

RURAL LIVING YOUR WAY

LEADER

Farm Credit of the Virginias Spring 2019



Record-Setting Patronage Refund

Dialogue with the Graduates: Planning for Success

Connections Breed Success for Beginning Livestock Farmers



CUSTOMER APPRECIATION EVENTS

Branch	Date	Time	Location
Rocky Mount	4/11	5-7	Pigg River Community Center
Lexington	4/18	6-8	Virginia Horse Center
Ripley	4/23	6-8	Cedar Lakes Conference Center
Bedford	4/30	5-7	The Old Mill Farm
Clarksburg	5/14	5-8	Lambert's Winery
Oakland	5/15	6-8	Southern Garrett County Rescue Squad Social Hall
Lewisburg	5/16	5-7	WV State Fairgrounds
Warrenton	5/17	6-9	Wort Hog Brewery
Romney	5/30	5-7	Hampshire Park
Abingdon	5/31	6-8	Southwest Virginia Higher Education Center
Roanoke	6/3	6-8	The Home Place Restaurant
Leesburg	6/4	5-7	West End Wine Bar & Pub
Moorefield	6/7	4-7	Misty Mountain Event Barn
Charlottesville	6/11	5:30-7:30	Wood Grill
Verona	6/12	5-7:30	Frontier Culture Museum
Orange	6/13	5-7	Orange Office
Harrisonburg	6/14	11-2	Rockingham County Fairgrounds
Halifax	6/18	5-7	Edmunds Memorial Park
Chatham	6/20	5-7	Olde Dominion Ag Complex
Gate City	6/21	12-2	Scott County Park & Golf Course
Culpeper	6/26	5-7	Culpeper Office
Wytheville	6/27	6-8	Wytheville Meeting Center

To RSVP or learn more about our Customer Appreciation Events call 1-800-919-3276

Get those chores done and
JOIN US



FARM CREDIT

FarmCreditofVirginias.com



LEADER

is published quarterly for stockholders, directors and friends of Farm Credit of the Virginias.

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Peery Heldreth

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Address changes, questions, comments or requests for copies of our financial reports should be directed to Farm Credit of the Virginias, ACA, by writing P.O. Box 899, Staunton, VA 24402 or calling 800.919.3276. Our annual and quarterly financial reports can also be obtained by visiting our website at FarmCreditofVirginias.com.

Farm Credit of the Virginias furnishes data to credit reporting agencies. The Association's reporting efforts are important for aiding consumers in obtaining credit, assisting businesses in credit approval, providing consumers with timely and accurate personal credit information, reducing fraud and abuse, helping prevent identity theft, and minimizing errors in credit reporting. If you have questions regarding this process, please contact our Credit Desk at 540.886.3435 ext. 5224.





Holiday Schedule

Our offices will be closed on the following dates:

May 27 – Memorial Day (Monday)

July 4 – Independence Day (Thursday)

Sept. 2 – Labor Day (Monday)

Oct. 14 – Company-wide Meeting (Monday)

Nov. 11 – Veterans Day (Monday)

Nov. 28 & 29 – Thanksgiving (Thursday & Friday)

Dec. 24 & 25 – Christmas (Tuesday & Wednesday)

Jan. 1 – New Year's Day (Tuesday)

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Peery Heldreth

Letter from the CEO

As a cooperative, Farm Credit of the Virginias' (FCV) leadership and staff hold as a primary focus delivering value to our customer-owners. By maintaining a sound and stable financial organization, growing our business wisely, seeking efficiencies and providing outstanding customer service, we've been able to deliver value consistently for more than 100 years and will continue to do so long into the future.

One form of our value certainly stems from the patronage dividends we pay our customers each year, which are a reflection of our financial success as a lending institution and also of the success of our customers. This

year, our April all-cash patronage distribution has reached another record level – \$40 million, \$10 million of which is a pass-through of the patronage FCV received from AgFirst, our funding bank. Patronage is one advantage of doing business with a financial cooperative, and I encourage all our customers to extend this benefit to others by referring friends, family and business associates to FCV.

Value also comes via our dedicated employees, from our loan officers who craft customized lending solutions that enable our customers to sustain their businesses as well as purchase and build their homes, to our support staff who ensure that our operation

runs smoothly. We consistently attract high-caliber talent to our team, who recognize the importance of the work we do to support our customers and our rural communities. One such employee is Chip Saufley, our chief credit officer, who will be retiring in July after 35 years with Farm Credit. We all wish him well in the next phase of his life.

