

# Out in the Country

An AgSouth Farm Credit Member Publication

SUMMER 2022

## A Message from the CEO



Pat Calhoun

Together, we have turned the page of 2021 and moved ahead into 2022. By now, you should have received AgSouth's 2021 Annual Report where we reported a record \$72 million in earnings, coupled with strong credit quality, capital, and reserves for the future.

Importantly, your board elected to distribute \$32 million in an ALL CASH patronage distribution for the first time in our history. This significant distribution, taken in conjunction with AgSouth's \$20 million distribution of Surplus Allocation back in February, bringing the total cash distribution from the cooperative to \$52 million during the initial months of 2022. As I like to say, it pays to do business the Cooperative Way with AgSouth!

Your cooperative is off to a good start in 2022. Loan growth is tracking our expectations and our income is up over this time last year. Thanks for your continued support. This year will also have its challenges. Whether they come from increased input costs, weather or general economic uncertainty, AgSouth is prepared to meet the headwinds that

2022 may bring. With your support and continued use of your cooperative, we will continue to help meet your financial needs and dreams.

This issue of Out in the Country will prove to be an interesting read. There is more about our patronage program, a focus on employees, an article on innovative agriculture and more. You will also find information on your board and our upcoming nominating season. You have all likely heard the exciting news of our Board of Directors' intention to merge with our peers at Carolina Farm Credit. We will provide a look in to what that process looks like in this issue as well.

As I conclude, I extend a sincere thank you for your business. Our cooperative is founded on its strong and loyal membership. You make AgSouth what it is and for that, the board, staff and I are very appreciative.

Sincerely,

Pat Calhoun, CEO

### NOTICE: Office Closings

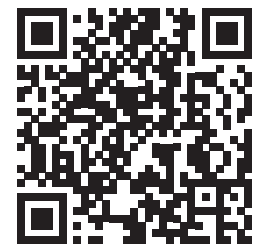
**June 20**  
Juneteenth National  
Independence Day

**July 4**  
Independence Day

**September 5**  
Labor Day

## VOTING STOCKHOLDERS: Update Your Contact Information

Updating your contact information helps us keep our records up to date, and ensures you receive important information like Board of Director election ballots, results, and announcements. Please go to the link using the QR code to update your contact information.



# SAVE the DATE

## FOR OUR ANNUAL MEETING!

This year's Annual Meeting will be held Thursday, August 18, 2022 at 1:00 p.m. in Statesboro, Georgia. Eligible stockholders will be mailed and emailed (if on file) a ballot to participate in the cooperative process directly from their homes. Participation/attendance in the meeting is not required to vote.

Visit our website for more information:

<https://www.agsouthfc.com/member-benefits/have-voice>

# AGSOUTH DISTRIBUTED NEARLY \$52 MILLION IN PROFITS TO BORROWERS THIS YEAR!

AgSouth Farm Credit CEO Pat Calhoun announced that the Association's patronage will be a cash distribution of \$32 million from AgSouth's 2021 profits. In February, the Association distributed \$20 million in allocated surplus from 2016 which combine for \$52 million in total distributions made in 2022.

As a cooperative, AgSouth borrowers are stockholders and therefore share in the Association's profits. This is done through the patronage program and the distribution is voted on by the Board of Directors each year.

"AgSouth's capital strength, earnings and credit quality all contribute to this distribution. Since 1998, AgSouth has distributed more than \$654 million in cash and allocated surplus. We are proud of this long, strong history of operating under cooperative principles and delivering real value to our members and customers in South Carolina and Georgia," Calhoun said.

