

Neighbors

Published exclusively for Progressive Farm Credit Services

Summer 2012

*What's
growing on
the inside...*

- 1** Annual Stockholders Meeting
- 3** Kevin Hughes - Young Beginning Farmer
- 5** Farm Credit Celebrates 95 Years
- 7** New Progressive Website
- 9** New Employees/Promotions



2012 ANNUAL STOCKHOLDERS MEETING

AUGUST 16, 2012

The 2012 Annual Stockholders Meeting will be held on Thursday, August 16th at the Corporate Office in Sikeston.

This year two incumbent directors (Charles Parker and Jim Yount) will be retiring from the Board of Directors. The Progressive FCS Nominating Committee met in May and selected director candidates for these two Zones, as well as next year's nominating committee candidates.

Prior to the Annual Meeting, each voting stockholder will receive an annual meeting packet with election information, including a proxy form and two ballots - one is the director ballot and the other ballot is to ratify the nominating committee members for next year.

All voting stockholders are encouraged to participate in the governance of the Association by sending in their completed ballots and proxy form by August 16.

3 Directors Retiring With 82 Cumulative Years Of Service



Jim Yount (left); Charles Parker (center) and Jake Fisher (right) were recognized at the July directors meeting for their many years of service on the board. Each will be retiring from the board effective August 16th at the Annual Meeting.

Charles Parker, Chairman of the Board, will be retiring after 30 years of serving on the Progressive Farm Credit Service Board of Directors. He currently also serves as the Chairman

of the Audit and Compensation Committees and represents Zone 7 (Kennett Branch Office) on the Board of Directors.

Jim Yount, Vice-Chairman of the Board, will be retiring after 29 years of service on the Progressive Farm Credit Service Board of Directors. He represents Zone 1 (Jackson Branch Office).

Thomas "Jake" Fisher has served as the Association's Outside Director for 23 years. He also recently retired as Director of the University of Missouri Delta Center in Portageville.

President Ron Milbach said, "We certainly appreciate the wisdom and leadership these three gentlemen contributed to the Board and the Association over the years. We wish each of them continued success in their future endeavors."

PRESIDENT'S *Corner*



Ronald C. Milbach
President/CEO

Dear Shareholders,

We are fast approaching the Association's 2012 Annual Stockholders Meeting, which will be held on August 16, 2012 at the Corporate Office in Sikeston. This will be my 21st annual meeting and this year's meeting will be very different, since for the first time in my career two incumbent directors, Charles Parker, Chairman of the Board, will be retiring after 30 years of service and Jim Yount, Vice Chairman of the Board, will also be retiring after 29 years of service. In addition, Jake Fisher, one of the two appointed outside directors will be retiring with 23 years of service at the August Board of Directors Meeting. When combining these three directors you have a total of 82 years of service to the Progressive Farm Credit Services Board of Directors. Also, these three men are the last remaining board members who were on the Board when I was hired in March 1991. We will miss Charles, Jim and Jake, but I am very confident you will elect two new qualified directors who will add a new perspective to your Board of Directors.

I hope each of you, our stockholders, will take the opportunity to vote for two of the very qualified candidates that were nominated for the two positions. You will receive a packet of information from the Association in the next few days. We do appreciate your vote and I know the candidates will also. The governance of the Association is very important and with two open seats this year, the voting could be very close. As an example, a few years ago in an open election, with no incumbent running for re-election, the total vote was decided by only 18 votes, so your vote is very important.

We're halfway through the summer and 2012 is completely opposite 2011 when we had heavy rains and flooding. This year, it seems we can't buy a good rain. Never have I seen the irrigation used to the extent it has to just get our crops up this year. We are blessed with water for irrigation in much of our trade area.

I want to remind our customers you can buy hail insurance at any time from Progressive FCS with six full time Crop Insurance Specialists on staff. So far this year, while the rains have been scattered, there has also been hail with this rainfall and claims have been high considering what little rain we have received.

As a reminder to all our customers, large or small, we do appreciate the business you bring to Progressive Farm Credit Services.