FCV's Knowledge Center is another source of the value we deliver, both to our customers and other community members. Each year, our Farm Management Institute and Dairy Management Institute help local farmers learn how their operations measure up to industry benchmarks and how other farmers are

I cannot express how gratifying it is to lead an organization whose customers tell us “you made my dream come true.” I thank our customers who completed our survey and invite all our customers to continue to let us know how we’re doing in meeting your needs.

managing their enterprises, which can, in turn, help them manage through the current down cycle the ag economy is experiencing. AgBiz Planner remains very popular, as is our new AgBiz Basics online version that makes taking the course more convenient. Numerous other resources, including information sheets, videos, grant applications and more, are available via FarmCreditKnowledgeCenter.com. We continue to develop new offerings, so I encourage you to check back periodically.

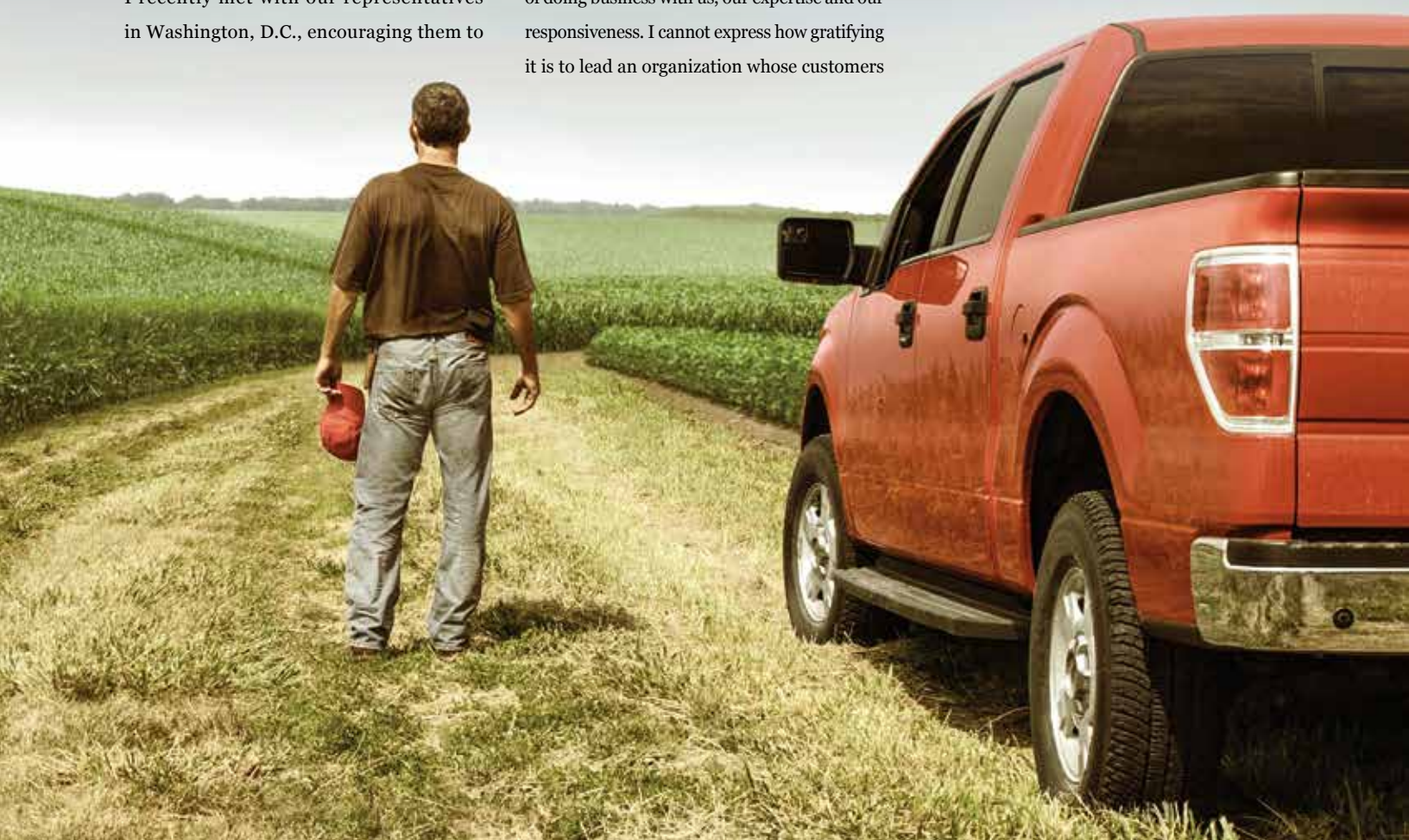
Another less visible value that we provide is working to influence policymakers in the states we support and in our nation’s capital. I recently met with our representatives in Washington, D.C., encouraging them to

move legislation forward that will benefit our customers, including asserting the importance of the United States-Mexico-Canada Agreement. While no movement on that trade agreement has been forthcoming, we will continue to communicate our position on this and other key issues.

We at FCV strive to improve on the value we deliver every single day, and we’re comforted by the knowledge that our customer satisfaction survey results demonstrate that we are achieving this goal. In 2018, our customer satisfaction survey results rated us at 9.7 out of 10 and included numerous comments about the ease of doing business with us, our expertise and our responsiveness. I cannot express how gratifying it is to lead an organization whose customers

tell us “you made my dream come true.” I thank our customers who completed our survey and invite all our customers to continue to let us know how we’re doing in meeting your needs.

