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Farm Credit Services of Mid-America
2003 Annual Report

A head for finance. A heart for farming.

2003 Annual Report

Commitment to the farm market

In 2003 the association rededicated itself to one of our core goals, serving full-time farmers. The board of directors was instrumental in endorsing a stronger commitment to this market through realigning and adding staff to fully serve farmers, implementing new credit and relationship processes, and introducing a new advertising theme: A head for finance. A heart for farming.

This twofold theme reinforces with full-time farmers that Farm Credit Services has financial expertise and passion for farming. It reaffirms that we are looking out for farmers' best financial interests and know how to address them. It says we are genuine because farming is in our blood—it's not just a sideline. And since we are passionately focused on farming, we strive to understand the personal needs of farmers. We are interested in more than just doing business with them, and that differentiates us from the competition.

Throughout this Annual Report, you'll see features on Farm Credit directors. To us, our directors embody the theme "A head for finance. A heart for farming." They recognize that farming is a business and they treat it as such. But they also have a love of farming that shows in the passion they exhibit.

Commitment to financial stability

Of course, there can be no Annual Report without numbers. We are pleased to add that 2003 continued our period of growth. Buoyed by continuing low rates and the refinancing boom, loan volume topped \$7.49 billion, a 9% increase over 2003. Conversion rates remained strong, with over 16,000 customers converting to lower rates. This resulted in \$110 million in savings for customers and \$26 million in savings for the association.

New loan originations were also up in 2003, increasing almost 13% to \$1.31 billion loaned for real estate for farms and homes. Adverse credit continued to trend downward from 2.5% last year to just 1.9% of the portfolio. Another sign of financial strength is permanent capital, which by regulation must be 7% or more. Ours continued to exceed 15%. Finally, we are pleased to report earnings of \$108 million, which is consistent with performance over the last several years.

Commitment to our communities

Equally important to our financial accomplishments is the positive impact our staff has on the communities we serve. We're proud to back groups such as the 4-H, FFA and Young Farmers. They represent the future of farming.

In the pages that follow, you will find complete financial details for the year. You'll get a clearer picture of how, in the daily lives of our customers, our association lives out the theme: A head for finance. A heart for farming.



Donald Winters
President and Chief Executive Officer



Bob Barton
Chairperson, Board of Directors

Donald Winters
Donald Winters

President and Chief Executive Officer

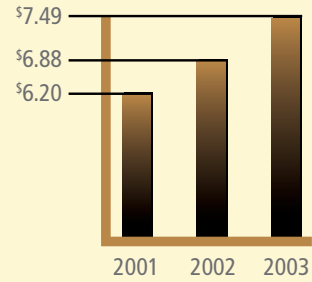
Bob Barton
Bob Barton

Chairperson, Board of Directors

Bob Barton of Lexington, Kentucky, was elected as the board chairman in October, 2003. In partnership with his brother, he owns 965 acres, farming tobacco, corn, wheat and soybeans. They also have a cattle operation and own Barton Brothers Grain Operations.

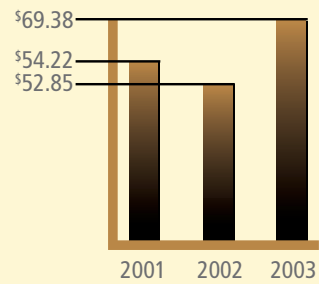
Gordon Carter has been elected as vice chair of both the district and national Farm Credit Council Board of Directors. These boards are comprised of representatives from Farm Credit boards across the country and provide leadership to legislative and trade association activities.

Financial highlights



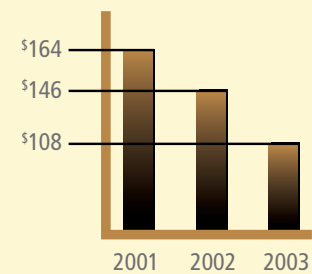
Loan volume tops \$7 billion

A significant milestone was achieved in 2003. Volume, for the first time in our history, surpassed \$7 billion to land at \$7.49 billion. A favorable rate environment came into play as we saw volume increase \$600 million over 2002. Moreover, agricultural economic conditions were generally good as a result of price increases in many commodities.



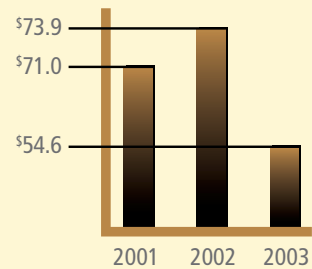
Operating expenses increase

Operating expenses increased \$16.5 million over 2002. One of the primary reasons for the rise was a \$6.5 million System Insurance Assessment increase. Also we placed more dollars toward serving the full-time farm market, so additional funds were earmarked in advertising, technology systems and staff.



Earnings top \$100 million

2003 earnings were \$108 million, consistent with performance over the past several years. While it appears earnings have declined from the previous year, during 2002, we received a \$31 million special stock patronage refund which made earnings unusually high last year.



Nonaccrual volume declines

Nonaccrual volume, or volume on loans where customers are unable to make payments, continued to decline and is less than 1% of the total portfolio, ending 2003 at \$54.6 million, a 21.5% decline from 2002. The association's emphasis on attracting high-quality new business and controlling portfolio risk were factors in the decline of the nonaccrual balance. Additionally, in 2003, national net farm income increased and many producers received government support payments, which lessened the volatility of overall farm income.



Daryl Greenfield
Board Director

"I love farming. It's a great place to raise a family working together. But it's also a business, and if treated like one, can provide a great way of life."

Daryl Greenfield of Todd County, Kentucky, has been a Farm Credit Services board director for nine years and a member/borrower for 30 years.

Greenfield has been farming for 34 years. He and his son Kelvin farm together as G&G Farms LLC, operating more than 2,000 acres, including 1,220 which they own. With the help of seasonal and part-time workers, they raise corn, soybeans, wheat and tobacco. His hobby is flying and he says that, just as he wants a mechanic who understands planes, he wants a farm lender who understands agriculture.

A head for finance. A heart for farming.

The coming year will continue to emphasize many of the programs we started last year. A top priority is our commitment to the full-time farmer market through changes in credit policies, relationship building with customers, staffing and communication.

We will also continue to support a broader use of technology and complete a transition that began last year in Louisville and several field offices to a new network operating

system. The new system, which will be fully installed by this fall, allows us to provide enhanced tools to our sales staff and develop software solutions that will facilitate more efficient customer service.

A third focus is looking even further ahead to ensure we have a commitment to review what the future holds for us beyond 2010.

Commitment to company growth and the full-time farmer

The association grew overall by a healthy 9.2% in 2003. If we break the numbers down by market segments—agribusiness, full-time farmer, part-time farmer and rural home owner—all segments except the full-time farmer market grew in double digits. In fact, the full-time farmer market segment actually decreased slightly. Current growth is coming from market segments other than the full-time farmer market. In 2004, we want to see growth in the farmer market segment.

We in no way want to discount the importance of business in these other market segments nor the desire to continue to grow rapidly in them. Given the nature of the marketplace in our four states, we must continue

to grow the part-time farmer and rural home segments of the portfolio. And the agribusiness portfolio provides a much-needed portfolio diversification. But we do not want to let success in these other segments to cause us not to aggressively serve the full-time farm market. With the direction and support of our board, we have established the goal of being the dominant lender to agriculture in our four states.



Kelvin and Daryl Greenfield

We want to maintain the 9% growth level in 2004 and beyond, but we want to shuffle the growth by market segment and place a much stronger emphasis on growth in the full-time farmer market. Our growth initiative is fueled by a commitment that to the greatest degree possible we will provide competitive products that will keep us in the market on a consistent basis.

To improve performance in the full-time farmer market, we've implemented initiatives in three important areas: credit policies, staffing and communication:

Enhancements to credit policies

Major changes in credit processes were implemented last fall, all aimed at making us a more flexible, more dependable and more relationship-oriented lender. These changes will allow us to serve a broader segment of the market.



