

OUR HERITAGE



AgHeritage Farm Credit Services | Summer 2020



AgHeritage[®]
Farm Credit Services

OUR HERITAGE

Summer 2020

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President & Chief Executive Officer

Drue Ford
*Senior Vice President &
Chief Credit Officer*

Ken Sumner
*Senior Vice President &
Chief Financial Officer*

Cole Plafcan
*Senior Vice President
Chief Lending & Marketing Officer*

Blake Swindle
*Senior Vice President &
Chief Commercial Lending Officer*

Leslie Brown
*Vice President Chief Human
Capital Officer*

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Pocahontas, Arkansas
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Jerry Burkett
*(Southern Region)
Stuttgart, Arkansas
Vice Chairman*

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AgHeritage[®]

Farm Credit Services



Growing Arkansas Today and Tomorrow



CONTENTS

- 1 Letter from Greg Cole, President & CEO of AgHeritage Farm Credit Services
- 2 Overview of The Farm Credit System
- 3 New Hires, Promotions & Interns
- 4 Employee Reward & Recognition Luncheon
- 5 Customer Feature - The Reidhars
- 9 Patronage Program
- 13 Legislative Report: Scott Sullivan
- 15 AgHeritage Responds to COVID-19 Outbreak
- 16 Guest Column: Dan C. Young
- 17 Congratulations to Arkansas's 2020 County Farm Families of the Year
- 19 Delta Peanut Plant Progresses
- 21 Annual Visit to Capitol Hill
- 22 Pine Bluff Customer Appreciation Event
- 22 Online Banking Portal / DTN
- 23 Scholarship Winners
- 25 AgHeritage in Action

ON THE COVERS:

Randall Snider Farms
in Carlisle

AgHeritage Farm Credit Services

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PROUD MEMBER OF
THE FARM CREDIT SYSTEM

OUR CEO



Greg Cole, President & CEO

We are in the midst of an unprecedented pandemic (black swan) event and global crisis, which has altered life as we know it. The financial toll on the U.S. economy won't be fully understood for some time. The impact will be driven by the duration of the virus and the amount of government intervention. The intervention may only trade the timeline of the pain. The more government relief provided to lessen the short-term pain, the greater potential for long-term pain in terms of the amount of government debt we will need to service.

There is nowhere in the economy to hide from this event. All sectors have been affected, some more than others, including agriculture. We experienced a historical disruption in the supply chain for meat, dairy and vegetables — particularly for meat, as the virus outbreak forced a number of packing plants to reduce capacity or suspend operations altogether at certain locations. Some reopened, but the output was substantially lower than a year ago. With no place to deliver market-ready animals, farmers were forced to slow herd growth, including euthanizing hogs and broilers in some areas. This supply disruption led to higher prices and shortages of meat at grocery stores and restaurants. Simultaneously, cattle and hog producers experienced lower prices. As a further disruption, milk prices declined and some producers were forced to dump milk. When the economy shut down, fuel demand was reduced resulting in ethanol plants curtailing production which lessened the demand for corn further suppressing corn prices. Soybean prices continue to be influenced by trade disruption. A bright spot for us locally was rice seeing an upswing in price, mostly due to an increase in domestic demand as the population isolated at home.

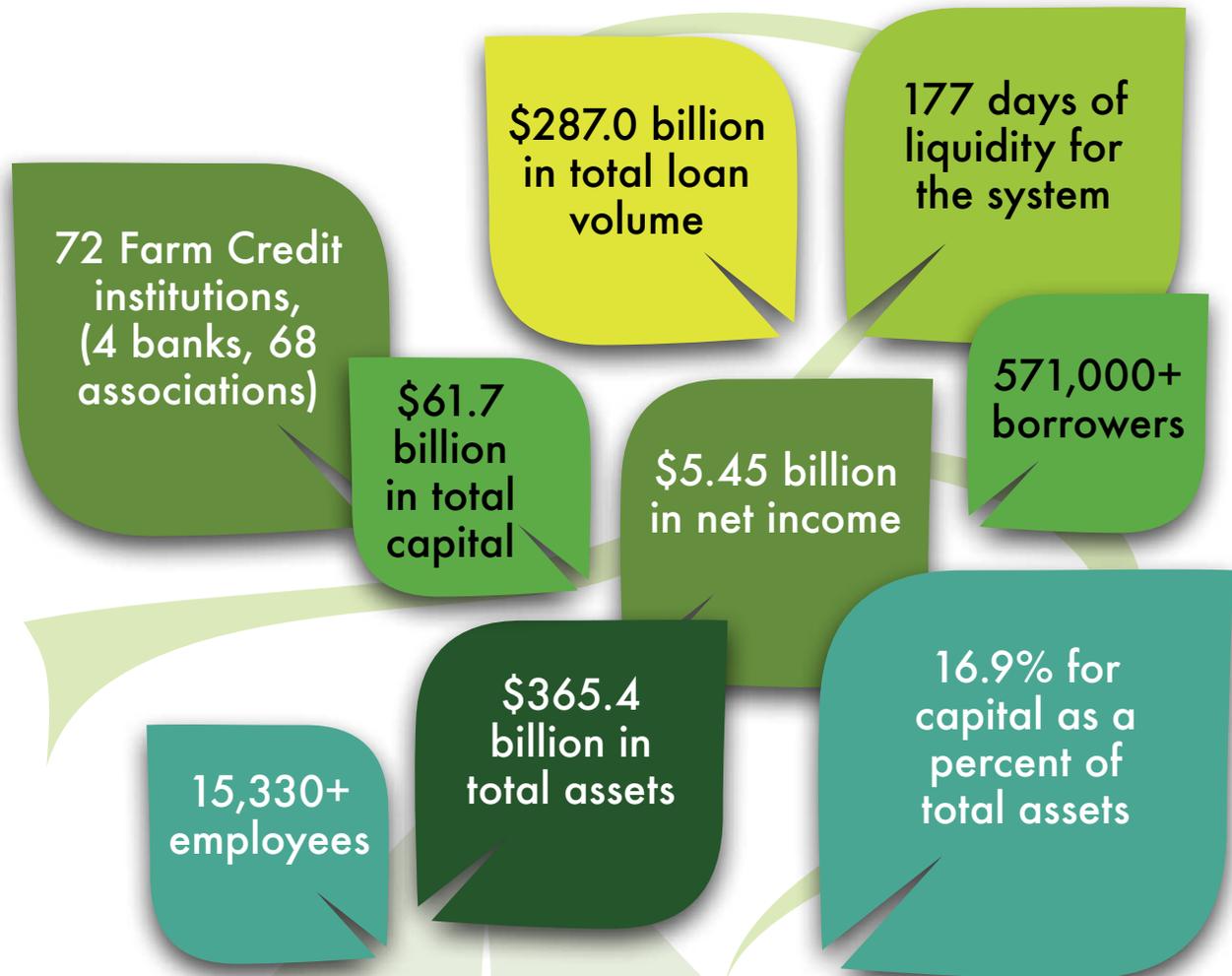
AgHeritage and the Farm Credit System continue to have strong risk bearing ability to fulfill its mission of serving agriculture and rural communities in good times and in more challenging times like these. The System has more than a 100 year history of weathering economic and weather disruptions. We are working with customers through these troubled times and will continue to do so.

In agriculture, we understand uncertain times and unpredictable markets. In times like these, as people and businesses are learning to make adjustments along the way, we are reminded of the importance of being adaptable and resilient. I'm confident we will all work together to get through this black swan event.

A handwritten signature of Greg Cole in white ink, written in a cursive style.

Greg Cole, President & CEO
AgHeritage Farm Credit Services

AT THE END OF 2019, The Farm Credit System Had:



AgHeritage is a co-op, owned by the very customers we serve.

This February, \$5 million went back into our customers' hands through our Patronage Program.

AgHeritage
Farm Credit Services

5 Million More Reasons to Choose Us as Your Ag Lender

Counties shown on map: Fulton, Pocahontas, Lawrence, Sharp, Batesville, Independence, Newport, Stone, Jackson, Cleburne, Searcy, White, Woodruff, Little Rock, Lonoke, Brinkley, Pulaski, Monroe, Stuttgart, Jefferson, Pine Bluff, Arkansas, Cleveland, Lincoln, Disha, Bradley, Drew, McGehee, Ashley, Chicot.

NEW HIRES, PROMOTIONS & INTERNS



BLAKE SWINDLE

Blake Swindle was named SVP & Chief Commercial Lending Officer at AgHeritage.

