

**AGRILAND, FCS**  
Office Locations

Use 1-800-749-7821  
for all office locations

**Administrative Office**

3210 W. Northwest Loop 323  
Tyler, TX 75702  
(903) 593-6609/FAX (903) 593-6588

**Athens Office**

520 E. Tyler  
Athens, TX 75751  
(903) 675-9388/FAX (903) 677-3530

**Beaumont Office**

1630 N. Major Dr., Suite A  
Beaumont, TX 77713  
(409) 861-1900/FAX (409) 296-9417

**Bonham Office**

112 E. Hwy. 82  
Bonham, TX 75418  
(903) 583-3217/FAX (903) 583-2082

**Clarksville Office**

401 N. Locust  
Clarksville, TX 75426  
(903) 427-5675/FAX (877) 884-5876

**Fairfield Office**

314 W. Hwy. 84  
Fairfield, TX 75840  
(903) 389-8738/FAX (903) 389-9648

**Gainesville Office**

206 S. Dixon, Suite 104  
Gainesville, TX 76240  
(940) 665-0715/FAX (940) 665-0769

**Kingwood Office**

25408 U.S. Hwy. 59, Suite 100  
Porter, TX 77365  
(281) 354-0027/FAX (888) 746-7734

**Nacogdoches Office**

2200 N.W. Stallings Dr.  
Nacogdoches, TX 75964  
(936) 564-0448/FAX (936) 569-1094

**Paris Office**

3743 Lamar Ave.  
Paris, TX 75460  
(903) 784-4383/FAX (903) 784-4390

**Rowlett Office**

P.O. Box 2424  
Rockwall, TX 75087  
(214) 675-4535/Fax (877)447-5369

**Sulphur Springs Office**

1305 Shannon Rd.  
Sulphur Springs, TX 75482  
(903) 885-7608/FAX (903) 885-9346

**Tyler Office**

6760 Old Jacksonville Hwy., Suite 105  
Tyler, TX 75703  
(903) 593-0151/FAX (903) 593-6588



*2010 Brings Prospect of Better Days for Agriculture*

Dear Stockholder:

As we move forward in 2010, the big question on all of our minds is: Will this year be better than last year? Without a doubt, we all hope so.

Last year was a difficult one for many producers in our area. The hardest hit industries have been dairy, nursery and cattle. A global economic recession, coupled with adverse weather, high input costs and low commodity prices, created a perfect storm of negative circumstances.

We recognize that this environment has created hardship for many of our customers, and it has had a negative impact on the association, as well. After years of enjoying a positive lending environment and consistently solid earnings and loan volume, our progress slowed significantly last year, and we faced a large increase in adverse loans.

It was a good thing that, after more than 75 years in the business, we had experience weathering the ups and downs in the economy. We held steady, thanks in large part to the solid, conservative lending decisions by our board. Loan underwriting standards have been tightened and operational improvements have been implemented to position AgriLand to successfully emerge from this crisis. The cooperative business model upon which Farm Credit is founded also proved to be resilient during tough times.

Thankfully, several months into 2010, the situation shows signs of improvement, although the recovery has been sluggish. Industries that rely on grain prices, such as livestock feeding operations, dairies and ethanol, suffered from a tight financial squeeze caused by extremely high corn prices last year. Now, input costs have stabilized at manageable levels, and market prices have increased, bringing some much-needed relief for many producers. Pork, cattle, poultry and ethanol producers are looking up right now. Unfortunately, much of this relief will come at the expense of grain producers, but commodity prices should also remain at profitable levels.

The situation has improved slightly for dairy producers, too. For a while, the price of milk was lower than the cost of production. Under those conditions, even the best dairy producers could not turn a profit. Fortunately, milk prices are on the rise, so there appears to be some improvement in the dairy industry, although it has been slower than we hoped, and it will be months before that improvement is fully realized.

People in agriculture know all about cycles and seasons. While times are harder now than they have been in many years, we will come out of this. AgriLand will remain a reliable source of financing, and will be there for agricultural producers who grow food and fiber for America and the world. As always, we thank you for your business and will strive to meet all of your rural financing needs. We hope that 2010 will be a better year both for AgriLand and for each of our customers.

Sincerely,

Roger Brist  
Chief Executive Officer



# AgriLand Awards Scholarships

AgriLand was pleased to continue its scholarship program in 2010, by awarding the Marsha Martin Scholarships to seven deserving high school seniors.

