

Leader



LEE FARMS

Tomatoes During the Off Season

Green Acres—Green Profits



Glen Brooks of Calhoun Falls receives distinguished award.

Brooks Named Outstanding Young Farmer

Glen Brooks, an active member of the Crescent High School Young Farmer and Agribusiness Association, has been named the Outstanding Young Farmer in South Carolina. The award is sponsored by the Farm Credit Associations of South Carolina in concert with the Young Farmer and Agribusiness Association. The state award was announced at a recent state conference held in North Charleston, S.C., Brooks was presented a check for \$550, an engraved plaque and a silver bowl.

Brooks is owner and manager of Double B Ranch near Calhoun Falls, S.C. He also operates a drop-off station for local cattle producers, which includes holding and tagging cattle to be picked up by Martin and Martin Cattle Company of Anderson, S.C.

In 2000, Brooks was also named the Outstanding Beef Cattle Producer in South Carolina by the State Young Farmer and Agribusiness Association. ■

2003 Holiday Closings

May 26
Memorial Day

July 4
Independence Day

September 1
Labor Day

November 27 & 28
Thanksgiving

December 24 & 25
Christmas



Leader

is published quarterly for stockholders, directors and friends of Palmetto Farm Credit.

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Green Acres—Green Profit

\$5.7 Million in Patronage Declared

Your cooperatively-owned Association continues to share the profits with you, our customer. For the 12th consecutive year, Palmetto Farm Credit, ACA has returned a portion of its profits to our stockholders. The current refund of \$5.7 million represents over 14 percent of interest paid by customers during 2002. \$1.7 million or 30 percent of the refund was paid in cash, and the balance was placed in a non-qualified allocated surplus or capital account designated for the Association's customers. In addition, the Board of Directors recently approved the refund of over \$3.5 million of the allocated surplus previously issued in 1996. Since

1991, Palmetto Farm Credit has returned more than \$56 million to its customers through cash patronage refunds and retirements of allocated surplus.

Our patronage refund program reduces your effective interest rate. Like other lenders, Palmetto Farm Credit charges competitive interest rates on its loans. But unlike other lenders, Palmetto Farm Credit returns much of its profits to its customers, thereby reducing their effective cost of borrowing.

The Board of Directors is committed to operating your Association in a safe and sound manner and allowing you to reap the

financial benefits of being a member of our successful cooperative by "putting our profits in your pockets!"

Your support of the association has made this return of earnings to our customers possible. Once again, this patronage refund is evidence of one of the many benefits of doing business with Palmetto Farm Credit- a customer-owned business! Please tell your friends and neighbors about Palmetto Farm Credit and about the very tangible rewards of doing business with a true cooperative. ■

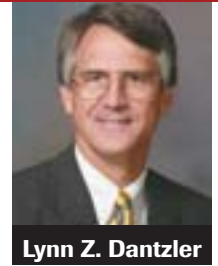
PALMETTO FARM CREDIT PATRONAGE REFUND HISTORY

FISCAL YEAR ENDING	TOTAL PATRONAGE DISTRIBUTION	CASH	ALLOCATED SURPLUS	NON-QUALIFIED ALLOCATED SURPLUS	ALLOCATED SURPLUS DISTRIBUTED**	PERCENTAGE OF INTEREST REBATED TO CUSTOMERS
1991-1996	34,993,547	10,495,267	24,498,280		24,498,281	22.81%
December-96	8,354,467	2,506,340	5,848,127		4,995,214	23.08%
December-97	8,047,526	2,414,258	5,633,268			21.11%
December-98	8,685,461	2,973,769	5,711,692			21.75%
December-99	7,377,134	2,213,141	5,163,993			19.61%
June-00	3,705,378	1,111,613	2,593,765			18.95%
December-00	3,957,025	1,187,108	2,769,918			17.62%
December-01	9,473,081	2,841,924	6,631,157			22.28%
December-02	5,784,867	1,735,460		4,049,407		14.35%
TOTAL	\$90,378,486	\$27,478,880	\$58,850,199	\$4,049,407	\$29,493,495	

\$56,972,375 Total Cash Payments to Customers!

Chart reflects the combined histories of Edisto Farm Credit and Palmetto Farm Credit prior to consolidation on July 1, 2000.

*Reduction of Interest Rate is based upon actual cash flows for the total distribution. **Revolvements of allocated surplus are at the discretion of the Board of Directors.

**Lynn Z. Dantzler**

Review of First Quarter 2003

The first quarter of 2003 brought about several notable events including the U.S. led coalition beginning the military action to oust the oppressive Saddam Hussein regime and to liberate the Iraqi people.

Wetter-than-normal weather conditions persisted across most of South Carolina, delaying corn planting and land preparation for other crops such as cotton and peanuts.

Palmetto Farm Credit's quarterly earnings rebounded to \$2.21 million, exceeding both our business plan projection and first quarter 2002 earnings.

The respective Boards of Palmetto Farm Credit and AgSouth Farm Credit unanimously approved the consolidation or merger of the two associations, and AgFirst Farm Credit Bank also approved the proposed merger.

Although the general economy continued to be plagued by uncertainties related to the war and other factors that seem to stall any real economic recovery, interest rates remained low. Residential construction activity went forward at a relatively healthy pace, and homeowners welcomed the low rates with another surge of residential refinancing applications.