We truly... **Put Our Profits in Your Pockets!**

FISCAL YEAR ENDING	TOTAL PATRONAGE DISTRIBUTION	CASH	ALLOCATED SURPLUS	ALLOCATED SURPLUS DISTRIBUTED	SPECIAL ALL CASH DISTRIBUTION	% OF INTEREST EARNED
1988-2012	\$447,291,081	\$134,376,206	\$312,914,875	\$313,006,242		24.42%
2013	\$29,307,209	\$8,792,163	\$20,515,046	\$20,078,458		29.30%
2014	\$29,921,281	\$8,976,385	\$20,944,896	\$20,944,896		31.41%
2015	\$26,454,596	\$7,936,379	\$18,518,217	\$18,518,217		27.52%
2016	\$28,480,210	\$8,544,051	\$19,936,159	\$19,936,159		28.22%
2017	\$32,381,292	\$9,714,388	\$22,666,904			30.88%
2018	\$34,154,537	\$10,246,361	\$23,908,176			29.80%
2019	\$38,900,000	\$11,670,000	\$27,230,000		\$8,000,000	39.39%
2020	\$40,001,347	\$12,000,404	\$28,000,943		\$10,000,000	32.38%
2021	\$32,062,248	\$32,062,248				27.73%
<b>TOTAL</b>	<b>\$738,953,801</b>	<b>\$244,318,585</b>	<b>\$494,635,216</b>	<b>\$392,483,972</b>	<b>\$18,000,000</b>	<b>30.11%</b> <small>(Average since 1988)</small>

## Want to Make Sure You Continue to Receive a 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.

# WELCOME NEW EMPLOYEES

Join us in welcoming our new employees (and future Ag leaders) to the AgSouth Family!



**Wil Stuart**  
Credit Analyst  
Statesboro



**Marianna Brown**  
Loan Specialist Coordinator  
Statesboro



**Antonio "Tarrez" Brown**  
Loan Processing Coordinator  
Statesboro



**Jamey Sharpe**  
Sr. Information Systems  
Statesboro



**Laura "Latrese" Mikell**  
Customer Service Rep.  
Statesboro



**Wyatt Rucker**  
Loan Officer Trainee  
Orangeburg



**Chet Ellis**  
Relationship Manager  
Douglas



**Jessica Greene**  
Loan Specialist  
Statesboro



**Lynn Jordan**  
Loan Specialist  
Batesburg



**Monica Taylor**  
Loan Specialist  
Baxley



**Ian Greene**  
Relationship Manager  
Jesup



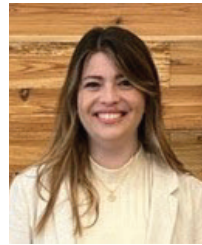
**Aaron Clary**  
Loan Officer Trainee  
Jesup



**Ben Phillips**  
Instructional Designer  
Statesboro



**Jake Hickox**  
Loan Officer Trainee  
Blackshear



**Michelle McCoy**  
Associate Accountant  
Statesboro



**Teresa Stone**  
Loan Operations Coordinator  
Statesboro



**Latoya Turner**  
Loan Specialist  
Anderson

# RETIREES

AgSouth wishes to express our sincerest thank you the following individuals for their many years of devoted service to the Association. We wish you the very best in your retirement!



**John Clarke**  
Special Assets Manager  
Statesboro



**Jeanene Phillips**  
SMM Production Manager  
Statesboro



**Lynda Clarke**  
Sr. Loan Specialist  
Thomaston



**Mark Fox**  
Relationship Manager  
Aiken



**Tammy Horne**  
Sr. Information Systems Specialist  
Batesburg



**Doug Baldwin**  
Regional Credit Administrator  
Orangeburg

# AGSOUTH AWARDS GRANTS TO AREA FARMERS MARKETS



Earlier this year, AgSouth Farm Credit awarded \$500 grants to community farmers markets in our area to promote their venues. This is the tenth 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/farmers-market-grant](https://agsouthfc.com/farmers-market-grant) and remember: When it comes to shopping for your family, THINK OUTSIDE THE STORE<sup>®</sup> and visit your local farmers markets!



## AGSOUTH Serves

AgSouth not only provides loans for land, farms, and homes but also supports local community groups and organizations. Take a look at what some of our branches are doing in their local communities!



