

# Neighbors

*Published exclusively for Progressive Farm Credit Services*

Winter 2015

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## Progressive Farm Credit Services to Distribute Patronage Refund for 22nd Straight Year!

We are pleased to announce that Progressive Farm Credit Services will be sending the 2015 Patronage Refund checks to our borrowers next month! For the past 22 years, Progressive FCS has returned a significant portion of our profits back to you, our valued member/borrowers. Since 1994, we will have refunded over \$60 Million!

Progressive Farm Credit Services was the first to start a Patronage Refund Program in the AgriBank District, our direct lender. We take pride in being leaders and innovators in the agriculture community of Southeast Missouri.

For 2015, our Patronage Refund totals \$5,250,000 and will be distributed to our 1,829 customers in late January.

We are proud to share our profits with our member/borrowers! ...And our Board of Directors has decided to continue our Patronage Program for 2016!

We encourage our members to tell their friends about Progressive Farm Credit Services and our 100% CASH Patronage Refund Program.

If you are not a member of Progressive Farm Credit Services, you have to ask yourself: "When was the last time my lender sent me a check?" If you do not like the answer, stop by any of our seven branch offices to find out about the agricultural loans, rural home loans, and other related products we offer as well as our 100% CASH Patronage Refund Program! ...Or go to our website: [www.progressivefcs.com](http://www.progressivefcs.com).

## 2015 Annual Stockholders Meeting Director Election Results



Mike Aufdenberg,  
Zone 1

The 2015 Annual Meeting was held on August 20th at the Corporate Office in Sikeston. Mike Aufdenberg (Jackson) was re-elected to serve another three-year term on the Board of Directors representing Zone 1. In addition, Marty Vancil (Kennett) was re-elected to serve another three-year term on the Board of Directors representing Zone 7.



Marty Vancil,  
Zone 7

The Board congratulates Mike and Marty on their re-election and offers their thanks to all the candidates and nominating committee for their service.

# PRESIDENT'S *Corner*



**Bob Smith**  
Incoming President/CEO

## Dear Shareholders,

In my first letter to you in my new role as incoming President and CEO, I want to publicly thank Ron Milbach for his outstanding leadership of Progressive Farm Credit Services over the past 24 years.

When he was hired in 1991, Ron's first responsibility was to successfully accomplish the merger of two PCA's – Caruthersville PCA and Sikeston PCA – which became known as the Production Credit Association of Southeast Missouri; and to combine them under a joint management agreement with the Federal Land Bank Association of Southeast Missouri, FLCA. The PCA merger and the joint management with FLCA became effective in early 1992. Next Ron began the daunting challenge of bringing three distinct association staffs together as a single team capable of originating and servicing both long term and short term loans, and selling and servicing insurance products, all the while reporting to two separate boards of directors. This structure continued from 1992 to 2002.

In early 2002, upon stockholder and Farm Credit Administration approval, the PCA and the FLCA both became wholly owned subsidiaries of a new type of entity known as an Agricultural Credit Association (a/k/a ACA), and the new association was named Progressive Farm Credit Services, ACA. At this point we were able to have a single board of directors overseeing the ACA, PCA & FLCA.

Over the years Ron has relentlessly strived to offer better products and services to our customer/owners, to better streamline our operations for efficiency, to build new facilities where these were lacking, institute our long running patronage program and in countless other ways to help mold Progressive FCS into the premier agricultural lender in Southeast Missouri.

Along the way he has worked with many fine staff members, directors and customers/owners, and has built many deep relationships and friendships. I feel personally very fortunate to have had such an excellent supervisor, mentor and friend for the past two and a half decades.

Ron, your job has been well done, and it will be difficult to fill your shoes. You and Cathy have earned a well-deserved retirement and we hope that it fulfills all your dreams.

Looking forward, I will continue working with the directors and staff to evermore improve the association's value to you, our customer/owners, and welcome all suggestions that you may have.

We are all blessed in so many ways. I wish each of you a very Merry Christmas and Happy New Year.