Sincerely,

Ronald C. Milbach,
President/CEO

PUBLISHED FOR MEMBERS OF PROGRESSIVE FARM CREDIT SERVICES

Board of Directors

Zone 1	Jackson Branch Office	Jim Yount Vice Chairman
Zone 2	Poplar Bluff Branch Office	Mark Yarbrow
Zone 3	Dexter Branch Office	John Robinson
Zone 4	Sikeston Branch Office	Darrell Nichols
Zone 5	Mississippi County Branch Office	Ed Marshall, III
Zone 6	Portageville Branch Office	James Priggel
Zone 7	Kennett Branch Office	Charles Parker Chairman
Outside Director		Jake Fisher
Outside Director		Phil Showmaker
President		Ronald C. Milbach
Editor		Anna C. Harper

Office Locations

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

Kevin Hughes - Young Beginning Farmer

by: Joshua Kineman and Anna C. Harper

Whether it is planting a field, contracting crops, or raising a family; a farmer's success often involves being ready for opportunity. For Kevin Hughes the opportunity to farm on his own came in 2000.



Growing up in a farming family, Kevin was always raised to be well-grounded and respectful – have gratitude for what you have and to not live beyond your means. From the time he was a young boy he has always loved being around farming. Some of his best

memories are of riding in the tractor with his dad as he worked the fields.

You can tell Kevin was raised well as he has carried those same values into adulthood. He is humble about his beginnings in farming. He gives credit to Lonnie Watkins and Butch Watkins (Lonnie's nephew) for helping him to get to where he is today. Unlike families that pass equipment from father to son, Kevin did not have anything when he first started – no equipment, no money to operate a farm, and no guarantee that it would work. However, what he did have was the opportunity and a proposal that Lonnie provided that could benefit them both.

Kevin started as a young farmer in his early 30's by working for Butch. However, after Butch dissolved his operation in 1998, Kevin thought that farming may not be what he needed and decided to work in construction for a while.

A year later Butch reached out to Kevin and asked Kevin if he wanted to farm again. Naturally Kevin assumed that Butch was going to start farming again and was asking him to work on the farm; however, this was not the case. Butch asked Kevin if he would want to farm on his own. Kevin was taken by surprise and told Butch that he didn't have any equipment or money to buy equipment so he was unsure of how he could accomplish this and make a living. Butch told Kevin "You don't have to worry; we have a plan that will work if you are willing to accept it." This is



when Kevin was introduced to Lonnie Watkins.

Lonnie Watkins, after 40 years of farming, wanted to phase out of his operation. Over the years he had built up his operation to renting 1,200 acres from one landlord. He had only one daughter who

had no desire to take over the operation, and had tried for two years to find someone who would appreciate the farming lifestyle and continue what he had worked building for years. The last thing he wanted was to see his operation split apart during an equipment auction.

The original proposal between Lonnie and Kevin was for a two

year contract. However, within six months of working, Kevin showed so much potential that Lonnie sold Kevin his first combine, two trucks and enough equipment so he could harvest the crop and have some income. Shortly after, Lonnie proposed to sell all the equipment and tools so Kevin could take over the entire operation. In Lonnie's eyes, he wasn't giving Kevin the equipment and tools, but said he saw Kevin as a son and was giving him an opportunity to fulfill his dream of farming on his own and be successful.

Since that time, Kevin only rents from one landlord and has increased the rented ground to 2,450 acres in the Advance and Cline's Island area, which is all graded with flood irrigation and 190,000 bu. of off-farm storage. He continues Lonnie's rotation of wheat, corn and soybeans (including wheat beans). Kevin's



comment was, "I didn't make any changes because it works." Some of the equipment he purchased from Lonnie has been replaced. As most people know new equipment comes with new technology. Lonnie laughed and said, "Kevin doesn't have to worry about me taking the

farm back over, technology took care of that."