### AgSouth Madison Branch Employee Coaches 4-H Dairy Judging Teams

Credit Analyst Katelin Benkoski has worked for the AgSouth Madison Branch since 2019. Benkoski grew up on a dairy farm and wanted to give back by to the Ag community by coaching the Morgan County 4-H dairy judging teams. She volunteered for over 6 weeks prepping both the Junior (8th grade and under) and Senior (9th-12th grade) teams for the state competition. She taught the 4-Hers how to judge dairy cows as well as give oral reasons in front of judges. Both the Junior and Senior Morgan County teams placed third in the state competition. AgSouth is proud of Katelin for giving her time and expertise to the youth of Morgan County!



### AgSouth Supports Families Affected By Tornado

Following the tornado devastation in Pembroke, GA and Allendale, SC in April, the Statesboro and Allendale branches served as a drop off location for supplies needed to support families that lost their homes. The response was overwhelming! Donations were received from staff, churches, customers, and other local groups. Multiple loads of items as well as monetary donations were sent to the areas in need. Pictured is a local Bulloch County 4-Her collecting donations from AgSouth.



# Get Your Farm Finances on Course

As a farmer (and CEO of your business), managing your finances can be a challenge. But for long term success, it may be the most important thing you do.

**REGISTER TODAY:** [AgSouthFC.com/AGAware](http://AgSouthFC.com/AGAware)

**JULY 22: Lyons, GA**

Vidalia Onion Research Center | 8163 Hwy 178

**JULY 29: Aiken, SC**

Aiken Technical College | 2276 Jefferson Davis Hwy

**REGISTER TODAY:** [AgGeorgia.com/AGAware](http://AgGeorgia.com/AGAware)

**AUG. 12: Summerville, GA**

Chattooga County Ag Center | 40 Middle School Rd

**REGISTER TODAY:** [SWGAFarmCredit.com/Services/Education/AGAware-Registration](http://SWGAFarmCredit.com/Services/Education/AGAware-Registration)

**AUG. 26: Albany, GA**

Hilton Garden Inn | 101 S. Front Street

Attend one of our **FREE** AGAware workshops on Farm Finance Management!

**You'll learn about:**

- Balance Sheets and Income Statements
- Business Planning and Budgeting
- Family Finance
- Risk Management
- Applying for Financing
- FSA/SBA and Other Programs

Workshops are 9 a.m.-4 p.m. | Lunch is provided.  
Earn FSA Direct Borrower Training credits.

**AGAware**<sup>®</sup>

Promoting & Educating the Next Generation of Farmers



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**AgSouth**  
Farm Credit

[AgSouthFC.com](http://AgSouthFC.com)



**AGGEORGIA**  
FARM CREDIT

[AgGeorgia.com](http://AgGeorgia.com)



# 4 INSPIRING LESSONS FROM A GREENHOUSE FARMER

## *Lessons From Mrs. Kaye*

By: Heather Brannen, Marketing Specialist

loved the greenhouses and took a leap of faith by going to work full-time on their farm in 1993. In the late 1990's they started growing flowers in the greenhouses, too. It was hard to constantly get out and drum up business, or sell what flowers were ready. She would frequently get up at 2:00AM to drive to Atlanta to sell her flowers, get back at midnight and then get up and go to work again the next morning. When the market for tobacco transplants disappeared she decided to focus on expanding their vegetable transplant operation and to discontinue the flower operation.

### The LESSON

*"If you do anything, you have to be committed. Don't do it because it looks easy"*

### "NO" DOESN'T MEAN "NEVER"

Financing had always been a struggle for Kaye because what she was doing was considered unconventional. When she decided to expand the vegetable operation, she approached AgSouth for help. After listening to her plans for expansion, her loan officer disagreed with her plans and told her "no" to financing. Kaye was angry, discouraged, and at a loss for what to do next.

Without enough money to expand and pay for the additional labor needed, Kaye and Randy had to step back and reassess.