Sincerely,

Bob Smith,  
Incoming President/CEO

## **PUBLISHED FOR MEMBERS OF PROGRESSIVE FARM CREDIT SERVICES**

### Board of Directors

|                  |                                  |                                  |
|------------------|----------------------------------|----------------------------------|
| Zone 1           | Jackson Branch Office            | Mike Aufdenberg                  |
| Zone 2           | Poplar Bluff Branch Office       | Mark Yarbrow<br>Chairman         |
| Zone 3           | Dexter Branch Office             | John Robinson                    |
| Zone 4           | Sikeston Branch Office           | Darrell Nichols<br>Vice Chairman |
| Zone 5           | Mississippi County Branch Office | Ed Marshall, III                 |
| Zone 6           | Portageville Branch Office       | James Priggel                    |
| Zone 7           | Kennett Branch Office            | Marty Vancil                     |
| Outside Director |                                  | Phil Showmaker                   |
| Outside Director |                                  | Jennifer Hendrickson             |

**Incoming President/CEO** Bob Smith

**Editor** Jennifer Collier

### Office Locations

|                                       |   |   |
|---------------------------------------|---|---|
| Sikeston<br>(573) 471-0511            | 1110 N. Main<br>1-800-455-4059          | Heather Couch<br>Fax (573) 471-8175     |
| Portageville<br>(573) 379-3461        | 501 W. State Hwy. 162<br>1-800-455-4500 | Mark Weidenbenner<br>Fax (573) 379-2815 |
| Mississippi County<br>(573) 649-4110  | 791 Hwy. 105                            | Dawn Collier<br>Fax (573) 649-4120      |
| Dexter<br>(573) 624-5947              | 1114 N. Outer Rd.<br>1-888-354-5947     | Blaine Cooper<br>Fax (573) 624-8346     |
| Poplar Bluff<br>(573) 686-1446        | 1475 North Westwood                     | Alan Hicks<br>Fax (573) 686-1447        |
| Jackson<br>(573) 243-4301             | 420 W. Washington                       | Kirk Mueller<br>Fax (573) 243-8029      |
| Kennett<br>(573) 888-6624             | 811 South By-Pass                       | Randy Caldwell<br>Fax (573) 888-6625    |
| Corporate, Sikeston<br>(573) 471-0342 | 1116 N. Main                            | Bob Smith<br>Fax (573) 471-2745         |

# Help Our Lenders to Help You

By Bill Comstock, Sr. Vice President / Chief Credit Officer

After 26 years serving the ag industry, I have learned that if you mention the word accounting to most folks they quickly look for more pleasurable things to do, such as pulling pig weed, moving a pivot, or replacing a rear main bearing.

Accounting is not fun for a lot of us, and that is ok. I would like to provide a few painless steps that you can do to help our lenders help you by providing them with a few key pieces of information. I know this is starting to sound like accounting, but bear with me and read this article in its entirety. I assure you it is not that bad.

Most farmers utilize cash accounting – the most commonly used form of accounting that basically mirrors their checkbook, and it allows flexibility when developing a tax strategy. However, the disadvantage to cash accounting is it can be difficult to measure financial performance and understand what has happened during the operating cycle because it does not take into account all of the non-cash factors, such as accounts receivable, inventory, accounts payable, prepaid expenses and a few other items.

The solution to this issue is to complete an accurate balance sheet, preferably at year-end to match up with the cash information provided to your accountant.

Progressive Farm Credit Services lenders are well versed at making the adjustments necessary to gain a true representation of the financial performance of your operation, but they need an accurate and timely balance sheet in order to do so. This information is very difficult to recreate after the fact, so it is very helpful and important to prepare one as soon as possible at year end.

This is really starting to feel like accounting, but please continue to bear with me because we are going to break it down even further to just a few key items:

- Checking and Savings account balances
- Accounts receivable – typically this is grain you have sold but not yet received payment for.
- Inventory of Farm Products – number of units, i.e., bushels, bales, head of cattle, etc.
  - Note if it is priced or unpriced
  - Lenders can back into the values later, but the units are important.
- Inventory of Supplies – seed, fertilizer, chemicals, etc.

- Prepaid Expenses & Supplies –
  - Items paid for but are not included in inventory.
  - Land rents paid for next crop cycle, if any
- Changes in Equipment
  - Items purchased and price
  - Items sold/traded and price.
- Trade Accounts Payable – Inventory or Supplies not yet paid for.
- Other Loan Activity – Non-PFCS loans
  - Amount of new money borrowed from other lenders
  - Special non-scheduled loan payments made throughout the year
  - We have Farm Credit loan information, so only other loan activity needed.

As you can see, this is not that painful of a task – even if it is accounting. I suspect you could pull this information together in a little over an hour. If an hour is too painful, spend 10 minutes a day for 8 days over the 12 Days of Christmas and have a goal to have it completed no later than the 12th Day of Christmas – January 5th.

