



LEADER



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Who says you can't start farming now?

MidAtlantic Farm Credit has been the expert in financing rural America for more than 85 years. So when you're planning for the future, count on someone who's been there for you in the past.

MidAtlantic offers financing for:

- Real estate
- Operating expenses
- Equipment & vehicle purchases
- Improvements and more

Our knowledgeable loan officers can also offer the advice and financing you need to make the transition easy.

Let MidAtlantic help preserve the hard work of the previous generation while moving the next generation to new successes.



MidAtlantic
Farm Credit

DelMarva	800.573.3028
MidMaryland	800.442.7334
Pennsylvania	800.477.9947



Board of Directors Election

Central Maryland Election Region (3 year terms)

Gary L. Grossnickle
Mehrlle H. Ramsburg, Jr.

Chesapeake Election Region (3 year term)

Douglas D. Scott

Delaware Election Region (3 year term)

Dale J. Ockels

Keystone Election Region

Dale R. Hershey
(3 year term)

Wilmer L. Hostetter
(3 year term)

James M. Garber
(2 year term)

Mervin Sauder
(2 year term)

Kenneth L. Stutzman
(1 year term)

Rodger L. Wagner
(1 year term)

Marva Election Region

M. Wayne Lambertson
(3 year term)

Fred R. Moore, Jr.
(2 year term)

George E. Bundick, Jr.
(1 year term)

Nominating Committee Election

(all terms are 1 year)

Central Maryland Election Region

Jesse L. Burall, Sr.
Steven L. Wilson

Chesapeake Election Region

Raymond T. Harrison, III
William M. Knight, Jr.

Delaware Election Region

Leroy Allen Messick, Jr.
Benjamin H. Tull

Keystone Election Region

Stephen R. Burkholder
Dean L. Groff

Marva Election Region

Susan B. Arnold
Lewis Quinton Riley

NOTE FROM THE PRESIDENT



I don't have to tell you that the face of farming is changing, and—as a rural lender—we've had to evolve too. Changing isn't always bad: for us, it's meant keeping the strong values and emphasis on customer service that we've had in the past, and adding technology, new services and improved benefits to our members, so that we're positioned to be a strong, stable lender in the future.

Farm Credit certainly has changed since we were first chartered in 1916. We have expanded our services at the request of our membership, and are proud that we can now offer convenient services—either through us directly or through one of our Association partners—such as leasing, life insurance, crop insurance, estate planning and appraisal services. While we've worked hard to provide you with the additional services you need, we've also worked to bring these services to a larger number of people.

Through our improved loan programs, we can extend financing to agribusinesses as well as to rural homeowners. This is good for two reasons: I think it's smart for us as a financial institution to diversify our portfolio, but I also think it's good for us to recognize growing trends in our industry and our communities, and to expand our offerings so that we can serve even more people. After all, the more people who use our services, the more efficient we are. And the more efficient we are, the more profits that we can return to you, through our patronage program.

But all of this change doesn't mean that we have forgotten our roots, or lessened our commitment to our first customer—the family farmer. Family businesses have been and will continue to be at the heart of MidAtlantic's mission statement. Yet, even with this group, we need to look toward the future. We know that today's young, beginning and small farmers will be the key to a successful organization in the future. We haven't forgotten how important they are—not only to our organization—but to our entire community.

We dedicate this issue of the *Leader* to those young, beginning and small farmers throughout our region. In this issue, you'll see how many of them have created businesses that allow them to pursue their love of agriculture, no matter how many people said they couldn't (or shouldn't) do so. We applaud these farmers, and are committed to their continued success.

After all, we want to be doing business with their grandchildren some day.

Bob Frazee
President
MidAtlantic Farm Credit

P.S. Speaking of changing faces, results from our Board of Director and 2003 Nominating Committee elections were mailed to all stockholders on April 19. For your quick reference, the results are printed on the left of this page.



May Event Place

27 Offices Closed—Memorial Day

June Event Place

1&15 J Bar W Ranch Rodeo Union Bridge, MD
21-22 Delmarva Chicken Festival Seaford, DE
29 Congressman Holden Appreciation Event Oley, PA

July Event Place

4 Offices Closed—Independence Day
6&20 J Bar W Ranch Rodeo Union Bridge, MD

Aug Event Place

1-3 Carroll County Fair Westminister, MD
1-4 Caroline County Fair Caroline 4-H Park Denton, MD
3-11 Howard County Fair West Friendship, MD
3&17 J Bar W Ranch Rodeo Union Bridge, MD
9-17 Montgomery County Fair Gaithersburg, MD
12-17 Queen Anne's County Fair Queen Anne 4-H Park Centreville, MD
15-17 Farm and Home Show Winterplace Park Salisbury, MD
20-22 Ag Progress Days Rock Springs, PA

DO YOU HAVE A TRANSITION PLAN

LOVE IT AND LEAVE IT

FOR YOUR PROPERTY?

