

Leader

A Carolina Farm Credit Member Publication

Winter 2012



Michael R. Morton

President's Message

While challenging in many ways, 2011 was another successful year for Carolina Farm Credit. Although our annual report which will be published next month will have all

for and are excited about what this year has in store for our association. We see opportunities to grow our business and membership in the coming year, and as always, ask for your help by recommending Carolina Farm Credit to your friends, family, and neighbors. No amount of advertising can ever accomplish what satisfied customers can do by helping spread the word and telling our story.

We are looking forward to holding Customer Appreciation Events in all service center offices again during the month of April. This gives us an opportunity to deliver your patronage check and tell you face-to-face just how much we appreciate your business and our relationship with you. Be on the lookout for your invitation to arrive in the mail and mark the date on your calendar. We will be looking for you at your local customer appreciation event. Remember, without you, neither Carolina Farm Credit or these Customer Appreciation Events will be successful. ■

the details, I am pleased to report that our final net earnings exceeded \$20 million and will again allow us to meet our goal of returning 20 cents of every dollar you contribute to our earnings, in the form of a patronage refund. We are happy to be in a position to return the majority of our earnings to you and continue to "Put our profits in your pockets." We thank you for utilizing our products and allowing us to serve your financial needs, which in turn allows us to be profitable, return a portion of those profits to you and therefore continue to create value for your ownership in Carolina Farm Credit.

Just as you look forward to and plan for another successful year in 2012, we are planning

Outstanding CFC Service Centers Receive "Profit-A-Bell" Awards



Carolina Farm Credit recently recognized 19 service centers with "Profit-A-Bell" awards for outstanding performance. The awards (real working cow bells) were presented to service centers that increased their profitability through enhanced sales efforts and increased efficiency. ■

Congratulations to these 19 service centers who received "Profit-A-Bell" awards:

- | | | |
|------------|----------------|-------------|
| Asheboro | Pilot Mountain | Wadesboro |
| Carthage | Reidsville | Waynesville |
| Graham | Roxboro | Wilkesboro |
| Lenoir | Shelby | Yadkinville |
| Lexington | Siler City | Yanceyville |
| Lincolnton | Spindale | |
| Murphy | Taylorsville | |

Customer Appreciation Days

We hope you'll join us for our Spring Customer Appreciation events in April!
Be on the lookout for your invitation in March!

CFC Member Featured on National Website



The Bowman family

As part of a year-long 95th anniversary celebration, Farm Credit is publishing a series of customer profiles online at FarmCredit.com that celebrate agribusiness leaders and entrepreneurs in American agriculture. Included in those profiles are Carolina Farm Credit members Jim Xiong and Maykia Yang, poultry farmers in Carthage, N.C. Also included are Jayne, Chris, David, and Terry Bowman, who own and operate Homeland Creamery-Bowman Dairy in Julian, N.C. ■



The Xiong and Yang family

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.

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Life Insurance: Can You Afford to Live Without It?

Are you married, own a business, have children, a mortgage or other financial obligations?

Life insurance is not always a pleasant subject to discuss and in many cases has been reduced to an afterthought. Most of us are not comfortable facing our own mortality, therefore life insurance does not become a priority until we begin to approach retirement years. The problem lies in that none of us can predict when we are going to die.

Could your death force the sale of the family farm or home?

Your spouse might have to work extra years to make ends meet or your children may not be able to attend the college of choice, if at all. Purchasing life insurance so that your family is not left with unpaid bills is a great way to ensure this does not happen.

Life insurance can be purchased to provide:

- Death benefit
- Payoff mortgage or other financial obligations in the event of death
- Pay possible estate taxes
- Provide liquidity of assets if tied to Real Estate
- Pay college tuition
- Replace lost income your family would otherwise miss
- Pay burial expenses

Carolina Farm Credit offers credit life insurance and term life insurance to meet your needs. With our Advantage Elite product, underwritten by Minnesota Life, you can protect your family. Rates are comparable with others in the industry and Advantage Elite offers guaranteed premiums in increments of five, up to 30 year terms dependant upon age. Additional Riders are available

such as Waiver of Premium for Disability and Family Term Agreement for children (unborn and living) up to age 17.

Are you one who has put this important decision off too long? Contact your local Carolina Farm Credit service center for a premium quote. Don't live your life without life insurance! ■

Financial Planning—Helping You See the Big Picture

Do you picture yourself owning a new home, starting a business, or retiring comfortably? These are a few of the financial goals that may be important to you, and each comes with a price tag attached. That's where financial planning comes in. Financial planning is a process that can help you reach your goals by evaluating your whole financial picture, then outlining strategies that are tailored to your individual needs and available resources.

Why is financial planning important?

A comprehensive financial plan serves as a framework for organizing the pieces of your financial picture. With a financial plan in place, you'll be better able to focus on your goals and understand what it will take to reach them.

One of the main benefits of having a financial plan is that it can help you balance competing financial priorities. A financial plan will clearly show you how your financial goals are related—for example, how saving for your children's college education might impact your ability to save for retirement. Then you can use the information you've gleaned to decide how to prioritize your goals, implement specific strategies, and choose suitable products or services. Best of all, you'll have the peace of mind that comes from knowing that your financial life is on track.

The financial planning process

Creating and implementing a comprehensive financial plan generally involves working with financial professionals to:

- Develop a clear picture of your current financial situation by reviewing your income, assets, and liabilities, and evaluating your insurance coverage, your investment portfolio, your tax exposure, and your estate plan
- Establish and prioritize financial goals and time frames for achieving these goals
- Implement strategies that address your current financial weaknesses and build on your financial strengths
- Choose specific products and services that are tailored to meet your financial objectives
- Monitor your plan, making adjustments as your goals, time frames, or circumstances change

Some members of the team

The financial planning process can involve a number of professionals.

