



LEADER



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Looking for answers in the middle of the night?



We know that now is a busy time of year for you (of course—what time isn't?) That's why we've created a website that's open for business when you need us—whenever you need us.

You can check your account balances, look for new products, even send your account executive an email if you have a specific question. If you do have specific questions, we'll be happy to respond the next business day, either by return email or with a phone call, whatever is easiest for you.

Visit us at midatlanticfarmcredit.com. Our lights are always on.



DelMarVa 800.573.3028
MidMaryland 800.442.7334
Pennsylvania 800.477.9947



NOTE FROM THE PRESIDENT

These days, you hear a lot of people talking about “political correctness.” When folks use this term, they’re usually referring to comments and discussions that you shouldn’t be having, out of sensitivity for other people’s feelings.

When we talk about political correctness at MidAtlantic, we tend to focus on the conversations that we feel we **should** be having, namely with our political representatives. This year, we’ve made it a priority to “tell the Farm Credit story,” both to the general public and to our elected officials. As you know, Farm Credit was created by Congress almost 90 years ago. We think that now, more than ever, there’s a need for a source of sound, reliable credit that’s owned by the very people who need that credit. And we’re committed to making



sure Congress knows that need exists.

Earlier this summer, we hosted an appreciation event for Congressman Tim Holden of Pennsylvania. Over 100 people joined us to salute Congressman Holden, and to thank him for his continued support of Farm Credit. The Honorable Tim Holden has been the ranking minority member on the House’s Ag Subcommittee on Conservation, Credit, Rural Development and Research, the subcommittee that oversees Farm Credit issues. Congressman Holden has been a big advocate of the Farm Credit System in

the past, and we appreciate that support.

In early July, we invited several Congressional staff members to a two-day tour of farms in Maryland. We visited Windridge Farms in Adamstown, a diversified grain operation that also has an indoor aquaculture venture; Brookfield Farm, a 300-cow dairy operation, and Bell Nurseries, a greenhouse operation featured in *Volume 6, Issue 1 of The Leader*. What happened during our two days together was a lively dialogue between the staffers and the MidAtlantic members whose operations we toured.

We all have a responsibility to educate the non-farm

public. In this issue, we feature members who touch the public throughout the year—through direct sales to the public, farm tours and more. We hope you’ll see their stories as an opportunity to reach out to people in your own area—whether it’s your non-farm neighbors, your local elected officials or your representatives in the Capitol.

We think there’s a need for a viable farming community, now and in the future. And we think there’s also a need for reliable credit from an organization that’s committed to agriculture. Let’s all work together to make sure both of those things are priorities for our Senators and Representatives, as well.

Bob Frazee
President
MidAtlantic Farm Credit



EVENT SCHEDULE

Sept	Event	Place
1-2	Maryland State Fair	Timonium, MD
2	Labor Day	MAFC offices closed
6	Thurmont and Emmitsburg Community Show	Thurmont, MD
7-8	Waredaca Horse Trails	Laytonsville, MD
10	Decisions Conference	Allentown, PA
13-21	Great Frederick Fair	Frederick, MD
19-22	Eastern National Livestock Show	Timonium, MD
21	Maryland Million Race (Pimlico)	Baltimore, MD
21-22	Small Farm and Rural Living Expo	Gilbert, PA
28	Shawan Downs Race	Hunt Valley, MD
Oct	Event	Place
2	Kiptopeke Harvest Festival	Kiptopeke, VA
2-3	Brunswick Community Show	Jefferson, MD
8	Frederick County Association of Realtors Show	Walkersville, MD
18	Employee In Service Day	MAFC offices closed
18-20	Waredaca Horse Trials	Laytonsville, MD
24-27	Fair Hill International	Fair Hill, MD

A MAN FOR ALL SEASONS

When the author of Ecclesiastes penned the line: “for every thing there is a season, and a time for every matter under heaven,” he might have had Jeff Hastings in mind.

by Albert Schramm

Bethel, Delaware, looks like the kind of tiny hamlet that could easily have sprung fully fleshed from the imagination of Faulkner, or perhaps Harper Lee. Hot, sleepy and slow, well off the beaten track. There is hardly a sound other than that of the summer cicadas or the occasional buzz of a distant tractor spraying a field. But all of that is simple illusion, for Bethel is fast becoming the Delmarva spot to seek out. Folks from all over Delaware, the Eastern and Western Shores of Maryland, New Jersey, Pennsylvania and elsewhere are flocking to town. And Jeff Hastings is to blame.



From left: MAFC's Ron Lindale with Kim Hastings holding Gabrielle, backed up by Jeff.



Spring Break: H & H Brand Farms grows almost all of its own stock. Empty areas show the effects of a strong spring season.

