

LANDSCAPES™

a portrait of living & working in rural America

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Legacy
Ag Credit, ACA

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Texas Farm Credit District lending cooperatives finance rural real estate, agriculture, agribusiness and country homes in Alabama, Louisiana, Mississippi, New Mexico and Texas. These financing co-ops are owned by their customers.

ON THE COVER: Soybean harvesting at twilight. Photo by Debra Ferguson/Southern Images



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Seizing New Opportunities

Agriculture today is more than cattle, corn and cotton production.

It's hops, muscadines and satsumas. Poinsettias, wine grapes and bok choy. Even homemade ice cream and unpasteurized milk.

Farmers and ranchers are responding to consumer demand for specialized products like these. They're tapping into niche markets and finding new uses for traditional commodities. And they're doing so with the latest technology and new marketing approaches.

Turn the pages of Landscapes and meet producers and processors who are seizing new opportunities in agriculture – with the backing of Farm Credit.



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Find Landscapes articles online at FindFarmCredit.com.

NEWS

Farm Credit Helps Young, New and Small Farmers

The number of young, beginning and small (YBS) Farm Credit borrowers held strong in 2018 despite the downturn in the economy.

That's the finding of a survey of farmer customers and prospects by the Farm Credit Administration (FCA).

Survey results show new YBS loan volume and share of new loans increased from 2017 to 2018.

There was a positive increase in quality and quantity of YBS programs and services. In addition, FCA reported more Farm Credit lending associations are tailoring their outreach to a diverse mix of producers.

Report highlights include:

- Nearly 20% of Farm Credit loans were made to young farmers, 30% to beginning farmers and just over 50% to small farmers.
- New loan dollar volume to young farmers increased 7.6% in 2018.
- Loans to beginning farmers jumped 7.1% last year.
- Small-farmer loans increased 6.8%.

These numbers demonstrate Farm Credit associations' ongoing strong support for their customers during challenging times.



Glen R. Smith Designated FCA Chairman and CEO

Glen R. Smith was designated chairman and CEO of the Farm Credit Administration (FCA), the Farm Credit System's regulator, effective July 17.

Smith has served on the FCA board since December 2017, when he was appointed by President Trump. His term on the board will expire on May 21, 2022.

As board chairman, he succeeds Dallas Tonsager, who died in office in May. As CEO, he succeeds Jeffery Hall, who became acting CEO when Tonsager was incapacitated by illness. Hall continues to serve as a member of the FCA board.

Smith is a native of Atlantic, Iowa, and is founder and co-owner of Smith Land Service Co., an agricultural service company specializing in farm management, land appraisal and farmland brokerage. His family's 2,000-acre farm is devoted to corn, soybeans, hay and a small beef cow herd. He is an Accredited Rural Appraiser.

FCA has examination and regulatory authority over the Farm Credit System, with oversight by Congress.

Texas District Young Leaders Join Farm Credit Fly-in



Twenty Texas Farm Credit District customers from Alabama, Louisiana, Mississippi, New Mexico and Texas joined the Farm Credit Fly-in held in July. They were participating in the district's Young Leaders Program. The group met with USDA and elected officials in Washington, D.C., then traveled to New Jersey, above. There, they went to the Federal Farm Credit Banks Funding Corporation to learn how the Farm Credit System is funded.





Growing **THE COLORS** *of Christmas*

From a humble start in the greenhouse business, an Alabama farm family has emerged as a leading poinsettia producer.

Christmastime at Walt Disney World in Orlando, Florida, is a feast for the eyes. And one of the most memorable sights is the sea of red, white and green poinsettia plants lining the streets of Disney's famous Epcot Theme Park and The Magic Kingdom.

To help create this botanical show, the tourist attraction relies on a north Alabama farm family.

Every year, Hank Richardson and his family, owners of Dixie Green Inc. in Centre, Alabama, provide thousands of poinsettias for the famous tourist attraction.

The Richardsons are one of the leading producers of poinsettias in the southeastern United States. Support from Alabama Farm Credit has helped them expand in recent years.

Greenhouse Business Supports Whole Family

Yet the family never set out to cater to the likes of Disney. When they entered the greenhouse business, they were simply three brothers looking for another source of farm income.

"It's kind of hard to believe, even for me," says Hank Richardson, the patriarch of the operation. "It seems like yesterday we were peddling flowers out of the back of a pickup truck."

In 1974, a family friend talked Richardson and his brothers, Harlan and Jerry, into trying the greenhouse business. Until

RICHARDSON FAMILY

Dixie Green Inc.
Centre, Alabama

Alabama Farm Credit helps fund the day-to-day production costs of this high-volume greenhouse business.

Come November and December, the greenhouses at Dixie Green in Centre, Alabama, are ablaze with over 250,000 poinsettias. The company also grows spring annuals and fall mums.



Two generations of the Richardson family keep Dixie Green operating year-round. From left are Daniel, Hank, Jerry (now retired) and John.

“

“... there just wasn't a way for that farm to support us. We had to get creative, and the greenhouse business allowed us to do that.”

– Hank Richardson

that year, the family raised livestock and farmed traditional row crops — corn, soybeans and wheat.

“That was my parents' farm,” Richardson says. “The problem was that we had a large family and all wanted to work and live around here. There just wasn't a way for that farm to support us. We had to get creative, and the greenhouse business allowed us to do that.”

Demand From Wholesalers Drives Expansion

The brothers pooled their money, built a 28-by-96-foot greenhouse and began growing flowers. At first they raised a wide variety of annuals and houseplants.

“We put a camper shell on our old pickup truck and began delivering flowers to local garden centers,”


Richardson says. “Then we were still Richardson Greenhouse. We were pretty good at growing things, and people seemed to like what we brought them.”

After a few years, the brothers narrowed their focus to a handful of species, including caladiums, calla lilies, sunpatiens, chrysanthemums and poinsettias, and their wholesale business began to grow.

“We just kept chipping away at it,” Richardson recalls. “People seemed to really like the stuff we grew — especially the poinsettias — and we just kept adding greenhouses to keep up with the demand.”

Farm Credit Helps Fund Production

Today Dixie Green has expanded to 12 acres of heated space — a total of 522,720 square feet — with another 8 acres of outdoor growing area.



The staff now includes Richardson and his wife, Sheila; their son John; another son Daniel and his wife, Lauryn; and a niece, Amanda. Harlan passed away several years ago, and Jerry recently retired.

Richardson says he began financing with Alabama Farm Credit's Albertville branch in about 2014.

“
... the most gratifying thing is
that we've been able to make a
living in our little hometown by
working with family and doing
something we enjoy.”

– Hank Richardson

“They have helped a lot with our recent growth,” he says. “We use Farm Credit to help fund the production during our busiest seasons. They have been great to work with and really seem to know what a farmer needs.”

Every holiday season, the farm ships roughly 250,000 poinsettias. These end up not only in large venues like Disney World and the Gaylord Opryland Hotel, but also in retail stores, including Lowe's and Walmart. Many more are sold in church, school and youth fundraisers.

Family Honored as Outstanding Farmers

More than 40 years in the greenhouse industry has led to much recognition for the Richardsons. In April, Dixie Green was recognized by the Alabama Farmers Federation as an “Alabama Farm of Distinction.” The award put the Richardsons in contention for the Swisher Sweets/Sunbelt Expo Southeastern Farmer of the Year. And in August, Alabama Farm Credit named them “Farmer of the Month.”

“These are pretty big awards, and we are very grateful just to be considered for them,” says Richardson. “But I think the most gratifying thing is that we've been able to make a living in our little hometown by working with family and doing something we enjoy. It hasn't always been easy, but it's been worth it.” ■ MJ

Find Dixie Green Inc. online at www.dixiegreen.net.
See a video of Dixie Green at FindFarmCredit.com/DixieGreen.

A Poinsettia Primer

Although it is a holiday mainstay, the poinsettia plant is a mystery for many Americans. Here are answers to some common questions about this traditional favorite.

Do poinsettias prefer bright light or shade?

They like bright locations away from heating vents, fireplaces and cold drafts. Their ideal temperature is between 65 and 70 degrees.

How should I water the plant?

Overwatering is one of the most common mistakes when caring for poinsettias. For best results, remove the decorative foil wrapper and water your poinsettia thoroughly over a kitchen sink until the water begins to drain out the bottom of the pot. Wait until it stops dripping before replacing the foil. Repeat roughly once a week. Its root ball should neither be drenched nor dry out.

