



Austin Bailey

*Vice President, Commercial
Livestock Lending*



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- Farm Credit and FCS Financial




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- Borrowing Money

3

- Resources for Capital and Interest Rates

Who is Farm Credit?

-  Nationwide system of financial **cooperatives** whose mission is to support **agriculture** and **rural communities** with **reliable, consistent** credit
-  Created in 1916 by U.S. Congress to provide American agriculture with a **dependable** source of credit
-  The Farm Credit system is made up of 4 district banks and 71 associations

Farm Credit by the Numbers

-  **604,700+**
Farm Credit Customers nationwide
-  **\$398.2 Billion**
Total Loan Volume as of 12/31/2023

[A Cooperative Structure](#)

-  **\$25.6 Billion**
New loans to Small Farmers & Ranchers in 2021
-  **40%**
Percent of ag credit needs served by Farm Credit

[The Farm Credit System](#)

Who is FCS Financial?



A Farm Credit Cooperative, serving 102 counties and 26,000+ member-owners in the State of Missouri



Led by a board of 15 directors elected by the member-owners to represent them and ensure the safety of their cooperative



Served by a dedicated team of 250 employees, in 21 branch locations throughout the loan service area

FCS Financial by the Numbers



\$1,000,000+

Given to local communities



100+ Years

Serving rural Missouri and agriculture



\$6.7 Billion