Adding a Dash of Zest to Daily Business

Variety is the spice of life, and Jeff and Kim Hastings, owners of H&H Brand Farms, know how to make a success of every time of the year. Agriculture in any of its forms is hard work, but you'd never know it watching either Jeff or Kim. Theirs is an easy presence that glides among the colorful racks in the nursery. Impatiens, marigolds, roses, petunias, hibiscus and more compete for your attention—a vast mass of soft color and form that invites the shopper to linger. Beyond the nursery and gift shop, there are nearly 500 acres of crops that demand their attention.

There are more than 140 acres in sweet corn destined for a cannery in Queenstown, and 100 acres in watermelons that will be shipped all over

the country and even as far as Europe. Some, of course, will be held for retail at the nursery. Pumpkins for the autumn season vie with cantaloupes scheduled to be sold up and down the Shore at many fruit and vegetable outlets, and in the markets on the other side of the Bay and north of the Maryland line. Some five acres of strawberries are grown for both retail sale at the shop and wholesale consumption by fruit buyers. On top of it all, Hastings raises four flocks of roasters for Perdue each year—about 170,000 birds annually.

Jeff's father began the nursery in 1962. Jeff joined the business in 1974, and bought the operation outright in 1976. A long-standing customer of MidAtlantic Farm Credit, Jeff met the former Kim Pogwist in MAFC's

Georgetown office, where she worked for seventeen years. Upon the birth of their daughter, Gabrielle, Kim retired from Farm Credit to become a full-time Mom and work for the family business. “It was good for us to keep the account when Kim and Jeff married, but then we lost a great employee,” laughs Ron Lindale, a staunch friend as well as account executive for the Hastings. “Yeah, but look what we've got!” Jeff enthuses, holding daughter Gabrielle aloft amid a gale of giggles.

Making the Best of a Good Thing

Over the years, the nursery and gift shop have grown into a major draw that spans the seasons. In spring, bedding plants, annuals and roses attract customers from all over the region. The Hastings run frequent newspaper, cable TV and radio ads in and around Seaford, but word-of-mouth carries the appeal of the plant and produce center far and wide. Seasonal items round out the offerings, with Christmas trees and thousands of home-raised poinsettias highlighting the end of the year.

With a full roster of responsibilities at home and on the land, one might imagine Jeff Hastings to be hard pressed for time to devote to many



Gabrielle amid a sea of home-grown Christmas poinsettias.



Even honeybees fly in from all over Delmarva...



...here's a small sample of what they're after.



The shop is open all year, offering a range of seasonal gifts.

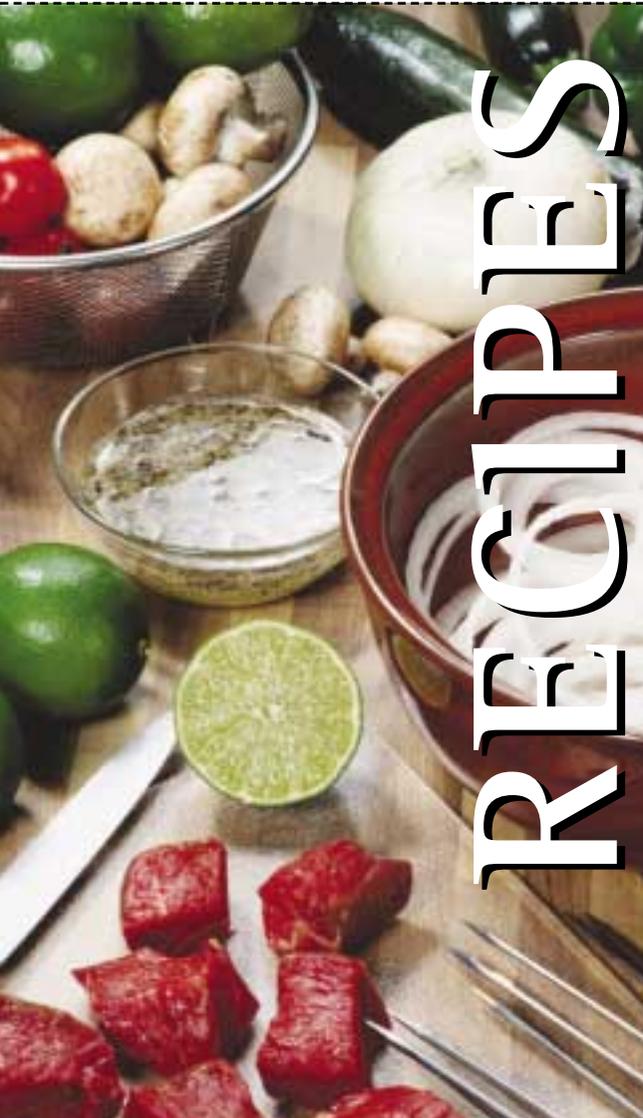
other activities. Yet, this model citizen serves Bethel as president of the town council. He is a past president of the Mardela Watermelon Growers Association (the current president of the Mardela Association, Charles M. Wright IV, was featured in *Volume 6, Issue 3* of *The Leader* last year), and he is a member of Farm Bureau. A full plate that many would consider too much for any full-time farmer.