The rate environment provided the Association another opportunity to reprice certain existing loans to the benefit of our customers while also increasing the net

interest rate spread realized by the Association. Compared to a year earlier, our net spread has grown by over 40 basis points. This significant increase should lead to continued positive earnings performance as we proceed through 2003.

Overall demand for farm and agribusiness loans has softened compared to the two previous years, and net loan closings for the first quarter of 2003 were less than half the level of closings experienced during the first quarter of 2002. Growth in net accruing loan volume was less than one percent compared to a year earlier, but we still expect annual growth to approximate our five percent goal by year-end.

In early April, we held four very successful sectional annual stockholder meetings. Attendance was up compared to 2002, and the Board of Directors and the management team sincerely appreciate the support shown for our customer-owned cooperative Association.

Elections for nine director positions were held during the stockholder meetings, and the results of the elections are detailed in this

issue. Directors play a key role in the ongoing success of our business, and the strong interest shown by the nominees for the various board positions reflects well on the future of our Association.

We are currently awaiting approval by the Farm Credit Administration for the proposed merger with AgSouth Farm Credit. A stockholder's disclosure package is being prepared and will be mailed to each stockholder in late June or early July.

Stockholders are urged to carefully review the disclosure package and to exercise their rights by returning the proxy ballot or appearing in person at the special stockholders meeting. Questions about the proposed merger can be directed to our management staff members in Orangeburg or Spartanburg or to individual Board members. ■



For Tomatoes During the Off Season
VISIT LEE FARMS

By Miriam R. Pflug, Marketing Manager

How would you like to retire at age 65 and start a whole new challenging career? Well, with the expertise and knowledge gained from his many years as an engineer, Paul Lee has very effectively utilized his technical background with Carmet and started a highly productive and sophisticated hydroponic tomato operation.

In 1997, Paul and Mozel Lee attended a three-day seminar in Ohio on how to start a hydroponic tomato operation. They began their operation with one 3,700 square foot greenhouse, but after two years sales were very strong and the market demanded more production. With expansion of the operation in mind, Mr. and Mrs. Lee approached Palmetto Farm Credit and requested financing for construction of a large three-bay environmentally-controlled greenhouse.

Mr. and Mrs. Lee had developed a strong relationship with four upstate Fresh Market grocery stores as well as two health food stores. They were, however, unable to fill the orders without increasing the production of the operation. The building of the new facility enabled the Lees to fill the demand, which continues to be strong today.

The production of tomatoes and other vegetables grown via the hydroponic method is more complex than one might initially think. Mr. Lee's expertise as an engineer was quite beneficial when it came to maintaining the appropriate level of pH (the quantity of hydrogen ions in the solutions) and EC (electrical conductivity-the strength of the fertilizer solution). There are five different nutrients and seven different micronutrients used in the fertilizer. In addition to keeping the various nutrients properly balanced, there is always concern regarding temperature, wind, sun and other environmental issues. The houses are automatically controlled for temperature, humidity and fresh air. The temperature is maintained between 65 and 76 degrees, humidity is maintained in the 70-75% range, and fresh air is brought in via electrically controlled fans every hour for three minutes. Every production aspect must be in proper balance for optimum growing conditions.

For the Lees, the production year begins the last week of July when seeds are planted.



Mr. and Mrs. Lee take a rest with grandson Nicholas Arled.

While the seeds are germinating and becoming small plants, tomato plants from the previous season are removed from the houses, the greenhouses are cleaned and fumigated, and all pots are emptied and sterilized. The operation is then ready for the next growing cycle. When the new plants are two weeks old, they are transplanted and placed in the greenhouses. When October arrives, production begins and continues for nine months. During this period, tomatoes are continually harvested until June. Bumblebees are brought in from Ohio to pollinate the plants for a six-week cycle. After the life cycle of the bumblebees ends, another shipment of bees is brought in for another pollination cycle. This cycle of bumblebee introduction continues throughout the nine-month period of production.

On a daily basis, the plants are carefully monitored and managed, including close

attention to control of white flies, removal of leaf droppings, thinning, and, of course, picking for market. No herbicides or pesticides are used in the production of the tomatoes. Pests are controlled by use of an all-natural homemade fungicide (a mixture of milk and liquid soap) as well as the use of "yellow boards." These boards have a sticky surface and are strategically placed throughout the house to control flies. The boards are yellow, as white flies are attracted to this color. Areas outside the houses and surrounding grounds are treated with garlic juice. This natural insect repellent has proven to be quite effective and does not affect the quality or purity of the final product.

On an experimental basis, Lee Farms also produces lettuce, seedless cucumbers,

continued on next page



CLOCKWISE FROM TOP LEFT: Tomato plants are approximately eight weeks old as shown in this photo. Can you find Nicholas in the tomato vines? Mr. Lee grades tomatoes before delivery. Mr. Lee's experimental plot consists of seedless cucumbers. Purchase some on your next grocery shopping adventure. They are a delight.

and four varieties of bell peppers on a small plot. Mr. Lee enjoys this experimentation with alternate vegetables, but he notes it is only a sideline for them, as the demand for tomatoes continues to expand.

The Lee farm is a true family operation, with children, grandchildren and even great-grandchildren helping on the farm. Nicholas Arled, the Lees' four-year-old grandson was busy the day I visited, placing stickers on the tomatoes. Mr. & Mrs. Lee's daughter contributes all her time to the operation, while Mr. Lee is a jack-of-all-trades, marketing and delivering his produce along

with maintaining the entire operation. Mrs. Lee also stays quite busy assisting customers when they come to the farm to purchase tomatoes, lettuce, and cucumbers. Customers from various areas of the upstate come to buy produce for their personal use and for their local cooperative exchanges.

