

Established 100 years ago to provide
a permanent and reliable source
of credit for the nation's
farmers and ranchers.

FARM CREDIT
100
ESTABLISHED 1916

AgTexas is Farm Credit...
STRONG.

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2001 S. Soncy Road
Amarillo, Texas 79124
(806) 376-4669

BROWNFIELD

121 W. Broadway
Brownfield, Texas 79316
(806) 637-3589

BURLESON

117 S. Burleson Blvd.
Burleson, Texas 76028
(817) 293-6103

DIMMITT

112 E. Jones
Dimmitt, Texas 79027
(806) 647-3169

DUMAS

1315 E. First Street
Dumas, Texas 79029
(806) 935-6851

FRIONA

1602 W. Highway 60
Friona, Texas 79035
(806) 250-2758

HILLSBORO

218 E. Franklin
Hillsboro, Texas 76645
(254) 582-2471

LEVELLAND

301 E. Highway 114
Levelland, Texas 79336
(806) 894-6119

LUBBOCK

6901 Quaker Ave.,
Suite 300
Lubbock, Texas 79413
(806) 745-4575

PLAINVIEW

104 I-27 North
Plainview, Texas 79072
(806) 296-2782

SEMINOLE

2015 Hobbs Highway
Seminole, Texas 79360
(432) 758-3201

STEPHENVILLE

3145 West Washington St.
Stephenville, Texas 76401
(254) 965-3151

INSURANCE OFFICES

AMARILLO

2001 S. Soncy Road
Amarillo, Texas 79124
(806) 418-2641

BROWNFIELD

121 W. Broadway
Brownfield, Texas 79316
(806) 637-3589

LUBBOCK

6901 Quaker Ave., Suite 300
Lubbock, Texas 79413
(806) 745-4575

MULESHOE

623 West American Blvd.
Muleshoe, Texas 79347
(806) 272-4271

PLAINVIEW

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Plainview, Texas 79072
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Part of the Farm Credit System



LOOKING BACK, MOVING FORWARD

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

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

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

Several members of the AgTexas board and staff were able to attend the national centennial celebration, Farm Credit 100, in Washington, D.C., in June. Terry Sherrill, an AgTexas director from Gruver, summed it up well when he said that while the obstacles for agriculture are different today than they were 100 years ago, it was refreshing to see that officials in Washington acknowledge the importance of Farm Credit and continue to support its mission.

AgTexas was especially proud to showcase Sorrells Farms at a reception at the Library of Congress. Presented like a farmers market, the event displayed Farm Credit customers' products to more than 900 elected officials, congressional staff and Farm Credit friends. You can learn more about the celebration on the following pages.

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

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

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

Tim McDonald
Chief Executive Officer

IN-HOUSE APPRAISALS PROVIDE ADDED VALUE TO AGTEXAS BORROWERS

When purchasing rural property, a professional appraisal is an important and necessary part of the transaction. In addition to helping lenders decide how much to lend on real estate, appraisals provide buyers with an important reference tool in the decision-making process.

Your ag lending team at AgTexas understands rural property along with the fluctuation of real estate values and cash flow that supports the purchase. To complement our lending products, we offer timely in-house appraisals by professionals who know rural real estate, especially within the AgTexas territory.

Our experienced and grounded appraisal team has a lifetime in agriculture, providing inspections without needing explanations. Jason McKinney, Russell Patrick, Stan Phillips and Tommy St. Clair work in our real estate division, and Dave Cullins and Elizabeth Walden administer the team. AgTexas also employs three chattel appraisers, Clay Conrad, Geary Mortimer and Steve Shaller.

The appraisal department serves the association in three primary ways:

1. Delivering evaluations or servicing products in a timely, professional manner
2. Providing service at a reasonable price
3. Maintaining a consistent, reliable and credible portfolio of collateral evaluations that meet or exceed compliance and quality expectations

This team is dedicated to its craft, and uses every available technology and resource to achieve exceptional performance and efficiency. Their motto is "let's raise our client's eyebrows."

AgTexas' in-house appraisals also help prevent delays in the closing process, something that can result when appraisals and title work aren't timely. That's one more way that AgTexas Farm Credit Services is dedicated to the prosperity of agriculture and rural America.

Summer Interns Work in Every Region, Discipline at AgTexas



Ryan DeWit, Sara Mize and Megan Savage, pictured from left to right, traveled extensively during their summer internships at AgTexas, including to a customer appreciation event at Quality Beef Producers' feedyard near Wildorado, Texas.

This summer, AgTexas employed three interns who traveled throughout the territory to work in each region served by the association.