Are poinsettias poisonous?

Poinsettias are not poisonous to humans or animals, contrary to common myth. However, their leaves contain a milky sap that can cause pets and young children to become nauseous.

Are the colorful parts flowers?

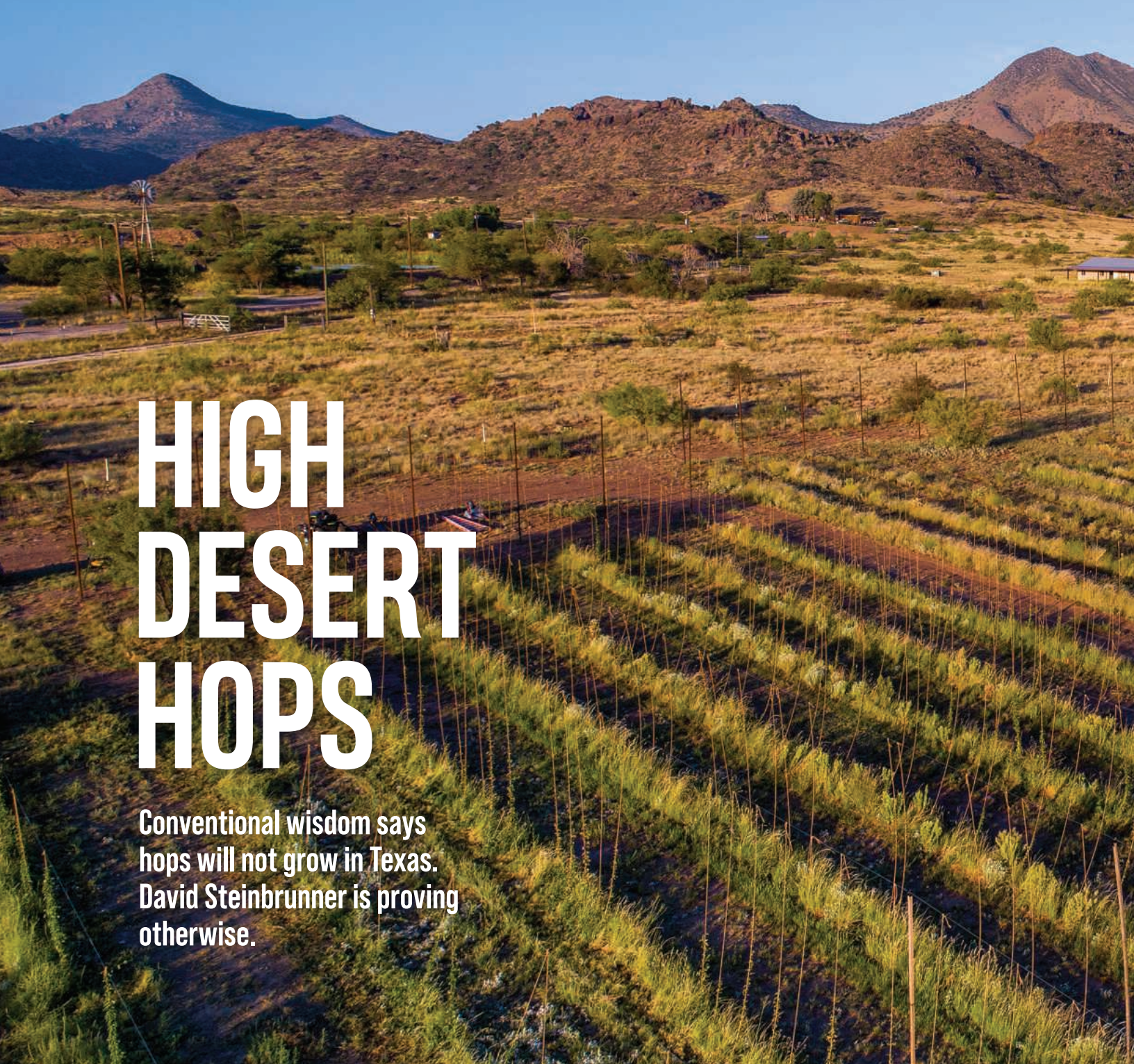
No, those are bracts or modified leaves. Poinsettias do have flowers, but they are very small and inconspicuous.

How long should I keep my poinsettia?

In its native Mexico, the poinsettia grows as a perennial shrub. As a houseplant, it is generally treated as an annual and discarded after the holiday season. However, if cared for properly, your plant can survive well into the following year.

How do I pronounce poinsettia?

The correct pronunciation is poin-set-EE-yuh, not poin-set-uh. Linguists say that it has been mispronounced for so long, the correct usage now sounds incorrect to many Americans. For this reason, both pronunciations are accepted in many dictionaries. ■ MJ



HIGH DESERT HOPS

Conventional wisdom says hops will not grow in Texas. David Steinbrunner is proving otherwise.

Hops thrive at Ruach Organic Farm in Alpine, Texas.

In the Lone Star State, products featuring all Texan ingredients can earn serious bragging rights. But it has not been easy to brew pure Texas beer — until now. With the support of Capital Farm Credit, David Steinbrunner recently started growing hops under far West Texas skies. And not just any hops — they're organic, hand-picked hops, delivered at the peak of freshness.

Growing in Tough Conditions

For local brewers, the trouble is that hops — a key ingredient in beer — are hard to grow in Texas. Instead, nearly all are produced in temperate areas like the Pacific Northwest.



Growing plants in challenging conditions is nothing new to Steinbrunner, however.

Armed with a horticulture degree from Texas A&M University, he has owned an organic landscaping business in the Texas Hill Country for years. He also developed his own proprietary blend of friendly fungi called mycorrhizae to help plants build strong root systems.

Steinbrunner, an avid home brewer, got the idea to grow hops commercially while exhibiting his Wildroot Organic



Horticulturist David Steinbrunner grows organic, hand-picked hops for Texas craft brewers. The plants can grow over 14 feet high and produce several pounds of fresh hops each.

DAVID STEINBRUNNER

Alpine, Texas

Capital Farm Credit refinanced the Steinbrunners' land, providing operating capital to start an organic hops business.

mycorrhizae at the American Hop Convention a few years ago.

“There were people from Southern California, Florida and Arkansas who’d grown hops commercially for years,” Steinbrunner says. “I thought, why not grow in Texas? If we find the right spot, maybe we can.”

Needing Cooler Nights

He spent the next two summers growing hops near San Antonio as a test before looking for land. He ultimately chose Alpine — tucked between mountain ranges over 300 miles to the west — because it is similar in climate to eastern Washington state, America’s hops capital.

“Yakima, Washington, frequently has the same conditions in July and August [as Alpine],” he says. “It’s semiarid and hot, but cool at night. Hops need that to recover.

“At 4,500 feet elevation, Alpine cools down nicely. That’s hard to find in other parts of Texas.”

After studying USDA soil maps, in 2017 Steinbrunner and his wife, Teresa,

purchased land with good water and mineral-rich volcanic soil. He also found a loan officer who understood the value of local hops.

Financing From an Enthusiastic Lender

Commercial banks had not been interested in financing a hop yard. But the Steinbrunners were able to refinance their land purchase with Capital Farm Credit, freeing up funds to install plants, trellises and an irrigation system.

“David had done his homework,” says his lender, Tim Traister of Capital Farm Credit in Austin, near the Steinbrunners’ home on Lake LBJ. “Even before I met him, I’d thought about how Texas hops would be

a selling point for breweries. Having a true Texas product is a good way to distinguish yourself.

“This is one of those things that’s exciting to be a part of.”

Steinbrunner appreciates having such an enthusiastic lender.

“It’s a totally different atmosphere working with Capital Farm Credit,” he says. “They’re great.”

Thanks to Capital, Steinbrunner planted several varieties last year at the hop yard, which he named Ruach Organic Farm after the West Texas wind. He now has over 2,000 plants on 3 acres.

The climbing perennials are trellised on twine made of hemp, their botanical cousin.

“From a little rhizome, they’ll grow 15 feet that first year,” he says. “I mean, they really get after it. The second year, you can harvest a lot. And the third year should be amazing.”