The Lees also offer a shipping service for local businesses that desire to ship tomatoes to customers or for individuals wanting to send gifts to family and friends. The Lees' delicious tomatoes are a unique gift that is 100% guaranteed. Mrs. Lee takes a little break in the fall to enjoy the local

children and school groups that come to visit her six-acre pumpkin farm. For 20 years, Mrs. Lee has entertained 5,000-6,000 children a year during the fall season. They come for hayrides, farm animal encounters, picnics and, of course, to pick pumpkins.

Next time you are in the upstate, visit Lee Farms and enjoy a fresh grown tomato. Better yet, give them a buzz and they will be glad to ship you the quantity desired. Phone: 864-461-9274, Location: 1020 Martin Camp Road, Chesnee, S.C. 29323. ■

Tomato Pie

Yields: 1 pie

1 deep-dish pie shell

Parmesan cheese-grated

1 1/2 c (half) Colby and (half) Monterey

Jack cheese

1/2 to 3/4 cup mayonnaise

2 to 3 tomatoes, thinly sliced

1 onion, thinly sliced

Fresh basil leaves

Salt and Pepper

Slightly cook pie shell (7 to 10 minutes) and sprinkle with parmesan cheese.

Layer pie shell with tomatoes, onions, basil, salt and pepper, mayonnaise and cheeses. End with cheese and sprinkle with parmesan. Bake 350 degrees for 30 to 40 minutes. Let sit for a period of time before serving.

Hungarian Pickled Cucumbers

Yield: 6 servings

Can be doubled

4 large cucumbers, thinly sliced

2 tsp salt

Paprika

1/4 cup vinegar

1/4 cup sour cream

1 medium onion

Peel cucumbers and slice thin. Sprinkle with salt. Let stand 30 minutes to 2 hours. Peel onion and cut into very thin slices. Pour vinegar over onion slices. Drain water from cucumbers. With both hands squeeze remaining moisture out. This makes them crisp. Mix with sour cream and vinegar and onion mixture. Sprinkle with paprika.



Tomatoes of varying ripeness are prepared for market.

What Is Hydroponics?

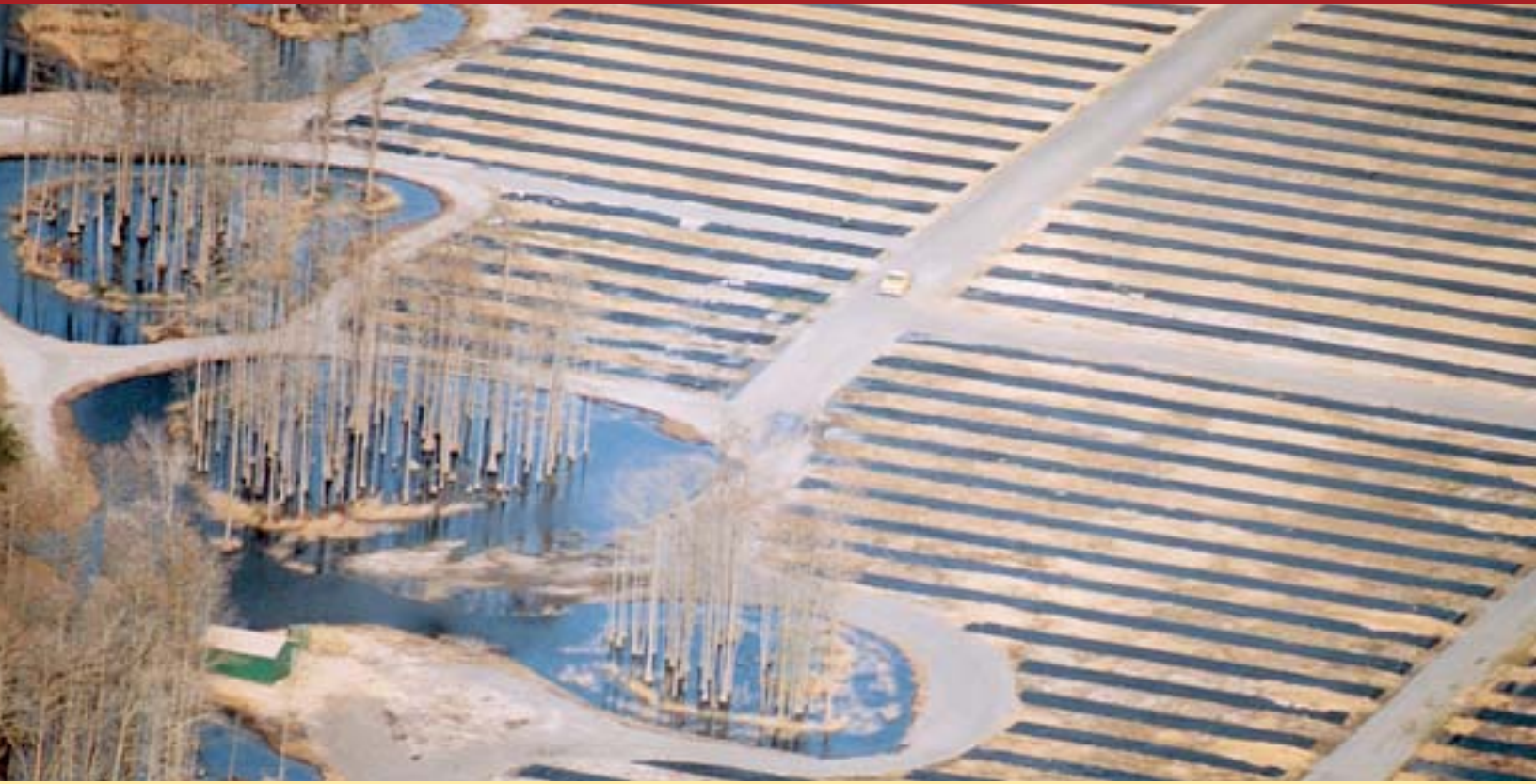
Hydroponics, simply defined, is the growing of plants in a water and fertilizer solution containing the necessary nutrients for plant growth. It is not a new science, with work being done by researchers as early as the 1600's. In the early 1930's, W.E. Gericke, of the University of California, put laboratory experiments in plant nutrition on a commercial scale. In doing so, he termed these nutri-culture systems "hydroponics." The word was derived from two Greek words, hydro, meaning water, and ponos, meaning labor, or literally, water working.