He started at AgHeritage in 2001 as a Credit Trainee in the Little Rock Central Office location. Since that time he received three other promotions: Credit Analyst in 2002, Credit Officer in 2006 and VP Agribusiness Lending in 2015.

In his new role, Swindle will report directly to the CEO and will continue to manage the company's Agribusiness/Capital markets portfolio and team. He will also serve as the Chairman of the Risk Committee, Commercial Lending Committee and will be a member of the Asset Liability Committee and Senior Leadership Team.

He is a graduate of Arkansas State University in Jonesboro with a Bachelor of Science in Finance and a Master of Business Administration. He and his wife Miste reside in Benton with their daughter Raegan and son Reed.



MARÍA DEL VALLE MORENO JIMÉNEZ

María del Valle Moreno Jiménez recently joined AgHeritage as an Accounting Assistant. She will be working out of the company's Central Office located in Little Rock.

Valle Moreno Jiménez joins the accounting / finance team of Ken Sumner, Chris Hanner, Cyndi Hamric, Keri Davis, Kameela Lee and Robert Abbott. She was previously employed at Belflex as a staffing supervisor. She and her family currently reside in North Little Rock.



MCKAYLA HOWARD

Mckayla Howard will be serving this summer as our Appraisal Intern.

She is currently attending University of Arkansas to earn her Bachelor of Science in Business Administration, Agricultural Education, Communication, and Technology – Agricultural Leadership. She will be located at the Lonoke Office, reporting to Drew Vance.

WESTON WEEKS

Effective May 7, Weston Weeks transitioned to the Capital Markets Department at AgHeritage as an Agribusiness Credit Officer. He has been with the company since June 2018.

In his new role, Weeks will be supporting the company's capital markets portfolio, local agribusiness accounts as well as supporting retail credit underwriting as needed. He has a Bachelor of Arts in History from Hendrix College and a Master of Science in Agricultural Economics from the University of Arkansas.



JOSH BARNHILL

Josh Barnhill is joining AgHeritage as an Ag Lending Officer. He most recently worked for USDA-NRCS where he was a Soil Conservationist.

Barnhill has an Agriculture Business Degree from Arkansas State University. He will be located at the Batesville Office and will also assist in the lending operations at the Newport Office.



GRAHAM SMITHSON

Graham Smithson will be serving this summer as our Credit Intern.

He is currently attending the University of Arkansas double majoring in Agriculture Communications and Agriculture Leadership. He will be located in the Central Office, reporting to Cole Plafcan.



EMPLOYEE REWARD & Recognition Luncheon



The AgHeritage Farm Credit Services Employee Reward and Recognition Luncheon (R&R Luncheon) showcases our employees and employee teams before their peers. This year's luncheon was held at Heifer International on February 21.

TOP SALES ACHIEVEMENT AWARDS

- Brinkley Branch:** Loan Spread
- Lonoke Branch:** FRS Income
- McGehee Branch:** ADB Growth \$ & ADB Growth %
- Pine Bluff Branch:** Loan Classification
- Pocahontas Branch:** Delinquency

EMPLOYEE SERVICE AWARDS

- 35 Years:** Greg Cole
- 25 Years:** Liz Melson
- 20 Years:** Drue Ford & Kyle Stovesand
- 15 Years:** Keri Davis & Nanette Peifer
- 5 Years:** Leslie Brown, Clay Cannon & Shannon Koder



Lonoke: Josh Cunningham, Clayton Howell, Brandyn Vines, JoSara Walker, Griffin Golleher



Pocahontas: Janet Ring, Alan Brannon, Lee Thielemier, Bo Tretenburg, Deonne Donner



Pine Bluff: Evan Staton & Gayla Bogy



McGehee: Jonathan Breedlove, Joy Lagrone, Jessie Plunkett, Bill Stephens



Brinkley: Kevin Simpson, Carrie Grizzle, J.C. Scemons, Ethan Adams

LIFE ON THE REIDHAR FARMS

Anchored In Faith, Home And Humor

By Ashley Wimberley

Among the leaders in rice, soybean and corn production in Arkansas's Grand Prairie, members of Des Arc's Reidhar family have found great success over the years in three separate innovative farm operations based firmly on old-fashioned principles – hard work, determination to get the highest production from every acre – and a good banker.

John Reidhar and his sons, Johnny and Jeffrey, operate independently, but share a love for what they do, as well as appreciation for their lender, AgHeritage Farm Credit Services.

John took his first loan with Farm Credit (then Production Credit Association, or PCA) in 1972. But long before that, he truly did things the old-fashioned way – starting small and growing, little by little, paying his way as he went.

"I knew I wanted to farm from the time I was 16," he said. "In 1960, I bought a '47 Dodge pickup truck and it needed work. I repaired it and traded it for a John Deere Model D tractor."

His dad told him if he worked a 20-acre piece of ground, he would plant it for him. "So I worked it up, dad planted and harvested it, and I took the money from that and bought a steer."

He put the steer in the Prairie County Livestock Show and sold it at the sale there. "I took the money and paid half on a John Deere H Model tractor with a two-row cultivator. I worked

it during that summer, and, what time I was off from dad's operation, I plowed beans for a plantation and paid off the balance of the tractor."

Early in his adult life, John welded and sold insurance for a time, all while still farming. In about 1970, he became totally dedicated to his farm career.

"That's also the year your first child was born," laughed wife Christine. "You had to get to work."

That year, he rented 1500 acres from an area landowner, who financed that first operation.

"I basically had nothing – a combine and a new truck," John said. "I bought enough equipment – I'm talking about the complete layout – for \$50,000. That was my first big growth opportunity."

In 1974, he won a state soybean growing competition.

"My incentive was that I wanted to keep farming," he said. "The landowner could've rented to someone else if he wanted to. That's probably the hardest year I've ever worked, because we actually got out there with hoes and kept that acreage clean. One advantage was that it was right beside a reservoir. The ground was kind of sandy, and moisture from the reservoir was kind of sub-surface irrigation. It worked out really good."



Members of the Reidhar family (back row, left to right): Rachel, Meredith, Jed, Julie, Jeffrey, Johnny, Janice, Jake, Natalie, Lindsey and Jacques. Seated in front: John and Christine.



I believe it made 66 bushels per acre. Of course, that's nothing now, but back in 1974 it was."

In 1977, he started buying land in about 40-acre segments. "What I would do, in my mind, I would take the production – what it would take to produce that farm crop – out of my other acres and let the gross proceeds from the land I bought go on the payment. It didn't work that way exactly, but that's what I had in my mind. I ended up farming about 5,000 acres."

A love for life on the farm was in John's blood from the time he was a boy, with his father and grandfathers on both sides working the land. At age five, he did his part in the rice operation, working in the back of a wagon, driven by his dad and pulled by a team of horses. It was tedious work which required a lot of physical labor, but he was fascinated by it all.

That example served him well as his own farm thrived over the years, and he has always enjoyed the challenge of farming.

"I get bored pretty easy," he said. "I like just being able to try to get every acre to produce what it will produce."

With innovation and his own ingenuity, he finds ways to work around problems, such as when a field is too wet to work. "We just find a way to make it work anyway," he said. "If something doesn't work, we do something different. I don't sit around and knock around in the same old mud hole. I'm not known for my patience."

John and Christine met at Des Arc school in the fourth grade and married in 1964. Johnny came along in 1970 and Jeffrey in 1973.

She, too, grew up on a farm, Southwest Land Company, farmed by her father and grandfather. Today, son Johnny farms that

land. "I chopped cotton on that land when I was a girl," she said.

The boys have given them seven grandchildren – Jeffrey three and Johnny four.

"Jeffrey is a quitter," Johnny laughed.

"He's always been the overachiever," Jeffrey quipped. "That's one competition I'll let him win."

"I am so thankful that my kids get to grow up on this same farm that I did," Christine said. "I was born on this farm, just down the road."

"I remember mom cooking lunch, I mean like cooking lunch – creamed potatoes, beans and fried chicken and taking it to the fields for us and all the hands," Johnny said.

"I didn't know any better back then," she laughed.

"I'm blessed," Christine said. "Johnny, Jeffrey and their families both live less than a mile away and John and I live right in between them. The cousins are more like siblings. We spend a lot of time together."

She says one way the family stays connected is with a Friday breakfast throughout the school year at the home of Jeffrey and his wife Julie, with an open invitation to many in the community.

