

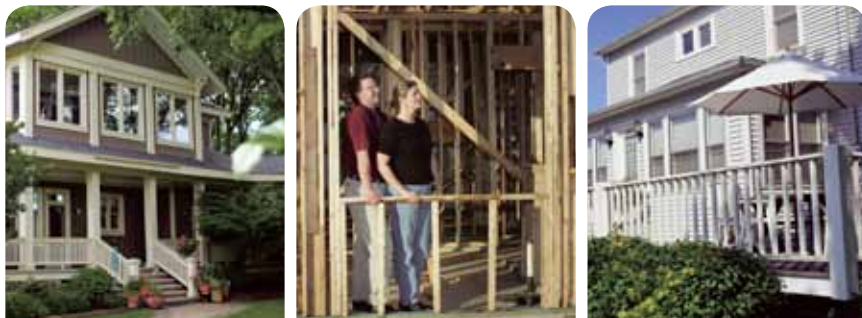


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From the Editor

2009 is nearly over, and most of us will breathe a sigh of relief when we see this year officially come to a close. It's been tough in more ways than one: economically, weather-wise, globally, socially . . . If you watch all the History Channel shows about the apocalypse, reasons for concern are evident. But I won't call D-Day just yet.

Instead, I'll focus on the positive. The association has weathered the storm with less wear and tear than many other lenders thanks to foresight and leadership, and AgSouth remains committed to our purpose of providing financing to rural America. We expect to be supporting farmers and other rural Americans for generations to come.

Our secondary mortgage market (AgSouth Mortgages) had an outstanding year thanks to continued low interest rates, the wide variety of financing options available and a team of dedicated originators and processors. Fees from crop insurance sales are up from previous years and add to our bottom line. Barring unforeseen circumstances, we fully expect to be able to provide a return of profits to our members in 2010.

As for the *Out in the Country* magazine, we received positive feedback for the new columns we featured on South Carolina's and Georgia's agricultural economics and policies. We continued to provide you with helpful hints about using technology safely. We ran more member-related stories this year that were both educational and inspirational. And we continue to look for articles and items of interest to share with you. As we look ahead, we'd like to take this opportunity to thank you for your continued support and to wish you all a blessed 2010. We look forward to continuing our service to you.

Happy Holidays,

Rhonda Uzzolino

Rhonda Uzzolino
Editor

Miriam Pflug
Christy Smith
Co-Editors



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Important Crop Insurance Dates

Please be sure to contact one of our crop insurance agents prior to the following dates for assistance with these crop insurance programs.

11-01-09

Initial Planting Date—Onions:
Transplanted (GA)

11-10-09

End of Insurance Period—Tomatoes (SC)

11-14-09

Production Reporting Date—Barley, Oats,
Wheat, Rye

11-20-09

Sales Closing Date/Cancellation Date—
Blueberries, Peaches, Apples

11-20; 11-30-09

Final Planting Date—Barley, Oats, Wheat

11-30-09

Billing Date—Pecans

11-30-09

Contract Change Date—Corn, Cotton, Grain
Sorghum, Peanuts, Soybeans, Tobacco

11-30-09

End of Insurance Period—Peanuts

11-30-09

Final Planting Date—Rye (SC)

11-30-09

Sales Closing Date/Cancellation Date/
Acreage Reporting Date—Pasture,
Rangeland, and Forage

11-30-09

Sales Closing Date/Acreage Reporting Date/
End of Insurance Period/Cancellation
Date—Clams (SC)

12-01-09

Billing Date—AGR-Lite

12-10-09

End of Insurance Period—Corn, Grain
Sorghum, Soybeans

12-15-09

Acreage Reporting Date—Barley, Oats,
Wheat, Rye

12-31-09

End of Insurance Period—Cotton

01-10-10

Production Reporting Date, Acreage
Reporting Date—Blueberries

01-15-10

Production Reporting Date/Acreage
Reporting Date—Peaches

01-31-10

Sales Closing Date, End of Insurance Period,
Cancellation Date—Pecans

01-31-10

Sales Closing Date/Cancellation Date—
Tomatoes (SC)

01-31-10

Contract Change Date—Nursery

02-01-10

Final Planting Date—Winter Transplanted
Onions (GA)

02-01-10

Acreage Reporting Date—Fall Direct Seeded
Onions (GA)

02-28-10

Sales Closing Date—Corn, Cotton, Grain
Sorghum, Peanuts, Soybeans, Tobacco

02-28-10

Cancellation Date—Corn, Cotton, Grain
Sorghum, Peanuts, Soybeans

03-01-10

Initial Planting Date—Corn

03-01-10

Production Reporting Date, Acreage
Reporting Date—Pecans

03-01-10

Acreage Reporting Date—Winter
Transplanted Onions (GA)

03-15-10

Initial Planting Date—Spring Transplanted
Tomatoes (SC)

03-15-10

Cancellation Date—Tobacco

03-17-10

Production Reporting Date—Tomatoes (SC)

03-26-10

Initial Planting Date—Peanuts (SC)

This notice is for informational purposes only.
Policy provisions will prevail. AgSouth is an
equal opportunity provider.



