

Leader

A Carolina Farm Credit Member Publication

Winter 2011



Michael R. Morton

President's Message

As fall winds down and winter quickly approaches, we begin to reflect on 2011 and work toward finalizing our business planning process for 2012.

2011 has brought many challenges to our customers as many continue to be affected by the slow recovery of our general economy. The local economy in our territory is generally intermingled with influences from the agriculture, industrial, retail and housing industries. The economic factor that has had the most impact on many of our customers has been the soft real estate market. As you know, for the majority of our customers, their most valuable asset is their farm or home. Additionally, many have invested in rural real estate in recent years. As income and cash flows have continued to be adversely affected by the slow economy, those who typically would liquidate real estate assets to strengthen their financial condition, have been unable to do so because of the soft market. As a result, we

continue to work with many customers to help them through this difficult time. While we all would love to see signs of significant improvement in the overall economy, there are no such signs evident on the horizon. I recently heard the CEO of the Farm Credit System Funding Corporation speak and he indicated that from an economic recovery standpoint, we as a nation may still be in the fourth inning of a nine inning game. If that is the case, we have several years of slow growth ahead. We pledge to continue to work hard to provide the needed products and services to help you work through these tough economic times.

On a sad note, our Carolina Farm Credit family lost an extraordinary leader, strong supporter, and a true friend on October 2, 2011 when Director Bobby Joe Gambill passed away after a long and courageous battle with cancer. Bobby Joe loved people and was always willing to help others. He served our membership well as a director for over 15 years and his leadership and presence will be truly missed in our boardroom.

I am pleased to report that our Board has appointed Susie J. Gambill to fill the vacant seat on our Board created by her husband's passing. In

addition to her involvement in the family farming operation, Susie serves as the Clerk of Court in Alleghany County. She has a bachelor's degree in Business and Education from Appalachian State University and is very involved in the local and agriculture community. Susie is a capable leader who will serve our membership well and we welcome her to the Board.

I hope you had a chance to attend the customer appreciation event that was held during October in your local service center. It is always good to visit with our members and even better when we can hand deliver allocated surplus checks and "Put Our Profits In Your Pockets." We look forward to visiting with you as we hold another round of customer appreciation events in the spring. ■

Director Election Results

On September 20, Carolina Farm Credit completed the 2011 director election by mail after receiving 533 ballots. All incumbent directors were re-elected to serve a five year term: Bobby "Bud" J. Matthews, Yadkin County; Thomas E. Porter, Jr., Cabarrus County; and Clark M. Newlin, Alamance County.

Members of the 2012 nominating committee were also elected. They are Donald R. Smart, Haywood County; alternate is Mary Louise Corn, Henderson County; Kevin E. Lutz, Lincoln County; alternate is Harry B. Yates, Watauga County; Jack F. Shore, Yadkin County;

alternate is Donna H. Goodin, Iredell County; Robert H. Knox, III, Rowan County; alternate is William F. Howard, Forsyth County; Milton E. Baucom, Union County; alternate is Angela T. Herbin, Guilford County; Sam I. Kiser, Alamance County; alternate is Christine S. McPherson, Chatham County.

On October 26, the board held an organizational meeting to appoint committee members and elect the chairman and vice-chairman. Board members elected Joseph A. Lail of Shelby as chairman and Mark A. Bray of Lawsonville as vice-chairman. ■

Passing of Carolina Farm Credit Director Bobby Joe Gambill



It is with great sadness that we say goodbye to director, Bobby Joe Gambill of Sparta, who passed away on Sunday, October 2 after a long battle with

cancer. Bobby Joe was a farmer all his life and served as a member of the CFC board for 15 years. He loved farming, his family, and helping others. His leadership as a board member and presence as part of the CFC family will be dearly missed.

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

Address changes, questions, comments or requests for copies of the association's financial reports should be directed to Carolina Farm Credit, ACA at 1-800-521-9952 or P.O. Box 1827, Statesville, N.C. 28687-1827. Contact us by e-mail: marketing@carolinafarmcredit.com. Our quarterly financial statement can also be obtained from our website, www.carolinafarmcredit.com.