This year will be Kevin's 9th year farming on his own and he continues to use the same values he learned as a young boy. He often thinks about the profitability of his farm before personal purchases. Lonnie mentioned that Kevin's pickup truck is eight years old. When asked why he doesn't buy a new truck, Kevin responded "Are they giving them away, because if not, I don't want to spend \$50,000 on a new truck when I can take that money and buy a piece of equipment." He went on to say, "when I do get another pickup it won't be a new one."

Today, Lonnie is happy living in a house that sits on 50 acres next to the same farm he farmed for over 40 years. He does not regret transferring his farming operation to Kevin.

Kevin and his wife, Ella, have two daughters (Anna and Kate) who live in the Benton area. Ella does some of the bookkeeping and helps Kevin on the farm some and the girls also help lay the pipe for irrigation. Kevin also has a daughter by a previous marriage.

Kevin says that Progressive Farm Credit Services helped him get started and with the help of Lonnie Watkins and Butch he wouldn't be where

he is today. Heather Couch, Kevin's loan officer, says that Kevin is an outstanding farmer and his crops always are clean and just beautiful.



Directors Attend Training Conferences



Jim Priggel, who was elected to serve on the Progressive FCS Board of Directors in August 2010 and represents the Portageville Branch Office, attended the AgriBank, FCB's "New Director Orientation" on February 7-9, 2012 in St. Paul, Minnesota.

Topics included discussions on the duties and responsibilities of directors, government affairs, financial and regulatory reporting and the Farm Credit Funding Corporation.

Jim said this was a good experience for him and he was able to network with directors from other associations

Phil Showmaker, who was appointed as an Outside Director to the Progressive FCS Board of Directors in March 2011, attended the Farm Credit Council Services "2012 System Orientation for Directors" conference in Washington, DC on March 7 – 9, 2012.

Phil said that overall it was a very interesting and informative conference. In addition to hearing guest speakers and attending special break-out sessions, he was able to network with directors from other associations, providing insight on how some of these associations are struggling with drought conditions and other portfolio stress.



Farm Credit Employees Complete Ag-Lending School



Progressive Farm Credit Services employees Shannon Bradley, Poplar Bluff Branch Loan Officer, (left) and Mindi Fitzgerald, Mississippi County Branch Customer Service Representative, (right) receive their certificates for completing the 13th annual Agricultural Lenders School from Rex Ricketts, director of the Commercial Agriculture Program at the University of Missouri.

The goal of the intensive five-day program was to aid the participants in analyzing agricultural credit and helping clients build profitable businesses. Nationally recognized experts served as faculty in teaching the business of making good agricultural loans. Dr. Freddie Barnard, from Purdue University, led the training in analyzing real-life farm financial statements for the first three days and other agricultural experts taught the rest of week. Shannon and Mindi were two of 36 agricultural lenders enrolled in the school held at the University of Missouri on June 4th through the 8th, 2012.

Jeremy Hill, VP/Chief Appraiser Appointed to MSFMRA Board of Directors

At the 2012 Missouri Society of Farm Managers and Rural Appraisers (MSFMRA) Annual Meeting, that was held on March 5th and 6th in Sikeston, Jeremy Hill, VP/Chief Appraiser, Progressive Farm Credit Services, was appointed to the MSFMRA Board of Directors.

The MSFMRA is an organization that promotes and educates its members and the public on the agricultural industry. The Society also acts as a network for Missouri's Farm Managers and Rural Appraisers.

The 2013 MSFMRA Annual Meeting will be held in Hannibal, Missouri.