From the left: Roger Uldrick, Sandra Crews, Jimmy Dockery, Sam Perry, Missy Givens, Cindy Saxon

If you know of someone who needs crop insurance or would like more information about our products, please contact one of the insurance agents listed below:

Jimmy Dockery Douglas, Ga.
800-334-1224 jdockery@agsouthfc.com

Sandra Crews Blackshear, Ga.
800-522-0596 skcrews@agsouthfc.com

Cindy Saxon Statesboro, Ga.
800-633-9091 csaxon@agsouthfc.com

Roger Uldrick Orangeburg, S.C.
800-868-6546 ruldrick@agsouthfc.com

Sam Perry Summerville, S.C.
800-868-6758 sperry@agsouthfc.com

Directors Re-elected



Gary L. Alexander

Oconee County, S.C. Director since 1997.
Member Audit Committee



Thomas ("Tommy") H. Coward

Aiken County, S.C. Director since 1986.
Member Policy, Audit, Governance &
Executive/Compensation Committees



Eugene ("Gene") W. Merritt, Jr.

Anderson County, S.C. Director since 1970.
Member Executive/Compensation
Committee



Jerome G. Parker

Tattnall County, Ga. Director since 1987.
Member Policy Committee



Raymond L. Tumbleston

Charleston County, S.C. Director since 1987.
Member Policy Committee



Hugh E. Weathers

Orangeburg County, S.C. Director since
1998. Member Governance Committee

The Board Will Answer Your Questions Now

By: Miriam Pflug, Marketing Manager



John R. Wells, Director

John R. Wells, from Carrollton, Ga., has been on the association's board since 1990. Until his recent retirement, he was a member of the faculty of the Management and Marketing Department of the University of West Georgia, where he served for 25 years. He retired from the university as assistant dean and MBA director in the College of Business.



David H. Womack, Director

David H. Womack, of Bellville, Ga., is a certified public accountant and owner of David H. Womack & Company, P.C. He received his BBA in accounting and graduated Magna Cum Laude from Georgia Southern University. Womack is a member of the American Institute of CPAs and the Georgia Society of CPAs. He has been a member of AgSouth's board since 1991 and also sits on the boards of the Pinewood Christian Academy, Evans Memorial Hospital and Brewton Cemetery, Inc., all nonprofit organizations.

You are AgSouth's "outside" directors, meaning neither of you are borrowers, thus, not members of the association. What are the qualifications to be an outside director?

Wells: An outside director cannot be an AgSouth borrower. He or she must be elected by the other directors. An outside director should bring a broad range of business skills to the board. The outside director should be able to communicate effectively with members of the board and senior management and help develop sound business practices.

Womack: You must have an interest in the association and its growth and direction, be knowledgeable in the fields of agriculture and agricultural finance and bring your own professional and personal skills to the table. You also have to be willing to bear the responsibility of being accountable to all of the association's stakeholders.

How long is an outside director's term?

Wells: An outside director serves a three-year term just like stockholder-elected directors.

CONTINUED ON NEXT PAGE

Thanks to your response, we have elected to continue the questions for the board and have also added a short biography of those answering questions for you. If you have any questions you would like to have answered by our board of directors, please contact

Miriam Pflug at mpflug@agsouthfc.com or 800-310-4805.

How does the association benefit from having outside directors?

Wells: The outside director can provide knowledge and skills that might not otherwise be available to the board.

Womack: An outside director provides a different perspective on issues that come before the board and provides a degree of independence and leadership in decision making.

Are your jobs as outside directors different in any way from the other directors' jobs?

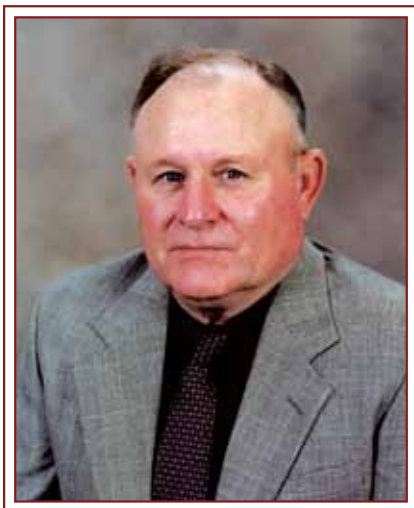
Womack: The chief difference in my job as an outside director is that I serve as the financial expert on the Audit Committee of the association. In accordance with the association's by-laws, the audit committee must have a qualified financial expert, and my education and experience as a CPA enables me to fulfill this role for AgSouth.

As someone who does not currently borrow from AgSouth, what benefits do you feel you are missing?

Wells: As an outside director, I cannot do business with a sound financial institution that offers excellent service and competitive rates. I am also not able to realize the benefits of the patronage refund that is returned to a borrower, thereby reducing the cost of borrowing. ∞

Director Riggins Retires

By: Miriam Pflug, Marketing Manager



Noel L. Riggins, a member of AgSouth's board of directors, announced his retirement effective November 1, 2009. Mr. Riggins, from Lamar County, Georgia, has served the association for 15 years.

Riggins is a broiler producer, cattle farmer and retired Delta Airlines pilot. As an AgSouth board member, he served as chairman of the Executive/Compensation Committee and as a representative of the association's Audit, Governance and Policy Committee. Mr. Riggins was chairman of the AgSouth Farm Credit board from 2006-2007.

He will continue to serve on the boards of the Lamar County Farm Bureau, the Southern Rivers Energy Trust and the Barnesville Lamar Community Trust.

