

CENTRAL KENTUCKY AG CREDIT

SUMMER 2018

LEADER

A LOOK INSIDE...

Butler Farms

How Much Can I Borrow?

Customer Appreciation Day

Association News



AG CREDIT FEATURES

Stay up-to-date with the latest Ag Credit features!

AccountAccess and AgCreditOnline Mobile

Our online/mobile banking tool allows you to view statements, make payments and transfer funds.

AutoDraft

Automatically deduct your loan payment from your checking or savings account.

FastCash

Electronically transfer funds from your line of credit loan into your personal or business checking account.

AgriLine

Write your own loan advance when you need it.

Customer Referral Program

Recommend someone to Ag Credit, and if they receive a qualifying loan — you'll receive a gift!*

Social Media

Ag Credit is on Facebook, Twitter and YouTube. "Follow" and "Like" Central Kentucky Ag Credit to keep up with the Association. [!\[\]\(e3275251d0893157c3584e20c81dc3ba_img.jpg\)](#) [!\[\]\(9ab0e0ed3a1c2d865b438a931465ce60_img.jpg\)](#) [!\[\]\(cad03033ab873d30d908af7ccf65e600_img.jpg\)](#)

OUR LOCATIONS

Danville 859.236.6570

Frankfort 502.875.0863

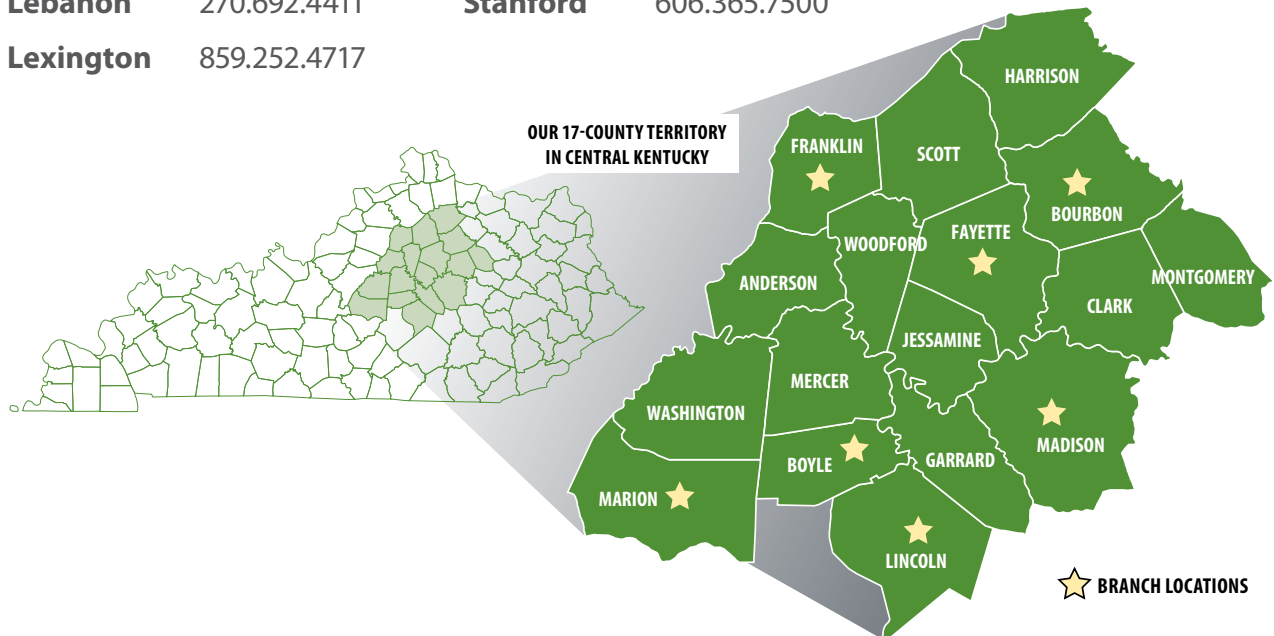
Lebanon 270.692.4411

Lexington 859.252.4717

Paris 859.987.4344

Richmond 859.623.1624

Stanford 606.365.7500



**According to consumer legislation, all loans subject to consumer RESPA requirements do not allow for the merchandise certificates.*

LEADER

is published quarterly for stockholders, directors, business associates and friends of Central Kentucky Ag Credit.

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AgFirst Farm Credit Bank

DESIGNERS

Joey Ayer
Athina Eargle
Phereby Derrick
Amanda Simpson
Travis Taylor

PRINTER

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FINANCIAL INFORMATION

The Farm Credit Administration does not require the association to distribute its quarterly financial reports to stockholders. Copies of the association's annual and quarterly reports are available upon request free of charge by calling 859.253.3249 or writing to Marcus Barnett, Chief Financial Officer, Central Kentucky Ag Credit, PO Box 1290 Lexington, KY 40588, or at AgCreditOnline.com.

PRIVACY POLICY

Your online privacy is always a top concern at Ag Credit. For a complete copy of the latest version of the online privacy policy, please visit our website and click on the home page link.

