



## A Message from the CEO



Pat Calhoun

Spring has sprung across the AgSouth territory. It is a time of renewal - moving out of the old and into the new. Things have "greened" up around the Association and folks are executing their 2019 business plans. That said, it is important to take a quick look back before we get too far down the 2019 road.

2018 was a very good year for your cooperative. Earnings of \$53 million were at near record levels, and the Association was able to return a great patronage to you, our member/owners. The Board declared more than \$34 million in patronage from our 2018 operations and authorized the distribution of \$20 million from the 2013 allocated surplus. We are proud to have distributed more than \$500 million in cash and surplus since 1988. There's real value in doing business the cooperative way by "putting our profits in your pocket!"

We've started 2019 with a bang. We're making loans, writing insurance, originating leases and originating residential mortgages at a steady pace. We are also actively involved in our communities and welcoming new faces to the AgSouth family even as we say "Happy Retirement" to some longtime friends. You will find articles in this edition about our Think Outside the Store® farmers market grant program, student scholarships and our award-winning AgAware™ financial training program. Spend some time reading our member article! I'm sure you will find it interesting and informative. Also, look for the dates of our 2019 Annual Stockholder Meetings. I'm hoping to see many of you in attendance at these important regional business meetings of AgSouth.

Finally, as always, I want to thank you for your business. Your membership in AgSouth is what makes us successful and is the reason for our success.

Sincerely,

Pat Calhoun, CEO

### SAVE THE DATE FOR YOUR ANNUAL MEETING!

**AUGUST 5**

**Old Orangeburg Mall  
Orangeburg, S.C.**

**AUGUST 6**

**First Presbyterian Church  
Clinton, S.C.**

**AUGUST 19**

**First Baptist Church  
Statesboro, Ga.**

**AUGUST 20**

**Griffin Kiwanis Building  
Griffin, Ga.**

## NOTICE: OFFICE CLOSINGS

**May 27**

**Memorial Day**

**July 4**

**Independence Day**





WE PUT OUR  
PROFITS IN YOUR  
POCKETS!®



## WANT TO MAKE SURE YOU CONTINUE TO RECEIVE A HEALTHY PATRONAGE CHECK?

- ✓ Continue to borrow from AgSouth for all your farm, agribusiness, real estate and equipment needs.
- ✓ Refinance loans you may have with other lenders through the cooperative you own and govern.
- ✓ Tell your friends and family about AgSouth.
- ✓ Use AgSouth Mortgages for your new home purchases, construction or refinances.
- ✓ Use AgSouth for all of your leasing and crop insurance services.

*The more profits we make, the more we share with our customers!*

**AGSOUTH MEMBERS  
ARE \$30.7 MILLION  
RICHER THIS YEAR!**

This spring AgSouth Farm Credit distributed more than \$30.6 million IN CASH from patronage and allocated surplus to our members! More than \$10.3 million originated from 2018 profits, and more than \$20.4 million was revolved from 2013 allocated surplus.

For 31 consecutive years AgSouth has distributed profits to our members – an average of 28.21% and more than **\$518 million in cash and allocated surplus**, proving that ***We Put Our Profits in Your Pocket®!***



## PHOTO CALENDAR CONTEST REMINDER

We're collecting photos for our 2019 mAGnificant Photo Contest. Submit your rural and ag-related photos online before midnight on June 1 for an opportunity to win up to \$300 and be featured in our 2020 Association calendar! We're especially looking for photos in the following categories:

**Cattle**

**Timber**

**Family Rural Living**

**Hunting & Rural Property**

**Young Farmers**

The best photos in these categories may be featured in our ads in statewide industry publications even if you don't win the contest!

Visit our home page at **AgSouthFC.com** and click on **News & Events/Photo Contest** for contest rules and to enter your photos.



# WELCOME NEW EMPLOYEES

Please join us in welcoming the following employees to the AgSouth family.



**Lou Ogden**  
Relationship Manager  
Baxley, GA



**Ashlyn Hatcher**  
Loan Processor  
Anderson, SC



**James Callahan**  
Loan Officer Trainee  
Blackshear, GA



**Shannon Parrish**  
Loan Officer  
Douglas, GA



**Clayton Teston**  
Loan Officer Trainee  
Jesup, GA



**Tori Davis**  
Loan Processing Coordinator  
Baxley, GA



**Katelin Benkoski**  
Crop Insurance Agent  
Madison, GA



**Amy Welker**  
Loan Processing Coordinator  
Griffin, GA

## RETIREE

Statesboro's Marsha Deal retired March 1 after 27 years of devoted service to the Association. We wish you the very best in your retirement, Marsha!



