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AgSouth Farm Credit Reports Best Year Ever

STATESBORO, Ga. [February 22, 2011] – AgSouth Farm Credit CEO Bill Spigener recently announced that the customer-owned cooperative had net earnings of \$6.7 million during the fourth quarter of 2010. Year-to-date earnings total \$35.9 million and exceed the association's earnings of December 31, 2009, by more than \$9.7 million.

According to Spigener, "While the association's loan portfolio has experienced some problems due to the economy, on the whole it is performing well. The association took some losses during the year, but offset those losses by generating additional net interest income and controlling expenses. We were also able to increase fee income by expanding our insurance, leasing and secondary market programs."

In 2010, the association also released nearly \$21 million to its members in the form of patronage and allocated surplus refunds from 2009 earnings, more than \$6 million of that in cash. Additionally, the association released nearly \$15 million in allocated surplus from the year ending 2004. According to CFO Alisa D. Gunter, "This payout went directly to the 93 counties we serve in Georgia and South Carolina, bolstering the economy in those areas."

We expect another generous payout to our customers in April of this year from our 2010 year-end profits and a revolvment of allocated surplus from fiscal year 2005 of nearly \$19 million.”

As a cooperative, AgSouth provides patronage refunds, a form of profit sharing, to its member-borrowers. Since 1991, the association has returned more than \$269 million in cash to its borrowers. As of December 31, 2010, AgSouth had more than 7,200 members, \$1.64 billion in assets and \$247 million in capital and allocated accounts.

AgSouth provides loans for agriculture and agriculture-related businesses, equipment and real estate. The association also makes loans for home purchases and refinancing. Other services include leasing and life and crop insurance.

AgSouth Farm Credit is one of the largest lending cooperatives in the Southeast. The cooperative is headquartered in Statesboro, Ga., with administrative offices in Spartanburg, S.C., and Orangeburg, S.C.; and branches serving 59 Georgia and 34 South Carolina counties. For more information, visit <http://www.agsouthfc.com>.