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BUTLER FARMS:

A Passion for Pasture Raised Poultry & Pork

If you asked Lane and Kathleen Butler a decade ago if they would be operating a farm today, they would have said you were crazy. But everything changed in 2012, when their first child was born and the couple began to wonder about the sources of the food they put on the table. The best way to know where their food came from, they reasoned, was to raise it themselves.

"Locally sourced meat and produce was extremely difficult to find, so we decided to take plunge and join the locally sourced, sustainable farming community," Kathleen said. It was with that decision that Butler Farms came to be.

In 2013, the young family purchased their 95-acre farm, which is nestled among some of the nation's best-known horse farms in Kentucky's Bluegrass Region. During their first year on the farm, the Butlers focused on growing produce. Their vegetables were so delicious that Lane and Kathleen decided to incorporate pasture-raised chickens into their operation. Next came the hogs.

Today, just five years after beginning their venture, the couple will produce more than 12,000 chickens and 33 pigs, which translates into 60,000 pounds of chicken and 7,000 pounds of pork, all of which is locally processed at a USDA-certified facility.

Lane and Kathleen raise their pastured poultry and pork in the tradition of Joel Salatin: providing the birds and hogs with a wide variety of grasses, legumes, plants, bugs, and grit. The Butlers are an important part of our farming community, sharing what they've learned with others. They're also a treasured part of the restaurant community because of their dual dedication to raising quality animals, and providing excellent customer service. Butler chickens and hogs are all raised on certified organic pasture.

Butler Farms' grass-fed products have become sought-after commodities throughout Kentucky's Bourbon County and beyond. Customers can either order from the farm's website (www.butlerfarmsky.com) or at various restaurants around Central Kentucky. The Butlers also are proud of their recent partnership with Lexington-based Critchfield Meats, which will bring their products to a larger audience and to different states.

"What makes our operation unique is that our chickens spend almost their entire lives on grass," Kathleen said. "We get them when they are a day old, and they stay in the brooder for about three weeks, until their feathers come in. After that, they spend the rest of their lives out on the grass."

When the Butlers decided to go into farming,

“

Locally sourced meat and produce was extremely difficult to find, so we decided to take plunge and join the locally sourced, sustainable farming community.

”

KATHLEEN BUTLER



they read every book they could find, studied blogs, attended conferences and sought the advice of advocates for rotational grazing, a process where livestock are strategically moved to fresh pastures to allow vegetation in previously grazed areas to regenerate.

“We move the chickens daily, and the pigs are moved every two weeks,” Lane explained, adding that the animals also receive some non-GMO feed as a supplement. The chickens and hogs are also not given any antibiotics or hormones at Butler Farms.

Before becoming a full-time farmer, Kathleen was a teacher who split her time between the classroom and the farm. But as the farm began demanding more of their time and attention, the couple agreed that Kathleen would leave teaching to fully focus on growing their business. Today, she concentrates her time on the marketing, product delivery and finances of the operation. Lane works full-time as an engineer, but even with a full-time job, he still manages the

day-to-day operations on the farm. Even while working a full-time job, he spends as much time as he can supporting their successful, growing family-oriented business.

The Butlers became customer-owners of Central Kentucky Ag Credit in 2017 and are part of the AgStart program, a business incubator that provides low-interest loans and educational support to young, beginning and small farmers. “We needed an operating loan to help us get started with our business, and Ag Credit was there,” Kathleen said. “We love working with Ag Credit!”

Lane and Kathleen Butler are proud of how much they have accomplished in such a short time, and they delight in teaching their three children, Grant, Scarlett and Georgia Dean, to care for the land that is providing a bounty of fresh and delicious food, as well as an incredibly beautiful backdrop for a healthy rural lifestyle.



www.ButlerFarmsKy.com



Butler Farms



@butlerfarmsky



How Much Can I Borrow?

BY JOE GOGGIN

This seems like a simple question, and it's one I hear occasionally from borrowers. It is actually very complex and one that should properly be worded, "How much should I borrow?" While Ag Credit is in the business of loaning money for agricultural or rural home purposes, one of our biggest responsibilities is to also let a borrower know when they cannot afford to borrow as much as they would like.

To answer these questions for larger loans, such as the purchase of real estate, your Ag Credit loan officer looks at your complete financial picture to determine whether a loan request is viable. Ag Credit is a relationship lender, meaning we want the borrower and lender to establish a relationship with each other of trust and understanding. In order to do this as a lender, we look at the 5 C's of credit: Character, Conditions, Capital, Capacity and Collateral.

CHARACTER is somewhat self explanatory, referring to the character of the borrower. Because many of the Ag Credit loan officers have lived in the same community much of their lives, often times the loan officer knows, or has known, the borrower for many years. Character can also be determined by a borrower's past history of paying debts.

CONDITIONS simply refers to the type of request being made, how the loan will be structured and the interest rate being charged. It can also refer

to any other details or specifics of the loan that may be unique to the situation.

Most people are probably more familiar with the remaining 3 C's of credit; however, you possibly may not know them by the names used here. Within these three C's is where a loan officer will complete most of the analysis in order to determine if a loan request is viable.

