

# Leader

A field of tulips with one red tulip in bloom in the foreground. The background is filled with green leaves and many unopened tulip buds.

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## Central Kentucky Ag Credit

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*President*

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*Editor*

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James W. Waggener  
*Vice Chairman*

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David C. Sparrow

# Patronage Refunds Top \$3.7 Million for Six Years in a Row; 2003 Payout is in the Mail!

*Graph & Story by Robert Anderson*

We've all heard the traditional saying, "the check is in the mail"! Well, it may have been the U.S. Postal Service or the Ag Credit "personal delivery" service, but hundreds of members of Ag Credit have "the check" in their hands.

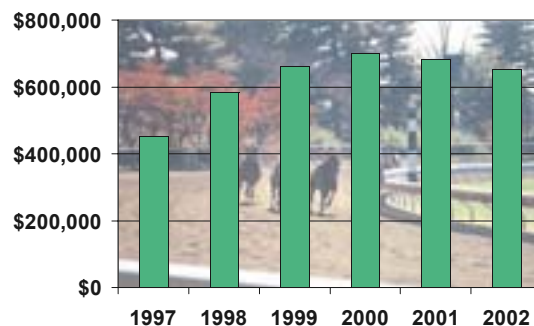
Central Kentucky Ag Credit started distributing the cash portion of patronage refund checks to members on April 1. The total amount for 2002 is a whopping \$653,341.24. The total is both the cash portion and the portion held in accounts in the members' names. Ag Credit really does put profits back in your pockets!

This year marks the sixth straight year that patronage refunds have been returned to members. The total amount refunded to Ag Credit customers to date is over \$3.7 million. The first year during which patronage refunds were paid was 1997 (cash portion actually paid to members in 1998, due to the way in which calendar year financial reporting is done).

While it is important that Ag Credit members share in the profits of association operations through patronage refunds, there is more to the story than just refund checks.

During the six years that patronage refunds have been sent to members, Ag Credit has also kept pace with other lending institutions in offering members great interest rates. Your association has upgraded computer services so that members can more conveniently conduct their financial business. Major improvements have been made in new branch office facilities. Services to rural residents have been expanded.

Ag CREDIT Patronage Refunds



Good things are happening! Altogether, you and your Ag Credit Board of Directors are leading the way to financial progress for everyone who is associated with Central Kentucky Ag Credit. Ag Credit progress and the financial health of Ag Credit members are keys to a bright future in farming and in rural living.

## Patronage – The Financial Pieces

You may have noticed that patronage payments have been paid in a cash portion and a portion called "allocated surplus". For every \$1 in total patronage paid to an individual customer, \$0.30 has been paid straight to the customer. The remaining \$0.70 is an amount that is "allocated" in individual accounts. These allocated surplus accounts are held until such time that the Association's Board of Directors determines it is in the best interest of the Association to distribute.

The cash portion has typically been paid within a few months of the financial year end. For example, the cash portion of the patronage payment from the 2002 financial year has just been paid in April of 2003. The allocated surplus portion of each year's patronage is typically held for 5 years or more.

# If You Enjoy Yesterday's Tractors, You'll Really Enjoy Today's Interest Rates!

Interest rates at Central Kentucky Ag Credit are the lowest in nearly half a century! That's right, just like the comparison of these tractors, you can get loan rates today at Ag Credit that compare to interest rates you were paying decades ago. Take advantage of the opportunity while it lasts.

Contact your Ag Credit representative and review your needs to assure that you get the best interest rates that have been available in many years.

By the way, the photo shows a 1953 Allis Chalmers WD-45 tractor that is owned by Josh and Joni Horn of Burgin. Josh completely restored the WD himself during the past year. The modern John Deere 7210 is owned by Eddie and Tonya Horn, also of Burgin. They are Josh's parents.



Photo by Robert Anderson

## Guess What??

What is a ROPS? It is a "Roll Over Protective Structure" that can hold a tractor operator in a "frame of safety" when used with a fastened seat belt.

## Did You Know?

In the past five years 76 Kentucky farmers died when they overturned tractors without a ROPS. Another 32 farmers died when they fell off moving tractors. ROPS and seat belts could have saved all 108 lives.

ROPS and seat belts are 98% effective in preventing injury during tractor overturns.

