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FINAL THOUGHTS FROM THE CEO

The upcoming merger of AgTexas Farm Credit Services and Great Plains Ag Credit is a positive step for our stockholders and stakeholders. Our present and future members will see the value of their cooperative enhanced.

The cultures of the two cooperatives are similar, and the skill sets of the teams complement one another. AgTexas has been participating in loans with Great Plains for several years, allowing each organization to become familiar with the other's lending philosophy. This adds a significant level of comfort for all parties as we prepare to merge. The two boards are to be complimented for their vision in recognizing the value of combining forces.

Forty-three years ago when I started my Farm Credit career, our typical line of credit was in the neighborhood of \$50,000, and our largest lending relationship might have touched \$5 million. Today, while we continue to serve smaller relationships, many borrowers use in excess of \$1 million in operating credit, while some relationships use in excess of \$15 million.

AgTexas is exceptionally strong today, with a capital position that allows us to effectively and efficiently meet the needs of today's producers. However, to ensure our ability to meet the needs of tomorrow's producers, your cooperative must expand its capital base. With the combined capital and earnings potential of the merged organization, we can be certain of that ability.

Please welcome Tim McDonald as your new CEO as he takes over the reins in January 2015. I am confident that your association will be in capable hands with Tim. He has already relocated to our familiar administrative office in Lubbock and has selected an exceptional supporting group of senior officers, including Alan Watson as chief operating officer, Jerry Spruill as chief financial officer and Scotty Elston as chief credit officer. All three are longtime members of the AgTexas senior management team.

It has been a wonderful run as CEO. As I prepare for retirement, I want to express my appreciation to the countless individuals who have touched my life and opened doors of opportunity for me throughout my Farm Credit career.

Sincerely,

Mitchell Harris
President and Chief Executive Officer

Forty-three years ago, a country boy headed off to Houston as a trainee at the Federal Intermediate Credit Bank of Houston, soon accepted an entry level job at Beaumont Production Credit Association (PCA), and finally wrapped up a career in Lubbock, Texas. In one sentence, those are the bookends of my career with Farm Credit, but it's the pages in between that tell the story.