CAPITAL is another term used to mean "financial position" of the applicant. In order to determine capital, a loan officer will ask you to complete a balance sheet. The balance sheet is a snapshot in time of all of the borrower's assets (what you own) and liabilities (what you owe). When listing values of your assets, it is best practice to show the actual value as what it is worth as of the date of the balance sheet, not what was actually paid for the asset when purchased. After you list all of your assets on the left side of the balance sheet and liabilities on the right side, the loan officer can take the value of total assets minus the total liabilities to determine a borrower's net worth, also known as the owner's equity.

Owner's equity is simply the value of assets that are debt free. It is always beneficial to try to complete a balance sheet at the same time each year, preferably at year-end. By doing this, you can track your financial progress more accurately from the change in net worth.

Completing the statement at year end will also be helpful to the borrower by having their inventories completed as of the year end for tax preparation purposes.

Both assets and liabilities are further broken down into current and non-current assets as well as current and non-current liabilities. Current assets are liquid assets that will be sold or converted to cash within 12 months. Examples of current assets would be savings, feed inventories, crop inventories and feeder livestock that are sold within 12 months. Current liabilities are debts that are due within the next 12 months. These would be operating lines of credit, credit card debts, open accounts at businesses and the principal portion of any term payments due in the next 12 months.

There are some key ratios loan officers look for on a balance sheet such as working capital margin. This is simply the total current assets minus the total current liabilities. A positive working capital margin is important because this is the borrower's "reserves" in the event of a down turn in markets or other difficult times. This is an indicator of liquidity.

Some key ratios and figures to keep in mind from the balance sheet are:

CAPACITY is the fourth "C" of credit and refers to the earnings of the borrower and the capacity, or ability, to service debt. Ag Credit will often request a copy of the borrower's farm records or tax returns to document earnings and create a trend over multiple years. When we analyze a borrower's earnings, we look at gross farm income, minus farm expenses, to get the net farm earnings. Off-farm income, if any, is then added to this figure to determine total earnings. From total earnings, we subtract the amount paid in income taxes, as well as a figure for family living. Family living is often overlooked, and under estimated, by borrowers. This figure includes any living expenses not included in the tax returns, such as food, clothing, home utilities, charitable contributions, etc. The net figure after subtracting taxes and family living from net earnings is referred to as the Capital Debt Repayment Capacity.

From the Capital Debt Repayment Capacity, we then subtract the amount of principal payments due in the next 12 months to determine a bottom-line margin. This margin is how much the borrower

actually had left after all expenses and payments are paid. If the numbers are accurate, the margin should correlate to the amount of increase, or decrease, in net worth shown on the borrower's balance sheet. Preparing an annual financial statement each year helps provide the most accurate information to your lender.

The final "C" is **COLLATERAL**. When acquiring a loan, Ag Credit will often ask you to pledge something for collateral to secure the debt, depending on the type of loan and terms. For a long-term loan over 10 years, first mortgage real estate is required for collateral. For shorter-term loans, equipment and/or cattle may be used for collateral depending upon the situation. For most loans, Ag Credit will loan up to a certain percentage of the collateral value depending upon the terms of the loan, financial strength of the borrower and condition of the collateral. If chattels (livestock, equipment or vehicles) are used for collateral, a periodic inspection by the loan officer will likely be requested.

The question of "How much can I borrow?" should better be asked as "How much should I borrow?" As you can see, there are a lot of variables as they pertain to financial strength, earnings, collateral offered as well as the borrower themselves and purpose of the loan. Sometimes, Ag Credit's most important job is to analyze all of the pieces to the puzzle and then counsel the applicant that it may not be in their best interest to borrow the funds based on what is known from their finances.

As mentioned before, Ag Credit wants to create a relationship with our borrowers. To have an effective relationship means not only making good loans, but also advising the borrower when they may be asking to borrow at a level that could potentially be detrimental to both the borrower and the association. The most important thing to remember is to never hesitate to ask your loan officer questions about your financial position or the borrowing process.



Joe Goggin is a Principal Loan Officer in the Lexington Ag Credit Office. Joe has over 25 years of lending experience and has also worked in the Danville and Stanford Ag Credit Offices.

ANNUAL STOCKHOLDERS' MEETING RECAP

The 2018 Annual Stockholders' meeting was held at the beginning of March with regional meetings in Lexington and Danville. These meetings allow for networking between customer-owners, a good meal and an opportunity to hear Association news.

Chairman of the Board of Directors, Alvin Lyons, announced the 20-year anniversary of Ag Credit's patronage distribution. This marks the 20th consecutive year Ag Credit has distributed patronage to its customer-owners, totaling over \$27 million. Mr. Lyons stated, "Patronage distributions are just one of the advantages of doing business with a cooperative. We return our profits to our borrowers. We are the only lender in this area with this 20 year track record. When we return cooperative profits to you, it reduces your cost of borrowing. You get a market-driven, competitive rate up front, and then we reduce your effective borrowing costs with our patronage distribution." In 2018 Ag Credit distributed over \$3.5 million to customer-owners.