- In 2003, scored lending was expanded to loans up to \$250,000, which brings more efficiency and speed to the loan process. This change moved us away from information gathering and helped with the credit analysis, particularly earnings calculations for traditional farmers. Many of these customers wouldn't meet the earnings standards, but have a solid financial position. In total, over 32,000 loans were scored in 2003 resulting in \$1.654 billion.
- Financial services officers' lending authorities were extended to enhance their abilities to serve customers more immediately.
- Changes in annual financial information gathering has greatly reduced the number of annual updates required from customers which makes lending staff more efficient through the streamlining of data gathering. More important, it creates a more customer-friendly business environment.



Roger Robertson
Board Member

"Farming is what I know and like. I want to continue the family tradition of staying with it for my lifetime and passing it down to the next generation. It's a wonderful place to raise a family."

Roger Robertson of McMinn County, Tennessee, was elected to the Farm Credit Services board in October of 1998 after several years as a local advisor and 25 years as a member/borrower.

A third generation Farm Credit customer, Robertson, along with his son Jason, farm a diversified 2,100 acres. Their full-time business is a 400-head Holstein dairy herd, but they also raise beef cattle and replacement heifers, and row crop corn, wheat and soybeans. Robertson feels that Farm Credit's FSOs are extremely knowledgeable about finance and farming and has relied on their advice and support many times over the years. Incidentally, Jason is now the fourth generation Farm Credit customer in the Robertson family.

We will continue to review the marketplace and make changes and enhancements to processes that will enable us to better serve the full-time market. For example, during the summer of 2004, we will roll out daily pricing. Under the current structure, interest rates change once a week. But with daily pricing we are better able to match market conditions, ultimately providing customers the most competitive interest rates possible.

Refocusing staff efforts on the full-time farmer market

The strong demand in the consumer market over the last few years has caused us to shift resources to take advantage of these opportunities. And while we still want take advantage of them, we are making a corporate commitment that we will have someone focused on serving the farmer market in every part of our territory. In some cases, this will mean adding additional staff and we are committed to doing so. We want to strengthen relationships with customers and to balance emphasis on business retention with the ongoing need to make new loans.

New advertising theme emphasizes full-time farm market

Our new theme, "A head for finance. A heart for farming," is designed to communicate our dedication and commitment to the farm market. Beginning last fall and throughout 2004, you'll see and hear this message in several major and state-wide farm media, including Fastline, FarmWorld and ABN Radio.

Already, we are seeing benefits to the enhanced commitment to the full-time farm market. In January 2004, farm mortgage loan closings hit \$58.7 million, matching our busiest month in all of 2003.✦



Supporting young and beginning farmers

The future success of agriculture depends on those beginning to farm or to learn about farming. That's why Farm Credit continues to support programs for youth and young farmers involved in agriculture.

Sponsorships and events

During 2003, Farm Credit supported a number of programs like the 4-H, FFA and Young Farmer organizations. We are also one of the sponsors of the Jr. Market Show at the North American International Livestock Expo. We maintain relationships with groups such as Brock Institute and the Indiana Ag Leadership Institute, programs which provide agricultural education seminars and are a resource for farmers.

Farm Credit became involved with several new sponsorships in 2003, including Kentucky's Newspaper in Education program which provides free access to newspapers and information about agriculture to Kentucky classrooms across the state. This year, we also became charter members of

the Mid-America Cooperative Council and the Heartland Endeavor, groups that support cooperative education.

Our agriculture sponsorship support extends to major events such as the National Farm Machinery Show and statewide events such as the Ohio Pork Congress and the Kentucky Cattlemen's Association. We also believe it's important to have a presence at informational events like Tennessee's Southeastern Expo which provides viable production and marketing alternatives for young and part-time farmers.

For a complete list of events and sponsorships, be sure to visit our Community page on www.e-farmcredit.com.

Feature articles continued on page 45.



Ed Yanos

2003 Annual Report to Stockholders



Obtaining District Annual Report Information

The financial condition and results of operations of AgriBank materially affect shareholders' investment in the Association. A copy of the combined AgriBank, FCB and Seventh District Associations' financial reports may be requested free of charge by contacting:

Farm Credit Services of Mid-America
P. O. Box 34390
Louisville, KY 40232
800-444-3276
efcsales@e-farmcredit.com
www.e-farmcredit.com

AgriBank, FCB
P. O. Box 64949
St. Paul, MN 55164
651-282-8800
agribankmn@farmcredit.com
www.agribank.com

Copies of the Association's annual or quarterly reports may be requested free of charge by contacting the Association as stated above. The quarterly reports are available 45 days after the end of each calendar quarter.

NOTICE TO CUSTOMERS CONCERNING INVESTMENT

Farm Credit Services of Mid-America, ACA

This notice contains information about your stock investment in Farm Credit Services of Mid-America, ACA (Association). Please read it carefully and make sure you understand both the benefits and risks of an investment in the Association.

Association Capitalization Bylaws (a copy of which is included as part of this publication) require an investment in stock or participation certificates in the amount of 2% of the loan amount or \$1,000, whichever is less, when obtaining a loan from either of its wholly owned subsidiaries, the Farm Credit Services of Mid-America, FLCA (FLCA) or the Farm Credit Services of Mid-America, PCA (PCA). The Association Board of Directors (Board) has the discretion to apply the stock requirement on a per customer basis or a per loan basis. Currently, the stock requirement is on a per customer basis.

The Association also sells stock or participation certificates to any eligible customer of the FLCA or PCA as a condition of obtaining a lease and as a condition for purchasing related services. The amount of stock or participation certificates required may range from one share to no more than the requirement for obtaining a loan, at the discretion of the Board. At this time, the Board has decided to require one share for both leasing and related services.

The voting stock issued by the Association is called "Class D Stock" (Stock) and is issued only to farmers, ranchers and producers or harvesters of aquatic products. Other persons who are eligible to borrow or lease from or purchase financially related services with the FLCA or PCA, but who are not eligible to own Stock, must purchase "Participation Certificates" (Certificates), which are issued on essentially the same terms as Stock except as described below.

Stock and Certificates issued as a condition of doing business with the Association (which may include stock issued in connection with loan renewals, assumptions, refinancing, etc.) are an investment in the Association that is at risk and not a compensating balance.

How Stock and Certificates are Purchased

Shares of Stock (and units of Certificates) are sold for their par value (or face amount) of \$5 each and can be paid for either with cash or with the proceeds of a loan.

When the purchase price is borrowed, the amount of the FLCA and/or PCA loan includes the cost of the Stock or Certificates and interest is charged on the entire loan. The portion of the FLCA or PCA loan proceeds attributable to the purchase price of the Stock or Certificates is withheld and applied to the purchase price of the Stock or Certificates. The total amount of the

loan, including the portion used to pay for the Stock or Certificates, is a legally enforceable obligation that must be repaid in full.

The Association does not issue physical certificates for Stock or Certificates. Instead, the ownership of Stock or Certificates is evidenced by entries recorded on the combined books of the Association as reflected in periodic account statements sent to each customer.

Certain important characteristics of Stock and Certificates

The principal difference between Stock and Certificates is that the Stock entitles its holder to one vote (regardless of how many shares are owned) with respect to the election of Association directors and other matters on which stockholders are entitled to vote. Holders of Certificates have no voting rights. In all other respects, Stock and Certificates have substantially the same rights and restrictions.

Association bylaws provide that dividends may be paid on Stock or Certificates with the approval of the Board. Dividends may not be paid if, after or due to such action, the permanent capital of the Association would thereafter fail to meet the minimum capital adequacy standards established by FCA.

The FLCA or PCA takes a lien on the Stock or Certificates held by a customer as additional security for the customer's loan. If the customer defaults, the value of the customer's investment (not to exceed par value, or face amount) may be applied against the balance due on the loan. If the customer's Stock or Certificates are transferred, they are still subject to this lien. In any event, Stock and Certificates are transferable only to persons eligible to purchase such equities.

Stock and Certificates do not appreciate in value. Any retirement or conversion will be at their original issue price or, if less, their book value. The possibility that this investment may result in a loss is discussed below under the heading "Impairment."