If you want to be sure who will own your family's farm after you're gone, start to plan early. And get help.

by Albert Schramm

Who will be farming your family's farm after you've departed? Indeed, will it still be a farm at all? If you love your farm and agricultural heritage, and want to assure that your legacy falls to the heirs of your choosing, there's only one way to be truly certain: plan now for the transition, get professional accounting and legal assistance to be sure of what you're really doing, and have it all down on paper, so everyone understands your specific wishes.

What follows is not a guidebook for transition, but rather some hints and ideas about what you need to consider and some of the hurdles you may face as you go. Like any other of life's journeys, it's up to you to take the first step. Your MAFC

office can be an effective clearinghouse of information and assistance, particularly with regard to the financial resources available to you and to your chosen successor.

It's Never Too Early to Start

A lot of farm families take succession for granted. Grandpa left the farm to Pa, and Pa will leave it to.... Assumptions are always dangerous, and in succession planning they are especially so. What Grandpa was able to do fifty or sixty years ago has no relation to what you may be able legally to do today. More to the point, it has no relation to what may be best for you to do today. The most advantageous way to find out what is best is to get expert help, and get it

early—while you have the most available options to consider. Some money spent on legal and financial counsel now could make the difference between a successful transition and a costly disaster. As time passes, your choices will be narrowed for you. Finding yourself—and your heirs—trapped by decisions that you could have made, but put off, is a harsh and avoidable punishment.

Set Goals and Share Them with Your Family

The first step is to gather your spouse and family around you and have a free and open discussion about what you—and they—want and expect from the future. One or more of your children may want to farm; others may not be interested

in farming but expect to share in the estate. With some help, you can create an estate through which all of your children are treated fairly, though not necessarily equally. Simply dividing your estate equally among a group of siblings may not be "fair" if it disadvantages a son or daughter who wants to farm, and has devoted a lot of time and work to the farm while siblings pursued other interests off the farm. Discuss the options fully with your family and listen to their input. And get it all on paper so that everyone knows what to expect from the start. Understandings and verbal arrangements are a formula for confusion and potential litigation that could eventually destroy all of your wishes.



With outside pressures such as suburban spread, it's important to make succession plans that include the entire family.

Create a Plan and Get It in Writing

One option is to create a plan for succession that will change the operation and ownership of the farm's stock and machinery, as well as provide you and your spouse with desired retirement income after the transition. You might want to create a partnership, a limited-liability partnership, or a corporation to run the farm. This bit of advice cannot be repeated too often: get a good lawyer and an accountant who are familiar with agricultural issues, and get them involved in your planning at the earliest stages. They can help you set up the best structure for gradually easing yourself out of the day-to-day work of the farm and bring your heirs or assigns into the management of the operation before any real estate changes hands. Have your attorney draw up a traditional will, a durable power of attorney, a living will, and examine your special legal needs. As a general rule, avoid living trusts and lifetime transfers without careful analysis by a trusted professional. Without proper planning, and the legal basis to support it, your estate could end up in forced liquidation or subject to a court-appointed guardian.

Remember: You've Got Everything to Lose

There is no lack of resources available to help you plan the transition that you want to achieve. Farm transition planning is a hot topic as more and more farms succumb to development. There is not enough space here to touch on any but a few basic issues, but if you come away from this article with any idea at all, it should be: Get help. Get started. ❖

photos by Albert Schramm

Farm Link:

WHEN IT'S NOT ALL IN THE FAMILY

Farm Link is a cooperative effort bringing together government and private resources to foster the continuation of the family farm as a viable avenue of modern agriculture. Pennsylvania Farm Link, started in 1994, is a private, non-profit operation. Maryland Farm Link is an arm of the Maryland Department of Agriculture. At present, neither Delaware nor Virginia offer comparable Farm Link programs.

At its most fundamental level, Farm Link seeks to bring older farmers looking to retirement into contact with a new generation in quest of a start on a farm. The most successful linking, of course, results in a young family gradually taking over the operations of an established farm and keeping it in agriculture for the future.

Every year, Pennsylvania Farm



Roland Freund, Penn State Cooperative Extension Agent, and Marion Bowlan, Executive Director of Pennsylvania Farm Link. Bowlan puts on several workshops every year, covering all of Pennsylvania's agricultural regions.

Link participates in a series of seminars or workshops devoted to helping farmers understand how best to plan for the successful transition. The seminars are at the heart of the program. Hosted by Penn State's Cooperative Extension, these workshops bring legal, financial,

agricultural and governmental experts together with farmers—those seeking to pass along the farm and those seeking to gain entry to farming. This is the first step of a successful transition.

Perhaps the most important benefit of one of these seminars is not the detailed information that is given out; it is the introduction to the processes required of a successful transition—procedures that are not limited to state- or county-specific laws and details. By learning how to proceed, a farmer from Maryland or Delaware may also profit from these seminars.