AN AMAZING JOURNEY

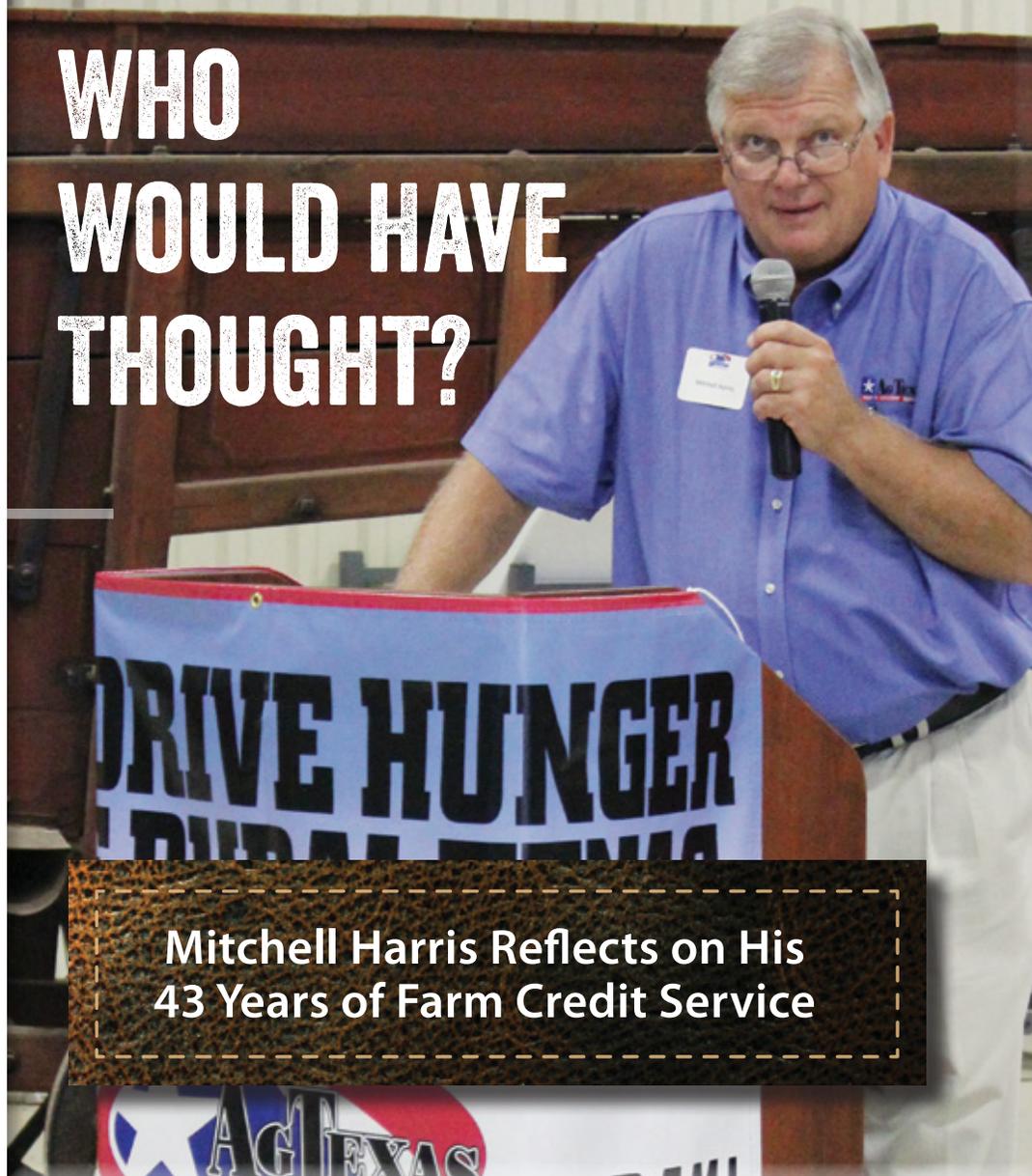
I am sure that my early mentors questioned their hiring decision after my first week in Houston. What patience they exhibited. From bank senior vice president Jack Barton having to advance personal funds for me so I could make it through the first weekend, to my having a jaywalking event in the big city, and to my having to ask what that box — an electric pencil sharpener — was on top of a file cabinet, it was an inauspicious start to a journey of learning, grace and blessings galore.

Fortunately, my grandparents and parents had provided me with a solid work ethic. Initially, I had little idea about the breadth and wealth of growth opportunities Farm Credit offers those who engage them. The common theme in every location where I served was the quality of the folks I was blessed to be surrounded with in good times and bad.

My early contact with Farm Credit came through attending PCA annual meetings in Wichita Falls, observing my parents preparing a budget to present to Wichita Falls PCA, and overhearing kitchen-table discussions about balancing needs, wants and necessities. Later, I learned firsthand by obtaining an operating loan for my FFA projects in 1964 and subsequently being named an area FFA Star Greenhand. When Bob Caruthers, PCA vice president, explained to me the obligations that my dad had to meet and how critical my performance was to the success of my business and the co-op, I gained more respect for the sacrifices required to create a successful business.

My next exposure to Farm Credit was at Tarleton State University, when I enrolled in an agriculture finance class. To my

WHO WOULD HAVE THOUGHT?



Mitchell Harris Reflects on His 43 Years of Farm Credit Service

Mitchell kicks off the 2013 AgTexas Tractor Drive.

surprise, Bob Caruthers was the instructor. I enjoyed the education in financing and was privileged to later teach the same course myself for more than 12 years. It is always a pleasure to visit with former students at Farm Credit events. When Bob left Stephenville PCA, he recommended me for his position, and I remained there for 28 years, filling the roles of lending officer, branch manager, chief credit officer and eventually chief executive officer.