Retirement of Stock and Certificates

Under Association bylaws, Stock and Certificates are retired only at the discretion of the Board. Stock is retired at the lower of book value or par value, while Certificates are retired at the lower of book value or face amount. Book value will be determined in accordance with generally accepted accounting principles (GAAP).

Under Federal Law, there is no automatic right to have Stock or Certificates retired upon repayment of the customer's loan or when the customer ceases to conduct other business with the FLCA and/or PCA.

Under the Association's existing Equity Policy, equity is on a customer basis and is required on existing fixed, adjustable or variable rate loans originated after July 1, 1995, in an amount not less than two percent or \$1,000, whichever is less, according to the customer's total loan balances (when the customer is the same on each loan).

Equity of one share is required on a lease or for a non-customer to qualify for related services.

The Equity Policy may be amended by the Board at any time at their sole discretion and in accordance with the Act, Regulations and Bylaws.

Effective 01/01/03, the Board's policy permits the retirement of customer equity only if the association's permanent capital percentage is above the Board's stated minimum, established annually. The Board allows stock to be retired by management provided that retirements are in accordance with the association's capital plan; the association's permanent capital ratio will be in excess of 13 percent after any such retirements; the association meets and maintains all applicable minimum surplus and collateral standards; and the aggregate amount of stock purchases and retirements are reported to the board of directors monthly.

Except for loans in default, customer equity may be retired under any of the following conditions: 1) the customer's indebtedness for a loan or a lease is totally paid off; 2) a non-borrower is no longer a purchaser of related services; or 3) the customer's loan is sold into the secondary market without recourse.

The retirement policy may be suspended or modified at any time at the discretion of the Board in order to protect the financial condition of the Association.

The Association is prohibited from retiring Stock or Certificates if such retirement results in the Association's failure to satisfy the minimum capital adequacy standards established by the FCA.

Of course, even though you may be given the opportunity to have your stock retired, you are not required to retire your Stock or Certificates after repaying your FLCA and/or PCA loan and may continue to hold this investment. However, if you do not borrow from the FLCA and/or PCA during the following two years, your Class D Stock will be converted into non-voting Class C Stock.

Impairment

Your ownership of Stock or Certificates in the Association is an investment and is subject to certain risks that could result in a partial or complete loss of investment. You are responsible for repayment of the entire amount of the FLCA and/or PCA loan, including the amount borrowed to pay for your Stock or Certificates, regardless of the value of your Stock or Certificates. These risks include:

- 1) Loan losses experienced by the FLCA and/or PCA as a result of inadequate evaluation of credit risks or adverse trends in agriculture, such as loss of international markets, over-production, weather conditions or disease,
- 2) Increases in the amount of non-accrual FLCA and/or PCA loans and properties acquired from borrowers that reduce revenues,

- 3) Impairment of AgriBank, FCB's (Bank) stock owned by the Association due to losses in other associations within the district, loan losses and operating expenses of the Bank and the Bank's joint and several liability on Systemwide debt securities issues by other Banks in the national Farm Credit System.

As a result of these or any other risks, the capital of the Association could become impaired. Impairment means that the book value of the Stock or Certificates has declined below par value (or face value), which is \$5 per share or unit. (For example, if the Association were to suffer loan losses which exceeded its other income, its bad debt reserve and its surplus accounts, the Stock and Certificates could have a book value less than \$5 and thus would be impaired.) So long as the capital of the Association is impaired, its customers would receive less than they had paid for their stock upon retirement. If the Association were to be liquidated at the time when its capital is impaired, holders of Stock or Certificates would receive less than the par value or face amount of their investment and may suffer a total loss of their investment in the Association. However, in any event, customers would remain liable for the full amount of their loan from the FLCA and/or PCA, including the portion used to pay for the purchase of Stock or Certificates.

Of course, the Association will take all feasible action to prevent its capital from becoming impaired. The FLCA and PCA maintain loss reserves (and surplus accounts) to protect against this possibility.

The Farm Credit Act provides a mechanism for providing financial assistance to distressed Farm Credit System entities. This mechanism is described in the Association's 2003 Annual Report. However, the assistance mechanisms in the Farm Credit Act provide no assurance to customers that Stock and Certificates will be protected. Therefore members are advised to review the financial statements of the Association and of the Bank and other available information about the Farm Credit System. Copies of the Association and the Bank's Annual and Interim Reports to Investors are available from the Association upon request.

Association Permanent Capital Standards

The Association presently meets its minimum permanent capital standard. The Association does not know of any reason it will not meet its permanent capital standard on the next earnings distribution date.

INFORMATION ON FCS FUNDS HELD PROGRAM

Farm Credit Services of Mid-America, ACA

The association offers a Funds Held Program (Funds Held) that provides for customers to make uninsured advance payments on loans. The following terms and conditions apply to all Funds Held unless the loan agreement, or related documents, between the association and the customer provide for other limitations.

Payment Application

Loan payments received by the association before the loan has been billed will normally be placed into Funds Held and applied against the next installment date. Loan payments received after the loan has been billed will be directly applied to the installment due on the loan and related charges, if any. Funds received in excess of the billed amount will be placed into Funds Held unless the customer has specified the funds to be applied as a special prepayment of principal.

When a loan installment becomes due, moneys in Funds Held for the loan will be automatically applied toward the installment on the due date. Any accrued interest on Funds Held will be applied first. If the balance in Funds Held does not fully satisfy the entire installment, the customer must pay the difference by the installment due date.

Account Maximum

The amount in Funds Held may never exceed the unpaid principal balance of the loan. Many loans have a further limit equal to the total payments due for the next year. In addition, Funds Held on loans with certain prepayment penalties may not exceed 10% of the original principal balance. Funds Held is generally not available on revolving lines of credit loans.

Interest Rate

Interest will accrue on Funds Held at a simple rate of interest that may be changed by the association from time to time. But the rate will not exceed the interest rate charged on the related loan except in rare cases. The current interest rate is based upon the following criteria:

- Real estate loans closed under the loan program in effect prior to October 1, 1994 are paid a rate of interest equal to the loan rate.
- Real estate loans closed under the loan program in effect on October 1, 1994 and later are paid a rate of interest similar to short term money market rates. The rate was 1.13% as of 2/1/2004.
- Commercial loans, with the exception of lines of credit, closed before October 1, 1994 are paid a rate of interest equal to the loan rate.

Interest rates are currently reported on customers' statement of account.

- Commercial loans, with the exception of lines of credit, closed or renewed after 9/1/1999 are paid a rate of interest similar to short term money market rates. The rate was 1.13% as of 2/1/2004.

Withdrawals

Money in Funds Held may be withdrawn for the following items, depending on the customer's loan program.

- Customers may request that Funds Held or interest on Funds Held be applied to their loan balance at any time.
- Customers with real estate loans closed under the loan programs in effect to October 1, 1994 may use Funds Held for future installments or insurance. No other withdrawals are permitted.
- Customers with real estate loans closed under the loan programs in effect on October 1, 1994 and later, and all commercial loans, may use Funds Held for future installments or insurance. In addition, customers may make up to four additional withdrawals per calendar year for other approved purposes in lieu of increasing the loan amount. These four withdrawals have a minimum size limit of the lesser of \$500 or the remaining balance in Funds Held.

Association Options

In the event of default on any loan, or if Funds Held exceeds the maximum limit as established above, or if the association discontinues its Funds Held program, the association may apply funds in the account to the unpaid balance and other amounts due, and shall return any excess funds to the customer.

If the customers sell, assign or transfer any interest in the underlying collateral, the association may apply the funds in the account against the remaining loan balance.

If all customers who are party to the loan are deceased, the association may apply the funds in the account to the remaining loan balance.

Uninsured Account

Funds Held is not a depository account and is not insured. In the event of association liquidation, customers having balances in Funds Held shall be notified according to FCA regulations then in effect.

Questions

Please direct all questions regarding Funds Held to your local FCS representative by calling 1-800-444-FARM (3276).

