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**FIU's Veterans and Small Farmer Outreach
(VeSFO) Program**

MARCH 26, 2015



Agenda

- Farm Credit System Overview
- Farm Credit of Florida Overview
- Young, Beginning, Small, Minority & Veteran Farmers
- Products offered
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- How To Complete a Financial Statement
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Farm Credit System Overview

The Farm Credit System's mission is to provide sound and dependable credit to American farmers, ranchers, producers or harvesters of aquatic products, their cooperatives, and limited types of farm-related businesses.

The Farm Credit System accomplishes this mission by providing financial services and making capital available to qualified individuals and businesses at competitive rates. Additionally, Farm Credit provides financing for purchasing rural homes, communication, energy and water infrastructures, and to support agricultural exports and other eligible entities.

Farm Credit is a nationwide network with more than 82 independent, customer-owned cooperative lending institutions serving all 50 states and Puerto Rico.



Farm Credit System Overview (continued)

- **The Farm Credit System is exclusively dedicated to supporting agriculture and rural communities.**
- **We serve nearly 500,000 qualified member-borrowers nationwide.**
- **Farm Credit is the largest Ag lender in the nation, providing more than \$199 billion in loans, leases and related services to farmers, ranchers, rural homeowners, aquatic producers, timber harvesters, agribusinesses, and agricultural and rural utility cooperatives.**
- **Established in 1916 by Congress, and now a Government Sponsored Enterprise, the System provides more than one third of the credit needed by those who live and work in rural America.**

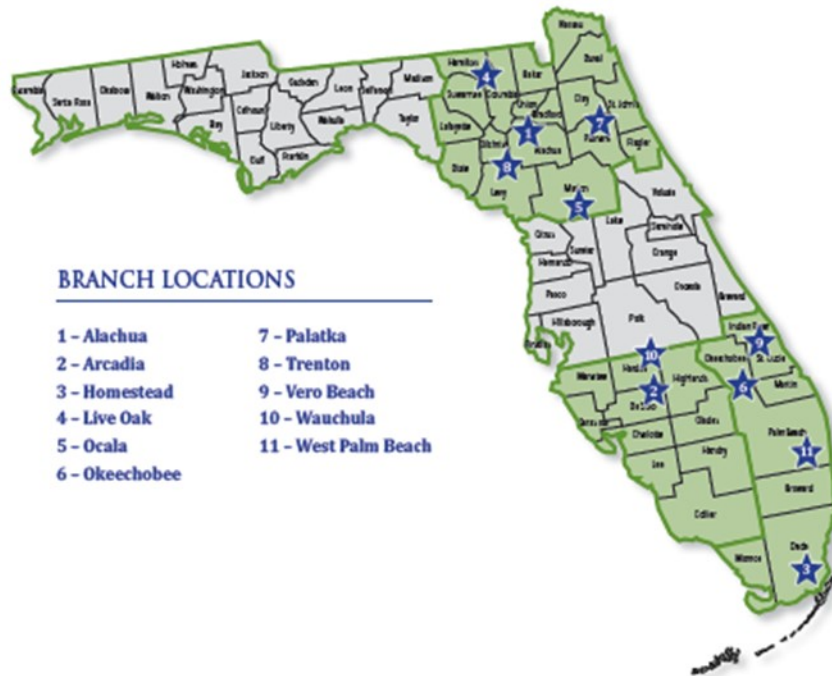


FARM CREDIT
OF FLORIDA

Farm Credit of Florida Overview



ASSOCIATION MAP



BRANCH LOCATIONS

- | | |
|----------------|----------------------|
| 1 - Alachua | 7 - Palatka |
| 2 - Arcadia | 8 - Trenton |
| 3 - Homestead | 9 - Vero Beach |
| 4 - Live Oak | 10 - Wauchula |
| 5 - Ocala | 11 - West Palm Beach |
| 6 - Okeechobee | |

Farm Credit of Florida Overview

The mission of Farm Credit of Florida is to be the premier agricultural lender throughout its territory, providing sound constructive credit to our member / borrowers, while operating under cooperative principles, providing superior customer service, and maintaining a financially strong Association in order to enhance the quality of life for people in the agricultural industry and in rural America.

CORE VALUES

Character – Knowing what is right and doing it.

Accountability – Becoming more involved and taking ownership of one's actions.