Marsha Martin, a native of Paris, Texas, was the first woman to serve as chairman of the Farm Credit Administration Board of Directors and the first woman to hold the position of vice president in the Farm Credit System. She died in 2000, after a brief battle with cancer. AgriLand is proud to honor Martin and to continue her legacy by offering the annual scholarships.

This year's recipients were recognized at regional stockholder dinners, where most of the students received \$1,000 scholarships. One student, Jessica Ann Taylor, was awarded a \$1,500 scholarship. AgriLand would like to congratulate these outstanding young people, and wish them well as they pursue their dreams for the future:

**Taylor Collier** of Detroit is a graduate of Detroit High School. This fall, she will fulfill her lifelong goal of attending Tarleton State University, where she hopes to ultimately attain a master's degree in accounting. In addition to studying, Taylor would like to compete in rodeos and team roping competitions in her spare time.

**Westin Fannin** of DeKalb is a graduate of DeKalb High School. He plans to continue working on his family farm while pursuing a degree in the agricultural field. Throughout his high school years, he was involved in various activities such as riding, team roping, training horses and showing swine. Westin owns and is responsible for 10 head of cattle.

**J. Storme Jannise** of Hamshire is a graduate of Hamshire-Fannett High School. She will attend Sam Houston State University in the fall to pursue an agribusiness degree. Afterward, she hopes to continue her education in veterinary school. J. Storme believes strongly that young people must continue to be involved in agriculture in our country. She hopes the AgriLand scholarship will enable her,

she says, to "not only achieve my dreams, but to do my part to help agriculture thrive and help those younger than me to accomplish their dreams as well."

**Katie Reese** of Paris is a graduate of Chisum High School. She will attend Paris Junior College in the fall, where she will work toward an agribusiness degree. Katie's love of agriculture has spanned her entire life, from helping around the farm as a child to working in a feed store throughout high school. As she says, "Agriculture is where my heart is, and I would not have it any other way."

**Carrie Shirley** of Yantis is a graduate of Yantis High School. This fall, she will attend Texas A&M University, to pursue a degree in veterinary medicine. Carrie has been showing cattle since her freshman year of high school, and her herd of show heifers has earned many blue ribbons.

**Caroline Spencer** of Gilmer is a graduate of Harmony High School. She will pursue a degree in animal nutrition this fall at Texas A&M University. In addition to her studies, Caroline has been very active in her community, participating in activities such as the Susan G. Komen Water Drive, Toys for Tots, Adopt-a-Highway and St. Jude's Play Day.

**Jessica Ann Taylor** of Clarksville is a graduate of Detroit High School. She plans to attend Paris Junior College in the fall, where she will pursue an associate's degree in biomedical science. Her long-term goals include transferring to Texas A&M University to attend the College of Veterinary Medicine, and eventually working for a large animal or equine clinic. Jessica was honored to receive the Marsha Martin Scholarship from AgriLand, and she states, "The students who receive your scholarship go on to achieve great things in their lifetimes."



*Jake Aragon, senior vice president, and Westin Fannin*



*David Hill, local director, and Caroline Spencer*



*Katie Reese*



Richie DeVillier, local director, J. Storme Jannise and Michael Biesiada, regional president



Jessica Ann Taylor, Taylor Collier and Bob Christophersen, local director



David Hill and Carrie Shirley

## Welcome, New Employees

AgriLand was pleased to welcome six new employees who have joined the association since last fall.



**Donald Babb** was hired in February as the regional president for Region II. Babb comes to AgriLand with previous experience as a senior vice president in a community bank in Kansas, as a director of agribusiness lending with AEGON USA in California, and in Farm Credit positions in other districts. He also is familiar with agriculture firsthand, having grown up working on his family's farm and cow-calf operation.



**Michael Biesiada**, regional president for Region IV, joined the association in February. He serves as branch manager in the Kingwood office. Biesiada is no stranger to ag lending. Early in his career, he spent seven years with Farm Credit, before diversifying his experience with Rabobank and other lending institutions and in sales management in the construction industry.



**Weston Chandler** joined the Nacogdoches office last October as a loan officer associate. Chandler graduated from Texas A&M University with a degree in agribusiness, and he comes to AgriLand with comprehensive experience in the agricultural industry and two years of banking experience. Previously, Chandler was employed by Guaranty Bond Bank in its Mt. Pleasant branch office.



**Robert Jones** joined AgriLand in January as a loan officer in Paris and has recently been promoted to loan analyst. Jones has a bachelor's degree in economics and a minor in business administration from Texas A&M University. Prior to joining AgriLand, Jones was a market analyst with a financial firm in Sugar Land, Texas. He also has previous farming and ranching experience.