**Marsha Deal**  
Statesboro, Ga. | 27 Years

Happy  
Retirement!

# RATES — COMPARING APPLES TO APPLES

By: Robbie Haranda, Chief Lending Officer



If you're purchasing land or equipment or have a loan that's ballooning, you may be shopping for a loan. With any loan, it's important to consider more than the interest rate quoted. In order to fairly compare what a lender is offering you, make sure you understand the **terms**. One of the most important factors to understand is the difference between a fully amortized loan and a balloon note. A 4 percent interest rate sounds a lot better than 6 percent, but make sure you're accurately comparing apples to apples.

## **FIXED RATES**

In today's rising rate environment, a fixed rate can help you manage risk. A fixed rate loan provides you the peace of mind that your loan payment is set for the term of the loan and will not increase. When a lender is quoting a rate, one of the factors considered is risk, and a part of risk is the term (length of time to pay back the loan). A 20-year fixed rate loan has more risk than a shorter term loan because there is more time for things to go wrong. Thus, you would expect to pay a higher rate for a 20-year fixed rate loan than you would for a 5-year fixed rate loan.

## **BALLOONS**

With a balloon loan, you may hear terms like, "a 20-year amortization (full term of loan)

with a 3-year balloon." Simply put, this loan is based on a payment over 20 years, but the rate is good for only 3 years, at which time the balance becomes due. At that point, your initial loan contract has ended. If you are able to refinance, the result is a new loan that will be priced according to the current interest rate environment.

While no one can predict what rates will be three years down the road, with a fixed rate, that risk is removed from the equation because you know that your rate will not change. So the question to ask is: "Does it make financial sense for me to get a fixed rate based on where I think rates are headed?"

## **BALLOONS CAN BE A GOOD CHOICE**

There are situations where balloon loans are beneficial, especially in certain cash flow situations. One example is if you are planning to manage the timber on your land purchase. If your management plan includes harvesting at certain intervals, you may want to establish a balloon loan to coincide with your harvest plan. A balloon loan will allow you the ability to apply timber proceeds to the loan principal and then refinance the outstanding balance over the term of the loan. Doing this can either reduce your loan payments or decrease the loan term and keep your payment the same.

The benefit is the ability to pay off your debt earlier than anticipated.

In today's rising interest rate environment, consider your options carefully. Fixed rates can help manage risk for longer term acquisitions, such as real estate purchases. Balloon terms may be beneficial if you anticipate cash influx at the time the balloon period is over. In the end, the rate type and term of the loan you choose should be based on your financial situation and investment goals, and AgSouth is here to help you make those important decisions.

**“** What if rates are lower in three years than they are now? At AgSouth Farm Credit, we monitor the decreasing rate environment and will actually reach out to qualifying members to let them know that rates have fallen and offer them a chance to modify the loan at a lower rate! **”**





## AGSOUTH AWARDS \$25,000 IN GRANTS TO AREA FARMERS MARKETS



Earlier this year, AgSouth Farm Credit awarded \$25,000 grants to fifty community farmers markets in our area to promote their venues. This is the eighth year the association has helped support our local markets and communities in this manner.

To be eligible to receive a grant, applicants had to provide a detailed marketing plan describing how they would use the grant funds to promote the market while incorporating the AgSouth name or logo in their promotions.

To see if your favorite market received a grant, visit [AgSouthFC.com](http://AgSouthFC.com) and click on News & Events/Farmers Market Grants. And remember: When it comes to shopping for your family, THINK OUTSIDE THE STORE and visit your local farmers markets!

## AGSOUTH AWARDS SCHOLARSHIPS

Earlier this year, AgSouth Farm Credit awarded grants to two Clemson University students to help them continue their agricultural education. Join us in welcoming these future ag industry leaders:



### Cathlynn Delaney McGrady

From: Lexington, S.C.  
Major: Agricultural Mechanization and Business

*"I will graduate from Clemson University in the spring of 2019 with a Bachelor's degree in Agricultural Mechanization and Business with a minor in Crop and*

*Environmental Sciences. I aim to establish a career in machinery sales, however my ultimate goal is to have a farm that focuses on hiring military veterans. I truly appreciate being awarded this scholarship as it has been a great blessing. I have avoided taking out student loans with the help of scholarships and working while in school, and it would not have been possible without this award."*