Gericke's application of hydroponics soon proved itself by providing food for troops stationed on non-arable islands in the Pacific in the early 1940's. In 1945 the U.S. Air Force solved its problem of providing its personnel with fresh vegetables by practicing hydroponics on a large scale on the rocky islands normally incapable of producing such crops. With the development of plastics, hydroponics took another large step forward and is now a widely accepted method of producing certain specialty crops such as tomatoes, lettuce, cucumbers, and peppers. Other crops that can be grown by this method include herbs, foliage plants, and flowers. Most of the roses exported from Holland are grown hydroponically.

Advantages of Soilless Agriculture:

- Superior taste, quality, appearance, uniformity, and extended shelf life of hydroponic vegetables.
- No sterilization of growing media required and plant nutrition is easily and completely controlled within the nutrient tanks.
- No weeds, no cultivation, no soil borne diseases or insects. Allows for uniform water availability to plants.
- Closer plant spacing is possible and moveable plant channels allow greater production from equal areas for some crops.
- Less water is required and less fertilizer needed. Root zone heating, known to benefit tomatoes and cucumbers, is feasible and practical.
- Use of biological controls including beneficial insects and safe methods of insect control are possible in a controlled environment system.

Commercial hydroponics lends itself well to family operated greenhouse enterprises where with good management practices, it can be profitable supplying local markets with fresh produce on a year round basis. Markets for hydroponically grown produce have been easily established and demand far exceeds the supply. It is believed by many that Controlled Environment Agriculture and hydroponics is the answer to many of the difficulties associated with the production of outdoor specialty crops. ■



GREEN ACRES GREEN PROFITS

By Miriam R. Pflug, Marketing Manager



George Moore, Jr. is a hard worker. He enjoys life to the fullest and thanks God every day for directing and guiding him as he took his first step to begin his landscaping business.

Green Acres Services, Inc. began in 1991 with two riding mowers and a credit card. The company gradually grew and today is a large full-service landscaping, grounds maintenance, and construction business serving commercial properties from the midlands of South Carolina to the coast. The landscaping company now employs over 125 people.

Prior to starting the business, George Moore had 15 different jobs. But now, he has found his niche in life. The business has steadily evolved over the next eight-year period into a multi-million dollar operation and is now one of Dorchester County's largest employers.

As the needs of the landscaping operation grew and the availability of nursery stock became more limited, Mr. Moore recognized the need for good nursery stock. The operation was in need of trees that could easily adapt to South Carolina's weather conditions and were easy to plant, eliminating the need for large equipment.

After much prayer, thought and planning, along with visiting and benchmarking other nurseries in South Carolina, Georgia and Florida, George, along with his brother Paul and several other

LEFT TOP: An aerial view of Reevesville Tree Farm, LLC.

LEFT BOTTOM: Row after row of crepe myrtles ready for market.



employees, founded Reevesville Tree Farm, LLC. In January 1999, the tree farm began with a 5,000 tree planting. These first trees were pre-sold prior to planting, assuring an initial cash flow for the fledgling business.

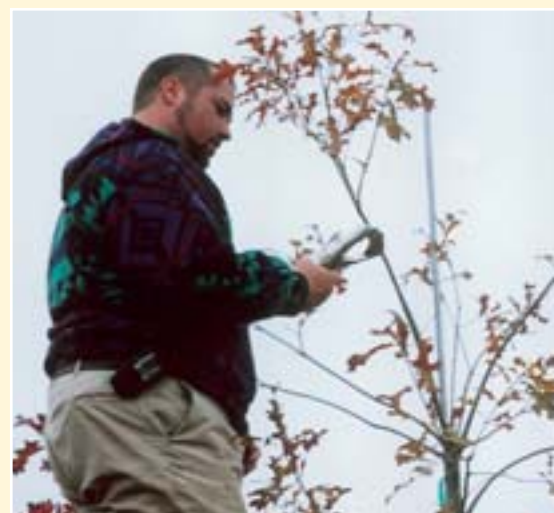
By being in the landscaping business, the brothers had seen the needs of the marketplace. They felt that their business would grow and prosper as new developments began in the South. In addition, because trees produced in the South adapt better, the Moore brothers knew they could produce a superior product.