We wish to express our many thanks to Mr. Riggins for the time and dedication he provided in helping make AgSouth Farm Credit the success it is today. ∞



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Questions about Patronage

By: Ann Lane, Controller

As the end of the year approaches, we like to print frequently asked questions about patronage for our members. You may want to keep this article as a reference when preparing your 2009 tax returns.

What is patronage?

Patronage is a way of distributing a portion of the association's profits to our member-borrowers. Because AgSouth Farm Credit is a cooperative, our members own the association and are therefore entitled to share in the association's profits. Patronage is not a dividend, but a return of a portion of the interest earned on a loan.

How much has AgSouth paid in patronage?

Since 1991 AgSouth has paid nearly \$344 million to our members, including more than \$247 million in cash! In the past five years, we have averaged a return of nearly 25 percent to our members. This means that for every dollar you pay on your loan, AgSouth returns a quarter.

How is a member's share of patronage determined?

A member's patronage is proportional to the amount of interest earned on his or her loan.

How is patronage paid?

Patronage can be paid in cash, allocated surplus, stock or any combination thereof. AgSouth Farm Credit typically pays 30 percent of the patronage refund in cash and places the remainder in allocated surplus to be distributed at a later date.

What is allocated surplus?

Allocated surplus is a portion of patronage retained by AgSouth to help keep the association operating on a sound financial basis. A member's allocated surplus is assigned to that member's equity account.

What happens to the allocated surplus on my account?

Allocated surplus is retained by the association to help keep it strong and may be distributed any time at the discretion of the member-elected board of directors. AgSouth's board of directors typically distributes allocated surplus on a five-year revolvment.

Why can't I receive all of my patronage refund in cash all at once?

Patronage is distributed in accordance with the rules and regulations set out in the association's by-laws. Allocated surplus is needed to ensure that the association maintains a strong

capital position, assuring our members of a constant supply of credit at competitive rates.

Can you give me an example of how patronage benefits me?

Sure. Let's assume you're a member with a \$100,000 10-year loan and your interest rate is 10 percent. You would have accrued \$10,000 in interest on the loan the first year. In March of 2009, AgSouth distributed approximately 25 percent of its earnings from 2008 in the form of patronage to our members. If you were an AgSouth member, you would have received \$2,500 in patronage. Of this amount, approximately 30 percent, or \$750, would have been paid to you in cash, with the remaining \$1,750 being placed in allocated surplus.

If you subtract the patronage of \$2,500 from the \$10,000 in interest you would have paid during the first year, the interest paid was actually only \$7,500, making the effective cost of borrowing 7.5 percent instead of 10.0 percent. ∞

Patronage Refund Calculation:

(Example: \$100,000 loan x 10% interest for 10 years)

Interest Earned by Borrower during 2008	\$10,000.00
X Patronage Factor	25%
Borrower's Patronage Refund	\$2,500.00
Portion of Patronage Paid in Cash (30%)	\$750.00
Portion of Refund Held/Allocated Surplus	\$1,750.00

Effective Cost of Borrowing Calculation:

Interest Accrued During 2008	\$10,000.00
Less Patronage Return	\$2,500.00
Net Interest Paid by Borrower	\$7,500.00
Effective Cost of Borrowing* (\$750/\$100,000)	7.5%

*Does not take into effect the time value of money.

AgSouth Farm Credit Patronage Refund History

FISCAL YEAR ENDING	TOTAL PATRONAGE DISTRIBUTION	CASH	ALLOCATED SURPLUS	ALLOCATED SURPLUS DISTRIBUTED	% OF INTEREST EARNED*
1991 - 1999	132,236,633	39,525,775	92,710,858	92,710,858	23.13%
June-00	3,705,377	1,111,613	2,593,764	2,593,764	Combined with Dec. 2000
December-00	13,526,813	3,967,608	9,559,206	9,559,206	21.06%
December-01	20,092,776	5,933,924	14,158,852	14,158,852	24.11%
December-02	17,000,908	5,100,260	11,900,648	11,900,648	21.61%
December-03	19,265,722	5,779,717	13,486,005	13,486,005	25.73%
December-04	21,412,050	6,423,615	14,988,435		28.46%
December-05	26,917,231	8,075,169	18,842,062		30.25%
December-06	28,916,264	8,674,879	20,241,385		27.61%
December-07	32,635,059	9,790,518	22,844,541		27.86%
December-08	28,181,834	8,454,550	19,727,284		25.01%
TOTAL	\$343,890,667	\$102,837,628	\$241,053,040	\$144,409,333	24.44% (Average)

**Since 1991, the Association has returned more than \$247,246,961
in Cash and Allocated Surplus distributed as Cash!**

*For the years 1991-2003, amounts shown are on a consolidated basis for comparative purposes. Due to various mergers during this period, the actual interest earned percentages differ from the consolidated percentages reflected above. Patronage distribution is subject to board approval and is not guaranteed or implied.



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50 by 20: A Ten-Year Goal for South Carolina Agribusiness

By: Hugh E. Weathers, South Carolina Commissioner of Agriculture

50 by 20 is a concept and strategic theme I have been working on and discussing with agribusiness leaders across South Carolina. Several recent studies have confirmed that the economic impact of agriculture, forestry and its allied industries is \$34 billion per year and creates approximately 200,000 jobs. The questions I have posed are, “Can the economic impact value increase from \$16 billion to \$50 billion by 2020? If so, what will it take to get there?”