I also invite all our customers to join us at one of our upcoming series of Customer Appreciation Events held throughout our territory in the coming months. These events are meaningful opportunities for me each year, and I look forward to spending time with you, our customers, and learning more about your challenges and opportunities, and how we can best serve your needs and continue to deliver value to lives and operations. ∞



RECORD-SETTING PATRONAGE REFUND

\$40,000,000

We're proud to announce a total of **\$40 million** in cash refunds this year!
That's more than **\$100 million dollars** in refunds to our customer-owners since 2015.

MILLIONS OF REASONS TO **LOVE** FARM CREDIT!



Ripley, WV Loan Officer David Wise was excited to hand over patronage refunds to Parrish Pendley.



Janie Showalter receives her patronage check from Harrisonburg Loan Officer Cheyenne Rhodes.



Casey Hayes, Loan Officer in Oakland, MD, proudly delivers a patronage refund check to Taylor Sines Jr. of Woodlake Tree Farm.



Gary Vance and Kate Howard met up with Loan Officer, Trey Keyser to receive their check at the South Branch Stockyards in Moorefield, WV.



Loan Officer Anthony Watson proudly presents Rena Johnson with Highland Dairy Farm of Glade Spring, VA with their very first patronage check.



Harrisonburg, VA Loan Officer Adam Shiflett visited Twin Oaks North, LLC. to catch up with long time customers Chris and Bob Threewitts to deliver their 2018 patronage dividend.

Save the Date!

VIRGINIA CATTLEMEN'S ANNUAL FIELD DAY
JULY 12, 2019 • 9:00 A.M.
OLDE DOMINION AG COMPLEX • CHATHAM, VA
 HOSTED IN CONJUNCTION WITH
PITTSYLVANIA COUNTY CATTLEMEN'S ASSOCIATION

Join us for:

- Educational Demonstrations
- Low Stress Cattle Handling
- Livestock & Stockman's Contest
- Farm Tour • Vendors
- Complimentary Membership Luncheon
- Business Meeting
- Evening Dinner & Social with Mark Gardiner of Gardiner Angus Ranch (ticketed event)

and much more!



Virginia Cattlemen's Association

P.O. Box 9
 Daleville, VA 24083
 540.992.1011



For more information:
www.vacattlemen.org

Dialogue with the Graduates: Planning for Success

By: Dr. David M. Kohl



Dr. Dave Kohl

One of the pleasures of my academic career has been working with Farm Credit University's Ag Biz Planner Program which is designed for young and beginning agriculture producers. Over 1,000 participants have completed the business and financial management classes consisting of 10 online courses. Recently, we talked via videoconference with two of the program's graduates, who discussed how they have applied this education to their agriculture businesses and the subsequent benefits. We've pulled out some highlights from the conversation to demonstrate the value of planning for success. Benefits they gained include:

FINANCIAL INSIGHT

A major benefit of the program for these graduates was gaining insight on finance, whether the knowledge was applied to their business or while working with their lender. They both chuckled and agreed that farming was more fun when the business generated positive cash flow. They both benefitted from:

- Developing projected cash flows and monitoring the results.
- Taking the principles and concepts stored in their heads and applying them on paper.
- Using spreadsheets with different price, cost and production scenarios.
- Having a record of the expected timing of revenues, expenses, debt service and operating loan needs, which was invaluable when navigating the current business environment where there is a surprise around every corner.

STRUCTURED RECORD-KEEPING

Another benefit of the program was a more structured approach to record-keeping. Writing down records, such as yields, weight gain, cost and production during hectic times, allows this information to be entered into electronic records at a later date. These records can be used to track performance over time and assist in developing projections and assumptions for the future. The records also were used to pinpoint mistakes, such as lost production, missed marketing opportunities or expense overruns.

IMPROVED COMMUNICATION

A huge benefit of the educational program was that it improved overall communication. Workbook application exercises required the graduates to ask critical questions and have crucial conversations in areas such as finance, marketing and transition management. Improved communication with spouses concerning finance and the direction of the business was an additional direct benefit. As a result of the program, they also had increased communication with their lenders, suppliers and advisory teams. Understanding business financials and operations created a side-by-side trust factor, allowing them to work through growth opportunities and decide when to cease operations of an unprofitable enterprise of the business.

STRATEGIES FOR IMPROVEMENT

The graduates enjoyed the ability to benchmark their business performance to other similar agribusinesses. This allowed them to focus on their strengths and develop strategies for improvements. Another useful strategy they learned was to build cash reserves in profitable years to provide room for error during growth or when financial hiccups occur.

