



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), calling 800-879-3276 or emailing opportunities@farmermac.com.

Upcoming Conference & Events

- Mar. 14-18:** [Western Independent Bankers](#) Annual Conference; Maui, HI
- Mar. 22-24:** [Iowa Bankers Association](#) Ag Bankers Conference; Ames, IA
- Mar. 24:** [Oklahoma Bankers Association](#) Rural Bankers/Ag Bankers Conference; Oklahoma City, OK
- Mar. 26-27:** [Montana Bankers Association](#) Ag Bankers Conference; Bozeman, MT
- Apr. 1-2:** [Nebraska Bankers Association](#) Spring Agri-business Conference; Kearney, NE
- Apr. 1-3:** [Texas Bankers Association](#) 95th Annual Agriculture & Rural Affairs Conference; Fredericksburg, TX
- Apr. 8 -9**:** [Arkansas Bankers Association](#) Agricultural Lending Conference; Hot Springs, AR
- Apr. 15-16:** [Wisconsin Bankers Association](#) Agricultural Bankers Conference; Wisconsin Dells, WI
- Apr. 15-17:** [South Dakota Bankers Association](#) Agricultural Credit Conference; Pierre, SD
- Apr. 16-17:** [Independent Bankers of Colorado](#) 27th Ag and Natural Resources Conference; Westminster, CO
- Apr. 21-22:** [Pennsylvania Bankers Association](#) Agricultural Lenders Conference; State College, PA
- Apr. 29 - May 1:** [Idaho Bankers Association](#) Agricultural Bankers Education Conference; Meridian, ID

***Be sure to attend Farmer Mac's breakout session at the Arkansas Ag Lending Conference on April 9 at 8:30 a.m. (following breakfast) where our resident economist, Jackson Takach, will be offering an in-depth analysis of the ag real estate secondary market including how the secondary market can help ag bankers improve their bank's capital position and mitigate credit and interest-rate risk.*

News & Updates

Welcome Aboard!

We are pleased to announce a new addition to the Farmer Mac team! Please join us in welcoming **Curt Covington** as our Senior Vice President of Agricultural Finance responsible for Farmer Mac's credit administration and underwriting functions, and business development efforts. Curt has enjoyed an impressive career in agricultural banking that spans more than three decades and is a widely recognized and highly regarded leader in the industry. Before joining Farmer Mac, he served as managing director for the Ag and Rural Banking Division at Bank of the West. Having been born and raised in the farming community of Selma, California where his family farmed grapes and tree nuts, Curt shares in Farmer Mac's passion and commitment for rural American and we are excited to have him on our team to help further our important mission!



Reminder! Updated Farmer Mac 2 Document Delivery Instructions

In October 2014, the USDA Farm Service Agency (FSA) updated their document delivery guidelines—original Assignment of Guarantee documents (FSA-2242) are now to be sent directly from the FSA to the Holder. In order to assist lenders in satisfying these new requirements and to make sure documents are delivered in a timely fashion to the correct location, we are asking lenders to update the name and address in Box 3 of that form to match the correct shipping instructions. For all loans that will be serviced by Conterra Asset Management, that box should read as follows:

**Farmer Mac II LLC
C/O Conterra Asset Management
7755 Office Plaza Drive North, Suite 195
West Des Moines, IA 50266**

Additional information about this change can be found on www.farmermac2.com via clicking on the scrolling red alert on our homepage.

Dave's GPS

Keep Up with Dr. David Kohl through Farmer Mac

In his article this month, titled **"Taking an Economic Punch,"** Dr. Kohl identifies what he believes to be the key characteristics of producers who will withstand the economic down cycle. Read on to find out if Dr. Kohl thinks it's time to "sweat the small stuff" and see what advice he has for ag lenders to better prepare yourselves and your customers for tougher times.



Along with Dave's GPS, see Dr. Kohl's bi-monthly "Dashboard" for his assessment of both global and domestic economics: [Dave's GPS and Dashboard](#)

In Case You Missed It...

Farmer Mac's January Refresh webinar *shattered* all previous records for registrants when it featured the ever popular Dr. Dave Kohl! Lenders from over 36 states participated in the live event where Dr. Kohl discussed topics ranging from commodity market conditions, credit risk, ag land values and interest rates. If you weren't able to attend the webinar, you can still watch it in its entirety!