Pennsylvania Farm Link can be reached by calling Ms. Marion Bowlan, Executive Director, 717.664.7077 or through email at pafarmlink@redrose.net. For Maryland Farm Link, call Joan Schulz at 410.841.5770 or email her at schulzjw@mda.state.md.us.

A Successful Succession

Bryan and Patricia Huff wanted to turn a hobby into a profitable career. Patty was a 4-H'er who bred, raised and showed champion Jerseys. She and Bryan looked high and low for an affordable farm on which to start their own herd. They journeyed as far as Wisconsin in their quest.

George and Suzanne Lamborn, on the other hand,



George and Suzanne Lamborn, retired dairy farmers, are committed to keeping family farms in Pennsylvania's future.

were facing the other end of their dairy career. They had sold off their herd and were looking forward to retirement and some "normal" hours in their life. Committed farmers, the Lamborns were determined to assure that their farm of 160 acres in Chester County, Pennsylvania, would stay a farm even though many neighboring fields were sprouting houses.

The Lamborns used Pennsylvania's Farmland Preservation Program to sell the development rights to the State. They were then able to sell the farm to the Huffs for a manageable, agricultural price instead of an inflated "development" price. Now there is a fine herd of Jerseys gracing the hills of Chester County, and Bryan is dreaming about trying his hand at some cheese production.

George and Suzanne, meantime, not satisfied to have preserved only one Pennsylvania



Bryan and Patricia Huff, with Jessica, Melissa and friend. The Huffs milk seventy Jerseys in Chester County.

farm, bought a second farm near Chambersburg and put it, too, in preservation. They have restored the farm house and made other improvements, and are now renting that farm to another start-up dairy farmer. They plan on giving him an option to buy the farm when his operation can afford it.

Farm Safety for Kids Camp to be Offered



It may not have a place on your daily to-do list, but, certainly, safety is a top priority. Whether you're planting corn, or just taking a trip to the local grocery store, decisions about safety can impact our lives dramatically.

Jane Smith, Safety Chairperson for the Frederick County Chapter of the Farm Bureau's Farm Safety for Just Kids Program, has a passion for safety. She and her husband, Charlie, live in the Jefferson, Maryland area, but travel locally and nationally presenting workshops on the subject. It is through their own loss of a granddaughter in an automobile accident that they first became involved in safety education. After some statistical research, Jane discovered the Jefferson area had recorded 14 farm-related fatalities in the previous 54 years. She decided it was time to do something.

In 1993, the chapter began holding a two-day Farm Safety for Just Kids camp. The camp offers safety classes around the following topics: dirtbike/ATV, animal, Internet, machinery and tractor, water and pond, kitchen, skin, school violence, home alone/latchkey, gun, fire, lawn mower/weed eater, chainsaw, woodworking, and seat-belt/airbag, just to name a few!

Children ages 8-13 are invited to attend. And, the program isn't just for farm children—there's a little something for everyone!

For a \$5 registration fee, the children get three meals, a party and plenty of activities. "The children really enjoy learning about safety," says Jane. "And one full day seems to be just the right amount of time for the camp," she adds.

This year's program will be held June 18 and 19, 2002, at the 4-H Camp and Activity Center in Jefferson, Maryland. Registration is limited to 75 children. If you are interested in registering your child, please contact Jane Smith at 301.473.8259. ❖

COMPARED TO TELEVISION,

SURVIVING

IN FARMING IS EASY

by Sandy Wieber

Farm Credit borrower Tom Buchanan admits that he has had some tough days in farming. But none of them compare to the 39 days he spent in Africa as a contestant on the CBS series Survivor.

"It's a demanding game, both physically and mentally," says Tom, whom millions of people know as "Big Tom" from the popular Thursday-night show. "My toughest days farming weren't as tough as that."

A long-time member of Farm Credit of the Virginias, "Big Tom's" Rich Valley farm consists of almost 750 acres of land, 750 head of cattle (consisting of approximately 150 cows and calves, and 600 yearlings) and 250 goats.

It's All About Luck

Tom is quick to acknowledge that much of his success on Survivor was due to luck (he placed fourth out of 16 contestants), he gives much of the credit for surviving farming to his financial partner.

"Farm Credit has just been good to me in every aspect," he says. "They were there when I had high expectations, and big plans to make some money, and I always appreciated that."

"Of course, sometimes things weren't so good, and they were there to pull me out of a jam," he remembers. "There aren't a lot of places that are there in good times and bad, and I always appreciated that."

After His Fifteen Minutes

Since his time in the spotlight, Big Tom has looked for ways that he can help people when they have bad times.



Television survivor Tom Buchanan poses with someone who has helped him survive some tough years farming...his Farm Credit loan officer, Ed Blevins.

He has sold his signature straw hat on eBay, and auctioned off one of his shirts at an event in Dallas, donating the proceeds from both sales to various charities.

But even more than donating money, Tom would like to donate his time. The cause closest to his heart is literacy, mostly as a result of the show. "When I went to vote off Clarence [Clarence Black, another contestant], I couldn't spell Clarence. That was embarrassing, admitting that on national television. But it really led me to pushing the importance of literacy here at home."

