

Leader

An ArborOne Farm Credit Member Publication

Summer 2012

President's Message



Kathy Heustess

As you read this, you are in full throttle—cutting corn, gathering and curing tobacco, or checking on poultry all day, while always preparing and planning for your next crop or flock, continually checking

the weather and commodity prices.

We're doing the same here, always planning for the future and looking for ways to help you, our customer, to be more successful. Due to popular demand, we have made the Equipment Financing Program a permanent part of our loan offerings. And as a way to thank you for telling friends, family and neighbors about us, we have implemented a Referral Program. Because we are proud to be in the business of agriculture, ArborOne has partnered with WMBF News to recognize and promote farmers in our territory through the "Proud To Be A Carolina Farmer" campaign. I hope you have seen the commercials and I encourage you to go online—either to www.ArborOne.com or www.WMBFNews.com—and follow the link to nominate your favorite farmer (or yourself)!

And as we look to the future of farming, ArborOne will again be sponsoring the Aim-At-Ag Sporting Clays Tournament on November 3. Last year this event, a project developed and carried out by a group of ArborOne employees, provided more than \$19,000 for use by the FFA and 4-H organizations in South Carolina. It's our goal to beat last year's amount! If you haven't donated or signed up, I encourage you to do so.

Never hesitate to contact your relationship manager, customer support person or myself with your needs, questions or concerns about ArborOne—that is why we are here! We are your cooperative lender and we want to continue to provide service and value to you keeping your patronage and your trust.

Sincerely,

Kathy S. Heustess, President and CEO

South Carolina Agribiz & Farm Expo

Hugh Weathers, S.C. Commissioner of Agriculture, is pleased to announce his support and that of the S.C. Department of Agriculture for the S.C. Agribiz & Farm Expo. The event will be held on Wednesday, January 16 through Friday, January 18, 2013 at the Florence Civic Center in Florence, S.C.

The South Carolina agribusiness industry is responsible for nearly 200,000 jobs with an estimated impact of \$34 billion and is the driving force in South Carolina's economy. This event is designed to bring individuals and organizations together to promote this rapidly growing industry. The estimated economic impact of the S.C. Agribiz & Farm Expo is expected to bring \$9 million into the region.

Commissioner Weathers said, "Agriculture is the foundation of the agribusiness industry and the bright spot in our struggling economy. We have a year-round growing season, fertile soil, productive farms and experienced farmers. Our state is located within a 24-hour reach of 100 million people and we have a ready workforce. Companies want to invest where they can enhance their competitiveness and profitability. South Carolina is that place. The S.C. Agribiz & Farm Expo will help spread the word."

Covering all aspects of agriculture, the S.C. Agribiz & Farm Expo will focus on agricultural equipment, education, commodity spotlights, feed stocks, value-added enterprise, youth development, industry-specific exhibits, and activities. This event will also provide an opportunity for agribusiness

men and women to network and discuss the issues of today, what was learned from problems of the past, and planting innovative seeds of the future.

The S.C. Agribiz & Farm Expo's planning is guided by a very diverse advisory council board which has made great recommendations in brainstorming sessions for this event. The S.C. Agribiz & Farm Expo Advisory Council members include state leaders in agriculture and agribusiness.

ArborOne Farm Credit and South Carolina Farm Bureau are the major sponsors of this event.

Participants can register for lectures in subjects such as: sustainable agriculture, education in PrecisionAg, and much more. The advisory council is excited about the "Taste the Experience of S.C. Agribiz" reception. The reception will highlight folks who have been presented numerous awards that essentially tie into the agribusiness community. Invitations will be sent to: S.C. State legislators and agribusiness industry leaders who will have the opportunity to see the full spectrum of S.C. agriculture and also how it is highlighted through many dishes cooked and served by some of the greatest S.C. chefs. ~

If you are interested in this event as a participant and/or vendor, please contact:

Sponsorship or Vendor Information: Brandie Hayes, bhayes@florenceciviccenter.com, 843-679-9417.

Programs & Education Information: Jody Martin, jody@pcsaagribiz.com, 843-250-7900.



Leader is published for stockholders, directors and friends of ArborOne Farm Credit.

Address changes, questions, comments or requests for copies of the association's financial reports should be directed to ArborOne, ACA at 1-800-741-7332 or P.O. Box 3699, Florence, SC 29502. Contact us by e-mail: mdickson@arborone.com. Our quarterly financial statement can also be obtained from our Web site, www.ArborOne.com.

BOARD OF DIRECTORS:

DuPree Atkinson Jr. | Harry B. DuRant | John Lee Newman
J. Whit Player | Jimmy D. Poston | Harold C. Stowe
James (Mickey) Ward | Kelly Wiseman

The 21st Century Legacy of Agriculture

By Dr. David M. Kohl



Dr. David M. Kohl

Many of you know that I travel to the far reaches of the United States, and in some instances other countries, to deliver educational experiences for young producers and others aspiring to be involved in the great industry of agriculture. Despite

recent misconceptions on social media about future opportunities in the agriculture industry, there are many reasons to be optimistic, as an industry that is the foundation of the American economy and lifestyle. Here are my top ten reasons to be excited about agriculture, in no particular order.

