

LegacyACA.com



#### 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) 243-8031

SULPHUR SPRINGS  
BRANCH AND  
ADMINISTRATIVE OFFICE  
303 CONNALLY STREET  
SULPHUR SPRINGS, TX 75482  
(903) 885-9566



## When the Going Gets Tough, We're Here for You

You're probably familiar with the saying, "When the going gets tough, the tough get going." This particularly applies in agriculture.

Even when the sun shines and the perfect amount of rain falls, it's a tough business. Markets can dry up faster than crops.

Machinery breaks when you need it most. Yet farmers and ranchers generally don't give up. They just work harder and smarter, optimistic that next year will be better.

But no matter how tough you are — mentally, physically or financially — it helps to have a lender who understands what you're going through.

Your staff at Legacy Ag Credit, ACA understands the cyclical nature of agriculture. Many of us grew up in agriculture and still have personal connections to the land. We know that dealing with risk and managing a large budget can be stressful.

Legacy wants you to succeed. As a responsible lender, we encourage all of our customers to make the best decisions for their needs. At the same time, we must ensure that the co-op continues to flourish. When we do well financially, every member-borrower benefits. That's one of the advantages of financing with our co-op — we look out for our borrowers' interests.

For Legacy, 2018 was a good year. Thanks to our financial results, we were able to return \$2.3 million in patronage to our borrowers. For our average member, that payment effectively reduced their interest rate for 2018 by approximately 1 percentage point.

I sincerely hope that 2019 will be an excellent year for all of our customers. However, if the going gets tough, come see us. Whether you need a word of encouragement or financing advice — or want to share some good news — we are always here for you.

Derrell W. Chapman  
Chief Executive Officer



Part of the Farm Credit System



# LEGACY AG CREDIT DISTRIBUTES \$2.3 MILLION PATRONAGE TO BORROWERS

**W**hen you borrow from Legacy Ag Credit, ACA, you're more than a customer. You're also a stockholder of our borrower-owned lending cooperative. This entitles you to share in our association's earnings through our patronage program.

Based on 2018 net income of \$3.9 million, continued robust asset quality and strong capital levels, the board approved a return of \$2.3 million in patronage to members. The return of capital effectively reduces the borrowing rate for our members.

Over the past 14 years, Legacy has returned over \$16.9 million in cash patronage to our member-owners.

## *The Cooperative Advantage*

Legacy is a part of the Farm Credit System, a nationwide system of cooperatively owned banks and associations. We have been serving farmers, ranchers and rural landowners in Franklin, Gregg, Harrison, Hopkins, Kaufman, Marion, Rains, Upshur, Van Zandt and Wood counties with reliable, consistent credit and financial services for over 100 years. Legacy's lending offices are located in Sulphur Springs, Canton, Gilmer, Kaufman and Longview.

Co-ops have a unique structure and philosophy. Investor-owned companies maximize profits so they can generate a return for investors, but cooperatives focus on providing services to their members. Co-ops keep only the earnings they need for stability and growth, and give the surplus back to their members each fiscal year.

Patronage is a distinct advantage of financing with a co-op lender. You not only receive a competitive rate up front, but you also get interest back when the association does well.

As the graphic indicates, patronage payments represent a portion of the interest you paid on your loans the previous year. Thus, you effectively pay less interest when borrowing from Legacy.

Please tell your friends about our patronage program!

## *Understanding the Patronage Program*

Legacy Ag Credit, part of the Farm Credit System, operates as a cooperative. The patronage program is one of the benefits of doing business with Legacy Ag Credit. As a member of the cooperative, you have the opportunity to share in the co-op's earnings.



## *How It Works*

Every year the board of directors, who are elected by the co-op members, review the financial health of the co-op.



*Patronage is based on profitability of each loan and is not guaranteed.*

They decide how much of the earnings should be re-invested in the co-op and...

how much should be issued as a distribution check to member-borrowers.

## *The Bottom Line*

Here is an example of a year in which the board of directors approved a 1% patronage.

**\$100,000**  
*Loan at  
5% Interest*

=

✓ **\$1,000**  
*Dividend Check*

% **4.0%**  
*Effective Interest Rate*

## VP Brittany Hammond Participates in Farm Credit Leadership Program

Every year, the Farm Credit Bank of Texas hosts the Association Leadership Program. The program takes place over four days in New York City and Washington, D.C. Program participants from five states have the opportunity to meet some of the bond dealers, financial experts and policymakers responsible for the continuous flow of funds from Wall Street to farms and ranches served by Legacy Ag Credit, ACA.

Legacy Ag Credit's representative in the 2018 program this year was Vice President of Lending Brittany Hammond. She said it was great to visit all the organizations that work together to provide financing to rural America and to observe how each organization plays a unique and crucial role in the funding process.

"My favorite part of the trip was our visit with Farm Credit Council Services, where we discussed the importance of telling the Farm Credit story," said Hammond. "By sharing the history-rich story of Farm Credit, we can let the next generation of farmers, ranchers and rural homeowners know how Farm Credit can help finance their legacy."



2018 Farm Credit Association Leadership Program participants are pictured with New York City in the background. Legacy Ag Credit Vice President of Lending Brittany Hammond is third from right.

## Showing Appreciation to Our Customers

One of our favorite times of year at Legacy Ag Credit is when we sit down with you, our member-owners, at our annual customer appreciation dinners. It is our pleasure to host these events and show you how much we appreciate your business.

*Cedar Canyon Events Center, with its beautiful rock and cedar structure, was the site of the Sulphur Springs customer appreciation dinner on Oct. 16.*



Customers enjoy good food and fellowship on Oct. 18 at the Canton-Kaufman appreciation dinner at The Oaks, a rustic-modern barn set on 100 acres in the East Texas countryside.



The Longview office held its customer appreciation dinner on Aug. 9 at Pappacita's Mexican Restaurant, where customers were treated to tasty Tex-Mex cuisine complete with homemade tortillas.





## CELEBRATING NATIONAL AG DAY

Legacy's Canton office got into the spirit of National Ag Day on March 14 by inviting the local community to stop by to tell their ag stories and enjoy refreshments, giveaways and prizes.



Guests enjoy the National Ag Day celebration in the Canton office. From left to right are Peggy Swinford, Canton Relationship Manager Caleb Allen and Barbara Metch.



Canton Vice President Joseph Grier greets guest Mindi Holland, who received a gift card at the National Ag Day celebration.