From Pharmacist to Farmer-in-Training

Igniting a Spark in Dairy's Next Generation

Business Consulting
At AgChoice—
The “Choice” is Yours

This year’s voting process is a little different than in years past. Due to a change in director terms from three to four years, we have no expiring director seats this year. However, the important job remains of choosing the Nominating Committee members, and your help is needed.

Exercise your right to vote for the AgChoice Farm Credit Nominating Committee candidates of your choice! The voting process is simple:

• Consult the balloting information that you will receive in a separate mailing from AgChoice Farm Credit,

• Vote for the Nominating Committee members and

• Return your ballot in the provided envelope.

Ballots will be mailed November 6 and your ballot must be postmarked by November 29!

800-998-5557 | www.agchoice.com
MESSAGE FROM THE PRESIDENT
Building On Success 4

ASSOCIATION NEWS
Customer Appreciation Events 5

YOUTH EDUCATIONAL PROGRAMS
From the Inside Looking Out 6

LOCAL SERVICE PROVIDER
Bid Your Real Estate Needs Goodbye 7

BUILDING LEASES
Making Hay 8

VALUE-ADDED SERVICES
Business Consulting 9

FEATURE STORY
Igniting a Spark in Dairy’s Next Generation 10

FARM SPOTLIGHT
From Pharmacist to Farmer-in-Training 12

EDUCATIONAL OPPORTUNITIES
AgBiz Masters 13

RECIPES
Crockpot Creations 14

FINANCIAL REPORT
15
Building On Success

... there is a lot going on at AgChoice right now as we strive to create more value for our customer-owners while helping to improve your profitability.

We are now in the latter half of 2013 and it’s amazing how fast time flies. Our crop-growing customers are in the harvest season and enjoying the benefit of 2013’s (mostly) favorable weather conditions. I thought this would be a good time to bring you up to date on some of the exciting things going on to build on the success of your customer-owned business—AgChoice.

Financial Results
In the back of this Leader you will find mid-year financial statements. Some highlights of more recent results through August are shown below. These results are solid overall, and position AgChoice to successfully meet the credit and financial service needs of our growing customer base today and for future generations.

- **Net Income**—At $22.3 million to date, net income continues to track closely with historical highs. Continued strong earnings will bode well for a solid patronage distribution to our customer-owners after year-end.
- **Capital**—Our 17.4 percent permanent capital ratio and other measures of capital stand near all-time highs for AgChoice. These reflect the solid financial strength of the Association and the ability to handle economic downturns.
- **Credit Quality**—Most AgChoice credit quality measures continue to improve slowly with the highest quality loans standing at 93.6 percent compared to our long-term goal of 92.0 percent.

Employees
You know we have a highly committed group of employees who love serving you. One challenge is that we have a significant number of employees who are potentially nearing retirement. This means we must do an exceptional job recruiting, training and developing new employees who can take on greater responsibilities and assume future leadership positions. To that end, we have initiated a **Potential Review Program.** Employees document and discuss their career goals and aspirations with their supervisors, and then build a plan to meet mutually agreed-upon goals. We have also improved our training and development programs for all positions while initiating an experiential **leadership development program.**

Customer Education
A major focus for AgChoice is helping our customer-owners continue to build their financial and business management skills. To this end, I am pleased to announce that Raechel Sattazahn will fill our newly created **Knowledge Center Director** role. The vision for this new position is to expand our selection and delivery of educational topics that will not only position our customer-owners for greater success, but also open the doors to prospective customers with programs of interest. This means more educational information will be available to those who need it, delivered through our Knowledge Center. Raechel will initiate a new blog post for AgChoice, write Leader articles and use other marketing initiatives to deliver the Center’s educational messages.

Technology
We are improving our **customers’ access to account information online.** This information will also be available to loan officers when they visit with customer-owners at their farms or homes.

Wealth Management
In late August we decided to **discontinue offering investment services.** We are helping customers that used this service (fewer than 100 borrowers) find other options. It was a challenge to meet our high customer service standards across our large geographical area with a limited number of financial planners. This was not an easy decision given our customers’ needs for this service; however, there are many other qualified providers across our territory.

Business Management Services
We are rapidly growing our staffing and expertise in the areas of **business consulting, business planning, transition and succession planning, crop insurance and accounting, records and tax services.** We believe that helping customers maintain better financial records leads to better business decisions, and ultimately to more profitable businesses.

As you can see, there is a lot going on at AgChoice right now as we strive to create more value for our customer-owners while helping to improve your profitability. We believe that, as a customer-owned business, this is critical to our mission. AgChoice and its Board of Directors are very excited about the future of agriculture and rural business growth, and the opportunity for us to help you succeed. Thank you for your business.
Customer Appreciation Events

Branches across AgChoice’s service territory hosted customer appreciation events to express their gratitude for customers’ continued patronage and support.

