

OUR HERITAGE



AgHeritage Farm Credit Services | Summer 2019



AgHeritage
Farm Credit Services

“The opening of the Pine Bluff office is a great example of the Farm Credit System fulfilling its mission of serving local agriculture and rural communities.”

– Greg Cole, President & CEO of AgHeritage Farm Credit Services

OUR HERITAGE

Summer 2019

Senior Leadership

Greg Cole
President and Chief Executive Officer

Drue Ford
*Senior Vice President
and Chief Credit Officer*

Ken Sumner
*Senior Vice President
and Chief Financial Officer*

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

Leslie Brown
Vice President Human Resources

Board of Directors

OFFICERS

Dwain Morris
*(Northern Region)
Pocahontas, Arkansas
Chairman*

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

MEMBERS

Russell Bonner
*(Central Region)
Brinkley, Arkansas*

Jesse Briggs
*(Southern Region)
Reydell, Arkansas*

Mike Burkett
*(Northern Region)
McCrary, Arkansas*

Chuck Culver
*(Outside Director)
Fayetteville, Arkansas*

Sandra Morgan
*(Outside Director)
Stuttgart, Arkansas*

Jeff Rutledge
*(Northern Region)
Newport, Arkansas*

Clay Schaefer
*(Central Region)
Hunter, Arkansas*

Michael Taylor
*(Central Region)
Bald Knob, Arkansas*

Keith Watkins
*(Central Region)
Griffithville, Arkansas*

Scott Young
*(Southern Region)
Portland, Arkansas*



AgHeritage[®]
Farm Credit Services

Growing
Arkansas
Today and
Tomorrow

CONTENTS

- 1 *Letter from Greg Cole,
President & CEO
of AgHeritage Farm
Credit Services*
- 2 *Our New Faces*
- 3 *Our Legislative Update*
- 5 *Customer Spotlight:
Lephiew Dennington*
- 8 *Employee Reward &
Recognition Luncheon*
- 9 *Pine Bluff
Grand Opening*
- 10 *Batesville Office
Relocation*
- 11 *Annual Scholarship
Recipients*
- 13 *Patronage Checks to
Customer-Owners*
- 14 *Donation to Arkansas
Red Cross for Flood Relief*
- 14 *Mark Your Calendar*
- 15 *2019 District Farm
Families of the Year*
- 17 *Board Election Results*
- 17 *Batesville Customer
Appreciation Event*
- 18 *AgHeritage in Action*

AgHeritage Farm Credit Services

119 East Third St, Suite 200
Little Rock, AR 72201
1-800-444-3276
www.agheritagefcs.com

ON THE FRONT COVER:
Grand Opening of our
new office in Pine Bluff



PROUD MEMBER OF
THE FARM CREDIT SYSTEM

OUR CEO



Greg Cole, President & CEO

We are excited to announce the opening of our new branch office in Pine Bluff. The board and management, through our strategic planning process, determined that the greater Pine Bluff area presented excellent growth opportunities for our Association given its strong agriculture demographics.

The opening of this office is a great example of the Farm Credit System fulfilling its mission of serving local agriculture and rural communities. We often see other lenders moving out of rural America while Farm Credit is moving into rural America.

As 2019 continues to unfold, agriculture continues to face some headwinds. This marks the sixth consecutive year of U.S. net farm income being down more than 50 percent below the peak, resulting from the ethanol boom and Chinese soybean purchases in 2013.

Our current situation can be summed up in two words – too much. We have too much global supply in certain crop commodities, too much water and moisture which caused late planting, too much arguing with our trading partners, and farmers must rely too much on politicians to restore profitability in the form of the Market Facilitation Program payments they received last fall.

On a positive note, farmland values are holding strong. The Federal Reserve has curtailed the increases in short-term interest rates for now with a possible drop in the near future. The current Farm Bill is working in the midsouth by providing an effective safety-net with a strong Price Loss Coverage (PLC) payment on rice.

We value your business and appreciate you choosing AgHeritage as your financial partner. At AgHeritage, serving agriculture and rural America is not just our mission; it's our passion.

A handwritten signature in cursive script that reads "Greg Cole". The signature is written in a dark color, possibly black or dark green, and is positioned above the printed name.

Greg Cole, President & CEO
AgHeritage Farm Credit Services



OUR NEW FACES

CRAIG SERVES AS SUMMER CREDIT INTERN

Kennett, Mo. native Dalton Craig is serving as a Credit Intern for the summer in the Central Office in Little Rock. Craig is a 2019 graduate of the University of Arkansas with a Bachelor's Degree in Finance. He will return to Fayetteville in the fall to obtain a Masters in Agriculture Economics.



Dalton Craig

HOGAN TRANSFERS TO CENTRAL OFFICE

In May, Shelly Hogan transferred to AgHeritage's Central Office in Little Rock as a Lending Service Specialist.

Hogan joined the organization two and half years ago as a Customer Specialist in the company's Lonoke branch. She and her family reside in Cabot.



Shelly Hogan

PIERONI SERVES AS SUMMER APPRAISAL INTERN

Lake Village native John David Pieroni is a 2019 graduate of the University of Arkansas, with a Bachelor of Science in Finance and a minor in Agricultural Business. He is serving as an Appraisal Intern at the Central Office in Little Rock. Pieroni plans to attend graduate school at the University of Mississippi this fall.



John David Pieroni

VINES JOINS LONOKE BRANCH

In June, Brandyn Vines joined the Lonoke Branch as a Customer Specialist.

Vines has a Bachelor of Science in Recreation and Sports Management from the University of Arkansas in Fayetteville. She previously worked for the United States Department of Agriculture Farm Service Agency where she was a County Program Technician. She resides in Lonoke.



Brandyn Vines

OUR LEGISLATIVE UPDATE



By Scott Sullivan

Here we are at the beginning of summer and what a year it has been. The challenges that our farmers and ranchers have faced in the past year have been some of the greatest I have ever seen. I think about how strong willed and faithful you have to be to work in the business of production agriculture. There will always be tough times to work through and they make the good times even better when they arrive. We all have to believe and have faith that things will be better.

The legislative session earlier this year was full of challenges and legislation to help Arkansas be more competitive in recruiting and keep quality businesses in the state. Governor Hutchison had his four Ts: teacher salaries, taxes, transportation and transformation.