President and CEO Jim Caldwell announced that the Association continued to set record-high marks in financial growth in 2017. "On Dec. 31, 2017, the Association's capital level was \$80 million for the



first time in the organization's history. Since 2013, capital levels have increased by \$25 million. Capital is foundational," said Mr. Caldwell. "It is necessary and critical for your farming operation due to the volatility of agriculture production and marketing. The same holds true for your association. As a lender to agriculture, we also need a firm capital foundation. This year, capital levels are up almost 10 percent from 2016 levels, keeping pace with the growth in loan volume and assets, as you would expect."

A detailed Annual Report outlining indepth information about Ag Credit financial operations was mailed to all customer-owners early in 2018. Complete information regarding Ag Credit 2017 operations can be found in that report.

To watch a special video on Ag Credit's patronage distribution, visit:

AgCreditOnline.com/20YearPatronage



“

We return our profits to our borrowers.
We are the only lender in this area with
this 20-year track record. ”

”

ALVIN LYONS



CUSTOMER APPRECIATION DAY

\$3.5 Million Distributed in 2018; \$27 Million Over 20 Years



Central Kentucky Ag Credit hosted the annual Customer Appreciation Day in early April, during which qualifying member-borrowers received their patronage checks. The event took place at all seven Ag Credit locations, where members enjoyed snacks and time with Ag Credit staff and members.

This year, Ag Credit distributed \$3.5 million in patronage, marking the 20th consecutive year that Ag Credit has distributed patronage. The grand total for patronage distributed to member-borrowers during these 20 years is \$27 million. We truly do put our profits in your pockets. Make plans to attend Customer Appreciation Day festivities next year!



TONY SHARTLE - WOODFORD COUNTY, WITH WILLIE WILSON, LEXINGTON AG CREDIT LOAN OFFICER.



SENIOR LOAN OFFICER, AND ROY LEE REICHENBACH - LINCOLN COUNTY.



GARY FORD - MARION COUNTY, AND COLE MATTINGLY, LEBANON AG CREDIT LOAN OFFICER.



LISA ADAMS, LEXINGTON AG CREDIT LOAN ASSISTANT, WITH LAURIE AND RICHARD KETCH OF FAYETTE COUNTY.



BRETT AND LEE WELTY - BOYLE COUNTY, AND BRAD GODBEY, DANVILLE AG CREDIT SENIOR LOAN OFFICER.



CHRIS COOPER, RICHMOND AG CREDIT SENIOR LOAN OFFICER, WITH DENISE BOGIE OF BOGIE FARMS IN MADISON COUNTY.



SARAVARD VON GRUENIGEN, STANFORD AG CREDIT LOAN OFFICER, AND ALESHIA HILL - GARRARD COUNTY.



TOMMY TRIBBLE - MERCER COUNTY, AND TINA RONEY, DANVILLE AG CREDIT SENIOR LOAN ASSISTANT.



PAUL PURCELL, DANVILLE AG CREDIT LOAN OFFICER, AND RON CRUTCHFIELD AND JOHN CRUTCHFIELD - BOYLE COUNTY.



GROWING GRAIN OPERATIONS INTO A THRIVING CAREER

Under the bright sun and gentle breeze of the first weekend of spring, Scotty Smith and his team are preparing for planting season after a long, wet winter season at Smith Grain Farms.

The scene could well be a metaphor for Scotty's career.

The desire to farm full-time is a seed that was planted early in Scotty's heart as he grew up on a dairy cattle and grain farm. But it took a lot of time and nurturing for him to build what has blossomed today into a thriving grain operation in Loretto, Kentucky.

With a dream of full-time farming and the drive to make it a reality, Scotty took a full-time job off the farm after high school. He got into the grain business in 1995 and spent his nights and weekends working on his family farm with a promise to himself: Once he began cropping 1,000 acres, he would make farming his full-time career.

In 2011, he hit that magic number and realized his dream of farming full time. With a passion for working outside and working with the land, he has never looked back. "I love everything about grain farming," Scotty said with a smile.

Today, Scotty has grown the farm that has been in his family for three generations into a year-round operation. He owns and leases more than 2,000 acres in Marion County, and his main focus is on producing high-quality corn and soybeans. All of Scotty's crops are non-GMO (genetically modified organism), which allow him to gather extra premiums when they are sold. Scotty markets his corn to local distilleries in the Bluegrass state, while his soybeans are sold in Indiana. Smith Grain Farms also does 700-1,000 acres

“

Ag Credit has been very good to me over the years and I enjoy working with them.

”



of custom work related to harvesting grain for local farmers each year. His operation stays extremely busy year round.

Growing and running a successful farming operation is a dream that Scotty realized through hard work and dedication. Luckily, he's also had some help along the way.

He currently has two full-time employees, on whom he depends heavily. And he has the help of his son, Austin Smith. Austin is a college student working an off-farm job. Like his father did in the early years, he also helps on the farm nights and weekends.

In addition, Scotty has a financial partner in Ag Credit, which has provided the funding and advice he needs for everything from operations to equipment, to keep his farm thriving – even when they've had to do the same amount of work with limited labor.