CAPITALIZATION BYLAWS OF THE FARM CREDIT SERVICES OF MID-AMERICA, ACA

November 1, 2000

ARTICLE VIII - CAPITALIZATION

800 Authorized Shares

The Association is authorized to issue:

- (a) one million (1,000,000) shares of Class C Preferred Stock with a par value of \$5 per share to be issued as provided in Section 810.3 of these Bylaws;
- (b) an unlimited number of shares of Class D Common Stock with a par value of \$5 per share to be issued as provided in Sections 810.4 and 845.2 of these Bylaws;
- (c) the outstanding number of Participation Certificates as of the Merger Date, of FLBA 4th, FLBA B and FLBA M and PCA 4th issued prior to October 6, 1988, which were converted by book entry at the par, face or stated value of \$5 per unit into a like number of Class A Participation Certificates of the Association;
- (d) an unlimited number of Class B Participation Certificates, with a face value of \$5 per unit to be issued as provided in Section 810.6 of these Bylaws; and
- (e) such number of shares of such other classes of Capital Stock as may be provided for in an amendment or amendments to these Bylaws as adopted pursuant to Article XIV, provided, however, if the class being proposed in any amendment or amendments is for Preferred Stock other than Preferred Stock to be issued to the Farm Credit System's Financial Assistance Corporation, it shall be approved by majority of the shares of each class of stock affected by the preference, voting as a class, whether or not such classes are otherwise authorized to vote.

805 Ownership

Evidence of ownership of Capital Stock and Participation Certificates may be by book entry or in definitive form as prescribed by the Board.

In the event of an Authorization Event under Section 210 hereof, a borrower's required investment in Association stock/participation certificates (and the required conversion of such investment into a different class of equity) shall be determined by reference to the borrowing relationship with MidAm, PCA or MidAm, FLCA, as the case may be. Accordingly, upon an Authorization Event, all references to loans and outstanding loan balances in this Article shall refer to aggregate loans held or originated by Association, MidAm, PCA and MidAm, FLCA.

810 Issue, Rights, Preferences and Limitations of Classes of Stock

810.1 Class A Preferred Stock

- (a) Issue
There shall be no Class A Preferred Stock issued other than those shares issued as a result of the conversion on Merger Date of PCA 4th's Class A non-voting stock or a conversion in accordance with Section 845.2 of these Bylaws.
- (b) Voting Rights
Class A Preferred Stock shall have no voting rights.
- (c) Rights
Rights of a holder to dividends, to patronage refunds, to transfer, to retirement, upon loss and upon impairment shall be subject to the Act, Regulations and in accordance with provisions of Section 815 (Application of Earnings and Losses), Section 830 (Dividends), Section 835 (Patronage Refunds), Section 840 (Transfer), Section 845 (Conversion), Section 850 (Retirement), Section 855 (Impairment) and Section 860 (Liquidation) of these Bylaws.
- (d) Stock Protection
When retiring Class A Preferred Stock in accordance with the Act, Regulations and these Bylaws, the stock shall be retired at par value.
- (e) Fractional Shares
No fractional shares of Class A Preferred Stock shall be issued or paid.

810.2 Class B Common Stock

- (a) Issue
There shall be no Class B Common Stock issued other than those shares issued as a result of the conversion of FLBA 4th, FLBA B and FLBA M's voting stock and PCA 4th's Class B voting stock as of the Merger date.
- (b) Voting Rights
Class B Common Stock shall have voting rights.
- (c) Rights
Rights of a holder to dividends, to patronage refunds, to transfer, to retirement, upon loss and upon impairment shall be subject to the Act, Regulations and in accordance with provisions of Section 815 (Application of Earnings and Losses), Section 830 (Dividends), Section 835 (Patronage Refunds), Section 840 (Transfer), Section 845 (Conversion), Section 850 (Retirement), Section 855 (Impairment) and Section 860 (Liquidation) of these Bylaws.
- (d) Stock Protection
When retiring Class B Common Stock in accordance with the Act, Regulations and these Bylaws, the stock shall be retired at par value.

- (e) Fractional Shares
No fractional shares of Class B Common Stock shall be issued or paid.

810.3 Class C Preferred Stock

- (a) Issue
This stock may be issued in accordance with the Act and Regulations:
1. To the bank and to investors;
 2. In such amounts and to such persons as may be permitted under a plan adopted by the Board;
 3. For allocated surplus distributions, dividend payments, and patronage distributions; and
 4. In accordance with Section 845.2 of these Bylaws.
- (b) Voting Rights
Class C Preferred Stock shall have no voting rights.
- (c) Rights
Rights of a holder to dividends, to patronage refunds, to transfer, to retirement, upon loss and upon impairment shall be subject to the Act, Regulations and in accordance with provisions of Section 815 (Application of Earnings and Losses), Section 830 (Dividends), Section 835 (Patronage Refunds), Section 840 (Transfer), Section 845 (Conversion), Section 850 (Retirement), Section 855 (Impairment) and Section 860 (Liquidation) of these Bylaws.
- (d) Fractional Shares
No fractional shares of Class C Preferred Stock shall be issued or paid.

810.4 Class D Common Stock

- (a) Issue
Class D Common Stock may only be issued to borrowers who are farmers, ranchers or producers or harvesters of aquatic products and other requirements of such borrowers as specified in the Act and Regulations.
- (b) Voting Rights
Class D Common Stock shall have voting rights.
- (c) Rights
Rights of a holder to dividends, to patronage refunds, to transfer, to retirement, upon loss and upon impairment shall be subject to the Act, Regulations and in accordance with provisions of Section 815 (Application of Earnings and Losses), Section 830 (Dividends), Section 835 (Patronage Refunds), Section 840 (Transfer), Section 845 (Conversion), Section 850 (Retirement), Section 855 (Impairment) and Section 860 (Liquidation) of these Bylaws.

- (d) Fractional Shares
No fractional shares of Class D Common Stock shall be issued or paid.
- (e) Condition to Borrowing

1. Any borrower who is entitled to own Class D Common Stock shall acquire voting stock in the Association as a condition for obtaining a loan from the Association, MidAm, PCA or MidAm, FLCA. The amount of Class D Common Stock which a borrower shall be required to acquire shall be two (2) percent of the loan amount or \$1,000, whichever is less. The Board shall establish from time to time whether the stock requirement shall apply to each loan to a borrower or apply to a borrower's aggregate outstanding loan balance on all borrower's loans (as used in this section shall only include those loans, including the new loan, where the borrowers are the same on each loan).
 2. If the Association fails to meet the minimum permanent capital standards the Class D Common Stock shall be purchased from the Association.
 3. Loan origination fees may be charged as a condition of borrowing from the Association, MidAm, PCA or MidAm, FLCA as the Board from time to time may determine.
- (f) Condition to Lease
As a condition of obtaining a lease from Association, MidAm, PCA or MidAm, FLCA any lessee who is entitled to own Class D Common Stock shall be required to acquire Class D Common Stock in an amount as determined by the Board from time to time. The equity requirement to be not less than one share or the minimum requirement as set out in the Act and Regulations, if any, and not to exceed the equity requirement for obtaining a loan.

810.5 Class A Participation Certificates

- (a) Issue
There shall be no Class A Participation Certificates issued other than those units issued as a result of the conversion of FLBA 4th, FLBA B, FLBA M and PCA 4th's Participation Certificates as of the Merger Date.
- (b) Voting Rights
Class A Participation Certificates shall have no voting rights.
- (c) Rights
Rights of a holder to dividends, to patronage refunds, to transfer, to retirement, upon loss and upon impairment shall be subject to the Act, Regulations and in accordance with provisions of Section 815 (Application of Earnings and Losses), Section 830 (Dividends), Section 835 (Patronage Refunds), Section 840 (Transfer), Section 845 (Conversion), Section 850 (Retirement), Section 855 (Impairment) and Section 860 (Liquidation) of these Bylaws.