Again, Progressive Farm Credit Services lenders are well versed in utilizing this information and they will be happy to assist you through this process. Help them to help you as this is one of the most important tools they can utilize to continue to bring you top shelf service.

Have a Merry Christmas and a Happy New Year!!



## Text Message Alerts

Sign up to receive important PFCS reminders and updates on your cell phone.

**Text AGLOANS to 313131**

**Text CROPINS to 313131**

Msg & data rates may apply. To unsubscribe from this list reply STOP to 313131.

[www.ProgressiveFCS.com](http://www.ProgressiveFCS.com)

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## Funds Held Program Changes in July 2016... But Still A Great Value!

In November, we sent out letters explaining the change in Funds Held Account interest rates, effective July 1, 2016.

**Due to changes in our costs related to Funds Held balances, beginning July 1st, 2016, Progressive will pay interest on Funds Held balances equal to the bill rate on the corresponding loan minus 2.00%. As an example, beginning on July 1st, a loan with a 5.00% bill rate will earn 3.00% on its related Funds Held balance.**

We feel this is still a very competitive rate of return in our current market and we encourage anyone with extra funds to be payments ahead by utilizing the Funds Held program. This creates a safety net when cash flow is tight.

As a PFCS member you will still have the ability to take advantage of our unique Funds Held account program.

- up to 50% of the outstanding principal balance may be applied to funds held on any equipment or freely payable real estate loan, and up to 10% of the original loan commitment on real estate loans that are not freely payable may be applied to Funds Held, each with 4 withdrawals allowed a year

Since this change will not take place until July 1st, that means that current Funds Held balances will still earn their current rates, and can be left in place to cover loan payments coming due between now and next spring without any interruption. Effective July 1st, the only change going forward is that the interest rate paid on the Funds Held will be lowered by 2.00%, relative to the loan bill rate.

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Protect your operation from the unknowns with Crop Insurance products from Progressive Farm Credit Services!!

***There's still time to sign up for 2016.***

Contact your local branch office today to make sure your livelihood is covered!

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# AgSunrise – Young and Beginning Farmer Program

By Chad Crow, Sr. Vice President / Chief Operating Officer

In late 2014 plans were made to significantly enhance our Young and Beginning farmer program. AgriBank approved the program and it was given a name via a contest of our employees. Matthew Poole from our Kennett branch office had the winning submission. This enhanced program has been branded “AgSunrise”.

We are focusing on the principal operator (producer of agricultural products). Conditions required to fit our program consist of:

- 35 years old or younger, or
- 10 years or less self-employed as a farmer (producer)
- Reasonable chance of success
- Upcoming next generation
- In need of extra help financially
- Principal Operator (not a landlord only)

A weaker agriculture economy will probably slow down new entrants to farming. We see the need for helping new farmers get started.

An important AgSunrise initiative is to support and build relationships with Vocational Agriculture Department and FFA Chapter instructors and advisors. We want to try to assist, sponsor, and support Vocational Ag and FFA programs with materials, equipment, Ag Finance instruction or in other ways. We want to build relationships with the instructors, and in turn learn about and build relationships with their students who are likely to engage in farming in a meaningful way.

Our staff is strengthening relationships with Southeast Missouri FSA farm loan lenders, and FSA farm program administrators. Our goal is to strengthen relationships with area farm loan specialists and likewise, have FSA present their programs to our lenders and customers. We are learning more about FSA programs and are utilizing these programs with our customers.

Another goal is to establish a Young and Beginning Advisory Group in each branch office. We envision having a special breakfast or lunch at least annually. We plan to make these educational meetings choosing one topic to cover (example: working capital). We will invite the PFCS director from that branch office to attend.

In order to help Young and Beginning farmers, the AgSunrise program has standards and exceptions which are different from our seasoned borrowers. We have also set discounts, fee waivers and financial support guidelines for this program to help benefit the applicant. We can provide these details at our branch offices upon request.

We have made available a pool of Association Capital commitment for this program equal to 25% of permanent capital, or roughly \$30 million in loan commitments.

Progressive Farm Credit Service desires to utilize the program to help start and sustain viable Young and Beginning operations. We encourage those that are eligible to contact your local branch office and see if your loan can be approved. Progressive Farm Credit Services believes in the young farmer and wants to see family tradition and startups succeed. We hope this program gives those that need help, the help they need.