GRATEFUL TO MY MENTORS

I worked for three CEOs in my career, and they each had unique talents that helped to mold behaviors and business acumen that apply to the real world. Bob Heyroth helped me respect the value of patience, which would come as a surprise to many with whom I work. W.M. "Bill" Irwin helped me understand

the reality of constant change and build my confidence. James K. "Jack" Pettit was an innate leader with the unique balance of grace and persistence that allowed Stephenville PCA to withstand the 1970s cattle market crash. Jack was a genuine example that "you get what you give" in customer relations, and demonstrated the value that positive lending experiences can bring to all parties. All three of these gentlemen would openly mentor team members who were not afraid to work, were engaged and were hungry to learn. Today, I see Farm Credit and AgTexas as organizations that continue to promote a learning culture.

Another great mentor was Marsha Martin, a former Farm Credit Bank senior officer who finished her career as chairman of the Farm Credit Administration. Marsha always offered encouragement,



At left: from left to right are Robert Norwood; Margaret Herring; W.M. "Bill" Irwin, Stephenville PCA president from 1944 to 1976; and Dorothy Hailey. Behind them is Mitchell.

and helped me to see the need for engagement in rural communities and the value of developing legislative relationships.

FINE EXAMPLES

I have also been blessed to work with some committed and exceptional association board chairmen, including R.W. "Bill" Evans, Jerry J. Laughlin, Gary Matthews and James Ray Schronk. Bill Evans was "all in" when it came to fostering Stephenville PCA and spent countless hours in the support of the association. This World War II veteran was the epitome of the "Greatest Generation." Jackie Laughlin, a former U.S. Marine, possessed the courage to execute a sound plan and did not have any "back up" in his being.

Gary Matthews led the formation of AgTexas FCS as we moved into the ACA business model, offering both short- and long-term credit. Gary's understanding of what it took to build a governance foundation to support the development of an exceptional company was phenomenal. He created an environment of trust and teamwork among board and management that had the right balance of expectation. Gary and the rest of the board supported leadership development among our employees and the use of executive coaching.

Current Board Chairman James Ray Schronk displays sound judgment, patience and the ability to create a broad team with exceptional skill sets in the boardroom, contributing a huge piece to the success of AgTexas. All of the AgTexas board members have made a difference, and their commitment to agriculture and professional development is awesome. In addition to the leadership provided to management, our boards have allowed us to earn flexibility by our acceptance of accountability to create positive results.



Former U.S. Rep. Charlie Stenholm



Former board chair Bill Evans



Marsha Martin, former Farm Credit Administration board chairman, and Bill Evans, longtime Stephenville PCA board chairman



Jack Pettit, Stephenville PCA president from 1976 to 1992, left, and Cotton Whitehead, an original stockholder of Stephenville PCA



Mitchell receives the 2011 President's Award from the Southwest Council of Agribusiness.



At left: Mitchell at the Bayer Museum of Agriculture, with, from left: Waylon Carroll, former AgTexas director, Alton Brazell, museum founder; and Dan Taylor, museum board chairman



Scene from Russia trip



Mitchell and wife, Patricia, in Russia



Mitchell's parents Rosalie and T.C. Harris



Mitchell and Patricia's children and grandchildren. Back row, from left to right: daughters Kristen, Lauren and Heather, holding her daughter Adalynn Grace. Front row, from left to right: granddaughters Alyssa Michelle and Abigail Rose.

WORK, FAMILY AND COMMUNITY

Needless to say, I have been influenced by the work environment and my family. My greatest satisfaction comes from helping others and making a difference in rural communities. None of this would have been possible had it not been for my wife, Patricia. She has balanced her career and family responsibilities masterfully. Our three daughters are exceptional young ladies, and I attribute this to Patricia's commitment and skill in raising such fine young people. Stories involving Heather, Lauren and Kristen would fill volumes, and if you have a few hours, I will brag on them. Heather's babies are Phase II of our offspring, and you do not have the time to listen to those stories!