Curryville Branch—Kids of all ages enjoyed taking their turn in the tractor pull competition.

Cumberland Valley (Chambersburg) Branch—Are those future farmers in the making?

York Branch—Attendees had a boot stompin’ good time at the western-themed event held at the 4-H Center in York.

Endless Mountains (Towanda) Branch—Checking out the new facilities at Knecht Knoll Farms was a highlight at the Towanda event.

Seven Mountains (Lewistown) Branch—Just like cake and ice cream, you and AgChoice make a great pair!

Meadville Branch—Wine sampling at Burch Farms was a huge success!
From the Inside Looking Out
AgChoice Internship Serves Up Fresh Perspectives for Students and Association

By: Hannah Kleckner, AgChoice Farm Credit Marketing Intern

It’s not every summer where opportunity comes knocking at your door ready to serve up some fresh platters of professional perspective, but that’s exactly what happened when six ambitious students, including me, were welcomed into the AgChoice Farm Credit family.

The experience with the Association gave each of us the unique opportunity to work alongside seasoned staff members, develop working relationships with customer-owners and participate in some of the other various community-centered contributions offered through AgChoice, such as helping to plan customer appreciation events. In addition to the “outside the office” atmosphere, and as part of the internship program, we were each assigned one of two group projects: Accounting, Records and Tax Services or Fraud Detection and Prevention. Through our efforts and by coming together as a team, we were able to offer viable contributions as well as our perceptions on how to improve the Association.

Meet Our 2013 Intern Team:

Kristin Bigelow
Curryville Branch
- **School:** The Pennsylvania State University
- **Major:** Animal Sciences, Business/Management Option
- **Exp. Grad. Year:** 2014
- **Career Goals:** My career goals include remaining involved in the agricultural industry within the marketing or sales sector, as well as continuing to remain active on my family’s dairy farm and building my own Jersey herd.

Kyle Kerr
Seven Mountains Branch
- **School:** The Pennsylvania State University
- **Major:** Animal Sciences, Science Option
- **Exp. Grad. Year:** 2014
- **Career Goals:** Upon graduating, I plan to pursue a career within the ag industry pertaining to agribusiness or animal production. While growing up on a small beef operation, I have gained a strong passion for the ag industry and want to help educate the public on the importance of agriculture.

Hannah Grim
York Branch
- **School:** The Pennsylvania State University
- **Major:** Animal Sciences, Business/Management Option
- **Minor:** Agribusiness Management
- **Exp. Grad. Year:** 2014
- **Career Goals:** I would like to obtain a career working within the agricultural industry after graduation, while continuing to raise cattle on the side.

Hannah Kleckner
Administration Office, Marketing Department
- **School:** The Pennsylvania State University
- **Major:** Agricultural Sciences
- **Minor:** Agricultural Communications
- **Exp. Grad. Year:** 2014
- **Career Goals:** After graduation, I look forward to embarking upon a communications-centered career path that will allow me to share the many stories of agriculture with others.

LeeAnn Kapanick
Meadville Branch
- **School:** The Pennsylvania State University
- **Major:** Animal Sciences, Business/Management Option
- **Exp. Grad. Year:** 2014
- **Career Goals:** I hope to become employed somewhere within the ag industry by following my passions, specifically in the dairy sector. Additionally, I look forward to the many opportunities that await me after graduation.

Courtney Meyer
Lewisburg Branch
- **School:** The Pennsylvania State University
- **Major:** Agribusiness Management
- **Graduation Year:** 2013
- **Career Goals:** Growing up on a dairy farm, I always wanted a career that gave me the opportunity to give a positive outlook on the agricultural industry. My main career goal is to find a job that will allow me to help farmers financially and be able to encourage them to achieve their business goals.

Bid Your Real Estate Needs Goodbye

By: Julie Bozich, AgChoice Farm Credit Marketing Specialist

“Auctions are no longer the sale of last resort—and for farms they should be the first resort,” according to Neil Courtney of Hassinger and Courtney Auctioneers. He explained, “Auctioneers understand the value of land,” so if you are planning to sell or buy a farm, farmette, bare land, recreational land or woodland, it is good advice to consider an auction. Ken Hassinger, Neil’s business partner of 27 years, advises, “Do your homework. Anything can happen at an auction, and if you’re not prepared you can’t make up your mind quickly enough to seize the opportunity.”

With that in mind, this experienced, amiable duo shared some insights that can help you to be successful if you choose to sell or buy real estate at an auction.