"I have been doing business with Ag Credit since 2002. I first started working with Harry Young, and he helped me grow my business," said Scotty. "I have also worked with Brad Godbey, after Harry retired, and Brad was very knowledgeable about the industry and helpful. Today, my loan officer is Justin Craig; he is great to work with. Justin has been very good about helping me with anything I need and offering suggestions."

Scotty has been a quality customer-owner of Central Kentucky Ag Credit for over 15 years and recently recommended Ag Credit to his daughter for a home purchase.

"Ag Credit has been very good to me over the years, and I enjoy working with them," Scotty said. "My daughter, Haley Smith, recently purchased a

house through Ag Credit's secondary market home loan program, and it was a great experience. Jeremy Parker worked with us to make everything as smooth as possible."

With the support that Scotty has had, there is one other helper that is perhaps his most loyal. You'll rarely see Scotty without this favorite farm worker, his dog, Boxer, who has a special bed in his tractor so he can ride along during harvesting season.

As spring settles into summer, Scotty has settled into the farm he dreamed of as a young man – with his love and passion for agriculture growing every day.



JUSTIN CRAIG, LEBANON AG CREDIT PRINCIPAL LOAN OFFICER WITH SCOTTY SMITH.



OUTSTANDING IN THEIR FIELD

**Teresa Thomas, Richmond
Ag Credit Loan Officer**

Where are you from?

I was born and raised in Richmond, Madison County, Kentucky.

Did you grow up on a farm?

The house I grew up in was about a mile from the farm. From a very early age, I remember raising tobacco and beef cattle. This was a hands-on family operation that meant going to the farm or the tobacco patch as soon as we finished homework and my dad got home from work. I always enjoyed being outdoors and have learned a lot from being on the farm. I can remember being extremely disappointed the first time we gassed our tobacco beds, rather than burn them. For me, the progress meant the things that I was finally able to do, like tie a hand of tobacco, were now obsolete.

Once married, my husband and I raised our own tobacco for many years, but ultimately our children were so busy with their activities that we finally quit. We do have a 100-head cow and calf operation and raise corn, alfalfa hay, wheat and soybean hay. We do artificial insemination and retain our own replacement heifers as well as selling some of them in the Elite Heifer Sale in Richmond.

Where did you go to college?

I attended Eastern Kentucky University.

Were you involved with any clubs or teams growing up?

I was involved with 4-H, participating at the local and state level. Growing up, I also ran track and cheered for two years.

Interesting facts about yourself:

- I never really thought this was an interesting fact, but I have been reminded twice lately that I wanted to be architect when I was growing up. Even in high school, I thought I wanted to be architect.
- One interesting and maybe odd fact is that I learned to ride a unicycle when I was a kid. But today I would say that I enjoy raising and growing things, whether it's plants, flowers or the calves on the farm. I really enjoy taking care of and watching something grow, especially grandchildren.

Are you a member of any committees, groups or boards?

I'm a member of the Union City Christian Church and the Lizzie Berry Circle there. I am also treasurer of the Madison County Beef Cattle Association.

Favorite part of being an Ag Credit Loan Officer:

The members who I get to know. We are not only their lender, but also part of the community. We do the same things and face the same challenges. I find great satisfaction in helping someone purchase that first farm, house, livestock or equipment, as well as those that continue to grow with us. I feel very fortunate to work for an organization that is owned by its members and puts an emphasis on our role in the agricultural community.

EMPLOYEE SERVICE RECOGNITIONS

Ag Credit employees were recognized for their service to the Association during Ag Credit's Annual Meeting sessions in March. Their terms of service range from five to 35 years, and all were publicly thanked for their outstanding service to Ag Credit.

Their combined years of service totals 155 years!

- 5 years** Ben Robin, Information Systems Coordinator – Administrative Office
- 10 years** Justin Craig, Principal Loan Officer – Lebanon Office
- 15 years** Pam Johnston, Accountant – Administrative Office
Lisa Yeager, Loan Officer – Lexington Office
Teresa Thomas, Loan Officer – Richmond Office
- 25 years** Joe Goggin, Principal Loan Officer – Lexington Office
- 35 years** Robert Anderson, Vice President Information Systems – Administrative Office
Kathy Saunders, Executive Assistant – Administrative Office



JIM RANKIN III, VICE CHAIRMAN OF THE AG CREDIT BOARD OF DIRECTORS, WITH KATHY SAUNDERS, EXECUTIVE ASSISTANT, AND ROBERT ANDERSON, VICE PRESIDENT INFORMATION SYSTEMS.



BEN ROBIN, INFORMATION SYSTEMS COORDINATOR; JUSTIN CRAIG, LEBANON PRINCIPAL LOAN OFFICER; PAM JOHNSTON, ACCOUNTANT; LISA YEAGER, LEXINGTON LOAN OFFICER; TERESA THOMAS, RICHMOND LOAN OFFICER; AND JOE GOGGIN, LEXINGTON PRINCIPAL LOAN OFFICER.

MOBLEY NAMED LOAN OFFICER WITH DANVILLE AG CREDIT



Beth Mobley has accepted a loan officer position with Central Kentucky Ag Credit. She will work in the Danville branch, serving Boyle and Mercer Counties. Beth brings a wealth of knowledge in agricultural lending to

the Association.