The operation now involves two farms. One operation is located in Reevesville, consisting of 70 acres of container-grown trees. The second farm, with 200 acres, is located in Bowman. At present, there are 16,000 plants at the Bowman farm with a long-term business plan to grow-out 170,000 plantings.

Reevesville Tree Farm specializes in plants native to South Carolina. They grow various varieties of oaks-live, willow, overcup and nuttall-along with numerous varieties of crepe myrtles, wax myrtles, elms, maples, bald cypress, redbuds, black gum and magnolias, just to name a few. The plants are grown in 30-gallon containers, which is the preferred size for handling without specialized equipment.

The tree operation is structured as a limited liability corporation, with the five founding individuals as officers. The profits

continued on next page



FROM TOP: Clemson Commercial Horticulturist, Mark Arena, teaches a hands-on class in pruning to local tech students. Assistant Manager, Charles Barshaey, shows others the correct way to prune a young tree. Paul Moore with the first tree planted at Reevesville Tree Farm.



Paul and George Moore take a minute to show off the mascot of "Reevesville Tree Farm."

of the operation are shared among the founding employees, along with tenured employees who have been with the organization for a specified time period. Established profit goals must be achieved for any employee profit share distribution.

The operation is in full swing all four seasons of the year. Winter operations consist of pruning and shaping, while spring work consists of maintaining the farm, applying herbicides, fertilizing and ensuring the plants are insect and ant free. Summer months are the primary growth months for the trees, with each plant receiving prescribed quantities of drip irrigation and liquid fertilizer. During the growth months, employees are required to

check the containers two and three times a day for any problems associated with the drip irrigation system. Plants are prepared for shipping beginning in the fall and continuing through spring, the largest planting season. The fall season also brings the cycle around again for planting of new young saplings and preparing the farm for the next cycle.

The tree farm employs nine individuals who comprise a very dedicated and conscientious staff. As I

viewed the operation and saw row after row of trees, I never saw a single weed in any container, witnessed no insect problems, and observed a very neat and efficient operation.

The impressive operation did not occur, however, without its fair share of challenges. When the operation started, they experienced some difficulties with disease. With the assistance of the Clemson University commercial horticulturist, Mark Arena, the problem was uncovered. With his many hours of dedication and guidance, the problems were eventually overcome. George and Paul Moore are very appreciative of the knowledge and expertise that was shared with them.

Mr. Moore is also appreciative of the

guidance and knowledge the Summerville branch office staff of Palmetto Farm Credit has given him to help finance this operation. Jerry Bishop and Furman Dukes, employees of the Summerville office, have assisted Mr. Moore with financial planning and financing the various steps of this operation as the business grew. On occasion they have actually declined a loan request when it did not meet the desired financial objectives, but they have guided Mr. Moore in revising the proposal. Mr. Moore appreciates the fact that the employees of PFC had the foresight to invest in him and his vision.

Apparently there are others who also saw the potential of this entrepreneurship as Green Acres Services, Inc. was recognized by the Charleston Metro Chamber of Commerce as an "Emerging Ten"-an award for one of the top ten fastest growing companies in the Charleston Metro area. Congratulations to Green Acres Landscaping Services, Inc. and Reevesville Tree Farm LLC. We wish you many years of continued success. ■



CLOCKWISE FROM TOP RIGHT: Oak trees, which are fertilized and watered via a drip irrigation system, are available in several different varieties. The Reevesville farm consists of 70 acres of container grown trees. An aerial view of Reevesville Tree Farm, LLC.

Consolidated Balance Sheets

<i>(dollars in thousands)</i>	March 31, 2003	December 31, 2002
	<i>(unaudited)</i>	
Assets		
Cash	\$ 776	\$ 1,716
Loans	615,026	619,021
Less: allowance for loan losses	13,957	13,928
Net loans	601,069	605,093
Accrued interest receivable	5,577	5,458
Investment in other Farm Credit institutions	10,872	10,841
Premises and equipment, net	3,262	3,292
Other property owned	1,634	1,825
Other assets	1,964	5,716
Total assets	\$ 625,154	\$ 633,941
Liabilities		
Notes payable to AgFirst Farm Credit Bank	\$ 540,980	\$ 550,184
Accrued interest payable	1,872	1,943
Patronage refund payable	463	1,779
Postretirement benefits other than pensions	3,489	3,314
Other liabilities	9,610	6,196
Total liabilities	556,414	563,416
Commitments and contingencies		
Members' Equity		
Protected borrower equity	769	891
Capital stock and participation certificates	3,590	3,605
Retained earnings		
Allocated	33,434	36,974
Unallocated	37,852	35,960
Accumulated other comprehensive income (loss)	(6,905)	(6,905)
Total members' equity	68,740	70,525
Total liabilities and members' equity	\$ 625,154	\$ 633,941

Consolidated Statements of Income

(unaudited)

<i>(dollars in thousands)</i>	For the three months ended March 31, 2003		2002
Interest Income			
Loans	\$ 9,562	\$ 9,811	
Interest Expense			
Notes payable to AgFirst Farm Credit Bank	5,596	6,370	
Net interest income	3,966	3,441	
Provision for (reversal of) loan losses	125	250	
Net interest income after provision for (reversal of) loan losses	3,841	3,191	
Noninterest Income			
Loan fees	130	85	
Fees for financially related services	12	20	
Equity in earnings of other Farm Credit institutions	1,130	1,127	
Gains (losses) on other property owned, net	33	(58)	
Miscellaneous	101	121	
Total noninterest income	1,406	1,295	
Noninterest Expense			
Salaries and employee benefits	2,019	1,696	
Occupancy and equipment	186	181	
Insurance Fund premium	187	45	
Other operating expenses	644	512	
Total noninterest expense	3,036	2,434	
Income before income taxes	2,211	2,052	
Provision (benefit) for income taxes	3	288	
Net income	\$ 2,208	\$ 1,764	