Motivated sellers have realistic expectations and offer properties that are fresh to the market, when interest is highest. A pitfall of sellers is exposing a property to the public at a price that is either too high or too low. Properties that are relisted command less attention, so it is important to do it right the first time. Knowing the target market is another trait of an informed seller. Currently, the farm community is demonstrating more purchasing power than developers. A prepared seller has a clear understanding of what he or she must gain from the sale, whether it is time, money or something else altogether and sets the parameters for the auction accordingly.

Potential buyers who have done their homework have visited and studied the property in advance of the auction. Whether or not they have had their own inspectors conduct an evaluation, they are aware of assets as well as any liabilities. In addition to knowing exactly what they are bidding on, responsible buyers know their financial limits. Financing is crucial and the most successful buyers are approved for financing prior to the auction. For a buyer, a favorable outcome occurs when he or she has a use for the property and the means to pay for it.

What to consider when choosing an auctioneer:

- **Track record**—Shop for results, not price.
- **Is auctioneering his/her main business?** —Full-time, experienced auctioneers typically have more time and expertise to devote to the sale of your property and your success.
- **What types of auctions are offered**—absolute, seller confirmation and/or reserve?
- **Signage**—Professional signage lends credibility and lets prospects know what you are selling.
- **Property sub-divisions**—Will the auctioneer manage and sell parcels?
- **Marketing**—How will the auctioneer attract interest in the sale?
- **Showing the property**—Will the auctioneer show it and allow you to show it?
- **Property disclosure**—An auctioneer must show the property is being sold “free and clear,” meaning that no liens or encumbrances are attached.

Have gavel will travel ... Hassinger and Courtney have more than 50 years of combined experience and conduct an average of 80 auctions per year for real estate, antiques, business inventories and firearms. Ken and Neil are members of the Pennsylvania Auctioneers Association and the National Auctioneers Association. For more information visit hassingercourtney.com or call 570-658-3536 or 570-539-8791.
Making Hay

By: Julie Bozich, AgChoice Farm Credit Marketing Specialist

On a humid, 90-degree July afternoon, Craig Sweger stood at the crest of his farm in Avella and chatted about the possibility of rain, his grandchildren and the new building he has under construction. It didn't take long to discover that in addition to being a family man, business man and educator, this long-time hay farmer is a well-informed, articulate and dedicated advocate for both agriculture and community who has been actively assisting his neighbors for many years.

Having moved to the 130-acre farm with his parents when he was seven years old, Craig is a fixture in the local community. He bought the farm from his mother after his father suddenly passed in 1983 at the young age of 62. Craig and his wife, Claudia, have since purchased an adjacent 22-acre plot and a nearby farm comprised of 232 acres, and they have negotiated gas leases on two of the three properties.

During a tour of his farm in a Kubota ATV, Craig explained that his gas lease education began in 2001 when interest ignited because long-standing leases in the area had been dropped. He was the chairman of the Farmland Preservation Board in Washington County at the time, and was approached by residents to review proposals and offer his opinion. Craig found that the language favored gas companies and was unfavorable, or even detrimental, to landowners. To gain bargaining power, Craig spearheaded a group of local citizens who joined together to “level the playing field,” as he described their efforts to negotiate contracts that satisfied the needs of landowners. Since none of them knew much about this, they hired a consultant who helped replace ignorance with useful knowledge. One of Craig’s favorite sayings is, “If you think education is expensive, try ignorance,” and he’s got a case in point with what followed.

The group grew from a handful of individuals representing 1,000 acres to 60 landowners with 8,000 acres, and their efforts yielded $600,000 above the initial offer from the gas industry, an impressive outcome a dozen years ago! This core of people subsequently helped organize four more groups with 60,000 acres that also benefited from landowner-friendly leases and improved compensation. An unplanned result of this cooperative endeavor is a collective sense of community empowerment.

In 2007, Craig extended his reach and became Director of the Agricultural Entrepreneurship program at the Institute for Entrepreneurial Excellence, a component of University of Pittsburgh’s Joseph M. Katz Graduate School of Business, where he served until 2010. Since then Craig has devoted much of his time consulting with local citizens about gas contracts while maintaining his hay operation on which he grows alfalfa, reed canary grass and brome, as well as rye for straw.

Despite his accomplishments, Craig remains humble and receptive to learning from others. He has been an AgChoice customer-owner for 10 years and trusts his loan officer, Bob O’Brien, and the Association. When Bob approached him about potential tax advantages of leasing, he considered his personal circumstances and options. Instead of purchasing the 10,200-square-foot multi-purpose building that is currently under construction on his property as he had planned, he decided to lease it. By understanding your business and financial situation and taking advantage of financial management tools, you, like Craig, have the power to maximize your resources. Follow his example and make the decision to empower yourself today!