"We have our kids, cousins, parents and sometimes their friends all come eat breakfast before school," Jeffrey said.

In addition to enjoying this time with family, Christine has also helped with the farm bookkeeping over the years and enjoys gardening.



Janice and Johnny Reidhar with their children Natalie, Jacques, Lindsey and Jake.

John said she has lots of patience – is the ying to his yang. “Anyone who can put up with me and these boys sure has a lot of patience,” he laughed.

Johnny went to college to pursue a degree in the agriculture field, but not necessarily farming. “I thought I’d be a chemical rep or seed salesman – maybe something like that,” he said.

But with four generations of farming in his blood, he left college and went home to farm. His operation now includes 2950 acres – 1000 in rice, about 200 in corn and the remainder in soybeans.

He loves riding a combine in the fall and listening to a Razorback game on a Saturday.

Jeffrey farms 3902 acres, with 1200 in rice 500 in corn and the remainder in soybeans. He, too, enjoys the lifestyle. “It would be hard to be in an office after growing up outdoors on the land,” he said. “I like looking back at what I’ve accomplished at the end of the day – both failures and successes. There is immediate gratification.”

With five full-time workers between the two brothers and several more part-timers in the planting and harvesting seasons, both like to get to their shops early during busy times. “We get all of the equipment ready, make a game plan for the day and then roll out,” Jeffrey said.

They laughed as they agreed on advice to a younger farmer: “Get a job on the finance side of it. If not, have a good banker. A banker understands how volatile farming is.”

Both brothers got their first loans from AgHeritage Farm Credit Services.

“Farm Credit has always been right there anytime I wanted to do



Julie and Jeffrey Reidhar with their children Rachel, Jed and Meredith.

anything,” Jeffrey said. “They are involved in the community and support our schools. They are a good community citizen.”

“If it hadn’t been for Farm Credit Services, I wouldn’t be in the financial condition I’m in now,” John said. “They understand farming.”

“You reduce your risk when you partner with a good bank,” Johnny added. “I agree Farm Credit will do anything they can to help. They stop just short of offering to put in floodgates,” he added, to laughter from all.

“I think students should realize college isn’t for everyone,” Johnny said. “Sure, a plant science degree can be an asset, and Arkansas has some great programs, but I want students to know there is a way to farm and a place for them on the farm without a degree. They can go to a good Vo-tech school and learn about refrigeration, electrical work or be a diesel mechanic. There are lots of options. If they want to go into farming full-time, these would be good side jobs as they grow their acreage and work their way into it.”

John’s advice to young farmers is this: “If you feel like you’ve got a little bit of time to go fishing – don’t. Spend that time on the farm. Farming is not a recreational activity.”

All greatly appreciate the Des Arc community, which, Christine said, has given them values and great neighbors. “And these rivers,” Jeffrey said. “As much as they give us grief with the operation sometimes, they sure are a lot of enjoyment when we do get time.”

Jeffrey is on the Levee Board. Johnny is on the Des Arc School Board and has served as president of the local water department.

The Reidhars also have been involved in tree planting in the White River bottoms.

"Dad enrolled a bunch of it in the WRP (Wetlands Reserve Program). So when he did that, we had to plant the trees," Johnny said. "When you plant, you reforest the bottoms into hardwood timber. Dad designed a tree planter. He was awarded a patent on his design from the United States Patent Office. In the winter, after the crops are out, we'll get everything cleaned up and travel 70 or 80 miles, sometimes more, and plant trees."

Faith is of the ultimate importance to all of the Reidhar family. John said there have been a lot of influences in his life and career, but the greatest, by far, is his relationship with Jesus.

"When we're needing a rain or maybe we've had too much rain, I remind myself – the Lord knows more about what I need than I do," he said.

"Prayer is a big part of all our lives," Johnny added. "We pray about everything."

Jeffrey urged young farmers to first "get your salvation. It's the most important thing in life for personal peace and success. Spiritually, of course I always look to Jesus Christ for questions or any kind of uncertainty I might have – for reassurance."

The influence of their father also has played a big part in the lives of both Johnny and Jeffrey.

"I know both of us really look up to dad," Johnny said. "A lot of what we do, we've learned from him. Technology has changed things, but the basics are the same. How deep you plant a seed is still the same, and that I learned from dad."

"I still haven't learned that," Jeffrey joked.

Christine added, with a smile, "They have a big strong father. They knew they better behave."

Close family ties mean everything.

"Jeffrey and I have separate operations, but if he finishes first he'll come help me, and if I finish first, I'll go help him," Johnny said. "We learned a long time ago, you can't really keep score. We share equipment and workers as needed. We also have a pecan orchard we started a few years ago."

However, this brotherly camaraderie never keeps the two away from a good joke. "We constantly tease each other that the only thing better than having a new piece of equipment on our own farm is the brother having a new piece of equipment on his farm. I can borrow it and he can pay for it," laughed Johnny.

He added, "When we grew up, Jeffrey and I fought like cats and dogs."

"I'm so glad I lived long enough to see them to develop the kind of friendship they have now," Christine said.

Asked when that shift took place, Jeffrey joked, "Last week."

"Probably when he got into farming," Johnny said. "We bonded then and we started getting to spend a lot more time together."

"With separate operations, we both want to see and help the other succeed," Jeffrey added. "It's strictly up to us to make or break it."

Both of the boys' wives help a lot on the bookkeeping and with other tasks around the farm, noted Kevin Simpson who serves as AgHeritage Farm Credit Services VP of Lending and Branch Manager in Brinkley.

"I can testify to the faith of this family. It plays a major role in how they live," Simpson said. "They are as solid as people come."

It's a big part of why they are successful and extraordinary in every way.



PATRONAGE Program

This spring, AgHeritage returned a record \$5 million in profits to customer-owners through its Patronage Program.

"We are owned by the very customers we serve," said AgHeritage President & CEO Greg Cole. "Ownership entitles our customers to special benefits such as sharing in our profits. Over the past 14 years, we have distributed \$44.95 million through the Patronage Program."

"Farmers are running complex businesses, and it is important to have good financial resources and expertise. Not only has

Farm Credit supported rural America with reliable, dependable credit and financial services for more than 100 years, we do so as a cooperative. Our cooperative structure allows customers local control through the Board election process as well as the opportunity to share in the profits through our Patronage Program," stated Dwain Morris, AgHeritage Board Chairman.

The Patronage Program returns a portion of the association's net earnings to eligible customer-owners. Patronage refunds are based on the customer's proportionate share of our net interest earned.



BATESVILLE BRANCH



1: AgHeritage Board presents the check



2: Jeff Stott of Independence County

3: Bryan Franks of Independence County

NEWPORT BRANCH



4



5



6

McGEHEE BRANCH



7



8



9

LONOKE BRANCH



10



11



12

4: Bubba Sink of J&A Farms
5: Tim Higgins of Swifton
6: Bubba Bell of Bell Flying Inc.

7: Talmage Whitehead of Tupelo
8: Chuck Day and Mark Day of WinCott Gin Co.

9: Ryan Johnson of Coffee Bayou Planting Co.

10: Dorris Greenwalt of Prairie County
11: Tim DeVore of Prairie County
12: Robbie Bevis of Bevis Custom Irrigation

POCAHONTAS BRANCH



13



14



15



16



17

STUTTGART BRANCH



18



19



20



21

13: Cheri Tweedy of Tweedy Cattle Co.
14: Julie Courtney of Circle C Poultry and Cattle Farm

15: Ty Callahan of Tyke Farms LLC
16: Tori Hicks of Black Adder Partnership
17: Anthony Harris with grandson Zane, sons Cody Harris and Austin Harris and son-in-law Trea Evans

18: Brooks Davis Inc.
19: Matthew Davis
20: Peavine Farming Company
21: Eric Scherm

BRINKLEY BRANCH



PINE BLUFF BRANCH



22: Russell Bonner of Arrowhead Farms II

23: Jean and Jimmy Kirkpatrick of Kirkpatrick Farming

24: Shag Johnson with S&A Farms

25: Kris and Meredith Baker of Jefferson County

26: Harrell and Frank Wilson of Wilson Bros. Lumber Co.

27: Scott Richardson of Bradley County

LEGISLATIVE REPORT

By Scott Sullivan



Back at the start of the New Year, people were hopeful 2020 would be a great year, but little did we know what was in store. The COVID-19 pandemic has hit us, yet the men and women of agriculture have stood strong because this is not the first “storm” we have had to endure. Many parts of our lives have been changed; the way we do business has been forever changed.