- (d) Protection of Participation Certificates
When retiring Class A Participation Certificates in accordance with the Act, Regulations and these Bylaws, the units shall be retired at par value.
- (e) Fractional Units
No fractional units of Class A Participation Certificates shall be issued or paid.

810.6 Class B Participation Certificates

- (a) Issue
Class B Participation Certificates may be issued in accordance with the Act and Regulations:
1. To borrowers who are rural residents to capitalize their rural housing loans.
 2. To borrowers who are persons or organizations furnishing to farmers and ranchers farm related services directly related to their agricultural production, to capitalize their loans.
 3. To other persons or organizations who are eligible to borrow or participate in loans from Association, MidAm, PCA or MidAm, FLCA but are not eligible to hold voting stock.
 4. For allocated surplus distributions, dividend payments, and patronage distributions.
 5. To any person who is not a stockholder but who is eligible to borrow from Association, MidAm, PCA or MidAm, FLCA for the purpose of qualifying such person for technical assistance, financially related services, and leasing services offered by Association, MidAm, PCA or MidAm, FLCA.
- (b) Voting Rights
Class B Participation Certificates shall have no voting rights.
- (c) Rights
Rights of a holder to dividends, to patronage refunds, to transfer, to retirement, upon loss and upon impairment shall be subject to the Act, Regulations and in accordance with provisions of Section 815 (Application of Earnings and Losses), Section 830 (Dividends), Section 835 (Patronage Refunds), Section 840 (Transfer), Section 845 (Conversion), Section 850 (Retirement), Section 855 (Impairment) and Section 860 (Liquidation) of these Bylaws.
- (d) Fractional Units
No fractional units of Class B Participation Certificates shall be issued or paid.
- (e) Condition to Borrowing
1. Any borrower who is entitled to own Class B Participation Certificates shall acquire Participation Certificates as a condition for obtaining a loan from Association, MidAm, PCA or MidAm,

FLCA. The amount of Class B Participation Certificates which a borrower shall acquire shall be two (2) percent of the loan amount or \$1,000, whichever is less. The Board shall establish from time to time whether the certificate requirement shall apply to each loan to a borrower or apply to a borrower's aggregate outstanding loan balance on all borrower's loans (as used in this section shall only include those loans, including the new loan, where the borrowers are the same on each loan).

2. If the Association fails to meet the minimum permanent capital standards, the Class B Participation Certificates shall be purchased from the Association.
 3. Loan origination fees may be charged as a condition of borrowing as the Board from time to time may determine.
- (f) Condition to Lease or Purchase of Financially Related Services
As a condition of obtaining a lease or purchasing financially related services from Association, MidAm, PCA or MidAm, FLCA any lessee or purchaser of financially related services who is entitled to own Class B Participation Certificates shall be required to acquire Class B Participation Certificates in an amount as determined by the Board from time to time. The equity requirement to be not less than one share or the minimum requirement as set out in the Act and Regulations, if any, and not to exceed the equity requirement for obtaining a loan.

815 Application of Earnings or Losses

815.1 At the end of each fiscal year, the Association shall apply its earnings (including patronage allocations and refunds received from the FCB) for such fiscal year in the following order:

- (a) to cover operating expenses, including additions to loan valuation reserves as provided by law;
 - (b) to restore the amount of any impairment of Stock and Participation Certificates as prescribed in Section 855.2 of these Bylaws;
 - (c) to restore the amount of any impairment of allocated surplus;
 - (d) to restore the amount of any impairment of paid-in surplus;
 - (e) to create and maintain an unallocated surplus account as provided in Section 820 of these Bylaws;
 - (f) to pay dividends on Stock of the Association if authorized pursuant to Section 830 of these Bylaws;
 - (g) to make patronage distributions if authorized pursuant to Section 835 of these Bylaws; and
 - (h) to transfer any remaining earnings to the reserved surplus account.
- 815.2 In the event of a net loss for any fiscal year, after applying earnings for such fiscal year as provided in Section 815.1 above, such loss shall be absorbed by, first, charges to the unallocated

surplus account; second, impairment of paid-in surplus; third, impairment of the allocated surplus account; fourth, impairment of Class B Common Stock, Class D Common Stock, Class A Participation Certificates, Class B Participation Certificates, concurrently; and fifth, impairment of Class A Preferred Stock and Class C Preferred Stock, concurrently. Notwithstanding this Section, Class B Common Stock and Class A Participation Certificates shall be retired in accordance with Section 4.9A of the Act.

820 Surplus Accounts

The Association shall create and maintain an unallocated surplus account and may maintain an allocated surplus account. Except as provided in Section 815, the unallocated surplus account may not be reduced and no part thereof may be transferred to the allocated surplus account.

825 Allocated Surplus Accounts

825.1 The Association may, subject to the Act and the Regulations, create and maintain an allocated surplus account consisting of earnings held therein and allocated to borrowers on a patronage basis in accordance with Section 835 of these Bylaws. In the event of a net loss for any fiscal year, such allocated surplus account shall be subject to impairment in the order specified in Section 815.2 of these Bylaws, and on the basis of latest allocations first.

825.2 Association, MidAm, PCA and MidAm, FLCA shall have a first lien on all surplus account allocations owned by any borrower, and all distributions thereof, as additional collateral for such borrower's indebtedness to Association, MidAm, PCA or MidAm, FLCA, as the case may be.

825.3 When the debt of a borrower is in default or is in the process of final liquidation, the Association may, upon notice to the borrower, order any and all surplus account allocations owned by such borrower to be applied against the indebtedness to Association, MidAm, PCA or MidAm, FLCA, as the case may be. Any such retirement and application against indebtedness of surplus account allocations shall be before similar retirement and application of Stock or Participation Certificates owned by the borrower.

825.4 At the Board's discretion and subject to the Act, Regulations, and any other restrictions, when all of the Stock and Participation Certificates of the Association owned by a borrower are retired or otherwise disposed of, any surplus account allocations owned by such borrower may also be retired, upon request by the borrower and subject to the approval of the Board, and the proceeds paid to the borrower. Alternatively, if the Board so directs, upon notice to the borrower such surplus account applications may be applied against any of the borrower's indebtedness to Association, MidAm, PCA or MidAm, FLCA, as the case may be. As a condition, however, to the approval of a former borrower's application for an advance within two (2) years after retirement hereunder, the applicant must first repay any allocated surplus proceeds resulting from such retirement which would not otherwise have been paid through normal distributions.

825.5 Subject to the Act and the Regulations, allocated surplus may be distributed, oldest allocations first, in Class C Preferred Stock of the Association or in cash. The cash proceeds may be applied against the indebtedness of the borrower to the Association. In no event shall such distributions reduce the surplus account below the minimum amount prescribed by the Act and the Regulations. Distributions of less than the full amount of all allocations issued as of the same date shall be on a pro rata basis. If any part of a distribution in Class C Preferred Stock to one borrower is less than \$5, such distribution may be held by the Association and accumulated with subsequent partial distributions to equal one whole share of Class A Preferred Stock or Class C Preferred Stock.

830 Dividends

830.1 In accordance with the Act and the Regulations, the Board may declare dividends on the Stock and Participation Certificates of the Association. Such dividends may be paid on Class A Preferred Stock and Class C Preferred Stock alone or on all classes of Stock and Participation Certificates. No dividends may be paid on Class B Common Stock, Class D Common Stock, Class A Participation Certificates or Class B Participation Certificates during any fiscal year with respect to which the Association has obligated itself to distribute earnings on a patronage basis pursuant to Section 835 of these Bylaws. The rate of dividends paid on Class A Preferred Stock and Class C Preferred Stock for any fiscal year may not be less than the rate of dividends paid on Class B Common Stock, Class D Common Stock, Class A Participation Certificates or Class B Participation Certificates for such year and, similarly, the rate of dividends on Class B Common Stock and Class D Common Stock may not be less than the rate paid on Class A Participation Certificates and Class B Participation Certificates.

830.2 Dividends may be paid to holders of record on the effective date of the declaration, provided the Stock or Participation Certificates were outstanding for at least sixty (60) calendar days prior to the effective date of the declaration.

