one way or another in various Dairy Princess Programs. They all learned valuable life lessons by participating in this program and wanted to share them with you. So, take a walk with us down memory lane…you’ll be glad you did!

Kathleen Schiever Hartzell
Butler Branch - Branch Manager
1976-77 Butler County Dairy Princess,
Penn State Dairy Princess and
Ms. College of Agriculture

I changed my career plans to the agricultural industry after my year as Dairy Princess. Through that experience, I learned that the dairy industry was large, diverse and offered many opportunities. Great communication is the life skill that I gained and it has helped me the most during my career.

Jennifer Chapman Coolidge
Susquehanna Valley (Lewisburg) Branch – Portfolio Manager
1989 Pennsylvania Jersey Queen

By participating in the Jersey Queen Program, I learned to be passionate about what I believe in, to appreciate others and that team work is far more reaching than individual effort.

Shawn Hoffman Frantz
Susquehanna Valley (Lewisburg) Branch – Loan Officer
1990-91 SUN Area (Snyder, Union, Northumberland & Montour Counties) Dairy Princess

Being a Dairy Princess taught me many valuable lessons. The experience allowed me to become more comfortable with public speaking and interpersonal skills. The skills that I developed through my experiences as a Dairy Princess have helped me to be more outgoing and do a better job as a lender.

Amy Van Blarcom-Lackey
Endless Mountains (Towanda) Branch – Branch Manager
1993-94 Bradford County Dairy Princess

The most valuable lessons I learned from participating in the program were public speaking, knowledge of the dairy industry and true public relations skills while promoting a wonderful product! The networking continues to be an incredible side benefit.

Crystal Couch Standish
Cumberland Valley (Chambersburg) Branch – Branch Manager
1995-96 Huntingdon County Dairy Princess

I developed a passion to work within the field of agriculture and got more practice and gained confidence to present in front of a group. I also had the chance to make a lot of contacts with folks who had similar interests and career goals.

Keri Connelly
Butler Branch – Loan Officer
1998-99 Centre County Dairy Maid

Being involved, even for a short time, helped me realize the urgency for positive marketing and branding for the agricultural industry, especially dairy. I still sense that urgency, even more today while working with farmers on a daily basis.

From the left: Jennifer Coolidge, Crystal Standish, Kathleen Hartzell, Amy Van Blarcom-Lackey, Shawn Frantz, Katie Mason, Raechel Sattazahn, Lacey Lingle, Rachel Cloninger, Keri Connelly, Emily Zimmerman and Melinda Benedick.
Melinda Martin Benedick
Cumberland Valley (Chambersburg) Branch – Loan Officer
1997 Franklin County Dairy Ambassador,
1999-2000 Franklin County Dairy Princess
The valuable lessons I gained were being able to speak with adults and peers about the dairy industry and additional knowledge about the benefits of dairy products. To me, the greatest advantage is recognition from working in the same area where I was once a Dairy Princess.

Lacey Coleman Lingle
Seven Mountains (Lewistown) Branch – Loan Officer
2000-01 Somerset County Dairy Princess
Participating in the Dairy Princess Program was a great opportunity to learn the value behind dairy promotion. Educating consumers about the importance of the dairy industry through farm tours, school visits, etc. was certainly the highlight of my year. This experience also helped me refine my public speaking skills, learn valuable industry knowledge and provide great networking opportunities that I rely on everyday in my position as a loan officer.

Emily Cloninger Zimmerman
Administrative Office - Audit and Loan Review Officer
2000-01 Centre County Dairy Princess and Pa. Alternate Dairy Princess
The most valuable lesson I gained from participating in the program was public speaking, which helps me with my communication skills. I also appreciate the passion that producers have for their industry which helps me in understanding our borrowers’ needs.

Raechel Kilgore Sattazahn
Administrative Office – Marketing Specialist
1992-93 York County Dairy Miss,
2001 York County Dairy Ambassador,
2002-03 York County Dairy Princess and Pennsylvania Dairy Princess
Being a part of the Dairy Princess Program reinforced my desire to have a career in the agricultural industry and specifically work in marketing and communications. I value the opportunity that the Dairy Princess Program gave me in developing leadership abilities and communications skills. Also, it was a tremendous opportunity to meet many new people and network with industry representatives.

Rachel Ebert Cloninger
Administrative Office – Training Specialist
2000-01 Westmoreland County Dairy Maid,
2001-02 Westmoreland County Alternate Dairy Princess, 2002-03 Westmoreland County Dairy Princess and Pa. Alternate Dairy Princess
Participating in the program allowed me to improve my communication and people skills but, more importantly, the program taught me that passion, dedication and hard work can help you go a long way in life.