Some of the changes have been major and some not so much. It is hard for me not to greet someone with a handshake, yet I have learned how to go to meetings in a virtual world. I think I like the virtual meetings because like so many of you, I also farm, and the meetings are short, which allows me to get back to business. My farm is a cattle operation and this pandemic has made me stay closer to home. I go to the office for meetings on my computer or a conference call, then back to the fields spraying weeds, fertilizing the grass, putting up hay and silage, and working this spring’s calf crop.

Not being able to meet in person has its issues, because you do not have the time to spend with people to gain extra knowledge to help ensure good decisions are being made. As things move back to normal, I hope we can keep some of the good changes that we have learned and find more ways to better communicate. Our story as agriculturalists has come to the forefront, as some people did not understand that their food and fiber does not just come from a store, but that there is a chain from the field to the store which is full of people, working to feed and clothe the world.

The fiscal session was held this April and only lasted a week. Our Legislative Members had to deal with a budget shortfall from the pandemic. Governor Hutchinson shutting down the State’s economy to control the spread of the virus caused the Members to reduce the State’s budget, which has caused the State’s agencies to reduce their budgets up to 15% for the 2021 fiscal year starting July 1. The directors of the State’s agencies have had to find new ways to manage their workload and the services they provide to the citizens of Arkansas. There have been bumps, and things have been slow moving, but they have managed to find answers to the problems presented to them, and the business of State government continues.

The Arkansas State Plant Board met on Tuesday, June 2, for its quarterly meeting. The board reviewed and denied proposals to extend the May 25 statewide cut-off date for dicamba products. The first proposal was a petition from Mr. Franklin Fogleman of Marion, who sought an extension of the date through June 25. That petition was denied with a vote of 10-5. A second motion by Mr. Sam Stuckey of Clarkedale, to provide an emergency rule allowing use of dicamba for a two week period following implementation, failed to get sufficient support for approval and failed with a vote of 6-9.

As it relates to dicamba, current laws and rules continue to apply. Over the top, in-crop use of dicamba is prohibited after May 25, and any application of dicamba made that is not compliant with state or federal laws and regulations may be considered an ‘egregious’ violation and subject to fines of \$1,000 and up to \$25,000 per violation.

Our friend, Arkansas Secretary of Agriculture Wes Ward, was elected President of the Southern Association of State Departments of Agriculture (SASDA) for 2020-21 during its annual conference held virtually on June 1. “Agriculture is our state’s largest industry and I am proud to represent Arkansas within the SASDA organization,” said Ward. “It is a great honor to be elected as President and I am looking forward to helping lead the 16 southern states and territories in promoting southern agriculture at the federal level.” Arkansas will host the 2021 SASDA annual conference in Little Rock.

Other officers elected for the 2020-2021 year include Commissioner Kent Leonhardt of West Virginia as Vice President, Commissioner Rick Pate of Alabama as Secretary, and Commissioner Jewel Bronaugh of Virginia as Treasurer. SASDA consists of the commissioners, secretaries and directors of agriculture from Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, Texas, Virginia, West Virginia, and the U.S. Virgin Islands. The Arkansas Department of Agriculture is dedicated to the development and implementation

of policies and programs for Arkansas agriculture and forestry to keep its farmers and ranchers competitive in national and international markets while ensuring safe food, fiber, and forest products for the citizens of the state and nation.

Once a decade, America comes together to count every resident in the United States, creating national awareness of the importance of the census and its valuable statistics. It counts our population and households, providing the basis for reapportioning congressional seats, redistricting, and distributing more than \$675 billion in federal funds to support states, counties and communities' vital programs — impacting education, fire and emergency response services, transportation, employment, housing, health care and public policy.

The food, farming and agriculture sectors are the backbone of our Arkansas' rural communities, both economically and socially. The census serves an important role in ensuring we're represented and that the government has the most accurate information to determine funding for critical education, medical and infrastructure programs that serve us locally. As of April 27, Arkansas's self-response rate to the 2020 Census is at 48.9%, and we are ranked number 37 for the best state responses in the country. If you haven't already completed the census, you can head to 2020census.gov, or call 844-330-2020.

Stay safe out there, and remember you play an important role in keeping our nation the greatest in the world.



AGHERITAGE RESPONDS to COVID-19 Outbreak

AgHeritage is committed to serving and supporting you, without exception. The health and safety of our customers, our employees and their families, as well as the continuation of business operations are all top priorities for us. The Senior Leadership Team and Board of Directors take the COVID-19 threat seriously and are taking all reasonable measures to prepare for and mitigate the risk to our customers, team members, their families and our business.

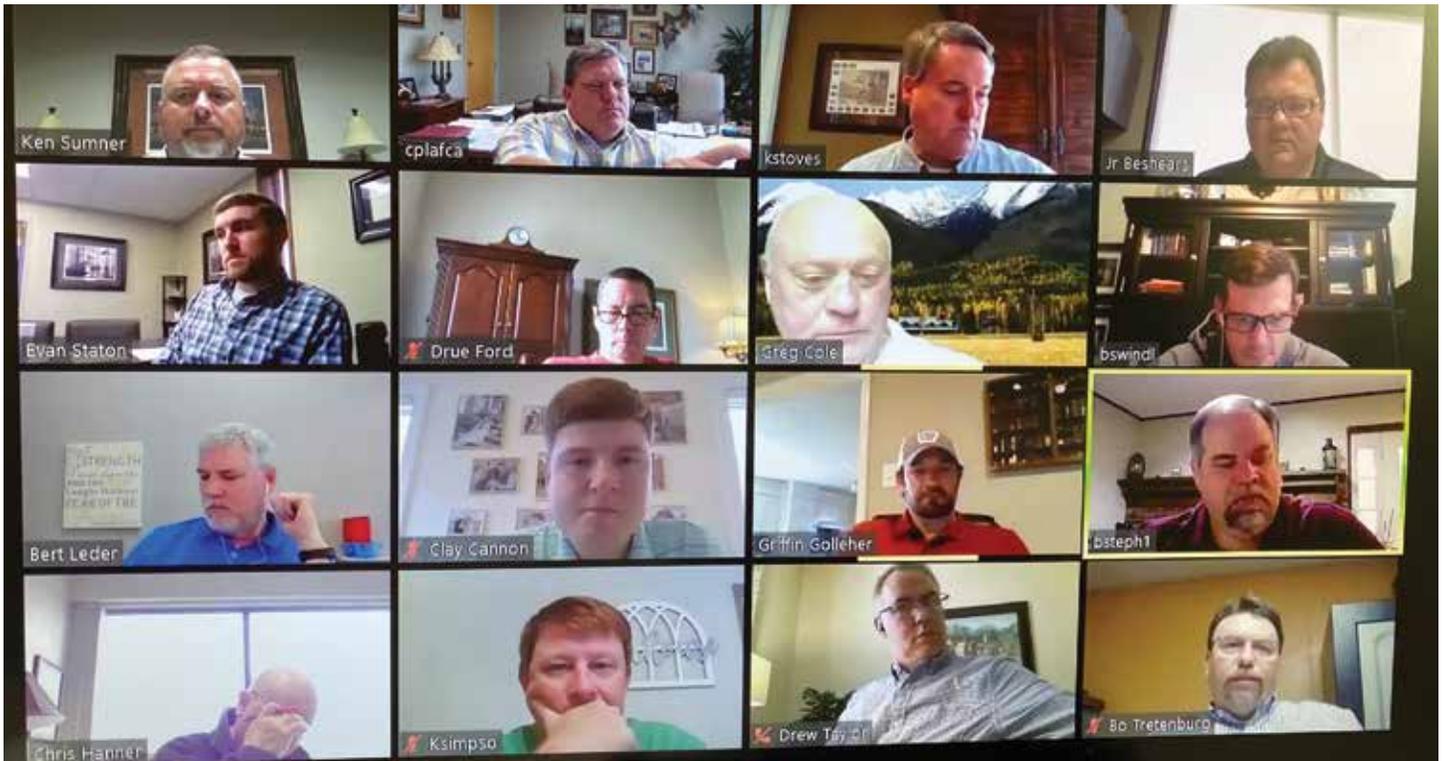
If you require personal assistance please contact your local branch to set up an appointment. You may also utilize our drop boxes for payments outside our offices. You also have 24-hour access to account information and the ability to make payments through the myAgHeritage online tool.