If you would like to learn more about the advantages of leasing, contact your AgChoice loan officer or call 800-998-5557.

Craig Sweger and AgChoice Loan Officer Bob O’Brien at the Sweger homestead.

Steel building

20 year MACRS, $125,000 cost compared to 7 year lease, 20% purchase option

<table>
<thead>
<tr>
<th>Year</th>
<th>50% Bonus Depreciation Deduction (2013)</th>
<th>Lease Payment Expense (True Lease)</th>
<th>Non-Bonus Depreciation Deduction (2014+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$64,844</td>
<td>$17,380</td>
<td>$4,688</td>
</tr>
<tr>
<td>2</td>
<td>4,512</td>
<td>17,380</td>
<td>9,024</td>
</tr>
<tr>
<td>3</td>
<td>4,173</td>
<td>17,380</td>
<td>8,346</td>
</tr>
<tr>
<td>4</td>
<td>3,861</td>
<td>17,380</td>
<td>7,721</td>
</tr>
<tr>
<td>5</td>
<td>3,571</td>
<td>17,380</td>
<td>7,141</td>
</tr>
<tr>
<td>6</td>
<td>3,303</td>
<td>17,380</td>
<td>6,606</td>
</tr>
<tr>
<td>7</td>
<td>3,055</td>
<td>17,380</td>
<td>6,110</td>
</tr>
<tr>
<td>8</td>
<td>2,826 <em>purchase option</em></td>
<td></td>
<td>5,653</td>
</tr>
<tr>
<td>9–20 (per year)</td>
<td>2,789</td>
<td></td>
<td>5,576</td>
</tr>
<tr>
<td>21</td>
<td>1,394</td>
<td></td>
<td>2,789</td>
</tr>
</tbody>
</table>

*Upon purchase of the building at the end of the lease, you may depreciate the building at the purchase amount as allowed under IRS guidelines.
If you are like most agricultural producers then you are good at production, dedicated and a hard worker. The real question however, is does this make you a successful business operator? Successful agricultural business owners balance a quality of life with striving for high profits. Strong profits tend to correlate to positive cash flows and the ability to recapitalize and grow your business. This is easier said than done, but as we look at the successful business owners we serve, we can point to a few traits that provide some of this balance.

They operate a business
Successful business owners want a certain lifestyle or you would not be in business for yourself. However, you first realize you have a business, and that it is this business that provides for your lifestyle.

They have a plan
Successful business owners have a plan. You have a road map for where you want to go. This road map gives you direction and keeps you heading safely down a path. This road map usually has multiple destinations or goals along the way. It keeps the business focused.

Is this plan always written down? Not always, but there is a greater likelihood of success if the plan is written and communicated to key employees and advisors.

They manage
Successful business owners recognize there is not one magic solution for success. You understand what you can control and tend to take charge with a positive attitude (even surrounding yourself with people who have positive attitudes). The bottom line is you spend time managing.

The management we are referring to here is not that of breeding the cows, planting the crops or cutting the trees. These tasks are important, but we are referring here to time spent running numbers, evaluating employees, finding the best deal, implementing change and a lot more. Successful business owners spend time planning, implementing the plan, evaluating the plan and making adjustments.

So how do successful business owners find time to manage? You set a portion of your day or week aside to do the management work. Does this mean you do all this yourself? No, most tend to hire outside consulting services to help with some or all of this.

Can hiring a business consultant make you successful?
No. Ultimately you have to make the decisions and achieve success yourself; no consultant can make your business successful. However, using a consultant’s specialized knowledge and skills can help you to make better decisions and become more profitable and successful.

Let’s look at an example of how this works
The AgChoice consulting team works with the Smiths, a young family who is in the dairy business. More than a decade ago the Smiths started in business with their family’s older generation and since have purchased the operation. About three years ago they decided their successful 70-cow dairy had plateaued. To provide themselves and their children with the quality of life they desired, the Smiths would need to consider expanding; however, they are cow people and did not know how to put a plan together.

The Smiths wanted to improve their quality of life, run a profitable dairy and seek help in putting a plan together. They assembled a team of consultants to work with them, their profit team and others to develop a plan that would help them implement and expand their operation to 175+ cows.

Is this operation successful? During the expansion year the operation was profitable; the Smiths purchased additional cows (no disease issues), added employees, worked to acquire the necessary feed needs, completed the construction and maintained a good relationship with their lender. More importantly, the family recently stated during a profit team meeting that they are getting the balance in life that they desired. In other words, they have time to do things with their family that they had not been able to do in the past.

