

Leader

A Carolina Farm Credit Member Publication



Issue 1 | 2013



Michael R. Morton

President's Message

We are very fortunate to live in a part of our country where we actually experience all four seasons. Now that winter is in full swing it reminds us that we have wrapped up another year on our

farms, in our businesses and life in general. Our hope is that 2012 was a great year for you from all perspectives and that in this new year you will find even more success.

Carolina Farm Credit had another very successful year in 2012. While our annual report that will be published next month will provide the details, I am pleased to report that our final net earnings exceeded \$25 million last year. This will allow us to again return a significant portion of our earnings to you in a patronage refund. In fact, this will be our 25th consecutive year of paying patronage refunds to our members. You will hear

more about this milestone throughout 2013, as we celebrate 25 years of paying patronage.

In April, we will again hold customer appreciation events at each of our 36 service centers. While we never want to miss an opportunity to say thank you for doing business with Carolina Farm Credit, these events are a way for us to put feet to our words and show you our appreciation. What better way to say thank you than by serving you good food, taking time to sit and visit with you and hand delivering your patronage check. Please look for your invitation in the mail and make plans to join us at your local customer appreciation event in April.

We are looking forward to the opportunities that 2013 will bring to each of you, Carolina Farm Credit and agriculture statewide. We are grateful for our partnership with you and for the opportunity to provide service to our membership, North Carolina agriculture and rural America. Best wishes for a successful 2013. ■



The 2014 photo calendar contest entry form is now available on our website, carolinafarmcredit.com! The deadline to enter is May 31, 2013. The top three photos receive cash prizes and will be featured in our 2014 photo calendar. Visit our website for official contest rules.

Cowgirls With a Cause

Carolina Farm Credit (CFC) is proud to be the primary event sponsor of Cowgirls With a Cause, a 501(c)3 non-profit fundraiser for breast cancer.



The event originated as a tribute to a former CFC employee, Debby Burgess, who lost her fight with the disease. Since 2004, the organization has raised and donated \$177,000, impacting more than 900 patients and leading to the discovery of four cancers.

Carolina Farm Credit has been a sponsor since that first year and, in 2011 and 2012, our employees joined in the fundraising effort by participating in Jeans For A Cure. This year, CFC and its employees donated more than \$5,100 to Cowgirls With a Cause.

The 2012 Cowgirls event, a women's only rodeo featuring barrel racing, breakaway roping and team roping, was held December 1-2, at Lone Hickory Indoor Arena in Yadkinville, N.C. ■

New Brown Summit Service Center

The new Brown Summit service center opened January 29!

As you are aware, in early 2011, the Greensboro and Reidsville offices of Carolina Farm Credit consolidated into the Reidsville office. This was the first step in our long-range plan to relocate to an area that will better meet the needs of our current and future customers. Since that time, we built a new service center in Brown Summit to take the place of the Reidsville service center.



While we are confident that visibility and accessibility will be much improved at this new location, one thing that will not change—our commitment to you. We may have a new address and new facility, but the same friendly faces will continue to provide you with the prompt, courteous service you have come to expect! We are excited to serve you from our new location. Come by for a visit, we'd love to see you!

4960 Oldway Rd | Browns Summit, N.C. 27214
phone: 336-656-4740 | brownsummit@carolinafarmcredit.com ■

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 email: marketing@carolinafarmcredit.com. Our quarterly financial statement can also be obtained from our website, www.carolinafarmcredit.com.

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Ag Biz Planner 4th Session Participants

Nine young, beginning, small and minority farmers from within the Carolina Farm Credit territory are taking part in the 4th session of the Farm Credit University (FCU) Ag Biz Planner program.

The college-level, 10-module, online course began last fall and takes about six months to complete. In addition to budgeting and financial and management skills, the course emphasizes how to capitalize on and navigate the challenges in agribusiness. By the end of the course, each participant will design a strategic business plan for their business.

In addition to the online course, each participant has a close mentoring relationship with a loan officer from Carolina Farm Credit, who serves as coach and facilitator as the participants work through the course. The participants have farming operations that vary from contract broiler, horse, cow/calf, organic vegetable, alpaca and large cash crop enterprises.