Wash hands frequently, with soap and warm water, for at least 20 seconds. Avoid touching your eyes, nose, and mouth.



Disinfect high-contact surfaces, including machinery/equipment, door knobs/handles, tools, breakrooms, and offices. Ample sanitation stations and supplies should be provided.



Maintain a distance of at least six feet from others, and limit personal interaction as much as possible. AgHeritage has been conducting meetings online, instead of in person, as a safety precaution.

Guest Column: Piercing the Corporate Veil

By Dan C. Young, Rose Law Firm, Little Rock



Many agricultural operations are conducted through corporations and other entities.

The law ordinarily treats corporations as legal entities that are separate and distinct from their individual shareholders.

For this reason, shareholders normally cannot be held personally liable for the liabilities of their corporations. There is an exception for acts of the corporation if the shareholder was personally involved with the act that caused the harm or for debts personally guaranteed by a shareholder. However, in certain rare circumstances, courts may nevertheless disregard the corporate form and hold a corporation's shareholders personally liable to a third party, under a doctrine known as "piercing the corporate veil." Similarly, veil piercing may be used to disregard the distinctions between subsidiaries and their parent companies. This article provides a brief overview of how veil piercing works, and of how people and businesses can protect themselves from having it applied against them.

First, individuals should be aware that although the doctrine frequently refers to the "corporate" veil, it actually applies with equal force to limited liability companies ("LLCs"). Therefore, this article will refer throughout to "corporations" and their "shareholders," everything said here also applies to LLCs and their members.



In general, courts are more likely to pierce the corporate veil when a corporation's owners have failed to respect that corporation's separate legal status. Courts often express this concern by asking whether the corporation has merely been an "alter ego" for its shareholders. Thus, as a practical matter, veil piercing is generally only a risk for corporations with a small number of shareholders.

Veil piercing may occur when the corporate form has been abused to evade the payment of income taxes; hinder, delay, or defraud creditors; evade a contract or tort obligation; or evade the obligations of a federal or state statute. This fact might surprise or confuse some readers. After all, there are plenty of perfectly legitimate and legal ways a corporation may be used

to realize advantages for its shareholders. How are corporate owners to know whether a particular corporate activity is legitimate or one that creates a risk of veil piercing?



One key thing to remember is that cases in Arkansas in which the corporate veil has been pierced usually involve some sort of fraud or deception. Often the issue of veil piercing will revolve around whether the corporate façade is a "sham." To this end, one of the most important things shareholders can do to minimize their risk of veil piercing is to rigorously observe corporate formalities.

A corporation's shareholders should take all of the necessary legal steps to formally establish and maintain the corporation, including registration with the Arkansas Secretary of State and timely paying the annual franchise tax in order to remain in good standing. All corporate meetings (shareholders and directors) required by the corporation's bylaws should timely occur and be documented. The corporation should elect the number of directors and the officers required by the bylaws. Minutes of corporate meetings should be kept. The corporation's tax returns should be properly and timely filed. The corporation's books and financial records should be properly maintained. Its accounts, employees, and offices should not be intermingled with those of its shareholders or sister companies. Corporate funds should not be used to pay for its shareholders' personal expenses. Courts are also more likely to take a skeptical view of the corporate form if the corporation is undercapitalized, or if the timing of its formation suggests that it was created to step into the shoes of a previously dissolved corporation while avoiding the prior corporation's liabilities.

Of course, this is not an exhaustive list of all the formalities a corporation and its shareholders must adhere to in order to minimize their risk of exposure to veil-piercing. Rather, this article is intended to provide a general understanding of the principles and policy concerns that undergird this doctrine. Ultimately, it is always prudent for anyone who is considering forming a corporation or LLC to consult an attorney who can advise them on the process and inform them of the formalities they must observe throughout the corporation's existence in order to protect them from personal liability for corporate missteps.

CONGRATULATION 2020 COUNTY FARM

NORTH CENTRAL DISTRICT

Baxter – Rob and Sally Hall, Gassville
Cleburne – Shane and Ashley Mason, Prim
Fulton – Brach and Alesha Hill, Viola
Independence – Bobby and Amanda Dunehew, Cord
Izard – Brandon Johnson family, Evening Shade
Marion – J.L. and Angie Wagoner, Flippin
Searcy – The Hagemann family, Marshall
Sharp – Austin and James Davis of Davis Farms
Stone – Jerry and Russ Ann Shannon, Mountain View
Van Buren – James Reed family, Choctaw

EAST CENTRAL DISTRICT

Lee – Drew Wooten, Marianna
Lonoke – Thaxton Brothers Partnership, Carlisle
Monroe – Adam Chastain and family, Holly Grove
Prairie – Ryan Bell family and Greg Bell family, Des Arc
Pulaski – BoBrook Farms, Roland
St. Francis – West Higgins family, Forrest City
White – Brad Peacock family, Bald Knob
Woodruff – Bryan Robertson, Augusta

NORTHEAST DISTRICT

Clay – Mitch and Pam Brown of B & B Farms, Corning
Craighead – Chris and Breanne Damron, Jonesboro
Crittenden – Sam and Andrea Pirani, Marion
Cross – Jarred and Joey Taylor, Wynne
Greene – Allen and Karen Davis family, Paragould
Lawrence – Josh and Jack Brand, Imboden
Mississippi – Senter Farms, Osceola
Poinsett – Berger Farms, Weiner
Randolph – Anthony Wells Family, Imboden

NORTHWEST DISTRICT

Benton – Jim Singleton family, Gravette
Boone – Will and Rachel Norton family, Harrison
Carroll – The Stone family, Berryville
Crawford – Kevin and Jennifer Hightower, Rudy
Franklin – Johny Crocker, Ozark
Johnson – Ricky Brown, Clarksville
Madison – Anthony Giffin family, Rogers
Newton – David Farmer family, Hasty
Sebastian – Clint Gann, Hackett
Washington – Nathan Ogden, Prairie Grove

“FAMILY FARMS AND SM
BACKBONE OF OU

S TO ARKANSAS'S FAMILIES OF THE YEAR

WESTERN DISTRICT

Conway – 3 Brothers Farms, Morrilton
Faulkner – Tom and Jamie Henry, Greenbrier
Logan – Gerald and Rachel Strobel, Paris
Montgomery – Mark Cogburn, Norman
Perry – Quinten and Dena Johnson, Casa
Pope – Stevie and Tamara Duvall, Atkins
Yell – James and Tiffany Miller, Dardanelle

WEST CENTRAL DISTRICT

Clark – Mike, Luke and Natalie Leamons Farm, Arkadelphia
Dallas – Hank and Lisa Sullivent, Sparkman
Grant – Hunter and Jennifer Phelps, Prattsville
Hot Spring – Kay and Kaylee Casey, Malvern
Howard – Leo Hughes Family, Nashville
Sevier – Ismael and Maria Ramirez, De Queen

SOUTHEAST DISTRICT

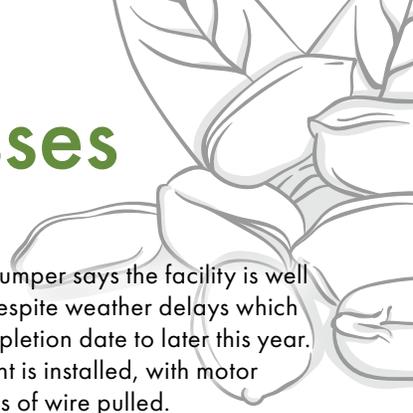
Arkansas, North – Trey and Ashley Daniel, Stuttgart
Arkansas, South – Turner Farms IV, Almyra
Ashley – Scott Reynolds, Hamburg
Chicot – Armstrong Bros, LLC, Eudora
Drew – Edward and Angela Schenk, Monticello
Jefferson – Chad and Dawn Render, Pine Bluff
Phillips – Joe Brown Farm, Marvell

SOUTHWEST DISTRICT

Bradley – Josh and Krystle Hays, Warren
Calhoun – Rick and Shelley Hargett, Hampton
Hempstead – Chris and Denise Sweat, McCaskill
Lafayette – Shane and Mandy McLelland, Lewisville
Nevada – Richard and Cathy Jones, Prescott

ALL BUSINESSES ARE THE
R COMMUNITIES.” – TOM ALLEN

DELTA PEANUT Plant Progresses



Delta Peanut CEO Tommy Jumper says the facility is well on its way to completion, despite weather delays which have pushed the initial completion date to later this year. About 80% of the equipment is installed, with motor control panels set, and miles of wire pulled.