- First, growing emerging markets in the world are demanding more food, fiber and fuel. Jeff Simmons, one of my former students at Cornell University and president of Elanco Animal Health, provides evidence for this hypothesis in his research. Simply put, it is called the 50-100-70 Rule. By the year 2050, the world population will need 100 percent more food, fiber and fuel, and 70 percent will be produced by technology-enhanced efficiencies. As emerging nations' standards of living rise, agricultural industries aligned with these nations have a splendid opportunity to capitalize on these trends. Producers also have an opportunity to be part of something bigger by fulfilling these demands to feed and clothe the nation and world.
- Second, agriculture is five dimensional, providing food, fiber, fuel, products for the life sciences, and life experiences or agri-entertainment. Thinking outside the box will be a critical skill. It will be important to understand that one must think globally and then bring that relevance to your operation and apply it with the resources and talent available.
- Third, there will be more opportunity in the next ten years than the last forty years. That being said, there will be more opportunity to fail as well because the stakes are higher, with more volatility at the extremes. This volatility will actually create opportunity. The key is to have a business positioned to proactively capitalize on opportunities. Timing is important in any business' success.
- The intergenerational transfer of farm businesses provides opportunities for young

people in farm and non-farm families. Twenty-one percent of farm families have no next generation of farm management, providing the opportunity for young aspiring agriculturalists to align with an older generation producer outside the family. Both models can be successful for producers who are willing to give up control in order to continue the legacy of the farm and nurture the next generation.

- The future of agriculture is very exciting because there is not "one size that fits all." There will be a growing market in certain areas for the business model that provides local, natural, and organic products. Many of these businesses will be entrepreneurial, with a need for flexibility, efficiency, and systems management with strong business planning skills and execution. The traditional midsized farm that focuses on efficiency in agriculture with a modest living withdrawal supplemented by non-farm income will be prevalent as well. Of course, the large complex agribusiness with multiple owners and parties will require high business management acumen.

Thinking outside the box will be a critical skill. It will be important to understand that one must think globally and then bring that relevance to your operation and apply it with the resources and talent available.

- Agriculture can be very profitable. An examination of the top 20 percent of agricultural producers on farm record databases finds that the average return on assets every year since 1995 is above 10 percent. This group includes a wide range of commodities operating in all types of economic and weather cycles. However, on the downside, the low 20 percent showed a negative return, suggesting a widening gap of profitability between the "status quo" producers and those who strategize and implement best management practices.
- Young producers have access to strong networks of support and education. The

young producer educational programs offered by Farm Credit associations on business and financial topics are classic examples. Others in the industry are supportive on either a group or one-on-one basis by forming strategic alliances to provide educational experiences to improve the industry.

- Being able to network via technology using social media, and receive training via video conferencing or webcast, along with traditional face-to-face methods facilitates leadership. It also equips leaders not only for the business, but for community policy, decision making, and public relations at the local, state and national level. These opportunities are only limited to one's time, imagination, and energy.
- Speaking of technology, the convergence of biotechnology, engineering, and information technology will provide opportunities for the younger generation who have a good advantage in the adoption of new methods. The key will be to adopt practices and technology consistent with your resources and business philosophy.



- Finally, being a young producer who is successful in the new era will require balance. That is, business success will be measured by return on assets, while lifestyle success is measured by "return on life" with proper allocation of "return on energy" in business and life. Many producers in face-to-face learning programs will tell me that the best crop they raise is their children or others they mentor.

These ten perspectives on the agricultural industry truly create an attractive environment to carry on the legacy of agriculture and the lifestyle it can provide. ~

2nd Annual Aim-At-Ag Sporting Clays Tournament Scheduled

ArborOne Farm Credit will host its annual fundraising event, Aim-At-Ag, on November 3, 2012, at Black River Sporting Clays located at 1049 Millwood Road, Kingstree, S.C. Proceeds from the sporting clays tournament will benefit the South Carolina FFA and the South Carolina 4-H Programs.

Whether you're a beginner or a champion shooter, you will be sure to enjoy our 2nd Annual Aim-At-Ag Sporting Clays Tournament! Participants have the opportunity to test their shooting skills on the challenging 12 station course, win door prizes and purchase raffle tickets throughout the day. The event will conclude with lunch and an awards ceremony.

If last year's event is any indication of this year's performance, the event is sure to be lots of fun and a great success. Last year, over 100 people came out to compete in either the youth or adult division tournaments, and sponsors from all around the state contributed largely to the generous financial outcome. In an impressive display of support for agriculture, Aim-At-Ag participants raised \$19,000 for its cause! Checks in the amount of \$9,500 were presented to both the South Carolina FFA and South Carolina 4-H programs.

