



**Central Kentucky  
Agricultural Credit Association**

# NEWS

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## **Ag Credit Tops Quarter Billion Lending Mark; Milestone Signals Financial Strength in Central Kentucky Rural Areas**

**Lexington, KY** – Central Kentucky Agricultural Credit (*Ag Credit*) has passed the quarter billion dollar lending mark, according to officials of the cooperative. The more than \$250 million in loans to full- and part-time farmers is a bright spot amid the current international financial crisis.

Jim Caldwell, President and CEO of Ag Credit, said a significant factor in the quarter billion dollar milestone is that loans are solid and assets of borrowers are excellent.

Mr. Caldwell explained that, “asset quality is high and the delinquency rate in the association’s multi-million dollar portfolio is low.” Caldwell explained further that, “Ag Credit has always been a conservative lender, yet we understand the special needs of farmers and rural residents, a matter that helps us make quality loans that build assets and strengthens the business.”

According to Ag Credit’s Vice President and Chief Financial Officer, Marcus Barnett, the low delinquency rate in the Ag Credit portfolio is a signal that many farmers are operating on a sound basis in central Kentucky. “When you compare our delinquency rate to many other lending institutions, the track record of our farmer-borrowers is exceptional,” Barnett explained.

Loan types represented in the Ag Credit \$250 million portfolio vary widely. Mr. Caldwell noted that, “farmers of all sizes face the same challenges that urban businesses experience, with a few complications added to the equation such as uncertain weather conditions and fluctuating commodity and livestock prices.” Ag Credit offers a full range of loan products, including long-term land and rural home mortgages, operating loans, livestock and commodity loans, equine loans and a host of other loan types. Qualified rural residents can also borrow from Ag Credit.

Mr. Caldwell said, “by some standards our volume of a quarter billion is not huge, compared with mega-banks that operate nationally or internationally. However, it is important to note that loans outstanding through Ag Credit are largely concentrated in a 17-county area in central Kentucky.” Concentration of money in that compact area is a significant financial strength within the region. “Ag Credit is large enough to handle virtually any qualified loan, yet small enough to be agile in the financial market,” Caldwell observed.

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Even though national economic news is dismal, farm lending in central Kentucky is somewhat stable as spring approaches. Ag Credit reports a fairly “regular” activity among borrowers, but the association does not expect borrowing to be at high levels in 2009, even though money is available to borrowers. Marcus Barnett expects lending to be level in 2009, as farmers cautiously watch the uncertain price levels of corn, soybeans, feeder cattle and other farm cash income and expense factors.

Central Kentucky Ag Credit is a member-owned cooperative, whose function is to provide farm and rural loans within its 17-county service area. As part of the nationwide Farm Credit System, Ag Credit is governed by a seven-person board of directors who are selected from the 17-county service area.

Credit is extended through six Ag Credit branches that are located in Lexington, Danville, Stanford, Richmond, Lebanon and Paris.

Counties service by Ag Credit are Boyle, Mercer, Anderson, Madison, Bourbon, Montgomery, Harrison, Marion, Washington, Lincoln, Garrard, Fayette, Woodford, Jessamine Franklin, Scott and Clark.

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