If space allowed, I would list all those employees who have filled my work life with wonderful memories: loan administrators who smiled and went the extra mile, lending officers who cared, credit officers who looked at the big picture, appraisal staff who held to standards, regional presidents who led an achievement culture, various administrative support, and finally, an exceptional group of senior officers.

When I began my Farm Credit career, Stephenville PCA's loan volume totaled \$15 million. By this year end, AgTexas' loan volume should exceed \$800 million. I've been mightily blessed and have enjoyed a great career surrounded by a wonderful family and a first-rate team, all with the shared goal of helping rural communities prosper.

What will tomorrow bring? No one knows, but AgTexas will be a tough act to follow!

BLESSED TO SERVE AGRICULTURE AND COMMUNITY

by Mitchell Harris

I've been blessed to work for an organization with a vision and a mission that aligns with my passion to serve others, the agricultural industry and our local community. It has been a pleasure to have taken on roles with the following organizations, groups and committees.

- Tarleton State University, where I was an ag finance instructor
- Farmer to Farmer Program – helping Russian bankers learn to operate in a privatized economy
- Farm Credit National Diversity Workgroup
- Group of 30 CEOs from Farm Credit institutions across the nation who are devoted to sharing best practices and execution enhancement
- Farm Credit Bank of Texas Asset/Liability Committee
- Texas Grain Producers Indemnity Board
- Southwest Council of Agribusiness
- Bayer Museum of Agriculture (formerly American Museum of Agriculture) – longstanding board member

Tribute to MITCHELL HARRIS

WAYLON CARROLL

Former Lubbock PCA Director and Bayer Museum of Agriculture Board Treasurer

I first met Mitchell at a state PCA convention in San Antonio. We visited about a potential merger with Stephenville PCA, during which I began to realize some of his characteristics. He was reasonable and knowledgeable on how to make things work. He is a visionary person. You got the immediate feeling of his honesty, attitude and disposition, and his sincere care for people. His employees highly respected him, and he always had the time to work with them to solve a problem or answer a question. His Stephenville directors had very high regards for him. The eventual merger of Stephenville PCA, with its livestock-based portfolio, and Lubbock PCA, with a crop portfolio, made for a very good combination.

God threw the mold away when he made Mitchell. He is definitely one of a kind.

JACK PETTIT

Former President, Stephenville PCA

Whether it be directors, members, fellow employees or other Farm Credit people, Mitchell has a unique ability to work with each in a positive, supportive manner. Under his leadership and professional staff, Mitchell developed a Production Credit Association into a premier lending institution in the district.

LARRY DOYLE

Chief Executive Officer, Farm Credit Bank of Texas

Aldous Huxley said that “the secret of genius is to carry the spirit of the child into old age, which means never losing your enthusiasm.” In Mitchell Harris I have observed that theory, for I have never met another individual who maintained such a positive and energized zeal for this great System in which we all work. I only wish I could finish my career operating at his level of engagement and contribution. He will be sorely missed by all.

GARY MATTHEWS

Former Board Chairman of Lubbock PCA and AgTexas FCS

Mitchell is an excellent leader, and I have never met a man more dedicated to his job.

JAMES RAY SCHRONK

Board Chairman, AgTexas FCS

Throughout our years of service together, Mitchell has always been willing to listen to differing points of view and give them full consideration. He has always treated his directors, employees and customers with respect. I’ve heard Mitchell say countless times, “We should make every effort to allow everyone involved in any discussion to walk away with their integrity intact, regardless of the eventual outcome or decision.” I believe his philosophy has been thoroughly instilled within the AgTexas culture, and we are a better company for it.