About 60% of Kentucky farming deaths from all causes are related to tractors.



## Now What?

If you love your family, respect their wishes for your safety. Get a Roll Over Protective Structure and buckle up!

*(Information courtesy of Larry Piercy, Extension Farm Safety Specialist, University of Kentucky College of Agriculture.)*

## 2003 Holiday Closing Dates

All Central Kentucky Ag Credit Offices

Memorial Day  
May 26  
Independence Day  
July 4

## Mission Statement



It is the objective of the Central Kentucky Agricultural Credit Association ("Ag Credit") to be the premier provider of short-, intermediate- and long-term agricultural/rural home credit to eligible borrowers within its territory. The association will be financially sound for the benefits of all its member-farmers and flexible in providing credit and financially related services to benefit both individual borrower and the lender.

## National Junior Angus Show is Coming

This group of Central Kentucky youngsters participated in the 2002 National Junior Angus Show in Milwaukee, WI last year. They are shown here displaying a banner promoting the 2003 show. The big event takes place this year at the Kentucky Fair & Exposition Center in Louisville, July 13-19, and is sponsored by the American Angus Association and the Kentucky Angus Association.



Many employees of the Central Kentucky Ag Credit team are already involved in planning for the event as volunteers with the American Angus Association, and Ag Credit will also be a sponsor of some activities at the 2003 National Junior Angus Show.

Joe Goggin of Ag Credit's Danville office says over 1,500 entries are expected at the show this year. Many participants will be central Kentucky young people who will compete for top honors in a variety of events ranging from livestock competition to personal competition in quiz bowls and other knowledge-based events. Goggin said youngsters from over 40 states will be present at the July event, all of whom will be 9-21 years of age, along with adult volunteers who help to make the nationally-recognized event one of the finest in America.



## Easy Does It

### A Word to the Wise from Ag Credit Professionals

Full- and part-time farmers across Central Kentucky have started to explore new ways to generate cash income. Of course, that activity has been forced by the decline of the burley tobacco program. It is good that farm diversification be implemented to replace lost revenue from burley tobacco, yet Ag Credit managers throughout the 17-county Ag Credit service area urge that good planning should accompany new ideas.

A word to the wise is in order when new farm enterprises are explored. That word is "caution"!

The vast experience that Ag Credit professionals have in the farming business can be a good resource for borrowers who want to consider new farm ventures. Ag Credit branch managers and staff have a lot of personal experience with farming, since many also have farm operations in addition to their work as Ag Credit lending professionals. Early discussion with your Ag Credit loan officer can be very beneficial when considering new ventures.

Harry Young, Ag Credit's branch manager in Lebanon, has been a farmer all his life and continues to farm in partnership with his wife and son. Harry says,

"anytime you are getting into a new venture, it is always a wise idea to go slowly. Money that you are investing should be money that you are willing to risk, not money that you have to keep." Harry went on to say, "for many new ventures, the key is rarely the actual production end of the venture, but rather the market end. You should be asking yourself, 'is there a good and viable long-term market for my product'?"

There is a long, reliable history for most familiar enterprises, such as cattle, grain and tobacco production. The marketing infrastructure and methods for those known enterprises is well-known and established. Good information is available for livestock, grain and tobacco volume levels, as it pertains to selling products being produced, and track records for production and selling have been established for many years.

Marketing channels, reputable vendors, good product research and appropriate financial planning may not be established for new ventures. Again, "caution" is the word. Ag Credit professionals urge that new ventures be well-planned, with all production factors and ultimate selling conditions carefully explored and documented. That will likely be the key to success.

Ultimately, it is up to each individual to make their own decisions, based on their personal circumstances. In any case, your Ag Credit team will be available to help you succeed.

Farming is your business. Serving you is ours.

# There are Kids on the Young Farm ... And a Grandkid, Too!



*(Right)* Kids like this sassy specimen may prove to be a profitable “cash crop” on central Kentucky farms as farmers attempt to replace the waning Burley tobacco cash flow. Harry Young said figures from last October’s Boer goat sales showed a price of 85 cents per pound for 200 Boer kids that weighed under 80 lbs, with 60 Boer kids of 110 lbs. selling for \$1.06 per lb. in February of this year.