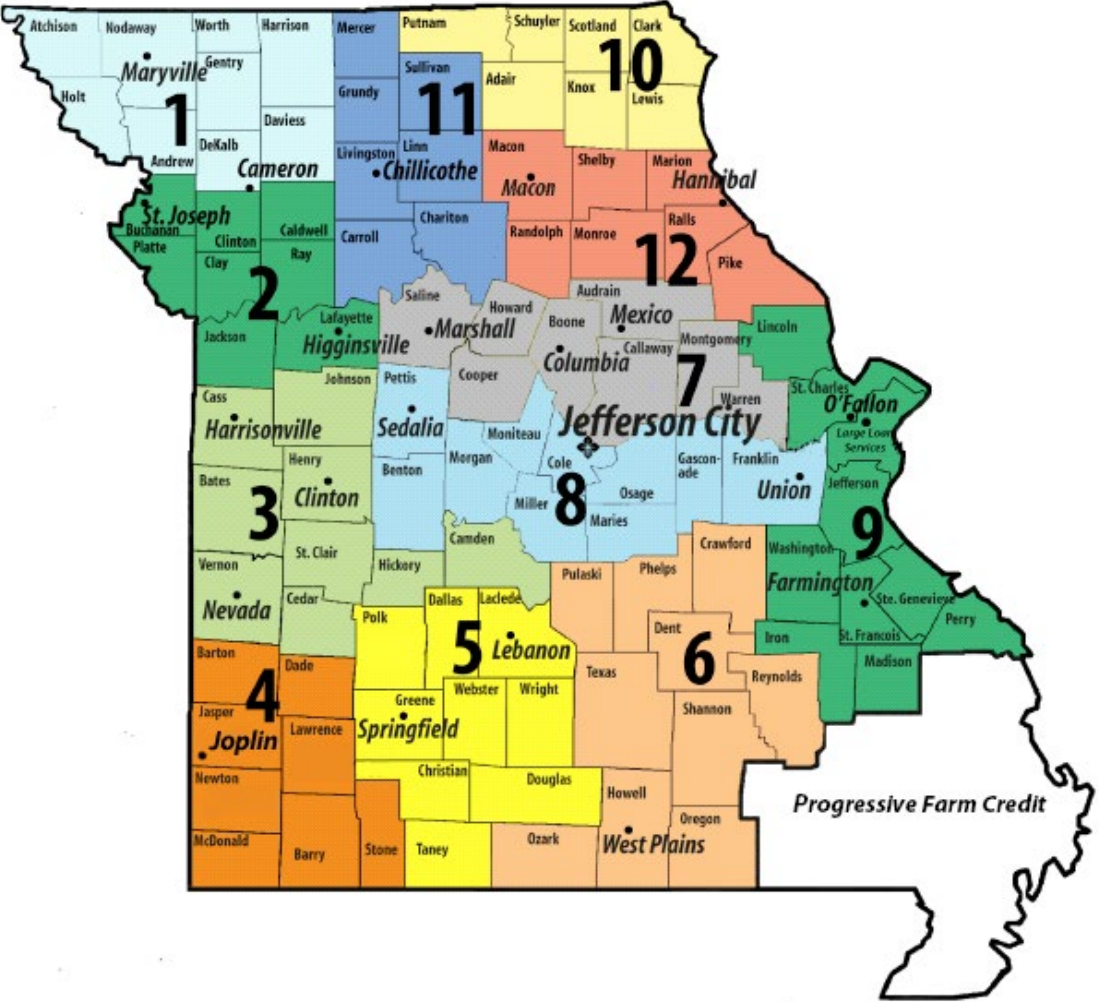
Total assets



\$292+ Million

Returned to member-owners in patronage since 2006

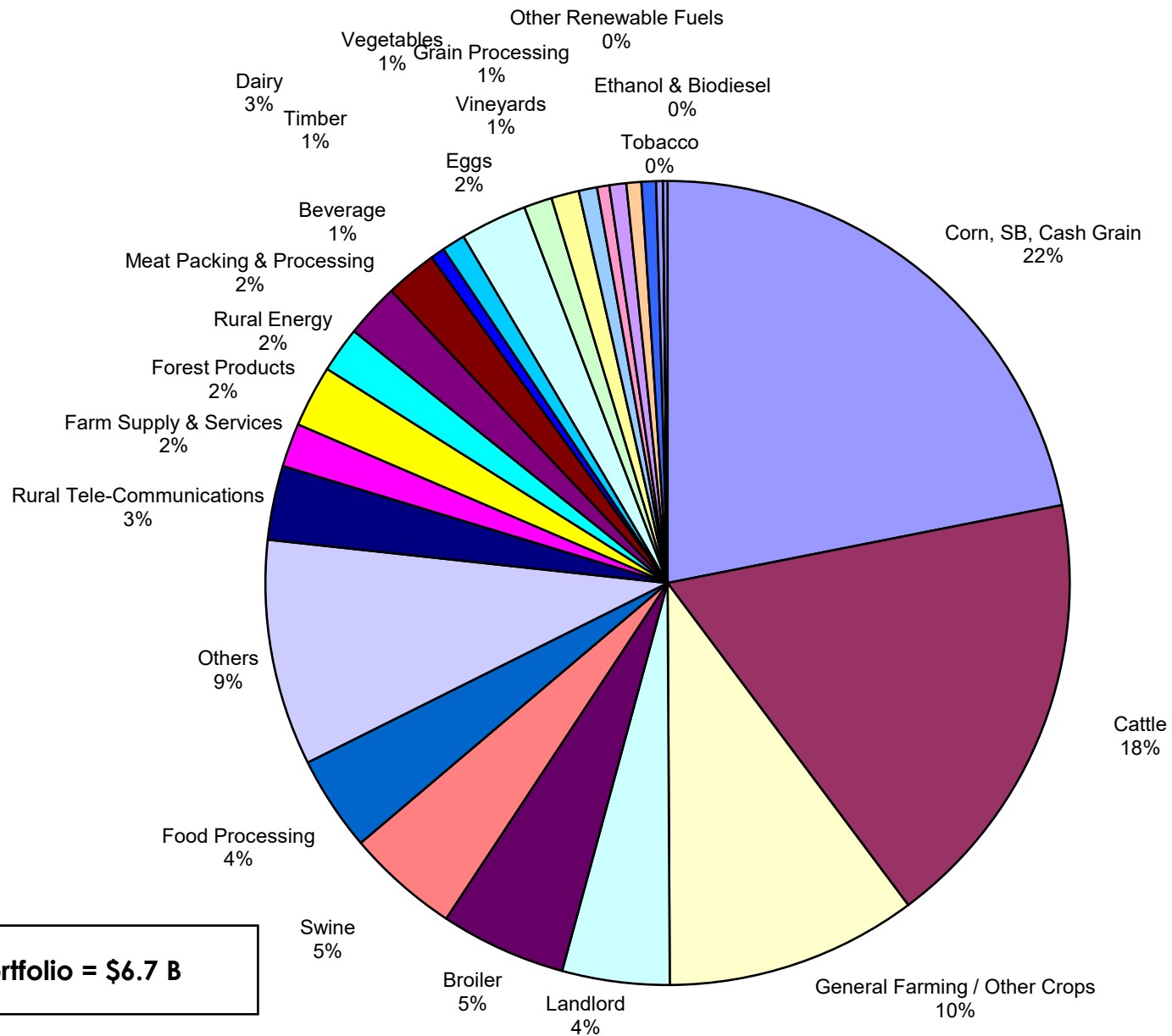
Areas of Director Representation



- Area 1** Andy Capp
- Area 2** Don Schlesselman
- Area 3** Jay Moreland
- Area 4** Glen Cope
- Area 5** Kenny Bergmann
- Area 6** Randy Pace
- Area 7** Beth Schnitker
- Area 8** Dale Ridder
- Area 9** Rick Rehmeier
- Area 10** Dan Devlin
- Area 11** Sherry Jones
- Area 12** Curtis Delgman

- Appointed** Dr. Michael Cook
- Appointed** David Meneely
- Appointed** Troy Norton

TOTAL PORTFOLIO SEGMENT ANALYSIS As December 31, 2023



Total Portfolio = \$6.7 B

Serving our Member/Owners & our Communities!

- **FCS Financial Foundation**
 - Foundation to support ag and rural communities through grants for long-term projects
- **Youth in Ag**
 - Support 4H and FFA locally and statewide
 - Interest free funding for 4H and FFA Projects
 - More than 800 projects funded for more than \$1.2M
- **FCS Connect Program**
 - Reduced credit standards to help our YBS get going
 - Educational Component
 - Representation as Stockholder Advisory Committee
 - Communication through new channels



FCS Financial Corporate Projects

- **Partners in Doing**

- 2400+ Hours of volunteer work by staff



- **Boost Your Impact**

- More than \$64,000 have been donated by staff to local charities



- **FCS Financial Scholarships**

- Over 600 scholarships totaling more than \$800,000 since 2004



- **Shaping Rural Missouri**

- Nearly \$185,000 in community betterment Grants to FFA & 4H groups across Missouri



Borrowing Money with FCS Financial

Our Credit Philosophy

- FCS Financial extends sound, constructive and profitable credit as authorized by the Farm Credit Act and Farm Credit Administration regulations.
- We serve full- and part-time farmers, processing or marketing operations, farm-related service businesses and rural residents and recreational land owners.



The Farm Credit Advantage



Full-Time Ag Professionals

FCS Financial has been serving rural Missouri for more than 100 years with a staff who understands agriculture

Funds Held Account / Early Principal Pay

Future payment, interest bearing accounts as well as the ability to reduce principal early.

Conversion Options

Member-owner can change the rate program if it is in their best interest without refinancing

Term Loans

Non-demand notes, assumable

No Prepayment Penalties

Pay ahead; *although member-owners may choose lower rates that are available with some prepayment penalties-Flex Option*

Rate Options

Fixed, variable, and adjustable rates are available

Cooperative

Member-owned and managed through an election process for the Board of Directors and Stockholder Advisory Committee. Patronage may be paid on an annual basis depending on board authorization. More than \$125M has been returned to our members since 2006.