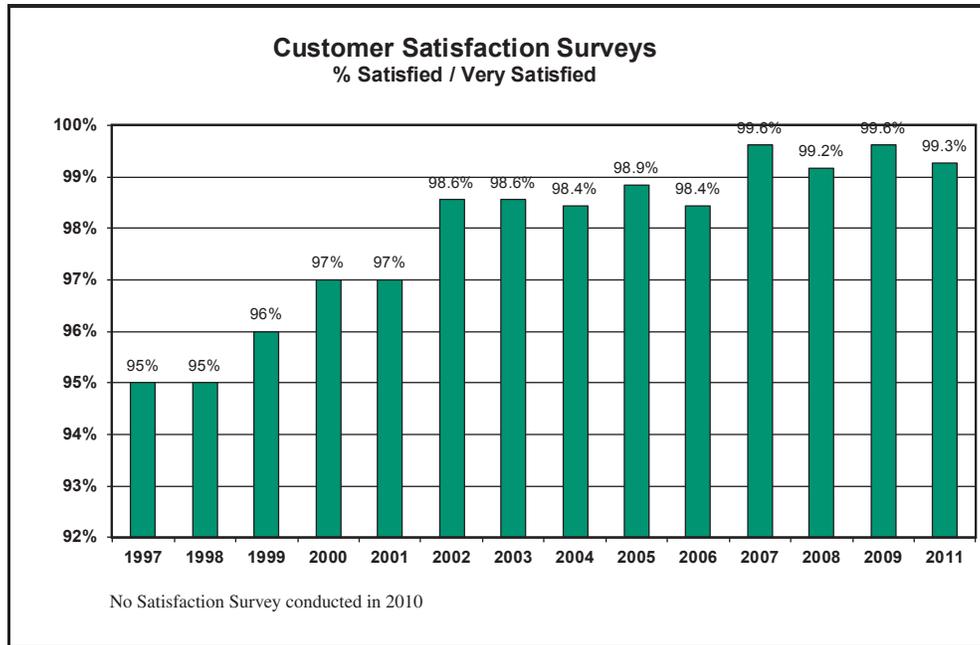


U.S. AGRICULTURE – THEN AND NOW

- While the average farm has nearly tripled in size, the number of people working the land has dropped by more than 96%.
- There are approximately 922 million acres of farmland in the U.S., only 5% more than in 1916, but nearly 217 million more Americans to feed, a 306% increase since 1916.
- Today's increase in irrigation, mechanization and other technology advances have vastly improved productivity, enabling fewer farmers to produce more food, fuel and fiber.

	1916	2011
U.S. Population	91,972,266	308,745,538
Estimated Farm Population	32,077,000	951,810
Proportion of Farmers	Farmers made up 31% of the population	Farmers make up less than 1% of the population
Number of U.S. Farms	6,366,000	2,204,792
Average Farm Size	138 acres	418 acres
Total Estimated U.S. Farm Acres	878,508,000	922,095,840
Communications Technology	<ul style="list-style-type: none"> • Less than 10% of U.S. farms had electricity, although it was available in the majority of urban areas • Telephone access was not universally available, and was provided primarily by locally developed systems 	<ul style="list-style-type: none"> • There is universal access to electricity and telephone service, thanks to the Rural Electrification Administration (1935) and the Rural Telephone Administration (1949) • 57% of farmers have Internet access; 58% of these have high-speed access • A growing number of farmers are using computers, satellite imagery and Global Positioning Systems to manage their field operations
Irrigation	<ul style="list-style-type: none"> • 16 million acres of farm land were irrigated • Most farms depended on the ever-changing weather patterns of rain to water their crops; typically by gravity-based irrigation that directed flowing water down channels that water crops row-by-row 	<ul style="list-style-type: none"> • 54.9 million acres of farm land are irrigated • 30.9 million acres are irrigated with sprinkler systems, including center pivot irrigation systems, which create the circles visible on farm land when seen from above
Farming Technology	<ul style="list-style-type: none"> • Most farms used intensive manual labor and animal-drawn machines to prepare, plant and harvest crops; steam-powered plows and cultivators were less common • Internal combustion-engine tractors became widespread only after 1920 	<ul style="list-style-type: none"> • Farm mechanization is widespread, with specialized equipment designed for every step of the process: soil preparation, planting, irrigating, fertilizing, harvesting, processing and packaging • The increase in mechanization enables fewer farmers to produce more food, fuel and fiber
Productivity	<ul style="list-style-type: none"> • Producing 100 bushels of corn took approximately 35 to 40 hours 	<ul style="list-style-type: none"> • Producing 100 bushels of corn takes less than 3 hours

PFCS Achieves 99.3% Customer Satisfaction Rating!