The Governor had a goal to transform government, and Representative Andy Davis and Senator Bart Hester were the lead sponsors of HB 1763, now Act 910. The bill is the comprehensive transformation of state government with the goal of improved efficiency, and consolidated state agencies from 42 to 15. Those cabinet level agencies are:

- (1) The Department of Agriculture - Wes Ward
- (2) The Department of Commerce - Mike Preston
- (3) The Department of Corrections - Wendy Kelly
- (4) The Department of Education - Johnny Key
- (5) The Department of Energy and Environment - Becky Keogh
- (6) The Department of Finance and Administration - Larry Walther
- (7) The Department of Health - Dr. Nathaniel Smith
- (8) The Department of Human Services - Cindy Gillespie
- (9) The Department of the Inspector General - Elizabeth Thomas Smith
- (10) The Department of Labor and Licensing - Daryl E. Bassett
- (11) The Department of the Military - Major Mark H. Berry
- (12) The Department of Parks, Heritage, and Tourism - Stacey Hurst
- (13) The Department of Public Safety - Jami Cook

(14) The Department of Transformation and Shared Services - Amy Fecher

(15) The Department of Veterans Affairs - Colonel (Ret.) Nathaniel "Nate" Todd

Transportation was also part of the package, and the proposed plan will add approximately \$300 million in state dollars to the highway budget annually. An independent audit, requested by legislators and conducted by Arkansas Legislative Audit, said \$478 million annually is needed to maintain and allow construction for growth of Arkansas infrastructure. Arkansas has 765 bridges that are considered structurally deficient. Of Arkansas's 102,000 miles of roads, only 22,000 miles are eligible for federal aid. Most Arkansans feel our roads need repair and believe the work of improving roads is good for job creation. HJR 1018 refers to the November 2020 ballot an extension of the 1/2 cent sales tax for highway funding that citizens are already paying. The tax will generate approximately \$200 million annually. The funds are committed to bond indebtedness until 2023 but if HJR 1018 passes, the money will convert to regular highway funds after the bonds expire.

The legislature also adopted SB 336, now Act 416. The Act levies an indexed wholesale tax on motor fuel and diesel and places revenue from that and other sources in the State Highway Fund for maintenance of streets, highways and bridges. The tax does not apply to off-road diesel. It also adds annual fees of \$100 and \$200 respectively to hybrid and electric vehicle registration and transfers casino tax revenues in excess of \$31 million annually, with a minimum of \$35 million, to the State Highway Fund. Farm Bureau supported both bills and testified in support of the legislation.

The General Assembly adopted multiple tax reform measures during the 2019 session, including SB 211, SB 447, SB 561 and SB 576. At beginning of the session, Gov. Hutchinson advocated for a SB 211, now Act 182, to reduce the rate on the state's top income earners. The new plan will be phased in over two years. The first year, beginning Jan. 1, 2020, will see the traditional, six-rate upper income bracket eliminated and replaced with a four-rate bracket of 2%, 4%, 5.9% and 6.6%. In the proposed plan, the state will consolidate brackets and

reduce the top marginal tax rate from 6.9% to 6.6% and also reduce the top marginal tax rate in the middle-income bracket from 6% to 5.9%. The fiscal impact of this phase will be \$51.2 million. This cost will be split between two state fiscal years, with \$25.6 million cuts in FY2020 and FY2021. The second year, beginning Jan. 1, 2021, will reduce the top marginal tax rate from 6.6% to 5.9%. The fiscal impact of this second phase will be \$45.8 million and impact will be spread across two fiscal years, FY2021 and FY2022. When fully implemented, the budget impact will be \$97 million. The 2-4-5.9 plan will impose marginally higher rates of tax on the first \$22,500 of income which is reported by upper income taxpayers. This increased income offsets the total cost of the plan. Taxpayers with at least \$38,200 in taxable income will receive a tax cut. The current top rate of 6.9% applies to people with at least \$79,300 a year in 2018 taxable income. Under the new law, the 5.9% rate would apply to those making at least \$80,500 a year.

The state also reduced the state's corporate income tax and applied the internet sales tax via SB 576, now Act 822. The bill amends Arkansas tax laws regarding various provisions for the filing on income taxes by corporations; state and local sales and use taxes on remote seller tax collection requirements; and sales tax requirements on car washes. The bill provides specific amending provisions for the following: reduce the state's top corporate income tax rate from 6.5% to 6.2% for income exceeding \$100,000 for tax years starting on or after Jan. 1, 2021, and to 5.9% for income exceeding \$25,000 for tax years beginning on or after Jan. 1, 2022; phase in an extension of net operating loss carry-forward periods (\$70 million revenue loss when fully implemented in 2032); require the collection of sales and use tax by remote sellers and marketplace facilitators (internet sales tax - \$35 million revenue gain); change the state's sales and tourism tax provisions to provide that "accommodations intermediaries" such as Airbnb and Vrbo be required to collect and remit Arkansas taxes when furnishing an accommodation in the state; provide a sales tax exemption for certain providers of carwash services; exempt from sales tax all purchases by car wash operators; and levy new annual fees on certain car wash operators and monthly water usage fees on operators of car wash tunnels.

SB 447, now Act 808, increases the Homestead Tax Credit from \$350 to \$375. Act 808 also diverts \$8.2 million from the property tax relief trust fund to the county voting systems grant fund and shifts other excess money from the trust fund to the state's long-term reserve fund. The finance department projects transfers of \$24.5 million to the long-term reserve fund in 2020 and then \$29.4 million in 2021.

SB 561, now Act 819, transfers the administration and collection of the state's franchise tax from the Arkansas Secretary of State's office to the Department of Finance and Administration, effective May 1, 2021; requires the Assessment Coordination Department to adopt mandatory guidelines to be followed by county assessors to identify property exempt from taxes and for assessing business inventory, and report noncompliance by counties to the Legislature; requires the finance department to report to the Legislative Council and the governor before each regular legislative session on the effect of each income and sales tax exemption, discount, credit and deduction; provides a sales tax exemption for advertising space on a public transit bus, effective Oct. 1; and requires more information on all-terrain vehicles to ensure that they are eligible for the farm machinery and equipment sales tax exemption at the time of purchase, effective Oct. 1.

HB 1980, now Act 1071, passed late in the session to equalize the tax for e-cigarettes. The tax adjustment was originally paired with an Earned Income Tax Credit. When that bill stalled in the House Revenue and Taxation Committee, HB 1980 was introduced to address the e-cigarette tax.

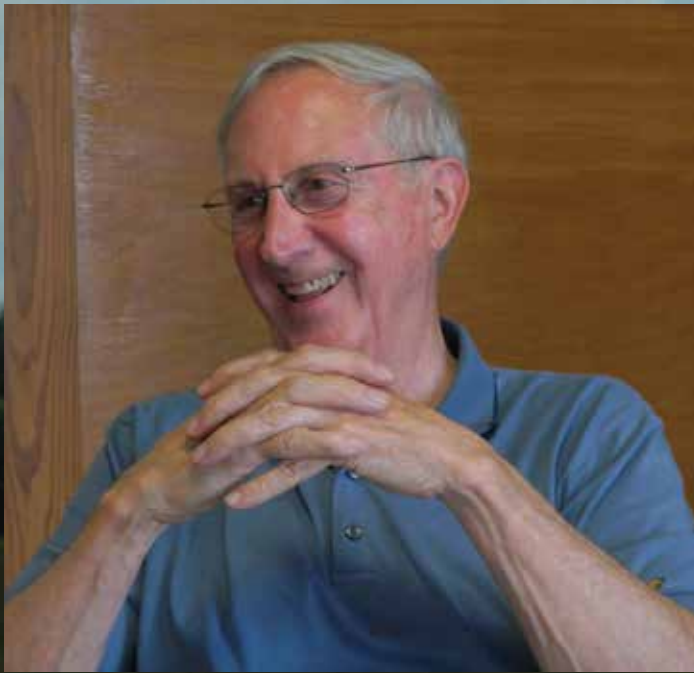
Legislators hope offering a voluntary reduction in years of service will stall efforts for a term limits ballot initiative. A ballot initiative proposed in the last election cycle would have termed more than 60 percent of the current General Assembly. SJR 15, "The Arkansas Term Limits Amendment", would limit legislators elected on or after Jan. 1, 2021 to 12 years in the Legislature, with the ability to return after a four-year break. Two-year terms served as a result of apportionment would count in the total, but partial terms served after a special election would not be included.