Respect – Acknowledging the rights, values, and beliefs of everyone.

Excellence – Pursuing and rewarding the best.

Professionalism – Upholding higher standards and behaving in an appropriate manner at all times in all situations.



Farm Credit of Florida Overview

- **As of December 31, 2014, Farm Credit of Florida had \$911 million in assets, \$217 million in Total Members' Equity.**
- **Serves 36 counties with 11 offices in South Florida and North Florida**
- **Loan portfolio includes over 20 different farm commodities including citrus, cattle, timber, equine, vegetables, dairy, sugar cane, and nursery.**

Young, Beginning, Small, Minority & Veteran Farmers

Farm Credit has been financing farmers of all types for nearly a century. For many farmers, we were the first (and often the only) lender chosen as they began their farming operations. Many of these farmers have continued to use Farm Credit for all their operating needs as their operations have become larger and more complex.

Our loan officers understand agriculture and recognize that young, beginning, small, minority and veteran farmers have unique challenges in establishing, developing and maintaining their farming operations.



Young, Beginning, Small, Minority & Veteran Farmers (continued)

Are you Young, Beginning, Small, Minority or Veteran Farmer?

- A young farmer is one who is 35 years of age or younger
- A beginning farmer is one who has 10 or fewer years farming, ranching or aquatic agriculture experience.
- A small farmer is one who generates less than \$250,000 in annual gross agricultural or aquatic sales.
- A minority farmer is an American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian or other Pacific Islander, a person whose ethnicity is Hispanic or Latino, regardless of race, and women. Minority borrowers must own at least 51% of the operation.
- A veteran is a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

If you fit into one of these categories, Farm Credit of Florida is ready to help. Our loan officers will be glad to review your situation and give you expert advice on the financial program that may work best for you. By working closely with government programs such as the Farm Service Agency's Guaranteed Loan Program, we have been able to help young, beginning, small, minority and veteran farmers get started in farming.



Farm Credit of Florida Agricultural Loan Products

Agricultural Loans:

Real Estate: Purchase, improvements, buildings, refinancing, timber.

Equipment Purchases: Tractors, trailers, combines, cultivating equipment, irrigation, planters and timber harvesting equipment.

Facilities: Barns, storage, silos, feeders, dairy, poultry.

Livestock: Cattle, equine, poultry, swine, veterinarian expenses, marketing.

Operating Expenses: Seed, fertilizer, insecticides, electricity, fuel, labor, equipment repairs, feed.

Vehicles: Trucks, cars, special utility vehicles.



Farm Credit of Florida Agricultural Loan Products

Real Estate Loans

- Loans for purchase, refinance, and/or improvement of real estate.
- Amortization and terms up to 20 years
- Flexible repayment – monthly, quarterly, semi-annually, or annually; tailored to meet the cash flow from the farming operation.
- Up to 70% loan to value (90% with Government Guarantee) for most property types.
- Fixed interest rate options of up to 20 years with no prepayment penalties. Variable/Floating interest rates based upon Prime or LIBOR are also available.
- Interest rates are very competitive in the marketplace and are generally risk based.
- No loan is too big or too small.
- No previous farming experience needed.



Farm Credit of Florida Agricultural Loan Products

General Underwriting Standards

- Up to 70% financing (90% with Government Guarantee) depending upon financial strength and repayment terms.
- Land should be currently zoned agricultural, have agricultural land use, and/or be capable of agricultural production.
- Owners of corporate borrowers usually expected to personally guarantee loans.
- Borrowers should have clean credit history with no short sales, foreclosures, bankruptcies or pending litigation.

Farm Credit of Florida Agricultural Loan Products

Operating Loans

- Usually revolving lines of credit to fund seasonal operating needs that can be accessed daily to pay for operating expenses and input costs. Provides flexibility to assist in cash management.
- Tied to the Prime Rate or LIBOR Index.

Equipment Loans

- Used to assist in funding new and used equipment. Usually loan terms 3-7 years for farm equipment and vehicles.

Farm Credit of Florida – Other Services

- **Crop insurance:** Assist borrowers in risk management with their crops. Farm Credit of Florida has a fully staffed Crop Insurance team that provides the highest customer service and has significant experience in the industry. Pasture rainfall insurance is also available for pasture.
- **Equipment Leases:** Equipment and some facilities leases offered through Farm Credit Leasing to assist with cash flow, capital and tax planning for borrowers. Typical equipment includes tractors, sprayers, harvesters, and vehicles.
- **Residential Loans:** Finance homes for Farmers, Ranchers, or qualified homeowners in rural areas in Florida.