Farm Cash Management®

Stand alone or tied to a Revolving Line of Credit, interest bearing account, compounded monthly, state tax free, liquid account

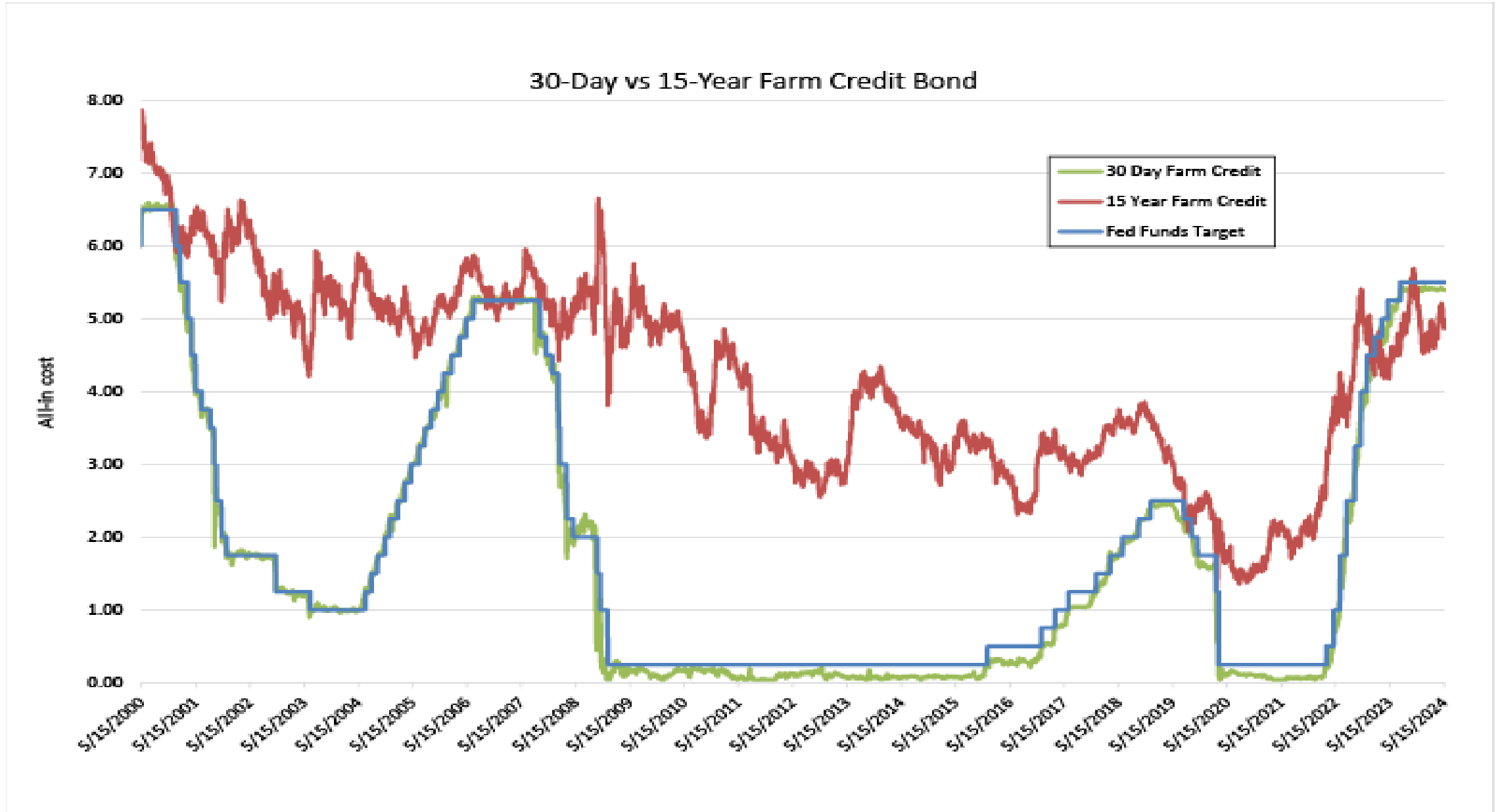
Crop Insurance, Livestock Insurance, PRF

Insurance programs available to reduce risk for your operation with team members who specialize in crop and livestock insurance