"You've got to give something back. We enjoy a great life here in Bethel, doing what we love to do," Jeff notes earnestly, "and the only way to make sure that it will continue that way for Gabrielle, and for all the other kids, is to pitch in and take an active role in your community. What we have here is too good to risk."

Kim has no regrets about leaving Farm Credit to raise

her family. "I use the knowledge I gained working there to help manage our financial planning. Working with Ron, we project each year's operations to assure good cash flow and an ability to handle any of life's many unpredictables. Farming, especially, can be tough to predict. We recently had to upgrade all of our irrigation equipment, and MAFC was instrumental in helping us do that economically."

Outside, the shimmering heat makes the distant corn fields wiggle and waver under the bright sun. The lonely tractor, now finished its chores, alternately rises and dissolves in endless mirages as it beats a hasty retreat for some shade. It is summer in Delmarva. And Jeff Hastings is wearing a broad smile. It's a good place to be a farmer with a future. ❖



Something's Cooking at MidAtlantic Farm Credit...

AND WE'D LIKE YOU TO HELP US

Recipes are being collected from across the AgFirst District—the results will be a cookbook filled with delicious recipes from customers of Farm Credit from Pennsylvania to Florida! The cookbook will be available for purchase in the fall—watch for the next *Leader* for more details. As an added incentive for you to submit your favorite recipe, we will be awarding five gift baskets from Scenic View Orchards. A random drawing will be held from recipe submission forms received. Deadline to submit recipes is September 25, 2002. Mail your recipe attached to this form to:

RECIPES

MidAtlantic Farm Credit
1284 Gap Newport Pike
Avondale, PA 19311

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____ PHONE () _____

RECIPE NAME _____

Brief note to be included with recipe (*optional*) _____

Please indicate the category for recipe (*please mark with an X*):

- Beverage
- Appetizer
- Salad/Soup
- Vegetable
- Meat
- Dessert
- Other

AT HOOBER, INC., FOLKS WILL DO JUST ABOUT

A PASSION FOR SERVICE

ANYTHING TO MAKE A CUSTOMER SMILE.

by Albert Schramm

Just selling machinery is not enough for Charles B. Hooper, Jr. Since joining his father's firm as a young mechanic in 1962, Hooper has learned that even the best of machines fail. And they often do so at the worst possible time. Since agriculture is always a matter of timing—"a crop won't wait on you; it needs to come in when it's at peak"—keeping his customers' equipment working in the field is the management credo of this growing CaseIH dealership. In addition to CaseIH, Hooper sells and services a full range of machinery from Kubota, Great Plains, Manitou and Krause. And Hooper maintains the largest parts inventory in the region.

Hooper employs more than 175 people, mostly mechanics and technicians, with full-service operations in McAlisterville and Intercourse, Pennsylvania and Middletown and Seaford, Delaware. The Seaford location, formerly Tull Brothers, came online this summer, and will provide easier sales, service and parts access for Hooper customers located on lower Delmarva—an area rich in large grain farms.

"Selling a piece of machinery is the easy part," son Chuck Hooper, General Manager of the Middletown dealership, notes with a wry grin. "But keeping that machine working efficiently and its owner happy,



From left: Daryl Peifer, Gery Fisher of MAFC, Tom Yohe and Charles Hooper in the Intercourse store. Note toys on shelves above their heads.

season after season after season, is our goal."

Changing Face of Agriculture

There is irony in the slow clip-clop of an Amish buggy passing the massive machines parked in Hooper's Intercourse front yard. There is an even deeper dissimilarity within. Modern agriculture is as dependent upon electrons as upon iron and steel. In order to keep pace with his own high expectations, Hooper relies on a wide-area network to link all



Charles Hooper, son Chuck and MAFC's Ken Bounds with some of the equipment inventory at the Middletown, Delaware, dealership.

of the company's operations into one real-time computer system, with links to manufacturers and factory parts depots, so that any part can be located and readied for shipment within minutes of a call. This state-of-the-art system assures that seven parts trucks and some thirty mechanics' vans are kept busy handling daily on-site repair and maintenance calls and supplying parts where needed. Even the company aircraft—a fleet Cessna 206—is pressed into service delivering the parts when time is of the essence.

Off-season programs encourage equipment owners to have Hooper's expert mechanics rebuild and upgrade combines and other complex machines during the winter months to keep them in prime working order.

Working Hand in Hand

The desire to satisfy his customers' total needs inevitably led to a growing collaboration between Hooper and MAFC.

"Our ability to provide flexible financing makes us a natural fit for Hooper," notes Gery Fisher of MAFC. "We are willing to look at options many other lenders don't want to bother with. We know farming and farmers, and we're willing to work a little harder to be competitive." Charles Hooper chimes in, "We like to have access to competitive financial packages for our clients. MAFC makes it easy for us to make it easy for our customers. That's a big plus for all of us." ♦

Hooper, Inc., has a comprehensive website that is worth a visit. Among the many highlights of this site is one of the most comprehensive collections of agricultural toys available anywhere. From pedal-tractors to ultra-precision die cast miniatures, if ag toys are your soft spot, check them out at hooper.com.