Carolina Farm Credit teamed up with four other Farm Credit institutions in North Carolina, Virginia and West Virginia to co-sponsor a total of 32 participants in the program. In North Carolina, the program is also being partially funded by a grant from the North Carolina Tobacco Trust Fund Commission.

The nine participants in the 2012-13 Ag Biz Planner program co-sponsored by Carolina Farm Credit include:

- Whitney Allen (Orange County)
- Meaghan and Allen Childs (Mecklenburg County)
- Andrew (Jr.) and Louise Courts (Guilford County)
- Michael and Dianne Fulbright (Catawba County)
- Lisa and Brandon Higgins (Rutherford County)
- Jeremy and Mandy Johnson (Lee County)
- Chad Miller (Wilkes County)
- Melanie and Paul Newton (Cabarrus County)
- Bo Sellers (Cabarrus County)

Mentors from Carolina Farm Credit are:

- Travis Allen, Loan Officer, Concord
- Joyce Frye, Loan Officer, Carthage
- Janie Furr, Loan Officer, Concord
- Mitchell Pridmore, Loan Officer, Spindale
- Jill Sigmon, Loan Officer, Newton/Lenoir
- Tripp Smith, Loan Officer, Hillsborough
- Rebecca Tarlton, Loan Officer, Monroe
- Jim Webb, Loan Officer, Brown Summit
- Dean White, Loan Officer, Wilkesboro ■

IPAD Giveaway

Congratulations to Judy Flynn, of Buncombe County, N.C. She won a 16GB Apple iPad during Carolina Farm Credit's latest online contest.



Penny O'Connell, Loan Specialist in Asheville, presents the new iPad to Judy Flynn.

Some things just shouldn't be shared.



Announcing a new feature in AccountAccess:
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CFC Receives Service Award from Cooperative Council of North Carolina

Carolina Farm Credit was one of six North Carolina cooperatives recognized by the Cooperative Council of North Carolina for their outstanding participation in the Council's 2nd Annual Early Harvest Food Drive. Carolina Farm Credit donated more than \$1,500 and 5,175 pounds of food to local food banks as a result of a food drive conducted from May through August.

Employees, members of Carolina Farm Credit and the community made monetary or non-perishable food donations at each of the 36 service centers throughout western North Carolina. They collected a total of \$433 and 4,875 pounds of food. Each service center, made these donations to a local food bank, church, soup kitchen or other community group that serves the hungry in their own community. ■

Carolina Farm Credit Employees & Board Donate more than \$4,900 to Local Charities

Carolina Farm Credit, its employees and board members donated more than \$4,900 to local charities in 2012. More than \$3,900 was collected by employees and board members who participated in a charity contribution throughout 2012, and \$1,000 was donated by Carolina Farm Credit. 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 \$1,242 from Carolina Farm Credit:

Family Services of Caswell County

Yanceyville, N.C. (Yanceyville service center)

Yadkin Christian Ministries

Yadkinville, N.C. (Yadkinville service center)

West Chatham Food Pantry

Siler City, N.C. (Siler City service center)

Youth for Christ

Roxboro, N.C. (Roxboro service center) ■



Federal Income Tax Filing Season Is Here

THOMAS HAARMANN, J.D. – MANAGER FINANCIAL SERVICES

The due date for 2012 federal income tax returns is April 15, 2013. Whether you're preparing your own taxes or paying someone else to do them for you, you'll want to start pulling things together sooner rather than later. That includes gathering a copy of last year's tax return, W-2s, 1099s and deduction records.

Filing for an extension

If you're not going to be able to file your federal income tax return by the due date, file for an extension using IRS Form 4868, application for Automatic Extension of Time To File U.S. Individual Income Tax Return. Filing this extension gives you an additional six months (to Oct. 15, 2013) to file your return. Don't make the mistake of assuming that the extension gives you additional time to pay any taxes due, though. If you do not pay any taxes you owe by April 15, you'll owe interest on the tax due, and you may owe penalties as well. Special rules apply if you're living outside the country or serving in the military outside the country on April 15.