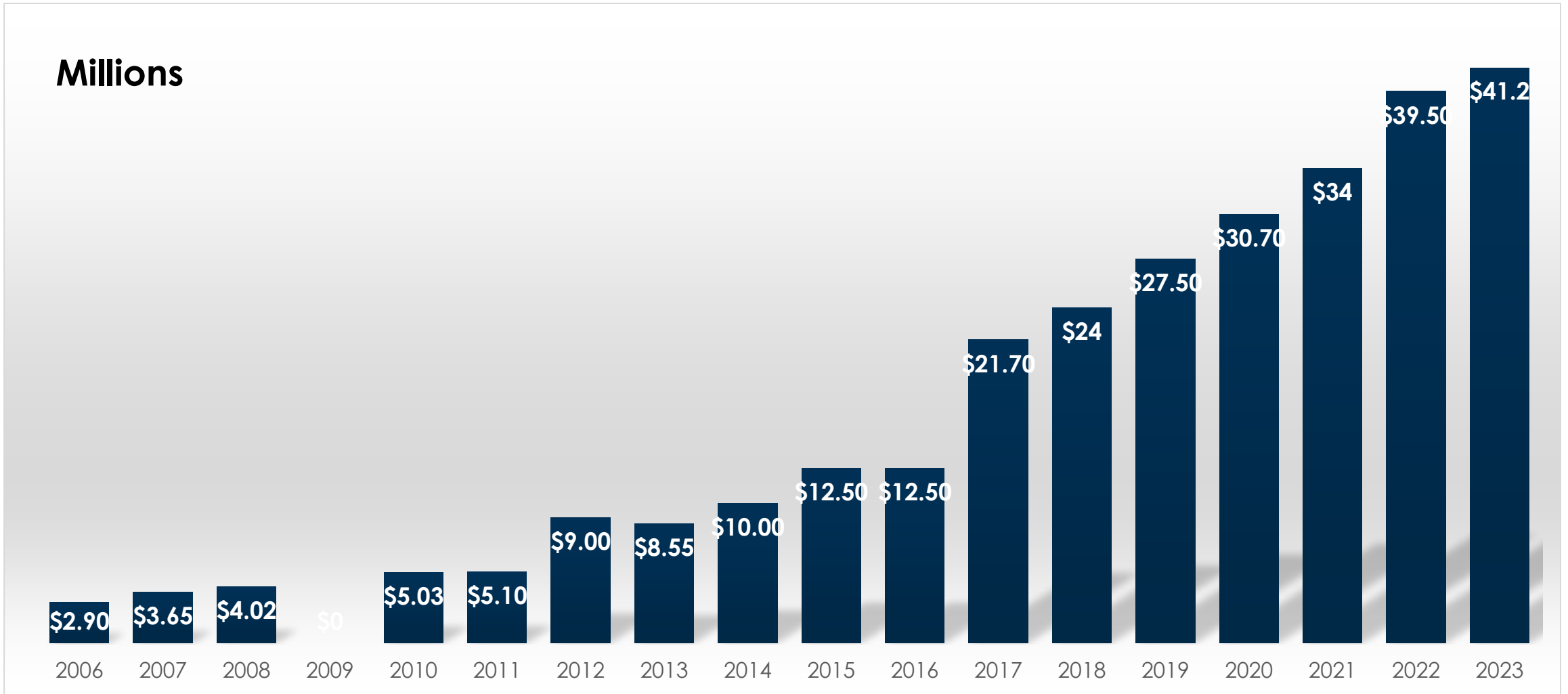
My Access Plus

The Internet keeps you connected to your account 24 hours a day, seven days a week. Manage your alerts, make payments, transmit documents securely and access GrainBridge.

Interest Rate Trends



Patronage Program Payout



Obligating resolution is initiated in the previous year.

Information Your Lender Will Need

- Personal Contact Information
 - Needed for all borrowers
 - Entity Documentation, if applicable
- Non-Farm Income Information
 - Employer, Recent Paystub
- Income Information
 - Tax Returns 3 – 5 years
- Financial Position
 - Balance Sheet/Financial Statement
 - Statements to prove balance may be requested
- Business Plan or Scope
- New Purchase Details
 - Contract or Purchase Order
 - Projection





Personal Information

- Legal names of the parties liable for the loan
- Copy of driver's license
- Social Security numbers
- Address of residency and date moved in
- Number of dependents
- Year began farming

*This information is needed for all signers on the loan request.