As a leader and advocate for South Carolina agribusiness, I believe it is my responsibility to help develop a vision and an ambitious goal to move this industry forward. While I understand that certain forces of nature and economics will take us part of the way, to reach a challenging goal that pushes the envelope requires additional focus, collaboration, strategic thinking, targeted effort and the will to make something special happen. I am encouraged by the reception thus far. It often takes an overriding theme to rally the troops to work toward a mutually beneficial goal.

As we build the 50 by 20 strategy, it is critical to base it on initiatives that make sense. For instance, it would make little sense to look at alternative energy if projections indicate that production and use were likely to go down over the next ten years. However, the Food and Agricultural Policy Research Institute (FAPRI) indicates that production

and use of ethanol and biofuels are likely to double by 2020. Throughout this process, we have tried to make sure that specific goals are backed by information that indicates these goals, while ambitious, are attainable.

This concept is still evolving as we bring others to the table to provide input. Initially, though, four general topics of interest were identified: Agribusiness Economic Development, New Marketing & Export Opportunities, Expansion of Existing Industries and New Technology and New Crops. Each of these general topics was further developed with specific initiatives. While I won’t get into all the details in this article, I would like to give some general ideas that have come forward under each of these topics.

Agribusiness Economic Development is a key component of a 50 by 20 concept. We need to find new tools and incentives that work for agribusiness recruitment. I believe we need a focused agribusiness recruitment effort, fully funded and fully staffed with professionals. To enhance this effort, we can identify specific industries that make sense for South Carolina such as alternative energy, food processing, value-added industries, forest products and new producers.

Developing markets, whether domestic or export, is key to providing additional production opportunities for producers. What a good start we have with our Certified S.C. Grown marketing and branding program. It



“Can the economic impact value increase from \$16 billion to \$50 billion by 2020? If so, what will it take to get there?”

has been embraced by retail markets across the state and up and down the East Coast. We cannot let this momentum wane. We must continue to fund these efforts and expand these markets.

Exports will continue to be a vital part of marketing agricultural products from the U.S. South Carolina has world class port facilities

that give us an edge as we seek new markets in international trade. Working through the Southern United States Trade Association (SUSTA), USDA and state organizations, I believe we can expand exports originating from South Carolina. Investing in grain exporting facilities could be a boom not only for our state but for the whole southern region.

Economic development professionals know and understand that most new jobs and capital investments come from the expansion of existing industries. Agribusiness firms are no different. We have vital industries in forest products, poultry processing, greenhouse/nursery and fruit and vegetable processing that need to be nurtured. These industries are deeply embedded in our state and employ thousands of workers. We need to encourage the expansion of these industries and make sure that the business climate is open and conducive to development of agribusiness firms.

Investments in technology improvements and research are essential. Breakthroughs in technology can take us down paths we could only imagine just a few years before. We must adequately fund research to provide the means for producers to increase yields and reduce costs. Research can determine the viability of new high value crops and can find new uses for traditional crops. It is an important link as we look out ten years to determine what is possible in the agribusiness industry.


If we are going to reach the goal of a \$50 billion impact by 2020, a concerted and strategic effort by agricultural leaders across the state will be needed. I don't claim

to have all the ideas that are needed here, but I believe the 50 by 20 framework provides a strategic structure that we can build on to find the means to move the agribusiness industry forward and achieve great things for the future.

We are proud of the heritage of agribusiness in South Carolina. In addition, we point to its present day contribution to the economic and environmental health of our state and the quality of life that our citizens enjoy. But the agribusiness industry needs to let South Carolinians know that it is focused on the future, not the past. ∞

Key Strategic Initiatives for 50 by 20

- ▶ Agribusiness Economic Development
- ▶ Expansion of Existing Industries
- ▶ New Marketing & Export Opportunities
- ▶ New Technology and New Crop



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She Found Her Thrill

Young, Beginning and Small Farmer Connie Horner Grows Organic Blueberries

By: Rhonda Uzzolino, Marketing Manager



Ray and Connie Horner in the experimental covered tunnel (shown here without the cover), which was funded by a grant from the University of Georgia.

AgSouth Farm Credit member Connie Horner grows organic blueberries and other fruits and vegetables on approximately 13 acres of prime land in Clinch County, Georgia. According to AgSouth Credit Analyst Stacy Anderson the best blueberries can't be grown just anywhere—not just anywhere in Georgia, not even just anywhere in Clinch County. The soil required to raise the best, juiciest berries must be acidic and

have the right amount of moisture. This type of soil is plentiful in some Georgia counties, in particular, Bacon, Appling, Pierce, Coffee, Clinch, Atkinson, Ware and Brantley Counties. Cutover woodlands in these southeast Georgia counties provides the perfect acidity and moisture to make the region one of the most successful blueberry growing areas in the country.

When Connie and her husband Ray purchased the land seven years ago, Ray's dream was to build a home where he could commune with nature . . . and relax at his own golf driving range. Connie's dreams were more floral-oriented than fruit-scented. She wanted to grow flowers and build a nursery. Unfortunately, before the first machine came to clear the land, one of their friends came by to see the farm and mentioned to the couple that the land was perfect for blueberry farming. Well, let's just say that Ray is still waiting for that driving range, and Connie has to be content for now with a single bed of daylilies!