There's still time to contribute to an IRA

You generally have until the due date of your federal income tax return (April 15) to make contributions to either a Roth IRA or a traditional IRA for the 2012 tax year. That means there's still time to set aside up to \$5,000 (\$6,000 if you're age 50 or older) in one of these retirement savings vehicles. It's worth considering, in part because contributing to an IRA can have an immediate tax benefit. That benefit comes in the form of a potential tax deduction—with a traditional IRA, if you're not covered by a 401(k) or another employer-sponsored retirement plan

(if your spouse is covered by an employer plan, you're considered to be covered as well), you can generally deduct the full amount of your contribution. (If you're covered by an employer-sponsored retirement plan, whether or not you can deduct some or all of your traditional IRA contribution depends on your filing status and income.)

It's a little different with a Roth IRA; if you qualify to make contributions to a Roth IRA (whether you can contribute depends on your filing status and income), the contributions you make aren't deductible, so there's no effect on your 2012 taxes. Nevertheless, a Roth IRA may be worth considering because qualified Roth distributions you take in the future are completely free from federal income tax.

There's also still time to undo a 2012 Roth conversion

Did you convert a traditional IRA to a Roth IRA in 2012, only to see the account drop in value? Wish you could go back in time so that you wouldn't have to pay tax on the value of the IRA assets lost in the downturn? Turns out, you can. If you undo ("recharacterize") the conversion, you're treated for tax purposes as if the conversion never happened—you wind up with a traditional IRA again and no tax bill for the conversion. You generally have until the due date of your 2012 return, including extensions, to recharacterize a 2012 Roth conversion (note that special rules allow individuals who file timely 2012 returns to recharacterize up until Oct. 15, 2013—talk to a tax professional about the details).

If you do recharacterize your 2012 conversion in 2013, you're allowed to convert those dollars (and any earnings) back to a Roth

IRA ("reconvert") after waiting 30 days, starting with the day you transferred the Roth dollars back to a traditional IRA. If you reconvert in 2013, then all taxes due as a result of the reversion will be included on your 2013 federal income tax return.

Review casualty loss deduction rules

If you were one of the many individuals who suffered property damage or loss as a result of late-2012 storms (e.g., October's Hurricane Sandy), be sure to familiarize yourself with the casualty loss rules—you may be entitled to a deduction for storm-related losses that weren't covered by insurance. Review IRS Publication 547, Casualties, Disasters and Thefts for details. ■



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Why Buy Life Insurance?

By: ANGIE SWAIM, SR. RELATED SERVICES COORDINATOR

- **Protects your family after you are gone**
- **Financial protection**
- **Replace lost income upon death**
- **Payoff debts and expenses**
- **Cover estate expenses**
- **Leave money to charity**

These are just a few good reasons to consider buying a life insurance policy. If you're single or just starting out, you may feel you don't need life insurance. Actually, this is the best time to purchase a policy because the premiums are lower. The better your health, the easier and more affordable it will be. Then, as you take on more responsibility and your family grows, you already have that protection in place. No matter your age, buying life insurance coverage is beneficial.

In most cases, term life insurance is a good option to consider when purchasing coverage. Term coverage is based around a span of time and typically offers the most coverage for the least amount of money. As an example you may get a term life plan that is set for a term of 5, 10, 15, 20 or 30 years.

Carolina Farm Credit offers term life insurance through Minnesota Life Insurance Company. We have been affiliated with Minnesota Life for many years and find they offer very competitive rates through their Advantage Elite Select and Premier insurance programs.

How much will the premium cost? Insurance companies have different categories for medical conditions when issuing a policy. As part of their underwriting process and as a service to you, Minnesota Life will provide a FREE medical exam when you apply for coverage. The following is an example of premium cost, using the best rate offered under the Advantage Elite program. Again, premium cost is based on your age, medical condition and exam results.

Male: Age 35 – non-nicotine – 15 yr term – \$150,000 policy = \$186.50/yr
Female: Age 35 – non-nicotine – 15 yr term – \$150,000 policy = \$179.00/yr

You shouldn't rely solely on life insurance coverage offered by your employer. Why not consider protecting your most precious commodity—your family—by purchasing a term policy on yourself for them?

Contact your local Carolina Farm Credit service center for a quote. It could save your family. ■