Hand-Harvesting Hops

By hand-harvesting the hop flowers instead of cutting down the entire plant, as most growers do, Steinbrunner gets more than one crop in Texas’ long growing season.

The hop flowers that are essential to beer are usually dried and pelletized for easy storage and shipping. But he vacuum-seals and freezes his hops within 30 minutes of picking, thereby preserving their freshness for craft brewers across Texas.

Customers include Jester King Brewery in Austin, Martin House Brewing Co. and TexMalt in Fort Worth, and the Gage Hotel’s Brick Vault Brewery and Barbecue in Marathon.

Brodie Pierce, Brick Vault’s former head brewer, was surprised to learn hops were growing 30 miles away.

“I thought, why not grow in Texas? If we find the right spot, maybe we can.” – David Steinbrunner



All About Hops

Sometimes the best recipes have the fewest ingredients. Beer has four: grain, water, yeast and hops.

Hops are the female flowers of the hop plant. The cone-shaped flowers grow on bines — stems that climb by wrapping clockwise around a support.

Yellow lupulin glands in the hop flowers contain the oils and acids that give beer its aroma, bitterness and freshness.

“That’s what brewers are so crazy about,” says Capital Farm Credit customer David Steinbrunner.

Depending on the cultivar, hops can be citrusy, floral, spicy, fruity, piney, herbal and more. The bitterness balances out beer’s sweetness, and antimicrobial qualities keep the beer fresh.

And if beer makes you sleepy, that could be the hops, too. They have sedative properties and can be used in a relaxing tea.



"In the past, we've had hops picked in Washington state and flown to us within 12 hours — which is very costly and nerve-racking," Pierce says. "In brewing, we mostly deal with hop pellets, which look like a tiny version of a range cube you'd feed cows. But a fresh hop is this beautiful, fragile flower. You get a lot of fresh aromas."

Supplying Texas Brewers

Pierce was as impressed with Steinbrunner's passion and beer knowledge as he was with the hops.

"We decided to brew with his hops because we're all about showing off this area of Texas," Pierce says. "Cascade hops from the Northwest have a strong citrus flavor,

like orange pith. With David's hops, it was more like orange marmalade, and it wasn't so bitter. Everyone liked the flavor profile.

"Breweries take pride in an all-Texas-made product."

With just two West Texas crops under his belt, Steinbrunner is still refining his hop varieties and trellising methods. And he looks forward to robust crops as his plants mature.

"Hop production in the state would have to be much, much greater for someone to use just Texas hops in their brewing," he says. "But this at least gives brewers some beers that can be all-Texas now. And that's kind of cool." ■ CF

Top right: Steinbrunner and most of the family brew beer — some winning national awards.

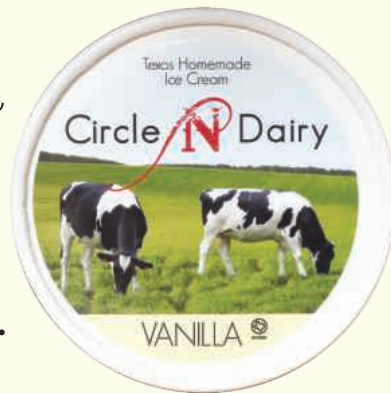
Bottom left: Craft brewers Brodie Pierce, left, and Alton Huebner of Brick Vault Brewery used the fresh, local hops this summer in a beer they called Brewster County's Best.

*Bottom right and top left: Hops are the female flowers of the climbing plant *Humulus lupulus*. The hardy growers survived an unseasonable hailstorm this year.*

See a video of Steinbrunner's hop operation at FindFarmCredit.com/hops.

A Business Built on ice cream

**Texas' Circle N Dairy finds a niche market with
homemade ice cream and cheese.**



For many people, few things soothe the soul like a bowl of homemade ice cream. But for Texas dairy farmers Tommy and Michelle Neu, it's what saved their family business.

In 2017, the Neus' longtime commercial co-op buyer stopped purchasing their milk, wanting them to sell the milk exclusively to the co-op — not directly to consumers. Instead of giving up, the couple saw this as an opportunity to add a unique product to their farm store — ice cream made with milk from their own cows.

Today the Neus make, package and sell a dozen varieties of homemade ice cream straight from their Circle N Dairy in Gainesville.

Tommy's father started the dairy in 1967. Over the years, loans from Lone Star Ag Credit helped the couple expand their operation.

"As best we know, we are the only dairy in the state that produces their own milk, ice cream base and ice cream," says Michelle. "We are part of the process from cow to cup, and it's all done here on our farm."

Ice Cream, Cheese and More

The Neus started their farm store nine years ago when a neighbor became interested in purchasing raw milk. The couple obtained the proper permits and began selling milk and eggs. More products soon followed.

"We knew if people were going to come out here, we had to offer more," says Michelle.

The dairy's farm store quickly grew, offering cream, Greek yogurt, and baked and canned goods from neighbors. Grass-fed Angus beef raised by the couple's youngest son, Kevin, and his wife, Amber, expanded their line of goods.

The Neus also began selling their own cheese. Every month, they haul 330 gallons of milk to a local cheesemaker, who turns it into eight varieties of Circle N Dairy cheese. Today, the farm store is open seven days a week year-round, and most of the food products are made locally.

For those who can't visit the Neus' store in person, Circle N products are available through three local distributors, as well as retailers in the Dallas-Fort Worth Metroplex.

Secret to Their Ice Cream

Michelle proudly points out that Circle N uses minimal ingredients in their ice cream. The base consists of low-heat pasteurized milk, cream and sugar. The mixture is refrigerated for 24 hours before it's added to the other ingredients in an ice cream machine. Minutes later, the mixture has a soft serve texture. It's then packaged in pint or half-pint cartons and put into the blast freezer.

Even after making ice cream and cheese, the Neus have a milk surplus. That extra milk is left unpasteurized and sold on the



In addition to ice cream, the Neus sell several dairy products made from milk from their own dairy farm, including cheese and raw milk. These are all available in their on-farm store.

farm as raw milk. Under Texas law, raw milk can only be sold on the farm where it is produced.

Tommy says raw milk products are popular with people who have certain health conditions, such as lactose intolerance. He reports that people who haven't drunk milk in years try their products.

Where Milk Comes From

The Neus believe in helping the public understand where their food comes from. Every week, they offer group tours at Circle N Dairy.

"The groups start at the silo, so we can teach them how our cows are fed and taken care of," says Michelle, who leads the tours.

Groups also visit the dairy barn to learn about the milking process. Visitors can bottle-feed baby calves and try their hand at "milking" a life-size simulated cow. Afterward, they are treated to milk and can enjoy the covered picnic and play areas.

"This is to teach people where their food is coming from," Tommy says. "We have to show them what we do and educate them. This

is a seven-day-a-week, 365-days-a-year job to milk the cows twice a day, feed and take care of the animals and raise the crops needed on our dairy."

A Lender Through Tough Times

The Neus became Lone Star Ag Credit customers in 1998. Tommy says they appreciate having a lender who's been with them through some tough years, including record low milk prices and drought.

"And that patronage check is nice," he says, referring to the lending co-op's dividend program.

Craig Hartman, Lone Star Ag Credit credit office president in Sherman, lives near the dairy and frequently visits the store, buying milk for his family.

"Adapting and diversifying the business was a big commitment for the Neus," Hartman says. "They did what they needed to do to keep their business sustainable. We're happy we could help them through the process of developing a more value-added business model." ■ SH

For more information about Circle N Dairy and its products, visit www.circlendairy.com.

Michelle and Tommy Neu welcome visitors to their Circle N Dairy for weekly tours and to visit the farm store.



TOMMY AND MICHELLE NEU

Circle N Dairy
Gainesville, Texas

Real estate and equipment financing from Lone Star Ag Credit allowed the Neus to expand and diversify their dairy operation.



sugar-sweet Satsumas

Alabama Ag Credit helps Sessions Farms grow their business.

Satsuma. Tangerine, clementine or orange? None of the above. It's a mandarin, explains Jeremy Sessions. And he should know. His family has been growing satsumas for 25 years near Mobile, Alabama.

A multigenerational operation, Sessions Farms owns 3,500 satsuma trees, planted across several orchards. Their average annual yield is 600,000 pounds, with bumper crops as high as 750,000 pounds.