Oh, by the way, you can also do other business online as well—make an appointment, search for parts, check used equipment inventory, specials and more.



AN ORCHARD WITH A VIEW

by Jennifer Stum

While some folks may be sitting back enjoying the “lazy days of summer,” others are enjoying them in a not-so-lazy way.

Just outside of Thurmont, Maryland, in a little town called Sabillasville, the proprietors of Scenic View Orchards continue to work hard, preparing their products for market. Scenic View Orchards is a seventh generation farm, owned and operated by Betty Calimer, Richard and Kathie Calimer, Jimmy and Bonnie Miller, and Richard and Connie Masser. The operation began in the late 1700s. Presently, the “orchard” consists of five farms, totaling 365 acres, where they raise a wide variety of products including: apples, broccoli, cabbage, cauliflower, cherries, cucumbers, eggplant, green beans, kale, lettuce, lima beans, melons, nectarines, onions, peaches, pears, peas, peppers, plums, potatoes, pumpkins, red beets, spinach,



Richard Masser packs peaches in preparation for sale at Scenic View Orchards' retail farm market. photo by Jennifer Stum



Family Affair: It takes a hard-working family to help a farm like Scenic View Orchards grow and diversify. (Left to right) Jimmy and Bonnie Miller, MAFC account executive John Stump, Richard Calimer, new account executive Kelly Shank, Richard Masser (sitting) Brandon Masser and Page Calimer. photo by Holly Richard

strawberries, summer squash, sweet corn, tomatoes, turnips and winter squash, field corn, wheat, oats, hay and fresh cut flowers. And did we mention fresh dairy heifers?

The Markets

There is a reason for all this diversity. Each week, the folks at Scenic View Orchards keep a grueling schedule, traveling to farmers' markets in Frederick, Hagerstown, Potomac, Gaithersburg and Rockville to sell their products. Because most of these markets are “grower-only” markets, only allowing farmers to sell products they have grown, it's beneficial for Scenic View to have many different offerings.

In addition to the “traveling” markets, Scenic View recently opened a retail farm market at the orchard in Sabillasville, which operates from June through November each year. Not only will you find plenty of farm fresh fruits and vegetables, but you'll find a couple of friendly faces, too!

If you'd like more information about visiting Scenic View

at one of the “traveling” markets or their retail farm market located at the orchard, please visit their website at: scenicvieworchards.com. You'll also find useful information about each product's availability.

Getting Acquainted

Scenic View first became familiar with Farm Credit in 1991, when they were looking for financing to build a 2,400-square-foot cold storage facility at the orchard. John Stump, MidAtlantic Farm Credit account executive, was able to provide tailored financing to meet the needs for the cold storage facility, as well as provide operating capital for some of the orchard's other year-round needs. “We chose MidAtlantic Farm Credit because they are so knowledgeable about agriculture and the needs of producers like us,” says Richard Calimer. “Their rates are competitive and they're easy to deal with,” he adds.

John has been working with many operations just like Scenic View Orchards for

over 14 years now, so he's experienced in helping people meet their financial goals. John says he has liked working with Scenic View because, “they're an honest, hard-working family and they do a great job marketing their products.” MAFC account executive, Kelly Shank, will be taking over the Scenic View account when John returns to his home area in Harford County. “Kelly brings Farm Credit knowledge and an agricultural background with her to MAFC,” John says. “She will be a perfect match when it comes to taking over this account,” he continues.

If you'd like to get better acquainted with Scenic View Orchards, you can visit them as part of a 10-farm tour in the fall. The Frederick County Office of Economic Development will host a self-guided farm tour on October 19 and 20. For more information, visit: discoverfrederickMaryland.com and click on the “Virtual Farmers' Market” logo.

Also, available at the farm market are gift baskets filled with a variety items such as jams, jellies and candles.

MAFC will award five gift baskets from Scenic View Orchards—all you need to do to be eligible for the drawing is to submit your favorite recipe. See page 5 for more information. ❖

DAVID AND DEBORAH AALDERS PROVE
GOING HOME AGAIN
 YOU CAN LIVE THE AMERICAN DREAM

by Jack Curry

Living the life of your dreams is an elusive goal for many couples. However, David and Deborah Aalders of Mardela Springs, Maryland made their dreams a reality after years of saving and planning,

“We’re definitely living the American Dream—or at least giving it our best shot,”

Deborah says enthusiastically as she proudly looks out from their new home known as Barren Creek Landing. Sharing Deborah’s feelings David adds, “If you can’t live a dream then you’re not living.”

Twenty acres in size, Barren Creek Landing is a home/business that offers the Aalders an opportunity to engage in their lifelong hobbies of breeding, raising and training horses and Labrador retrievers. It’s a life that their two children, Logan 14 and Lauren 12, also enjoy and embrace.