"You can rest assured that the financial support provided through this event will assist the South Carolina FFA Association in developing programs

which will lead to successful graduates in Agricultural Education and as a result, produce the leaders of tomorrow's Agricultural Industry," states Billy Keels, State Director of Agricultural Education.

"In my role as the Director of the SC 4-H Shooting Sports program, I have been to several shooting events of this nature, and I have to say that this was one of the best events I have attended. I look forward to working with ArborOne on future events and am excited to do my part to make Aim-At-Ag even bigger and better next year" states Rick Willey, Director, 4-H.

The success of last year's event is a true testament to the number of people who share ArborOne's passion to invest in agriculture and promote youth leadership in South Carolina. If you share in this passion, we encourage you to help us support this very worthy cause. You can do so by making plans to come out and shoot on Nov. 3rd, or by contacting your local ArborOne Farm Credit representative for information regarding sponsorship opportunities. ☺

For more information about Aim-At-Ag, please visit us online at www.facebook.com/aim.ag.9 or www.arborone.com/



Pictured are Michael Kirby, ArborOne; Jason Creamer, ArborOne; Logan Layne, State FFA Vice President; and Keith Cox, FFA Associate State Director.



Pictured are Rick Willey, State Director 4H Shooting Sports, and Chris Braham, ArborOne.

Employee News

You will see a new smiling face as you come in the door at ArborOne, **Kelli Michalski** has moved to the Customer Support department and handling the front desk will be part of her new duties. **Blake Branham** will now be part of Capital Markets unit in a support role. **Rebecca Patterson**, **Michael Kirby**, and **Emily Pace** are also now part of Capital Markets as Analysts. **Dianna Monjarrez** is the new FRS Loan Specialist and **Melissia Altman** will move into the Collateral Specialist position.

Jason Creamer and **Grant Lyerly** are our two new Relationship Managers.

Congratulations to **Grant Lyerly** and **Leah Hollifield** who graduated from the Graduate School of Banking at Colorado. Grant graduated with honors and both his bank and Leah's were the "exceptional banks" in their respective communities. Way to go! ☺

Online options

Just when you thought it couldn't get any easier to do business with us, ArborOne has several online payment and banking services available. AccountAccess gives you your loan information 24/7. You can make or schedule payments; transfer funds with your line of credit loan; review your account activity; and get a copy of your 1098 or 1099. You can also sign up for online statements and auto draft of your payment when it's due.

There are more opportunities and we encourage you to take advantage by signing up on our Web site, www.ArborOne.com. ☺

Gettin' Our Jeans On

"The year began with ArborOne making money with our jeans on," so said the *Morning News* in their "thumbs up" column. And how right they are!

ArborOne employees have put their jeans on and opened up their personal wallets to give to a different charity each month. Input was solicited across the company for different charities to donate the funds to each month. To date, the American Heart Association, Wildlife Action, Zero—the Project to End Prostate Cancer, March of Dimes,

National Kidney Foundation and Florence Area Humane Society have received more than \$2,200.

Still to come for 2012: Fostering Hope, Ovarian Cancer Research Fund, SC Coalition Against Domestic Violence & Sexual Assault, and the McLeod Foundation.

Giving back is very important to ArborOne, both as a company and as individuals, and we are thrilled to be able to help in this way. ☺





ARBORONE
FARM CREDIT

Post Office Box 3699
Florence, SC 29502
1.800.741.7332
ArborOne.com

PRSR STD
U.S. POSTAGE
PAID
COLUMBIA SC
PERMIT 785

Inside

Coming to a TV Near You!

Young Producers:
Opportunities and Stakes are Highs
by Dr. David Kohl

Director Election Results

S.C. Farms of the Year Announced
at Farmers Festival

Holidays

ArborOne Farm Credit Offices are Closed

Labor Day	September 5
Veterans Day	November 12
Thanksgiving	November 22-23

Proud To Be a Carolina Farmer

ArborOne Farm Credit is pleased to announce their collaboration with WMBF News for the "Proud to be a Carolina Farmer" promotion. Farmers are often the unsung heroes in our communities. But now is your chance to recognize your favorite farmer!

Whether the family has been farming for generations or the farmer is just getting started, tell us about them. Large or small, traditional or non, we want to thank them for the work they do. Visit our website www.ArborOne.com to nominate someone that is "Proud to be a Carolina Farmer."



Poston 2011 RJR Pride in Tobacco Grower of the Year

Congratulations to Bartley Poston, who received the 2011 RJ Reynolds Pride in Tobacco Grower of the Year. This award is given based on the quality of tobacco grown and in 2011, the best was grown by Poston.

In talking to Bartley Poston about this award, he made it very clear that without the Lord, his Dad (Wendell Ray Poston), and his workers, he would not have won. Bartley has been farming for 26 years, the last 5 with his father. They grow tobacco, cotton, corn, soy beans, and wheat on their family operation.