Most recently, Beth served as the director of loan programs for the Kentucky Agricultural Finance Corporation in the Governor's Office of Agricultural Policy (GOAP). In this position, she worked with lenders across Kentucky to understand and effectively utilize loan programs and other GOAP resources. Prior to her time in the GOAP, Beth was a customer support specialist for Farm Credit Mid-America in Lexington.

Beth studied at the University of Kentucky, where she received bachelor's degrees in Agricultural Economics and Agricultural Communication and graduated Cum Laude.

Beth is a native of Woodford County and grew up on a farm with horses, goats and chickens. Currently, Beth and her husband, Jason, reside on 15 acres in Mercer County and raise chickens. Beth and Jason are parents to daughter, Adalynne.

Beth said, "I am thrilled to be a part of the Danville Ag Credit team and to work with the residents of Boyle and Mercer counties. After working with numerous organizations across the state, I found a great admiration for Ag Credit's dedication to ensure the prosperity of its customers. I am blessed by the opportunity to use my knowledge and resources to strengthen our agricultural and rural communities."

MELANIE DAUGHERTY JOINS LEBANON OFFICE



Melanie Daugherty has joined the Ag Credit staff as a loan assistant in the Lebanon Office.

Prior to assuming her duties with Ag Credit, Melanie served as head teller with Citizens National

Bank in Lebanon for 20 years. Melanie earned her bachelor's degree in business administration from Campbellsville University. Her skillset and experience are extremely valuable to the Association.

Melanie grew up on a beef cattle farm in Bradfordsville and later moved to Lebanon. In high school, she was an active member of the Marion County FFA Chapter and Fellowship of Christian Athletes.

Today, Melanie and her husband, Jamie, reside in Raywick with their four children, Lizzie, Isabella, Michaela and Isaiah. The family attends St. Francis Xavier Catholic Church, and Melanie is a leader for the church legacy youth group.

MEDLEY PROMOTED TO VP-CREDIT



Richard Medley has been promoted to Vice President-Credit within the Association. Richard has worked for Central Kentucky Ag Credit for 11 years in the Lebanon Office. As Vice President of Credit, Richard will continue

his lending role while providing supervision and support to the branch operations.

GOGGIN JOINS LEXINGTON OFFICE



Joe Goggin has accepted the position of Principal Loan Officer in the Association's Lexington Office. Joe has over 25 years of lending experience with Central Kentucky Ag Credit. Most of his time with the Association

has been spent in the Danville Office, along with working in the Lexington and Stanford offices.

ROBIN ADDED TO TECHNOLOGY DEPARTMENT



Ben Robin has joined the Association's technology department as Information Systems Coordinator in the Administrative Office. Ben Robin has served as a loan officer in the Paris Ag Credit Office for the past five years.

Ben has a wealth of knowledge and experience in technology.

SADLER TO SERVE IN PARIS OFFICE



Caleb Sadler has joined the Paris Ag Credit staff. Caleb has served as a loan officer in the Lexington Office for three years. During that time, he has developed his knowledge of agricultural lending. Caleb lives in Paris and already has a

strong connection to the local community.

LEADERSHIP GRADUATES: GAYHEART AND MATTINGLY

Two Ag Credit staff members recently graduated from county Chamber of Commerce leadership classes. Cole Mattingly, Lebanon Ag Credit Loan Officer, participated in the Marion County Chamber of Commerce Leadership Class, while Grace Gayheart, Administrative Assistant-Credit, was a member of the

Woodford County Chamber of Commerce Leadership Class. Through these classes, members network and learn more about their communities. Cole and Grace learned more about education, industry, media, government and so much more in Marion and Woodford Counties.



Grace Gayheart: "I started this program with the hopes that I would learn more about my community and how I could be an active contributor to Versailles and Woodford counties. I've come away with so much more than I ever anticipated. I've learned to be decisive and to go with my gut, even when it may seem like all the others are taking a different path. I also learned to be an active listener – to really hear the opinions and experiences of those around you. But, the most important thing I am taking away from the class is to never stop learning, asking questions and being involved. Our voices matter. I've been truly surprised at how much the lessons I've learned over the last eight months have played a role in how I now handle situations at home and at work. I'm truly grateful for the opportunity to have been a part of the 2017-2018 Leadership Woodford County class."