DANNY KLINEFELTER

Texas A&M University Professor and Extension Economist and AgTexas Director

I’ve known Mitchell for nearly 30 years. We’ve all heard “you can’t teach an old dog new tricks,” but I’ve watched him prove that you can, if you’re not too tradition-bound and truly want to continue to improve, as Mitchell has. I’ve seen him become more strategic in his thinking, more oriented toward team success, more willing to delegate than to stay out of the way, and more focused on leadership. I attribute this to four things that separate a leader from just a manager: 1) the willingness to adapt, 2) the desire to continuously improve, 3) the ability to learn from and take responsibility for your mistakes, and 4) taking pride in seeing the people who work for you grow and develop.

His experience in both moving from the president of the Stephenville PCA through the merger with Lubbock PCA to become the CEO of AgTexas ACA and going through the Mark Wright leadership coaching program had a tremendous effect on him. I’m pleased to say he responded to and grew from the challenges and insights he gained from both. In a System that often either moves at the speed of consensus or is forced by crisis, he has always been willing to step out and take calculated risks, even if it meant getting slapped down by the bureaucracy or taking criticism from his peers. I’m proud of him and what he’s been able to accomplish.

DAN TAYLOR

*Board Chairman,
Bayer Museum of Agriculture*

I recall a time when we were having a museum board meeting. I asked if someone would take care of getting rid of the mesquites on the ag museum property. Mitchell immediately volunteered, saying he would kill them, because he knew how, having done that before on the family land. After about five days of spraying, he was done, and he has not volunteered to do any more spraying. Seriously though, Mitchell has been a tireless supporter of the museum, and has spent countless hours helping us get the museum established. We greatly appreciate his contributions.

DON MITCHELL

Former Stephenville PCA Director

Mitchell Harris is a unique guy in more ways than one. First of all, he found a job that he liked so much that he would have done it even if he didn't get paid. I have said many times over the years that if the association needed to cut expenses, we could just stop paying Mitchell. I honestly believe that he liked his job so much that he would have worked for free.

Mitchell also possessed what I'll call a "mother hen" characteristic that made him want the people around him to be comfortable, content, successful and happy. Mitchell wanted everyone to feel like they were an important part of the team, and he personally did whatever it took to make everyone feel this way. I'll never forget how kind and respectful he was to my beautiful wife, Lola. Thank you, Mitchell! Lola and I never had a son, but if we had, we would have wanted him to have grown up to be a man just like Mitchell Harris. I would have been very proud of that son, and I am sure Lola would have been too.

DAVID NORMAN

*Vice President, Enterprise and
Agriculture, Winrock International*

Mitchell Harris brought the best of both Texas and Farm Credit to the people of Russia in 1993. At a time when the countries of the former Soviet Union were looking for help in creating practical processes to provide credit and finance to new private farmers and farmer groups, Mitchell really spoke their language. He was willing to think creatively to find ways to communicate to them what were some truly foreign concepts. Attempting to teach the "5 Cs" of credit through an interpreter was a major challenge for us all, but especially for Mitchell, as our interpreter did not speak Texan. This was even more challenging when those five words when translated to Russian did not remotely begin with the letter C.

Teaching these new aspiring bankers the importance of the "Character" factor was especially challenging. Mitchell's willingness to participate in role-playing to demonstrate character clues was not only effective but downright entertaining. I can't imagine having a better volunteer partner, collaborator and travel companion than Mitchell. He truly went the extra distance to make a difference in people's lives, just like he does here at home. I am very, very proud to call Mitchell Harris my friend.

DEE VAUGHAN

*Past President of the Southwest
Council of Agribusiness*

"What is it going to take to get this deal done?" It's a simple question that I have heard Mitchell ask many times over the past few years. Sometimes it was during a Southwest Council of Agribusiness board meeting, where Mitchell represents AgTexas Farm Credit, or during a Texas Grain Producers Indemnity Fund board meeting, or in reference to some other project benefiting agriculture and rural Texas. The simple question always serves the intended purpose of getting us to leave the "talking phase" and move to the "doing" phase.