830.3 Dividends on Stock and Participation Certificates may be paid in cash, Class C Preferred Stock, or partly in cash and partly in Stock, except that dividends on Stock held by the FCB shall be paid in cash. If any part of such dividends payable in Stock to one borrower are less than \$5, the dividends may be distributed in cash or held by the Association and accumulated with subsequent dividends until the retained dividends equal \$5, so that the dividends may be distributed as one whole share of Class C Preferred Stock.

830.4 Dividends shall be noncumulative.

835 Patronage Refunds

835.1 Prior to the beginning of any fiscal year, the Board may adopt a resolution in accordance with the Act and the Regulations, so as to obligate the Association to distribute to borrowers on a patronage basis all or any portion of available net earnings of Association for such fiscal

year, or for that and subsequent fiscal years. However, no patronage distribution will be paid if the earnings available for distribution do not exceed \$500,000.

835.2 All patronage distributions shall be in the proportion that the amount of interest earned by Association, MidAm, PCA or MidAm, FLCA on its loans to each borrower bears to the total interest earned by Association, MidAm, PCA or MidAm, FLCA on all such loans outstanding during the fiscal year, except that another proportionate patronage basis may be used upon approval by the Board in accordance with the Act and the Regulations.

835.3 Net earnings of any fiscal year shall be available for patronage distribution only after making the applications as required in (a) through (e) of Section 815 and paying dividends on Class A Preferred Stock and Class C Preferred Stock. Patronage allocations and refunds received from the FCB in the form of stock shall be excluded from net earnings available for patronage distributions and dividends. The amount available for patronage distributions for any fiscal year shall in no event exceed the net earnings from patronage from Association, MidAm, PCA and MidAm, FLCA borrowers and from the patronage received from the FCB in the form of cash for such year.

835.4 Patronage distributions may be in cash, Class C Preferred Stock, allocations of earnings retained in an allocated surplus account, or any one or more of such forms of distribution, except that at least twenty percent of the total patronage distributions to any borrower for any fiscal year shall always be in cash. Cash distributions may not exceed twenty percent of the patronage distribution if such distribution would cause the surplus account at the end of the fiscal year for which the distribution is paid to be less than the minimum amount prescribed by the Act and the Regulations. Any part of a patronage distribution in Class C Preferred Stock to one borrower that is not a multiple of \$5 may be distributed in cash or held by the Association for the borrower and included in a subsequent distribution.

835.5 Each holder of Class B Common Stock or Class D Common Stock of this Association shall, by such act alone, consent that the amount of any distributions with respect to patronage which are made in written notices of allocation, as defined in 26 U.S.C. 1388 (i.e. patronage allocations of surplus account and patronage refunds paid in Class C Preferred Stock of the Association, and which are received by him or her from the Association), will be taken into account as income by such person at the stated dollar amounts in the manner provided in 26 U.S.C. 1385(a) in the taxable year in which such written notices of allocation are received. Such holder of Class B Common Stock or Class D Common Stock also consents by such act alone, to take into account as income in the same manner the amount of any distributions with respect to patronage provided he or she receives written notice from the Association that such amount has been applied on his or her indebtedness to Association, MidAm, PCA or MidAm, FLCA, as the case may be.

835.6 The Association shall obtain the written consent of each holder of Class A Participation Certificates or Class B Participation Certificates that the amount of any distributions with respect to the holder's patronage, which are made in written notices of allocations as defined in 26 U.S.C. 1388 (i.e., patronage allocations of surplus account, patronage refunds paid in Class C Preferred Stock, or distributions with respect to patronage that have been applied to the holder's indebtedness to Association, MidAm, PCA or MidAm, FLCA, as the case may be, and for which the holder has received written notice), will be taken into account as income by the holder at the stated dollar amounts in the manner provided for in 26 U.S.C. 1385(a) in the taxable year in which such written notices of allocation are received. The form of consent shall be prescribed by the Board, except that it shall be continuing in effect until revoked by the Class A Participation Certificate or Class B Participation Certificate holder, and it may be included as part of the loan application or other appropriate form signed by borrowers. Consent may also be obtained by use of a qualified check in the manner provided for in 26 U.S.C. 1388.

835.7 In the event of an Authorization Event under Section 210 hereof, the Association's net earnings for purposes of computing and paying patronage dividends shall include the net earnings of MidAm, PCA and MidAm, FLCA (computed on a consolidated basis).

840 Transfer

840.1 Stock and Participation Certificates may be transferred to persons or organizations eligible to receive or to hold such Stock or Participation Certificates as provided in Section 810 of these Bylaws.

840.2 The Association shall be its own transfer agent in all matters relating to its Stock and Participation Certificates.

845 Conversion

845.1 Each class of Stock and Participation Certificates may be converted into any other class of Stock or Participation Certificates for which the holder is eligible as provided in Section 810.

845.2 Class B Common Stock shall be converted into Class A Preferred Stock within two years after the holder thereof ceases to be a borrower from Association, MidAm, PCA or MidAm, FLCA. Class D Common Stock shall be converted into Class C Preferred Stock within two years after the holder thereof ceases to be a borrower from Association, MidAm, PCA or MidAm, FLCA.

850 Retirement

850.1 Class A Preferred Stock, Class B Common Stock, and Class A Participation Certificates

Retirement may be upon repayment of a loan or under a retirement plan in effect prior to January 6, 1988, and for such equities issued after that date, a retirement plan in effect at the time the loan was made. Such equities shall be retired at par, even if book value is less than par. Such

equities may also be retired under other conditions approved by the Board with prior approval of the FCA.

850.2 Class C Preferred Stock, Class D Common Stock and Class B Participation Certificates

Subject to the Act, Regulations and any other restrictions, such equities shall be retireable only at the discretion of the Board and not on a date certain or upon the happening of an event such as repayment of a loan or pursuant to an automatic retirement or revolvement plan. Such equities shall be retired at their book value and shall not exceed their par value. No such equities shall be retired unless after the retirement the institution would continue to meet the minimum permanent capital standards or the interim permanent capital standards, as the case may be.

850.3 Mandatory Retirement

At the Board's discretion and subject to the Act, Regulations and any other restrictions (including minimum permanent capital standards), the Board may order the retirement of such amounts of Class A Preferred Stock or Class C Preferred Stock as it may determine in accordance with procedures which assure equitable treatment of all holders of Class A Preferred Stock or Class C Preferred Stock.

850.4 Retirement in the Event of Default

When the debt of a borrower is in default, the Association may, upon notice to such borrower, order the retirement of any Stock or Participation Certificates held by the borrower and the proceeds thereof applied against the borrower's indebtedness to Association, MidAm, PCA or MidAm, FLCA, as the case may be. Any such retirement and application of Stock or Participation Certificates shall be after similar retirement and application of surplus account allocations owned by the borrower.

855 Impairment

855.1 Any losses which result in an impairment of the Association's capital shall be borne ratably by, first, each share of Class B Common Stock and Class D Common Stock, and each unit of Class A Participation Certificates and Class B Participation Certificates outstanding; and second, each share of Class A Preferred Stock and Class C Preferred Stock outstanding. Notwithstanding this Section, Class B Common Stock and Class A Participation Certificates shall be retired in accordance with Section 4.9A of the Act.

855.2 Impaired Stock and Participation Certificates shall be restored in the reverse of the sequence set forth in Section 855.1 until each share of Stock and unit of Participation Certificates has a book value equal to the par value or face value, respectively.

860 Liquidation

In the event of a voluntary or involuntary liquidation of the Association, following the payment of all claims in accordance with the Act and Regulations, the remainder of the assets of the Association shall be distributed to the holders of Stock and Participation Certificates. In the event there are insufficient funds to pay the holders of Stock and Participation Certificates at par value, then distribution should be made in accordance with the priorities for impairment set forth in Section 855.1 of these Bylaws. In the event funds are sufficient to pay all holders of Stock and Participation Certificates at par value, any excess funds shall be distributed, insofar as practicable, to the holders of Class B Common Stock, Class D Common Stock, Class A Participation Certificates and Class B Participation Certificates in the proportion that the aggregate interest paid by each holder over the prior two years bears to the total interest paid by all holders of stock and participation certificates.