The Smiths continue to use their consultants to evaluate and adjust their plans. They are currently working on a budgeting process that will update their plan for the years 2014–2018.

Working with a consultant
For consulting services to help your business, you must be willing to devote time to management by working with your consultant to:

• Plan
• Implement
• Evaluate
• Adjust

If you are willing to do this, then business consulting can help you. Contact us at 800-998-5557 for more information on our business consulting program.
Look across Pennsylvania’s countryside and you’ll find thousands of dairy farms nestled amongst the rolling hillsides and flowing streams that make up a vast part of the Commonwealth. At a first glance, these farmsteads are breathtaking, with their stoic barns and generational families being pillars of the local communities. But, if you take a closer look, you’ll find many are on the “endangered” list, without a next generation prepared to take the businesses to the next level.

So, how do you spark a passion in young people to fill that void that exists in our dairy industry? It takes a commitment to investing the time, energy and, yes, dollars into programs that feed their passion and ignite their enthusiasm to become tomorrow’s dairy business owners and managers. That is where the Center for Dairy Excellence Foundation of Pennsylvania is planning to play a significant role.

Established in 2010, the Center for Dairy Excellence Foundation of Pennsylvania is a 501(c)(3) non-profit, tax deductible organization created to serve as a significant funding source for Pennsylvania dairy education, research, development and growth initiatives. The center foundation’s goal is to invest in programs that will grow the state’s vibrant dairy industry, today and tomorrow.

It is our commitment through the center foundation to help dairy youth develop and pursue a lifelong passion in the dairy business. We are delivering on that commitment by offering scholarships, hosting dairy tours and developing a full-fledged dairy business curriculum for high school level students. We need more support to move the needle even further.

Starting in the Classroom

A flagship program for the center foundation is the Dairy Leaders of Tomorrow (DLT) program. This curriculum-based program was successfully piloted in 20 high schools across Pennsylvania during the 2012-13 academic year. For this coming year, it will be available state-wide to offer dairy business and herd management education to high school students interested in pursuing dairy careers.

The DLT program is available online to complete individually or in a classroom setting. It is designed to propel a passion and needed skills in the next generation of dairy farm owners and managers, with course topics including dairy farm business management, herd health and ruminant anatomy and nutrition, along with an introduction to the dairy industry. Industry-recognized certifications are available to those who complete the coursework.

Diane Glock-Cornman, an agriculture educator with more than 10 years of...
experience, serves as the content developer of the curriculum. Diane’s passion for dairy and experience in agriculture education makes her a natural fit for this role, also serving as the online instructor to connect with students and teachers through the interactive aspects of the class.

Dairy Leaders of Tomorrow is unique in the way it is made available. Teachers can choose to teach the curriculum in the classroom with hard-copy materials, or they can use the online “Blackboard Technology” as the teaching platform. Students who do not have a vocational agricultural program in their high schools can complete the DLT curriculum independently using Blackboard.

Expanding Their Horizons

The Center for Dairy Excellence Foundation of Pennsylvania will also use the DLT platform to host live and virtual tours of farms and dairy-related businesses for the students. In April, the center foundation hosted 20 students on a DLT tour to three dairy farm operations in the Franklin and Cumberland County regions. Roaring Creek Dairy, owned by the Flannery family in Mercersburg; Mercer Vu Farms, owned by the Hissongs in Mercersburg and Railside Farm, owned by Randall and Faron Martin in Shippensburg, hosted the tour.

Each dairy offered a unique business model for the participants to tour. Roaring Creek Farm was a 120-cow tie stall barn milking 113 pounds a day, while Mercer Vu Farms had 1,800 cows milking in a double-24 parlor producing 95 pounds a day. Railside Dairy had a 240-cow robotic milking facility milking 88 pounds per day per cow.

During each stop, tour guides shared the best management practices and approaches they have taken to become more efficient and innovative in their businesses.

A few of the messages the students heard while on the tour included:

• **Step outside your comfort zone.** “We were milking in an outdated parlor and wanted to remodel,” Chris Flannery told the group. “I was not sold on a tie-stall barn until we toured another one and I was so impressed with how well the cows looked.”

• **Maximize what you have.** “The parlor is our biggest fixed cost, so we started milking four times a day to spread the costs out over more units,” Rod Hissong told the students.

• **Pencil it out.** “When I looked at how many robotic milkers I wanted, I realized I could produce enough milk to fill a tractor-trailer load every day if I installed five robots,” Randall Martin said.

Getting Involved Is Easy

Igniting the spark in Pennsylvania’s dairy youth can be as simple as getting them excited about what they see and hear about the future of dairy in the Commonwealth. It is the Center for Dairy Excellence Foundation of Pennsylvania’s goal to make sure what they are learning in the classroom and seeing in the industry inspires them to be tomorrow’s leading dairy farm owners and managers.