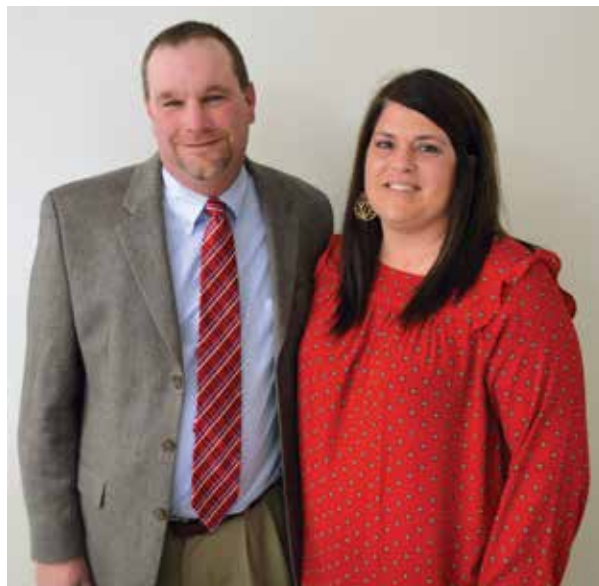
Cole Mattingly: "Leadership Lebanon was much more than just touring several businesses of Marion County. The relationships and connections that I've made over the last nine months will stay with me for the rest of my life. I was exposed to various industries and professions which allowed me to understand how important the aspect of "community" means to the workforce, especially agriculture. I have been blessed with the opportunity to attend and cooperate in such a well-rounded community organization, and I would highly recommend Leadership Lebanon to anyone!"

AG CREDIT EXTENDS APPRECIATION

Serving on the Ag Credit Board of Directors requires not only a significant time commitment, but also a deep understanding of agricultural economics. During the Ag Credit Annual Meeting, held regionally in Danville and Lexington, John B. Helm and Joe Myers ran for the open director's position, and Joe Myers was re-elected to the Board.

John Helm and his wife, Kendra, partner with John's father, Bruce Helm, on their family farm in Perryville. Mr. Helm is a full-time diversified farmer in Boyle County. The operation consists of feeder cattle, soybeans, wheat and alfalfa hay.

Ag Credit extends its appreciation to John for his willingness to serve on the Ag Credit Board of Directors.



JOHN AND KENDRA HELM



GEORGE MCCAIN

WASHINGTON COUNTY LEADERS RECOGNIZED

Central Kentucky Ag Credit was well represented at the Springfield-Washington County Chamber of Commerce Awards Banquet. Ag Credit is proud to sponsor the Agriculture Leader of the Year award, won this year by George McCain. George is active within his local community and serves on the Central Kentucky Ag Credit Young Farmer Advisory Council. George's farming operation consists of feeder cattle, cow-calf pairs and soybeans.

Richard Medley, Central Kentucky Ag Credit Vice President-Credit, was also recognized with the Agricultural Achievement Award. Richard is not only a leader within the Association, but also within the agriculture community of Washington County. When Richard is not working for Ag Credit, he is busy running his feeder cattle operation with his wife, Mollie.



RICHARD AND MOLLIE MEDLEY



COUNTY FAIR SCHEDULE

Kentucky State Fair August 16-26, 2018

Boyle County Fair	June 12- 16
Clark County Fair	June 16 – 23
Woodford County Fair	June 18 – 23
Anderson County Fair	June 23 – 30
Bourbon County Fair	June 25 – 30
Garrard County Fair	June 25 – 30
Scott County Fair	June 26 – 30
Marion County Fair	July 2 – 7
Lincoln County Fair	July 2 -7
Jessamine County Fair	July 9-15
Montgomery County Fair	July 9-14
Fayette County Fair	July 12 – 22
Franklin County Fair	July 17 – 21
Mercer County Fair	July 23 – 28
Harrison County Fair	July 23 - 28
Madison County Fair	July 26 – Aug. 4

ORGANIC ASSOCIATION OF KENTUCKY

The seventh annual Organic Association of Kentucky (OAK) Conference was held in early March in Lexington. Central Kentucky Ag Credit is a proud sponsor of the conference, and hosted a booth to meet local organic producers. The theme of the

conference was “Healthy People, Healthy Planet: Reshaping Kentucky with Organics.”

The conference included local farm tours, along with speakers from across the nation. Ag Credit recognizes the growth and demand for locally grown, organic products.



Upcoming Field Days

- **Aug. 7 – Row Crops & Large Scale Transition**
- **Sept. 6 – Maximizing High Tunnel Production**
- **Nov. 6 – Post Harvest Handling and Pack Shed Design**

\$5/OAK Member and \$10/Non-Member
Register at www.oak-ky.org

Save The Date

2019 OAK Conference
March 1-2 in Lexington, KY

JOE MYERS RE-ELECTED TO AG CREDIT BOARD



Joe Myers has been re-elected by the membership of Ag Credit to serve another four years on the Association's Board of Directors. His re-election marks his second term in office following his initial term that began in 2014.

Joe Myers and his wife, Toni, currently own and operate Myers Angus Farm in Mercer County. They maintain purebred Angus cows from which they market purebred bulls, females and embryos throughout the year.

We appreciate Joe's ongoing service to the Ag Credit Board of Directors.

NOMINATING COMMITTEE

The 2019 Nominating Committee for Central Kentucky Ag Credit has been elected and will consist of five members and two alternates. The nominating committee members were elected during the Ag Credit Annual Meetings Feb. 27-28.

The Nominating Committee will function to recommend candidates for elected Association positions in 2019. Central Kentucky Ag Credit is a financial cooperative and part of the national Farm Credit System. Member-borrowers of Ag Credit participate in filling elected positions with a one-member/one-vote election system during each year's Annual Meeting. Nominating Committee members who have been elected are: Tyler Buckley, Robert Eads III, Zack Ison, J. Roger Jones III and Tyler Mattingly. Jasper Pearson and Teresa C. Reed will serve as alternates.

