

OFFICE LOCATIONS

CANTON BRANCH OFFICE

335 WEST DALLAS STREET
CANTON, TX 75103
(903) 567-2251

GILMER BRANCH OFFICE

1261 HIGHWAY 271 SOUTH
GILMER, TX 75645
(903) 734-5550

KAUFMAN BRANCH OFFICE

201 WEST MULBERRY
KAUFMAN, TX 75142
(972) 932-3610

LONGVIEW BRANCH OFFICE

2002 JUDSON ROAD
SUITE 204
LONGVIEW, TX 75605
(903) 307-9173

SULPHUR SPRINGS
BRANCH AND

ADMINISTRATIVE OFFICE

303 CONNALLY STREET
SULPHUR SPRINGS, TX 75482
(903) 885-9566



The Country Is Where We're Most at Home

Here at Legacy Ag Credit, part of our mission is to help rural communities thrive. In fact, the need for dependable credit in rural areas is why Farm Credit got its start a century ago. At the end of 2016, Farm Credit's centennial year, Legacy Ag Credit had \$238 million in loans for rural property and agricultural operations.

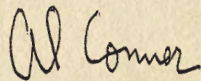
In the early days, nearly everyone in rural Texas made a living from farming or ranching. But you don't have to be a full-time farmer to enjoy rearing your children in a small town or retiring where you can watch wildlife at sunrise. Today our lending cooperative puts the rural lifestyle within reach for people from all walks of life.

We understand rural property in our territory, and put our expertise to work for you when you want to buy or build a home in the country. Whether your goal is to find the right property, maintain an ag-use tax valuation, put in a well or hire someone to get the job done, our knowledgeable loan officers can point you in the right direction.

After you've chosen your property, we can finance the home and acreage with one loan, saving you time and money. We can even finance raw land now and make a construction loan when you're ready, or we can help you build a temporary or weekend home.

Once you're settled in, you don't need to go anywhere else to finance livestock, farm equipment, operating expenses and improvements — from home renovations to fences, barns and ponds.

Legacy Ag Credit understands why you make your home in the country, because we wouldn't want to be anywhere else, either. If you have friends who are ready to finance a rural home, send them our way. We'll be happy to help them become members of our cooperative and our community.



Al Conner
Chief Executive Officer

YOUR COOPERATIVE — BUILT

co·op·er·a·tive

An autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Of all the attributes of Legacy Ag Credit, ACA, one of the most significant is our cooperative structure.

As a co-op, Legacy Ag Credit believes in the ethical values of honesty, openness, social responsibility and caring for others. In addition, your co-op's structure is based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity.

Like other cooperatives, we put these values into practice by following a set of seven principles:

- 1. Voluntary and open membership**
- 2. Democratic member control**
- 3. Members' economic participation**
- 4. Autonomy and independence**
- 5. Education, training and information**
- 6. Cooperation among cooperatives**
- 7. Concern for community**

Legacy Ag Credit's board of directors and employees embrace these important principles and strive to provide superior customer service in the territory we serve.

Legacy is a relationship-based lender, with a concern for the communities in which we live and work. Our employees participate in local civic organizations and volunteer for many events such as FFA livestock shows, hay shows and 4-H events, to name just a few. We also support the wider agriculture community when it needs a little help from its neighbors after a natural disaster.

Passing on Knowledge to the Next Generation

Elizabeth Echols is one Legacy Ag Credit employee who has a strong background in both Farm Credit and community involvement. A credit analyst in Legacy's administrative office, she has been involved in agriculture all her life, whether raising and showing animals through 4-H or FFA, or partnering in the family's show lamb sales business. Doing for others was part of

the lesson she learned from her parents, Becky Echols, the first woman to earn a degree in agricultural education from Stephen F. Austin State University, and her father, Robert Echols, who had a 35-year career in the Farm Credit System.