Any high school aged student is invited to enroll in the Dairy Leaders of Tomorrow program. For more information, visit www.centerfordairyexcellence.org. Click on “Students and Educators,” then on “Dairy Leaders of Tomorrow.” Or call the center at 717-346-0849.

Those interested in contributing to the Center for Dairy Excellence Foundation of Pennsylvania can also learn more at www.centerfordairyexcellence.org. Click on “About the CDE,” then on “Our Foundation.” Minimal pledging opportunities are available at $100. However, a “$20 for Tomorrow” funding drive is running until the end of 2013 to give more individuals the opportunity to get involved in the center foundation’s efforts.

To request an informational brochure about the center foundation, call 717-346-0849 or email Dairy Initiatives Manager Emily Yeiser at eyeiser@centerfordairyexcellence.org.
For Jarod Schreiber, agriculture had never really been in his roots. Hailing from a family of medical professionals, it was no surprise when he decided to follow his parents’ footsteps and plot a career in the pharmaceutical industry. It wasn’t until he married the local berry farmer’s daughter, however, that he got a taste of the sweet opportunities agriculture has to offer.

Now, when outside of the pharmacy, Jarod spends his time plotting and planting berry fields with his wife, Robyn, and their three children, Margot, Mitchell and Mason.

“I’m not really a farmer,” shared Jarod, chuckling. In fact, he considers himself much more of a “farmer-in-training” who has spent the past couple of years “enthusiastically learning” from his father-in-law and his wife’s family. And for Jarod, owning a berry farm operation has become much more than just a place to call home; it’s become a retreat.

The farm, which consists of slightly more than 100 acres, was originally a potato operation purchased in 1954 by Robyn’s grandparents, Ralph and Edna Styer. When retirement was nearing, Ralph made the decision to replace his potato fields with blueberry crops. Unlike her husband, Robyn has been deeply rooted in agriculture since she was a small child. She was raised on a farm close by and spent numerous summers helping to pick and sell berries to local customers on this current farm while her father, Sam, and uncle, Carl, managed the operation. For the Styers, Green Barn Berry Farm has always been a “true family-run business.”

It wasn’t until 2010 that Jarod and Robyn were presented with the chance to take over the farm themselves. “Purchasing the farm had always been in the back of our minds,” said Robyn. They just never imagined having the right opportunity. But as fate would have it, opportunity came knocking at their door.

“We had a six-month window of time between when the farm went up for sale and when we moved in,” recalled Robyn. Needless to say, the transition came quickly for the Schreibers and between juggling the purchase and selling their own home, it became clear that they couldn’t do it alone. That’s when they connected with AgChoice.

“Everything has just kind of fallen into place,” said Robyn. Despite the small window of time, the Schreibers were able to make the expedited transition smoothly with the support of their loan officer, who offered the family steady peace of mind amid a whirlwind of change. Looking back on the transition, Robyn warmly recalls that their “experience with AgChoice couldn’t have been any better.” The couple has also successfully graduated from the Association’s AgBiz Masters program, which provided them with insight on how to navigate the future of their growing berry business.

Since their purchase, the Schreibers have helped Green Barn Berry Farm become more than just a local stop for a fun weekend activity; in fact, the operation has flourished into a full-grown “You-Pick” centered berry picking venture that’s had customers from as far away as Japan and Fiji. Now consisting of more than 10 acres of berry fields, the farm offers a wide selection of blueberries, strawberries, blackberries and raspberries for customers to explore and enjoy, pail-in-hand.

The family hopes to continue its berry-active lifestyle in the future as it looks to expand into other aspects of the berry growing industry, as well as add an educational aspect to the operation.

For more information on the Schreibers and their berry-picking operation, be sure to check out the farm’s website at www.thegreenbarnberryfarm.com and “like” them on Facebook!
AgBiz Masters
A Learning Series for Young & Beginning Farmers

AgBiz Masters is a two-year program for young and beginning farmers that began in 2010.

446 PARTICIPANTS
134 GRADUATES
25+ PARTNERS

Regional workshops are held in 12–14 locations across PA and MD linked with videoconference technology.

