



Dear Farm Credit Customer-Owner:

As you know, being a member of Farm Credit of the Virginias delivers many benefits not found with other lenders: relationships with experienced, dedicated loan officers; access to the resources and education offered through our Knowledge Center; and access to a friendly, local financial cooperative that also has the strength and stability of the 100-year-old national Farm Credit System. One of the most significant benefits, though, is being able to share in the profits Farm Credit distributes through patronage dividends.

Each year, Farm Credit's board of directors approves an appropriate level of patronage dividends, carefully balancing the operational goals of the cooperative with the desire to return as much cash to our members as possible. This year, I'm extremely pleased that we have returned a record level of patronage: the Board has voted to increase the cash patronage to be paid to \$30 million, which is double the amount paid last year. As we're able to share profits with our customer-owners, the effective cost of borrowing is decreased.

In each of the past few years, our customer-owners have received an additional benefit from a "special" patronage distribution as a result of an additional patronage distribution to our Association from our wholesale funding bank, AgFirst. Again this year, AgFirst has made a patronage distribution to Farm Credit of the Virginias, a significant financial benefit to your cooperative – \$13 million – which again this year, your board has decided to share with our members.

In previous years, we mailed two patronage dividend checks: in April, we distributed the regular patronage checks, and in June, we distributed a "special" patronage check. This year, in the interest of delivering the full amount to our customers more quickly, we've combined the two, separate payments into a single check, which will be mailed in early April.

We hope that this single cash patronage distribution will help contribute to the continued success of our customer-owners, whose combined, individual success over the years is why our cooperative has experienced consistent growth and profitability.

Here are just a few benefits of working with your local cooperative, Farm Credit:

- For 2017, the total patronage distributions is \$30 million.
- This equates to having an interest free loan for four months.
- We are the only lender in this area who returns a portion of its profits—in cash!
- Our customer-owners get competitive interest rates up front and, as an owner of the cooperative, the potential to further reduce their cost of borrowing through our patronage dividend program.
- Since 2001, we've returned more than \$243 million in cash patronage dividends.

We appreciate your business and look forward to serving your agribusiness, farm, home and personal credit needs in the future. Again, thank you for choosing Farm Credit of the Virginias and being a member of a cooperative with a 100-year legacy of support for rural communities and agriculture.

Sincerely,

C. Peery Heldreth III  
Chief Executive Officer