## RETIREMENTS



### **Ron Milbach** | *President & CEO*

President & CEO Ron Milbach has announced his retirement, effective December 31, 2015, after 24 outstanding years leading our Association. Ron and his wife Cathy plan on traveling around the country in their RV and spending more time with their children and granddaughter.



### **Nancy Cooper** | *Customer Service Representative - Dexter Branch*

Nancy Cooper retired in March from Progressive FCS after a 40 year career serving the customers of the Dexter Branch Office. While she misses seeing “her” customers, she really enjoys spending more leisure time with family.

## PROMOTIONS



### **Robert “Bob” Smith** | *Incoming President & CEO*

Robert “Bob” Smith was named by the PFCS Board of Directors as the new Incoming President & CEO to take over the reins of the Association from retiring CEO Ron Milbach on December 31, 2015. Bob has 37 years with Progressive FCS, the past 33 years as SVP/Chief Credit Officer and member of the senior management team. Bob’s vision for the future is bright. We will remain a strong, independent organization under his leadership.



### **Chad Crow** | *Senior Vice President / Chief Operating Officer*

Chad Crow was recently promoted to Senior Vice President / Chief Operating Officer. As a member of the Association’s senior management team, Chad will oversee the operations and business development activities for the Association’s seven branch offices. Chad previously served as the manager of the Sikeston branch office for nine years and as a loan officer for three years before that.

# PROMOTIONS



## Heather Couch | *Vice President / Branch Manager - Sikeston Branch*

Heather Couch was promoted to Vice President / Branch Manager of the Sikeston Branch Office effective October 1, 2015. Heather joined Progressive FCS in 2010 as a loan officer and brings more than ten years of experience in finance to the position. In her new role, Heather will oversee the Sikeston branch office loan and insurance portfolios and operations.



## Ryan Logan | *Senior Information Systems Specialist - Corporate Office*

Ryan Logan was promoted to Senior Information Systems Specialist and will be responsible for deployment of computer workstations and servers, as well as supporting Association staff on such equipment and business system applications. Ryan will also develop and manage project plans to deliver technology enhancements to the Association, aligning technology and business needs. Ryan joined the Progressive FCS team in 2004.

# MEET OUR NEW EMPLOYEES



## William "Bill" Comstock | *Senior Vice President / Chief Credit Officer - Corporate Office*

William "Bill" Comstock, Senior Vice President / Chief Credit Officer, began his career with Progressive Farm Credit Services in October 2015. With 25 years of credit, sales and business management experience, Bill joins the Association's senior management team and will be responsible for the overall management of the Association's loan portfolio. Bill is a native of Pennsylvania, and a graduate of Pennsylvania State University with a B.S. degree in Agriculture Science with emphasis on ag economics, finance and business management. He and his wife, Sheri, reside in Sikeston.



## Cooper McKelvey | *Loan Officer - Sikeston Branch*

Cooper McKelvey began his career with Progressive FCS in November 2015 as a Loan Officer at the Sikeston Branch Office. He is a native of Jackson, Tennessee and has a Bachelor of Science degree from Union University in Jackson, TN, in Political Science with a minor in Business Administration. Cooper brings several years of lending experience to his role having previously served as a loan officer and then branch manager in Jackson, TN, and Southeast Missouri. He and his wife, Meredyth, live in Sikeston and celebrated the birth of their first child earlier this month.



### **John Dixon** | *Risk Management Specialist - Dexter Branch*

John Dixon, Risk Management Specialist at the Dexter Branch, began his career with Progressive FCS in December 2015. A native of Stoddard County, John has a military background along with a BS in Plant and Soil Science from Oklahoma State University. John was most recently employed with a local agriculture input supply company and is excited about the opportunity to assist farmers with their crop insurance and life insurance needs in his new role. He lives in Bloomfield with his wife, Lecia, and their two sons. The Dexter and Sikeston branches were previously serviced by a shared Risk Management Specialist – while John will be taking care of the Dexter Branch, **Tiffany Shankle** is looking forward to covering the Sikeston Branch in addition to the Mississippi County and Jackson locations.



### **Mark Burger** | *Credit Analyst - Corporate Office*

Mark Burger joined the Progressive FCS team in February 2015 as a Credit Analyst at the Corporate Office. Having been raised on a farm, Mark brings his agricultural background along with a B.S. in Agricultural Systems Management, and minors in Ag Economics and Plant Science, from the University of Missouri – Columbia to the position. Mark resides in Kelso, Missouri.