Randy and Kaye were able to secure financing through a local bank. It took five years to build their transplant business up to a point of further expansion. When they approached AgSouth again, the answer this time was "yes".

Mrs. Kaye embodies a true woman in agriculture – tough, hard-working, determined, passionate, and faithful. She loves what she does. Ask her a question about her operation and she'll tell everything you ever wanted to know about how it works and how she got there. The good, the bad, and the ugly. Her hard work has been fruitful – literally! But it has come with many challenges along the way. The life lessons and wisdom that Mrs. Kaye has to share is born from years of experiencing both deep stress and joy, failure and success, patience and God's blessings.

### DETERMINATION AND TOUGH CHOICES

In 1985, Kaye was working off the farm and her husband Randy was farming cotton, peanuts, wheat, onions, and tobacco with his dad. That November, Hurricane Kate moved across Southeast Georgia and took their entire cotton crop. Randy's dad decided to hang it up, and Randy found work off the farm at Plant Vogtle for a few months before taking a job as a security guard with GA State Prison. He worked first on the Joe Kennedy Farm and later at Georgia State Prison aka "the Big House" in Reidsville.

Kaye and Randy always wanted to get back in to farming. In 1989 they decided to put in two greenhouses to start growing pepper and tomato transplants for the Georgia State Prison system. R & K Greenhouses was born. Soon they put in a couple more greenhouses just for tobacco. Kaye

### The LESSON

*"'No' turned out to be the best answer we ever got. Because that 'no' led us in a different direction, which brought us into something more successful than we could have ever imagined."*





And as they say, the rest is history.

### DOING THE RIGHT THING

As she was struggling to gain a larger customer base, Kaye got a lead on a large vegetable and watermelon grower in South Carolina looking for a new greenhouse to grow their transplants. She drove over and gave her pitch to the buyer. Two weeks later while on vacation, the phone rang. The buyer was calling to place a small order for cabbage transplants. She accepted, happy to take whatever size order she could get.

Kaye worked hard on the plants and when they were ready to deliver they were strong and healthy. Kaye and Randy loaded up the transplants on two old, ragged trailers and pulled off the farm with a deadline to have them to South Carolina by 6 PM. The first trailer got a flat tire in Statesboro. They got it fixed, went on their way, and then the other trailer got a flat tire in Sylvania. Kaye sent Randy ahead to get what he could to the buyer. It was midnight before they got there with the other trailer.

Kaye felt defeated. The buyer was not complimentary at first. "I expect you to do a job.

And I expect the highest quality and service." Kaye braced herself, just knowing she had lost this opportunity.

He continued, "And as long as you are fair with me, I'll be fair with you. Will you grow 750,000 watermelon plants for me next year?"

Hiding her stunned excitement, she responded with a gracious and confident "Yes, sir!" She didn't know it at the time, but the cabbage was a test. Passing that test meant getting the whole account.

### The LESSON

*"If you can't do a good job on the little stuff, no one will trust you with the big stuff"*

### A BRIGHT FUTURE

Today, Kaye and Randy have 21 greenhouses at R & K Greenhouses – more than she ever dreamed – and they grow transplants of watermelons, leeks, kale, cabbage, collards, and broccoli. Vegetables are hard to start from seed as they are sensitive to water and temperature and subject to disease. Kaye specializes in germinating seeds and caring for the small plants until they are big enough to be transplanted into the field. Farmers rely on her to

grow healthy transplants that will grow into strong and productive plants for harvest.

The transplant business continues to grow, but not without challenges. Kaye is tough, physically and emotionally. She can do everything in the greenhouses herself – watering, filling trays, planting, system and equipment repair, and more. She's endured hard times like losing customers, greenhouse failures, plant disease, and more. Kaye is the first to admit that the success of R & K Greenhouses is dependent on a lot of people, mostly her husband of nearly 40 years and her employees. Always full of wisdom she shares an important lesson for us all:

### The LESSON

*"When you make mistakes, accept responsibility and make it right."*

So why does she do it?