Katie Mason
York Branch – Loan Officer
1999 Maryland Jersey Princess;
2003-04 Maryland Dairy Princess;
2005 Maryland Jersey Queen;
2005 First Alternate National Jersey Queen
Being involved in these programs convinced me of where my passion lies and to pursue a career in the agricultural industry. I became more comfortable speaking in front of a group, carrying on conversations with different types of people and helping farmers and the ag industry much as I do today in my role as a loan officer. Finally, I learned perseverance and what it feels like to push through and uncover new opportunities and the unparalleled experience this brought me that has and will continue to benefit my career.

According to Kathy Hartzell, “The Dairy Princess Program has a long history of transforming shy farm girls into poised, confident, outgoing and well-spoken women that continue to be excellent ambassadors for agriculture in whatever career area they follow.”

We agree, Kathy, and we thank our confident, outgoing and well-spoken women for making a difference each and every day!
Royal Recipes

Enjoy a few family favorite recipes from the current Pennsylvania royalty team. These girls travel across the state promoting dairy products to consumers of all ages and we wish them the best of luck with all of the promotional events this summer.

Karla Stoltzfus (Bedford County)
2009-10 Pa. Alternate Dairy Princess

MAC AND CHEESE CASSEROLE CUPCAKES

Ingredients:
- 3 cups skim Milk
- 2 1/2 tbsp all-purpose flour
- 1 1/2 cups reduced fat Cheddar Cheese, shredded
- 3/4 cup part skim Mozzarella Cheese, shredded
- 1/2 cup Parmesan Cheese, grated
- 8 oz. elbow macaroni, cooked and drained

Directions:
Preheat oven to 350 degrees. In a medium sauce pan, slowly add 1 cup of Milk to flour, stirring constantly until all lumps have dissolved. Add the remaining Milk, stirring thoroughly. Place on stove and simmer 15 minutes, stirring occasionally until sauce thickens. Add 1 cup Cheddar, 3/4 cup Mozzarella and 1/2 cup Parmesan Cheese; stir until blended. Add macaroni, stirring gently to coat well. Line muffin tin with paper muffin cups and place one scoop of macaroni mixture into each muffin cup. Top with reserved 1/2 cup Cheddar. Bake 15 minutes or until golden brown. Let cool for 5 minutes before serving. Serve as a side dish for lunch or dinner. Serves 10.

Krystal Wasson (Centre County)
2009-10 Pennsylvania Dairy Princess

CHEESY BEEF SALSA DIP

Ingredients:
- 1 lb. ground beef
- 1 16 oz. jar of salsa
- 1 lb. sharp Cheddar Cheese
- 1 bag of corn chips

Directions:

Crystal Hitz (Lebanon County)
2009-10 Pa. Alternate Dairy Princess

CORN CHOWDER

Ingredients:
- 3/4 cup chopped onion
- 2 tbsp Butter
- 1 cup diced potatoes (cooked)
- 1 cup diced ham
- 2 cups of corn
- 1 can cream-style corn
- 1 can cream-of-mushroom soup
- 2 1/2 cups Milk
- Salt, pepper, parsley

Directions:
Sauté onion in Butter until tender. Add other ingredients. Bring to a boil. Once it begins to boil, reduce heat to a simmer for 20-30 minutes. Serves 8-10.

Karla’s parents, Ken and Dena Stoltzfus, are AgChoice customer-owners. To learn more about the Pennsylvania Dairy Princess & Promotion Services program, visit their Web site at www.padairy.org.
### Consolidated Balance Sheets

#### (dollars in thousands)

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2010 (unaudited)</th>
<th>December 31, 2009 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 83</td>
<td>$ 95</td>
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<tr>
<td>Loans</td>
<td>$ 1,327,078</td>
<td>$ 1,367,381</td>
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<tr>
<td>Less: allowance for loan losses</td>
<td>$ 11,766</td>
<td>$ 11,936</td>
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<tr>
<td>Net loans</td>
<td>$ 1,315,312</td>
<td>$ 1,355,415</td>
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<tr>
<td>Accrued interest receivable</td>
<td>$ 6,596</td>
<td>$ 5,583</td>
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<tr>
<td>Investment in other Farm Credit institutions</td>
<td>$ 34,298</td>
<td>$ 34,296</td>
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<tr>
<td>Premises and equipment, net</td>
<td>$ 3,749</td>
<td>$ 3,862</td>
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<tr>
<td>Other property owned</td>
<td>$ 112</td>
<td>$ 167</td>
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<tr>
<td>Due from AgFirst Farm Credit Bank</td>
<td>$ 3,316</td>
<td>$ 15,643</td>
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<tr>
<td>Other assets</td>
<td>$ 7,608</td>
<td>$ 6,906</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>$ 1,371,074</td>
<td>$ 1,421,907</td>
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<tr>
<td><strong>Liabilities</strong></td>
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<td></td>
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<tr>
<td>Notes payable to AgFirst Farm Credit Bank</td>
<td>$ 1,128,138</td>
<td>$ 1,184,083</td>
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<tr>
<td>Accrued interest payable</td>
<td>$ 2,800</td>
<td>$ 2,911</td>
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<td>Patronage refund payable</td>
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<td>Other liabilities</td>
<td>$ 17,630</td>
<td>$ 13,030</td>
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<td><strong>Total liabilities</strong></td>
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<td>$ 1,208,084</td>
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<tr>
<td><strong>Commitments and contingencies</strong></td>
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<tr>
<td><strong>Members’ Equity</strong></td>
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<tr>
<td>Capital stock and participation certificates</td>
<td>$ 11,615</td>
<td>$ 11,695</td>
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<tr>
<td>Retained earnings</td>
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<tr>
<td>Allocated</td>
<td>$ 107,073</td>
<td>$ 107,109</td>
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<tr>
<td>Unallocated</td>
<td>$ 103,237</td>
<td>$ 95,015</td>
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<tr>
<td>Accumulated other comprehensive income (loss)</td>
<td>$ 5</td>
<td>$ 4</td>
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<tr>
<td><strong>Total members’ equity</strong></td>
<td>$ 221,930</td>
<td>$ 213,823</td>
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<tr>
<td><strong>Total liabilities and members’ equity</strong></td>
<td>$ 1,371,074</td>
<td>$ 1,421,907</td>
</tr>
</tbody>
</table>

