

Leader

A Carolina Farm Credit Member Publication

Winter 2010



Michael R. Morton

President's Message

At Carolina Farm Credit, we have a passion for agriculture and rural America. In fact, most everything we're involved in centers around those two focus areas. It is extremely important

that the agricultural community work together to ensure our industry's future success.

Obviously, we provide support to the local agriculture communities we serve by making capital available through our loan programs. In addition, we are continually working to provide educational opportunities for young, beginning, small, and minority (YBSM) farmers to ensure they have the tools necessary to be successful.

The three North Carolina Farm Credit associations (Carolina Farm Credit, AgCarolina Financial, and Cape Fear Farm Credit) have worked together again this year to publicize, recruit, enroll, and conduct a 10-module e-learning

curriculum with 30 YBSM farm families. The course is part of the Farm Credit University and is designed to use technology to provide an on-demand training product for farmers. Our goal is to provide education for YBSM farmers on today's dynamic agricultural marketplace and to improve their financial and business management skills to equip them to operate a successful farm business and have a quality rural lifestyle. Funding for this program comes in part from a grant from the North Carolina Tobacco Trust Fund Commission.

Each participant enrolled in this curriculum is matched with a Farm Credit mentor who will be involved with their training over the entire course. The mentors work with the participants directly and provide support and help in locating resources they may need to complete the training. Each module is designed to be completed in about two or three weeks, therefore, it requires a total time commitment of five to six months for the 10-module program.



We recently held a face-to-face meeting with a simultaneous video conference to allow participants to get to know each other as they begin the program. I continue to be very impressed at the quality of the people participating in the programs we offer. We at Carolina Farm Credit continue to believe that agriculture and rural America has a bright future and pledge to continue educational opportunities such as this to ensure that is the case. Continue to monitor our website to find out more about other opportunities that will be available in the future.

As we approach this holiday season, we are very grateful for the relationships we have with each of you. I wish each of you and your families a very blessed Christmas and a healthy and prosperous year in 2011. ■

Protect and Grow with Market Linked CDs

Bank CDs have been around for years. Today, however, it's hard to find one that pays anything. This article will introduce you to one that is a little different than what your local bank has to offer.

As you know, the past two years has seen some volatility in the financial markets. Many people have been reluctant to invest money in stocks or mutual funds because of volatility and the possible loss of principal. As a result, investors have resolved to keep their cash on the sidelines or in guaranteed low yielding fixed rate products.

Market Linked Certificates of Deposit may provide an attractive alternative for the conservative investor who wants the earnings potential of

the market combined with the security of FDIC insurance. **These bank CDs are 100% principal protected when held to maturity.** The rate of return is "linked" to the performance of an index, but the investor is not buying any stocks, bonds, or securities. The potential is to earn a lot more than local CDs, while the guarantee is to not lose a dime.

Interest is credited annually to the investor and can be withdrawn from the account or invested elsewhere. Designed for buy and hold strategies, the typical investors are baby boomers, families saving for college, and retirees. ■

If you would like to learn more, please feel free to contact Tom Haarman at (704) 761-2869.



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Fall Crop Insurance Update

It is hard to believe that another year is almost complete. Most of the fall harvest is coming to a close and all those fall and holiday activities will soon be here. Now is the time to reflect on 2010 and what worked and what did not. In the coming year crop insurance will be something to look over and review the new options available. There have been significant changes made in the Federal Crop Insurance program. One of the most notable changes is the way the Risk Management Agency (RMA) pays the private insurance companies for servicing the business, which also has changed how these same companies pay the agent commission. One major misconception is that the RMA is cutting the amount of subsidy it provides to the insured. This has not changed. RMA still provides the same amount of subsidy to the premium for the insured as in the past. The actual policy is something that has changed. Most of these changes are for the better. RMA has simplified and combined many of the

policies into one policy. Corn and soybeans are a good example. In the past we had as many as five different plans of insurance that basically covered the same things with little differences between them. These have been combined into one policy. This should help simplify the decision process for the insured. On the other hand, RMA has initiated some tighter restrictions on crop insurance in an effort to lower any fraud, waste, and abuse. With all of our modern technology, it easier for RMA to electronically track what an insured is reporting to us and to the Farm Service Agency. RMA has for the past few years done significant DATA mining of these computer systems.

Remember that our sales closing date is February 28, 2011, for all our spring policies.

Billy Fanning, our Crop Insurance Specialist, is available to review all the options with you. Please call our insurance department



(866-612-4971) with any questions you may have or to schedule a time to have a crop insurance review done for your farm. Crop insurance is the best safety net your farm could have in these economic times. ■

Organic Growers School



Spring Conference

March 5 & 6, 2011
UNC Asheville

A weekend of workshops for beginning gardeners to advanced commercial growers.

Choose from over 70 classes and hands-on workshops!

- Food Preservation
- Homesteading Soils
- Landscaping
- Pet Management
- Alternative Energy
- and much more!

Look for details after the new year!
www.organicgrowersschool.org



Cooperative Leadership Conference

June 20–24, 2011
White Lake, N.C.

For details and entry form, go to
www.carolinafarmcredit.com

Developing Tomorrow's Leaders

Customer Appreciation

Carolina Farm Credit revolved \$7.6 million in cash this fall, 25% of the 2003 series and 50% of the 2004 series of allocated surplus to members.

Checks were distributed at customer appreciation events at each service center during the month of October. Service centers celebrated with ice cream socials, barbeques, and dinners. Thanks to everyone who attended the events!

Here are some photos from a few of the events.



Important Notice to All Borrowers:

Mortgage/Lienholder Impairment Policy (MLIP)

Carolina Farm Credit, Agricultural Credit Association loan agreements stipulate that borrowers obtain and maintain insurance on property pledged as security for loans with the association named as mortgagee or loss payee as appropriate.

This notice is a reminder that the minimum amount of coverage required to be maintained is the lesser of your loans balance(s), the actual cash value of the property, the replacement cost of the property or the amount stipulated by your loan officer. Since the amount required could be less than the amount for which the property can be insured, you are encouraged to consider higher

limits where applicable to adequately protect your equity interest in the property.

If the property securing your loan consists of improved real estate, unless otherwise advised, at a minimum, your policy must insure against the following perils: fire and lightning, wind, hail, aircraft or vehicle damage (other than flood), falling objects, weight of snow, ice or sleet, and vandalism. Loss or damage from flooding is also required if your loan was made after October 4, 1996, and at the time the loan was made, the property was located in a government mandated Special Flood Hazard Area and flood insurance was available.

If the property securing your indebtedness consists of personal property including vehicles, machinery or equipment, in addition to the causes of loss cited in the preceding paragraph, the property must also be insured against theft, and where applicable, such as with mobile machinery and equipment, collision and upset.

If your current coverage does not conform to these requirements, please contact your insurance representative and effect the necessary changes to insure your coverage does comply with these requirements. Please contact your local Carolina Farm Credit representative if you have any questions or comments. ■



Loans for homes, land, and living. 

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Merry Christmas & Happy Holidays!



Financing for:

- Farms, Lots, and Home Sites
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- Small or Large Tracts of Land
- Timber and Recreational Tracts
- Hunting and Fishing Properties

Farm Credit has been financing homes and farms—large and small—for more than 90 years, and we can finance everything you need to live the life you love.



Loans for Homes, Land, and Living

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Check our website for more information, an online application, rates, and view 1,000s of property listings!