The shareholders' investment in the association is materially affected by the financial condition and results of operations of AgFirst Farm Credit Bank. Copies of AgFirst's quarterly and annual financial reports to shareholders are available free of charge at www.agfirst.com, or by writing to AgFirst Farm Credit Bank, Financial Reporting Department, P.O. Box 1499, Columbia, SC 29202-1499.

Summerville Manager Balances Farm Credit, Air Force Reserve, and Farming

By Jerry S. Bishop



Jerry Bishop, Regional Vice President, takes a break outside the Summerville Office. Bishop has been growing cotton and corn for five years, and his passion for farming continues to motivate him.

As I reflect on my primary career with Palmetto Farm Credit and my secondary careers with the United States Air Force Reserve and as a part-time farmer, there are some thoughts and values that I would like to share with our Farm Credit customers and friends.

The military oath that many of us as Americans have taken states the following: I (state your full name) do solemnly swear that I will support and defend the Constitution of the United States, against all enemies, foreign and domestic, that I will bear true faith and allegiance to the same. That I take this obligation freely, without any mental reservation or purpose of evasion, and that I will faithfully discharge the duties of the office upon which I am about to enter, so help me God.

These simple words set forth a way of life for me. I am thankful to live in a nation where you have the freedom to be whatever you want to be—doctor, lawyer, banker, construction worker, social worker or citizen soldier. I am very grateful to the United States Air Force Reserve, and I recognize our ongoing American commitment to ensure that all rights and freedoms are protected not only for this generation but for generations to come. I am also grateful for my employer, Palmetto Farm Credit, who has always

supported me in my Air Force Reserve endeavors, and I wish to extend my sincere thanks to the directors and employee team for all of their support over the years.

There are some key questions that we all must address in life. Here are some that are important to me, along with my answers.

- **What drives me?** God, family, country, farming, and pursuit of happiness.
 - **Was I always this way?** Yes, according to my mother.
 - **What will satisfy me?** Being the best.
 - **Do I ever concede Defeat?** Never ever give up!
 - **How do we get people to remember us...whether we're an individual, a team, a squadron or a company?** The best way is by being First.
 - **Who was the first pilot to solo across the Atlantic?** Charles Lindbergh, right? I'll bet you all knew that. But can anyone tell me who was the second pilot to cross the Atlantic?
 - **Who was the first man on the moon?** Neil Armstrong, right? But who came after Armstrong? I think we all get the point. There is no substitute for first place!
 - **Why did I join the Air Force Reserve?** One day during my freshman year at the University of South Carolina I had the honor of having my birth date drawn as number ONE in the Selective Service lottery. Being number one or first is important to me, and maybe that was an indication that the good Lord had plans for me. Within weeks my selective service classification was changed from 1H to 1A. For you non-military folks, 1H was a student deferment (holding position) and 1A was a ready-to-serve classification.
- Like most 19-year-olds, I thought that I was invincible, so I decided to drop out of college and went home to work construction and to assist on my family's farm. I got my orders to report to Fort Jackson in September of 1972. During the month of August, I was essentially in a state of shock. Many of my friends had headed to Vietnam, and some

were coming home in transfer cases. I knew for sure that I did not want to end up like my friends, and I started to explore my options with other branches of the service.

I joined the Air Force Reserve after many hours of campaigning my cause. It was a difficult task at that time to be accepted to enter any other branch of the military after you had already been inducted into the U.S. Army. I thought that I could do a better job with the U.S. Air Force and at the same time get a bonus of earning my education while serving my country.

I officially became a member of the USAFR on 2 December 1972, and my life has been ever changing since that date. Being a non-prior service airman and farm boy, my enlistment brought great joy to my dad. In a sense, I was carrying on a tradition that had always been a part of the Bishop family. I look at my career in the Air Force as a commitment to the principles of democracy and of service to my country.

Who would have ever thought when I was a young airman that I would someday command the same Air Force Reserve unit that the honorable Harry S. Bell, our Palmetto Farm Credit Board Vice Chairman, once led and commanded? The men and women of the 81st APS are simply the best, and I am honored to serve with them.

As I write this, our nation is at war to disarm and displace Saddam Hussein. There are so many honorable Americans who are assisting in this effort who deserve our prayers. I am often reminded of the many Americans who have given the supreme sacrifice to defend our rights as citizens. I have had the opportunity to visit the Korean Memorial and the Vietnam Memorial in Washington, DC. What a humbling experience!

My wife, Kathleen, sons, Ryan and Andrew, and my mother and father have supported me greatly in my Air Force career. My participation is possible only through my

family's direct support. I am a believer in the simple freedoms of life and am willing to stand up to any force that attempts to suppress or destroy these rights for all people. For those of you who do not share my view, I apologize. Please consider the many sacrifices of those who are willing to defend your rights forever.