Tom has begun a program in several Smith County schools, called *Reading is the Key to Survival*. In addition, he is the spokesperson for a book donation program at his local children's hospital. "I realized one day that my son Bucky Bo is twenty years old and I still have books like *Ferdinand the Bull* in my attic. I started to think that lots of people could have old children's books in the attic, and if they donate them to a hospital like I have, then maybe I've helped someone after all the publicity is over."

If you would like to join Tom in his effort to help, you can donate your new or gently used children's books to your local hospital, or send them to the address below, and we'll forward them to Big Tom in Virginia.

Reading is the Key to Surviving
c/o MidAtlantic Farm Credit
1284 Gap Newport Pike
Avondale, PA 19311

A P O U L T R Y F A R M E R O N T H E E A S T E R N S H O R E

MOVING FORWARD

R E S O L V E S T O C O N T I N U E W O R K I N G T O W A R D S
T H E D R E A M S H E S H A R E D W I T H H E R H U S B A N D

by Albert Schramm

A surprise for many: 2001's top chicken farmer is a young mother who balances family and farm superbly.

In 1996, Raymond and Terri Wolf bought a farm just outside of Hurlock, Maryland. The farm was a family dream come true. Sixty-nine acres; corn, soy beans and two houses of chickens. The chickens quickly gained Ray's fascination, and he proved a capable and innovative grower, always seeking a better way, a more efficient management scheme. Son Cody took an active interest in the birds and worked into a diligent helper. The future was bright.

Then, on a cruel night in December, 2000, fire swept through the Wolf's homestead. Gathering his family outside, Ray realized that Cody, age 9, was trapped in the house. Without a moment's hesitation, Ray plunged back into the burning building to save his son. It took ten fire companies to subdue the blaze. Ray and Cody died together that night.

The pain of this horrific loss forged a deep resolve in Terri Wolf—she would continue the dream she had shared with Ray. She would pick up the pieces and build on Ray's legacy of innovation and attention to the smallest detail. She would concentrate on the chickens and rent the crop acreage to a neighbor.

To the uninitiated, growing chickens for fun or profit seems a simple enough task. In fact, growing quality roasters for



Terri Wolf pauses a moment to reflect on the events of the past 18 months.

Photo by Albert Schramm

maximum profit is one of farming's most difficult challenges. The learning curve is steep, the attention demands are nearly continual, and the required responses to environmental deviations in the chicken houses must be almost immediate. There is very little room for error before the birds begin to suffer and even die. Yet, this mother of three active kids—16, 13 and 8—juggles her tasks with the skill of a seasoned veteran.

Not an Easy Year

A grieving family to console, feed and shelter. A new house to build. A farm to



photo courtesy of Perdue

run. The first flock of 2001 was infected with avian pneumonia. A burst water main flooded one of the houses. Wet litter and sodden chicks to dry out. A feed auger failed, creating a mountain of feed in the middle of the other house. Wolf was bounced from one crisis to another, yet her enthusiasm for the farm never flagged. Indeed, it grew stronger. She learned from every episode, gaining confidence in her own ability to improvise, to solve problems, and to manage her opportunities.

Being the top producer for Perdue Farms means, more than anything else, being a superb manager of many difficult details. It means producing the meatiest birds on the least feed, fuel and maintenance. It means creating and sustaining a very delicate environment, a careful balance of temperature and air flow, water and feed, and just enough space for the birds to thrive and achieve the fastest growth with the least loss of weight.

One flock of Terri Wolf's chickens averages 54,000 birds on an approximate nine-week growth cycle. Wolf currently raises four flocks per year. At one point, the family considered adding a third house, but she decided, for now at least, the balance of farm work to family needs is just about right for her. She has found her niche.

In an old TV commercial, the legendary Frank Perdue used to tell us: "It takes a tough man to grow a tender chicken." Times have changed. ❖

EVEN OUR COMPETITORS KNOW IF YOU WANT A HOME

AN UNLIKELY REFERRAL

IN THE COUNTRY, YOU NEED COUNTRY MORTGAGES

by Jennifer Stum

Each customer brings with them an interesting story about how they came to know about MidAtlantic Farm Credit. Some tell a story of being referred by a friend or family member; for others, the story has a bit more of a twist, like the story of Bruce and Cathy Kopicz of Mohrsville, Pennsylvania.

The Kopiczs are originally from the area of Berks County where they live today. Like many of us, Bruce and Cathy lead a very busy lifestyle. They both work, and they have two teenage sons, Troy who is 19, and Andrew, 16. In addition to her job as a radiology technician, Cathy also helps Bruce run their trucking business, which they began back in 1979. In the early days of the trucking business, Bruce was hauling mainly produce, but today he holds two types of licenses: one to haul commodities, such as



The Kopicz's refinanced their home through Country Mortgages after another lender referred them. Built in 2000, the home is located in Mohrsville, Berks County, Pennsylvania.

food items; and another to haul non-edibles, such as copper tubing. Trucking was a natural career choice for Bruce, having grown up on a dairy farm and driven a milk truck for a few years after high school graduation. Bruce performs most of the maintenance on his 16-year-old truck, and has recently become a member of the Million Mile Club.