BOARD OF DIRECTORS:

Joseph A. "Joe" Lail, Chairman | Mark A. Bray, Vice-Chairman | John M. Barnard | E. Bernard Beck | W. Rex Bell
Herbert R. Cheeks | David M. Coltrane | Susie J. Gambill | W. Stephen "Steve" Love | Bobby J. "Bud" Matthews
Clark M. Newlin | Tony L. Ragan | Lewis E. Smith | Vickie N. Smitherman | L. Kim Starnes | Dr. Alton Thompson

New Director Appointed



On October 26, the Carolina Farm Credit Board of Directors appointed Susie J. Gambill of Sparta to fill the seat of her late husband, Bobby Joe Gambill, who served as director for 15 years.

Susie will serve as a member of the board of directors until director elections take place in September 2012.

Susie is a farmer and Clerk of Court in Alleghany County. Her operation consists of dairy and beef cattle, Christmas trees, corn, and hay. She graduated from Appalachian State University with a bachelor's degree in business and education and completed post-graduate work at East Tennessee State University. Susie serves on the board of L&S Land Corporation (real estate), and is a member of the Alleghany Christmas Tree Association, Blue Ridge Electric Community Leaders, and Clerk of Court Conference. She is also a member and Sunday School teacher at First Baptist Church of Sparta. ■

CFC Issues Surplus Allocated

Surplus allocated checks totaling \$8.3 million were distributed at customer appreciation events held by each service center in October. With cash patronage in the spring, and the revolvment of this surplus, the total cash returned to stockholders in 2011 is \$13.7 million. Below are a few photos from fall customer appreciation events. ■



Beyond Traditional Asset Classes: Exploring Alternatives

Stocks, bonds, and cash are fundamental components of an investment portfolio. However, many other investments can be used to try to spice up returns or reduce overall portfolio risk. So-called alternative assets have become popular in recent years as a way to provide greater diversification.

What is an alternative asset?

The term "alternative asset" is highly flexible; it can mean almost anything whose investment performance is not correlated with that of stocks and bonds. It may include physical assets, such as precious metals, real estate or commodities.

Real estate

You may make either direct or indirect investments in buildings—either commercial or residential—and/or land. Direct investment involves the purchase, improvement and/or rental of property; indirect investments are made through an entity that invests in property, such as a real estate investments trust (REIT). Real estate not only has a relatively low correlation with the behavior of the stock market, but also is often viewed as a hedge against inflation.

Why invest in alternative asset classes?

Part of sound portfolio management is diversifying investments so that if one type of investments is performing poorly, another may be doing well. As previously indicated, returns on some alternative investments are based on factors unique to a specific investments. Also, the asset class as a whole may behave differently from stocks or bonds.

An alternative asset's lack of correlation with other types of investments gives it potential to increase or stabilize a portfolio's return.

Tradeoffs you need to understand

Alternative assets can be less liquid than stock or bonds. Depending on the investments, there may be restrictions on when you can sell, and you may or may not be able to find a buyer.



Thomas Haarmann, J.D.
Manager Financial Services
P.O. Box 1827
Statesville, NC 28687
704-761-2869

thaarmann@moneyconcepts.com



INDEPENDENT CONTRACTOR OF MONEY
CONCEPTS INTERNATIONAL, INC.
All securities through Money Concepts Capital Corp.
Member FINRA/SIPC 11440 Jog Road;
Palm Beach Gardens, FL 33418-3764; (561) 472-2000.
Not FDIC Insured, No Bank Guaranteed,
Accounts May Lose Value.

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

Bonus Buster Lease Rates!

Check with your loan officer or Leasing Relationship Manager, Ron Joines (800-521-9952 x 2840) about the Bonus Buster low rate program.

Tommy Porter, former Chairman of the Board, Named Swisher Sweets/Sunbelt Expo Southeastern Farmer of the Year

CFC Board member and former Chairman, Tommy Porter of Concord, was named the Swisher Sweets/Sunbelt Expo Southeastern Farmer of the Year for 2011. The Farmer of the Year award recognizes excellence in agricultural production and management, along with leadership in community and farm organizations.