865 Lien

Except with respect to Stock or Participation Certificates held by other System institutions, each of Association, MidAm, PCA and MidAm, FLCA shall have a first lien on all Stock and Participation Certificates in the Association owned by its borrowers as additional collateral for any indebtedness of such borrower. Upon an Authorization Event, all Stock and Participation Certificates shall be pledged to MidAm, PCA or MidAm, FLCA, as the case may be, as additional collateral for any indebtedness of the borrower to MidAm, PCA or MidAm, FLCA, respectively. Stock and Participation Certificates may not be pledged or hypothecated to third parties.

870 Paid-In Surplus

The Association is authorized to receive paid-in surplus from the FCB in accordance with the Act and the Regulations.

875 Secondary Market Loans

875.1 Equity Retirement

On or after 12-01-96 no stock or participation certificate is required to be purchased as a condition for obtaining a loan which is designated, at the time the loan is made, for sale to a secondary market. Designated loans not sold within the 180 day period shall be subject to the equity requirement for loans as stated in bylaw 810.4(e) or 810.6(e).

875.2 Retirement

The Board is authorized to retire stock or participation certificates on those loans sold to a secondary market prior to 12-01-96 and on those loans designated for sale to the secondary market but not sold within the 180 day time period, provided however that the Association shall not retire such stock or participation certificates if the action would result in the failure of the Association to meet the minimum permanent capital adequacy standard established in the FCA regulations

BORROWER PRIVACY AT FCS

Your privacy is important to us. We want you to know that we hold your financial and other personal information in strict confidence. Since 1972, Farm Credit Administration regulations have forbidden the directors and employees of Farm Credit institutions from disclosing personal borrower information to others without your consent. We do not sell or trade our customers' personal information to marketing companies or information brokers.

FCS rules allow us to disclose information to others only in these situations:

- We may give it to another Farm Credit institution that you do business with.
- We can be a credit reference for you with other lenders and provide information to a credit bureau or other consumer reporting agency.
- We can provide information in certain types of legal or law enforcement proceedings.
- FCA examiners may review loan files during regular examinations of our association.
- If one of our employees applies to become a licensed real estate appraiser, we may give copies of real estate appraisal reports to the State agency that licenses appraisers when required. We will first remove as much personal information from the report as possible.

As a member/owner of this institution, your privacy and the security of your personal information are vital to our continued ability to serve your ongoing credit needs.

INVOLVEMENT IN YOUR COOPERATIVE

One of the advantages of belonging to a cooperative is that by being a member, you have a voice in the organization. Because you own stock in Farm Credit, you have a say in how it is run. You, and more than 65,000 other members like you, can use the power of your vote to shape the course we will follow in the future, and elect the leadership of today.

Like most members, you may be content to exercise your membership privileges simply by voting in the annual election of directors and nominating committee members, as well as the occasional bylaw change that may be proposed. Look for ballot information in the mail in September.

If, on the other hand, you wish to become more actively involved in your FCS organization, there are a number of ways you may do so.

FCS Advisory Committee

The 800-plus members of our Advisory Committee serve as grassroots advisors to the Farm Credit Board of Directors. Acting on the local level, members meet quarterly to provide input. By serving as the eyes and ears of the Directors, the members of the Advisory Committee help direct the governance of the Farm Credit cooperative by making the concerns of the general membership known to its elected officials.

Contact your local Farm Credit office if you would like to become a part of the Advisory Committee.

Nominating Committee

Membership in the Farm Credit Services Nominating Committee demands that one be knowledgeable in the needs of the organization and a good judge of other peoples' abilities to serve those needs in an executive capacity. As a member of the Nominating Committee, your responsibility would be to select and place before the membership, candidates for election to the Farm Credit Board of Directors.

Call your local office if you're interested in being considered as a candidate for the Nominating Committee.

Board of Directors

The Board of Directors, whose responsibility is to govern Farm Credit Services, answers to the members of our cooperative. They are members elected to their office because they have demonstrated the ability to understand and direct the organization in the best interests of its membership. It's a position that demands leadership, hard work and a keen understanding of the rural financial marketplace.

If you have the abilities, the energy, the time and the desire to serve as a member of the Board and are interested in being considered as a potential candidate, please contact Dianna Ragan, the association's election officer at 502-420-3729. She will supply you with a recommendation form and a copy of the eligibility requirements.

Board of Directors and Executive Leadership



Your Board of Directors (from left, seated) Wayne Specht, Ed Yanos, Bob Barton, Sue Welch, and Gordon Carter. (from left standing) Daryl Rowe, Daryl Greenfield, Jimmy Mays, John A. Peterson, Roger Earley, David Bates, Art Timberlake, David Wilson, Roger Robertson, Jimmie Tyson, Bert Holsapple and Barney Barnett

Indiana

Gordon Carter
10910 N. CR 925 W
Gaston, IN 47342

Bert Holsapple
6565 East Weeks Rd.
Orleans, IN 47452

Art Timberlake
11550 River Rd., SW
Mauckport, IN 47142

Ed Yanos
Vice Chairperson
8839 S. 675 E
Cambridge City, IN 47327

Ohio

Roger Earley
5741 Runk Lane
Hillsboro, OH 45133

John A. Peterson
500 W. Fork Rd. NW
Washington C. H., OH 43160

Wayne Specht
3680 Bair Road NW
Dover, OH 44622

David Wilson
10485 County Rd. 10
East Liberty, OH 43319

Kentucky

Bob Barton
Chairperson
4095 Huffman Mill Rd.
Lexington, KY 40511

David Bates
894 Pecan Lane
Shepherdsville, KY 40165

Daryl Greenfield
455 Butler Rd.
Elkton, KY 42220

Jimmy Mays
199 Cemetery Rd.
Scottsville, KY 42164

Tennessee

Roger Robertson
539 County Rd. 422
Englewood, TN 37329

Daryl Rowe
174 Jarrett Rd.
Limestone, TN 37681

Jimmie Tyson
315 Providence Road
Denmark, TN 38391

Sue Welch
Secretary
268 Patrick Road
Fayetteville, TN 37334

Executive Leadership Team

Donnie Winters
President and
Chief Executive Officer

Paul Bruce
Senior Vice-President
Financial Operations and
Chief Financial Officer

Jim Garrison
Senior Vice President
Credit

Jim Kenney
Senior Vice President
Corporate Services

Phil Kimmel
Senior Vice President
Business Development

David Lynn
Senior Vice President
Financial Services

Dianna Ragan
General Counsel and
Corporate Secretary

Tom Schlenker
Senior Vice President
Financial Services

Outside Director

Barney Barnett
1175 McMakin Rd.
Shelbyville, KY 40065



Ed Yanos
Vice Chairman of Board

"We've strengthened the ties between local members and Farm Credit through more local meetings, local staff involvement and better communication. I'm proud to have helped on that."

A member of Farm Credit for 30 years, Ed Yanos of Henry County, Indiana, has also served as a local advisor, a board member (since 1997) and is currently vice chairman of the board.

Starting with the purchase of a small 118-acre farm and an old house, Yanos has grown over the years to where he currently shares farm operations on about 2,500 acres with his father, brother and brother-in-law. Of that total, Yanos farms about 800 acres of combined corn and soy beans. Yanos believes strongly in farming as an avocation and in the Farm Credit System. "I wouldn't get involved in something unless I believe it," he says.

Continued from page 6.

Executive Institute wraps up 3rd class in 2003

During 2003, 27 additional young farm customers graduated from the third and final Executive Institute for Commercial Producers. The Executive Institute materials, which were developed by Purdue University and funded by Farm Credit, are now in the hands of 17 Land Grant Universities to use in their extension programs allowing a wider audience to take advantage of these management resources. Incidentally, the Executive Institute recently won the Purdue University Cooperative Extension Specialists Team Award and has been nominated for a national team award.