An Unusual Source

In the fall of 2000, Bruce and Cathy built a new home

in Mohrsville. With the dropping interest rates, they decided to refinance their home in the fall of 2001. It was then, while Bruce was shopping for a lender, that he was referred to Country Mortgages by Farm Credit. Not by a friend or family member, but by another lender! Now that's unusual! That's when Cathy called Georgia Hemperly, a loan officer in the Lancaster office. Georgia did just what the competitor promised. She was able to provide the Kopiczs with the product they wanted, and at a very competitive rate. And to meet the needs of their busy life, she even came to their home with a laptop computer to complete the loan. "That kind of convenience is key with our busy schedule," says Cathy. "Georgia was very helpful; she took the time to explain

everything and answer our questions," she adds.

Georgia has worked for Farm Credit for about 22 years. She began specializing in home mortgages when MidAtlantic began offering the Country Mortgages program about five years ago. Since then, she's heard lots of referral stories, but admits that this has to be one of the most unique.

"Competitors are beginning to take notice of our Country Mortgages program," says Georgia. "The program offers lots of flexibility, especially for folks who have a fair amount of land with their home," Georgia adds. The Country Mortgages program is designed to offer financing to customers purchasing or refinancing properties with a little extra acreage. Many commercial banks can't finance these types of properties.

The Kopicz's have been a great source of referrals for Georgia, as they continue to spread the word about Country Mortgages to their friends and family. It's interesting to think that, if not for a competitor, Bruce and Cathy may never have known about MidAtlantic's Country Mortgages program themselves! ❖



Troy, Cathy, Andrew and Bruce Kopicz lead a busy lifestyle. They found it convenient to have the Country Mortgages representative, Georgia Hemperly, come to their home to complete the paperwork and answer questions.

DIVERSIFICATION KEEPS

SUCCESS TIMES TWO

YOUNG FARMERS ON THE FARM

by Jack Curry

Dairy farmers are accustomed to starting work before sunrise and Jay Rhine is no exception. But, Jay's first chore is not milking cows—it's planning the day's activities for his 20-person landscaping crew. Only after that's done does he head to the dairy barn for his 'other' job.

As a successful 25-year-old Sykesville, Maryland farmer, Jay has found diversification is the key to insuring the farm's profitability through his recently formed and rapidly expanding landscaping business.

In 1995, Jay's father, John, passed away, leaving Jay and his mother, Susan, to decide the future of the operation. As the fourth generation of Rhines to work the dairy, the decision for Jay was easy—but it meant leaving college to take over the farm's operations, and finding ways to increase income without major capital investments.

"I grew up on this farm literally by my father's side, helping him with all the chores," Jay recalls. "I'd been involved with farming my whole life. It's a lifestyle I loved and one I wanted to continue—I just had to find ways to make it economically feasible."

With 1995 milk prices almost as low as they had been 20 years ago, and all the



Jay Rhine, center, is a true entrepreneur when it comes to business. But he carefully analyzes his ventures with his mother and office manager, Susan Rhine and MAFC account executive Gregg Gillespie.

other costs of running a farm doubled and tripled, Jay knew he had to find new sources of income to supplement the dairy's milk sales.

Rhine Lawn Care and Landscaping, formed in late 1999, quickly proved to be more than just an additional source of income. Entering only its third full year of operation, the landscaping service is expected to easily top one million dollars in sales and soon may rival the family's farm as the top income producer. Additionally, Jay does custom harvesting for the University of Maryland and nearby neighbors.

Jay's advice to any young farmer contemplating whether to remain on the family farm or seek employment elsewhere is simple. "To be a successful farmer you have to love the land and the life—and yes, the hard work and long hours.

Farming has to mean more to you than just a job or a way to make money."

Agreeing, Gregg Gillespie, Jay's MAFC account executive says, "Farming is definitely a labor of love—you don't work only for the dollar sign. Successful farmers make their career in agriculture an avocation—not just a vocation."

Jay Rhine's zeal for insuring the family farm's viability through diversification continues as he shares his dreams for the future.

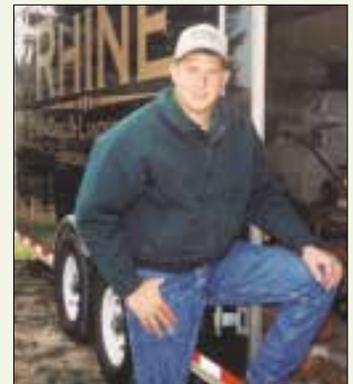
"Give me another five years or so and I'd like to build a dairy processing facility and retail store on the farm," he says. "Along with that, we'd set the dairy up so families could visit, watch cows being milked, see milk processed and cheese and ice cream made, and then go to our store and buy the products. I've also considered having a children's petting zoo and picnic area."