This past February, the Service Quality Survey (a/k/a Customer Satisfaction Survey) was sent to a random selection of Progressive FCS customers. Of the surveys sent out, 52% were returned. We are very pleased to report that 99.3% of the customers surveyed are either “satisfied” or “very satisfied” with Progressive Farm Credit Services!

In addition, five of our seven branches received a 100% “satisfied” or “very satisfied” rating!

We want to thank those customers who completed and returned a survey. We appreciate all our customers and will continue our efforts to provide “World Class” customer service in the future.

Wade and Wayne
Parker are featured
on Farm Credit's
national “PRODUCING
EXCELLENCE” website.
See their story at:

<http://www.farmcreditnetwork.com/producingexcellence/profiles/single/99>

The screenshot shows the Farm Credit website's 'Producing Excellence' section. The header includes the Farm Credit logo with the tagline 'Leading support to rural America' and navigation links for Home, About Farm Credit, Careers, Contributions, and Newsroom. A search bar and a 'Producing Excellence' button are also present. The main content area features a 'PRODUCING EXCELLENCE' banner celebrating 95 years, with options to view profiles, suggest a profile, and explore history. Below this, there's a featured profile for 'THE PARKERS' with a photo of the Parker family and text describing their farming operation. The page also includes a 'SHARE AND SUBSCRIBE' section with social media icons and a 'BROWSE BY TAG' section with various tags like Dairy, Poultry, Cattle, etc.

PROGRESSIVE FARM CREDIT IS PROUD TO ANNOUNCE OUR NEW WEBSITE

Earlier this year Progressive Farm Credit Services launched a new redesigned website www.ProgressiveFCS.com in an effort to provide a user friendly experience while keeping everyone informed with updated information about our products, services, and upcoming events. In addition, we have expanded our website with features such as DTN and AgriAuctions to further assist the Southeast Missouri farming community whether you are at home or in the field.

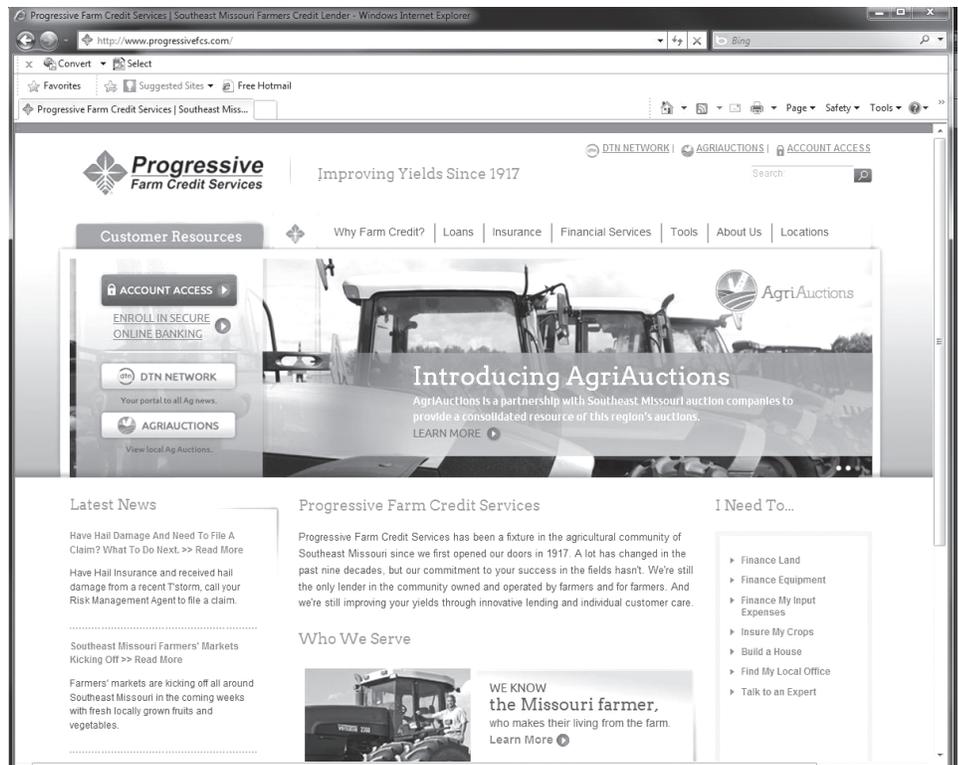
The addition of DTN is a great new feature for our website. Found on the homepage, it provides free access to current market prices, critical information, real-time weather, and news for crops grown in the Southeast Missouri area.