Some have asked, how does one balance the duties as a Regional Vice President in charge of the Summerville branch operation, as a Lt. Col./Commander of the 81st Aerial Port Squadron, as a husband and father, and as a part-time farmer? My answer is-very carefully. All of these responsibilities carry a high priority with me. I am a strong believer in the Constitution of the United States. The oath of office clearly defines the duties of the position, and my marriage vows also are words that carry an important message. I encourage everyone to ponder these words and heed their message.

When donning the blue Air Force uniform I am overcome with pride. That same pride is experienced each day by a farmer who plants a seed and harvests a bountiful crop to feed the world. I have been growing cotton and corn for five years, and my passion for farming continues to motivate me. My grandfather (the late S. H. Bishop) was a Production Credit Association director. He and my father have taught me my love for the land and the importance of being able to grow crops. Unfortunately, the recent droughts and depressed prices have dampened our spirits, but recent rains have again encouraged all of us.

Although I currently have many responsibilities that compete for my time and attention, I understand that it is essential for me to effectively balance and prioritize my tasks. I am committed to making a difference for my family, my country, my customers, and the consumers of the farm products that I grow and market. As an American, I recognize how very fortunate I am, and I hope that God continues to bless our great nation—the United States of America. ■

New Employees



Ben Skelley



Denna Rentz



Germaine Felder

BATESBURG: Ben Skelley, is a native of Manning, S.C.. He grew up working on a Christmas tree farm in Clarendon County. He graduated from Clemson University with a Bachelor of Science degree in Agricultural and Applied Economics. After graduation Ben was employed by Carolina Farm Credit as a Corporate Loan Officer located in Monroe, N.C.. His hobbies include hunting, fishing, water sports, and golfing. He is engaged to Becky Bryant, also from Manning.

ALLENDALE: Denna Rentz was born and raised on a dairy farm in northeastern Ohio. She has a B.S. degree in Technical Agriculture with an option in Dairy Science and a minor in Chemistry. She and her husband, Todd, live in Ehrhardt on a family-owned and operated farm. They have two children, Nelson, 9 and Hannah, 6. They are expecting their third child in late July. Prior to joining Palmetto Farm Credit, Denna worked for 10 years with The Farm Service Agency as a loan officer and a program technician.

ORANGEBURG: Germaine Felder graduated from Orangeburg-Calhoun Technical College with an Associate degree in General Business and has completed additional studies in Business Administration at Columbia College, Columbia, S.C.. She has more than 20 years experience in lending operations and loan processing. In addition, she has received several certificates from the American Institute of Banking (studies in The Principles of Banking, Mortgage Loan Servicing, Residential Mortgage Lending, and Home Equity Loans) and completed training in mortgage loan processing as well. Germaine previously worked for Edisto Farm Credit, and we are pleased to have her rejoin our Orangeburg team.

Service Awards

Lynn Z. Dantzler, CEO, presented Palmetto Farm Credit employee distinguished service awards on December 11, 2002.

5 years	Jennifer Sapp
10 years	Sandy Burns, Ken Henry
15 years	Tammy Long, Charles Bentley, Jr., Vikki Flemming
20 years	Daryl Griner, Sharon Harris, David Whittle, Ira Rivers, Carolyn Johnson, Rick Moore
25 years	Chuck Burkett, Sandra Byrd, Eddie Shealy
30 years	Lynn Dantzler, Lessie Snead, Dianne Cochran

Employee Retirement

Betty McConnell retired recently from the Allendale office after 30 years of service. We will all miss her. She is enjoying traveling, spending time with her husband Chuck, and helping to spoil her grandchildren.

2003 Annual Stockholder Meetings



Anderson doorprize winners



Clinton door prize winners



Batesburg door prize winners



Orangeburg door prize winners

More than 900 stockholders and guests attended Palmetto Farm Credit's Annual Stockholders' Meetings, which were held in four regional locations. To accommodate stockholders and effectively carry out the election of the directors, four sectional meetings were held in Anderson, Clinton, Batesburg-Leesville, and Orangeburg, South Carolina.

Stockholders and guests enjoyed a barbecue dinner at each sectional meeting. A business session was conducted at each location, which included the Board of Directors report, a summary of the 2002 operating results, and voting for director positions and the 2004 Nominating Committee.

Stockholders in attendance voted for nine director positions for a three-year term on the Association Board. Election results were announced at the final meeting held in Orangeburg on April 10. Directors elected for

terms expiring in 2006 were as follows:

- Region 1, Seat 1: Gary L. Alexander
- Region 1, Seat 2: Eugene W. Merritt, Jr.
- Region 2, Seat 1: T. W. Buzhardt
- Region 2, Seat 2: Thomas H. Coward
- Region 4, Seat 1: Charles Ray Brown
- Region 4, Seat 2: Edward M. Rast
- Region 4, Seat 3: Hugh E. Weathers
- Region 5, Seat 1: Jerry A. Smoak
- Region 5, Seat 2: Raymond L. Tumbleston

Following each business session, door prizes were presented to several lucky people, and everyone left with a small token of appreciation from Palmetto Farm Credit. Door prize winners at each location are listed below.