The Aalders’ home overlooks a 20-acre tract and Barren Creek, a tributary of the Nanticoke River, providing excellent fishing, boating and waterfowl hunting opportunities for the family.



MAFC’s helpful, friendly staff and flexible loan programs made the Aalders’ country home dream a reality. Center, Deborah and David Aalders, left to right, MAFC’s Salisbury office executive account officer, Pamela Anderson and Area Manager Stuart Cooper, Logan and Lauren Aalders.

Planning for the Future

The steps that led the Aalders to move from Virginia Beach and change their lifestyle were carefully planned as David neared the 20-year mark of his military career as a Navy deep-sea diver.

“We had an 18-month plan leading up to my retirement,” David explains. “First we’d locate property we liked, pay for it, then build the horse barn. Next we’d build our home, move into it, and set up the horse and Labrador business.”

The selection of the Eastern Shore and Mardela Springs for the Aalders’ dream home was no accident. David was born in the area and many generations of family members have lived in the community. David’s family later moved to Dover where he met Deborah whose family had relocated there from California.

The Aalders’ return to the Eastern Shore was as meticu-

lously planned as any military maneuver or dive David made during his Navy career. But, they needed a financial institution with a wide range of programs to fit their needs and most importantly, the ability to share the Aalders’ vision for the future.

Finding the Right Lender

“We shopped around extensively for lenders; we knew what we wanted to do,” says Deborah. “MidAtlantic Farm Credit (MAFC) was the answer. I knew it almost from the time we walked into the office. It was the friendly, personal attention we received and the flexible loan programs that fit our plans,” Deborah recalls. “You can sum up our choice of MAFC with two key words—flexibility and service,” David says. “It’s as simple as that.”

“Because of MAFC’s wide array of loan products and programs we were able to customize a package that fit their

transition and relocation plans,” says Stuart Cooper, Area Manager for MAFC. “Our Country Mortgages program could have served their needs. However, with a farm of this nature and size and its related business activity, they needed other options for financing equipment and other start-up operating expenses.”

When time came to build the Aalders’ 3,000 square foot home, Pamela Anderson, Country Mortgages Specialist, was ready. “We just moved their files from the farm lending section to my area, making it very easy for us to be responsive in providing the resources they needed for the home construction,” Pamela adds.

Living the American Dream

Now that Barren Creek Landing Stables and Labradors is a reality for the Aalders they keep busy breeding Paint horses, giving riding lessons and breeding/training AKC registered Labradors in addition to their day-time jobs. Deborah teaches 8th grade science at Salisbury Middle School while David is a Wicomico County Fire Inspector.

The Aalders have followed their dreams to Mardela Springs and in doing so they have disproved Thomas Wolfe’s adage you can’t go home again—they did and they love it. ❖

IMPROVE YOUR FINANCIAL EFFICIENCY

AUTOBORROW SERVICES

WITH MIDATLANTIC'S NEWEST PRODUCT

by Darrell Riddle
AgFirst Farm Credit

Maximum efficiency. All successful operators strive to achieve it.

Farm Credit continues to make available to its member/borrowers the most advanced technology in the financial market. These products are designed for the member to manage their financial relationships with the greatest efficiency. One recent innovation for Farm Credit members—"AutoBorrow"—a cash management tool that links your Farm Credit loan to your business checking account, results from a partnering arrangement between Farm Credit and Bank of America Treasury Management. AutoBorrow allows a member/borrower to minimize expense by applying excess cash to his Farm Credit loan on a daily basis.

Understanding the Basics

AutoBorrow works like this:

► If your Bank of America checking account has a positive balance at the end of the banking day, AutoBorrow will transfer funds to your Farm Credit loan account. The loan systems will then record a payment on your Farm Credit revolving loan (RLOC). This reduces interest expense by applying all available funds to pay down the line of credit on a daily basis.

► If the checking account has a shortfall at the end of the banking day, AutoBorrow will draw the exact dollar amount needed to cover the shortfall



from your Farm Credit loan account. The loan systems will then record an advance on your Farm Credit line of credit in that amount. This minimizes interest expense and costly overdraft fees by only drawing the exact amount needed for the shortfall on a daily basis.

► If your Farm Credit loan is paid in full on any given day and you have excess cash in the checking account, you can leave the excess cash in your checking account or elect to use Bank of America's Automated Investment System, which will automatically invest the excess funds in your choice of Bank of America sweep investment options. The system will always pay the Farm Credit revolving line down prior to any investment, as interest rates are generally higher than investment returns. The automated process will maximize the benefits of daily cash flows between the checking account and revolving lines without any personal intervention required. All of the transactions can be viewed on your personal computer as AutoBorrow is linked with a Bank of America electronic information reporting service that provides daily access to your account.

This concept sounds exciting and looks good on paper, but does it work and will it help me?

