



The Farmer Mac *Forward* communicates important upcoming events and announcements to agricultural lenders. You can learn more about Farmer Mac by visiting the Farmer Mac website (www.farmermac.com), by calling 800-879-3276 or emailing questions to opportunities@farmermac.com.

Upcoming Events and News Updates

Conferences and Events:

- Sept. 8-10: [Missouri Independent Bankers Association](#) Convention and Exhibition; Lake Ozark, MO
- Sept. 8-10: **Farmer Mac Road Show Week 1:** Fargo, ND – Montevideo, MN – Sioux Falls, SD – North Platte, NE – Columbus, NE
- Sept. 15-19: **Farmer Mac Road Show Week 2:** Owatonna, MN – La Crosse, WI – Fort Dodge, IA – Fairfield, IA – Maryville, MO
- Sept. 22-26: **Farmer Mac Road Show Week 3:** Madison, WI – Waterloo, IA – Quad Cities, IL/IA – Bloomington, IL – Hannibal, MO
- Sept. 27-30: [Independent Bankers Association of Texas](#) Annual Convention; San Antonio, TX
- Sept. 29-Oct. 3: **Farmer Mac Road Show Week 4:** West Lafayette, IN – Lansing, MI – Findlay, OH – Louisville, KY – Mt. Vernon, IL
- Oct. 2-3: [North Dakota Bankers Association](#) Ag Credit Conference; Fargo, ND
- Nov. 9-12: [American Bankers Association](#) National Agricultural Bankers Conference; Omaha, NE

Farmer Mac “Forward” Launches with This Issue!

“The times they are a’changing!” Farmer Mac “Almanac” becomes Farmer Mac “Forward” this month, an exciting and symbolic name accompanying the rollout of Farmer Mac’s colorful new corporate logo. Both rollouts are at the heart of Farmer Mac’s decision to update the way the company presents itself to audiences across the country.

“Our business has grown tremendously over the last 25 years not only in size but in our lines of business, products and services,” reports Tim Buzby, President and CEO. “During last year’s 25th anniversary, we reached new highs in outstanding business volume and in reaching key financial goals.

“With those successes in mind, we want our visual presentation to reflect who we are today and to represent how we have evolved and adapted to our dynamic business environment. And just as important, we feel this new look is the perfect platform on which we will grow Farmer Mac for the next 25 years. Our commitment to help build a vital rural America has never been stronger.”

In addition to Farmer Mac’s new “Forward,” its marketing literature, website, stationery, rate sheets and other documents will all have a new look to reflect the core elements symbolized in the new logo.

Second Quarter 2014 Results Show Core Earnings of \$23.2 Million on Favorable Credit, Wider Spreads, and Tax Benefit

On August 11, Farmer Mac announced its second quarter 2014 results which highlighted its core earnings, a non-GAAP measure, as being \$23.2 million compared to \$16.5 million in second quarter 2013 and \$11.0 million in first quarter 2014. The recognition of an \$11.6 million tax benefit related to a cash management initiative established in second quarter 2014 was a significant contributor to the increase as well as releases of allowance for losses primarily related to a reduction in exposure to ethanol loans, widening of net effective spread, and net growth in Farm & Ranch loans.

The high credit quality of Farmer Mac’s lines of business continued during second quarter 2014. Across all of Farmer Mac’s lines of business, 90-day delinquencies represented 0.18 percent of total volume as of June 30, 2014, compared to 0.20 percent as of December 31, 2013 and 0.25 percent as of June 30, 2013.

Dave’s GPS

Keep Up with Dr. David Kohl through Farmer Mac

The Farmer Mac Seller network was delighted on Wednesday, July 2, when Farmer Mac’s popular Refresh series featured Dr. Kohl in live video format: **“Dave’s GPS Live: Navigating the Road to Ag Lending Success.”** In the session, Dr. Kohl discussed several of his most recent Almanac articles while weaving in descriptions of important ag lending challenges and trends he has observed in his recent travels across the country. The session was recorded and posted to the Farmer Mac website (see under Webinars). Numerous questions were posed by the more than 400 people tuned in.

In his article this month, titled **“Q&A with Dr. Dave,”** Dr. Kohl answers questions he didn’t have time to address during the webinar such as speculative money in agriculture, GMO commodities, shadow banking and monitoring the various components of working capital. Along with Dave’s GPS, see Dr. Kohl’s bi-monthly “Dashboard” (Lender and Business Dashboard Economic Indicator Assessment). The red, yellow and green signals Dr. Kohl assigns

to Dashboard's ten key economic indicators provide an easy format to help readers reach their own conclusions about the strength and future of the U.S. economy. With none one of his indicators (housing starts) changing this month, read about Dr. Kohl's insights into both global and domestic economics and what he sees on the road ahead.

Dr. Kohl is professor emeritus in the Department of Agricultural and Applied Economics at Virginia Tech University in Blacksburg, VA, where he served for 25 years as Professor of Agricultural Finance and Small Business Management and Entrepreneurship.