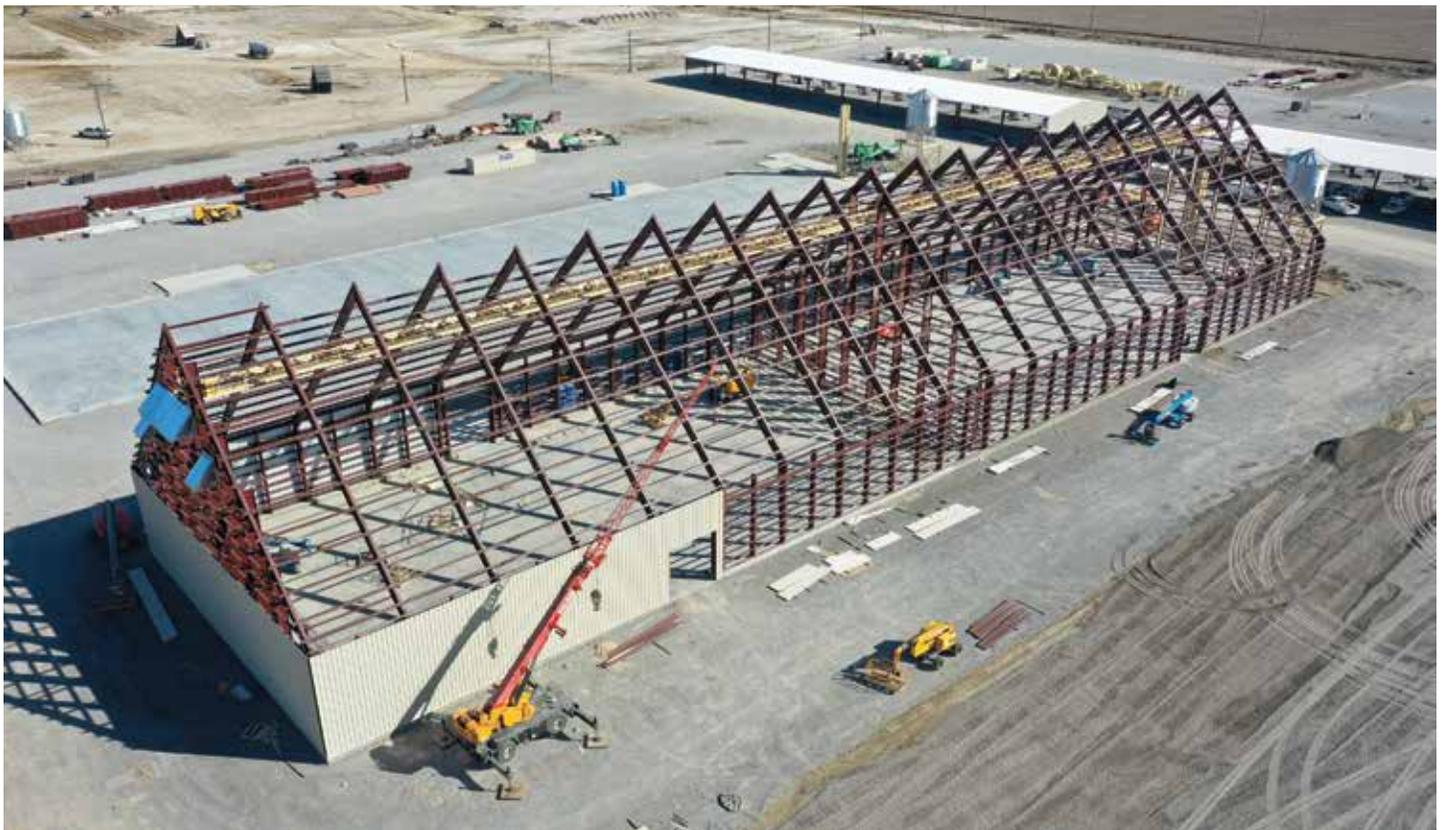
"I remind myself that building a business is a process and not an event," he says. "Sometimes it feels like we've been at this a long time but, barely a year ago, Delta Peanut was born as a company in Jonesboro."

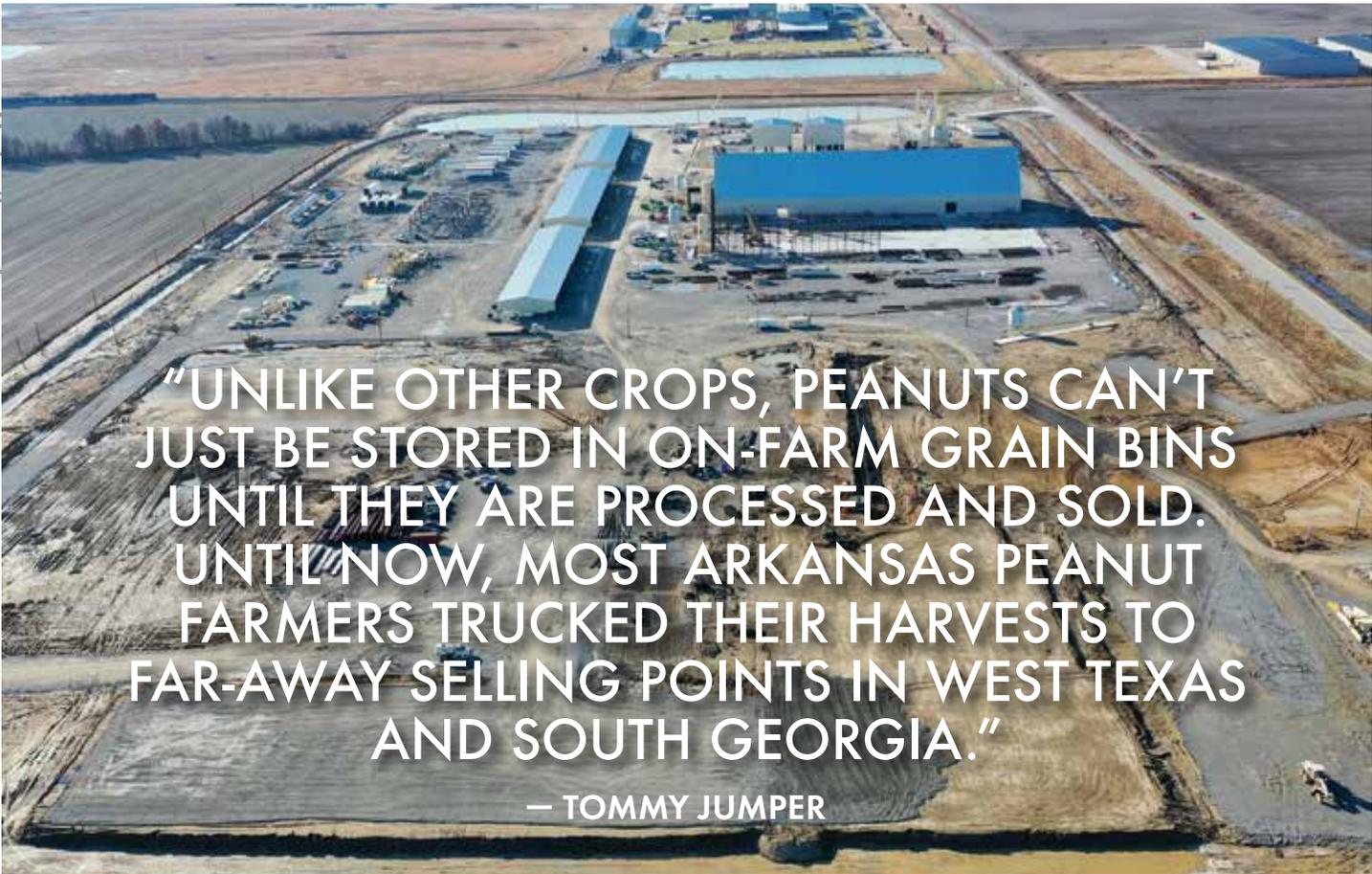
Shelling plant equipment at the 100% farmer-owned facility is mostly in place, and construction of the building over the shelling equipment has begun.

In addition, a surge warehouse to feed the plant is nearing completion. The pit, elevator and belts are installed, and sheeting is well under way, with site work finished on the cold storage area and concrete poured.