*"I love nature and seeing God's work. Knowing I'm part of something so much bigger."*

For all you do Mrs. Kaye, we thank you.

# AgSouth Farm Credit and Carolina Farm Credit Announce Intent to Merge

The merged Association will be better positioned to serve farmers and rural residents in North Carolina, South Carolina and Georgia.

AgSouth Farm Credit and Carolina Farm Credit have jointly announced their intention to pursue a merger. Under the terms of the Letter of Intent (LOI), which was unanimously approved by the Boards of Directors of both Associations, the combined entity would form the largest Ag lending cooperative in the Southeast. Based on the two Associations' current portfolios, the merged entity would begin with over \$4.2 billion in gross loan volume serving more than 24,800 stockholders with more than 475 employees.

The two Associations would operate as AgSouth Farm Credit, ACA. The combined Agricultural Credit Association would serve 147 counties in North Carolina, South Carolina and Georgia. The headquarters would be located in Statesville, North Carolina.

"AgSouth Farm Credit is excited to partner with such a strong Association as Carolina Farm Credit" says Frank Ables, AgSouth Farm Credit Chairman of the Board. "The potential merger will provide additional resources, an expanded team of experts in our industry and further financial strength

for our stockholders, farmers, rural residents and agribusiness across our shared footprint."

Vickie Smitherman, Chair of the Carolina Farm Credit Board, added "Both Associations share a similar culture and values that focus on supporting and promoting our members and employees. With ever evolving markets within agriculture and rural America, this merger will ensure our ability to continue to meet our mission to support the needs of farmers and the rural communities we serve."

If approved, the combined Association would be led by current Carolina Farm Credit President and CEO, Vance Dalton, who has more than 29 years of Farm Credit leadership experience. AgSouth President and CEO Pat Calhoun, will retire after more than 34 years of Farm Credit service. Mr. Calhoun has successfully led AgSouth Farm Credit for the past 6 years and the Boards appreciate his strong leadership and vision.

We anticipate that further due diligence will confirm that a merger should generate meaningful benefits for the stockholders, agriculture producers and future producers, communities served and employees from both Associations. Both Boards want to ensure the ability to evolve and not only meet but exceed the expectations of those we serve. With an expanded team there should be

more access to specialized lenders available to provide the needs and expertise for our diverse market along with more efficiencies through access to increased resources in technology and capital. These additional strengths should also allow for further support and new opportunities to assist the young, beginning and small farmers in the three states. No branch office closures or branch staffing changes are anticipated as part of the merger. The Boards are dedicated to ensuring that members continue to receive relationship lending with personalized service from the same trusted experts with local loan decisions and delivery of financial services.

As a cooperative, our stockholders will have a say in the final decision. Once due diligence is complete, the respective Boards will vote to approve a definitive merger agreement and seek to obtain regulatory approval. If regulatory approval is obtained, stockholders will receive a merger disclosure package in early 2023 with a complete description of the merger terms and the Board's reasons for recommending stockholder approval. A stockholder vote would occur afterwards, and, if approved, the merger would become effective on April 1, 2023.





# INCREASE YOUR HOME VALUE NOW WITH TOP 5 UPGRADES



By: Lyndsey Sutherland, Digital Marketing Specialist

**Wonder what improvements can add the most value to your home to increase your return on investment whenever you sell?**

If so, you are not alone. "Best home upgrades" is one of the most common real estate searches on the internet. We talked with licensed South Carolina certified general appraiser and licensed real estate agent, Scott Garland, to discuss the best (and smartest) upgrades you can make to your home that add value.