Harry Young, Ag Credit’s Lebanon Branch manager, takes time to secure a 4’ x 6’ pen in the goat barn on his Marion County farm. Harry is a farmer, as well as an Ag Credit lending specialist. In keeping with his willingness to be innovative, he recently took the farming operation a step further by incorporating Boer goat production. He owns and operates H & L Young Farm with his son, Greg. They are always on the lookout for new ways to achieve farm profit. Harry and Greg had 71 Boer does on the farm this spring, which produced 75% cross Boers.



*(Left)* Innovative farming practices require attention to detail and subsequent profit. Boer goats such as these have started to appear on Kentucky farms and are relatively easy to produce and take to feeder weight. Boer goats started making an appearance in the Commonwealth during 1999 at the North American International Livestock Exposition in Louisville. Boer goat meat is popular among many residents along the nation’s eastern seaboard.

Little Jonathan is Harry Young’s grandchild and he obviously likes the idea of Boer goat production. This spring Harry Young’s family achieved the birth of 123 kids on their Boer goat operation, a successful step forward for a first-year operation. Boer kids were born during the last two weeks of January and will be marketed from mid-April and continuing through July. Harry said the Kentucky Department of Agriculture coordinates sale of the animals. Boer goats that the Youngs’ sell are subsequently delivered to a pickup point at the Marion County Fairgrounds, with delivery coordinated by the Kentucky Department of Agriculture.

## LEADER is published quarterly for stockholders, friends and business associates.

The Farm Credit Administration does not require the association to distribute its quarterly financial reports to stockholders. However, copies of its complete report are available upon request. The shareholders’ investment in the association is materially affected by the financial condition and results of operations of AgFirst Farm Credit Bank and copies of its quarterly financial report are available

upon request by writing Patti Trotter, AgFirst Farm Credit Bank, P.O. Box 1499, Columbia S.C. 29202-1499.

Address changes, questions or comments should be directed to Central Kentucky Agricultural Credit Association by calling 1-859-253-3249, or by writing P.O. Box 1290, Lexington, KY 40588-1290.



## Service is Focus of Ag Credit's Annual Meetings

*Ag Credit helps to maintain and improve the quality of life in rural America and on the farm. That service takes place through constant commitment to competitive lending, expert financial services and advice, and a feeling of partnership with our customers.*



The election of directors at this year's Ag Credit Annual Meeting, resulted in re-election of Jim May and Bill Waggener to service on the Ag Credit Board of Directors. All directors are shown in this photo (left to right): David Sparrow; Jerry Rankin; James W. Waggener, vice chairman; James L. May, chairman; James A. Lyons; and Oscar Penn.



The March 24 Annual Meeting was held at the Fayette County Extension Center in Lexington, followed by the March 25 Annual Meeting that was held in the Sales Barn at Anderson Circle Farm, near Harrodsburg. Two annual meeting gatherings are held annually to assure that all Ag Credit members can choose the date and location that best suits their schedule.

Of course, each session featured a display of oversize patronage refund checks that have been returned to members over the past six years. That huge member refund total now exceeds \$3.7 million, solid evidence that Ag Credit really does put profits back into members' pockets!



David Tucker, Jr., an Ag Credit member who attended the Lexington Annual Meeting, is shown at right during a conversation with Ag Credit Board Chairman Jim May. Ag Credit members across the 17-county service area are encouraged that interest rates are currently favorable and that Ag Credit is returning money to members through patronage refunds. However, all members are currently challenged in today's uncertain economy.



Good people, good food and time for good conversation! Those three attributes were abundant at Ag Credit Annual Meeting sessions that were held at two locations again this year.

## Directors Re-elected; Patronage Refunds Highlighted

*Modern agriculture is a capital-intensive, competitive business. Farmers, ranchers and those who live and work in rural America want and need a financial partner with extensive resources and a broad range of services ... a partner that understands Wall Street and Main Street. That's where Ag Credit fits!*

### Thanks to Messrs. Parker and Hart!

Ag Credit's Board of Directors is a group that is at the heart of association operations. Those who are elected to the board are members and they represent the best interests of Ag Credit borrowers throughout the association.