While logging over 8 million miles of travel throughout his professional career to host more than 600 workshops, seminars and conferences, Dr. Kohl is one of the most well-known and respected leaders in the world of ag finance and business management. A highly energetic and engaging speaker, Dr. Kohl has received eleven major teaching awards over his career; his opinions and perspectives are sought out by a variety of ag groups.

Farmer Mac will host Dr. Kohl for another live video on January 12, 2015.

View Online: [Dave's GPS and Dashboard](#)

Knowledge Center

Registration Still Open for the Farmer Mac 2014 Road Shows

Whether you are new and just want the basics or experienced and want a refresher, Farmer Mac Road Shows are designed to illustrate the value and benefits of using Farmer Mac, explain how they work and how to make the best use of them for both your institution and customers! Road Shows have come to be a tradition in helping launch the fall lending season. Preliminary registrations numbers indicate attendance will exceed last year's shows which attracted more than 500 participants. Hear from Farmer Mac staff and exchange ideas with other participants.

The schedule for the 2014 Road Shows is listed below.

September 8-12:

Mon: Fargo, ND
Tues: Montevideo, MN
Wed: Sioux Falls, SD
Thurs: North Platte, NE
Fri: Columbus, NE

September 15-19:

Mon: Mankato, MN
Tues: La Crosse, WI
Wed: Fort Dodge, IA
Thurs: Fairfield, IA
Fri: Maryville, MO

September 22-26:

Mon: Madison, WI
Tues: Waterloo, IA
Wed: Quad Cities, IL/IA
Thurs: Bloomington, IL
Fri: Hannibal, MO

September 29-October 3:
Mon: West Lafayette, IN
Tues: Lansing, MI
Wed: Findlay, OH
Thurs: Louisville, KY
Fri: Mt. Vernon, IL

Farm & Ranch Loans/Credit Corner

Bankers Help Lead Successful Effort to Repeal Kansas Mortgage Registration Tax

The efforts of the Kansas Bankers Association (KBA) were a key component of the successful passing of legislation that will repeal mortgage registration fees in Kansas through a five-year phase-out beginning in 2015. The KBA, in conjunction with the Kansas Association of Realtors, argued the mortgage fees were duplicative and unfairly targeted those who are unable to pay in cash to purchase a home or commercial real estate. The legislation will serve to level the playing field among all lenders serving Kansas farmers and ranchers.

Mortgage recording fees continue to be assessed in six states: Alabama, Florida, Minnesota, New York, Oklahoma and Tennessee.

A New Relationship Manager Joins the Farmer Mac Marketing Team



Sarah Lenderman is the newest member of the Farmer Mac Marketing Team, having joined the group in July of this year. Sarah will represent Farmer Mac in her home state of Michigan as well as Indiana, Ohio and eastern Illinois. An Indiana native, Sarah previously worked at National City Bank and State Bank of Lizton. Sarah will work from Canton, MI and can be reached at 317-966-3536 or at sarah_lenderman@farmermac.com.

Maximum Field Servicing Fee Increased for AgEquity Revolving Line of Credit

Beginning immediately, the maximum Seller field servicing fee for AgEquity lines of credit has been increased from 75 bps to 100 bps in response to Seller feedback. The product is becoming widely used as lenders provide their top tier customers with greater product choices.

The AgEquity product is a multi-year revolving line of credit loan secured by a first mortgage on eligible agricultural real estate. Borrowers have access to available funds and can borrow and repay funds as often as they like prior to the end of the draw period. The draw period will be either five or ten years, with a loan term of up to thirty years.

This cash management tool can minimize interest expense for borrowers since funds are drawn only when needed, and borrowers can negotiate for the best deal knowing they have financing in hand.

Financial News

Update from Farmer Mac's Capital Markets Team - Interest Rates . . . Where Have They Been and Where Are They Going?

Geopolitical instability in the Ukraine and the Middle East continue to push long-term bond yields lower. As of August 29, the 10-year Treasury yield is 2.33%, about 0.24% lower than July 1 and down 0.70% for 2014. Treasury yields on the shorter end of the yield curve have remained

relatively stable since July 1, with the 5-year lower by 0.04%, and the 2- and 3-year terms increasing 0.02% and 0.04%, respectively. Despite this rally on the long end of the bond curve, stock markets continue to move higher, with the S&P eclipsing 2000 for the first time on August 26, as optimistic forecasts overshadowed geopolitical events. The Federal Reserve (“Fed”) is still on pace to complete its purchases of mortgages and treasuries later in 2014, with monthly purchases now down to \$25 billion (from \$85 billion) and expected to be lowered until the purchasing operation is completed later in 2014.

The Fed continues to state that discontinuing the monthly purchase program does not affect short-term rate decisions. Most economists still believe that rate hikes will begin in the mid-2015.