Income Information

- Complete Tax Returns
- 3 – 5 years
 - All entities that you are an owner or a part owner of.
- Sharing the returns:
 - Your accountant can send us the tax returns.
 - We can use secure email.
 - You can upload them through My Access Plus.

Financial Record Keeping

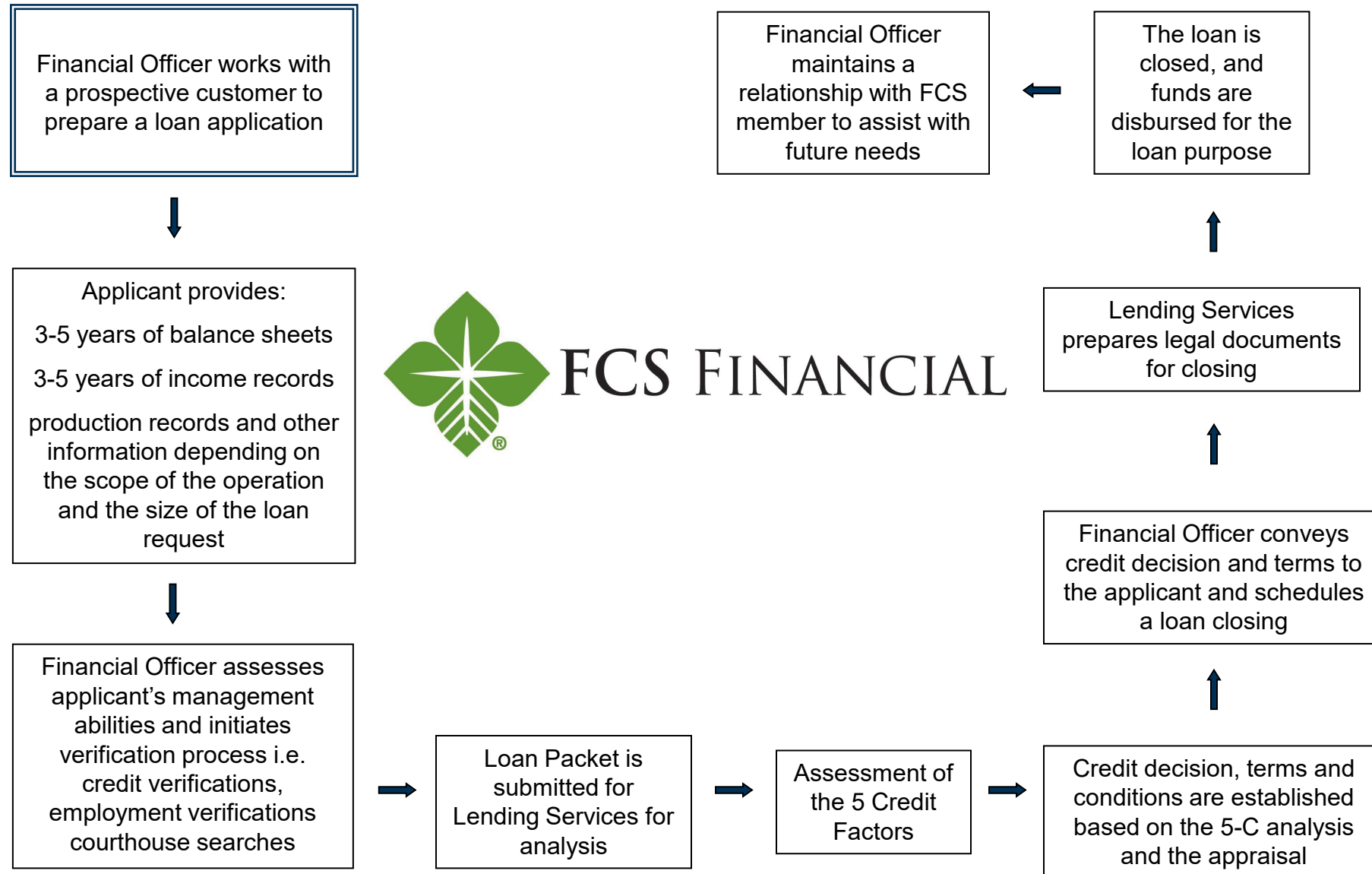
- Types of Documents
 - Financial Statement or Balance Sheet
 - Cash Flow
 - Profit/Loss Statement
- Frequency
 - Annually, ideally 12/31/XX
- Value
 - Access to capital: information risk
 - Liquidity: keeps you in control
 - Overhead cost: what is your advantage
 - Breakeven: drives decisions
 - Income tax planning: long term view
- Management Decisions
 - Compare actual to forecast
 - Trends (business planning & setting goals)
 - Benchmarks (advantage/weakness)