Neither Ray nor Connie had any formal farming experience when they first talked with a Clinch County extension agent and decided to give blueberry farming a try. What the agent described wasn't the beautiful, fragrant floral nursery Connie had first imagined, but Ray and Connie both wanted to make the most out of the land and use it for the purpose to which it was best suited. Connie also knew she didn't want to deal with pesticides and fertilizers. She and her family have been eating organically since her mother was diagnosed with cancer, and she didn't want her young children exposed to harsh chemicals. She agreed to try her hand at blueberry farming only if she could grow the berries organically, and Horner Farms was born.

Connie started with one acre of highbush berries. Later she added another five-and-a-half acres of highbush and one-and-a-half acres of rabbiteye berries. For the first three

years, while they were waiting on the young bushes to start producing, Connie made plans for expansion into more types of organic farming and set about putting those early plans into place, clearing more land and laying out rows. Then the blueberry bushes began producing, and Horner Farms had so much fruit that Connie and Ray had to build housing for the pickers they hired each season to help with the harvest.

During the first years Connie also homeschooled the couple's two children, Aleshia and Michael. Part of their education included spending an hour in the fields each day learning about the land and the crops. The day we visited Horner Farms the family was getting ready for Aleshia's wedding. Aleshia met her husband a year or so ago when Connie and Ray introduced her to a horticulturalist with MGB (Michigan Blueberry Growers), the company that buys the Horners' berries. Connie jokes that she can now add "match-maker" to her resume of teacher, farmer and business owner. While Aleshia will move off the farm, Michael, now 19, has hopes of one day taking over the operation and for now spends his time continuing to learn the business alongside his mother.

Connie says that even after seven years of farming the business continues to be a learning experience for her. With little knowledge of farming under her belt before starting the farm, all of her learning has been hands-on. Most days you can find her tending the fields, where she spends most of her time. During harvest season, Ray says that everyone works late into the night to make sure the work gets done. He says he comes



Some of the vegetables Connie is experimenting with include organically grown bell peppers, lettuces and tomatoes.



home from his primary job as general manager of one of the area's largest employers, B Way Corporation, and Connie meets him at the door with a basket of blueberries for dinner before sending him out into the fields to pick with the rest of the crew.

Connie has had to manage quite a few setbacks during her seven-year learning curve. In addition to the blueberries, Connie has also experimented with fruit trees and organic vegetables, which she sells directly to her clients. It was pretty much a "hit and miss" as to what types of vegetables and fruits would sell, so Connie called a few of her customers and polled them on what

organic fruits and vegetables they would be willing to buy from her. She has since planted apple, pear, nectarine and pecan trees and has tried tomatoes, squash, asparagus, eggplants, peppers, celery and blackberries. Her first try at growing organic garlic and onions went so well that both crops sold within a week. Not all of her choices have gone over as well, and she has made adjustments to her crop choices for next year.

There are other matters she can't control that affect her success. For the past three years the low berries were left on the bush

CONTINUED ON NEXT PAGE

“... I can call Dan, tell him what I need and because he knows our business, we don't have to wait days or weeks for an answer. With Dan, I usually have my answer within a few hours. A business relationship just doesn't get any better than that.”



Organic blueberry farmer Connie Horner and son Michael in front of 6-year-old rabbiteye berries.

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because it was too expensive to pay someone to help harvest them. “Organic costs more to produce,” says Connie. “At one point a few years ago it cost \$10 a flat to harvest, and I was only getting \$8 a flat. However we’ve figured out some things since then and are constantly improving our methods, so we’re learning from our mistakes and doing better.”

Deer, rabbit and other wildlife that are abundant in the area love the vegetables too, and can be pretty destructive. And just three days after she planted 23 rows of vegetables this year, the area was hit with a devastating hail storm that killed all of the vegetables. The hail also affected the blueberry crop that was five days away from harvesting. The hail left the bushes in very bad shape. Fortunately, Connie’s shrewd management planned for crop failures and she had purchased crop insurance on her blueberries from Sandra Crews, a crop insurance agent for AgSouth. “I was very happy to get that check this year,” Connie says. “The adjuster was out within a matter of days, and I had a check within a week of harvesting the salvageable crop. Next year I plan to purchase more insurance to help better protect my investment in these fields. Sandra has done an excellent job explaining my coverage options with crop insurance.”

For now Connie is waging battle on the septoria that has infected her blueberry plants. Septoria is a fungus organic farming can’t control. The fungus has left the leaves of the plants spotted but shouldn’t affect next year’s yields. She is experimenting with a liquid fish oil and kelp mixed fertilizer through a drip line in the hopes of improving the health of the crops.

As a relatively new farmer, Connie experimented with bringing in a wind machine, which she purchased a few years ago to protect her highbush plants. These machines typically cover around 12 acres of crops but because of the way her land is situated, Connie has planted the rows in long, vertical lines, which means the machine can only reach five acres of berries. The wind machine circulates the air to keep the crops from freezing. Her farm plan includes purchasing at least one more of the machines in the near future.

This year Connie also obtained a grant from the University of Georgia for a covered tunnel. She covered a few rows of berries with the tunnel and compared them to the ones left out in the open. She discovered that the tunnel created a semi-controlled environment that allowed the covered bushes to grow faster and produce more fruit. She also brings in bumblebees each year and lets them loose



Septoria creates spotted leaves, which are harder to control organically than in regular commercial operations.



Connie discusses her crop insurance coverage with AgSouth agent Sandra Crews.

in the woodlands behind the fields to help pollinate the crops.