#### Consolidated Statements of Income

(UNAUDITED)

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2010</th>
<th>December 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>$ 17,378</td>
<td>$ 19,085</td>
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<tr>
<td><strong>Interest Expense</strong></td>
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<tr>
<td>Notes payable to AgFirst Farm Credit Bank</td>
<td>$ 8,980</td>
<td>$ 11,082</td>
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<tr>
<td>Net interest income</td>
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<tr>
<td>Provision for (reversal of allowance for) loan losses</td>
<td>$ 1,118</td>
<td>$ 3,366</td>
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<tr>
<td>Net interest income after provision for (reversal of allowance for) loan losses</td>
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<td>$ 4,637</td>
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<tr>
<td><strong>Noninterest Income</strong></td>
<td></td>
<td></td>
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<tr>
<td>Loan fees</td>
<td>$ 456</td>
<td>$ 721</td>
</tr>
<tr>
<td>Fees for financially related services</td>
<td>$ 169</td>
<td>$ 178</td>
</tr>
<tr>
<td>Equity in earnings of other Farm Credit institutions</td>
<td>$ 3,316</td>
<td>$ 3,549</td>
</tr>
<tr>
<td>Gains (losses) on other property owned, net</td>
<td>$ 6</td>
<td>$(13)</td>
</tr>
<tr>
<td>Gains (losses) from sale of rural home loans</td>
<td>$ 28</td>
<td>$ 18</td>
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<tr>
<td>Insurance Fund refunds</td>
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<td>$ –</td>
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<tr>
<td>Other noninterest income</td>
<td>$ 97</td>
<td>$ 123</td>
</tr>
<tr>
<td><strong>Total noninterest income</strong></td>
<td>$ 5,881</td>
<td>$ 4,576</td>
</tr>
<tr>
<td><strong>Noninterest Expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>$ 3,716</td>
<td>$ 2,684</td>
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<tr>
<td>Occupancy and equipment</td>
<td>$ 284</td>
<td>$ 291</td>
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<tr>
<td>Insurance Fund premium</td>
<td>$ 274</td>
<td>$ 564</td>
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<tr>
<td>Other operating expenses</td>
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<td>$ 1,306</td>
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<tr>
<td><strong>Total noninterest expense</strong></td>
<td>$ 5,523</td>
<td>$ 5,877</td>
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<tr>
<td>Income before income taxes</td>
<td>$ 8,220</td>
<td>$ 3,336</td>
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<tr>
<td>Provision (benefit) for income taxes</td>
<td>$ 14</td>
<td>$ 20</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$ 8,206</td>
<td>$ 3,316</td>
</tr>
</tbody>
</table>

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.
Even if you have an off-farm career, we can finance your lifestyle farming needs. That may mean an equipment loan for a tractor or financing for a new barn to house your livestock. For Lisa Grim of Adams county, it means providing a different way of life. Lisa owns and operates The Pub restaurant in Gettysburg and has a passion for horses. In addition to her full-time business and raising a family, Lisa and her husband, Curt, own 232 acres of farm land and operate a breeding and training equine facility, Grimsters Trackside Quarter Horses, comprised of 13 horses and one stallion.

“Farming is a beautiful way of life. It certainly has its challenges, especially since Mother Nature and the economy can be enemies at times; but for me, it’s what I desire,” states Lisa. “I want the fulfillment of growing something out of the ground and supporting my family and passion from the return, and AgChoice allows me to do just that!”

We know that everyone’s lifestyle is different and we are dedicated to covering your agricultural and rural financing needs. Call us today!