### **Kati McCann** | *Customer Service Representative/Credit Analyst - Sikeston Branch*

Kati McCann is a Customer Service Representative/Credit Analyst at the Sikeston Branch Office. She began her career with Progressive FCS in July of 2014. Kati is a graduate of the University of Missouri with a Bachelor of Human Environmental Sciences: Emphasis on Personal Finance Planning and has completed the Missouri School of Lending and Graduate School of Lending. Prior to coming to Progressive FCS, Kati was a loan officer with four years' experience at a commercial bank. Kati and her husband, Tyler, have one daughter and live in Charleston.



### **Denise Mayberry** | *Customer Service Representative - Sikeston Branch*

Denise Mayberry, Customer Service Representative at the Sikeston Branch Office, joined Progressive FCS in September 2015. She has a Bachelor of Science degree in Business (Marketing area) from Murray State University and brings a great knowledge of finance and customer service skills to this position. Denise resides in Bernie, Missouri.



**Kim Hicks** | *Customer Service Representative - Poplar Bluff Branch*

Kim Hicks began her career with Progressive FCS in September of 2013 as a Customer Service Representative at the Poplar Bluff Branch Office. Kim is a graduate of Southeast Missouri State University with a BA degree in Business Education and has several years of experience in finance in the Poplar Bluff area. She and her husband, Charles, have one daughter and reside in Harviell, Missouri.



**Pam Sherrod** | *Customer Service Representative - Kennett Branch*

Pam Sherrod, Customer Service Representative at the Kennett Branch Office, began her career at Progressive FCS in September of 2013. She brings with her 27 years of work experience in many areas of finance at a local bank. Pam and her husband, Joe, live in Kennett.

## TRANSFERS



**Jane Murphy** | *Customer Service Representative/Credit Analyst - Dexter Branch*

Jane Murphy transferred to the Dexter Branch Office as a Customer Service Representative/Credit Analyst to replace Nancy Cooper, who retired in March, 2015. Previously having worked in the Mississippi County Branch Office and Corporate Office, Jane has extensive experience in credit and providing first class customer service. Jane has been a member of the Progressive FCS team since 2005.

# Making Things Grow for 100 Years... and Counting

## Farm Credit Timeline: 1916-2016

### ***1916 – Founding the System***

President Woodrow Wilson signs legislation creating the Federal Land Bank System. The first loan is made less than a year later.

### ***1923 – New Credit, New Service, Better Funding***

The Agriculture Credits Act of 1923 extends service and provides short-term and intermediate operating credit, while the System strengthens its funding capabilities.

### ***1933 – The Great Depression***

In the midst of the Great Depression – which was even a greater hardship for agriculture – the System is rescued, expanded and helps save countless American farms.

### ***1941 – Production for War***

Three days after the attack on Pearl Harbor, officials of the Banks for Cooperatives meet in Washington, D.C., to set new priorities. The entire Farm Credit System prepares to fight inflation and feed a nation at war.

### ***1953 – An Independent Path***

The Farm Credit Act of 1953 makes the Farm Credit Administration an agency of the executive branch and sets the System on a path toward independence.

### ***1971 – Full Borrower-Ownership, New Charter***

Comprehensive new legislation completely updates the charter of the newly borrower-owned System, broadening its lending authority.

### ***1980 – Expanding Authority, Greater Responsibility***

The Farm Credit Act Amendments of 1980 expand the System's lending authority, provide for the creation of Service Organizations and recognize the System's commitment to YBS farmers.

### ***1988 – Farm Crisis: Toward Solvency and a New Structure***

In the midst of an extended farm crisis, the Agricultural Credit Act of 1987 provides federal financial assistance and requires the System to reorganize.

### ***1999 – Associations Restructure for the Future***

After more than a decade of experimentation, the "Parent ACA" arrangement is developed, setting the pattern for subsequent mergers at the association level.

### ***2005 – Paid in Full***

Twenty years after the peak of the Farm Crisis, the System repays the last of the federal capital provided during the emergency, returning to fully borrower-owned status.

### ***2016 – Farm Credit 100***

Farm Credit marks its centennial and looks ahead to continue serving as the financial underpinning of U.S. agriculture and rural America.



# Memories

*CEO Ron Milbach will be retiring December 31st after 24 years with Progressive Farm Credit Services. Thank you, Ron, for your service – Congratulations and Enjoy!!*



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