The final ballot referral would reform the ballot initiative process. HJR 1008 would continue to allow citizen initiatives, but would make the process more stringent. It would repeal the 30-day signature "cure period", move the filing deadline for initiatives and signatures to Jan. 15 and set a deadline to file legal challenges on April 15, both dates in the General Election year. If voters approve, it will increase the number of counties from which a set number of signatures are required from 15 counties to 45. HJR 1008 also would increase the vote majority required by the legislature to make amendment referrals from a simple majority to a three-fifths (60%) majority. It has become increasingly easy for public referrals to get on the ballot if they have big money backers. In recent elections, Arkansans have voted on casinos, medical marijuana, statewide alcohol sales and minimum wage increases.

LEPHIEW DENNINGTON: A LIFE OF FAITH, INNOVATION AND LOVE OF THE LAND

By Ashley Wimberley

Customer Spotlight: Lephew Dennington Dermott, Arkansas



Pulling into Dermott, Arkansas (population 2,889 at the 2010 Census), is much like pulling into most other small towns deep in the Arkansas Delta. It's restful and charming, but its numerous vacant storefronts make clear the statistical shift of population to more metropolitan areas.

The town, in Chicot County, is bordered on the east by the Mississippi River, the west by Drew and Ashley counties, the south by Louisiana and the north by Desha County.

Many things have changed in this small town - but some have not. One is that Lephew Dennington has pulled up at 117 N. Freeman Street in Dermott for 63 years to work at his family's business, Lephew Gin Company. Another is the clear contentment of the town's citizens, visiting around the town's gazebo across the street while sharing stories and laughs.

As I enter Lephew Gin Company, I'm warmly greeted by Dennington, along with his AgHeritage VP of Lending and McGehee Branch Manager Bill Stephens -- and decades of history. The building, built in 1910, is on the National Register of Historic Places in Arkansas, along with several others in the Dermott Commercial Historic District.

As Dennington shows me around the office - desks covered in paper, an old safe, concrete floors and old family photos that hang on the walls - I ask him why this will always be home.

He quickly replies, "I love the land and the people."

He's clearly proud of his family history, pointing to a photo of his grandfather, Elvin Lephew, and great-grandfather, Henry Lephew, taken in August 1920 in the exact spot where we are standing.

Dennington recalls hearing about the days when the family business actually began, in 1872, with 200 acres in Baxter, west of Bayou Bartholomew. The Lephews cleared the land with a crosscut saw, mules and an axe.

He remembers being told his family would cut cypress trees and float them up and down the Bayou to their mills to make cypress shingles.

In 1886, they started the family cotton ginning business which would sustain them for 109 years.

Dennington talks about the early years, when his father and grandfather ran the business.

Pointing across the room at a picture, he laughs, "Do you see that spittoon over there between my grandfather and my great-grandfather?"

He then points to an old picture of a machinery room.

"This was our gin," he said. "Now when you build a gin, you concrete the floor. The only concrete in the machine room was under the machinery. The rest was just dirt. I heard my grandfather's budget for gas for his car was \$5 per month. That was during the Great Depression."

Dennington continued to share some history from photos and treasured family stories, but says his own earliest memories on the farm are from when he was five or six years old.

"I remember going to the farm as a child. We had a blacksmith shop and would start the coals and put the plows in there to sharpen the blades. We ran hogs and we would butcher them and put them in the deep freeze."

Dennington began his work in the family business when he was 15 years old. "I would only get off work to play baseball," he laughed.

"When I started, I worked in the warehouse a lot. We were also financing people - making farm loans. We had a guy who went out and checked the crops we made farm loans for, so my dad had me go with him."

"Some of the crops were accessible by only one way, and those were the crops we had to walk to.

"Then we'd come back and tell my dad if there was a stand of cotton, if the cotton was grassy or needed fertilizer or if it needed to be hoed out. We just told him what it looked like."

Dennington enjoyed the family farm as a teen but had yet to solidify his plans for the future.

"When I was a senior in high school, my grandfather was sick and asked me to come by his house and see him. He asked about my plans for college, which were undecided.

"He told me, 'I want you to do something. If you'll go to Hendrix College the first year, I'll send you anywhere you want to go after that.'"

Dennington agreed. He started his first year at Hendrix College before transferring to, and later graduating from, the University of Arkansas.

"Back then you did what your grandfather or your father suggested," he said.

He told of an old Jewish prophet that once said, "If you have a son who neglects the advice of his father, you have a fool for a son."

Dennington continued taking advice from that old Jewish prophet when his father asked him about his major.

"My dad wanted to talk to me one day," he said. "He asked, 'What are you going to major in son?' I told him I had no idea. He replied, 'I want you to major in accounting.' So I went to college and majored in accounting."

As he completed his studies, he continued to go home in the summers to work in the warehouse and check crops. "In college, I would occasionally get off work for parties since I wasn't playing much baseball," he grinned.

Dennington graduated from college and worked a short time for Ralph McQueen (a Dermott CPA friend of his father's), auditing the city's books. But he eventually continued work with his real love - the land.

While in his 20's, he got his real estate license and did some real estate work for a short time. He, along with his father and a few others, also built a grain elevator on the Mississippi River just east of Dermott, which they later sold. He also had a seed cleaning plant and a crop dusting business at one time.

Reminiscing about the seed cleaning business, he said, "We built a warehouse, then built another warehouse and then built another warehouse. I traveled in Louisiana, Mississippi and Arkansas. I think the biggest year we sold enough seed to plant 200,000 acres. What later transpired was the same thing that happened this past year - we had really bad weather, raining and hot, and couldn't get any good planting seed."

Eventually, between the weather and Monsanto, Dennington got out of the seed business.

Asked about the timeline of these businesses through the decades, he spoke of the struggles in agriculture that makes it a continual "meeting and beating the odds" business - a required pace that makes the specifics hard to recall.

"It was sometime between when I graduated college and now," he

Continued on next page



Dennington Customer Spotlight (Continued)

laughed.

He was quick to answer when asked about the most influential person in his life, responding without hesitation, "My wife, Anne."

He talked of the years they raised their three kids, Anne Archer, Lephiew, Jr. and Clayton, and put them through college. "And none of them chose cheap ones," he laughed.

Dennington said he worked long hours for many years, sometimes arriving home late at night when his wife was asleep and leaving again early in the morning before she awoke. He spoke of his wife's diligence raising the kids and praised her help in the cotton business through many years.

Her family had a rich history, he said, her grandfather served as the mayor of Greenville, Mississippi for 16 years and her father was a surgeon.

"Let me tell you something," he said. "When you're young and you get married, you don't really know who you're marrying. By stroke of luck, I just married one nice girl."

Dennington and his wife now split their time between Dermott and Monteagle (in Middle Tennessee) at a home left to her by her parents at Monteagle Sunday School Assembly - a place he calls "one of the neatest places I've ever been." It was there that his wife was staying on the day of this interview.

He speaks of regrets, wishing he had given more of his time to others in the early years, but also spoke of his blessings. "I've taught Sunday School at the Methodist church for 35 years," he said, pointing out a window toward the church.