This is especially impressive since harvesting satsumas is labor-intensive. Each piece of fruit is plucked by hand. It takes nearly 20 people — working 15-hour days — to pick, grade and ship fruit daily during the three-month season. These high labor costs mean the farm needs to get a premium price, which takes a premium product.

To ensure the highest quality, the Sessions' operation is certified, meeting strict food safety requirements. This requires special facilities to properly store the fragile satsuma.

Four years ago, their business had outgrown their warehouse, and they were renting additional storage. In order to maintain an A+ rating, they knew they had to expand their facilities.

Growing With Alabama Ag Credit

"We either had to grow or get out of the business," explains Sessions. "Alabama Ag Credit

SESSIONS FARMS

Mobile, Alabama

Alabama Ag Credit helped the Sessions family build a state-of-the-art warehouse to grow their business.



Jeremy Sessions and his family grow as many as 750,000 pounds of satsumas every year — sold mainly to public school systems.

helped us take that next step. They make borrowing money as easy as you can."

Sessions Farms secured a construction loan to build a 6,500-square-foot warehouse. It isn't just an ordinary warehouse. The outside walls of the structure are built with special insulated panels. The panels allow any part of the warehouse, or all of it, to become a cooler. All that Sessions needs to do is put up another interior wall, then install refrigeration in the newly created space. And voilà, they have another cooler.

"Without Alabama Ag Credit, we couldn't have expanded," Sessions says. "Cultivating a relationship with our banker is



Drifting Light/Shutterstock.com



March through December, you can buy some type of fruit or vegetable from the Sessions Farms' produce stand — all grown on their land.

important to us. Alabama Ag has been our partner for more than 25 years.”

Adapting to Changing Markets

Not only does the family grow satsumas, they raise nearly every type of fruit and vegetable on their 1,800 acres. Other specialties include peaches, watermelons, sweet corn and pecans.

You can find their produce at farmers' markets in Mobile four days a week during the summer. Or you can shop at their warehouse year-round.

Sessions explains their crops not only change with the season, they change to meet consumers' tastes too. “We adapt and grow what's popular,” he says. “Variety has been key to our success.”

They've also changed their business model to meet market needs. Sessions says there will always be a produce stand at the farm, but their focus is wholesale, not retail.

Currently, their largest customers are public school systems in Alabama and Mississippi. They're also expanding to other markets across the region.

Making Farming a Family Affair

During every harvest — whether it's peach, watermelon or satsuma season — it's all hands on deck.

“It doesn't matter what your regular job is, everyone jumps in to do whatever is needed. We never wear just one hat,” Sessions says.

From March through July, it takes the whole family, plus extra hands, working seven days a week to keep up with demand. Family members include Sessions' dad, Art; his uncle, David; and cousins Adam and Blake.

The only time they take a break is in August and at Christmastime. Even then, there's always something to do.

“We're either getting ready to plant, planting, spraying, mowing or picking,” Sessions says.

So, what is his favorite crop? He'll tell you, “whatever's in season. We're truly a year-round operation.” ■ KFF

What Do You Call That Little Orange Fruit?

You've heard of satsumas, clementines, mandarin oranges and tangerines. Are they really different types of citrus? Or are those just different names for the same small, sweet orange fruit?

Yes and no.

They are all mandarins, but they're different varieties. Originating in the Far East thousands of years ago, mandarins were first imported to the U.S. in the 1800s.

Tangerines and clementines are mandarin hybrids, but satsumas are purebred. This makes satsumas sweeter, easier to peel and more tender than their distant cousins. But it's these qualities that make them tricky to transport. That's why they're hard to find in your local supermarket.

But you can always find the common orange. It's a mandarin hybrid too.

LegacyACA.com



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Legacy Ag Credit Goes to Washington



Rural and agricultural legislation is critical to the livelihoods of Legacy Ag Credit borrowers and the health of the communities we serve. And there's no better way to deliver that message to lawmakers than to take it ourselves.

This past summer, Legacy Ag Credit sent a team of directors, borrowers and staff to Washington, D.C., to represent your interests and concerns on Capitol Hill. Our group was part of a large

Farm Credit contingent — nearly 750 people from across the country — telling the Farm Credit story and speaking up for agriculture.

The entire Farm Credit delegation heard from U.S. Secretary of Agriculture Sonny Perdue and held discussions with members of the House Agriculture Committee. Then our representatives met with the legislators from our service territory and their staff members. They included U.S. Sens. Ted Cruz and John Cornyn, and Reps. Louis Gohmert and Lance Gooden.

These one-on-one visits allowed the Legacy Ag Credit delegates to discuss matters like crop insurance, trade policy and other topics that impact farmers and ranchers in our area.

While we can't all visit Capitol Hill, there are other ways to advocate for policy affecting our borrowers and Farm Credit.

One of the easiest is to use the Farm Credit digital tool that allows you to send a message to your members of Congress. Simply text "AG" to 52886 on your cellphone or visit FarmCredit.com/TakeAction. By doing so, you will be notified when important policy needs action. Then, with the click of a button, you can let our policymakers know that Farm Credit supports farmers, ranchers and rural infrastructure providers in good times and bad.

Matters like trade policy affect the ability of farmers and ranchers to stay in business and feed our nation. Federal policy also affects Farm Credit's ability to provide dependable and competitive credit to agriculture and rural America. It's important we tell that story.

As a cooperative, Legacy Ag Credit is committed to looking out for our members' interests and concerns in the policy and legislative arenas.

With our members in mind, we are also pleased to announce that construction has started on two new buildings to serve you. Our new Terrell and Longview offices will better accommodate members, while bringing the premier service and understanding of an ag lender to the surrounding areas. Join us on social media for building updates and events.

We hope to see you soon!

Derrell W. Chapman
Chief Executive Officer



Part of the Farm Credit System

FARM CREDIT VISITS CAPITOL HILL

Nearly 750 Farm Credit directors, employees and borrowers brought Farm Credit's message to Capitol Hill in July, and certainly left a mark.

It was nearly impossible to walk the halls of Congress during the Farm Credit Fly-In without seeing a green Farm Credit nametag or marketplace tote bag. Working together, we raised awareness of Farm Credit and all we do to support farmers, ranchers and rural communities in this challenging ag economy.

U.S. Secretary of Agriculture Sonny Perdue kicked off the Fly-In. He covered priorities shared by Farm Credit and the U.S. Department of Agriculture — support for farmers and ranchers in the economic downturn, development of rural infrastructure and agricultural trade opportunities.

Secretary Perdue's comments were followed by a conversation with Reps. David Scott and Austin Scott, members of the House Agriculture Subcommittee on Commodity Exchanges, Energy and Credit. Farm Credit is proud to call both members friends. Their remarks about bipartisanship in agriculture were very appreciated.

The following day Farm Credit announced its arrival on Capitol Hill by giving away donuts to congressional staff and others arriving for work. Attending were Reps. Marcia Fudge and Vicky Hartzler, members of the House Agriculture Committee. They met with Farm Credit women directors, borrowers and executives to discuss the challenges and opportunities facing farmers and ranchers today.

Legacy Ag Credit joined associations from across the nation in collectively making 400 individual congressional visits. Legacy CEO Derrell Chapman; directors Louis Cernoch, Terry Milligan



The Farm Credit Marketplace was held in the magnificent Library of Congress Great Hall.

and Brandon Sides; and Marketing Manager Amy Rayzor joined other Texas associations to discuss local agricultural needs with Sens. Ted Cruz and John Cornyn and Rep. Lance Gooden.

Rep. Louie Gohmert from Texas' 1st congressional district gave Legacy and other Farm Credit representatives in his district a tour of the Capitol. He talked about current issues in agriculture and the history of our judicial system.

Farm Credit's day on Capitol Hill concluded with a Congressional Reception and Marketplace in the Library of Congress Great Hall. The signature event drew more than 1,000 guests, including members of Congress. Attendees sampled and took home more than 20,000 products produced by Farm Credit customers.

From Pacific Northwest oysters to New York maple syrup, guests learned the unique stories of the producers behind the products and how Farm Credit helps them grow and thrive.



Legacy Ag Credit staff and directors joined other Farm Credit representatives in Washington, D.C. From left: Marketing Manager Amy Rayzor, Director Louis Cernoch, CEO Derrell Chapman, Director Brandon Sides, Rep. Lance Gooden, Heritage Land Bank (HLB) Director George Hodges, Director Terry Milligan and HLB Director James Tarrant.