The three were chosen from more than 150 students from all over the state who applied for the eight-week internship:

Ryan DeWit – A Texas Tech student from Friona, Texas, who will graduate in May 2017 with a master's degree in ag business

Sara Mize – A Tarleton State University student from Meridian, Texas, who will graduate in May 2017 with a bachelor's degree in agribusiness management

Megan Savage – A Texas Tech student from Seminole, Texas, who will graduate in December 2016 with a bachelor's degree in ag economics

AgTexas staff members mentored Ryan, Sara and Megan in all of the association's functions, including credit analysis, operations/loan servicing, lending services, portfolio management, appraisal and crop insurance. The interns also made a few road trips to visit operations in each region.

The students wrapped up their eight-week internships with a report and presentation to the senior management team.

New Advisory Board Helps AgTexas Serve **YOUNG FARMERS AND RANCHERS**

Science and innovation, doing more with less — it's an exciting time to work in agriculture!

Today's young farmers and ranchers certainly have challenges, but they also have technology and other resources to help them operate intelligently, such as their AgTexas lending team.

In support of rural communities and new generations in agriculture, AgTexas recently instituted a Young Advisory Board. Its goal is to provide association management with valuable feedback about ways to better serve this important segment of agriculture.

In July, the AgTexas Board of Directors approved the advisory board's charter, which calls for two meetings per year and offers selection guidelines. Advisory board members may be AgTexas members or non-members, and have a target age of 25-35.

The advisory board held its first meeting in October, joining in discussions with the board of directors and hearing a guest speaker. The two boards have much to offer each other, and we look forward to the benefit for the association as this group evolves.

If you are interested in learning more about the AgTexas Young Advisory Board, please contact your local AgTexas office.

USDA Website Supports New Farmers

A United States Department of Agriculture website outlines resources for planning, learning, financing, networking and more that can help new farmers be successful. It also features a discovery tool that will put together personalized information based on your situation.

The site highlights the Four Ps for new farmers:

PURPOSE — Why do you want to become a farmer?

PLAN — You may have the drive to start a farm, but do you have the plan?

PRODUCT — What will you commit your time and money to producing?

PEOPLE — Who is your business team or community?

For more information, please visit the website at <https://newfarmers.usda.gov>.

New Director Begins Term



Savoy Bradley

Each step of the AgTexas board election process is crucial in determining the success of the board. The board and management would like to express appreciation to the stockholder-elected Nominating Committee for their diligence in selecting able candidates, to the candidates for agreeing to serve if elected, and to the voters who supported the candidate of their choice.

“Having a wide range of perspectives represented in the boardroom is critical to effective corporate governance. Creating a board composed of directors with a broad range of perspectives must be a conscious choice by the nominating committee.”

— Russell Reynolds Associates, a global leader in assessment, recruitment and succession planning for boards and senior management

In May, we announced the candidates who received the most votes for the open board positions.

REGION IV: Ronald Luker

REGIONS I-IV (At-Large): Ryan Smith

REGION VIII: Savoy Bradley

REGIONS V-VIII (At-Large): Bryan Reinart

Savoy Bradley was elected to the position formerly held by Joe Reinart, who passed away in March. The other three positions were filled by incumbents.

Savoy has a farming and ranching operation in the northwest corner of the AgTexas territory, producing corn, alfalfa and cattle in Dallam, Hutchinson and Sherman counties.

He attended his first meeting with the members of the AgTexas Board of Directors in July, displaying his comfort level with the information presented and providing input in discussions. The new director brings a fresh perspective and a new level of farming and ranching diversity to a highly effective board.

RODNEY KEETON VISITS NEW YORK CITY & WASHINGTON D.C. during FARM CREDIT 100 WEEK



Rodney Keeton, far left, was among the Farm Credit employees who visited New York City, above, and Washington, D.C., during the Farm Credit Association Leadership Program.

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

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

AgTexas Farm Credit Services' own Rodney Keeton, senior vice president of credit, was this year's delegate to the four-day program, which was hosted by Farm Credit Bank of Texas.

We asked Rodney for his impressions of the trip.

Your visit coincided with Farm Credit 100 Week. How did that impact your trip?

I was very impressed with the Farm Credit 100 reception at the Library of Congress. The crowd was huge and the booths set up by sponsoring associations provided a great example of the products produced by borrowers of Farm Credit around the country.

What did visiting the Federal Farm Credit Banks Funding Corp. or the Farm Credit Administration (FCA) teach you about the Farm Credit System?

Having a dependable, centralized method for funding loans throughout the Farm Credit network is critical in order for Farm Credit to remain reputable in the financial marketplace. I learned how the Funding Corporation works hand-in-hand with FCA, the regulator for the Farm Credit System, and directors, executive staff and

employees of the System banks and associations to ensure that Farm Credit will remain a strong and dependable source of credit for agricultural producers in the United States.

How has this trip and seeing this side of the System impacted your impression of Farm Credit?

The Farm Credit System is well-respected in the financial marketplace. This fact has given me a further sense of pride about the job that I do for AgTexas.



One of the products featured at the Farm Credit 100 reception was pecans produced by AgTexas board member Kinley Sorrells.