Young farmer web resource

Young and beginning farmers searching for quality information to help them succeed have a new web-based resource thanks to the efforts of the Farm Credit System Foundation and Successful Farming Magazine. This new site features online mentoring, updates from ag experts, a resource directory, news of important changes in farm policy that can impact a young farmer and an e-mail newsletter.

The site complements the Successful Farming's new "Up by their Bootstraps" series, which tells the stories of hardworking young and beginning farm families. The program is "designed to truly help beginning farmers discover new ideas, a support network and advice that is not readily available in today's world," said Tom David, Successful Farming Publisher. Farm Credit is pleased to be associated with this program and has linked the website resource on www.e-farmcredit.com. Or, you can go straight to the source at www.agriculture.com/future. ♣



Farm Credit's Community page on www.e-farmcredit.com has links to sponsorship and other current programs.



Electronic business through our website

Farmers are business people. And, like all business people, they need resources at a moment's notice. The newly designed website at www.e-farmcredit.com offers farmers a suite of business tools that provide instant access to information that affects their business and their bottom line.

Launched in September of 2003, the new website has resulted in a 50% increase in traffic. This new website continues to offer customers secure account access and links to helpful financial and product information. However, the information is more accessible and easily available. Plus, we offer streaming displays of current ag news and weather reports right off the front page.

Numbers tell the story

The success of our new website can clearly be seen in the statistics. We signed up 2,500 more customers on PAID, which allows customers to have their payments automatically deducted, or use the Internet to make online payments or transfer funds from one account to another. Through the end of 2003, more than 12,000 customers are using this service, representing about 11.5% of the customer base.

In addition, over 9,000 customers have registered to view their accounts online. To have this convenient access, just go to www.e-farmcredit.com, click on "My Accounts," and complete the six-question registration form. You'll need to have your customer number handy—it can be found on your paper statement. This will allow you to view your account.

If you'd like to add the ability to perform transactions, such as paying your bills online or moving money from one account to another, just complete the PAID form referenced above. It generally takes about one business day to set up your account for safe, secure transactions. And, it's completely free.

If you would like assistance with any of our online services, just call your local office at 1-800-444-3276.



David Wilson
Board Member

"Even as a young man I loved agriculture and wanted to be a part of it. Along with my wife's family, I'm in the 4th generation of farmers."

David Wilson of Logan County, Ohio, has been a member of the Farm Credit System for 35 years. After serving as local advisor for several years, he was elected to the Farm Credit Services board in 1990.

Along with his son Matt, Wilson farms 1,000 acres of corn, wheat and beans, and buys and sells Holstein steers. He also shares work with Matt on his son's 125-acre farm just down the road. He talks with Matt about all major decisions about the farm, equipment and livestock. He is proud to point out that Matt graduated from the Executive Institute for Commercial Producers, an extensive farm management program sponsored by Farm Credit and Purdue University.



Outlook e-mail

Another improvement in 2003 was the incorporation of Outlook e-mail. All staff members in the association now use the same consistent format for their e-mail address. The format is basically: the person's first initial; the first six digits of the last name; then @e-farmcredit.com. An example for Joan Carpenfield would be "jcarpen@e-farmcredit.com." There may be some exceptions, so check with your office for a specific e-mail address.

The new e-mail system is part of the technology advancements being made to provide better customer service and more efficiency in processing transactions. ❖



David and Matt Wilson

Driving to better serve customers

All of us at Farm Credit Services of Mid-America are serious about providing excellent knowledge and service to each and every customer. We're proud of the role we play in helping you succeed. And we're glad you recognize that commitment.

A recent survey of FCS customers across our region provided feedback on how various types of customers view the service they receive from FCS. Thank you to everyone who participated in this survey. The response rate was remarkable: Of 3,000 surveys sent to customers in Indiana, Kentucky, Ohio and Tennessee, 33% were returned. The number of respondents were nearly evenly divided among the four states.

The responses were encouraging and provided opportunities for improvement:

- Viewing FCS as a financing source, 93% were very satisfied or satisfied; this is a slight increase over the previous survey, when 91% of respondents gave the same satisfaction rating.
- Considering their expectations of what a lender should provide, 92% said FCS met or exceeded their expectations. The number of respondents reporting FCS exceeded expectations (34%) was a dramatic increase of the previous survey (19%).

Key reasons mentioned were our helpful, friendly and knowledgeable personnel, and fast, accurate responses to questions and concerns.

- Would they seek another loan from FCS? Definitely, said about 65%; another 27% indicated they would probably look to FCS for future financing.
- Nearly three in four (73%) of the respondents said they were very likely to recommend FCS to friends; another 21% were likely to make the same recommendation.

We have already begun working on areas for improvement revealed by the survey. All of our customers are important to us, and we will continue to work to better meet the needs of each one.

Please contact your loan representative with ideas for how we can better serve your needs as we continue to grow together. 🍀

Indiana

Anderson 1-800-878-0195
 Bluffton 1-800-477-4737
 Columbia City 1-888-823-2719
 Columbus 1-800-231-2747
 Corydon 1-800-835-2501
 Crawfordsville 1-800-875-5531
 Evansville 1-800-345-2835
 Franklin 1-800-327-5099
 Greencastle 1-800-446-0306
 Greensburg 1-877-850-6488
 Huntingburg 1-800-752-7429
 Kokomo 1-888-956-5666
 Lafayette 1-888-232-9000
 LaGrange 1-888-823-2718
 Marion 1-800-327-9887
 Martinsville 1-800-372-3276
 Muncie 1-800-647-0299
 Rensselaer 1-888-290-0936
 Rochester 1-800-508-9873
 Rushville 1-800-797-0002
 Scottsburg 1-800-742-9930
 South Bend 1-888-208-5603
 Sullivan 1-800-952-6171

Valparaiso 1-888-212-5308
 Vincennes 1-800-288-9348
 Williamsport 1-888-898-3276

Kentucky

Bowling Green 1-800-264-0310
 Campbellsville 1-800-880-2396
 Danville 1-800-880-1114
 Dry Ridge 1-800-880-6785
 Elizabethtown 1-800-880-7288
 Glasgow 1-800-880-9425
 Grayson 1-800-880-6453
 Hardinsburg 1-877-212-8616
 Henderson 1-800-783-9776
 Hopkinsville 1-800-489-5626
 Lexington 1-800-880-2741
 London 1-800-880-6598
 Maysville 1-800-880-5931
 Mt. Sterling 1-800-261-3071
 Owensboro 1-800-844-1148
 Shelbyville 1-800-880-1420
 Somerset 1-800-880-4311

Ohio

Alliance 1-800-327-2551
 Archbold 1-800-232-1660
 Bellefontaine 1-800-589-6118
 Cambridge 1-888-713-4293
 Celina 1-800-953-8330
 Circleville 1-888-515-5626
 Delphos 1-800-522-7728
 Eaton 1-800-686-4146
 Lucasville 1-800-325-3086
 Mansfield 1-888-200-1380
 Oberlin 1-800-454-2072
 Orwell 1-800-638-9390
 Springfield 1-800-633-4135
 Utica 1-800-937-6050
 Versailles 1-800-206-3001
 Washington CH 1-800-334-9325
 Winchester 1-800-321-3013
 Wooster 1-800-216-9651

Tennessee

Athens 1-423-745-1683
 Columbia 1-800-665-9242
 Cookeville 1-800-346-2190
 Dandridge 1-800-524-0932
 Dickson 1-800-227-7414
 Dresden 1-800-346-2191
 Greeneville 1-800-218-1040
 Johnson City 1-800-444-3276
 Knoxville 1-800-524-0931
 Lawrenceburg 1-800-273-0260
 Lebanon 1-800-765-7172
 McMinnville 1-800-444-3276
 Murfreesboro 1-800-444-3276
 Oneida 1-800-226-7017
 Ripley 1-800-635-5003
 Shelbyville 1-800-444-3276
 Somerville 1-800-469-2794
 Springfield 1-800-894-9998
 Tazewell 1-866-630-5017
 Three Way 1-888-855-0631



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