The Horners first came to AgSouth to purchase the wind machine because they had heard of the company’s reputation for financing agriculture. “We started working with AgSouth and found that they were really easy to work with. I can call Dan [Good, a loan officer in Blackshear, Ga.], tell him what I need, and because he knows our business, we don’t have to wait days or weeks for an answer. With Dan, I usually have my answer within a few hours. A business relationship just doesn’t get any better than that.”

Big Buck GNCC

One Farmer's Unorthodox Answer to Diversification

By: Daryl Griner, Regional Vice President
Photos courtesy of Chris Jones, New Day Photography



AgSouth Loan Analyst Lynne Christiansen with Big Buck organizer Henry Turner at this year's event.

Timber and former cattle farmer Henry Turner of Union County, S.C., has found a unique way to diversify his farming operation. Thirteen years ago he was inspired by his son's hobby—go-cart racing—to create what is now the Big Buck, Union County's largest event and one of the most popular ATV racing events in the Southeast.

In 1973 Turner, a former pilot with the U.S. Marine Corps and Delta Airlines, was living in Louisiana and getting a little tired of the “golf club life,” as he puts it. Turner received numerous air medals and completed 260 missions while stationed in Vietnam from 1967–1968, and although his life as pilot for Delta was interesting, he was looking for a

new challenge. Turner decided that getting back to his South Carolina roots and starting a new career as a farmer had just the charm and adventure he was looking for.

He located the perfect piece of property in rural Union County and, after hearing about the Federal Land Bank from his father, turned to the association for financing because of its reputation as having loan officers who were experts in agricultural finance. More than 30 years later, Turner is still a member of what is now AgSouth Farm Credit.

But back in 1973, Turner purchased the 545-acre farm and set out to raise cattle and timber. At the high point of his operation Turner had 65 head of Black Angus/Brangus

cross cattle. As the years passed, he found it harder to compete in a market saturated with imported beef, and it became obvious that there was not much hope to ever make any money with the cow-calf operation he had in place. In addition to competing with imported beef, the operating costs and the fact that he was an hour away from the nearest equipment repair shop factored into his decision to quit the cattle business.

Turner says, “The challenge to those of us [who live] out in the country is to find some unique venture which can generate a regular, dependable annual income from the investment of time, money and energy we have

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made.” He decided to keep the timber and look for other ways to diversify his operation. The answer came from an unexpected source.

When Henry’s son Hank was ten he developed an interest in racing go-carts and ended up participating in the Hortsman Gold Cup, a national road racing series. These races took Henry and Hank throughout many of the states east of the Mississippi River. During those years go-cart racing was growing at a tremendous pace, and Hank remained an avid participant. He also expanded his interests to include motorcycle and ATV racing. About 15 years ago Henry helped Hank out as a crew member at an off-road motorcycle & ATV race. A spark ignited in Henry’s mind, and he saw the potential for this type of racing to grow as rapidly as go-cart racing had. Intuition kicked in and Henry left the promoter a note on a scrap of paper saying he’d like to host a national race at his farm. The promoter thought it was a great idea, and the following year Big Buck GNCC (Grand National Cross Country) held its first race.

The Big Buck GNCC encompasses 545 acres, with parking for this huge event taking



up 100 acres. Trails vary in size from 5 miles for the youth racers, 12 miles for the ATV races and 16 miles for the dirt bike races. The trails are primarily in the woods but pass through some of the fields and pit areas. The design of the trails brings the race close to the support teams and affords ample opportunity for pit stops.

The race has become tremendously popular over the years thanks to Henry’s hard work and brilliant marketing strategies. According to GNCC writer Jason Weigandt,

Henry “never stops working to make it [the Big Buck GNCC] better.” He adds that, “Henry has turned his race into a full-on event in his community.” And, indeed, all of Union County (and many more) come out for the event. This year’s race was covered by no fewer than 40 journalists from all over the world, and several manufacturers have debuted their latest models at the event, including Yamaha, which debuted its YFZ-450X on a specially designed 10-mile loop at the Big Buck this year.



Turner says that diversification in any operation is important, especially to farmers, because “it opens their investment to additional revenue streams.” But, he adds, “The most important thing is that when you are thinking of ways to diversify you are, in effect, an inventor on the path of discovering a new industry or process that can change the future for landowners nationwide.” And with the success of Big Buck, Turner has done just that. ∞

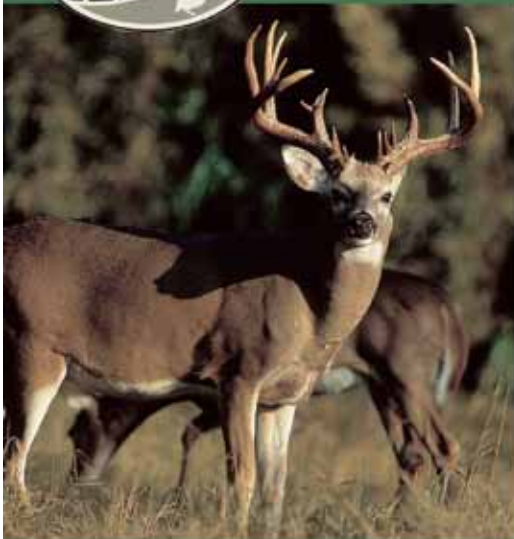
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Power On or Power Off?

By: Jennifer Douglas, Chief Information Officer

Some people say that you should turn off your PC when you aren't using it. Others say you should leave it on all the time and only reboot when necessary. Which is the best practice?