When it comes to doing the work, Mitchell is always at the front of the line, doing more than his share. It is a pleasure to serve with such a hardworking, caring and optimistic person. In 2011, I was very pleased and honored to recognize the work and support of Mitchell and AgTexas for the Southwest Council of Agribusiness by presenting him and AgTexas the SWCA President's Award for Outstanding Service.

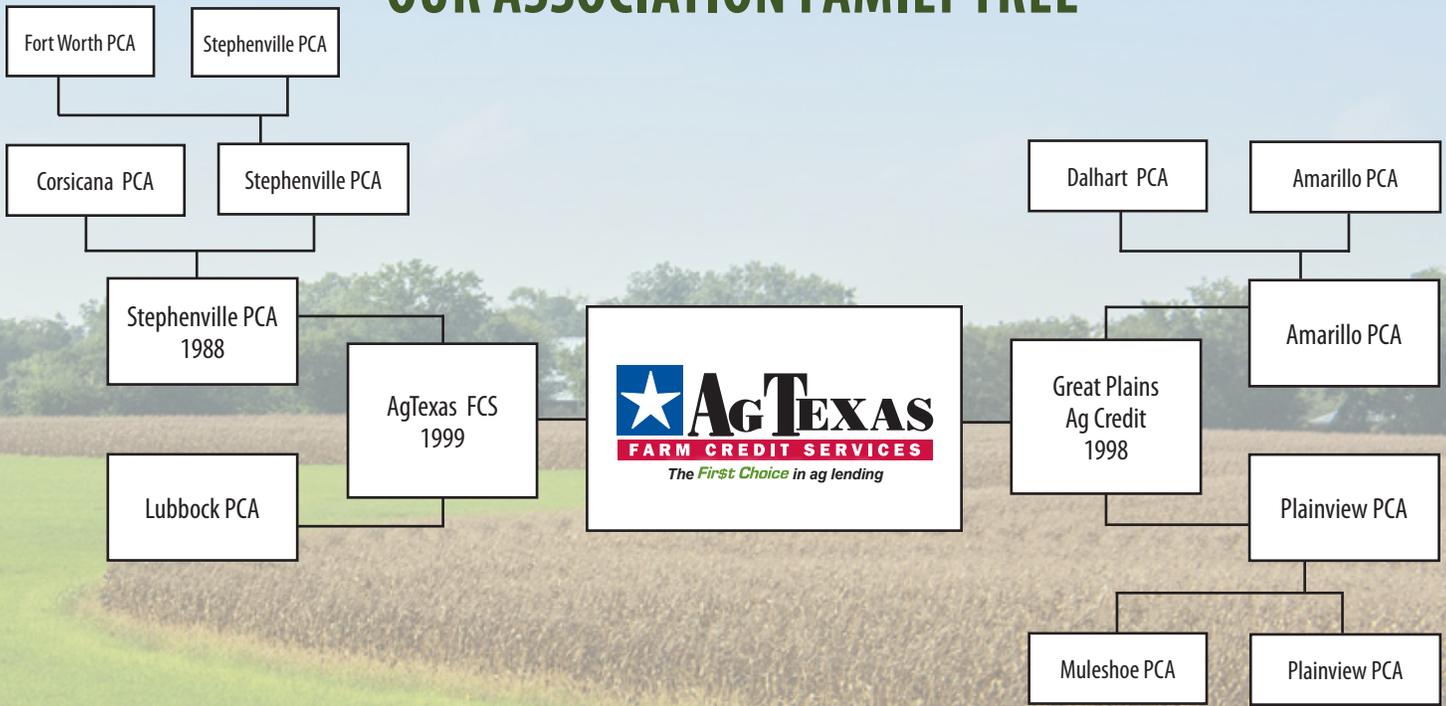
ALAN WATSON

Chief Operating Officer, AgTexas FCS

I've been fortunate to work with Mitchell for 35 years. What an example of vision, drive and commitment he has provided. Every idea he has brought to AgTexas has been for the benefit of our stockholders, and at the same time honored and developed our employee team to assure "Fir\$T Choice" customer service. It's been an exciting and energy-charged experience, with a lot of fun mixed in. While we will miss him, his legacy will continue to influence our actions and decisions.