## The Best Time to Make Home Upgrades

It's important to note that doing upgrades to your home with the goal of adding value is only beneficial if your home is a minimum of 10 years old. A lot of people think they can buy a new home in a new subdivision, make some upgrades, and see a high return-on-investment if they sell in a few years. This is a common misconception. Typically, a 20 to 30 year old home sees a higher return per project. This is because project materials usually have a minimum shelf life of 10 years. Another big reason for this has to do with your surroundings and current market trends. "Because the homes around you are still so new and everything selling around you is so much like yours in square footage and design, you don't really recoup upgrade expenses," says Scott Garland. "What you have done instead is overbuild your home for your neighborhood."

## Important Note on Estimated Return-on-Investment

A lot of other articles you'll see on this topic give you estimates on cost per project and recoup value. We think this can be misleading! Your return-on-investment per project depends on a variety of factors including market conditions (inflated market vs normal), your location, and your initial home value. Because of this, we will not go in to project costs or estimated percentage of return. We will, however, go over what we have seen historically to be the smartest upgrades you can make and why. Spend some time becoming aware of the above factors, how they pertain to your current situation, and get a few bid estimates from local professionals before you proceed.

## TOP 5 UPGRADES TO ADD VALUE TO YOUR HOME NOW

### 1. Add Square Footage or Better Utilize Current Square Footage

The best way to increase value in your home is to increase its square footage or update its floor plan especially if the majority of the homes surrounding you have been modernized, too. "If you currently have the smallest house on the block with two bedrooms and one bath, adding a bedroom and a bathroom to be up-to-date with current trends would add significant value to your home," says Scott.

Another option would be opening up a closed floor plan by knocking out some walls or finishing out an attic or basement. "Doing this lowers your effective age of the home and makes it more appealing when you go to sell."

According to Real Estate Valuation Company Clear Capital, "Effective age is a term used by appraisers to state the age of the property based on its current condition, rather than its actual age." Maintaining your home with market trends will lower the effective age.

### 2. Update Your Kitchen

If you're in an old home you don't have to spend \$30,000 on a complete kitchen remodel in order to make your home more sellable. Again, bringing your kitchen up-to-date with current trends is the easiest way to recoup your project costs.

"Something as simple as making sure all your appliances match in color, or adding appliances to improve the functionality of the kitchen can change its entire appeal," says Scott. "If your cabinets have a good wood base, changing the door facings, upgrading hardware, or painting them can be a less expensive way of modernizing and lowering your home's effective age."

Another simple and cost effective upgrade would be switching countertops from laminate to quartz, granite or some other type of rock.

### 3. Update Your Exterior

If you have siding, replacing it can add value to your home but there are other lower-cost methods that can do just the same.

"The only time you need to replace siding is if it's starting to rot, needs repairs, or has met its life expectancy," says Scott. "Simply painting old yellow vinyl siding to a modern grey can make a huge difference."

Red brick homes are no stranger to the south. "Painting red brick can change the whole curb appeal of the home," says Scott. "I have seen this so many times. A house will be painted and then I'll get a call from someone that said they saw it the week before and now it just looks like an entirely different house."

Another easy way to increase the value and curb appeal is adding accents. Adding – or removing – shutters, painting trim, painting your front door, updating porch columns, or adding stone accents to the porch posts or sections of the house as a focal point can be small changes that have big impact.

### 4. Upgrade Flooring

Depending on your square footage, this can be one of the most expensive upgrades if you want consistent flooring throughout the entire house. If your flooring has met its life expectancy, it's definitely time to upgrade.

"In the current market today, hardwoods have gotten really expensive. Buyers like to see them more in older homes where they already existed but have been refinished," says Scott. If you currently have carpet that needs replacing, check to see if there are beautiful hardwoods under the carpet that you can redo. If there aren't any hardwoods, current trends are leaning more towards vinyl planking due to better durability. "People like vinyl planking in newer homes because it holds up better with babies and pets," says Scott.