Working Around the Country

Farm Credit member Bruce Knox, President of Knox Nursery, Inc. of Florida thinks so. "The automation of sweeping the cash and deposits from the company's account to the Association's RLOC frees up management to focus on running the business and not requesting draws and other cash management issues. This savings is just as important as the interest savings from having a lower average loan balance throughout the year," Knox said.

Carolina Soya, a soybean processing facility in South Carolina, is one of the larger AutoBorrow accounts and has been using the product through Farm Credit for over a year. Richard Galloway, President of Carolina Soya, says of his experience with AutoBorrow, "Carolina Soya has found the AutoBorrow system offered jointly by Farm Credit and Bank of America to be an invaluable way to manage our cash flow while minimizing the amount of our credit line that is utilized at

any one time. The time required for our personnel to manage our cash is minimized, yet an excellent job is done of cash management."

In researching the financial industry for the best possible product for Farm Credit members, Bank of America offered the most efficient combination of services and products. Bank of America's competitive edge has been shown in industry surveys with ratings of:

- #1 in Sweep Accounts
- #1 in Wholesale Lockbox
- #1 in Account Reconciliation
- #1 in Correspondent Check Clearing
- #1 in Corporate Check Clearing

Call MidAtlantic

An important point for Farm Credit members is that the AutoBorrow relationship is established with your local Farm Credit association branch office and Bank of America Treasury Management. The local branch office of Bank of America will not be aware of the AutoBorrow relationship with Farm Credit.

AutoBorrow will increase efficiency in cash/expense and time management for most agricultural operations. Maximum benefits have resulted for members who have larger revolving lines of credit and generate frequent cash flow.

For more information on the benefits and advantages of AutoBorrow, call your local MAFC office. ❖

MIDATLANTIC RECOGNIZES SOME OF THE ANNUAL SCHOLARSHIP BEST AND BRIGHTEST

by Donna Dawson

MidAtlantic Farm Credit is pleased to announce that three students have received a total of \$7,500 in scholarships towards their college education. Almost 100 students applied for the scholarships, which were presented to the three winners at MidAtlantic's June board meeting.

"I got the opportunity to spend a little time with our winners," said Sandy Wieber, MidAtlantic's Senior Vice President of Marketing. "I believe the entire committee knew that we had three winners with outstanding applications. Talking to them has shown me that they're three outstanding people. They're a real credit, both to their parents and themselves."

Meet this year's winners:



Joel Krall of Lebanon, Pennsylvania is the son of Tom and Shirley Krall and a 2002 graduate of Cedar Crest High School. He will be entering his freshman year at Penn State University in University Park where he plans to major in animal science and ag business management. Joel was active in many school and community activities including FFA, National Honor Society, youth group and youth mission trips, just to name a few.



When asked about the future and benefits of a coop-

erative in agriculture Joel wrote, "Cooperatives allow a single farmer to have power in his industry, because many members in that cooperative have the same requests and unite together." He continued by saying that, "Although the future may hold new concepts for agriculture, the cooperative will still be needed."

Charles "Ben" Peoples, son of John and Bonnie Peoples of Rising Sun, Maryland plans to attend Bethany College in West Virginia where he will major in political science. Ben is a 2002 graduate of Rising Sun High School in Northeast. While in high school he was involved in the soccer program, National Honor Society and youth group. He is very active at his church and served as an assistant coach with the local youth soccer club. Ben states that cooperatives are important because "they are member operated so the people share the same risks and benefits, therefore they tend to look out for what is best for everyone. Member-



operated, democratically run cooperatives allow the farmers to decide, for themselves, who will run their cooperative."

Emily Towle is the final recipient of a MidAtlantic Farm Credit scholarship.



She is the daughter of Larry and Barbara Towle who reside in Wyoming, Delaware. A graduate of Caesar Rodney High School in Camden, Delaware, Emily plans to attend the University of Delaware in Newark, Delaware. Her plans are to work in the field of agricultural education. Emily has participated in various school and community activities as well as performing volunteer work. Emily feels that cooperatives as they relate to agriculture, "help farmers pool their resources and get advantages they may not be able to get on their own."

"We feel it is important to help promote the education of our membership, current and future," states Bob Frazee, President of MidAtlantic Farm Credit. "Our scholarship program is one way in which we're doing that. If the applicants we had this year are any indication of our country's future workforce, we have a lot to look forward to. All of the applicants were outstanding students, and members of their communities." ❖



MAFC scholarship winners attended a luncheon with the cooperative's board of directors at which time they received their scholarships. From left: Wilmer Hostetter, chairman of the board, Emily Towle, Ben Peoples and MidAtlantic Farm Credit's president, Bob Frazee. Joel Krall was not able to attend the luncheon.

CROP REVENUE

UNDERSTANDING CONTRACTS



by Tom Weller, President
AgriRisk Management, LLC



Crop Revenue Coverage (CRC) is gaining popularity in the MidAtlantic region as both price and yield volatility continue to be concerns to the agricultural community.