Ground was broken on the 71-acre site in the Craighead Technology Park in Jonesboro last August.

The project is jointly financed by AgHeritage Farm Credit Services, Farm Credit Midsouth, Farm Credit Southeast Missouri and Farm Credit of Western Arkansas.





“UNLIKE OTHER CROPS, PEANUTS CAN’T JUST BE STORED IN ON-FARM GRAIN BINS UNTIL THEY ARE PROCESSED AND SOLD. UNTIL NOW, MOST ARKANSAS PEANUT FARMERS TRUCKED THEIR HARVESTS TO FAR-AWAY SELLING POINTS IN WEST TEXAS AND SOUTH GEORGIA.”

— TOMMY JUMPER



DELTA
PEANUT



ANNUAL VISIT to Capitol Hill

The Board Chairs, Co-Chairs and CEOs from Farm Credit of Western Arkansas, AgHeritage Farm Credit Services and Farm Credit Midsouth had breakfast on Capitol Hill in Washington, D.C. on February 5, and met with legislators to discuss Arkansas agriculture and rural development.



The AgHeritage Farm Credit Services Annual Stockholders Meeting was held on Tuesday, July 21, at the Arkansas Waterfowl Association Event Center in Lonoke.

Director election ballots were mailed on July 31, and results will be announced in August.

PINE BLUFF Customer Appreciation Event

The Pine Bluff Customer Appreciation luncheon was held this year on February 20 at the John W. Fallis Waterfront Facility in Regional Park in Pine Bluff. Guests enjoyed a meal catered by local favorite Cajun Express.



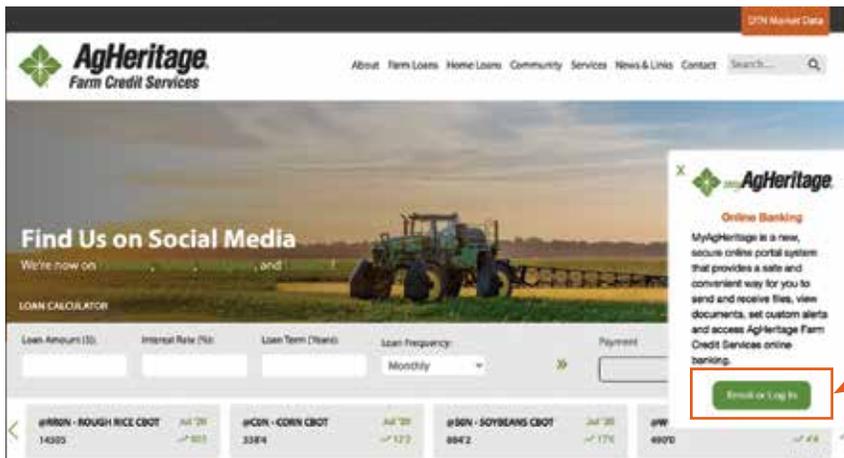
MY AGHERITAGE Online Banking Portal

We invite you to enroll in myAgHeritage, a new, secure online portal system that provides a safe and convenient way for you to send and receive files, view documents, set custom alerts and access AgHeritage Farm Credit Services online banking. Find detailed instructions at myagheritage.agfcs.com/Login/EnterUsername

HOW TO ENROLL IN



Find detailed instructions to walk you through enrollment at AgHeritageFCS.com



1

Go to AgHeritageFCS.com

2

Click on the



Enroll/Login button and follow the instructions.

Initial enrollment must be from a Windows device but subsequent use may be from a cell phone.

We are also excited to announce new content on our website, in order to better serve your business and operations. With markets at the top of mind, we now have available futures pricing information to aid with critical selling decisions, and up-to-date local news and weather coverage from DTN.

DTN weather forecasts have been ranked as the most accurate in the United States each year since 2006 for

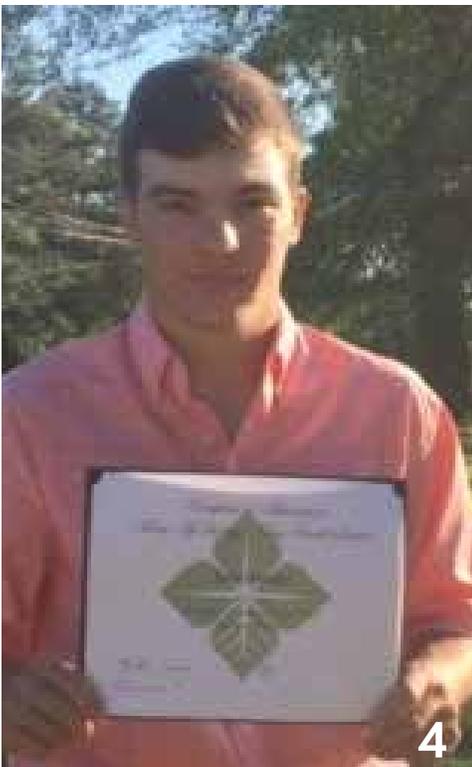
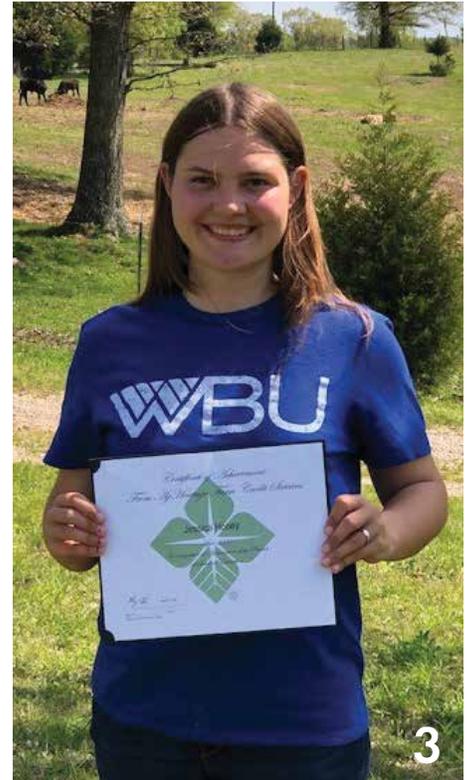


predictions of short-term precipitation and high temperatures. DTN provides ag market information to keep you on top of market-moving events, the latest technology, business management subjects, in-depth coverage from the farm perspective, and insightful commentary about events that directly affect how you farm.

Visit agheritage.com to view all of these critical tools.

SCHOLARSHIP **Winners**

AgHeritage Farm Credit Services is proud to invest annually in the next generation through our scholarship program, by investing in their education. This year, 11 scholarships were presented – nine \$1,000 Customer Scholarships, one \$1,000 University Scholarship and one \$1,000 Ken Shea Memorial Scholarship. Congratulations to all of this year's recipients!





1: Ella Marek, Stuttgart Branch Customer Scholarship 2: Jalyn White, Ken Shea Scholarship 3: Jessica Honey, Pocahontas Branch Customer Scholarship 4: Kody Boatright, McGehee Branch Customer Scholarship 5: Katherine Newman, Batesville Branch Customer Scholarship 6: Landon Sandage, Lonoke Branch Customer Scholarship 7: Skyler Boyle, University Scholarship 8: Noralee Townsend, Searcy Branch Customer Scholarship 9: Madison Walker, Newport Branch Customer Scholarship 10: Raife Burrow, Brinkley Branch Customer Scholarship 11: Lindsey Tilley, Pine Bluff Branch Customer Scholarship

AGHERITAGE in Action

Arkansas Agriculture Hall of Fame

The Arkansas Agriculture Hall of Fame Class XXXIII induction ceremony was held Friday, March 6, at the Embassy Suites ballroom in Little Rock. The Arkansas Agriculture Hall of Fame is designed to honor individuals who have had a significant impact on Arkansas' agricultural industry and economic development. Established in 1987, the physical hall of fame exhibit is housed in the Farm Bureau Center located in west Little Rock. This year's six new inductees bring the total roster to 175.