BUILDING A NETWORK

Perhaps one of the most significant benefits for these participants was the ability to network with other young farmers, often outside their specific industry segments. They were able to network both online and at special face-to-face meetings. These relationships have lasted many years after graduation. As one graduate said, "In these difficult and challenging times, it was nice to be able to reach out to others who are facing similar issues."

Recently, a speaker at an agriculture conference said, “A business mindset and high business IQ will drive bottom line profits in the future.” These two graduates learned that firsthand from the Ag Biz Planner program.

If you're thinking of enrolling in this program, keep these tips in mind for success:

- Set aside time and resources to follow through on assignments so you can receive optimum benefits.
- The results are better if you do not wait until the last minute to complete assignments for your business.
- Apply the program materials in your business operations to find blind spots.
- Take advantage of the program's collaborative spirit. Having another set of eyes on your business plan provides a mechanism for prioritizing opportunities.

Ag Biz Planner takes time and commitment, but the peace of mind more detailed planning can bring is invaluable for your business. ∞





AG BIZ PLANNER



An E-Learning Course Designed for Young, Beginning, Small & Minority Farmers and Ranchers

Put some zip in your ag business! Whether it is a beginning venture or an ongoing entity seeking enhanced performance, this high-tech, online program's interactive format will energize your business and guide you to the next level. Developed by Dr. David Kohl, agricultural finance and business management expert, *Ag Biz Planner* takes you on a journey to building a *strategic business plan for your own business*. Benefits include:

- Self-paced
- Designed specifically for farm & ranch businesses based on Dr. Kohl's decades of experience teaching face-to-face farmer/rancher seminars
- Content reviewed by ag lending & leading academic professionals
- Mentor-based approach to learning: Get feedback from a lender and program mentor

Ten eLearning Modules:

- | | |
|--|--|
| 1. Megatrends of Agriculture | 6. Understanding Lending Decisions |
| 2. Strategic Business Planning | 7. Farm Business Management Factors & Benchmarks |
| 3. Preparing for Your Lender | 8. Growth & Transition Management |
| 4. Constructing a Balance Sheet | 9. Personal Financial Management |
| 5. Constructing an Income Statement & Cash Flow Projection | 10. Communications, Ethics, & Leadership |



Dr. David Kohl
Professor Emeritus
Ag Finance & Small
Business Management
Virginia Tech

Tuition: \$500 per farmer or farm business

This Includes:

- 10 online eLearning modules
- Module quizzes
- Business application exercises
- Discussion forum
- Business plan preparation resources
- Mentoring resources

Time Commitment:

This course is designed to be completed over a 5-6 month period. Online module content should take about 2 hours per module, but additional time spent on business planning applications may vary.

High-speed Internet access is strongly recommended.

For more information, or to register, please contact:

Sarah Scyphers at 276-628-5191 x 1525 or email SScyphers@FCVirginias.com





Connections Breed Success for Beginning Livestock Farmers

On 100 acres of pasture and farmland in Loudoun County, Virginia, young couple and beginning farmers Justin and Casey Wisch are building a thriving livestock operation that embodies their strong sense of connection to the land, to the community and to the future. Justin and Casey, along with their two children Piper and Boone, raise hogs, cattle and poultry in managed grazing systems and direct market everything produced on the farm.

When Justin and Casey established Long Stone Farm in 2012, both were working

off-farm jobs. “Land access is a critical challenge for young farmers and we had to purchase land. Our degrees obtained at Virginia Tech allowed us to get jobs and gain the financial stability needed to obtain a loan and start our operation,” shared Casey. Justin was raised on a family farm, grew up working for one of Loudoun’s prominent dairy farms and was motivated to rejoin the agriculture world. Both have witnessed valuable farmland disappear before their eyes as developers continue to gain ground in Loudoun County where they both grew up.

“Our area is not the farming community it was 30 or 40 years ago, and we felt drawn to a sense of tradition and preservation,” says Justin. “We also felt a personal challenge to prove that farming can work in this area and be a means to preserve the land and feed the community.”

With their connection to their land in place, the couple turned their attention to their connection to the community. Justin and Casey sell most of what they produce through pork and beef shares and their on-site farm stand that sells their retail cuts of meat,

“This community provides a lot of exciting opportunities for us to develop innovative, value-added products because there’s a demand for locally grown food from consumers, and our products also pair well with other local products like those from our local wineries and breweries,” says Casey.

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Once people learn about how we raise our animals and can taste and appreciate the food that happens as a result, they can make better food-buying decisions.

eggs and other value-added products, such as salami and bologna. They also sell to local restaurants, capitalizing on the farm-to-fork movement, and small grocery stores, which carry the farm's high-end cuts not typically seen at the retail level.

"This community provides a lot of exciting opportunities for us to develop innovative, value-added products because there's a demand for locally grown food from consumers, and our products also pair well with other local products like those from our wineries and breweries nearby," says Casey.