**Aaron Taylor** was hired in February as a loan officer trainee in the Kingwood office. Taylor earned his associates degree from Temple College and a bachelor's degree in finance from Texas State University. Before that, he owned a yard care service in his hometown of Bells, Texas, and he was responsible for marketing the business, performing the yard work and managing the financial aspects of the business.

### Promotions:

**Jake Aragon**, senior vice president, lending, Paris and Clarksville  
**Michael Fuller**, senior vice president, lending, Fairfield and Athens  
**Ashley Martin**, credit analyst, Tyler central  
**Joe Valladares**, controller, Tyler central

## After More Than 90 Years, Farm Credit System Remains Strong

What if you couldn't get a real estate loan with terms longer than five years?

That was the reality facing rural residents in the early 1900s. Until 1913, federal law prohibited national banks from making loans with maturities beyond five years. The short terms, combined with prohibitively high rates, created a crisis for the nation's rural population, particularly for farmers who could not readily secure loans on fair terms.

President Theodore Roosevelt called for an analysis of other nations' rural credit systems to find a solution. The research led to the 1916 Federal Farm Loan Act that created the national Farm Credit System.

Lawmakers chose a cooperative credit structure, in which the customers are also stockholder-owners. The law set up 12 Federal Land Banks, and the System was provided with \$125 million in government seed money but was financed by private capital from investors.

Since 1916, Farm Credit has undergone some significant changes. Mergers and consolidations have changed the lending landscape. The Farm Credit System now has five banks, one of which is the Farm Credit Bank of Texas, which provides funds to AgriLand.

More important, however, are the factors that have remained unchanged. The System continues to be a reliable source of loans for creditworthy borrowers throughout rural America. Throughout the years, including the recent worldwide financial turmoil, Farm Credit has remained strong. American farmers, ranchers and other rural citizens have come to rely on Farm Credit associations like AgriLand to be a reliable source of credit.

At AgriLand, we strive to meet the financing needs of our customer-owners and are proud of our heritage as a part of the nationwide Farm Credit System.

## Kingwood Branch is Ready for Growth

Two years ago, AgriLand Farm Credit opened a branch office in Kingwood, just north of Houston, to serve Montgomery, Liberty, Polk, San Jacinto, Trinity and Walker counties.

Since that opening day, July 1, 2008, the Kingwood office has grown considerably: The branch now has a vastly mixed portfolio of loans totaling \$11 million in volume. But if the new regional president, Michael Biesiada, is correct, it has only begun to grow.

"Although we are here to serve all aspects of agricultural production, including cattle and crop production, our targeted audience out of the Kingwood office is rural real estate," says Biesiada. "We are focused on financing homes on acreages, farms, ranches, timberland, recreational property and agribusiness."

For Biesiada, joining AgriLand Farm Credit was like coming home. He was employed by El Campo Production Credit Association for a number of years, before becoming an investment banker with Rabobank's agricultural group. From there, he went into financing and marketing transportation and construction equipment. He also has prior experience as a real estate appraiser. "Agriculture has always

been in my blood, and that is my primary reason for returning to Farm Credit," Biesiada says. An agricultural economics graduate of Texas A&M University, he grew up in a farming and ranching environment in South Texas.

Joining him in the Kingwood office is Loan Officer Aaron Taylor, who also has an agricultural background. Taylor graduated in 2009 with a bachelor's degree in finance from Texas State University, where he played college baseball. Previously, he attended and played ball at Temple Junior College. A native of Bells, Texas, he spent many hours helping his grandparents with their cow-calf operation in southeastern Oklahoma, raising pigs for his FFA projects, and judging livestock.

"Aaron and I are excited about representing AgriLand," Biesiada says. "These days, there just aren't many lenders in the Houston region who are capable of financing large tracts of rural property or who understand agriculture and rural living. But we do. And we look forward to serving new and existing customers."

The Kingwood branch office is located at 25404 U.S. Hwy. 59, Suite 200, in Porter, Texas.

## Richbourg Appointed to AgriLand Board



Gregory Richbourg was selected by the AgriLand Board of Directors to join the board as a director-appointed member. Richbourg is a CPA in Tyler, and is an officer and vice president of Richbourg and Associates. His areas of specialization include individual and corporate income tax preparation and planning, compilations and management consulting.

Richbourg graduated from Texas Tech University with a degree in accounting. He is a member of both the American Institute of Certified Public Accountants and the Texas Society of Certified Public Accountants.