### 5. Put in Energy Efficient Windows

"After a certain time frame windows become a must," says Scott. "If your windows are currently hard to operate, clean or aren't energy efficient, it's time. Upgrading them also adds curb appeal." The cost of this project can be heavily dependent on the market and where you live. In an inflated market, it's highly unlikely you are going to get that money back. We recommend getting a few different bids and really weighing the cost of this project compared to your current home value.

## Compare Project Cost to Initial Home Value

No matter what you choose to upgrade, it's important to keep the ratio between project cost and initial home value in mind. Super custom homes that use high-end materials (unless in a similar market) usually don't recoup a large percentage of the expense. It's best to think about doing modest upgrades that bring your house closer to current middle-market trends and not overbuild your home.



We are proud to announce our grand prize winner of our first ever Down Home Dishes Recipe Contest sponsored by Certified South Carolina Grown and Georgia Grown. The Down Home Dishes Recipe Contest was created to celebrate ingredients grown in the two states AgSouth calls home.



**GRAND PRIZE WINNER:**  
*Mary Ann Boyd*  
of Rock Hill, SC



**Ingredients:**

- 1/2 C white sugar
- 2 Tbs margarine
- 1 Tbs flour
- 1 pinch salt
- 2 eggs
- 1 tsp vanilla
- 1 C light corn syrup
- 1 C chopped pecans  
(grown on the farm)
- 1 uncooked pie crust

*Recipe*

*Mary Anne's Pecan Pie*

Georgia/South Carolina ingredient: Pecans

**Directions:**

Mix together white sugar and margarine. Add flour and salt and mix again. Whisk eggs and add to sugar mixture. Add vanilla, corn syrup and pecans and mix well. Pour into pie crust. Bake at 350 degrees for 30-45 minutes or until firm.

# Farm Succession Planning With No Family Heirs

Some farmers have family successors. If you don't, you still need to plan for the day your farm exchanges hands. Here are a few things to think about as you start that process.

Without family members to take over, farm succession planning is hugely important. It helps you make sure your financial needs are covered later in life. In other words, it keeps your financial goals well within reach as you age.

"Farmers must decide what to do with property in ways that reflect their personal values and financial goals," according to Nationwide Advanced Consulting Group Technical Director Ryan Patton, JD, MBA. "That's true even if they lack natural successors."

## START WITH KEY DOCUMENTS

There are three main documents to direct how farm assets will be managed late in life or upon death:

- Will
- Durable power of attorney
- Medical advance directive

These forms are essential when there are no farm family successors. Without a will, for example, state law determines how property is distributed. That happens without consideration of the owner's wishes.

A living will is the most common medical advanced directive. This type of document directs your medical care if you can't do so yourself. "A living will should completely describe health care preferences. You may opt to refuse treatment in some cases, for example. A living will documents those preferences," Patton said.

## WORK WITH A TRUSTED ADVISOR

A durable power of attorney form delegates certain financial and/or legal decision-making authority to another individual even if death is not imminent. No matter what combination of these documents you create, work with a trusted advisor to make sure you're covering all your bases.

"Ideally, it makes good sense to combine the living will and medical power of attorney-type documents," Patton said. "It is best to have the document or documents drafted by an attorney familiar with the subject."

## FIND THE RIGHT TRANSITION STRATEGY

Just like completing planning documents, work with a trusted legal advisor to identify the right transition strategy for you. Options include:

- Operate the farm on a scaled-back or part time basis
- Lease land and other major assets like livestock and machinery

- Hire a custom farm or ranch operator
- Transition to a young/beginning farmer
- Planned giving or land conservation
- Agricultural conservation easements
- Combined conservation easement/charitable gift annuity

## ALWAYS THINK LONG-TERM

Think about both your expected financial needs late into life as well as any personal preferences for how you want your assets handled in arriving on the right strategy.

"Rather than focusing on transferring assets or protecting beneficiaries after the owner's death, the childless should try to focus more on lifetime concerns and especially their fear of running out of money," Patton said. "In doing so, they should look to their professional advisors to help guard and protect their long-term interests."

If you would like additional information please contact:

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