Asked what class, he responded with a grin, "The whole church class. We don't have enough people to have more than one class."

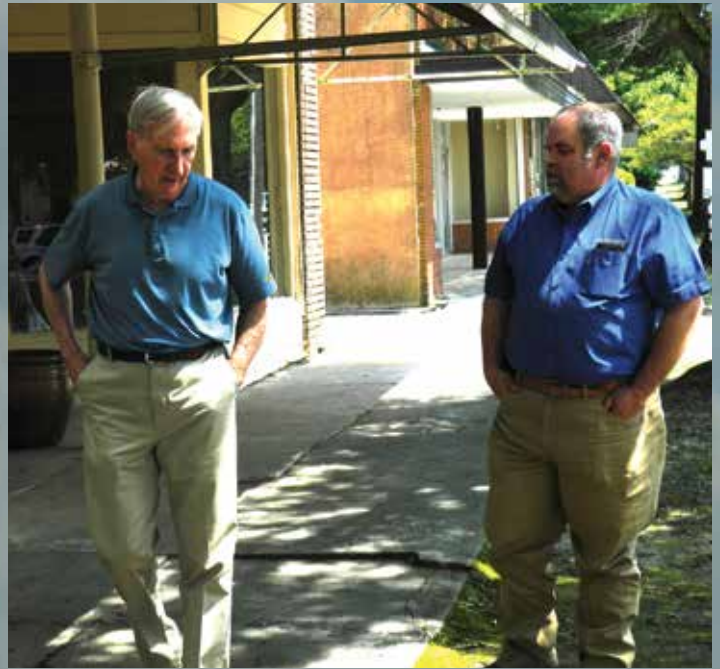
Dennington added it's been his faith that has given him the courage to take risks and press forward in a tough industry all of these years, especially in the 1980's, a decade very tough in agriculture.

"I've just tried to keep a real personal relationship with God through it all," he said.

Today, Dennington keeps the same pace, as a landowner with multiple tenants.

A love of the land and a love for family have always driven his desire to be fair and generous to others - and to always stay busy and innovative.

As I drive away, I realize that like his hometown, Dennington has had to adjust to market conditions through the years. But the rich history and happiness with both will always remain steadfast.



Dennington visits with AgHeritage VP of Lending & McGehee Branch Manager Bill Stephens outside Lephiew Gin Co.



OUR EMPLOYEE REWARD & RECOGNITION LUNCHEON

The AgHeritage Farm Credit Services Employee Reward and Recognition Luncheon (R&R Luncheon) showcased our employees and employee teams before their peers. This year, the AgHeritage R&R Luncheon was held at Heifer International on February 23.

TOP SALES ACHIEVEMENT AWARDS

Batesville Branch: Loan Classification

Brinkley Branch: Delinquency & Loan Spread

Lonoke Branch: ADB Growth \$, New Money, FRS Income
& Fee Income

McGehee Branch: ADB Growth %

EMPLOYEE SERVICE AWARDS

30 Years: Joy Lagrone & Janet Ring

25 Years: Robert Abbott, Junior Beshears, Deanna Speer & Mala Turner

20 Years: Carrie Grizzle & Amy Postel

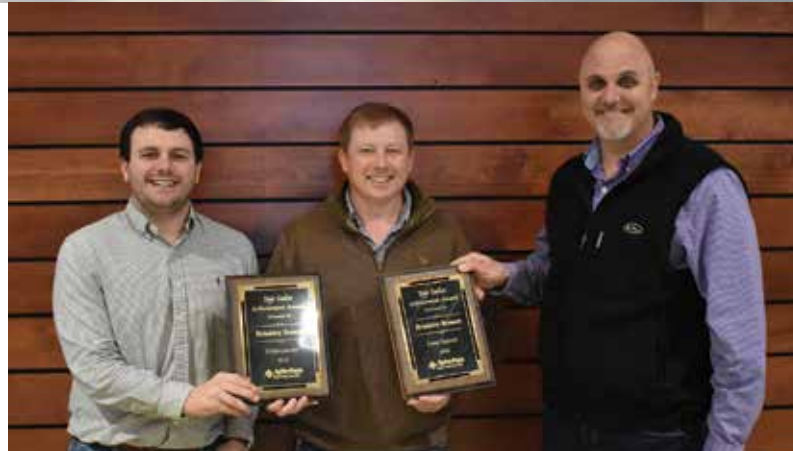
15 Years: Eddie Fuhrman, Lana Stovall, & Drew Vance

10 Years: Ken Sumner & Josh Cunningham

5 Years: Griffin Golleher, Bill Stephens & Keith Tucek



Batesville: Junior Beshears and Nanette Peifer



Brinkley: Ethan Adams, Kevin Simpson, J.C. Scemons; not shown: Carrie Grizzle



McGehee: Bill Stephens and Jonathan Breedlove; not shown: Jessie Plunkett and Joy Lagrone



Lonoke: Josh Cunningham, JoSara Walker, Shelly Hogan, Griffin Golleher and Clayton Howell

OUR OFFICES EXPAND WITH NEW PINE BLUFF LOCATION

AgHeritage opened a new branch office at 800 South Main Street in Pine Bluff on March 11. This opening brings the number of AgHeritage branch locations to 10. The Grand Opening Celebration and ribbon cutting was held on June 3. Pine Bluff staff members include Ag Lending Officer Seth Speight, Ag Lending Officer Evan Staton and Customer Specialist Gayla Bogy.

“We are extremely excited about our office expansion into Pine Bluff. The new branch strengthens our existing presence in the greater southeastern Arkansas area and provides additional convenience to our existing customer-owners, as well as to the new ones we hope to serve in the future. It also reinforces our commitment of support to Arkansas farmers and agribusinesses,” said Greg Cole.



OUR BATESVILLE OFFICE HAS MOVED

The Batesville branch opened for business on May 20 in its new location at 2880 Harrison Street in Batesville. Branch office employees are VP of Lending and Branch Manager Junior Beshears and Customer Specialist Nanette Peifer.

The branch serves the Arkansas counties of Independence, Izard and Stone.



OUR SCHOLARSHIP PROGRAM

AgHeritage presents scholarships annually to Arkansas seniors furthering their education. This year, 10 scholarships were presented: eight \$1000 Customer Scholarships, one \$1,000 University Scholarship and one \$1000 Ken Shea Memorial Scholarship.

The Ken Shea Memorial Scholarship is open to dependent children and grandchildren of AgHeritage Southern Region stockholder customers.

The University Scholarship Program is open to any current college student studying agriculture at an Arkansas university or college. Applicants do not need to be a customer.

The Customer Scholarship Program, which was established in 2001, is open to dependent children and grandchildren of AgHeritage stockholder customers. Recipients were chosen for their outstanding academic performance and school-related extracurricular activities.



Ken Shea Memorial Scholarship: Jake Johnson, a graduate of Monticello High School, currently attending Mississippi State University, with Bill Stephens of the McGehee Branch.



University Scholarship: Kimberly Oliver, a graduate of Stuttgart High School, currently attending Arkansas State University, with Kyle Stovesand of the Stuttgart Branch.



Customer Scholarship: Kaycie Merrell of Cabot High School with Griffin Golleher of the Lonoke Branch.