Service on the Ag Credit Board of Directors requires a substantial commitment to time, study and member contact. This year two outstanding members stepped forward to offer their services on the Ag Credit Board through the election process. They were Charles V. Parker, Jr. of Paris and Gary G. Hart of Richmond.

Mr. Parker owns and operates 58 acres in Bourbon County where he resides and another 68 acres in Scott county. Both farms are operated as thoroughbred businesses and Mr. Parker also owns Parker, Inc., whose primary enterprise is tobacco barn construction. A subsidiary company provides paving for farm roads and residential needs in the Bluegrass area.

Mr. Hart owns and operates 177 acres in Madison County. He has a commercial cow-calf operation, consisting of 100 cows and he backgrounds about 50 feeder cattle annually. His crops include 14 acres of silage, 100 acres of hay and he leases his tobacco. Mr. Hart also has a financial background, with past service to the State Bank of Richmond and with the First and Farmers Bank in Somerset. He also serves his community in many volunteer capacities.

Everyone at Ag Credit salutes Charles Parker and Gary Hart for their willingness to serve on the Ag Credit Board of Directors.

## Two Young Farmers Win Grazing School Scholarships During Annual Meetings

Ag Credit held drawings especially for young farmers during this year's annual meetings. The drawings were for \$100 scholarships, plus \$100 in expenses to attend the Kentucky Grazing School that will take place in Bourbon County on June 17-18.



Dale Cinnamon with Greg Young

Greg Young of Marion County is shown at right in this photo when he received his winning handshake from Dale Cinnamon, manager of the Ag Credit's Danville office. Greg was the lucky winner at the Annual Meeting session held at Anderson Circle Farms on March 25. Kevin Arnold, a member of the Paris Ag Credit branch was the lucky winner during the Annual Meeting session that was held on March 24 in Lexington.

The Kentucky Grazing School is a beef integrated resource management program and is partially funded by a grant from the USDA Initiative for Future Agriculture and Food systems, in cooperation with the Kentucky Cattlemen's Association, the Kentucky Forage and Grassland Council, the Kentucky Department of Agriculture and the University of Tennessee Cooperative Extension Service. Other co-sponsors include the University of Kentucky College of Agriculture, Western Kentucky University, Natural Resources Conservation Service and the Beef Integrated Resource Management Program.

# Owning Your Own Home— That's Always Been the American Dream



Ag Credit is now making that dream come true. Whether you want to build, purchase or refinance, we have a program that is perfect for you. We offer fixed rate financing for up to 30 years. Rates are at the lowest levels in 40 years!

For interest rate quotes or for more information please contact the Ag Credit Branch Office nearest you:

**Danville Office -**

859-236-6570 / Toll Free 1-800-589-4261

**Lebanon Office -**

270-692-4411 / Toll Free 1-800-264-0402

**Lexington Office -**

859-252-4717 / Toll Free 1-888-820-3270

**Paris Office -**

859-987-4344 / Toll Free 1-800-613-4292

**Richmond Office -**

859-623-1624 / Toll Free 1-888-820-3221

**Stanford Office**

606-365-7500 / Toll Free 1-800-467-0039



## Check Our Web Site

For a Complete Copy of Ag Credit's  
Latest Financial Statement

[www.ckaca.com](http://www.ckaca.com)



# New Ag Credit Richmond Branch Now Open

Story & Photos by Robert Anderson

The new Ag Credit Richmond Branch Office is open. It features easy access, convenient parking and a pleasant office environment. Best of all, however, is that the Richmond Branch still has the same great staff, including

branch manager John Thomas and his staff, Peggy Powell, Rita Baker and Jonathan Noe.

Staff at the Richmond Branch has extended an open invitation to visitors and are happy to show people around their new building. It is located on Ival James Blvd., just off Richmond's Robert R. Bartin Bypass.

The new Richmond building has more than doubled the office space available to customers of Ag Credit. John Thomas says, "customers have been impressed with the building ... it's nice, functional and well-located."

Conference room space allows for small meetings and loan closings. Bright, open office layouts ensure a pleasant business environment. The office interior design was developed with the help of Cardinal Office Systems of Nicholasville.

Construction of the new Ag Credit Richmond Branch office was managed by G.D. Perkins Designer/Builder, Lexington.