A big part of the Wisch's focus is communicating with the community, educating consumers about their brand and offerings as well as the importance of whole-animal utilization, an approach they embrace on their farm. Most of this is done via social media.

"It's often difficult to put into words why this is important, so we try to help people understand and appreciate whole animal

utilization," says Justin. "There's also often a perception that our products will inherently be more expensive, so we also communicate that we have high-quality, locally grown products for every budget, with the benefit of knowing exactly where their meat came from."

Another aspect of their communication efforts is encouraging people to eat – and cook – locally and seasonally. They've begun providing recipes and cook book recommendations and pursue agri-tourism as an avenue for this education. The couple is planning farm events where they can highlight their operation, teach consumers about livestock production and provide food made from their products.

"Once people learn about how we raise our animals and can taste and appreciate the food that happens as a result, they can make better food-buying decisions," says Casey.

How their animals are raised is certainly one of Long Stone Farm's strongest selling

points and demonstrates Casey and Justin's connection to their animals and the future.

"We're committed to raising happy and healthy animals in a system that is beneficial to them and to our surrounding environment," says the Wisch family. "We strive to manage our animals based on their individual needs and factor those needs into our holistic farm plan."

The couple has established a comprehensive approach to conservation, utilizing practices such as rotational grazing, multi-species grazing, cover cropping, water quality projects and pasture management, all with a focus on long-term sustainability. They spray no chemicals in their fields and have invested in practices such as pollinator and wild habitat strips to provide forage and protection for bees, butterflies and other animals.

"The world isn't gaining new ground, and we recognize that our land and soil are our most important resources to produce food for our community," says Justin. "Beyond



providing healthy and delicious products to our consumers, we also need to ensure there is land and agricultural opportunity for generations beyond us.”

The couple’s efforts were recently applauded with a sustainability award from the 2019 Rural Forum for Innovation, an annual three-county event focused on developments in local agriculture practices.

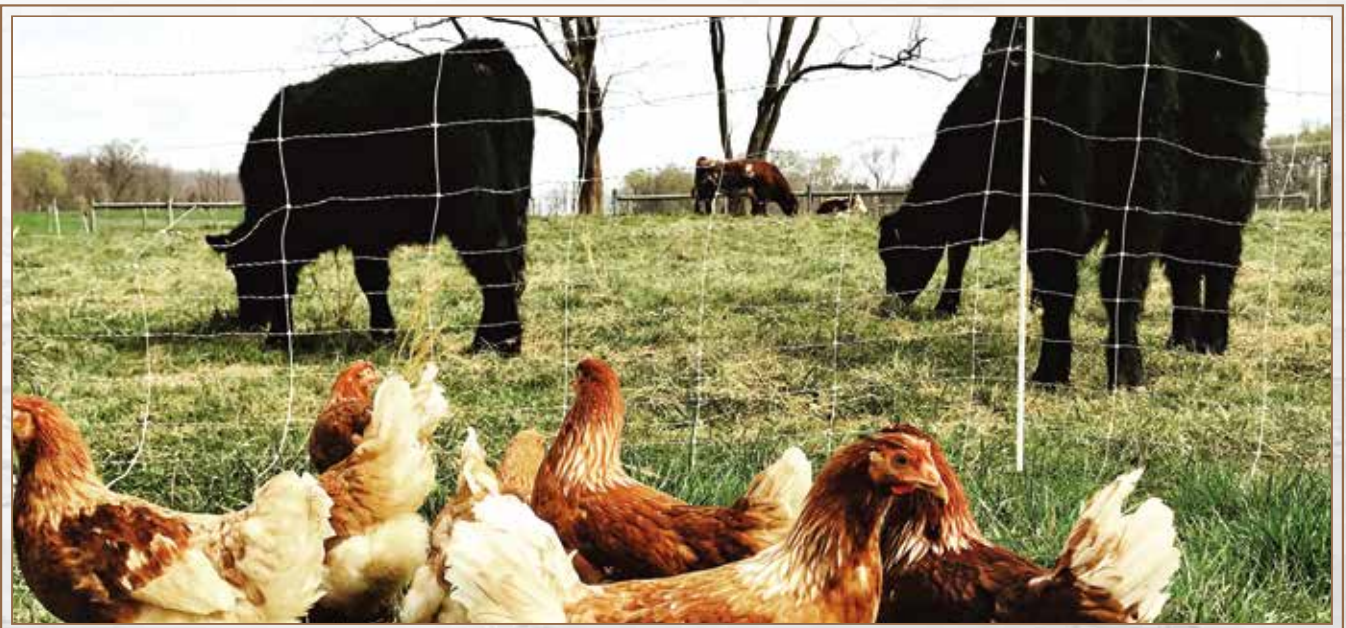
“This award was really meaningful for us because it recognized our efforts and approach

to managing our farm sustainably,” says Casey. “In the past, they’ve awarded some prominent ag businesses in the area, and it’s gratifying to be among them.”