- Anderson-\$50.00 winners-James R. Harrison, Jr., Cale Bigbee, Elaine McCown, Herron Cobb, and John McCown and the Wet Dry Vacuum winner-Peggy Montague
- Clinton-\$50.00 winners-Kirk Garrett,

- Billie Jo Hartsell, Linda Goletz, Tinslie Wagler, Tommy Holsonback and the Wet Dry Vacuum winner-Lunette S. Livingston
- Batesburg-\$50.00 winners-Angela B. Shealy, George Ulmer, Ann S. Humphreville, Patsy Oswalt, Mamie Nixon and the Wet Dry Vacuum winner-Betty Cassidy
- Orangeburg-\$50.00 winners-Louise Brantley, Sam McCreggor, C. O. Myers, Jeff Reeves, Tommy Edwards and the Wet Dry Vacuum winner-Richard Rhode.

Following the annual meeting, an organizational Board meeting was held on April 22, 2003. Jerry A. Smoak was elected as Chairman of the Board, Harry S. Bell was elected as Vice Chairman, and Earle J. Bedenbaugh was elected as Outside Director.

Mr. Bedenbaugh is a retired USDA administrator from Newberry County. He is co-owner of Bedenbaugh Realty and Development. ■



Agribusiness Institute Continues With Dr. David Kohl

By Will Peeler, Commercial Loan Department (Attendee)



Dr. Kohl

For the second consecutive year, Palmetto Farm Credit held its Agribusiness Leadership Institute in Columbia, S.C. during the weekend of January 10-12, 2003.

Fifteen first-time couples from the association's territory joined the alumni from the 2002 Institute for the three-day retreat. Once again, the purpose of the Institute was to provide training and brainstorming opportunities to the participants to assist in meeting the current challenges in today's agriculture environment. The weekend provided the participants a chance to network with others who face similar circumstances and lifestyles and a chance to hear updates on the Farm Credit System as well as the agricultural economy in general.

Dr. David Kohl, a noted agricultural economist and professor at Virginia Tech, was the keynote speaker. The weekend began with Dr. Kohl addressing the returning alumni in a Friday afternoon session. The couples discussed how the ideas that they took home from the previous year's session had been implemented and the effectiveness of those improvements. Dr. Kohl then gave an update on the most recent trends in the economy and a forecast of the ever-changing agricultural landscape, stressing how profit margin compression was making it more difficult to be successful in the agricultural industry.

Friday evening brought a chance for the alumni and the recently arrived first-time couples to meet each other as both groups enjoyed dinner in the Greystone Hall of the

Embassy Suites Hotel, the meeting place for the entire weekend. Palmetto Farm Credit CEO Lynn Dantzler welcomed the participants and introduced the two speakers for the evening, Mr. Harry Bell and Mr. Hugh Weathers, both directors on the Palmetto Farm Credit Board.

Vice-Chairman Bell spoke on the changes in agriculture in his years of experience as a farmer and a Farm Bureau executive. He encouraged the young couples to continue their hard work and to lead a new generation of agriculture to future success. Mr. Weathers spoke on the importance of the Board of Directors and how his experience as a farmer helps him and his fellow board members direct and guide the organization.

Saturday morning the new participants heard presentations from the senior management team of Palmetto Farm Credit. Mr. Dantzler spoke on Palmetto Farm Credit's cooperative structure, the nature and history of the Farm Credit System in general, and briefly discussed the proposed merger with AgSouth Farm Credit. Mr. Steve Wood, Chief Operating Officer, presented the loan-making process, including the six C's of credit. He also presented the different loan products and interest rate offerings that Palmetto Farm Credit provides and the demographic makeup of the customer base and loan offerings. Mrs. Lisa Gunter, Chief Financial Officer, discussed operations and financial issues facing the Association, as well as reviewing the patronage process and the recent holding company changes that would be affecting the surplus allocated accounts.

Dr. Kohl then presented "Megatrends in American Agriculture" to the new attendees over the rest of the day Saturday and Sunday morning. Attendees benefited from both the

lectures and small group activities that highlighted his presentation. The couples were asked what issues most concerned them and what were the most important facts they wanted to take home from the meeting. Many of the key issues facing today's young farmer dealt with time management and balancing work and family responsibilities.

Dr. Kohl addressed these and many other issues in his informative and entertaining presentation. He spoke on trends in food consumption and preparation time, the different types of farmers, the characteristics and needs of each type, and what characterizes winners and losers. He highlighted issues in the current economy and called attention to red flags for future changes. The participants received valuable tips on how to establish goals, create a mission statement, and develop job specifications for all employees in their individual operations.

After Saturday afternoon's session, there was a brief free-time period. The couples then met for a dinner at the Capital City Club where a reception was held on the top floor of the building, offering a spectacular view of the State House and metropolitan Columbia area. The participants enjoyed a steak and chicken dinner and returned to the hotel. Although there were no more scheduled events for the evening, many of the couples congregated in the lobby, enjoying the social opportunities the weekend offered. PFC Regional Lending Manager Rick Moore opened Sunday morning's session with an inspirational message prior to Dr. Kohl's closing session. ■



Dr. Kohl with the Class of 2002.



The class of 2003 takes a break to pose for a quick snapshot.



Participants include: Timmy and Michelle Benton; Cale and Kellie Bigbee; Mark and Celeste Cathcart; Brent and Karen Crenshaw; Timothy and Kecia Faulkner; Len and Lee Ann Givens; Tommy and Lori Holsenback; James and Rhonda Johnson; Tony Wayne and Karan Johnson; Jeff and Donna Lucas; Walker and Amanda Nix; Jack and Kim Reeves; Trent and Karen Rentz; David and Jean Rickenbaker; Nathan and Connie Wagler; Tripp and Jenny Kemp; Will and Pooh Peeler.



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