Business Plan/ Scope

- Overview/Description of your operation
 - Basic description of operation
 - All sources of income
 - Spouses Income
 - Rental Income
- Marketing Plan
 - Marketing Positions or contracted prices
 - LRP (More information at myFCSFinancial.com)
- Crop Insurance
- Transition plan

Sales - Credit Processing Flow Chart



5 C's of Credit



Capital

Leverage & Liquidity



Capacity

Ability to Repay



Character

Willingness to Repay



Collateral

Security, Customer Investment



Conditions

Loan Structure

A photograph of a wheat field with a blue overlay. The wheat stalks are in focus, and the background is a soft, out-of-focus field. The blue overlay is semi-transparent, allowing the wheat to be visible through it.

Resources for Capital and Interest Rates

Resources for capital:

- Lenders
- FSA
 - Direct loans
 - Participation loans
 - Loan guarantees
- Missouri Department of Agriculture
 - Grants
 - Young, Beginning, Small Farm Programs

Missouri Agricultural and Small Business Authority (MASBDA)



The Missouri Agricultural and Small Business Authority makes grants, loans, loan guarantees and tax credits available at competitive rates. MASBDA offerings are only a portion of financial assistance programs available to Missouri producers available on the Missouri Department of Agriculture website.

MOBUCK\$

The Missouri State Treasurer's Office linked deposit program, MOBUCK\$, invests in Missouri small businesses, agriculture, and governmental entities.

Through the program, the Office partners with qualified lending institutions to provide low-interest loans to help grow and expand economic opportunity across Missouri. By reducing the interest rate on certain loans borrowers can use to improve their businesses, the program helps Missouri financial institutions better serve Missouri-based companies and agricultural operations. The program also provides funds for local governments to serve the interests of their constituents.

Using the program allows lenders to lower the interest rates to the borrower by about 2-3 percent.

MOBUCK\$

Recent Updates

- Portal Open from July 29 to August 29
- Loan amounts limited to \$2 million per application
- Amount of Available Funds
 - An aggregate amount of \$500 million in new MOBUCK\$ linked deposits will be made available. The aggregate of all new deposits will not exceed this amount.
- Random Selection
 - After the portal closes, all applications will be assigned a random number. Numbers will then be randomly chosen until the supply of available deposits is exhausted. Deposits will be pulled for initial processing by STO staff in the order they are selected.

Link: treasurer.mo.gov/content/low-interest-loans



VIVEK MALEK
MISSOURI STATE TREASURER

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Unclaimed Property ▾

Programs and Services ▾



Agriculture

The Missouri Linked Deposit Program partners with lenders to provide low-interest loans to create and retain Missouri jobs, encourage new economic development projects, and strengthen communities statewide.

The Missouri Linked Deposit Program for Agriculture assists agricultural operations and farmers by providing funds for production expenses, new farms, agricultural ventures, livestock and poultry production, and renewable fuel production.

There are five individual programs within the Missouri Linked Deposit Program for Agriculture:

[Farming Operations Program](#)

[Beginning Farmer Program](#)

[Guaranteed Agribusiness Program](#)

[Guaranteed Livestock Operations Program](#)

[Facility Borrower Program](#)

Eligibility

- Each eligible Farming Operation and Beginning Farmer may qualify for deposits. These loans are renewable

AgDirect



- Equipment financing program owned by Farm Credit Associations designed to meet our member's needs.
 - Simple
 - Quick
 - Flexible
- Available through most of Missouri's equipment dealers.

Questions?