Across the room, Susan Rhine—obviously proud of her son's achievements—smiles and adds, "Jay's got

grand ideas—and the determination to see them through."

Summing up his decision to stay on the farm, Jay also credits the choice to his belief that by growing food to feed others he is helping to make his country stronger. He feels that farmers give back to their communities, making them a better place to live.

George Washington, also a farmer, felt much the same way when in 1794 he wrote, "I know of no pursuit in which more real and important services can be rendered to any country than by improving its agriculture." Over 200 years later that understanding of agriculture's true value continues—through farmers like Jay Rhine. ❖



Splitting his time about 50/50 between his recently formed landscaping business and the dairy farming operation means 25 year-old Jay keeps long hours and a busy schedule.

A YOUNG DAIRYMAN LEARNS

DOME SWEET DOME

IT'S NEVER TOO LATE TO MAKE A NEW START

by Sandy Wieber

Growing up on a dairy farm, Travis Lee Moser knew one thing for sure: he wasn't going to be a farmer.

"I don't know when I was first turned off," he says, then surmises that it was while baling hay. "We put up a lot of hay for hobby horse farmers, and it was hard, manual work with the small bales. That's probably when I decided to do something else."

As a result, Travis didn't participate in 4-H as a youngster. He didn't own any animals. He didn't go to an ag school; rather, he majored in psychology at Eastern College in St. Davids.

Travis had plans to go to graduate school when his then-girlfriend Diane asked him what his parents would think if he took over the family farm.

"That was really the first time I had thought about it," he says, "and all of a sudden—it sounded good to me."



Dome on the Range: Twenty-seven year old Travis Lee Moser stands in front of his new domed freestyle barn. He is pictured with his wife, Diane, and 19-month old daughter Gillian.

A Place to Grow

"I decided to farm for my future family," he says. "Diane and I knew we wanted children eventually, and I thought a farm would be a great place to raise them."

The 400-acre farm in Barto, Pennsylvania is a good place to raise lots of things. Travis, along with his father Gordon, raise a mixture of alfalfa, corn, and haylage to feed the stock.

"Most of our acreage is rented, and there's some real pasture area," he says. "One of the things I learned while farming is to capitalize on both your strengths and your weaknesses. One of our weak-

nesses is the poorer ground—but it makes great hay for horses, and we use it as a cash crop. It's easier to profit from your strengths, but I think it's a real credit to profit from your weaknesses as well."

Building the Moser-Dome

Two years ago, Travis and his father decided to improve the property's facilities, which hadn't been modified since Gordon first bought the farm in 1984.

"The neighbors definitely talked about the new barn," laughs Travis. "It wasn't a traditional looking barn for this area."

"The dome gives good ventilation, great light," he says. Despite its look, the building is not a greenhouse, and it doesn't heat up like one. While a greenhouse barn is covered with two sheets of lighter material, the Moser-Dome (as Travis's mother, Sandy, called it during construction) is covered with a woven fabric that lets in only 20% of the sun's rays.

"We chose the material not just because it would keep it cooler, but also for the strength and durability," explains Travis. "My father and I have walked up the outside of the barn—so it's pretty tough."

Looking to the Outside

Speaking of resilient and tough, Travis says he had to be in the beginning, as he had a lot to learn about farming in a short time. His loan officer, Eric Knutsen, says Travis is well up to the challenges. "Travis's lack of production experience may be an asset—he has the ability to look at a situation with no pre-conceived ideas and often develops innovative solutions. This ability—combined with his openness to outside resources, and his reliance on his father's knowledge base—has made Travis a successful dairy manager."

For his part, Travis appreciates the fact that Eric, too, is good at what he does. "We talked to another bank at the beginning of the project," Travis admits, "but they wanted to be engineers, not bankers. They wanted to make changes to the design. Eric trusted us to know what we want, and he worked to make sure that we could do it financially. That's what I was looking for in a banker."

And at this point in his life, Travis really is sure of exactly what he wants. ❖



Travis says he has learned a lot about dairy farming from cooperative seminars. One management practice that caught his eye was cropping the cow's tails for a cleaner milking environment and lower somatic cell count. "It really has made a difference," he says. He currently milks 150 Holsteins.

CHOOSING APPROPRIATE MARKETING TOOLS

KNOW WHEN
TO HOLD 'EM

FOR MARKET CONDITIONS

How will you know when to sell your crops this year?

by Scott E. Davis, Sr. Market Analyst Pro Farmer

If you're new to grain marketing, it can be a confusing concept, but here's a short primer: it all starts with basis, or the difference between the national average paid in the futures market and the amount paid in the local cash markets.