Computer components expand when they warm up and contract when they cool down. If this thermal expansion is abnormally high it can be unhealthy for your PC. However, the culprit isn't usually the fact that you left it on, but is instead due to poor ventilation. If you have your desktop PC in a cabinet with a closed door with no way for air to circulate, you should

turn the PC off when it isn't being used. Sitting a laptop on fabric surfaces can cause the fans to draw in fuzz and prevent proper air flow: solid surfaces are more conducive to proper ventilation for laptops.

Many PCs now have a power management feature that allows you to put your computer hardware to sleep while you aren't using it. This will also keep the heat

down but allow you to leave the PC on at all times.

The bottom line is you should make sure your PC has proper ventilation and keep the dust bunnies away. It doesn't matter if you turn your PC on or off as long as it can breathe. ∞



New Douglas Branch Opens

By: Christy Smith, Marketing Specialist

On October 8, 2009, the AgSouth Douglas office hosted a ribbon cutting ceremony at its new offices located at 204 Bowen's Mill Road. Attending the event were officials from the Douglas Chamber of Commerce, local business and government leaders and AgSouth Farm Credit directors and employees.

Since December 31, 2004, the Douglas branch's volume has grown 58.3%. As of September 30, 2009, gross loan volume was \$74,856,207. The larger office space and state-of-the-art equipment will allow branch staff to better serve its growing membership with better parking facilities and easier office access.

According to Regional Vice President Stan Carver, "Farm Credit is the second oldest business in Douglas. We've been in business for nearly a century, and we plan to be here for generations to come." The Douglas staff invites you to stop by and visit AgSouth's newest office. For any questions about the relocation, please contact Stan Carver at 912-384-3200.



AgSouth employees and guests celebrate the grand opening (from the left): Jackie Spivey, Ryan Darby, Amanda Allison, Dustin Day, Jimmy Dockery, Sharon Davis, Brittany Fussell, AgSouth Georgia Divisional President Craig Peebles, Regional Vice President Stan Carver, Director Jimmy Parker, Mayor Jackie Wilson, Annelle Shrouder, Christian Taylor, Missy Varnadore and Georgia Chief Lending Officer Van McCall.

AgSouth's Employees Receive Service Awards

By: Lisa Peden, Human Resources Director

Congratulations to the following individuals, who received service awards this year for their many years of service to the association . . . more than **670 years** combined!

5 Years

Andrea Funderburk
Jonathan Barnes
Lynn Smith
Jennifer Mixon
Darlene Gardner
Cheryl Black
Tina Nettles
Russ Stewart
Ricky Varnadoe
Nina Grebenc

10 Years

Troy Brownlee
Jennifer Fowler
Ernie Avant
Ricky Grice
Susan Hornsby

15 Years

Lisa Polites
Rhonda Uzzolino
Kim Hardy
Rhonda Hanks

20 Years

Donna Pruitt
Sandra Crews
Marlene Wilson
Mike Stewart

25 Years

Ken Taylor
Benita Free
Joan Brewer
Paula Moxley

30 Years

Jerri Taylor
Julie Taber
Deborah Clark
Miriam Pflug

35 Years

Barbara Whitley
John Nettles
Lou Ann Cook
Elaine Ridgeway
Paul Batchelor
Lois Fail



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www.agsouthfc.com



Meet the AgSouth Staff

Experience Working for YOU!

By: Lisa Peden, Human Resource Director

Meet South Carolina's Team 7

**More than 278 years of service
working for you!**

Serving the following counties: Abbeville, Anderson, Greenville, Greenwood, Laurens, McCormick, Newberry, Oconee & Pickens.

AgSouth is blessed with a knowledgeable and experienced staff that works hard to make sure our members receive the newest loan products available on the market, keep your interest rates low, keep your patronage program strong, and provide you with service beyond compare. In our summer issue, you met Georgia's Team 4. Over the next few issues, we'll continue to introduce you to the people behind the name "AgSouth Farm Credit." ∞



Laurens

From the left: Ann Osborne, Will Taylor, Cyndy Beaudin, Charles Bentley, Susan Hornsby, John Livingston and Keri Garrett



Greenwood

From the left: Lisa Crawford, Dionne Reppart, Ann Osborne, Beverly Burns and Chris Kirkland



Anderson

From the left: Al Baldwin, Eva Leatherman, Kim Howell, Vikki Flemming, Joseph Flagg, Ed Nabers, Rhonda Hanks, Audra Jones, Mary Shirley, Terry Wyatt

AgSouth's Privacy Procedures

Your privacy is important to us. At AgSouth Farm Credit, we want you to know that we hold your financial and other personal information in strict confidence. Since 1972, Farm Credit Administration regulations have prohibited institutions from disclosing personal borrower information to others without the customer's consent. We do not sell or trade our customers' personal information to marketing companies or information brokers.

The FCA allows us to disclose customer information to others only in the following situations:

- ◆ We may give it to another Farm Credit institution with which you conduct business.

- ◆ We can be a credit reference for you with other lenders and provide information to a credit bureau or other consumer-reporting agency.
- ◆ We can provide information in certain types of law enforcement proceedings.
- ◆ FCA examiners may review loan files during regular examinations of our association.
- ◆ If one of our employees applies to become a licensed real estate appraiser, we may give copies of real estate appraisal reports to the state agency that licenses appraisers. We will first remove as much personal information from the appraisal report as possible.