Farm Credit of Florida Advantage

Advantages of Farm Credit Financing

- **PATRONAGE!** In 2015, Farm Credit of Florida will pay its borrowers and crop insurance customers **\$7.5 Million** in patronage refunds. Patronage reduces the effective cost of borrowing. Patronage is paid when Farm Credit makes a profit and the board of directors and regulator agree to repay profits to its borrowers.
- **CLOSING COST SAVINGS:** Borrowers are exempt from Florida Documentary stamps and intangible taxes which represent a savings of \$550 for every \$100,000 borrowed.
- **FLEXIBLE INTEREST RATE PROGRAM:** You can change interest rate products if your rate program no longer meets your interest rate needs. There may be a fee for converting from one program to another.
- **WE ARE DEVOTED SOLELY TO AGRICULTURE:** Some lenders are in and out of the agricultural lending market. Farm Credit is fully committed to the industry.
- **KNOWLEDGEABLE:** Loan officers specialize in agricultural lending and know farming.
- **LOCAL DECISIONS:** All decisions are made locally and we have a locally elected Board of Directors.



How To Complete A Balance Sheet

Calculating your personal net worth is the best way to know exactly what your starting point is, in any financial plan you develop. A balance sheet calculates your net worth by comparing your financial assets (what you own) with your financial liabilities (what you owe). The difference between the two is your personal net worth. Don't be discouraged if your net worth is negative – keep in mind that this should be an accurate depiction of your financial situation. Setting goals is much easier once you know what your current net worth is.

Not all balance sheets may be the same, but they follow the same concept. The one we'll be working on today is broken into three parts:

- Current Assets and Liabilities
- Intermediate Assets and Liabilities
- Long Term Assets and Liabilities

How To Complete A Balance Sheet (Current Assets)

CURRENT ASSETS			CURRENT LIABILITIES (Payable within 1 year)						
			Value	Lender	Interest Rate %	# Pmts per year	Pmt Amount	Collateral	Current Balance
Cash/Savings									
Marketable Stocks & Bonds									
Current Portion IT/LT Receivables									
Accounts Receivable									
Produce Held for Sale									
Purchases Held for Resale									
Produce Held for Farm Use									
Supplies and/or Prepaid Expenses									
Investment in Growing Crops									
Poultry/Prod. Livestock(# & type)									
<i>Number</i>	<i>Description</i>	<i>Value / Unit</i>							
Other Current Assets:									
				Accrued Interest					\$
				Current Portion Term Debt					\$
Total Current Assets			\$						
									Total Current Liabilities \$

Current Assets

- All assets that can be readily converted to cash to pay outstanding debt – cash, accounts receivable, inventory, marketable securities, prepaid expenses and other liquid assets.

Current Liabilities

- Outstanding debt due within one year – credit card debt

How To Complete A Balance Sheet (Net Worth)

TOTAL ASSETS		\$	TOTAL LIABILITIES		\$
			Net Worth (Total Assets - Total Liabilities)		\$
			Contingent Liabilities	\$	

Have you filed bankruptcy in the past 7 years (yes/no)? _____ If yes, describe: _____

Are you currently party to a law suit (yes/no)? _____ If yes, describe: _____

Are there any outstanding judgments against you (yes/no)? _____ If yes, describe: _____

Are you a co-maker, guarantor or endorser on other obligations (yes/no)? _____ If yes, describe: _____

Have you had property foreclosed upon or given a deed-in-lieu thereof in the past 7 years (yes/no)? _____ If yes, describe: _____

I / We certify the foregoing to be a true and accurate representation of my/our balance sheet as of the dates indicated.

Signature Date

Signature Date

Signature Date

Signature Date

- **Total Assets** = Total Current Assets + Total Intermediate Assets + Total Long Term Assets
- **Total Liabilities** = Total Current Liabilities + Total Intermediate Liabilities + Total Long Term Liabilities
- **Net Worth** = Total Assets – Total Liabilities

Answer all questions truthfully and remember to sign and date the balance sheet.



Contacts

Farm Credit of Florida – Homestead Office

Agricultural Loans/Relationship Management

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