Also accessed through our homepage, we have added a new feature called AgriAuctions with the

goal of providing a central location for all agricultural auctions in your area. Instead of spending time searching through various websites or businesses to find an auction, come to AgriAuctions for access to all auctions coming up including a list of items being sold, a printable flyer, and directions on how to get there. It is very easy to find what you are looking for. Simply enter your location... find an auction... and print the flyer. We are currently featuring information on equipment and land auctions from nine local auction companies.

Lastly, we have added a news feed to our homepage and have also started Facebook, Twitter, and YouTube pages to allow us to quickly communicate with borrowers, local farmers, or anyone interested in Southeast Missouri agriculture. To stay connected and be the first to know about new programs and events, go to the website and view our news feed and sign up for our newsletter, or click on our social media links on the bottom right corner and “like” us on Facebook or “follow” us on Twitter.

Feel free to send us questions or tell us what you think about our products and services by sending us a message using the Contact Us page found on our website under About Us.



Memories

We would like to feature in “Neighbors” our past 95 years in agriculture with photographs. Therefore, we are asking our readers to share their memories in pictures.

If you would like to participate, just send a photograph that you would like to have featured in the Neighbors Newsletter to Anna Harper, Progressive Farm Credit Services, 1116 N. Main, Sikeston, MO 63801, with a detailed description of the picture. We will scan it and send it back to you.

Featured in this issue is Gary Deardorff, he is a customer in the Dexter Branch Office and farms in the Aid Community



Gary and his dad Jesse – getting ready to start combining beans on the 54 model Oliver combine with a 12 foot header



Gary put many miles on this John Deere tractor.



Gary at age 3.



*Gary with his pride & joy grandson John Parker Tarbutton.
Who knows, John Parker may be a farmer some day*

MEET OUR NEW EMPLOYEES



Inger Selvig | *Customer Service Representative - Sikeston Branch*

Inger Selvig began her career with Progressive Farm Credit Services in November 2011. She is a native of Sikeston, Missouri and previously worked for New Wave Communications. She and her husband, David, have three sons. Two of her three sons recently graduated from Marine Boot Camp in San Diego, California.



Shannon Bradley | *Loan Officer/Life Insurance Coordinator - Poplar Bluff Branch*

Shannon began his career with Farm Credit in June 2011. He is a native of the Brosley, Missouri area and graduated from Arkansas State University with a degree in Business Management. He and his wife, Jeannine, have two children and live in the Poplar Bluff, Missouri area.



Tiffany Shankle | *Risk Management Specialist - Mississippi County and Jackson Branches*

Tiffany Shankle began her career with Progressive Farm Credit Services in September 2011. She has a BS and MA in Business Administration from Murray State University in Murray, Kentucky. Tiffany has 8 years of experience in insurance since she was office manager/agency partner with Brink Insurance Agency in Charleston, Missouri, where she resides.



Kyle Karr | *Risk Management Specialist - Sikeston Branch*

Kyle began his career with Progressive Farm Credit Services on May 31, 2011. He is a native of Fayetteville, Arkansas where he graduated from the University of Arkansas, with a BS in Ag Business. He is also a Licensed Arkansas Realtor. Kyle resides in Sikeston, Missouri.