A Growing Legacy

Legacy Ag Credit Building Offices in Longview and Terrell

We're proud to announce we're building two new locations to better serve our borrowers.

Longview, Texas, is home to more than 81,000 people and one of the newest Legacy Ag Credit offices. Longview makes up the majority of Gregg County and serves as the county seat.

"Longview and the surrounding area is a dynamic growing market for rural homes and recreational land, as well as traditional agriculture," says CEO Derrell Chapman. "Legacy Ag Credit is excited to be a part of that growth, and we believe our new branch office will provide greater convenience and a more welcoming presence for both existing and future customers."

Our other location will be in the heart of Terrell, Texas. Kristal Jackson, relationship manager for the new office, is extremely excited about the new opportunities this location promises.

"For the past several years, the city of Terrell has been dedicated to growth and progress while still maintaining the small-town feel that the people of this region so appreciate," says Jackson. "The visibility and accessibility of our new

location is ideal for reaching Kaufman County natives, as well as the growing number of newcomers from the DFW metroplex, searching for a more rural setting to call home.

"I'm excited about Legacy's opportunity to put down roots in this community. I look forward to helping the citizens of Kaufman County with all their ag credit needs."

New locations:

LONGVIEW

**3538 Fourth Street
Longview, Texas 75605**

TERRELL

**1541 S. State Highway 34
Terrell, Texas 75160**

We encourage you to join us on this journey through social media and mailouts. As always, if you are in the area, please drive by!



Legacy staff and directors at the Longview groundbreaking ceremony. From left, Vice President Joseph Grier, CAO Sherry Sturgis, CCO Jake Aragon, CLO Al Conner, Director John Shinn, Director Randy Reeves, Board Chairman Terry Milligan, Board Vice Chairman Brandon Sides, Director Danny Evans, Director Cody Newman, Director Louis Cernoch and CEO Derrell Chapman.



This artist's rendering shows the design of both the Longview and Terrell office buildings.

OUT AND ABOUT IN OUR COMMUNITY

Dairy Festival a Big Success

The annual Hopkins County Dairy Festival celebrates the rich heritage of the dairy industry in the area. This year's event was June 7-15. Legacy Ag Credit sponsored a hot air balloon, and the staff handed out 500 ice cream sandwiches.



Legacy employees and friends handed out ice cream and water during the dairy festival. From left: Amy Rayzor, Terrie Christophersen, CEO Derrell Chapman, Rylan Brewer, Kimberly Brewer, Silvia Herrera, Becky Sikes, Alyssa Niewiadomski, Candace Ashmore, Heather Johnson and Kristal Jackson

The Legacy hot air balloon readies for morning flight.



Proud to Sponsor TSCRA Ranch Gathering

Legacy Ag Credit sponsored the Texas & Southwestern Cattle Raisers Association Ranch Gathering in Sulphur Springs Aug. 7.

Our staff members enjoyed meeting the cattle producers who are the heart of the beef industry in our area. We gave away a Pierce VaxMate cooler and enjoyed learning more about our local beef producers.



Legacy Ag Credit's Chief Lending Officer Al Conner, left, meets local cattle raisers.

Supporting 4-H – Legacy Ag Credit made a donation to Gregg County 4-H to honor retiring Director Randy Reeves. Pictured from left: Reeves, Matthew Miller, Emily Crutcher, Emily Janner, Skylar Stafford and CEO Derrell Chapman



Helping Children With Special Needs

The annual Special Kids Farm and Ranch Day in Golden was held April 26. Employees from our Sulphur Springs office supplied water and served as buddies for the special needs children.

Staff help at the Special Kids Farm and Ranch Day. From left: CEO Derrell Chapman, Amy Rayzor, William Bennett, Kristal Jackson, Brittany Hammond and Marc McGahee



From left: James, Jerry Allen and John Newby show off a pair of Wrangler jeans made from Alabama cotton they grew. The jeans' button, below left, features the outline of the state of Alabama.

Homegrown Jeans

Alabama's Newby family teams with Wrangler to create jeans from their cotton.

Have you ever wondered where your favorite jeans came from?

Wrangler wants you to think about it, and they've recruited the Newby family of Athens, Alabama, to help.

"More than ever, people want to know where and how their food is produced," says Jerry Allen Newby, whose family has grown cotton for seven generations. "Wrangler wants to apply that trend to garments as well, and they've asked us to be a part of what they're doing."

In 2017, the Newbys — Alabama Farm Credit members for three generations — were the first of five U.S. farm families selected by Wrangler for the clothing company's new "Rooted Collection."

Labels Feature Five States

The collection features blue jeans made of cotton from Alabama, Tennessee, Georgia, Texas and North Carolina. Sold mostly online, each state's jeans are customized. The state map appears on the jeans' shanks, rivets and patches. The farmers' names are printed on the inside of the pockets.

"This is a groundbreaking project, and we feel fortunate to have been approached," says John Newby. He partners with his father, Jimmy; his brother, James; and

cousins Jerry Allen and Elizabeth. "There are plenty of great farmers in Alabama that Wrangler could've asked."

Wrangler chose the Newbys because of their stellar reputation as community leaders and excellent farmers who use sustainable farming methods and other best practices.

"Wrangler was really concerned with environmental impact," says John. "This is something we feel strongly about and were already addressing. Like any good farmer, we take care of our land and try to be a great neighbor to the community."

Grown, Spun and Sewn in the U.S.

Wrangler purchases cotton from the Newbys that is traceable to specific fields and harvest dates. The cotton is spun and woven in Trion, Georgia. Then it's sewn into jeans in El Paso, Texas.

"Every part of the process happens in the U.S.," John says. "That's pretty unusual these days."

Jerry Allen sees the program as an important way to promote the American farmer.

NEWBY FARMS

Athens, Alabama

Alabama Farm Credit has helped three generations of the Newby family expand their farming operations with mortgage and equipment financing.

"There is a big disconnect between the general public and farming," he says. "Many people think we still harvest by hand, and they have never seen a cotton boll in real life. During harvest season, you see folks pulled over on [Interstate] 65 and running over to a field to pick a little off a plant — they're not sure what it is."

"This program is quite literally a bridge between the farmer and the man or woman buying clothes. It removes some of the mystery of where the product comes from." ■ MJ

Learn about Newby Farms and the Rooted Collection at www.wrangler.com/collections/wrangler-rooted.



The Newbys' name is printed on an inside pocket.

COTTON on THE MOVE

A new gin opens in the Texas Panhandle as the state's cotton acreage expands northward.



mahirart/Shutterstock.com

Move over, corn.

In the past two years, cotton has surpassed corn as a mainstay crop across the Texas Panhandle's northern plains. As water supplies dwindle and irrigation costs rise, more farmers are rotating from water-thirsty corn to shorter-season cotton varieties.

Cotton's migration northward is expected to continue. The trend recently led a group of growers and investors to build a new high-capacity gin south of Pampa in Gray County.

Lonestar Gin — a \$24 million facility financed by Plains Land Bank — opened

for business in October. It is designed to process 150,000 bales annually.

"We've needed more ginning facilities in this area to handle cotton's growth," says Mike Friemel, Lonestar's board president, who farms cotton in three Panhandle counties. "Farmers don't get paid until their crop is ginned and graded. This new gin will focus on getting cotton ginned in a timely manner so farmers can get paid."

120 Bales an Hour

Lonestar's six gin stands and two presses can turn out 120 cotton bales an hour.

The 5-acre gin complex includes a



LONESTAR GIN

Pampa, Texas

Plains Land Bank provided Lonestar Gin with a term loan to construct the \$24 million ginning facility.

Terry O'Neal

Above: The Lonestar Gin plant is seen during construction in spring 2019. Behind the plant are two seed houses.

Opposite: Inside the recently completed gin are, from left, Randy Boman, Windstar Gins agronomist; and Lonestar Gin leaders Lance Williams, vice president; Mike Friemel, board president; and Carey McKinney, gin manager.





Farmers don't get paid until their crop is ginned and graded. This new gin will focus on getting cotton ginned in a timely manner so farmers can get paid."

– Mike Friemel

450-by-195-foot plant, an office building and two seed warehouses. Each warehouse can store up to 6,000 tons of cotton seed. The yard can store 80,000 bales.