This year's inductees are Jane Ross of Arkadelphia, Gene Sullivan of Lonoke, Leo C. Sutterfield of Mountain View, George Tidwell of Lonoke, Thomas Vaughns of Marianna and William E. (Gene) Woodall of Little Rock

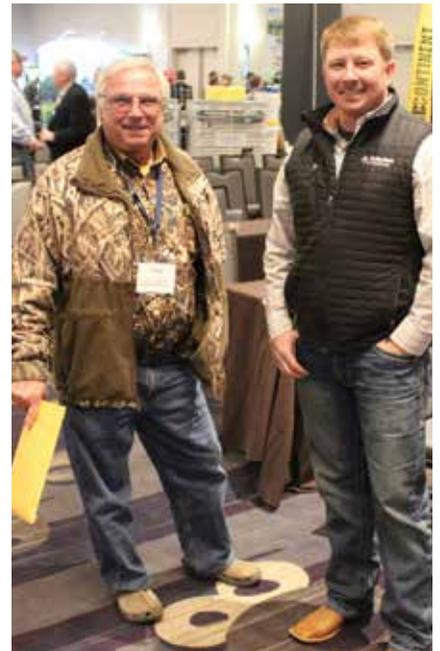
77th Annual Gillett Coon Supper

AgHeritage is a proud sponsor of this annual event, hosted by the Gillett Farmers & Businessmen's Club. This non-profit organization helps with efforts such as summer programs, school programs, and educational endowment fund, athletic and scholastic awards and community service.



Arkansas Agricultural Aviation Association Convention

The Arkansas Agricultural Aviation Association (AAAA) is a non-profit organization that represents the agricultural aviation industry in Arkansas, with membership comprised of operators/managers, pilots, ground crew, and associates. We had a great time attending the 57th Annual Convention on Saturday, January 4 through Monday, January 6 at the Little Rock Marriott Hotel.



National Farm Machinery Show

The National Farm Machinery Show offers the most complete selection of cutting-edge agricultural products, equipment and services available in the farming industry. Business professionals from around the world gain knowledge and hands-on access to various technological advancements needed for the upcoming farming season during the four-day show held this past February in Louisville.



The Sanders Home

Darlene Crawford, Senior Ag Consumer Lending Officer at the Searcy Branch, was happy to help the Sanders Family finance their dream home. In addition to farm operating loans, AgHeritage is proud to offer rural residential loans.



Hamburg Schools Foundation Banquet

AgHeritage was proud to support the Hamburg Schools Foundation's 20th Anniversary Banquet, held on February 18. The event raised money for educational projects and included wonderful food and music.



NEA Wounded Warrior Duck Hunt

The NEA Wounded Warrior Group is a non-profit, all volunteer organization with a mission to enhance the quality of life for United States of America's military service members. They conduct activities and sporting events for disabled veterans in Clay, Craighead, Greene, Lawrence, and Randolph counties. The NEA Wounded Warrior Duck Hunt and Banquet held in January in Pocahontas was attended by military veterans from all over the country.



ASU Agribusiness Conference



The 26th annual Arkansas State University Agribusiness Conference, held on February 12 in Jonesboro, focused on the Arkansas economy, agricultural legal issues, trade and farm policy and the agricultural credit and commodity markets.



Congrats to AgHeritage's AgriSafe Nurse Scholar Scholarship Recipient

Congratulations to Rhonda Hill of Hazen, AgHeritage's 2020 scholarship recipient for the AgriSafe Nurse Scholar program.

Hill will be earning 18 Continuing Nursing Education contact hours to help farmers and ranchers in her community. The program is available to rural nurses and increases knowledge base in prevention, identification, and assessment of diseases related to agricultural work exposures.



Agriculture Appreciation Day Expo

Alan Brannon, Lee Thielemier and Bo Tretenburg from the Pocahontas branch enjoyed having a booth and being a gold sponsor at the Agriculture Appreciation Day Expo held in February at the Black River Technical College campus at Pocahontas.



Acres of Help



Kevin Wingfield of the Stuttgart branch attended the Acres of Help banquet on February 7 at Dewitt High School. AgHeritage is proud to be a sponsor of Acres of Help, Inc., which raises money to support and enhance charitable organizations in Arkansas County. The fundraiser is alcohol-free and family-friendly.

Arkansas Grazing Lands Conference

Junior Beshears and Nanette Peifer from our Batesville branch were at Ozarka College in Melbourne on March 6 attending the Arkansas Grazing Lands Conference. Attendees learned from nationally-recognized experts and Arkansas producers how to enrich soil, extend the grazing season and feed less hay.



Future Legacy Young & Beginning Farmers Conference

AgHeritage is committed to supporting farmers and ranchers who are starting or growing their operations, and we are proud to sponsor Future Legacy, a free two-day, one-night conference for farmers age 40 and under to gain valuable insight into a range of issues facing beginning farmers in Arkansas. The event was held February 25 and 26 in North Little Rock.



Summertime is for Sweet Corn



The Reidhar kids have created a solid customer base for their Sweet Obsession Corn in Des Arc and surrounding areas with their corn sales each summer. They are the children of AgHeritage customer-owners Johnny and Janice Reidhar and Jeffrey and Julie Reidhar. Shown (left to right): Lindsey, Jake, Jacques, Rachel, Jed and Meredith.



Corn sales are in full-swing at The Silos in Brinkley. The corn is being sold by the kids of AgHeritage customer-owners Doug and Casie Medford and Ryan and Joceyln Medford. Shown (back row, left to right): Sydney, Trager, Charley and RJ. Front row: Jacie.

68th Annual Mid-South Farm & Gin Show



The Mid-South Farm & Gin Show, held this past February 28 and 29, is the south's largest indoor farm show. The annual farm show attracts the latest innovations, equipment/machinery and technology to the Cook Convention Center in Memphis, where more than 95% of the show space is devoted to agriculture-related products and services. Approximately 20,000 people attended over two days.



Arkansas Farm Talk

AgHeritage President and CEO Greg Cole shares a synopsis of the current state of agriculture in Arkansas with host Mike Linton on KLRT Fox 16. To watch the full interview, visit fox16.com/arkansas-farm-talk/arkansas-farm-talk-6-3-20/



Arkansas Cattle Association Spring Conference

Nanette Peifer and Junior Beshears of the Batesville branch office attended the Arkansas Cattleman's Association Area 8 Spring Conference on March 2 in Batesville.



Lawrence Memorial Hospital Donation

Alan Brannon of the Pocahontas branch presents a donation check to Lila Floyd for the Lawrence Memorial Hospital Fundraiser in March. Lawrence Health Services provides Lawrence County and surrounding areas with quality healthcare through Lawrence Memorial Hospital, Lawrence Hall Nursing Center, Family Medical Center, Specialty Clinic, Imboden Rural Health Clinic and Lawrence Memorial Health Foundation.



Annual Ironman Sportsman's Banquet

We are proud to be a supporter of the 2020 Ironman Sportsman's Banquet held Saturday, February 22 at the Pine Bluff Convention Center Arena. The guest speaker this year was Hank Parker, introduced as "the rod-n-reel answer to Michael Jordan, in popularity and talent!" Ironman is a ministry of Family Church in Pine Bluff.



Woodruff County Ag Expo



AgHeritage was a proud sponsor of the annual Woodruff County Ag Expo, held on February 19 at the Three County Fairgrounds in McCrory. Topics included rice, corn and soybean production, irrigation efficiency and soil moisture sensors, drone use and nematode control.

Prairie County Conservation Day



Attendees of the 2020 Prairie County Conservation Day event enjoyed a catfish meal at Big K's Catfish Barn in Hazen, as well as a great day of education. The agenda included sessions covering changes on the Farm Bill, feral hog eradication, variable rate technology and a panel discussion on row rice/irrigation.

Arkansas County Production Meeting

AgHeritage Farm Credit Services is a proud sponsor of the 2020 Arkansas County Crop Production Meeting in February. Attendees met to hear about the market outlook, production methods and new research from the University of Arkansas System Division of Agriculture faculty.



AgHeritage T-Shirt Contest

Congratulations to Josh Horn of Hensley for submitting the winning entry in our 2020 T-Shirt Design Contest! Josh won a \$300 gift card and a free shirt for his efforts.



Ag Career Day at Pocahontas Public Schools

AgHeritage was proud to support the Ag Career Day this spring at Pocahontas Public School in Randolph County. It's always exciting to see bright, young Arkansas students show interest in the agriculture industry and agriculture careers.





AgHeritage[®]

Farm Credit Services

AgHeritage Farm Credit Services is a financial cooperative with owned and managed assets of approximately \$1.54 billion as of December 31, 2019. The company provides credit and related services to more than 3,100 farmers, ranchers and producers or harvesters of aquatic products in 24 Arkansas counties.

Branch offices are located in Batesville, Brinkley, Lonoke, McGehee, Newport, Pine Bluff, Pocahontas, Searcy and Stuttgart.



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