Blaine Cooper | *Vice President/Branch Manager - Dexter Branch*

Blaine Cooper was promoted to Vice President/Branch Manager of the Dexter Branch Office in March 2011. Prior to this promotion he was the Senior Loan Officer at the Poplar Bluff Branch Office. Blaine started his Farm Credit career as a Loan Officer Trainee at the Dexter Branch in 1992. Blaine and his wife, Mia, have three children and live in the Poplar Bluff, Missouri area.



Jennifer Rolwing Collier | *Loan Officer Trainee - Sikeston Branch*

Jennifer Rolwing Collier, Loan Officer Trainee in the Sikeston Branch Office, began her career with Progressive Farm Credit Services in February 2010 as a Customer Service Representative, and in January 2012 was promoted to Loan Office Trainee. She recently married Tyler Collier and they live in Charleston, Missouri.



Joshua Kineman | *Senior Accountant - Corporate Office*

Joshua Kineman was promoted to Senior Accountant at the Progressive Farm Credit Services Corporate Office in August 2011. Prior to this promotion he was a Credit Analyst at the Corporate Office. Josh began his career as a Customer Service Representative / Credit Analyst at the Mississippi County Branch Office in 2005. He has a BS in Finance and MBA from Southeast Missouri State University. He and his wife, Amanda, live in Sikeston, Missouri.



Jane Murphy | *Credit Analyst - Corporate Office*

Jane Murphy was promoted to Credit Analyst, Progressive Farm Credit Services Corporate Office in July 2011. She previously worked as the Customer Service Representative in the Mississippi County Branch Office. She and her husband, Todd, have two children and live in the Sikeston, Missouri area.



Mindi Fitzgerald | *Customer Service Representative - Mississippi County Branch*

Mindi Fitzgerald has assumed the position as Customer Service Representative in the Mississippi County Branch Office. She began her career at Progressive Farm Credit in 2008 as the Risk Management Specialist in the Mississippi County Branch Office. Mindi graduated from the University of Missouri Columbia in December 2007, with a Bachelor of Science in Human Environmental Sciences with emphasis in Personal Financial Management Services. She and her husband, Kevin, have two children and live in Wyatt, Missouri.

RETIREMENTS

Della Hubbard | *Risk Management Specialist (retired)*

Della Hubbard retired March 30, 2012 after more than 20 years of service. She began working for Farm Credit part-time in Special Credit in 1987. In June 1991, she was hired by Progressive FCS on a temporary, part-time basis at the Sikeston Branch. Her full-time employment began in April 1992 as a Customer Service Representative. She worked in this position for approximately 10 years and in 2001 she began working with crop and life insurance as a Risk Management Specialist.



When asked what the favorite part of her job was, her reply has remained the same: “Working with our customers. I’ve always enjoyed working with farmers. Maybe I’m a little partial since I grew up on a farm and married a farmer, but as a group of people, they can’t be beat!”

What are her plans for the future? She and her husband Elbert hope to do some traveling, but she is also looking forward to just being at home, maybe cooking a little more, working more with her church and just relaxing a bit with a good book!

Della said that she is going to miss seeing her customers, but is leaving them in good hands with Kyle Karr, Sikeston’s Branch Office, Risk Management Specialist, who is doing a great job!



**CELEBRATING 95 YEARS
OF FARM CREDIT**


FARM CREDIT BY THE NUMBERS
YEAR-END 2011

Farm Credit has been financing agriculture and rural America for more than 95 years, and is committed to continuing to meet that mission in the future. We are dedicated to serving the needs of our customer borrowers and confident that our financial stability will allow us to continue fulfilling our important mission of support to rural America.

95 Years of service to rural America	50 States served
500,000 Borrower-customers	\$230 Billion Total assets
\$174.6 Billion Loan volume	\$903 Million Returned in patronage and dividends
\$3.9 Billion Net income	\$3.392 Billion self-funded insurance coverage
\$35.9 Billion Total capital	194 Days of liquidity to cover maturing debt
15.6 Capital as a percentage of assets	12,000 Employees nationwide

For more information, please contact ask@farmcredit.com.

FARMCREDIT.COM

ADDRESS SERVICE REQUESTED

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Sikeston, MO 63801