That's a lot of ginning and storage capacity. But it was urgently needed, say growers.

Panhandle farmer Lance Williams harvested a bumper crop of cotton three years ago. So did other area producers.

"I sent my cotton to five gins," says Williams, who's a Plains Land Bank customer and now Lonestar Gin vice president. "They were all overwhelmed and running 60 to 90 days behind. My cotton was finally ginned by March."

Meanwhile, Williams talked to potential investors about building a small gin. Then in the summer of 2017, he and Friemel got together with other cotton producers in Amarillo. Nearly everyone agreed to build a high-capacity gin in Gray or Carson county.

Moving forward, Friemel, Williams and Randy Darnell, who farms in Potter, Randall and Deaf Smith counties, sat down with directors of Windstar Gins.

The huge ginning company owns or is affiliated with several gins in the northern Panhandle. One of these, Adobe Walls Gin near Spearman, is the nation's largest gin. It can process more than 350,000 bales annually.

"People in this area know Windstar," Friemel says. "Windstar's involvement gave everyone confidence in our project. So I knew they'd want to invest in Lonestar."

80 Investors Sign Up

He was right. By May 2018, the project had signed on 80 investors with enough equity to build a six-stand gin. Twenty investors are Plains Land Bank customers.

More meetings led to a partnership with an energy provider.



Left: Lonestar's high-efficiency cyclones soar against the sky, ready to collect dust particles during the ginning process. Center: Six gin stands remove the cotton seed from the lint. Right: Exhaust fans line one wall. The gin will employ about 45 people during peak season.



Two large open-air seed houses will store the cottonseed that's extracted during the ginning process. Seed accounts for 15 to 25% of a cotton crop's value.

That connection led to a prime location — a World War II air base located near an energy substation. The 640-acre property even came with water rights. The owner, the City of Pampa, agreed to a five-year lease-purchase agreement.

"It's an ideal location," Friemel says. "Plus, we have a fire hydrant on the gin's northwestern corner. That's a big deal.

Hydrants are rare when you're out in the country, and fires can happen at cotton gins."

The northerly location — an hour's drive northeast of Amarillo — also means the gin can serve cotton producers in Oklahoma.

Darnell, who is a Plains Land Bank director, lives too far from the gin to use it. Still, he wants to ensure his fellow farmers succeed.

"We have a lot of cotton up here," Darnell says. "We need more infrastructure to handle the increase. Our primary goal is to take care of our farmers and handle their cotton in a timely fashion."

Land Bank Finances Construction

In July 2018, Lonestar backers met with Plains Land Bank loan officers. Both parties agreed to a term loan for the gin's construction.

"We were familiar with many of their investors," says Blain Eubank, vice president and Pampa branch manager. "Because Windstar was a significant investor, that gave us a lot of confidence in the project."

At times, figuring out financing details got tricky.

"Blain and his staff at the Land Bank were creative in structuring our loan," Friemel says. "Every time we had a hurdle, they figured it out."

Storms Hurt 2019 Harvest

Severe storms this past spring in the Texas Panhandle took out many cotton fields.

"We're only expecting to gin about 30 percent of what had been predicted to be harvested," says Carey McKinney, Lonestar's gin manager. "That'll probably be about 50,000 bales this first year. But in the near future, I'm hoping to gin as much as 200,000 bales."

For his part, Friemel plans to plant more cotton, although he lost his entire crop this year.

"It was the perfect storm," he says. "Wet, cold, wind, hail — everything that could go wrong did. But cotton is

here to stay. It takes half as much water as corn and is an excellent rotation crop following corn. I flip them on the ground every year."

As for his 2019 cotton losses, "if you're not an optimist, you shouldn't be a farmer," he says. "The way I look at it, next year will be a great one, especially for cotton." ■ SSR

Blain and his staff at the Land Bank were creative in structuring our loan. Every time we had a hurdle, they figured it out."

— Mike Friemel



From Corn to Cotton

In 2016, farmers on the Texas Northern High Plains planted 1,079,000 acres of corn and 847,500 acres of cotton, according to the USDA. In 2019, the numbers reversed: 970,000 acres of corn and 1,280,000 acres of cotton.

The reasons are many. Corn requires more water than cotton, and irrigation costs keep rising.

Meanwhile, cotton breeders have developed new shorter-season cotton varieties for colder climates.

That's not all.

"There's been a convergence of technology," says Dr. Randy Boman, a retired Extension cotton specialist, and now Windstar Gins' agronomics manager. "New cotton varieties have been bred that tolerate auxin herbicides used in growing corn, wheat and other grass crops. Some of these have been problematic for cotton in the past. The new biotech varieties provide a level of protection."

Machinery also is more efficient now — another incentive to grow cotton.

"John Deere's CS690 cotton stripper that builds modules onboard replaces three machines — the basket stripper, tractor with boll buggy and tractor with the module builder," says Boman. "So fewer workers are needed. That's important because labor is an issue for many farmers." ■ SSR

Texas Meets Asia

South Texas farmer Tommy Hanka produces bok choy and napa cabbage for a growing market.



TOMMY HANKA FARMS

Edinburg, Texas

Operating loans from Texas Farm Credit help this farmer diversify his operation.

Tommy Hanka grows napa cabbage, above, on his farm in Texas' Rio Grande Valley.

Bok choy grown in Texas? It's true. Texas Farm Credit customer Tommy Hanka has the proof. He's been growing bok choy and napa cabbage since 1994, when he graduated with a horticulture degree from Texas A&M University.

But Hanka isn't the first in his family to raise Asian vegetables. His father, James, began growing bok choy in the 1970s when he noticed that the increasing Asian population in Houston provided a niche market he could supply.

Since the younger Hanka first started producing these vegetables, they've become mainstream in the American diet. As a result, the demand for his crops keeps growing.

Extending His Growing Season

Today, this fourth-generation farmer grows 500 acres of bok choy and napa cabbage on his farm in Edinburg, Texas, deep in the heart of the Rio Grande Valley. He employs some 50 workers to help plant and harvest.

To ensure a continuous harvest from November to April, Tommy contracts with a large greenhouse operation to sow more than 5 million seeds. The seeds are sown weekly, starting in August. After about 30 days, the seedlings are hand-transplanted from the greenhouse to 20-acre plots on Hanka's farm each week. He harvests a new crop about every 80 days.

"Bok choy and napa cabbage can be a bit finicky," says Tommy. "They must have a



Workers at Tommy Hanka Farms hand-harvest and pack bok choy, a cool-weather crop.

consistent temperature. If it gets too hot, the plants may bolt, or go to seed. And normally by mid-April it can get too hot in the Valley, and ‘tip burn’ or internal decay raises its ugly head, making the product unmarketable.

“I’ve shed a few tears over that,” he admits.

Contracting With Chain Stores

The vegetables are harvested by hand. They’re loaded on wagons, strapped on pallets, then cooled before being loaded on trucks for shipping. Hanka fills five semi-trucks a day, for a total of 25 semis a week for four months.

From the time the seed is planted, the crop is contracted to chain stores such as H-E-B, Walmart, Safeway and Albertsons. Because he staggers plantings, Tommy can meet their demand for consistent volume and quality.

Distribution is handled by the chain stores, which market his vegetables throughout the Midwest, the East Coast and Canada, which has a larger Asian population than the United States.

“Quality comes first, and quality over quantity,” is Hanka’s motto. And he takes great care to ensure his product is the best it can be. That includes being certified by PrimusGFS, a food safety audit group.

Relying on Farm Credit

Hanka has relied on Texas Farm Credit for much of his financing over the past four years.

“Texas Farm Credit has really helped me out,” he says. “I can’t say enough good things about them. I had a bad year, and they came through for me at an extremely critical time. They are pleasant, competent, and they look out for you.”

Billy Best, his loan officer and branch manager of Texas Farm Credit’s Raymondville office, says Hanka is one of the most



Napa cabbage, above, is a bit sweeter and milder than regular cabbage, and can be eaten raw or cooked.

diverse operators he’s worked with in his Farm Credit career.

“While working toward long-term goals,” says Best, “he is mitigating risk through a wide range of income streams ranging from vegetables, sod and cotton production to custom harvesting.”