Agritourism in Missouri



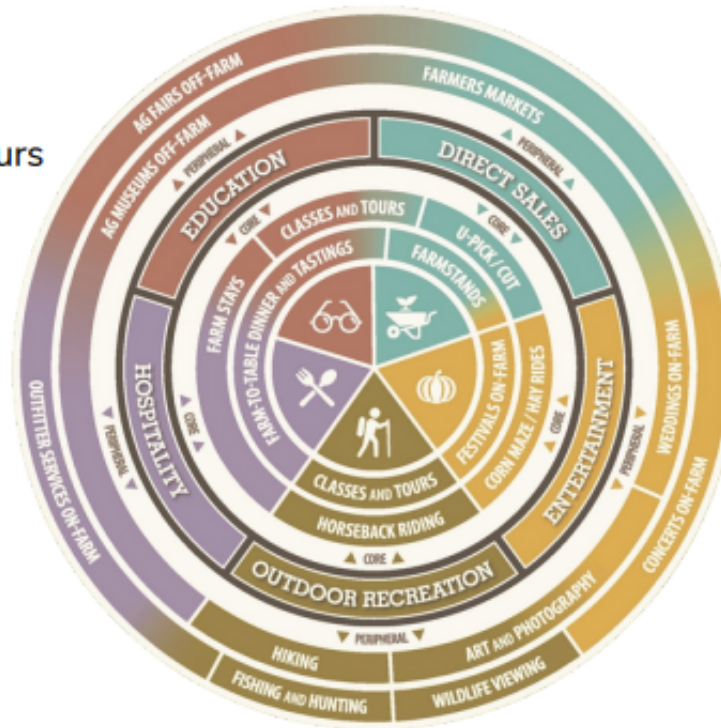
Missouri has 95,320 Farms

Agritourism activities fit within five main categories:

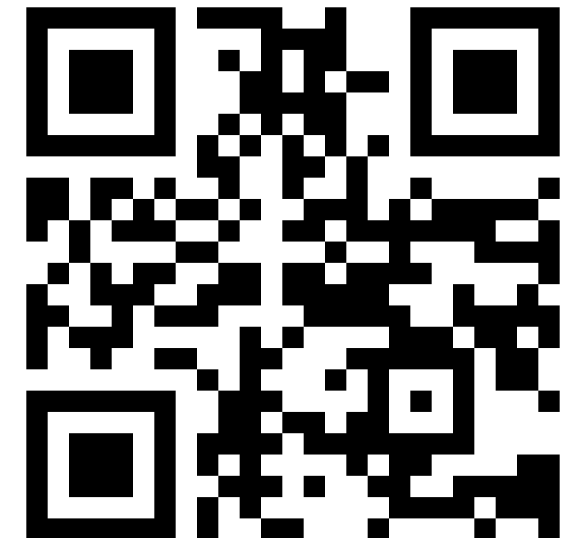
- **Direct sales:** consumers buy directly from farmers
- **Education:** learning experiences, such as school tours
- **Hospitality:** includes farm stays, on-farm dinners
- **Outdoor recreation:** outdoor farm experiences
- **Entertainment:** on-farm activities such as festivals

According to the 2017 Agricultural Census, Missouri has **4,209 Farms offering Direct Sales or Agritourism**

- **3,558 Farms with only Direct Sales**
- **569 Farms with only Agritourism**
- **82 Farms with both Direct Sales and Agritourism**



Free
Resource



Upcoming Event

FCS Financial staff will walk you through the questions to ask, documents you need to have and things to think about before you borrow money.



FCS FINANCIAL

Online
WEBINAR

WED., JULY 24

12 P.M.

What to Know Before You Borrow Money

Growing Relationships. Creating Opportunities.™

The graphic features a central photograph of a woman in a red shirt smiling and talking to a man and a woman seated at a table. The background is a green gradient with white text and icons. The FCS Financial logo is in the top left, and the webinar title and date are in the bottom left. The slogan is on the right edge.



FCS FINANCIAL

Growing Relationships. Creating Opportunities.™

— A FARM CREDIT COOPERATIVE —

Follow us on social media or sign up for email alerts to find out about upcoming education events.