When Echols was approached by a local Extension agent in early 2017 to conduct the Hopkins County 4-H Lamb and Goat Showmanship Clinic, she jumped at the opportunity. The clinic focused on proper showmanship techniques and etiquette, and allowed Echols to use her experience growing up in agriculture and 4-H, where she says she learned the importance of



Sponsoring and participating in events like the Hopkins County 4-H Lamb and Goat Showmanship Clinic is one way Legacy Ag Credit puts the co-op principle of concern for community into practice. In addition to conducting the clinic, Elizabeth Echols, in the gray jacket, is a credit analyst in Legacy's Sulphur Springs administrative office.

volunteering and helping others.

“I was taught that giving back was just as important as receiving,” Echols says. “My parents were both volunteers and leaders in all of the activities that my siblings and I were involved in, along with the numerous events my dad attended representing Farm Credit.”

Volunteering for the showmanship clinic offered Echols the chance to share her knowledge of lambs and goats with local 4-Hers, and provided Legacy Ag Credit yet another opportunity to sponsor a worthy community event. Events like the clinic are also a way for our neighbors to learn how Legacy supports agriculture and rural communities, such as through our Young, Beginning and Small Farmers Program.

Combining the cooperative principles of education, training and information as well as concern for community is what Farm Credit is all about.

ON PRINCIPLES

Ag Community Rallies to Support Panhandle Wildfire Fund

In March 2017, a group of concerned citizens from Northeast Texas began discussing ways to assist farmers and ranchers impacted by the wildfires in the Texas Panhandle.

The relief effort originated with the Hopkins-Rains County Farm Bureau and Northeast Texas Farmers Co-op, and is now headed up by the Farm Bureau, Sulphur Springs Livestock and Dairy Auction/LMA, Northeast Texas Beef Improvement Organization (NETBIO) and Texas Heritage National Bank. With a goal to raise \$25,000, the group got to work spreading the word and raising funds.

NETBIO announced the relief effort at their March sale, asking if any buyers would like to donate a calf for sale to benefit the relief fund. A calf donated by a NETBIO producer sold for \$1,200, thus creating the NETBIO Panhandle Wildfire Relief Fund.

As word of the relief effort continued to spread, many local Northeast Texas farmers, businesses and organizations made donations. Contributions came from near and far — from the Sulphur-Cypress Soil and Water Conservation District to Stephenville.

After raising roughly \$22,000 for the Panhandle Wildfire Relief Fund, the group delivered a load of much-needed fencing



Fencing supplies were shipped to wildfire-ravaged Lipscomb County in late March after Northeast Texas farmers, businesses and organizations donated \$22,000 to the NETBIO Panhandle Wildfire Relief Fund.

supplies to Lipscomb County, located in the northeast corner of the Texas Panhandle.

When Legacy Ag Credit Loan Officer Hunter Cooksey heard about the relief effort, he immediately wanted the association to take part. As a result, Legacy donated \$500 to the relief fund.

“I think it’s a great thing that the agriculture community

came together to help each other in this hard time,” Cooksey said. “When I first heard about the event I was on board and ready to help.”

Cooksey, who has worked in Legacy’s Sulphur Springs office since 2015, was born and raised in Northeast Texas and is very familiar with farmers and the farming community.

“I don’t know anyone personally who was affected by the fires, but I feel that if Northeast Texas had a massive fire or major event, the West Texas farmers would do the same thing for us,” he says. “It’s just what farmers do.”

Donations are still being accepted to the fund. If you would like to contribute, send a check made out to NETBIO Panhandle Wildfire Relief Fund and mail it to NETBIO Panhandle Wildfire Relief Fund, P.O. Box 1250, Sulphur Springs, Texas 75483.

CELEBRATING NATIONAL AG DAY WITH OUR CUSTOMERS



From left to right, Phyllis Wise, Caleb Allen and Annette Ward of our Canton office were some of the employees who hosted customers on National Ag Day, celebrating with refreshments and agriculture-themed giveaways.