PAST-PRESENT-FUTURE

OUR ASSOCIATION FAMILY TREE



NEW STEPHENVILLE BRANCH OFFICE TO OPEN IN SPRING 2015



Construction of AgTexas Farm Credit's new Stephenville office is progressing at a fast pace, with completion projected for March 2015.

The new facility, consisting of more than 7,800 square feet, is conveniently located on 5 acres on the western edge of the city, fronting on U.S. Highway 377. The expanded quarters will allow for the consolidation of the Stephenville field office

and appraisal operations in one building, thereby increasing operating efficiencies.

The entire Stephenville staff is excited about the new building, and looks forward to moving into their new home.

"We've been planning this new office for a long time, and it's a great feeling to see it coming to fruition," says Kevin Canaday, regional vice president. "We appreciate the

board of directors and senior management for their continued leadership in meeting the needs of our growing company.

"We especially want to thank Mitchell Harris for his leadership in this effort. Mitchell called Stephenville home for over 30 years and will retire to the area after the merger. This new building will provide a fitting legacy to his 43-year Farm Credit career."

PLANNING FOR THE FUTURE, EMBRACING THE PAST

AgTexas Aims to Remain Best Credit Source for Agriculture



*AgTexas Board Chairman
James Ray Schronk*



*Great Plains Board Chairman
Dennis Anthony*

It is official — AgTexas FCS and Great Plains Ag Credit are merging, effective Jan. 1, 2015, pending final regulatory approval.

As the work continues to combine these two successful Farm Credit associations, our stockholders can feel confident that their relationship with the merged association will mirror the years leading up to this point. The new AgTexas will continue to serve agriculture in our currently chartered territory.

MEET OUR BOARD CHAIRMEN

To illustrate the current associations' solid history of serving agriculture, look no further than the farmers and ranchers who make up the membership. Two great examples are the current board chairmen of AgTexas and Great Plains.

James Ray Schronk has served AgTexas since 1993. He has farmed in Hill County for more than 40 years, growing wheat, corn, cotton, sunflowers and sorghum, and today his grown sons are a part of his operation. James Ray serves on local ag-based boards and committees, such as the Hill County Crops Committee, the Hill, Johnson, McLennan County Integrated Pest Management Committee and Natural Resource Agriculture Conservation Committee. As a member of the AgTexas Board of Directors, he serves on the association's compensation committee and is a member of the Texas District Stockholders Advisory Committee.

Dennis Anthony was elected to the Great Plains board in 1993. He has farmed in Parmer and Deaf Smith counties for more than 40 years. His operation is concentrated mostly on livestock, including cattle feeding. He also grows milo, wheat and corn. As part of his duties on the Great Plains Ag Credit Board of Directors, Dennis serves on the human resource committee. He is also a member of the Texas District Stockholders Advisory Committee. Locally, he sits on the boards of the Parmer Medical Center and the Parmer County Soil and Water Conservation District.

SERVING AG PRODUCERS OF ALL SIZES

Looking to the future, perhaps Dennis says it best.

"I believe this cooperative lending system is absolutely the best credit source that any type of ag producer, small or large, can team with. Without this great competitor in agricultural lending, I fear we would see a predatory environment from commercial banking," says Dennis. "Thankfully, we are there to provide credit and to return a portion of earnings back to the members. I am honored and humbled to be a part of, and contribute to, the present and the future of our wonderful stockholder-owned cooperative lending system."

As the boards come together in January 2015, there is a wealth of experience and knowledge of agriculture to continue to guide AgTexas Farm Credit Services into a successful future.