Prices for both corn and soybeans have slowly strengthened since spring. High yields again this fall could still have a negative impact in the cash market. Poor yields in the Midwest may have a positive impact on the cash market. The continued uncertainty with yield and price is the reason CRC has become so popular. CRC guarantees a grower a minimum cash flow per acre. Let's do the math:

Average yield:	100 bushels
Coverage level:	65%
Spring CRC price:	\$2.32
Minimum cash flow per unit:	\$102.97
	100 (bushels)
x	.65 (coverage level)
x	\$ 2.32 (spring CRC price)
<hr/>	
=	\$102.97

The Crop Revenue contract provides for a recalculation of this guarantee based upon the fall harvest price. The calculation would look like this:

	100 (bushels)
x	.65 (coverage level)
x	\$? (fall CRC price)
<hr/>	
=	\$?

Your final guarantee will be the higher of the spring or the fall harvest price. To determine if you have a claim, you need to decide your actual production by the acre and subtract that number from the higher of the two calculations above. If you have a negative number, no loss, but if the number is positive you should report a loss.

Having a guaranteed minimum cash flow from your cropping operation can provide you with a comfortable night of sleep during our hot summer nights. If you haven't considered Crop Revenue Coverage, think about it this summer as you watch the weather and the cash market change.

WHAT TO DO IF YOU HAVE A CLAIM?

You should contact your agent as soon as you think you may have a claim!

Before Harvest

- Contact your agent as soon as possible

During Harvest

- Contact your agent as soon as possible
- Leave a representative sample in each field. For most crops leave a ten foot wide strip down the middle of each field in the unit(s) with the loss

After Harvest

- Contact your agent

WHAT DOES YOUR AGENT NEED TO KNOW WHEN YOU CALL?

- Provide the Farm Serial Number(s) with the loss
- Provide the cause of loss (wind, drought, price, excess degree days, etc.)
- Provide the time of loss (day or days)
- Your estimate of the production loss (50% loss)

Should you have a loss this year, I encourage you to go to the field with the adjuster and observe the loss adjustment process.

IMPORTANT CROP INSURANCE DATES

Sales Closing Dates

- September 30th
 - Winter wheat and barley
 - Nursery Crop Insurance
- November 20th
 - Crops (apples and grapes)

Premium Due Date

- October 1st
 - For your spring crops

If you would like additional information on the above subject—in the DelMarVa area contact Kathi Levan at 800.573.3028. In other parts of Maryland and in Pennsylvania, customers can contact Tom Weller at 877.867.9291. ❖

(dollars in thousands) unaudited

	June 30, 2002	December 31, 2001
Assets		
Cash	\$ 4,599	\$ 8,246
Loans	1,200,321	1,171,841
Less: allowance for loan losses	27,547	26,021
Net loans	1,172,774	1,145,820
Accrued interest receivable	11,700	8,949
Investment in AgFirst Farm Credit Bank	22,978	22,978
Premises and equipment, net	5,586	5,685
Deferred tax asset, net	1,850	8,349
Other assets	4,451	10,591
Total assets	<u>\$1,223,938</u>	<u>\$1,210,636</u>
Liabilities		
Notes payable to AgFirst Farm Credit Bank	\$ 994,263	\$ 977,609
Accrued interest payable	4,326	4,469
Patronage refund payable	2,386	5,209
Postretirement benefits other than pensions	5,020	4,994
Other liabilities	5,876	6,926
Total liabilities	<u>1,011,871</u>	<u>999,207</u>
Commitments and contingent liabilities		
Members' Equity		
At-risk equity:		
Capital stock and participation certificates	7,745	7,536
Retained earnings		
Allocated	64,619	64,488
Unallocated	139,703	139,405
Total members' equity	<u>212,067</u>	<u>211,429</u>
Total liabilities and members' equity	<u>\$1,223,938</u>	<u>\$1,210,636</u>



<i>(dollars in thousands) unaudited</i>	For the three months ended June 30,		For the six months ended June 30,	
	2002	2001	2002	2001
Interest Income				
Loans	\$19,337	\$21,900	\$38,592	\$44,180
Other	7	4	13	7
Total interest income	19,344	21,904	38,605	44,187
Interest Expense				
Notes payable to AgFirst Farm Credit Bank	13,027	14,669	26,159	29,931
Net interest income	6,317	7,235	12,446	14,256
Provision for (reversal of) loan losses	600	500	1,575	500
Net interest income after provision for (reversal of) loan losses	5,717	6,735	10,871	13,756
Noninterest Income				
Loan fees	356	355	631	590
Fees for financially related services	36	37	120	83
Gains (losses) on other property owned, net	—	697	—	680
Miscellaneous	11	726	1,811	809
Total noninterest income	403	1,815	2,562	2,162
Noninterest Expense				
Salaries and employee benefits	2,706	1,869	5,227	3,727
Occupancy and equipment	341	341	673	683
Insurance Fund premium	90	—	180	—
Other operating expenses	976	984	2,020	1,822
Total noninterest expense	4,113	3,194	8,100	6,232
Income before income taxes	2,007	5,356	5,333	9,686
Provision (benefit) for income taxes	(288)	(618)	2,431	(974)
Net income	\$ 2,295	\$ 5,974	\$ 2,902	\$ 10,660