WE WANT YOU TO KNOW - "IMPORTANT INFORMATION"

Ag Credit is committed to protecting our customer's personal and financial information. We have become aware of attempts to market financial products in our name. A postcard has been circulating stating, "Call us about an important matter regarding this loan" and asking you to call and enter personal information.

Ag Credit is in no way related to **Mortgage Protection Services**. In the fine print of the postcard it states, "Not affiliated with, sponsored by, and loan information not provided by CENTRAL KY AGRICULTURAL."

It appears this company obtains information through courthouse filings. Mortgage records are public records in county courthouses and are generally available. These records show information related to the mortgage transaction and can be used for many purposes.

Carry a healthy dose of skepticism with any contact from anyone that you don't know and didn't initiate. A big red flag should be if you are asked to provide ANY information to someone contacting you. This can be as simple as your name, phone number or address, and of course any account numbers, PIN numbers or Social Security numbers that are supposedly necessary to "verify" something.

Verify information with someone you know and can trust at Ag Credit. It can be as simple as picking up the phone. You will get a person who can answer any questions about services, offers or opportunities at Ag Credit.

To see a list of common scams, visit the official website at <https://www.usa.gov/common-scams-frauds>. Another good online resource is the Scam Alert section of the Federal Trade Commission site at <https://www.consumer.ftc.gov/scam-alerts>.

RECENT LAND SALES

The information provided in this column is only a sample of the recent land sales in central Kentucky. Since there are many factors taken into consideration when a buyer and seller establish a price, sales may or may not reflect the current market value in any particular area and should not be used in lieu of a formal appraisal by a state certified real estate appraiser to establish a value for a particular tract of land.



McElroy, Wharton & Boldrick Real Estate LLC

126 E Main Street | Springfield, KY 40069
859.336.3982
Kentuckyre.net

Location 1:

Acres: 36.22
County: Washington
Date of Sale: 12/28/2017
Selling Price: \$380,000
Improved: This custom home has a full basement and a detached garage. The home includes a custom kitchen, master suite, living room, two more bedrooms, another full bathroom and a two-car garage. The walk-out basement features three bedrooms, a large den, one full bathroom and a lower-level patio.

Location 2:

Acres: 27.083
County: Washington
Date of Sale: 3/27/2018
Selling Price: \$275,000
Unimproved

Exit Realty McCauley

137 E Main Street | Lebanon, KY 40033
270-692-8800
Exitrealtymccauley.com

Location 1:

Acres: 75
County: Marion
Date of Sale: 1/31/2018
Selling Price: \$850,000
Improved: Excellent farm land with two barns and corn crib.

May & Parman Agency

151 W Main Street Lebanon, KY 40033
270-402-1176
Mayandparman.com

Location 1:

Acres: 138.17
County: Marion
Date of Sale: 3/31/2018
Selling Price: \$948,781.35
Improved: Older home built in 1865 with two barns, silo and lake.

KICK-START AND ENERGIZE YOUR PLANNING PROCESS!



AgBiz Basics can help you launch, manage, grow and transition your business!

Ag Biz Basics features four eLearning modules:



Module 1: Side by Side with your Lender

Planning, Goal Setting & Financial Documentation



Module 2: Do You Cash Flow?

The Business Side of Production Planning



Module 3: What are You Worth Financially?

Business and Personal Balance Sheets



Module 4: Did You Make a Profit?

Income Statement

Time Commitment:

- You will have two months to complete the modules, but all can be completed in a few hours.
- Additional time spent on workbook applications, including goal setting and financial statement construction will vary.

AgBiz Basics will be completed online, however there will also be a networking opportunity for participants during each Summer.

Content was developed by Dr. Dave Kohl, Virginia Tech Academic Hall of Famer, and reviewed by practitioners in the field.

High-speed Internet access is strongly recommended.

Enroll today at: AgCreditOnline.com/AgBizBasics

The AgBiz Basics program is open to both customers and non-customers of Central Kentucky Ag Credit. Tuition grants are available for qualifying young, beginning and small farmers.



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**Start and finish
the AgBiz Basics
program when it is
convenient for you!**

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Lexington, KY 40588-1290

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WHAT'S YOUR FAVORITE COLOR?



Whatever color equipment you choose, Farm Credit *EXPRESS* can finance it *quickly* and *easily*.

An equipment financing program offered by Ag Credit, is now available at many local dealerships offering **EXPRESS** financing. Financing is available for farm equipment, irrigation systems, equine and ag commodity trailers. The program offers great features, including:

- Competitive rates and flexible terms on new and used equipment
- Easy application process with approval decision within minutes
- Fixed rates available with no prepayment penalties
- Financing for up to 100% of equipment sale price
- Ag Credit's Patronage Program, which further reduces the cost of borrowing
- Eligible for manufacturer cash discounts

Find a full listing of participating dealers at
AgCreditOnline.com

EASY EQUIPMENT FINANCING