Getting Started

How do you analyze that spread? If you're a young or beginning farmer, your best bet is to join a local grain marketing club. Ask other club members what the difference between your local price and the national price has been historically. If you don't have a marketing club near you, you can get the same information by calling your local grain elevators, and asking them what they're paying. This will help you see the local market.

If current basis is good, that is, there's a large margin between the national average and your local price, don't hold your grain. After all, there is a cost to holding it—the cost of interest on any



operating loans, the cost of storage, the risk of losing quality while you're storing. Look at sales strategies that lock in basis—like cash grain sales to local mills or elevators. Still bullish on the market? Many years, you can sell cash grain and replace it in a long call option for “free” by rolling storage costs into the option premium. Instead of paying about three cents a month to hold grain in the elevator, move the grain today and invest those “savings” in a long call option. This strategy would lock in a guaranteed minimum price for you and help you maintain your profit potential if a crop problem develops in the growing season.

Lowering Your Risk

But what should you do if your current basis is bad? Look at risk-management moves that keep basis open. One strategy: do nothing. But you can only do that if you expect futures and basis to improve. Another possibility: store the grain, but hedge your risk in short futures or in purchased put options. A put option provides the right—but not the obligation—to sell a futures contract for a specific month at the “strike price” (or hoped-for price) selected when the option is purchased. Purchasing a put option from a brokerage firm will move your grain from a physical asset, to a financial one. Remember to consider your break-even point (in the

event that your local cash price does not reach the final amount you hoped it would), and to subtract the cost of the put option premium from your final price. Doing that in the corn market this spring would allow you to sell the carrying charge built into deferred futures—effectively offsetting storage costs and limiting downside risk.

Obviously, there are still many risk factors in the grain market—including the strong dollar overseas, the possibility of another strong crop year, and increasing South American competition. But you can mitigate some of those risks by monitoring the basis in your local area.

Scott Davis recently spoke at the Lehigh Valley Grain Marketing Club. The club holds regular breakfast meetings at 7:00 am on the second Tuesday of each month in MAFC's Fogelsville office. If you're interested in LVGMC activities, or in beginning your own grain marketing club, contact John Berry in the Lehigh County Extension office, at 610.391.9840, or jwb15@psu.edu. ❖

(dollars in thousands) unaudited

	March 31, 2002	December 31, 2001
Assets		
Cash	\$ 8,723	\$ 8,246
Loans	1,188,640	1,171,841
Less: allowance for loan losses	26,944	26,021
Net loans	1,161,696	1,145,820
Accrued interest receivable	10,266	8,949
Investment in AgFirst Farm Credit Bank	22,978	22,978
Premises and equipment, net	5,689	5,685
Deferred tax asset, net	1,607	8,349
Other assets	3,471	10,591
Total assets	<u>\$1,214,430</u>	<u>\$1,210,636</u>
Liabilities		
Notes payable to AgFirst Farm Credit Bank	\$ 983,756	\$ 977,609
Accrued interest payable	4,378	4,469
Patronage refund payable	6,725	5,209
Postretirement benefits other than pensions	5,008	4,994
Other liabilities	3,969	6,926
Total liabilities	<u>1,003,836</u>	<u>999,207</u>
Commitments and contingent liabilities		
Members' Equity		
At-risk equity:		
Capital stock and participation certificates	7,660	7,536
Retained earnings		
Allocated	64,623	64,488
Unallocated	138,311	139,405
Total members' equity	210,594	211,429
Total liabilities and members' equity	<u>\$1,214,430</u>	<u>\$1,210,636</u>



<i>(dollars in thousands) unaudited</i>	For the three months ended March 31,	
	2002	2001
Interest Income		
Loans	\$19,255	\$22,280
Other	6	3
Total interest income	19,261	22,283
Interest Expense		
Notes payable to AgFirst Farm Credit Bank	13,132	15,262
Net interest income	6,129	7,021
Provision for (reversal of) loan losses	975	—
Net interest income after provision for (reversal of) loan losses	5,154	7,021
Noninterest Income		
Loan fees	275	235
Fees for financially related services	84	46
Miscellaneous	1,800	83
Total noninterest income	2,159	364
Noninterest Expense		
Salaries and employee benefits	2,521	1,858
Occupancy and equipment	332	342
Insurance Fund premium	90	—
Other operating expenses	1,044	838
Losses on other property owned, net	—	17
Total noninterest expense	3,987	3,055
Income before income taxes	3,326	4,330
Provision (benefit) for income taxes	2,719	(356)
Net income	\$ 607	\$ 4,686



ANNUAL MEETINGS

More than 2000 members, friends and local dignitaries attended one of the eight annual meetings held throughout MidAtlantic's region. Guests enjoyed great food, entertaining speakers, and a chance to win door prizes. Members also had the opportunity to pick up their share of more than \$17 million in patronage payments, and to vote for their nominating committee and board of directors. For results of the election, see page two.



Surprise Awakening: The day after MAFC's annual meeting in New Holland, there were several inches of snow on the ground. Quite a shock at the beginning of April.