OUT AND ABOUT

FARM SAFETY CAMP



photo by Dave Smith

MidAtlantic Farm Credit awarded each participant at the Lehigh Valley Farm Safety Camp with a gift. MAFC employee, Carla Green, presents a young participant with his safety lantern. The camp was held in New Tripoli, Pennsylvania on April 6.



photo by Dave Smith

The Lehigh Valley Hospital's Medivac helicopter created a lot of excitement for the children who attended the Lehigh Valley Farm Safety Camp. Participants gather to get a closer look at this specially equipped helicopter while the flight crew explained how it operates.



Courtesy photo

Students and advisors from across the MAFC region gathered during June at Shippensburg University for a four day Leadership Conference. Students had the opportunity to participate in a number of leadership and cooperative education activities, including forming their own cooperative to raise money to send additional students to the NICE Conference, that is being held in Chicago this year. MAFC partially sponsored this group of students. Included in this photo is Georgia Hemperly, Account Executive from Lancaster, Pennsylvania (*front row left*) and Jerry Phillips, Account Executive from Quarryville, Pennsylvania. (*back row left*).



photo by Gary Adelhardt

George Amoss, the late Senator Bill Amoss's brother, proudly cuts the ribbon for the new Maryland Agricultural Education Foundation (MAEF) building located at Swan Harbor Farm near Havre de Grace, Maryland. The building is named in honor of Senator Amoss, a leading farmer in Harford County, as well as state politician. More than 200 agricultural leaders, local supporters and legislators join in the celebration. MAEF is a nonprofit organization that promotes and enhances understanding and appreciation of the importance of agriculture in our daily lives. *From left:* Steve Connelly, Executive Director of Maryland Farm Service Agency and former MAEF Executive Director, George Amoss, Ewing McDowell, MAEF President, Jim Harkins, Harford County Executive, Hagner Mister, Secretary of Maryland Department of Agriculture, Marty Stevens, Executive Director of MAEF.

OUT AND ABOUT

CONGRESSIONAL TOUR

In early June, MidAtlantic hosted several Congressional staff members, as well as members of Farm Credit Council. Staffers visited three farms in Maryland for a first-hand view of some of the agricultural commodities that thrive in our region.



Gary Magnum (*left*) of Bell Nurseries, explains his operations concept of contract growers to Jeff Shipp and Ken Auer, both of Farm Credit Council and Debbie Sturgeon of MAFC.



Richard Butz of Windridge Farms (*right*) explains the challenges of aquaculture to Stephen Slater of Senator Paul Sarbane's (D-Maryland) office and Jerry Heykoop of Congressional Research Services.



Mary Hanks, of Senator Barbara Mikulski's office (D-Maryland) learns the ins and outs of dairy farming from Mehrle Ramsburg of Brookfield Farm of Thurmont, Maryland.

photos by Sandy Wieber

FARM CREDIT SALUTES

CONGRESSMAN TIM HOLDEN

Over 100 farmers, politicians and community leaders joined area Farm Credit organizations on June 29 to salute Congressman Tim Holden, and to thank him for his support of agriculture. Congressman Holden (Pennsylvania) is currently the ranking member on the House Ag Subcommittee on Conservation, Credit, Rural Development and Research.

"I'm very flattered to be honored by you," said Holden, speaking to the crowd gathered at the farm of Rodger Wagner of Oley, Pennsylvania. "As most of you know, I have been a member of the Ag Committee since first elected in 1992. I know the importance of the family farm and I'm committed to making sure that it can thrive both today and in the future." "Congressman Holden has been a big supporter of Farm Credit and we certainly appreciate that," said Bob Frazee, President and CEO of MidAtlantic Farm Credit. "It's important for members of Congress to recognize that farming is a capital-intensive proposition and to create legislation that supports its continuance."



Members of Farm Credit salute Congressman Tim Holden, and thank him for his commitment to agriculture. *From left:* Bob Frazee, President and CEO of MidAtlantic Farm Credit; Walter Hopkins, past Chairman of the Board, MidAtlantic Farm Credit; Congressman Tim Holden; John Cope, Chairman of the Board and Allyn Lamb, President and CEO both of AgChoice Farm Credit.



Local farmer Rodger Wagner (*center, pointing*) explains his dairy operation to Congressman Tim Holden, to his right. Also pictured, *from left:* Dorothy Wagner, Gwen Holden and Dean Wagner.

photos by Angel Carrier

MidAtlantic Farm Credit, ACA

J. Robert Frazee, CEO

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LEADER

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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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Headed Back...

Before the bustle of harvest season begins we hope you'll add *The Leader* to your summer reading list.