Customer Scholarship: Colby Free of Pangburn High School. This scholarship was provided by the AgHeritage Searcy Branch.



Customer Scholarship: Tiner Gunnell of DeWitt High School with Kevin Wingfield of the Stuttgart Branch.



Customer Scholarship: Ashtyn Clifton of Lee Academy with Kevin Simpson of the Brinkley Branch.



Customer Scholarship: Alexandria Jenkins of Star City High School with Amy Postel of the Star City Branch.



Customer Scholarship: Jordan Neeley of Dumas High School with Bill Stephens of the McGehee Branch.



Customer Scholarship: Emily Luffman of Sloan-Hendrix High School with Bo Tretenburg of the Pocahontas Branch.



Customer Scholarship : Peyton Bagwell of McCrory High School with Todd Hulett of the Newport Branch.

OUR CUSTOMER-OWNERS

This spring, AgHeritage paid \$3.9 million in profits to customer-owners through its Patronage Program.

“We are owned by the very customers we serve,” said Greg Cole. “Ownership entitles our customers to special benefits such as sharing in our profits. Over the past 13 years, we have distributed \$39.95 million through the Patronage Program.”

The program returns a portion of the Association’s net earnings to eligible customer-owners. Patronage refunds are based on the proportion of net interest paid on an individual’s loan to total net interest earned.



Greg Cole, President and CEO AgHeritage Farm Credit Services, with Board of Directors.



Customer-Owners Frank and Harrell Wilson with Cole Plafcan, Senior Vice President Chief Lending and Marketing Officer.



Customer-Owner John Curtis Jackson with Clay Cannon of the Central Office.



Customer-Owner Mike Medford with J.C. Scemons of the Brinkley Branch.



Customer-Owner Kevin McKenzie with J.C. Scemons of the Brinkley Branch.



Customer-Owner Mike Myers with Bill Stephens of the McGehee Branch.



Customer-Owner Dwain Morris with Bo Tretenburg of the Pocahontas Branch.

FARM CREDIT DONATES \$50,000 TO ARKANSAS RED CROSS FLOOD RELIEF

Farm Credit Cooperatives of Arkansas made a \$50,000 donation to the Arkansas Red Cross on July 3 to assist Arkansans impacted by recent flooding along the Arkansas River. In May and June, the river experienced its greatest flood since the development of the Arkansas River Navigation and Flood Control System. Thirty-one counties along the Arkansas portion of the river system sustained damage.

“With some of the state’s most fertile cropland along the Arkansas River, the flooding has been devastating for farmers, in particular. We have customers with significant damage to homes, farm buildings and farmland. The Farm Credit Cooperatives of Arkansas are making this donation to help support the work the Arkansas Red Cross does in meeting immediate needs in times of crisis,” said Brandon Haberer, president and CEO Farm Credit of Western Arkansas.



Greg Cole, president and CEO of AgHeritage Farm Credit Services, with James McJunkins, president and CEO of Farm Credit Midsouth, Christina Fowler, Communication & Marketing Manager American Red Cross, Stephanie Vardaman, Regional Recruitment Manager American Red Cross, Lori McFarLane, Executive Director American Red Cross, and Brandon Haberer, president and CEO Farm Credit of Western Arkansas.

✓ Mark Your Calendar:

AUGUST

- 2: Rice Field Day at Rice Research and Extension Center, Stuttgart.
- 3: Drew County Log A Load For Kids Dinner and Auction
- 3 - 10: Drew County Fair
- 12: Brinkley Customer Appreciation Open House, Brinkley Convention Center, 11:00am - 1:00pm
- 17: White Hall Chamber of Commerce Golf Tournament, Harbor Oaks Golf Course
- 23-24: 2019 Southwest Forest Products Expo, Hot Springs Convention Center
- 29-31: Arkansas Cattlemen’s Annual Convention, Hot Springs

SEPTEMBER

- 2: Labor Day - Offices Closed
- 3-7 Cleburne County Fair
- 9-14: White County Fair
- 10-14 Arkansas County Fair
- 10-14: Cleveland County Fair
- 11-14: Bradley County Fair
- 16-18: 2019 Realtors Convention, Memphis
- 17-21: Prairie County Fair
- 19: John Herman Hickman Foundation Golf Classic, The Course at Eagle Mountain
- 23 - 28: Lincoln County Fair

OCTOBER

- 1: Farm Safety Days, Arkansas County Fairgrounds, DeWitt
- 3-5: Arkansas Forestry Association Annual Meeting

OCTOBER (CON’T)

- 4: Sunshine Rodeo, Beebe
- 11-20: Arkansas State Fair, Little Rock
- 12: Owlfeest, McGehee
- 24: 67th Annual Farmers Appreciation Fish Fry Honoring the 2019 Jefferson County Farm Family of the Year, Hestand Stadium, Pine Bluff

NOVEMBER

- 4: McGehee Customer Appreciation Dinner, McGehee Men’s Club at 6 pm
- 6: Newport Office Customer Appreciation, Iron Mountain Depot, 425 Front Street, Newport, 11:30 am-1 pm
- 21: Stuttgart Customer Appreciation Dinner, Grand Prairie Center, 709 Hwy 165 South, Stuttgart - 11:30 am
- 28: Thanksgiving - Offices Closed

• DECEMBER

- 2: Searcy Customer Appreciation Dinner, Dondies, 203 E Curran St, Des Arc at 6 pm
- 3: Pocahontas Customer Appreciation Dinner, Black River Technical College at 6 pm
- 4-5: 2019 Arkansas Farm Bureau Annual Convention, Little Rock Convention Center
- 8-10: USA Rice Outlook Conference, Little Rock
- 12: 72nd Annual Farm Family of the Year Luncheon, Wyndham Riverfront, 2 Riverfront Place, North Rock
- December 12-13 Arkansas Ag Council Annual Meeting Capital Hotel in Little Rock
- 24-25: Christmas - Offices Closed

CONGRATULATION 2019 DISTRICT FARM

EAST CENTRAL DISTRICT

Lee - Jeff Hickman, Marianna
Lonoke - I.F. Anderson Farms Inc., Lonoke
Monroe - Curtis Kirkpatrick Family, Holly Grove
Prairie - Chris Berg Family, Stuttgart
Pulaski - Jeremy, Emily and Benjamin Bemis, Little Rock
St. Francis - Hobbs Family, Colt
White - Lester and Ouida Cossey Family with Flying C Ranch, Searcy
Woodruff - Johnny W. and Jennifer Taylor, McCrory

NORTH CENTRAL DISTRICT

Baxter - Wes Henderson Family, Mountain Home
Cleburne - Eldon and Anne Fry, Quitman
Fulton - Justin and Rachel Luther
Independence - Kenny and Edwina Hurley, Cushman
Izard - Bo and Whitney Lord Family, Evening Shade
Marion - Mike and Darcy King Family, Yellville
Searcy - Triple T Cattle Company, Marshall
Sharp - The Nathan and Eddie Walling Families, Cave City
Stone - Jerry and Barbara Davis, Marcello
Van Buren - Alan and Angela Mahan with Rabbit Ridge Farms, Bee Branch