Growing Other Veggies Too

Besides growing bok choy and napa cabbage, Hanka farms another 1,000 acres, including 200 acres of short-day onions. In addition, he grows green and red cabbage, brussels sprouts and other brassicas, which are cruciferous vegetables like collards and broccoli. He also grows cotton, corn and

sorghum and owns a sod farm that provides steady income.

“Veggies are my main crop,” he says. “I keep the commodity crops for rotation and to keep my key tractor drivers and irrigators busy year-round.”

Hanka doesn’t just grow Asian vegetables; he relishes a good salad made from his own fresh napa cabbage.

“Remove the outer leaves because they can be bitter,” he advises. “Then chop and add olive oil, salt and pepper.” ■ TJ

For more information, go to www.tommyhanka.com.



CHARLEY AND ELLIOTT PHILLIPS

Shubuta, Mississippi

Southern AgCredit refinanced the farm in 2011, helping the family lock in lower interest rates.

Father and son grape growers Charley, left, and Elliott Phillips own Breckenridge Farms, one of the world's largest muscadine vineyards.



Nutritional supplements are one of the products made with the Phillips' muscadines. Wake Forest School of Medicine researchers are studying how the brand's muscadine extract affects cancer.

A Nutritious Punch in Every Bunch

Muscadine antioxidants could be just what the doctor ordered.

Every summer, people line up for muscadine grapes at Breckenridge Farms in southern Mississippi. In July, a crowd lined up for them in Washington, D.C., too.

The occasion was the Farm Credit Marketplace — a reception at the Library of Congress showcasing products from Farm Credit customers. Elected officials and their staff sampled juice, supplements and energy shots made with the farm's muscadines.

"There were over 1,000 people there, and we gave away 750 products," says Lylla Joe, Southern AgCredit marketing specialist. "A lot of people had never heard of muscadines. We enjoyed telling them about the health benefits."

Earning Superfruit Status

Breckenridge Farms owner Charley Phillips believes muscadines are one reason for his clean bill of health. And there's research to back him up.

The native grapes thrive in the Southeast, where they're prized for their sweet, musky taste. But there's more to muscadines than flavor. Their abundant antioxidants have been shown to fight cancer, lower the risk of age-related diseases, reduce inflammation and much more.

"I take muscadine supplements every day as a preventive, and we always have muscadine juice in the refrigerator," Phillips says. "People here love the taste of muscadine juice. And they tell us all the time it cures what ails them."

At 250 acres, Phillips' muscadine vineyard is one of the country's largest. It now produces more than 1,200 tons of grapes a year for wineries, juice factories, supplement makers and other companies in several states. The products featured at the Marketplace are made in North Carolina and sold under the Mighty Muscadine brand.

Growing With Farm Credit

Phillips and his son, Elliott, boosted yields by reinvigorating and expanding the

vineyard — part of a large farm he bought in 2003.

"Mr. Phillips has always been a really good manager, and Elliott knows the operation forward and backward," says Jody Blount, their loan officer in Newton. "We've helped them finance larger tracts that many banks won't due to acreage limitations."

Phillips, a Southern AgCredit customer for 25 years, says the co-op has played a big role in their success.

"We've always needed financing to buy land and make our farming operation work," he says. "Southern AgCredit is the best source we've found. They're so knowledgeable about what you're trying to do. They've been a good partner for us." ■ CF



The Grape Plains

Vingo Vineyards brings variety to the Texas Panhandle's crops and social scene.



THE YODER FAMILY

Vingo Vineyards
Dalhart, Texas

Capital Farm Credit financed the family's farmland and the vineyard's startup costs.

There aren't many places on the Texas High Plains where you can mingle with friends and cross-country travelers over a glass of wine. But you'll find one in Dalhart at Vingo Vineyards.

The Yoder Family started the winery when they found themselves at a crossroads.

Faced with volatile prices for their commodity crops, the farmers sought ways to diversify. Any new crop would need to grow well in the area and provide dependable income on relatively few acres.

Grapes, they realized, could help sustain the farm for generations.

"We've always been interested in wine," Pamela Yoder says. "Grapes are more stable than commodity crops, and we don't have to depend on the Board of Trade for pricing."

Together, Pamela and her husband, Steven, and their son and daughter-in-law, Zachary and Rinnell, have planted 31 acres of grapes since 2015. They named their winery after their farm's deep, well-drained Vingo soil.

Expanding Wine Country's Boundaries

Grapes aren't common in this corner of the Texas Panhandle, known for its beef, dairy, grain and potatoes. But that's starting to change.

"At 4,400 feet, we have cooler temperatures at night," Pamela says. "Grapes like that."

Steven and Pamela Yoder, left, planted their first grapes in 2015 with their son and daughter-in-law, Zachary and Rinnell. Elijah, center, and Oliver are the third generation on the farm.

The Yoders now grow two white grapes and five reds found in cooler regions, such as Austria's gruner veltliner and the Champagne grape pinot meunier.

"Although we're longtime farmers, grapes are a new challenge," says Steven, a former member of the National Corn Growers Association (NCGA) Corn Board. "We've found others in the Texas wine industry to be very helpful to new growers like us."

Bottling Their Own Wine

The Yoders sell most of their fruit to four wineries from the Panhandle to the Texas Hill Country. But it won't be long before you can find wines under the Vingo Vineyards label.

"We bottled cabernet sauvignon last year, and with this year's harvest, we're making a little of every variety into wines," Steven says. "We also sell about 50 wines from 15 small boutique wineries. Everything we carry is made with 100% Texas grapes."

It was traveling to NCGA meetings that shaped their taste in wines.

"We met people who knew how to pair foods and wines, and we started doing that, too," says Pamela, who served on NCGA'S CornPAC. "There are no hard, fast rules, and not everybody likes the same thing. We offer something in the tasting room for everyone."

Growing With Farm Credit

Vineyards require a long-term investment in vines, trellis and irrigation. Capital

Farm Credit helped the Yoders tap the equity in their land to cover their startup costs. The lender even postponed loan payments until the vines are more established and productive.

"There's a lot of cost per acre to put in a vineyard," Pamela says. "We really appreciate Capital Farm Credit coming up with a specially structured loan to make it work."

Mark McKay, the Yoders' loan officer, is happy the co-op could help the family diversify.

"They're some of the better farmers around here," says McKay, who manages Capital Farm Credit's Dalhart office. "We were able to help them finance a new venture that's atypical for the area."

"It's been a good source of additional income for them. I think they'll do really well."



Vingo Vineyards' tasting room opened in January, providing a welcoming retreat for travelers and Dalhart locals.

McKay and his wife also consider the tasting room — in the town's former post office — a favorite weekend hangout.

"It brings a lot to the community," McKay says. "Not many towns our size have a wine tasting room where you can socialize or hold a private event. The Yoders are very hospitable, friendly people." ■ CF

The tasting room serves about 50 quality wines made with 100% Texas grapes. Wines with the Vingo Vineyards label will soon join the list.



Photos by Shannon Richardson

After-Hours *Cowboy*

When the bell rings, special education teacher Jody Higgins is off to rope cattle or bale hay.

Lifelong team roper Jody Higgins of Monroe, Louisiana, had always wanted to back into the box at the Bob Feist Invitational in Reno, Nevada.

The legendary event is the largest one-day open roping competition in the country. It draws 100 of the best teams from across North America.

In June, Higgins — a Louisiana Land Bank customer — not only competed, he rode out with a \$100,000 payout.

Partnered with Mark Smith, he won the top-level amateur roping event at the 2019 Wrangler National Patriot, held in conjunction with the legendary “Feist.”

But Higgins’ path to Reno wasn’t a straight shot for two reasons.

Cancer Sidelines Roping Career

When he isn’t roping, he’s working his day job as a special education teacher, baling hay or tending his cattle.

The other reason was a bout with cancer.

Diagnosed with throat cancer in 2012, Higgins underwent extensive radiation treatments. The radiation caused the muscles in his shoulder to deteriorate. Initially he couldn’t even swing a rope. It was a major blow to someone who’d competed against the highest level of amateur and professional ropers.

Higgins wasn’t one to hang up his rope bag. But until he was healed, he would need something to occupy his time.

The answer was a hay-baling business.

Baling Hay Helps Him Heal

With an equipment loan from Louisiana Land Bank, Higgins purchased the latest equipment and quickly grew his hay business. He now bales hay for one of the largest cattle operations in the state.