- ◆ We may disclose customer financial information in the ordinary course of business to third parties when seeking government guarantees, loan syndications, participations, etc., or when loans are being sold on the secondary market to Fannie Mae, Farmer Mac, etc. These activities all involve actions on your AgSouth loan, and information may not be used for other purposes.

As a borrower of this institution, your privacy and the security of your personal information are vital to our continued ability to serve your ongoing credit needs. ∞

Insurance Coverage Requirements

AgSouth Farm Credit loan agreements stipulate that borrowers obtain and maintain insurance on property pledged as security for loans where AgSouth Farm Credit is named as mortgagee or loss payee, as appropriate.

This notice is to serve as a reminder that the minimum amount of coverage required to be maintained is the lesser of the actual cash value of the property, the replacement cost of the property, the amount stipulated by your loan officer, or the balance(s) of your loan(s) secured by the collateral property. Since the amount required may be less than the amount

for which the property can be insured, you are encouraged to consider higher limits where applicable to adequately protect your equity interest in the property.

If the property securing your indebtedness consists of improved real estate, your coverage must insure against the following causes of loss: fire and lightning, wind, hail, aircraft or vehicle damage, riot or civil commotion, explosion, and smoke damage. If the property is in a government-mandated flood area where participation in the National Flood Insurance Program is required, flood insurance must also be maintained.

If the property securing your loan consists of personal property such as vehicles, machinery, or equipment, in addition to the causes of loss cited in the preceding paragraph, the property must also be insured against the following causes of loss: theft, vandalism, and, where applicable, collision or upset.

If your current coverage does not conform with these requirements, please contact your insurance representative and make the necessary changes to insure your coverage does comply with these requirements. ∞

Marketplace

We're happy to have this opportunity to help you sell your property during these difficult economic times. If you're a member and have equipment or rural property to sell, or if you're

a reader and have a great piece of land our members might like to buy, email ruzzo@agsouthfc.com, and we'll list it on our Web site and possibly run it in our magazine FOR FREE.

AgSouth Farm Credit does not endorse or accept responsibility for the advertisements contained in AgSouth's Marketplace, and is not responsible for any misrepresentations contained herein, including misprints.



AGSOUTH PROPERTY:

Georgia:

AgSouth Farm Credit has the following property for sale in Georgia. Please contact Thomas Carter for more information @ 706-342-2352 or tcarter@agsouthfc.com.

- 20.04 acres in Madison Co. 2922 Vineyards Creek Church Rd. Property has the following improvements: 2 BR/1 BA 1379 sq ft remodeled frame dwelling with bored well. \$238,000. Financing available to qualified applicants.
- 22.08 acres in Madison Co. 2833 Vineyards Creek Church Rd. Broiler farm with the following improvements: 4 BR/3 BA 3900 sq ft brick dwelling with 2 wells, 3 broiler houses (36' x 400') with broiler house fixtures/broiler house equipment and generator; equipment shelter & storage building. \$564,300. Financing available to qualified applicants.

AgSouth Farm Credit also has the following property for sale in Georgia. Please contact John Clark for more information @ 800-633-9091 or jclark@agsouthfc.com.

- 6.906 acres in Ware Co. Improvements include: deep well w/5 hp motor & underground electrical service. \$66,000. Financing available to qualified applicants.
- 948.6 acres in Richmond Co. Approximately 2 miles S of Hephzibah and approximately 8 miles SW of Fort Gordon. No buildings or other improvements. The property consists primarily of planted pines which have been thinned. \$2,420,000. Financing available to qualified applicants.
- 181.51 acres in Lamar Co. Approximately 2.5 miles S of Barnesville at Hwy 341 & Brent Rd. Includes: 2 ponds & center pivot irrigation. \$1,746,000. Financing available to qualified applicants

OTHER REAL ESTATE FOR SALE:

Georgia:

- 12.85 acres in SW Bulloch Co., Ga. 12.85 acre tract in the Register/Excelsior area. No Financing available to qualified applicants restrictions. Zoned Ag-5. On Dekle Rd South. \$44,900. Contact 912-481-1522.
- 24.98 acres near Waycross, Ga. Lot 108, Millwood Plantation. Exempt from association fee. \$95,000. Contact Florence at 610-360-3713.

South Carolina:

- 95 acres in Barnwell Co. Rolling terrain, stream along property line, mostly wooded w/approximately 10 acres cleared. 4' well. 1800 ft paved road frontage. Power available at paved road. Woods are a mixture of pine and hardwood, some planted pines. Dirt road throughout. \$266,000. Contact paff@bellsouth.net.
- 8.55 acres in W Orangeburg Co. Mill Creek Rd in North, S.C. Nicely wooded tract with pines and large live oaks. Great homesite. \$34,200. Contact bob@wannamaker.org.
- 98 Acres of beautiful pasture and wooded land with views, massive oaks & frontage on creek in highly desirable area near I-85, GSP airport, Village at Pelham and located in the state's top rated Riverside school district! Includes all utilities & deeded easement to access sewer. Potential includes mixed use residential development near the new Spartanburg Regional Hospital. Easy access to GSP. Huge potential and EXCELLENT investment opportunity. Will work 1031 exchange. \$3,675,000. Call 864-505-3379. ∞

To see the full list of properties and items for sell, visit www.agsouthfc.com and click on "AgSouth Marketplace."



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