An innovative feature of Richmond's new Ag Credit building is the geothermal heating and air conditioning system. The system takes advantage of the natural temperature of the earth to help moderate heating and cooling needs. Estimates indicate that Ag Credit will pay for the extra cost of the geothermal system in 6-9 years. After that, all savings will come to Ag Credit. And, after all, money saved by Ag Credit is money YOU earn! We really do put our profits in your pockets!



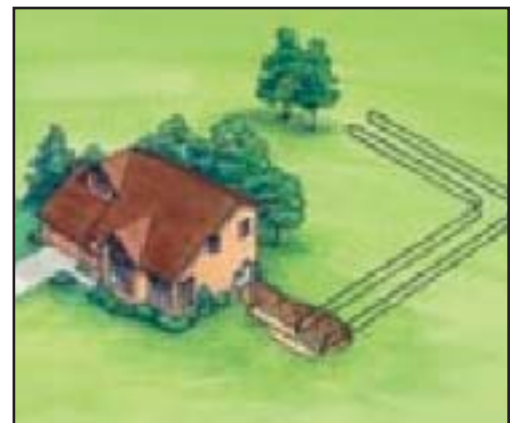
John Thomas (right), manager of the Richmond Branch Office is shown with Peggy Powell. They welcome visitors to the new branch office building in Richmond, and are showing their hospitality here by opening the door with a warm welcome.

## What is Geothermal Technology?

The universal definition of "geothermal" is "...pertaining to the heat of the earth." A geothermal heating and cooling system uses the earth's thermal properties in conjunction with electricity to provide great efficiencies. By using the earth to provide up to 50% of a building's total heating and cooling needs, geothermal systems have made use of nature's resources truly practical.

The new Ag Credit Richmond Branch Office uses what is known as a "closed loop" geothermal system. These systems circulate a water-based solution through a "loop" of small diameter, underground pipes.

Nine wells were drilled beneath the Richmond Branch Office parking lot and each well is over 150' deep. The system absorbs heat from the earth during cold weather



and carries the heat to the geothermal unit. The system amplifies the heat and delivers it indoors. The process is reversed in warm weather, with excess heat carried from indoors and delivered into the earth.

If you want to know more about this environmentally friendly system, contact your electric utility representative or a building contractor.



## Central Kentucky Branch Offices

### Danville Office

Highway 127 Bypass • Danville, KY 40422  
859-236-6570 • 1-800-589-4261

|                                                                     |                                                             |
|---------------------------------------------------------------------|-------------------------------------------------------------|
| <b>Dale T. Cinnamon</b><br>Asst. Vice President<br>& Branch Manager | <b>Joe Goggin</b><br>Asst. Branch Manager<br>& Loan Officer |
| <b>Brad Godbey</b><br>Loan Officer & Trainee                        | <b>Kim Elliott &amp; Tina Roney</b><br>Loan Assistants      |

### Lebanon Office

Campbellsville Road • Lebanon, KY 40033  
270-692-4411 • 1-800-264-0402

|                                                                |                                     |
|----------------------------------------------------------------|-------------------------------------|
| <b>Harry Young</b><br>Asst. Vice President<br>& Branch Manager | <b>Donna Mudd</b><br>Loan Assistant |
|----------------------------------------------------------------|-------------------------------------|

### Lexington Office

640 South Broadway • Lexington, KY 40508  
859-252-4717 • 1-888-820-3270

|                                                                        |                                                             |
|------------------------------------------------------------------------|-------------------------------------------------------------|
| <b>Shane Turner</b><br>Asst. Vice President &<br>Regional Lending Mgr. | <b>Scott Maas</b><br>Asst. Branch Manager<br>& Loan Officer |
| <b>Russell Gray</b><br>Loan Officer                                    | <b>Jonathan Parker</b><br>Loan Officer Trainee              |

**Janet Jones**  
Loan Assistant

### Paris Office

1440 High Street • Paris, KY 40361  
859-987-4344 • 1-800-613-4292

|                                             |                                     |
|---------------------------------------------|-------------------------------------|
| <b>Donna Sharpe-Cassity</b><br>Loan Officer | <b>Margie Roe</b><br>Loan Assistant |
|---------------------------------------------|-------------------------------------|