Farm Credit of the Virginias has been part of Casey and Justin’s journey into farming success since the beginning, financing their initial land purchase as well as providing the construction loan for their home. They chose Farm Credit both because of its reputation and its connection to agriculture.

“Farm Credit is very tied to the community and also committed to preservation of agriculture in the area,” Justin says, adding that “they’ve been very supportive of us as a family and a business, easy to work with and always there to answer questions and provide any information we need.”

For more information about Long Stone Farm, visit www.LongStoneFarmVA.com. ∞



Congratulations to the Virginia Clean Water Farm Award Winners

We want to highlight our customer-owners and their accomplishments being recognized as Grand Basin Winners! The annual Virginia Clean Water Farm Awards recognize farmers who implement conservation practices and do their part to preserve water quality. The program is sponsored by the Virginia Department of Conservation and Recreation in partnership with Virginia’s 47 Soil and Water Conservation Districts.

Grand Basin winners represent the most exceptional of these awardees. One winner is selected from each of Virginia’s 10 river drainage basins. The winners’ conservation practices and dedication to protecting natural resources make them role models for producers across the state. We hope you enjoy reading about these exemplary farms and the people who own and manage them. Many thanks to district staff members who made this another outstanding year for the Clean Water Farm Awards.

Shenandoah River The Shifflett Family, Purple Cow Road Farms

Nominated by the Headwaters Soil and Water Conservation District



Roger and Sharon Shifflett purchased their first farm in 1971. There, they raised pigs and dairy goats on just five acres. Today, they run 100 cow-calf pairs along with a turkey brooder operation on many more acres. The Shiffletts have excluded cattle from all the streams on their farms using a combination of 10- and 35-foot buffers where feasible. A total of 7,330 feet of streambank along the South River and its tributaries is protected because of their projects. They work hard to rotate their cattle year-round in a way that benefits the animals and the land. They have worked with the district on best management practices, including the installation of a litter storage facility for the brooder operation, and are currently working toward a winter feeding and manure storage facility for the beef operation on the home farm.

Big Sandy and Tennessee Rivers Seth and Courtney Umbarger, Laurel Springs Farm

Nominated by the Evergreen Soil and Water Conservation District



The Umbargers transitioned their dairy farm to an all-natural beef operation in 2004. As their farming goals changed over time, so have their conservation goals. Through the Environmental Quality Incentives Program, the Umbargers installed a covered heavy-use area with attached solid-waste storage facility and nearly 4,000 feet of animal trails and walkways. They have put 275 acres into nutrient management and replanted 2.2 acres of eroded hillsides. They’ve fenced cattle out of 42 acres of riparian areas and woods, which has curbed erosion and improved woodland habitat. By installing 14,000 feet of cross-fencing and 18 watering troughs, they were able to exclude cattle from all surface waters that run through the property. The Umbargers are vocal proponents of “farm-to table” agriculture through their farm store and many educational endeavors in the community.

New-Yadkin River Sharitz Family, Sharitz Dairy Farm

Nominated by the Big Walker Soil and Water Conservation District



The Sharitz family farm dates back to the mid-1800s. Different generations have noted how erosion affected the land. No-till farming was implemented in the 1960s, and the farm hasn't been plowed since. In 2016, the Sharitzes inquired about programs for fencing and alternative water sources with a desire to protect herd health and Reed Creek, the local source of drinking water. They installed 8,300 feet of fence to exclude livestock from the creek and created 31 acres of riparian forest buffer. An additional 20,000 feet of cross-fencing was installed, along with 7,100 feet of water pipe and seven new watering facilities. The Sharitzes' 250 acres of grazeable land has been converted into seven paddocks, while the remaining cropland was converted to permanent pasture and hayland. As a result, pastures are lush with valuable grasses, weeds have diminished and streambanks are healing from erosion.

Potomac River Jay and Sonja Yankey, Yankey Farms

Nominated by the Prince William Soil and Water Conservation District



The conservation of soil and water resources has been a cornerstone of the management of Yankey Farms since its beginning in the early 2000s. The Yankeys maintain approximately 15 beef stocker steers and farm 111 acres of traditional row crops and nine acres of mixed fresh market vegetables. They have been on the forefront of no-till planting and use cover intercropping and organic mulch for soil conservation. The entire farm is managed following a Chesapeake Bay Preservation Act Soil and Water Quality Conservation Plan. In 2017, the Yankeys completed a stream exclusion and rotational grazing project that excludes livestock from all surface waters. The project created four acres of buffer and protects 4,650 feet of Kettle Run streambank. In addition, the Yankeys contribute to environmental and agricultural education through farm tours and other events in the community.