Grand Prize: Chairman of the Board Ralph Robertson proudly displays the \$17.5 million dollar patronage refund check payable to our stockholders.



In Stitches: Wanda Hutchison was one of eight who won a hand stitched quilt made by Amish quilter, Anna Beiler.



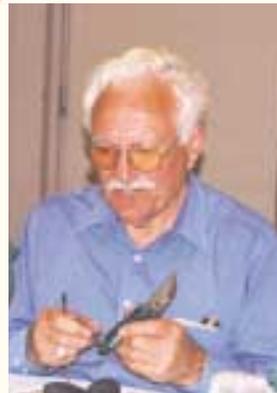
No Dummy Here: Fifth generation Alabamian, Bryan Townsend entertains members at the New Holland meeting.



Collective Thoughts: After careful consideration, voting members hold up their ballots to be collected at the Level meeting.



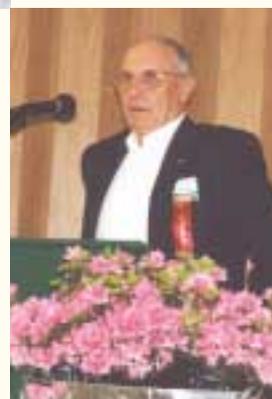
See Saw: Tom Peterson checks out the saw blade on one of the favors given at the meetings.



Sweet Rewards: These sweet smelling daisies were just one of the 16 tubs of flowers awarded to lucky ticket holders.



High Tech: With the addition of computers, this year's registration process was a breeze.



Last Call: Retiring director Marion Leaverton says goodbye to the MidAtlantic board. Other retirees this year include Donald Cole, Ken Schlegel and Jim Welling.



Careful Consideration: This member takes a minute to review the slate of candidates for this year's elections.



Group Discussion: Regional manager, Jeff Tyson (center) discusses the 2001 annual report with cousins Gordon and LaVerne Moser at the Allentown meeting.



Private Joke: Appraiser Dale Colegrove (left) shares a laugh with member, Zeke Collins.



MAFC IS LOOKING FOR YOUR

READY, AIM, SMILE!!

FAVORITE SHOTS FOR AN UPCOMING CALENDAR



photo by Sandy Wieber



Wanted:

Scenic agricultural-related (all industries) photos

*Click, click, click...*we all love taking photos of our favorite things. It's great fun looking back on where we've been or what we do. Here at MAFC we'd like you to look through your photos and send us your very best scenic agricultural-related photo(s). Our plan is to develop a customized color picture calendar for the calendar year 2003. We'd love to feature your photo.

We'll feature some of the entries in upcoming issues of *The Leader*. The 12 best shots will be featured in our 2003 calendar. If your photo is one of the 12 chosen, you will also receive a tub full of goodies from MidAtlantic (*not to mention the glamour of having your name and photo on our calendar next year!!*)

So don't wait...remember there are four seasons throughout the year. We are sure you have that perfect picture to represent one of them!

Submission Guidelines:

- To submit a photo(s), (three photos maximum per person) complete the submission form on this page.
- All photos must be in color (no black & white).
- Attach the form to the photo or to the envelope containing the photo(s).
- Mail your submission(s) to the address listed on the submission form.
- It is recommended that photos be placed between two sheets of cardboard or other protective material to avoid damage.
- For best reproduction, photos should be a minimum of 5"x7"—however—smaller photos may be submitted.
- All photos must be received no later than July 1, 2002.
- All photos will be returned to contributors as soon as possible.

MidAtlantic Farm Credit Calendar Photo Submission Form

NAME (PLEASE PRINT) _____

ADDRESS _____

CITY _____

STATE _____

ZIP _____

PHONE _____

PLEASE BRIEFLY DESCRIBE THE PHOTO (LOCATION, WHAT IS IN THE PHOTO, ETC.) _____

SIGNATURE OF CONTRIBUTOR _____

Mail to: 2003 Calendar
 MidAtlantic Farm Credit
 1284 Gap Newport Pike
 Avondale, PA 19311

I/we hereby give MidAtlantic Farm Credit or its agents permission to use the attached photograph(s) including the names and likeness of individuals appearing in the photograph(s) in the 2003 calendar, the quarterly magazine *The Leader*, or any other lawful purpose. I/we understand that MidAtlantic Farm Credit will make every reasonable effort to return photographs, but that it cannot be responsible for loss or damage.

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Questions or Ideas If you have any questions or ideas for the editorial staff of *The Leader*, contact Donna Dawson at 800.477.9947, e-mail her at ddawson@midatlanticfarmcredit.com or write her at MidAtlantic Farm Credit, PO Box 687, Avondale, PA 19311-0687. This publication is for you, our reader. We'd love to hear from you if you have any thoughts to share.



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"Ears" to our future—the future of agriculture, and your family farm, and your cooperative. MAFC is dedicated to helping young farmers succeed—see how in this issue.