Financial planners typically play a central role in the process, focusing on your overall financial plan, and often coordinating the activities of other professionals who have expertise in specific areas.

Accountants or tax attorneys provide advice on federal and state tax issues.

Estate planning attorneys help you plan your estate and give advice on transferring and managing your assets before and after your death.

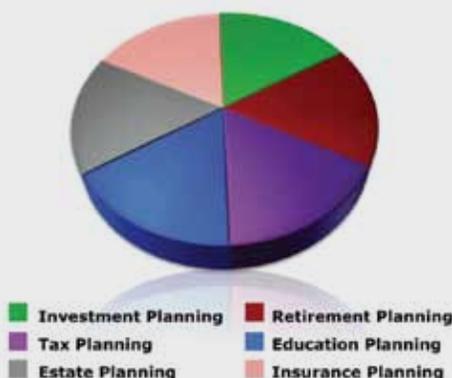
Insurance professionals evaluate insurance needs and recommend appropriate products and strategies.

Investment advisors provide advice about investment options and asset allocation, and can help you plan a strategy to manage your investment portfolio.

The most important member of the team, however, is you. Your needs and objectives drive the team, and once you've carefully considered any recommendations, all decisions lie in your hands.

Why can't I do it myself?

You can, if you have enough time and knowledge, but developing a comprehensive financial plan may require expertise in several areas. A financial



Submit your photos for the 2013 Photo Calendar Contest now!



2011 First Place winner Amy LaFontaine of Concord, N.C., for her photo of Porter Family Farms.

Visit Carolinafarmcredit.com for contest details and to enter!

- Who is eligible: Customers, employees and friends of Carolina Farm Credit are invited to enter our 2013 Photo Calendar Contest.
- Photos must be taken within the 54-county Carolina Farm Credit territory.
- All entries must be submitted online through carolinafarmcredit.com
- All photos must be at least 1 MB in size.
- Orientation of photos must be horizontal (landscape). No vertical (portrait) photos, please.
- Please limit your entries to three photos. We will not accept more than three photos per person.
- Deadline for submission is May 31, 2012.

Cash Prizes Awarded: 1st Place – \$300 | 2nd Place – \$200 | 3rd Place – \$100 ■



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professional can give you objective information and help you weigh your alternatives, saving you time and ensuring that all angles of your financial picture are covered.

Staying on track

The financial planning process doesn't end once your initial plan has been created. Your plan should generally be reviewed at least once a year to make sure that it's up-to-date. It's also possible that you'll need to modify your plan due to changes in your personal circumstances or the economy. Here are some of the events that might trigger a review of your financial plan:

- Your goals or time horizons change
- You experience a life-changing event such as marriage, the birth of a child, health problems, or a job loss

- You have a specific or immediate financial planning need (e.g., drafting a will, managing a distribution from a retirement account, paying long-term care expenses)
- Your income or expenses substantially increase or decrease
- Your portfolio hasn't performed as expected
- You're affected by changes to the economy or tax laws

Common questions about financial planning

What if I'm too busy?

Don't wait until you're in the midst of a financial crisis before beginning the planning process. The sooner you start, the more options you may have.

Is the financial planning process complicated?

Each financial plan is tailored to the needs of the individual, so how complicated the process will be depends on your individual circumstances. But no matter what type of help you need, a financial professional will work hard to make the process as easy as possible, and will gladly answer all of your questions.

What if my spouse and I disagree?

A financial professional is trained to listen to your concerns, identify any underlying issues, and help you find common ground.

Can I still control my own finances?

Financial planning professionals make recommendations, not decisions. You retain control over your finances. Recommendations will be based on your needs, values, goals, and time frames. You decide which recommendations to follow, then work with a financial professional to implement them.



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



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Carolina Farm Credit Employees and Board Donate over \$4,300 to Local Charities

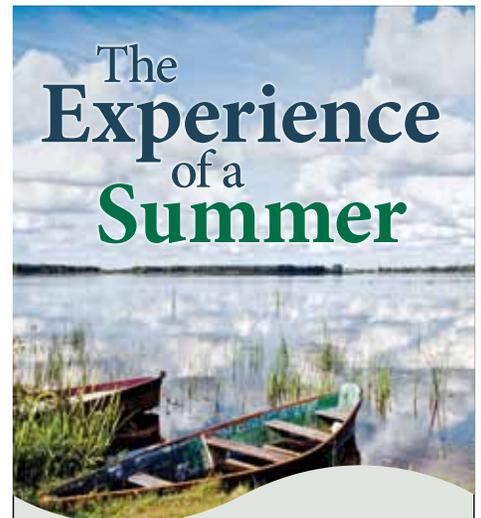
Over \$4,300 was collected by the employees and Board members of Carolina Farm Credit who participated in a charity contribution throughout 2011. Each of the Carolina Farm Credit 36 service centers submitted a local charity choice and four charities were selected through a random drawing to divide the donations.

The following groups received donations of \$1,076.25 from Carolina Farm Credit:

- Richmond County Hospice – Rockingham, N.C. (Ellerbe service center)
- Meals on Wheels – Hillsborough, N.C. (Hillsborough service center)
- Ashe Outreach Ministries – Jefferson, N.C. (Jefferson service center)
- American Red Cross of Surry County – Pilot Mountain, N.C. (Pilot Mountain service center). ■

Want to save money? Consider Leasing!

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

Developing Tomorrow's Leaders