Roanoke River The Thurman and Furrow Families, Lazy Acres Angus

Nominated by the Blue Ridge Soil and Water Conservation District



Lazy Acres Angus is owned and operated by two families that are working to pass their knowledge, work ethic and love for the land on to the next generation. Their focus is to promote quality genetics in the herd in order to have cattle that are healthier and better producers. Working with the district, they installed 15,000 feet of stream-exclusion fencing and created 12 acres of riparian buffer. They also installed alternative watering systems and crossfencing to allow for rotational grazing. On rented land, they use poly-wire for the same effect because they have seen the beneficial results from rotating. The families have devoted themselves to being involved in the local agricultural community, encouraging their neighbors to participate in conservation programs and opening their property to groups such as the Future Farmers of America and Ferrum College classes. ∞



AN EASY WALK TO *Country Living*

FARM CREDIT KNOWS THE WAY!

One thing that makes Farm Credit different than any other loan service is we deal exclusively with rural real estate. That means we understand the true value of the land. Our loan officers are committed to providing peace of mind about your decision and will walk with you through the entire process.

Financing that is as unique as the property you want to buy.

LOANS FOR:

- Homes
- Barns and buildings
- Large and small tracts of land
- Fences and roads
- Construction
- Operating expenses
- Refinancing
- Equipment
- Livestock
- And much more!



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Loans for
Farms, Homes & Land!

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FarmCreditofVirginias.com



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FARM CREDIT Knowledge Center

FarmCreditKnowledgeCenter.com

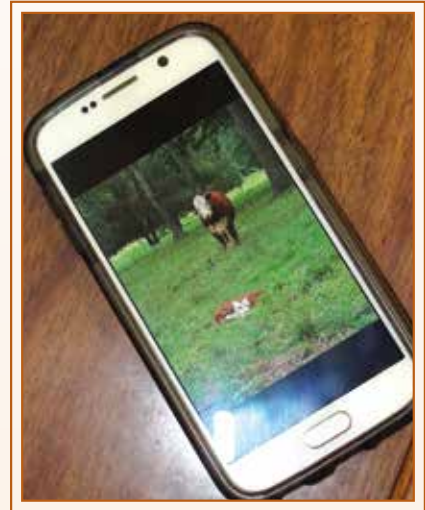
Technology ... these days we are surrounded by it. Cell phones, computers, tablets, smart T.V.s, automated checkout... the list goes on and on; and the same holds true for agriculture. In the last two decades, there have been huge advancements in technology for agriculture – everything from apps to record birth weights, breeding information, medication, etc. for livestock; to GPS technology in equipment; advancements in genomics; drones and much more. Even the tools available through computers and tablets have changed and evolved. Electronic record-keeping systems, financial management software, social media; it has all increased exponentially...with no signs of slowing.

It can be a lot to take in. But it also provides so many opportunities! For many, the question has shifted from “do I really need to use technology in my agriculture operations?” to “what technology is available, and what is best for me and my operation?” We have heard this question more and more over the last couple of years as we visit with producers of all types and sizes throughout our footprint, and so we have put together a Technologies for

Agriculture Series that will cover a variety of technology topics in 2019.

We started the series with our “Digital Presence and Marketing” webinars. This was a series of four online webinars, held in April and May that discussed using social media, websites and other digital platforms to help share stories about agriculture and promote farm businesses and products. Topics included: “Why Should We Tell Our Story Online?”, “Which Social Media Platform is Best for Me?”, “Consumer Trends – Why People Buy” and “What Marketing Strategy Works for You?” Michele Walfred with the University of Delaware and Ginger Myers with University of Maryland, along with panels of producers, shared information and insights with participants. Those who participated shared how much knowledge they walked away with and were excited about being able to implement some of the ideas for their own operations!

The good news? We are not stopping there! Plans are already underway to continue this series in early fall with a set of Microsoft Excel for Agriculture workshops and then, later in the fall, with an in-person Precision Agriculture Technologies workshop. We will be sharing more



about these opportunities on the Knowledge Center website (FarmCreditKnowledgeCenter.com) and our social media pages (Facebook, Twitter and Instagram) as information becomes available. Additionally, as always, you are more than welcome to reach out to any Knowledge Center team member for more information and with any questions that you may have! We are excited to see what information and opportunities this series will bring to agriculture producers, and we look forward to having you join us for some of these sessions! ☺





Farm Credit is known for building relationships with its customers, but it goes further than that. The Farm Credit System was established by Congress more than 100 years ago, and the directors and employees of Farm Credit understand the importance of sharing the Farm Credit story with those key members. Relationships are built by visiting and meeting with representatives in Washington, D.C., and the states within our territory, making trips to locations they are visiting and participating in events where we can share our story.