At Legacy Ag Credit, National Agriculture Day on March 21 was an opportunity to celebrate with our customers!

In keeping with this year’s National Ag Day theme, “Agriculture: Food for Life,” we invited borrowers to our offices in Canton, Gilmer and Sulphur Springs for refreshments, gift card door prizes and garden starter kits that contained a variety of vegetable seeds and a pair of gardening gloves.

Agriculture provides countless products, including what we eat and wear on a daily basis. However, few people grasp the vast contributions that agriculture makes in everyone’s lives. National Ag Day is an annual opportunity to recognize those involved in agriculture while also building awareness for those with limited agricultural exposure.

Spotlight on Stockholders

Dan and Kimberly Leas Chosen as Farm Credit Leaders

Dan and Kimberly Leas of Edgewood, Texas, recently saw firsthand how Farm Credit's cooperative structure and unique funding mechanism enable it to help rural communities and agriculture flourish. The member-borrowers of Legacy Ag Credit were among 22 agricultural producers who attended the 2016 Farm Credit Young Leaders Program in New York City and Washington, D.C.

The 11th annual program began with visits to a Wall Street brokerage firm and the Federal Farm Credit Banks Funding Corporation. There the group learned how the sale of highly rated Farm Credit notes and bonds to investors provides a steady stream of funding that local lending cooperatives put to work in rural communities. Nationwide, Farm Credit provides more than \$248 billion in financing to farmers, ranchers, rural homeowners, agribusinesses and other eligible borrowers.

Next the group traveled to the nation's capital to exchange ideas with the deputy secretary of agriculture, members of Congress and congressional staff. The five-day program also included a visit to Mount Vernon, George Washington's innovative farming and milling operation.

"Helping agricultural producers of all ages and experience levels be successful in a complex and capital-intensive business is an important part of Farm Credit's mission," said Stan Ray, president of the Tenth District Farm Credit Council, which hosts the Young Leaders Program. "These impressive participants were chosen by their local lenders for this opportunity to learn about Farm Credit and discuss policy issues that are important to farmers and ranchers."



Dan and Kimberly Leas of Edgewood, Texas, attended the 2016 Farm Credit Young Leaders Program on behalf of Legacy Ag Credit. They celebrated the completion of the program in Washington, D.C., with Stan Ray, right, Farm Credit Bank of Texas chief administrative officer and Tenth District Farm Credit Council president.

Dan Leas owns a fertilizer spraying and custom hay baling business, and raises registered Hereford and F1 tiger-striped cattle. Previously, he worked in landscape design and jointly owned another ag services operation in his hometown of Canton, Texas. Kimberly Leas serves on the board of the Children's Advocacy Center of Van Zandt County and is former assistant principal of Farmersville Intermediate School. The couple has two children.

Legacy Ag Credit Returns \$2.4 Million in Patronage to Borrowers

It's rare for lenders to return interest payments to their borrowers. But Legacy Ag Credit is not like other lenders.

True to our cooperative principles, the association distributed \$2.4 million in patronage to stockholders in April, effectively returning a portion of the interest that borrowers paid on their loans in 2016.

The January decision to distribute the patronage refund was based on the board's assessment of Legacy Ag Credit's financial standing. The association reported total assets of \$242 million and total loans of \$238 million as of year-end 2016.

Patronage is a cornerstone of the cooperative business model: When we have a good year, the board of directors decides how much of the association's earnings to hold as a capital

cushion to manage risk or to fund growth. Then we share the remainder in the form of patronage to our owners. Legacy Ag Credit has returned over \$12 million in cash patronage to member-owners over the past 12 years.

The size of your individual patronage payment is based on the net interest income your loan generated for the association during the year.

Tell your friends and neighbors about Legacy Ag Credit's patronage program. Patronage refunds are a distinct benefit of financing with our cooperative.

WE ARE SENDING MONEY BACK TO YOU.

2017 PATRONAGE PAYMENT