“I tell people I rehabbed myself through my hay operation,” he says. “It was good therapy for me because not only did it keep my mind occupied, but the manual labor strengthened my body.”

Higgins was introduced to Louisiana Land Bank several years ago by fellow cattleman Cullen Kovac, who serves on the board. From his first cattle loan with the lending co-op and later his equipment loan, he was impressed with the customer service.

JODY HIGGINS

Monroe, Louisiana

Louisiana Land Bank finances Higgins’ cattle operation and commercial hay-baling equipment.



Jody Higgins, right, congratulates his teammate, Mark Smith of Oklahoma, after winning the top-level amateur roping event at the 2019 Wrangler National Patriot in Reno, Nevada. The win fulfilled a dream for Higgins, who couldn’t rope for several years after experiencing cancer.



Courtesy of Olie's Images



“I probably wouldn’t even have cattle if it weren’t for the Land Bank. They make it so easy; it’s just like the commercials.”

– Jody Higgins

Patty Stewart

Jody Higgins works cattle on his ranch outside Monroe, Louisiana. For both cattle and equipment financing, he relies on Louisiana Land Bank.

“Cullen hooked me up with an awesome loan officer in J. Byram,” Higgins says. “J. has always been on the spot every time I’ve needed him. I bought a set of cattle the other day, and the next day, J. had them paid for.”

Land Bank Makes Financing Easy

Higgins says he has an invaluable partner in Louisiana Land Bank.

“I probably wouldn’t even have cattle if it weren’t for the Land Bank,” he says. “They make it so easy; it’s just like the commercials.”

After his cancer diagnosis, it was about four years before Higgins could swing a rope with ease — longer before he could compete again.

“I didn’t enter a roping for years,” he says. “But, there’s no telling how many yearlings I doctored or cows I caught.”

Higgins could no longer compete in the open roping contest at the Feist, but he still wanted to rope in Reno. To get there, he would have to compete in the Wrangler National Patriot for amateurs. Designed to give equally matched amateur ropers a chance at six-figure payouts, the event uses a handicapping system like golf.

He and Smith — father of world champion header Clay Smith — turned a time of 30.44 seconds to nail the second call-back position at the 2019 event. After

making a smooth run of 9.33 in the short round, they watched as the final team went just out of the average.

“We’re just cowboys,” Higgins said in an interview at the event. “Our goal was to catch.”

They not only accomplished their goal but were fast enough to win life-changing money. Not too bad for a cowboy with a day job in town. ■ KH

Looking for Ag Equipment?

Farm Credit lenders identify factors to consider before you shop.

Fall or winter may be the ideal time to replace or acquire farm or ranch equipment — whether it's brand-new or just new to you.

And Farm Credit is the lender that can finance that purchase. Most Farm Credit associations finance trucks, tractors, hay balers, harvesters, irrigation equipment and more.

But before you start shopping, consider the following factors.

New or Used?

When deciding whether to buy new versus used equipment, first determine its main purpose. Consider the demand that will be placed on the item and whether the level of use justifies the higher price of a new piece.

Mike Metzиг, AgTexas Farm Credit Services senior vice president in Lubbock, works in the country's largest contiguous cotton patch. Many of his customers are full-time, large-acreage farmers. Whether they buy new or used depends on what the piece is.

"For most large items today, such as tractors, cotton strippers and spray rigs, they are buying used equipment and not paying the premium for 'new,'" Metzиг explains. "But for high-wear items that get regular use, such as sand fighters and shredders, they tend to look for new. It's rare for farmers to find a piece of used equipment of this kind that is still in good condition and worth the money."

Allowance for Repairs

Also consider repair costs. One distinct advantage of new equipment is the warranty that can alleviate worry over such costs. Joseph Grier, Legacy Ag Credit branch manager in Canton, Texas, says many of his customers look for used equipment in good condition, and they are prepared for repairs — to a point.

"A large number of my producers are looking for used, early-2000s model tractors because they're equipped with a lot less

"We offer customers payment options that truly fit their operation and business plan instead of just making sure they meet credit criteria."

– Mike Metzиг, AgTexas Farm Credit

technology than newer models," Grier says. "They want to do the repairs themselves, saving money and time spent at the dealership."

More Than Trucks and Tractors

Bobby Spinks, Mississippi Land Bank branch manager in Clarksdale, points out that Farm Credit can finance nontraditional equipment that commercial banks often won't.



"We've been a useful option for ag aviators," says Spinks, who often finances airplanes for crop dusting. "We're different from others in the financial marketplace. We know farming, farming conditions, and the ebbs and flows of agriculture."

He points out that his association also finances other nontraditional and large equipment purchases, such as grain facilities, cotton pickers and cotton ginning equipment.

"We understand how these pieces work and how they make the customer a better operator," Spinks adds.

Lease vs. Purchase

Leasing may be a viable option for producers who routinely trade out equipment or need continuous upgrades. Leasing requires no down payment and can provide tax advantages, as the payments may be tax-deductible.



Jeffrey Kitten of Slaton, Texas, checks out equipment that he and his three brothers financed through AgTexas Farm Credit.

Unlike a loan, however, a lease typically cannot be canceled. Thus the lessee is obligated to make all payments for the entire lease term as opposed to paying off a loan early.

Why Farm Credit?

Farm Credit lenders typically finance new equipment purchases on five-year to seven-year notes, while loans for used equipment are generally structured for two to five years. Terms are tailored for an operation's specific needs. Also, a Farm Credit lender will consider a customer's cash flow and production cycles when structuring a loan.

Grier notes that equipment loans are often a young or new borrower's first transaction with Farm Credit. He sees that as a plus for both the borrower and the lender.

"It's a good way for me to learn more about their operation — what they need, how it will be used," he says. "By the time they are more established and ready to buy land or make a bigger purchase, they're already familiar with Farm Credit. They know what we offer and have benefited from patronage returns."

Metzig notes that Farm Credit's cooperative structure is just one of the benefits his customers appreciate.

"For us, it's about the relationship," he says. "They like that we offer one-stop financing. That means in tough years, they have a consultant in me, and we can come up with some options. We offer customers payment options that truly fit their operation and business plan instead of just making sure they meet credit criteria." ■ SH

Consider Depreciation and Tax Write-Offs

Federal law now allows farmers to immediately write off capital purchases up to \$1 million. This includes purchases of breeding livestock, farm equipment and single-purpose structures, such as milking parlors. The phaseout of this expensing provision does not kick in until a farm reaches \$2.5 million in purchases.

Farm machinery and equipment (other than grain bins, fences or other land improvements) are eligible for depreciation over five years, if the original use of the asset begins with the taxpayer. Previously, the depreciation was allowed for seven years.

"Depreciation can minimize income tax liability and be an avenue for upgrading equipment," says Mississippi Land Bank's Bobby Spinks. "However, the use of it needs to be strategic with the cooperation of a lender and an accountant."

Mike Metzig of AgTexas Farm Credit adds a cautionary note. Equipment purchases typically should be based on need, in order to ensure income covers the payments — and that they're not just for tax considerations, he advises.

The Fruits OF FARM CREDIT

What do Texas pecans, Pacific Northwest oysters, New York maple syrup and Alabama cotton towels have in common?

They're all produced by farmers who rely on Farm Credit financing.

In July, members of Congress and their staffers met Farm Credit customers from across the country and sampled their products at the Farm Credit Marketplace in Washington, D.C. The event, held at the Library of Congress, showcased hundreds of value-added products, including those featured here.



AgTexas staff members Kristy Tucker, left, and Bree Nelson handed out cans of Sway Rosé wine, contributed by their customers Andy and Lauren Timmons.



Goat's milk soap from Odyssey Ranch, a Plains Land Bank customer



Heirloom-quality tea towels from Red Land Cotton, owned by the Yeager family, customers of Alabama Farm Credit



Yates Pecan Company | Central Texas Farm Credit



Muscadine Juice | Breckenridge Farms | Southern AgCredit | Lylla Joe



Texana Brands Olive Oil | Capital Farm Credit



Texas Peanuts | Bill & Brett Slomchinski | Texas Farm Credit



Variety of pecans | Sorrells Farms | AgTexas Farm Credit



White Peas | G&T Farms | Alabama Ag Credit

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