PARTICIPANTS BY STATE

NY 2.13%
PA 88.65%
MD 6.38%
NJ 1.45%
VA 0.71%
DE 1.42%

HIGHLIGHTS as identified by 2013 participants

Networking
Building a business plan
Managing finances
Record-keeping skills
Approaching a lender
Approaching the farm as a business
Business management skills
Hands-on activities
Resources available
Motivation to start a business
Advice from experienced farmers
The big picture of agriculture
Working with others

Number of responses

0 5 10 15 20 25

TYPES OF OPERATIONS

10 ONLINE MODULES

Megatrends of Agriculture
Strategic Business Planning
Preparing for Your Lender
Constructing a Balance Sheet
Constructing an Income Statement and Cash Flow Projection
Understanding Lending Decisions
Farm Business Management Factors and Benchmarks
Growth and Transition Management
Personal Financial Management
Communications, Ethics and Leadership

Interested in taking your farm business to the next level and joining this premier educational program?

Learn more and register today at www.AgBizMasters.com

Registration Deadline
OCT 31

Next AgBiz Masters Class
NOV 2013
MARCH 2014
Crockpot Creations

Autumn is a wonderful time to sit back, relax and enjoy the colors of the season! In order to have more free time on your hands to enjoy fall festivities, check out these crockpot sensations.

Hot Spiced Cider

**Ingredients:**
- 1 gallon apple cider
- 1 cup brown sugar (or a little more to taste)
- 1 teaspoon whole cloves
- 2 cinnamon sticks
- 1 orange, sliced

**Directions:**
Pour apple cider in a crockpot. Add sugar, stir. Put whole cloves and cinnamon in a tea-ball or cheese cloth and place in pot. Add orange slices. Simmer covered on high until hot, stirring occasionally. Once hot, lower heat to low to keep warm. Enjoy the taste and aroma throughout the day!

Barbecue Pulled Pork Sandwiches

**Ingredients:**
- 1 pork butt (2.5 lb. or whatever size needed for your family)
- 1 can Diet Pepsi
- ½ bottle Sweet Baby Ray’s Barbecue Sauce
- Lawry’s Seasoning Salt

**Directions:**
Coat pork butt with Lawry’s seasoning salt, don’t be afraid to cover it all! Place in crockpot and pour in soda and barbecue sauce. Cover and cook on low for 4–5 hours. If you have a larger piece of meat, it will probably take longer. After 4 hours or so, take 2 forks and shred the meat into bite-size chunks. Let it sit in the juice to soak up all that flavor. It can stay on warm in the crockpot while serving, and can easily be reheated the next day. Serve on a Kaiser roll and add more barbecue sauce if needed.

Apple Spice Oatmeal

**Ingredients:**
- 2 apples, sliced
- ¼ cup brown sugar
- 1 teaspoon cinnamon
- Pinch of salt
- 2 cups oatmeal
- 2 cups milk
- 2 cups water

**Directions:**
Place apples, brown sugar, cinnamon and salt in the bottom of the crockpot. Pour in oatmeal, milk and water. Do NOT stir. Cook overnight for 8–9 hours on low. Enjoy a hot and healthy breakfast in the morning.

Baked Potato Soup

**Ingredients:**
- 5 pounds russet potatoes, washed but NOT peeled. Diced into ½-inch cubes
- 1 medium/large yellow onion, diced
- 10 cloves of garlic, minced (if you use jarred, it’s a 5 teaspoon equivalent)
- 8 cups chicken stock or broth
- 6 ounces cream cheese, softened
- 1 tablespoon seasoned salt
- optional garnishes: crumbled bacon, shredded cheese, green onions

**Directions:**
Add potatoes, onion, garlic, seasoning and chicken stock to the crockpot. Cook on high for 6 hours or low for 10 hours. Add the softened cream cheese and puree soup with an immersion blender until the cheese is incorporated and about half the soup is blended. Stir well, top with your choice of garnishes and enjoy!
## Financial Report