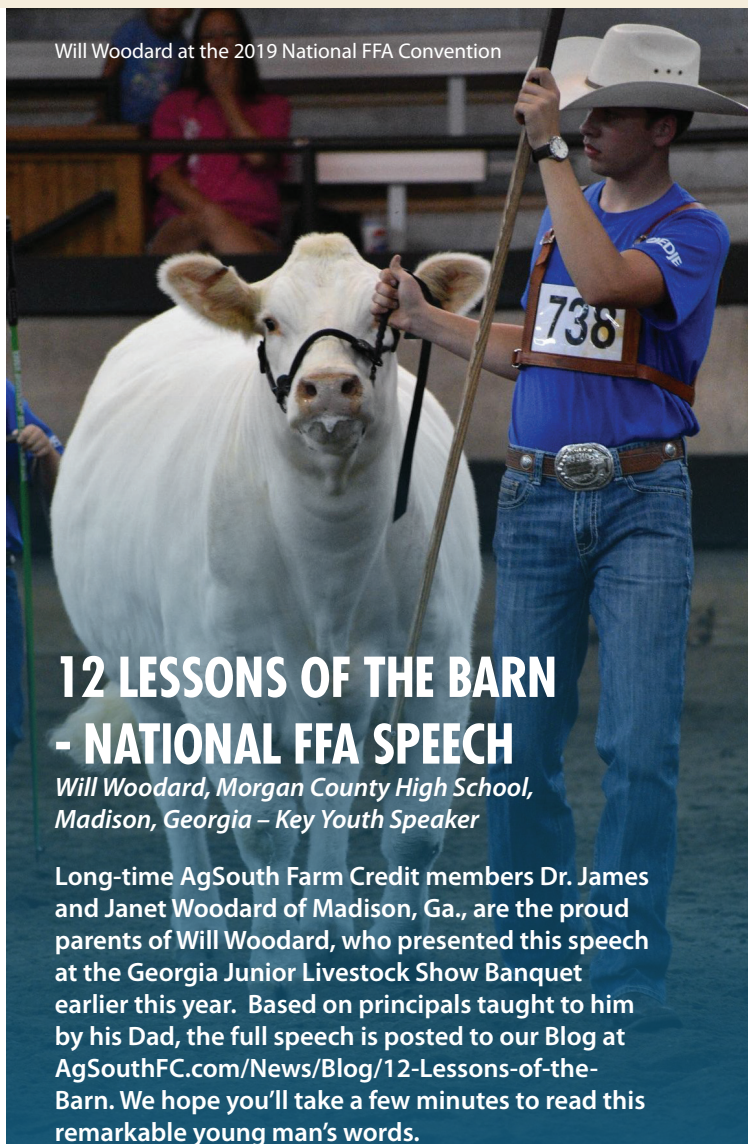
### Brice Shuler

From: St. Georgia, S.C.  
Major: Agribusiness

*"I plan to graduate in the spring of 2019 with a Bachelor's degree in Agribusiness with my minor being in Horticulture. Upon graduation, I plan to move into a career revolving around agriculture sales*

*or with Farm Credit. This scholarship is a blessing. College tuition is very expensive and requires my parents to make many sacrifices in order to help fund my education. Thank you for being so generous."*

Will Woodard at the 2019 National FFA Convention



## 12 LESSONS OF THE BARN - NATIONAL FFA SPEECH

*Will Woodard, Morgan County High School, Madison, Georgia – Key Youth Speaker*

Long-time AgSouth Farm Credit members Dr. James and Janet Woodard of Madison, Ga., are the proud parents of Will Woodard, who presented this speech at the Georgia Junior Livestock Show Banquet earlier this year. Based on principals taught to him by his Dad, the full speech is posted to our Blog at [AgSouthFC.com/News/Blog/12-Lessons-of-the-Barn](http://AgSouthFC.com/News/Blog/12-Lessons-of-the-Barn). We hope you'll take a few minutes to read this remarkable young man's words.



A man and a woman, Donna and Mike Collins, are standing in front of a large, modern barn on a farm. The man is wearing a red and white plaid shirt, and the woman is wearing a purple shirt. They are both smiling. In the background, there is a large barn with a white roof and a pond with a fountain.