### Richmond Office

1000 Ival James Blvd. • Richmond, KY 40475  
859-623-1624 • 1-888-820-3221

|                                                                |                                                         |
|----------------------------------------------------------------|---------------------------------------------------------|
| <b>John Thomas</b><br>Asst. Vice President<br>& Branch Manager | <b>Peggy Powell &amp; Rita Baker</b><br>Loan Assistants |
|----------------------------------------------------------------|---------------------------------------------------------|

**Jonathan Noe**  
Loan Officer Trainee

### Stanford Office

U.S. Highway 27 • Stanford, KY 40484  
606-365-7500 • 1-800-467-0039

|                                                                      |                                                                  |
|----------------------------------------------------------------------|------------------------------------------------------------------|
| <b>Paul Wyler</b><br>Asst. Vice President &<br>Regional Lending Mgr. | <b>Ronnie Bradshaw</b><br>Asst. Branch Manager<br>& Loan Officer |
|----------------------------------------------------------------------|------------------------------------------------------------------|

|                                          |                                                                                         |
|------------------------------------------|-----------------------------------------------------------------------------------------|
| <b>John Peek</b><br>Loan Officer Trainee | <b>Annette Story,<br/>Felicia Madden<br/>&amp; Gidget Whitehouse</b><br>Loan Assistants |
|------------------------------------------|-----------------------------------------------------------------------------------------|

## Ag Credit Professionals are Farmers and Community Volunteers Too!



Readers of the Ag Credit Leader frequently see staff members of Central Kentucky Ag Credit offices in photos and stories that indicate they are involved in farming enterprises, just like the members that Ag Credit serves.

Well, curiosity was too much for Ag Credit's Robert Anderson and he did a quick survey to determine the extent to which Ag Credit employees are involved in farming. The results were impressive.

In addition to holding their full-time jobs as Ag Credit professionals, here's what Ag Credit employees do after hours (remember, this was a quick and informal survey):

- They farm 1,403 acres of land
- They produce 643 head of livestock
- They raise 43,000 lbs. of Burley tobacco
- They volunteer with 28 community groups

The range of community groups is very interesting, with many employees holding leadership positions on county extension boards, young farmer associations, state livestock associations and a variety of youth and educational organizations. They also participate in many area livestock shows, agricultural field days and much more.

So, what's the point? The point is that Ag Credit professionals are active citizens in local agriculture and the rural economy. Ag Credit's extensive branch office network enables the association to put trained, experienced people into local communities, where they provide their expertise to many local organizations. Other financial institutions can't offer such a broad local presence. Ag Credit does it every day.



Central Kentucky Agricultural Credit Association

Consolidated Balance Sheets

| <i>(dollars in thousands)</i>                 | <b>March 31,<br/>2003</b> | <b>December 31,<br/>2002</b> |
|-----------------------------------------------|---------------------------|------------------------------|
|                                               | <i>(unaudited)</i>        |                              |
| <b>Assets</b>                                 |                           |                              |
| Cash                                          | \$ 57                     | \$ 57                        |
| Loans                                         | 137,516                   | 134,731                      |
| Less: allowance for loan losses               | 2,023                     | 2,023                        |
| Net loans                                     | 135,493                   | 132,708                      |
| Accrued interest receivable                   | 1,841                     | 2,057                        |
| Investment in AgFirst Farm Credit Bank        | 6,310                     | 6,310                        |
| Premises and equipment, net                   | 1,136                     | 1,013                        |
| Other assets                                  | 657                       | 1,173                        |
| Total assets                                  | \$ 145,494                | \$ 143,318                   |
| <b>Liabilities</b>                            |                           |                              |
| Notes payable to AgFirst Farm Credit Bank     | \$ 118,179                | \$ 116,799                   |
| Accrued interest payable                      | 398                       | 415                          |
| Patronage refund payable                      | 12                        | 209                          |
| Other liabilities                             | 1,429                     | 871                          |
| Total liabilities                             | 120,018                   | 118,294                      |
| Commitments and contingencies                 |                           |                              |
| <b>Members' Equity</b>                        |                           |                              |
| Capital stock and participation certificates  | 7,353                     | 7,313                        |
| Retained earnings                             |                           |                              |
| Allocated                                     | 3,562                     | 3,550                        |
| Unallocated                                   | 15,051                    | 14,651                       |
| Accumulated other comprehensive income (loss) | (490)                     | (490)                        |
| Total members' equity                         | 25,476                    | 25,024                       |
| Total liabilities and members' equity         | \$ 145,494                | \$ 143,318                   |