<https://www.farmermac.com/Resources/Webinars>

Farm & Ranch Seller/Service Guide Update

Farmer Mac Defines "Agribusiness"

Many of Farmer Mac's lenders that lend into the agricultural and food supply industry offer "Agribusiness" loans. To ensure that Farmer Mac's definition of qualified Agribusiness loans are in alignment with the marketplace, Farmer Mac recently updated its underwriting guidelines to include a clear definition of Agribusiness as well as a detailed account of the various operations (along with NAICS industry codes) that this definition encapsulates. For Farmer Mac Lenders who already participate in

agribusiness lending this update now gives you more options for your existing loans. For those who do not participate in agribusiness lending, the update offers you an additional marketing tool with which to approach new borrowers or bring in-house customers' related agribusiness loans.

Agribusiness: Persons or companies who are primarily engaged in first-stage processing, preparing for market, handling, or storing farm-gate commodities.

*The full list of changes/additions to the Seller/Service Guide can be found in the **Seller/Service Guide Amendment(s)** section of the Forward below. All updates to the Guide and its Collateral Valuation Supplement are also posted on the Farmer Mac website. See "Resources", select "Seller/Service Guide" and select "Read More."*

ABA Alliance Update

Farmer Mac CEO Meets Eager Bankers at the ABA Community Bankers Conference

Farmer Mac president and CEO, Tim Buzby, had the opportunity to meet a number of current Farmer Mac Sellers at the ABA National Conference for Community Bankers in Boca Raton, Florida, in early February. Bankers also had the chance to meet and discuss current ag conditions with Farmer Mac business development staff at our exhibit hall booth, as well as at the Farmer Mac sponsored breakfast workshop. The workshop titled "Farmer Mac's Real-World Benefits" discussed strategies to retain and attract farm and ranch borrowers and also gave concrete examples of how bankers are utilizing ABA's alliance with Farmer Mac to successfully compete for loans. Bankers can request a copy of the presentation by emailing us at opportunities@farmermac.com.



Photo (L-R): Tom Mayberry, Director, Pioneer Bank, Saint James, MN; Mark Rickels, Farmer Mac Relationship Mgr.; David Krause, President and CEO, Pioneer Bank, Saint James, MN; Tim Buzby, President & CEO, Farmer Mac.

ICBA Partnership Update

Farmer Mac Meets With Community Bankers in Orlando

As a Ruby level sponsor, Farmer Mac played a central role at the ICBA National Convention in Orlando, FL, March 1-5. Farmer Mac's workshop titled, "How Community Banks are Using Farmer Mac to Grow Their Ag Portfolios" was well received and featured ICBA banker and Farmer Mac lender Perry Forst, president & CEO of Citizens State Bank, Norwood Young America, MN. Perry did an excellent job explaining how his bank successfully uses Farmer Mac to gain a competitive edge in his marketplace.

Besides the workshop, Farmer Mac's exhibit booth provided an opportunity for bankers to pick up rate sheets, discuss recent transactions and to meet Farmer Mac president and CEO Tim Buzby. Bankers

interested in learning more about Farmer Mac's partnership with ICBA can request information by emailing us at icbabanker@farmermac.com.



Photo: (L-R:) Sarah Lenderman, Farmer Mac Relationship Mgr.; Perry Forst, President and CEO, Citizens State Bank Norwood Young America, MN; Tim Buzby, President & CEO, Farmer Mac.

Financial News

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

Despite market expectations that the Federal Reserve ("Fed") is going to raise interest rates in the third quarter of 2015, long term yields have continued to decrease in 2015. Quantitative easing in Europe and lower commodity prices have been the major drivers of this decrease. Many market participants feel that currency pressures and disinflation risks will hold the Fed back from raising rates too quickly, even with a growing economy and better employment numbers. As of February 26, the 10 year yield closed at 2.03%, about 0.16% lower than the close on December 30. The 2 and 3 year yields also dropped 0.04% to 0.65% and 0.07% to 1.03%, respectively, since December 30.

According to the median of a Bloomberg survey of economists, by the end of 2015 the Fed is expected to raise the target rate to 0.75% and the 10-year Treasury yield is expected to be at 2.58%, significantly lower than the 1.00% and 3.01% that was expected at December 30.

Seller/Service Guide Amendment(s):

- Chapter 205.5 (Other Production Facilities) has changed to include Farmer Mac's definition of "Agribusiness"
- Chapter 206.2 (Mortgage Note Terms and Provisions) has changed to clarify Farmer Mac's existing policy that interest accrues each calendar month
- Chapter 209.3 (Eligible Loans) has changed to clarify Farmer Mac's existing policy that property located in Texas is not eligible collateral for any AgEquity Loan