He was announced as the overall winner during the Willie B. Withers Luncheon held on the opening day of the 2011 Sunbelt Ag Expo farm show. Porter was chosen as Farmer of the Year over eight other state winners who were finalists for the 2011 award. This is the second time for Porter to compete for the award. He was also a state winner for North Carolina in 2006. Since the award began in 1990, Porter is the third overall winner to come from North Carolina. ■

"It is a great honor to have been selected for this award," said Porter. "I've known of the high standards for this award since I was named as a state winner in 2006. To be named again as a state winner, and then to have been selected as the overall winner is a humbling experience. All of the state winners are outstanding farmers who are effective leaders and who are strongly supported by their families."

Ag Biz Participants—3rd Session

Carolina Farm Credit selected eight participants/couples for the next session of Ag Biz planner. Carolina Farm Credit joined with AgCarolina Financial, Cape Fear Farm Credit, Colonial Farm Credit, and Farm Credit of the Virginias for the third session of the Farm Credit University e-learning course. The session began in October and will conclude in March with a meeting in Raleigh. To the right are the participants from CFC and their mentors. ■

-
- Bryan Abramowski and Cobey Abramowski of Rockwell, N.C.
Mentor: James Taylor, VP/Mission Related Investment Officer in Statesville
-
- Gerry Cohn of Chapel Hill, N.C.
Mentor: Bill Miller, Loan Officer in Graham
-
- Patricia Ann Dial of Mt. Gilead, N.C.
Mentor: Patrick Chapell, Loan Officer in Ellerbe
-
- Adam & Jada Henson of Canton, N.C.
Mentor: Donna Silvers, Loan Officer in Waynesville
-
- Lisa & Larry Hoke of Lenoir, N.C.
Mentor: Jill Sigmon, Loan Officer in Newton
-
- Zach Myers of Jonesville, N.C.
Mentor: Kim Haines, Loan Officer in Asheville
-
- Gary Purgason of Madison, N.C.
Mentor: Jim Webb, Loan Officer in Reidsville
-
- Gwen & Tim Stowe of Gastonia, N.C.
Mentor: Roger Davidson, Loan Officer in Lincolnton
-



March 3 & 4, 2012
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

N.C. A&T Scholarship Recipients 2011–2012



D' yana Mack
Senior
Hometown: Durham, N.C.
Daughter of Melissa Mack



Brandon Armwood
Junior
Hometown: Cameron, N.C.
Son of Eric and Shelley Armwood



Jalen Speller
Sophomore
Hometown: Charlotte, N.C.
Daughter of Tonya Miller



Jamie Leigh Simaan
Freshman
Hometown: Colfax, N.C.
Daughter of Tony and Nahla Simaan



Loans for land, homes, and living. 

P.O. Box 1827 | Statesville, NC 28687-1827

carolinafarmcredit.com

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



Find us on Facebook and be sure to sign up for our e-newsletter!

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.

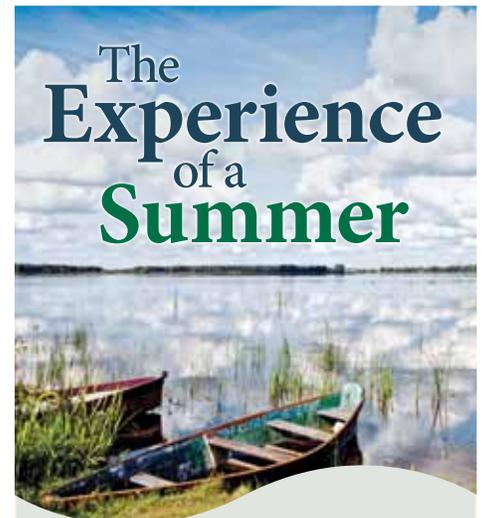
This notice is a reminder that the minimum amount of coverage required to be maintained is the lesser of your loans balance(s), the actual cash value of the property, the replacement cost of the property or the amount stipulated by your loan officer. Since the amount required could be less than the amount 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. ■



Cooperative Leadership Conference

June 18–22, 2012

White Lake, N.C.

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

Developing Tomorrow's Leaders