Just before the end of the year, the 2018 Farm Bill was signed into law by the President. The final agreement on the Farm Bill, reached in December, represented a final bi-partisan compromise in a divided Congress. Its passage provided much-needed certainty for America’s farmers and rural communities going into 2019. The Farm Bill is an \$867 billion piece of legislation that spans 12 subject titles ranging from nutrition to commodity programs, trade to rural infrastructure, environmental conservation and energy to agricultural credit. With the government shutdown in early 2019, implementation of some Farm Bill programs by USDA has been slightly delayed, but indications are that, by mid- to late summer, most changes to producer-specific programs will be moving towards implementation. Want to learn more? Visit <https://www.farmers.gov/farmbill> to learn more about Farm Bill programs and their implementation.

2019 not only welcomed a new Farm Bill, it also ushered in the start of the 116th Congress. With almost as many new representatives as veteran legislators representing our areas in Congress, Farm Credit has been spending a good deal of time in Washington, D.C. and around our states introducing ourselves to new officials. There’s never been a more important time to share the story of agriculture and Farm Credit with our elected officials. Key issues for agriculture in Congress include infrastructure investments like broadband access for rural areas and trade policy, including the NAFTA 2.0 trade agreement. And, with new Farm Bill programs to provide resources in conservation, crop insurance, dairy programs, hemp, specialty crops, and beginning and veteran farmers, there’s lots of work to be done to share why these investments matter for agriculture, forestry and rural communities.

State legislatures have also been busy at work in early part of 2019, and Farm Credit

took the opportunity to support legislative activities in state capitals as well. From attending the Virginia Agribusiness Council’s annual legislative appreciation dinner to sponsoring the West Virginia Agriculture Day, we joined other agriculture industry advocates to encourage state officials to support agriculture programs and policies. Our Farm Credit Knowledge Center AgBiz Planner alumni who joined us for legislative visits in Richmond, Virginia and Charleston, West Virginia, provided a fresh perspective to state legislators on issues of importance to young and beginning farmers in each state.

If you haven’t already, we encourage you to take a moment to join Farm Credit’s advocacy team. Just visit <https://farmcredit.com/takeaction> and sign up for the action alert system. Once you are signed up, Farm Credit will contact you via email and/or text message when it’s time to contact Congress again regarding key votes for agriculture and our rural communities. Help us Stand Up for Agriculture! ☞



Consolidated Balance Sheets

<i>(dollars in thousands)</i>	March 31, 2019	December 31, 2018
	<i>(unaudited)</i>	<i>(audited)</i>
Assets		
Cash	\$ 2,502	\$ 4,700
Loans	1,839,047	1,850,777
Allowance for loan losses	(19,187)	(15,313)
Net loans	1,819,860	1,835,464
Loans held for sale	642	349
Accrued interest receivable	13,586	10,518
Equity investments in other Farm Credit institutions	20,729	20,729
Premises and equipment, net	11,615	11,552
Other property owned	1,477	1,477
Accounts receivable	3,301	22,716
Other assets	1,877	2,146
Total assets	\$ 1,875,589	\$ 1,909,651
Liabilities		
Notes payable to AgFirst Farm Credit Bank	\$ 1,386,308	\$ 1,422,676
Lease obligations	251	—
Accrued interest payable	3,918	4,033
Patronage refunds payable	2,008	30,303
Accounts payable	1,074	2,279
Other liabilities	45,454	9,982
Total liabilities	1,439,013	1,469,273
Members' Equity		
Capital stock and participation certificates	10,381	10,426
Retained earnings		
Allocated	92,568	92,568
Unallocated	333,651	337,408
Accumulated other comprehensive income (loss)	(24)	(24)
Total members' equity	436,576	440,378
Total liabilities and members' equity	\$ 1,875,589	\$ 1,909,651

Consolidated Statements of
Comprehensive Income
(unaudited)

<i>(dollars in thousands)</i>	For the three months ended March 31,	
	2019	2018
Interest Income		
Loans	\$ 25,851	\$ 24,782
Interest Expense		
Notes payable to AgFirst Farm Credit Bank	12,029	10,836
Net interest income	13,822	13,946
Provision for loan losses	4,000	500
Net interest income after provision for loan losses	9,822	13,446
Noninterest Income		
Loan fees	149	294
Fees for financially related services	2	27
Lease income	3	—
Patronage refunds from other Farm Credit institutions	2,613	2,666
Gains (losses) on sales of rural home loans, net	128	119
Gains (losses) on sales of premises and equipment, net	86	157
Gains (losses) on other transactions	(101)	13
Insurance Fund refunds	397	1,673
Other noninterest income	16	25
Total noninterest income	3,293	4,974
Noninterest Expense		
Salaries and employee benefits	4,131	5,045
Occupancy and equipment	339	339
Insurance Fund premiums	313	316
(Gains) losses on other property owned, net	14	(4)
Other operating expenses	2,065	1,940
Total noninterest expense	6,862	7,636
Income before income taxes	6,253	10,784
Provision for income taxes	10	12
Net income	6,243	10,772
Other comprehensive income	—	—
Comprehensive income	\$ 6,243	\$ 10,772



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