# A BARN BUILT ON FAITH

By: Heather Brannen, Marketing Coordinator

Donna and Mike Collins on their Tattnall County, Ga., farm

If there was ever a picture of faith – family – fellowship – farming, it would be of the Collins.

Drive straight through the caution light in Cobbtown, Ga., and turn down a couple of long, winding dirt roads. You'll come around a curve to a sight you would never expect to find – a grand barn with beautiful stained wood, iron railings, and rock pillars set in front of breathtaking views of rolling pastures, pines, fences and cattle.

Walking up, you will be greeted with warm smiles, handshakes and hugs from Mike and Donna Collins. As beautiful as the barn and rolling fields are, nothing compares to the beauty of the couple and their story behind the barn.

## 20 Years in the Making

Mike Collins grew up on the farm that his granddaddy purchased in the 1920s. Mike and Donna met and married in 1999 and began to grow their family. Their shared dream was to move back to the farm to build on their family's farm legacy.

After 10 years of marriage and hard work building a business in the timber industry, the couple took a leap of faith and decided to move back to the farm. At the time the entire property was a large swamp and cut-over timber. Over time they cleared the land, created pastures and built the pond, working their way up from some lean times in their business.

They built their home and Mike started buying a few cows – three at first. Slowly, he has grown the herd to around 100. The cows are a fun hobby for Mike. Donna jokes that Mike enjoys spending time with his "ladies." Over the years the couple has purchased additional land –



The Barn is a spectacular place for weddings and other events.

some for pasture and some to grow timber for pulpwood.

## Driven by a Love for People

Despite everything that Mike and Donna have built, what drives them to do it all is their love of God and people. This sweet and humble couple look at each other and light up as they tell stories of church get-togethers at their pavilion, 4th of July community fireworks over the pond, the kids and their friends tubing, riding horses and filling up their home for the weekend.

## "THE BARN"

In fact, that desire for community resulted in their most recent venture. In 2017, after a weekend youth retreat at their home with more than 40 kids, they decided they needed more space for gatherings. So they decided to build a barn. But what started as a simple barn soon turned into something far grander than they ever imagined. The results are stunning.

Since the intention of the barn was for family

and church gatherings, Donna was surprised when one day a young lady pulled in the driveway and asked, "Can I get married here?" The answer, "Why not!" resulted in The Barn at Collins Family Farm, which is now a very popular spot for weddings, proms and many other events.

## Humble Advice and Bountiful Blessings

The dream they started out with has blossomed into something far greater than they ever imagined, but it has come with a lot of hard work, determination and dedication.

Their piece of paradise has been 20 years in the making, and as result, advice to others is true wisdom. "If you have a dream, go for it! But don't get in too big of a hurry. Things don't happen overnight. When times get tough, stay the course. Hold steady, don't give up. Sometimes you may have to scale back and go a different direction. What's important is that you keep moving forward."

Donna adds, "You don't have to do it by yourself. There are people there to help you." Before the couple makes any financial move, they put together a plan and approach their loan officer. Clay Clifton in Vidalia helps them decide if the time is right to put their next plan in place. "I trust Clay. He's always taken care of me," says Mike.

Ultimately, Collins' Family Farm is about faith and fellowship.

The couple has done it because Mike states "the Bible says whatever you put your hand to, God's going to bless it."

And blessed they surely are.





Promoting & Educating the Next Generation of Farmers

## **AWARD-WINNING AGAWARE® RETURNS**

AgSouth is offering two sessions of its award-winning AGAware® training for YBS (young, beginning, and small) farmers this summer. The workshops are held from 9:00 a.m. – 4:00 p.m. and include a free lunch.



**FRIDAY, JULY 26**

USDA-ARS Vegetable Lab

2700 Savannah Highway | Charleston, S.C.



**FRIDAY, AUGUST 23**

AgSouth Farm Credit

20 E Vine St | Statesboro, GA.

AGAware is certified in Georgia and South Carolina for USDA's FSA Director Borrower Education Certification. Seating is limited.

For more information, visit

**[AgSouthFC.com/News&Events/AGAware](https://AgSouthFC.com/News&Events/AGAware)**

The AGAware workshops will offer insight into topics including:

- Balance Sheets
- Income Statements
- Personal Finance
- Credit Bureau Scores
- Risk Management
- Succession Planning
- Building a Budget
- Accrual Income
- Available Finance Programs for YBSM





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STOP DREAMING  
**Start Living**



LOANS FOR HOME PURCHASES, HOME  
CONSTRUCTION & REFINANCES