NORTHEAST DISTRICT

Clay - David Hatcher Family, Corning
Craighead - Heath and Mari Ann McGaughey, Lake City
Crittenden - Cooper Morrison, Earle
Cross - Matthews Sweet Potato Farm, Wynne
Greene - Pillow Fish Farm and Family, Paragould
Jackson - Young's Generation Three Partnership Farms, Tuckerman
Lawrence - Steve Graham, Alicia
Mississippi - Robinson Melon Farms, Leachville
Poinsett - Jason and Tabithia Mullins, Trumann
Randolph - Weitkamp Farms Partnership, Pocahontas

NORTHWEST DISTRICT

Benton - Kevin and Jacqueline Smith Family, Decator
Boone - Jeff and Debbie Atkinson, Harrison
Carroll - Josh and Tonya McMahan, Green Forest
Crawford - Richard and Earlene Boone, Natural Dam
Franklin - Michael and Kasey Post, Altus
Johnson - Tanner and Amy Storment, Flat Rock
Madison - Greg Wheeler, Combs
Newton - Gene Davidson Family, Kingston
Washington - Pitts Family, Lincoln

“You can
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NS TO ARKANSAS'S FAMILIES OF THE YEAR

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ilbert K. Chesterton

SOUTHWEST DISTRICT

Bradley - Hamilton Farms, Hermitage
Calhoun - Allen Primm, Hampton
Hempstead - Donald and B.J. Hampton, Hope
Lafayette - Jamie and Kalen Knighton, Lewisville
Little River - La Voice Family, Ashdown
Nevada - Mike Cottingham, Prescott
Union - Charles and Debbie Foot, Tinsley

WESTERN DISTRICT

Conway - Duvall Farms, Hattieville
Faulkner - Schaefer Brothers Farms, Conway
Logan - Clark and Tori Parker, Magazine
Montgomery - Bob and Denise McCord with
Dixieland Farm, Norman
Perry - Steve and Flora Harrington Family, Casa
Polk - Dean and June Wiles, Mena
Pope - Rusty and Rebecca Davis, Russellville
Yell - Dusty and Melanie Walker

WEST CENTRAL DISTRICT

Clark - Stockton Family Farm, Okolona
Cleveland - Gary and Melody Spears, Rison
Dallas - Michael and Cecilia Berry
with Bluebird Farm, Sparkman
Grant - Chad and Katie Harper, Prattsville
Hot Spring - Chris and Piper Nelson, Malvern
Howard - The Greene Family, Athens
Saline - Renae Breckling, Benton
Sevier - Josh and Twyla Morris
and Marilyn Morris, Gillham

SOUTHEAST DISTRICT

Arkansas, N. - Chris and Heather Simpson, Stuttgart
Arkansas, S. - Gary and Meagan Padget, Almyra
Ashley - Brad Graham, Portland
Desha - Tony Wells, McGehee
Drew - Eubanks Farms, Wilmar
Jefferson - Dewayne Goldmon Family with Dell-Cam Farm, Inc., Pine Bluff
Lincoln - Jonathan and Sara Bottoms, Gould
Phillips - John and Kaleb Hall, Elaine

OUR BOARD ELECTION RESULTS

The Annual Stockholders' Meeting was held on April 23. Following the annual meeting, mail ballots were sent to all eligible voting stockholders for the annual director election. We are pleased to announce Clay Schaefer and Jeff Rutledge were re-elected.

AgHeritage shareholders elected to the Nominating Committee were: Ronald Aaron (Batesville office); Doug Medford (Brinkley office); Clay Poole (McGehee office); Brandon Parker (Lonoke office); Tommy Young (Newport office); Matt Hibbard (Pocahontas office); John Hamilton (Searcy office); Harrell Wilson (Star City office); and Jason Smith (Stuttgart office).

Thank you for participating in the election. If you have an interest in serving on the Board of Directors, or being a Nominating Committee member, please contact a current member of the committee or your local branch office.



Schaefer farms rice and soybeans on 5,750 acres in Hunter. Schaefer has been a member of the board since 2011. He serves on the board's Executive Committee and is Chairman of the Human Resources Committee.



Rutledge of Newport farms corn, rice, and soybeans on 4,800 acres. Rutledge has been a member of the board since 2017. He serves on the board's Audit Committee.

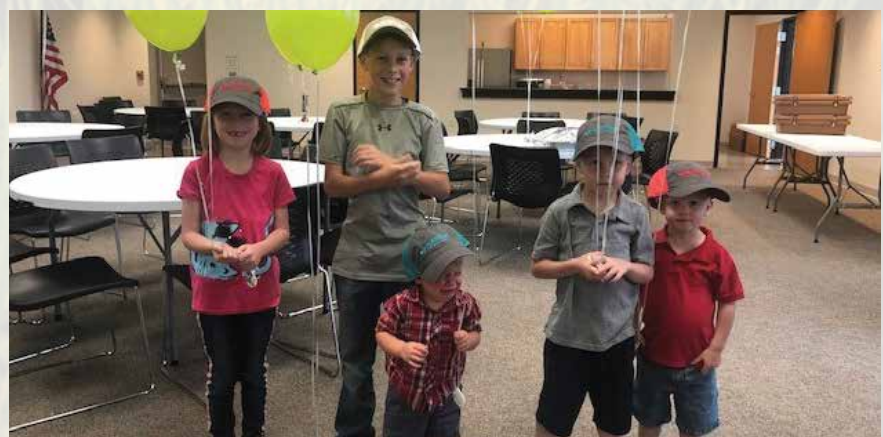
OUR BATESVILLE CUSTOMER EVENT

The AgHeritage Batesville branch held its Annual Customer Appreciation Luncheon at the Batesville Community Center on May 9, with nearly 150 customers and guests enjoying good food and fellowship.

"It's great to have so many join us each year for this event," said Junior Beshears, VP Lending and Branch Manager of the Batesville Branch.

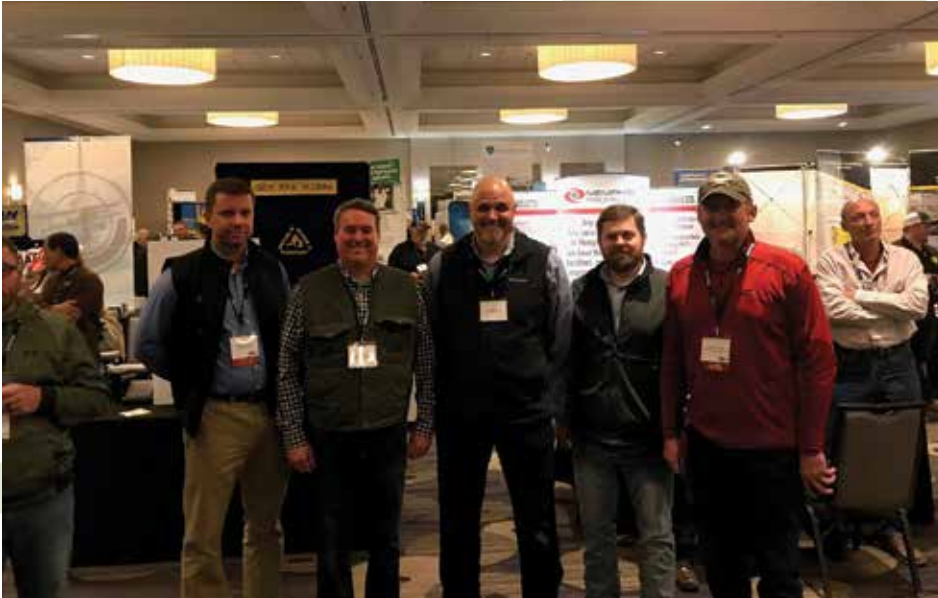
"This is one of the highlights of our year when we take time to stop, say thank you and show appreciation to our customer-owners," Beshears added.