### Consolidated Balance Sheets

<table>
<thead>
<tr>
<th>(dollars in thousands)</th>
<th>June 30, 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>$ 772</td>
<td>$ 642</td>
</tr>
<tr>
<td>Investment securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held to maturity (fair value of $2,346 and $2,642, respectively)</td>
<td>$ 2,342</td>
<td>$ 2,392</td>
</tr>
<tr>
<td>Loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,429,680</td>
<td>1,409,086</td>
<td></td>
</tr>
<tr>
<td>Less: allowance for loan losses</td>
<td>12,172</td>
<td>10,704</td>
</tr>
<tr>
<td>Net loans</td>
<td>1,417,508</td>
<td>1,398,382</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>6,301</td>
<td>5,110</td>
</tr>
<tr>
<td>Investments in other Farm Credit institutions</td>
<td>21,782</td>
<td>22,401</td>
</tr>
<tr>
<td>Premises and equipment, net</td>
<td>3,734</td>
<td>3,697</td>
</tr>
<tr>
<td>Other property owned</td>
<td></td>
<td>1,035</td>
</tr>
<tr>
<td>Due from AgFirst Farm Credit Bank</td>
<td>6,035</td>
<td>14,382</td>
</tr>
<tr>
<td>Other assets</td>
<td>3,602</td>
<td>5,169</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 1,462,076</td>
<td>$ 1,453,230</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes payable to AgFirst Farm Credit Bank</td>
<td>$ 1,166,362</td>
<td>$ 1,160,477</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>1,733</td>
<td>1,788</td>
</tr>
<tr>
<td>Patronage refunds payable</td>
<td>394</td>
<td>12,485</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>12,908</td>
<td>14,251</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,181,387</td>
<td>1,189,001</td>
</tr>
<tr>
<td><strong>Commitments and contingencies</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Members’ Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital stock and participation certificates</td>
<td>10,821</td>
<td>10,695</td>
</tr>
<tr>
<td>Surplus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allocated</td>
<td>137,838</td>
<td>137,817</td>
</tr>
<tr>
<td>Unallocated</td>
<td>132,061</td>
<td>115,558</td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss)</td>
<td>(41)</td>
<td>(41)</td>
</tr>
<tr>
<td><strong>Total members’ equity</strong></td>
<td>280,679</td>
<td>264,229</td>
</tr>
<tr>
<td><strong>Total liabilities and members’ equity</strong></td>
<td>$ 1,462,076</td>
<td>$ 1,453,230</td>
</tr>
</tbody>
</table>

### Consolidated Statements of Income

<table>
<thead>
<tr>
<th>(dollars in thousands)</th>
<th>For the three months ended June 30, 2013</th>
<th>For the six months ended June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest Income</strong></td>
<td>(unaudited)</td>
<td>(unaudited)</td>
</tr>
<tr>
<td>Investment securities</td>
<td>$ 37</td>
<td>$ 38</td>
</tr>
<tr>
<td>Loans</td>
<td>17,123</td>
<td>17,392</td>
</tr>
<tr>
<td>Total interest income</td>
<td>17,160</td>
<td>17,430</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>6,198</td>
<td>6,383</td>
</tr>
<tr>
<td>Net interest income</td>
<td>10,862</td>
<td>11,047</td>
</tr>
<tr>
<td>Provision for loan losses</td>
<td>627</td>
<td>977</td>
</tr>
<tr>
<td><strong>Net interest income after provision for loan losses</strong></td>
<td>10,335</td>
<td>10,070</td>
</tr>
<tr>
<td><strong>Noninterest Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan fees</td>
<td>390</td>
<td>455</td>
</tr>
<tr>
<td>Fees for financially related services</td>
<td>368</td>
<td>292</td>
</tr>
<tr>
<td>Patronage refunds from other Farm Credit institutions</td>
<td>3,838</td>
<td>3,822</td>
</tr>
<tr>
<td>Gains (losses) on other property owned, net</td>
<td>(31)</td>
<td>(487)</td>
</tr>
<tr>
<td>Gains (losses) on sales of rural home loans, net</td>
<td>47</td>
<td>32</td>
</tr>
<tr>
<td>Gains (losses) on sales of premises and equipment, net</td>
<td>22</td>
<td>(1)</td>
</tr>
<tr>
<td>Insurance Fund refunds</td>
<td>1,648</td>
<td>1,648</td>
</tr>
<tr>
<td>Other noninterest income (loss)</td>
<td>18</td>
<td>(987)</td>
</tr>
<tr>
<td><strong>Total noninterest income</strong></td>
<td>4,752</td>
<td>5,164</td>
</tr>
<tr>
<td><strong>Noninterest Expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>4,036</td>
<td>3,884</td>
</tr>
<tr>
<td>Occupancy and equipment</td>
<td>316</td>
<td>314</td>
</tr>
<tr>
<td>Insurance Fund premiums</td>
<td>276</td>
<td>135</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>1,269</td>
<td>1,393</td>
</tr>
<tr>
<td><strong>Total noninterest expense</strong></td>
<td>5,887</td>
<td>5,726</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>9,190</td>
<td>9,508</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>96</td>
<td>151</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$ 9,094</td>
<td>$ 9,492</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.

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.
Partnering with AgChoice Farm Credit Tax Services gives you the one-on-one, year-round attention you deserve. We can help you navigate the unique tax requirements that come along with running a business by providing periodic tax reviews and preparation of tax filings.

Our team of tax professionals is here to support you with management decisions that will affect tax liabilities and provide annual tax filing services to ensure you are complying with federal, state and local regulations. AgChoice will assist your business with a full suite of services so you can concentrate on what you do best—running and growing your business.

Call us today and make an appointment for a free consultation.