Consolidated Statements of Income

*(unaudited)*

| <i>(dollars in thousands)</i>                                     | <b>For the three months ended March 31,</b> |             |
|-------------------------------------------------------------------|---------------------------------------------|-------------|
|                                                                   | <b>2003</b>                                 | <b>2002</b> |
| <b>Interest Income</b>                                            |                                             |             |
| Loans                                                             | \$ 2,079                                    | \$ 1,785    |
| <b>Interest Expense</b>                                           |                                             |             |
| Notes payable to AgFirst Farm Credit Bank                         | 1,182                                       | 1,074       |
| Net interest income                                               | 897                                         | 711         |
| Provision for (reversal of) loan losses                           | —                                           | —           |
| Net interest income after provision for (reversal of) loan losses | 897                                         | 711         |
| <b>Noninterest Income</b>                                         |                                             |             |
| Loan fees                                                         | 47                                          | 23          |
| Fees for financially related services                             | 3                                           | 4           |
| Equity in earnings of AgFirst Farm Credit Bank                    | 223                                         | 173         |
| Miscellaneous                                                     | 42                                          | 12          |
| Total noninterest income                                          | 315                                         | 212         |
| <b>Noninterest Expense</b>                                        |                                             |             |
| Salaries and employee benefits                                    | 548                                         | 466         |
| Occupancy and equipment                                           | 54                                          | 44          |
| Insurance Fund premium                                            | 37                                          | 7           |
| Other operating expenses                                          | 133                                         | 101         |
| Total noninterest expense                                         | 772                                         | 618         |
| Income before income taxes                                        | 440                                         | 305         |
| Provision (benefit) for income taxes                              | 19                                          | 3           |
| Net income                                                        | \$ 421                                      | \$ 302      |

# Ag Credit LoanLine is Key to Financial Convenience



The Ag Credit LoanLine is a free service for every Ag Credit member and is receiving top reviews from members who are already using the service.

LoanLine provides direct entry to your loan account, and you gain your account access from your telephone. Best of all your account access through LoanLine is private and protected for your use only.

We know that your need for loan information sometimes takes place when your Ag Credit office is not open. So, LoanLine solves the problem. You can have payment information, account balance and relevant information regarding your loan any time, day or night. And, did we mention there's no charge for the service? It is another Ag Credit member service that makes your financial affairs easier to handle.

Do yourself a favor and establish your LoanLine soon by dialing 1-877-LoanLine, or stop by your Ag Credit office for assistance.

# Remember This Scene in Central Kentucky?

## Now, Add Profit To Spring Farming Operations with Hay Testing

The winter of 2002-2003 was tough, as we are reminded by this icy photo that was taken by Ag Credit's Robert Anderson. Winter months placed a strain on many livestock operations. Farmers have largely depleted hay reserves and are looking forward to pasture growth and hay harvests this year. In most cases, cattle have emerged on the thin side from the rigors of winter.

Now is the time to be certain that the quality of your hay is tops. Specialists at the Kentucky Department of Agriculture (KDA) say that quality-tested hay means greater profitability and top nutrition for your forage dollar. As a result, the Kentucky Department of Agriculture now offers a free "Hay Testing Program" that can help you in three critical ways, including:

- Know the true quality of your hay.
- Balance your livestock's ration.
- Help you buy or sell hay on the World Wide Web.

Data on the true quality of your hay will help you evaluate and improve forage management practices.

The Hay and Grain Branch of KDA maintains a list of hay producers and buyers to help them market and buy hay. Sales are possible anywhere because testing and on-site evaluation by KDA staff enables prospective buyers to learn about the hay. Using the Hay Sales Directory on the KDA web site, buyers can even see a photograph of the hay they're interested in buying.

For more information regarding this valuable no-cost Hay Testing Program you can call toll-free by dialing 1-800-248-4628, or visit [www.kyagr.com](http://www.kyagr.com) on the World Wide Web and go to the Hay Testing page.