In addition to Beshears, Customer Specialist Nanette Peifer also works in the Batesville office.



AGHERITAGE IN ACTION

57th Annual Arkansas Agricultural Aviation Association Convention



Left to Right: Michael Hutchins of Custom Air of Roe, AgHeritage VP of Lending & Stuttgart Branch Manager Kyle Stovesand, AgHeritage Brinkley Branch Ag Lending Officer J.C. Scemons, AgHeritage Stuttgart Branch Ag Lending Officer Kevin Wingfield and Brandon Everett of Everett Flying Service.

2019 Arkansas Soybean Annual Meeting

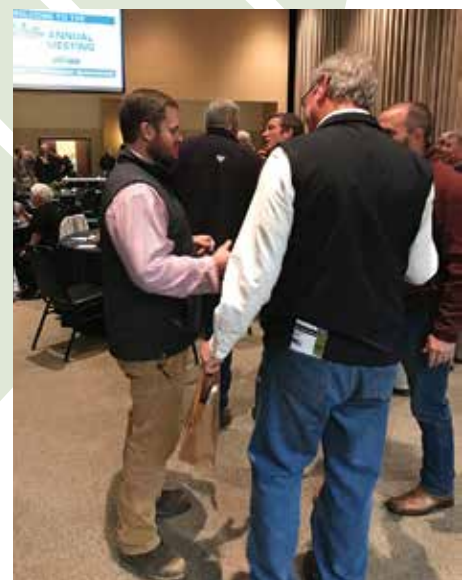


AgHeritage was a proud sponsor of the Arkansas Soybean Meeting at the Grand Prairie Center in Stuttgart.

2019 Arkansas Rice Annual Meeting

AgHeritage staff members Kevin Simpson, Kevin Wingfield, Ethan Adams, Kyle Stovesand, Griffin Golleher, Josh Cunningham, Clayton Howell, Greg Cole and Lana Stovall attended the meeting held at the Grand Prairie Center in Stuttgart.

This event is the largest gathering of rice farmers and industry representatives from the Arkansas River Valley and the Mississippi Delta, from Louisiana to Missouri.



76th Annual Gillett Coon Supper



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

Southeast Arkansas Cotton & Corn Meeting



Attendees at the annual meeting, held on February 19, enjoyed a meal at Hoot's Barbecue in McGehee.

The Prairie County Conservation District Conservation Day



AgHeritage was proud to sponsor this event, held on February 21 at the shop of Kenneth Caviness. Attendees heard from seven speakers on a variety of topics of agricultural interest.

Winter Forage Conference



AgHeritage, along with Farm Credit Midsouth and Farm Credit of Western Arkansas, sponsored the event, held on February 21 in Conway.

Arkansas Agriculture Hall of Fame Luncheon



The 2019 Class of the Arkansas Agriculture Hall of Fame was inducted at a luncheon held on March 1 at Little Rock's Embassy Suites Hotel. The class includes Dr. L.B. (Bernie) Daniels, Dr. Ed Fryar, Dr. Donna Graham, Dr. Terry Siebenmorgen and David Walt.

2019 Winter Production Meeting of Lonoke & Prairie Counties

AgHeritage was proud to sponsor this January meeting, attended by staff members Griffin Golleher, Josh Cunningham and Clayton Howell.



Arkansas Agriculture Department's Local Conversations Event

The event was held at the Hermitage Community Center in Bradley County on January 17. Specialty crop farmers joined local school food service and nutrition directors, food distribution representatives and other industry officials to network and source new marketing opportunities for their locally grown products.



Slovak Oyster Supper



AgHeritage was proud to attend the Annual Slovak Oyster Supper held January 25. This 50-plus year tradition is the main fundraiser for the Slovak Knights of Columbus Council but also raises money for other charities and organizations in the area.

White County Row Crop Production Meeting



AgHeritage was happy to sponsor the White County Cooperative Extension Service and the White County Row Crop Production Meeting, which was held this year on January 28 in Searcy.

Pine Bluff Farmers Appreciation Day Luncheon



Seth Speight and Evan Staton attended the event held by the Pine Bluff Rotary Club & West Pine Bluff Rotary Club. The event was held on January 22 at the Pine Bluff Country Club.

Arkansas County Crop Production Meeting



AgHeritage sponsored and attended the Annual Arkansas County Crop Production Meeting at the Rice Research and Extension Center in Stuttgart on February 12.

25th Annual Arkansas State University Agribusiness Conference



AgHeritage was a proud sponsor of this conference held on February 13 on the Arkansas State University campus in Jonesboro. The event's focus was on agricultural real estate, trade and farm policy and the agricultural credit and commodity markets.

Agriculture Appreciation Day Expo



Nathan Davis, Lee Thielemier and Bo Tretenburg chat with an attendee at the expo held on February 15 at the Black River Technical College Campus in Pocahontas. The Lawrence and Randolph County Chambers of Commerce/University of Arkansas Cooperative Extension Offices recognized the importance of agriculture in our area. A portion of the proceeds went to agriculture scholarships to be split equally between the two counties.

67th Annual Mid-South Farm & Gin Show



AgHeritage, along with Farm Credit Midsouth and Farm Credit of Western Arkansas, was a proud sponsor at the Mid-South Farm & Gin Show held March 1 & 2 at the Cook Convention Center in Memphis. A dinner was held at Pearl's Oyster House in conjunction with the show.

2019 Arkansas Grazing Lands Conference



AgHeritage, along with Farm Credit Midsouth and Farm Credit of Western Arkansas, sponsored the 2019 Arkansas Grazing Lands Conference, held on March 8 at the Castle at Harmon Ranch in Greenbrier.

Arkansas Cattlemen's Association Spring Conference



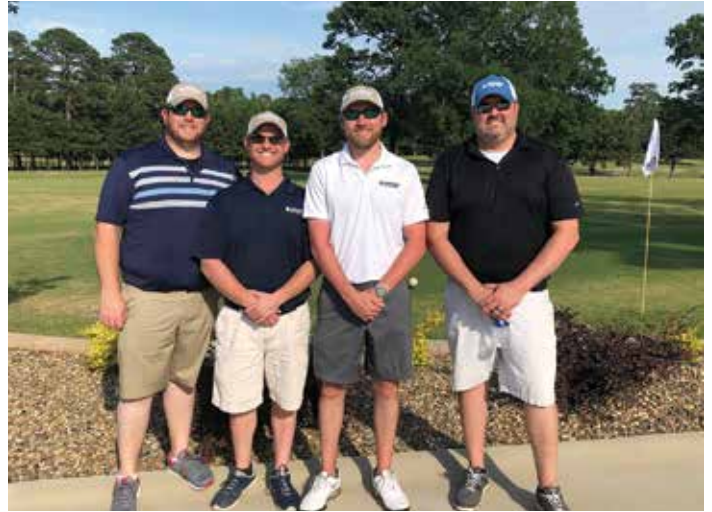
A great group of cattlemen enjoyed Area 5's Spring Conference meeting held on March 21 in Monticello.

Arkansas Cattlemen's Association Spring Conference



Nanette Peifer visits with an attendee at the Area 8 Spring Conference meeting held on March 4 in Batesville.

Central Arkansas Log A Load For Kids Corporate Charity Golf Challenge



Seth Speight, Shane Hampton, Evan Stanton and Keith Tucek played in the tournament at the Malvern Country Club held on June 14. The event raised \$17,000 to support Arkansas Children's Hospital.

2019 Teacher Conservation Workshop Series Donation



AgHeritage, along with Farm Credit of Western Arkansas and Farm Credit Midsouth, made a \$1,000 donation to the Arkansas Forestry Association Education Foundation for its 2019 Teacher Conservation Tour Workshop Series.

2019 Pine Bluff Business Expo



AgHeritage was proud to exhibit at the Pine Bluff Regional Chamber of Commerce's 32nd Annual Business Expo. The event was held at the Pine Bluff Convention Center and provided vendors the opportunity to connect with other business owners and residents.

6th Annual Mid-South Agricultural and Environmental Law Conference

AgHeritage President & CEO Greg Cole was a presenter at the annual conference.

He said on the farm economy, "This is not the 80's all over again, however, we have not seen this level of stress in agriculture since the 80's."

The conference was held June 6 & 7 at the University of Memphis Cecil C. Humphreys School of Law and was hosted by the National Agricultural Law Center.



2019 Arkansas Women in Agriculture Annual Conference



Lana Stovall of AgHeritage, Jill Robertson of Farm Credit of Western Arkansas and Melissa Powell of Farm Credit Midsouth exhibited in the trade show.



Guest speaker Jenna Brown kicked off the conference with ice breakers, encouraging attendees to meet new people.



Leigh Ann Bullington with Woodruff County Office of the Arkansas Cooperative Extension Service shared a new recipe (see right) with Arkansas soybeans & rice during the "30-Minute Meals" workshop.

Arkansas Style Soybeans and Rice

Ingredients:

- 1 c. dried yellow soybeans
- 1 tsp. vegetable oil
- ½ c. chopped green bell pepper
- ¼ c. chopped red bell pepper
- 1 c. chopped onion

- 1 c. chopped celery
- 1 clove garlic, minced
- 4 c. low sodium chicken broth
- 2 dried bay leaves
- 1½ tsp. Arkansas Spice Mix (recipe below)
- 1 c. uncooked brown basmati rice
- 1 (15-oz) can black soybeans, rinsed and drained

Directions:

1. Cook 1 cup dry beans according to directions (see cooking sheet).
2. Spray 12-in. skillet with cooking spray. Add oil, onion, peppers, celery and garlic; cook over medium-high heat 2-3 minutes, stirring occasionally, until vegetables are crisp-tender. Stir in broth, Arkansas Spice Mix and bay leaves. Heat to boiling. Stir in rice; reduce heat. Cover; simmer 25 to 30 minutes until rice is done.
3. Stir in cooked yellow soybeans and rinsed, drained black soybeans. Cook, stirring occasionally, until thoroughly heated and mixture thickens. Remove bay leaves.

Serves 8. 290 calories; 7g fat; >5mg chol; 42g carb; 9g fiber; 17g protein

Arkansas Spice Mix:

- 2 Tbsp. oregano
- 2 Tbsp. paprika
- 2 Tbsp. basil
- 1 Tbsp. black pepper
- 1 Tbsp. cayenne pepper
- 1 Tbsp. dried thyme
- 1 Tbsp. salt

Combine spices in a jar with a tight-fitting lid and shake to mix. Store covered at room temperature.



The conference attendees gathered in groups and drew something that represented farming to them. Together, their individual images made a complete picture of agriculture.

Arkansas County Agricultural Agents Association Annual Luncheon



AgHeritage, along with Farm Credit Midsouth and Farm Credit of Western Arkansas, sponsored the luncheon held in March in Pocahontas.

Monroe County Master Gardeners Seminar



AgHeritage provided tool bags as gifts for the Monroe County Master Gardeners Seminar, held on March 30. The bags were stuffed with flower catalogs from various nurseries.

2nd Annual Jefferson County Crawfish for Kids



AgHeritage was a proud supporter of this event held at the White Hall Community Center. All proceeds benefited Arkansas Children's Hospital.

Arkansas 4-H Foundation presented with \$10,000 donation



AgHeritage Farm Credit Services CEO Greg Cole, Farm Credit of Western Arkansas CEO Brandon Haberer and Farm Credit Midsouth CEO James McJunkins present a check for \$10,000 to Arkansas 4-H Foundation Managing Director Dr. Sara Brown.

Arkansas Hunger Relief Alliance presented with \$5,300 donation



AgHeritage, along with Farm Credit Midsouth and Farm Credit of Western Arkansas, was proud to support the Arkansas Beef Project through a donation to the Arkansas Hunger Relief Alliance.

John Herman Hickman Foundation Trout Fishing Tournament Fundraiser



Sponsored by PECO Foods, this annual event was held on May 15 at the Norfolk River Resort. The John Herman Hickman Foundation is a charitable non-profit organization that was formed in 2011. The Foundation is named in honor of Hickman who founded PECO. The Foundation provides aid to the victims of catastrophic natural disasters, provides scholarships to the children of PECO employees and growers seeking higher education.

Barret School of Banking



Barret School of Banking 2019 attendees Kevin Wingfield, Kevin Simpson, Lee Thielemier and Josh Cunningham with Daymond John, CEO of FUBU and founder of The Shark Group and best-known from the TV show "Shark Tank."

2019 Arkansas FFA College & Career Expo



Farm Credit representatives met with the 2019-20 Arkansas FFA State Officers at the Hot Springs Convention Center in April. We are proud to support FFA and these ag leaders.

Donation to Future Farmers of America



Tim Cunningham, Cedar Ridge School District FFA advisor, receives a donation from Junior Beshears, AgHeritage VP of Lending & Branch Manager in Batesville.

17th Annual Empty Bowls benefiting the Arkansas Foodbank



AgHeritage was a proud sponsor of Empty Bowls, held May 10 at Robinson Center. The event benefited the Arkansas Foodbank and featured food from some of Little Rock's best restaurants. The honoree this year was Ben Noble, Vice President of Marketing and Strategy at Riceland Foods. Pictured left to right: Garrett Lile, Kathleen Thomas, Lauren Cannon and Clay Cannon.

Homegrown By Heroes Farm to Fork Celebration



The Homegrown By Heroes Farm to Fork Celebration was held on May 21 at St. Joseph Center of Arkansas in North Little Rock. During the event, Homegrown By Heroes scholarships were presented. Farm Credit provided funding for the eight \$1,000 scholarships for eligible veterans, service members, and their family members.



AgHeritage[®]
Farm Credit Services

AgHeritage Farm Credit Services is a financial cooperative with owned and managed assets of approximately \$1.4 billion as of December 31, 2018. The company provides credit and related services to more than 3,000 farmers, ranchers and producers or harvesters of aquatic products in 24 Arkansas counties. Branch offices are located in Batesville, Brinkley, Lonoke, McGehee, Newport, Pocahontas, Pine Bluff, Searcy, Star City and Stuttgart.



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