



ALABAMA
FARM
CREDIT

Alabama Farm Credit Member Newsletter

November / 2024 Edition

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AFC Members,

Your Board of Directors sincerely hopes that your fall season is off to a strong start. Whether it's crop yields, egg production, broiler weights, calf weights, or timber prices, we're hoping for better-than-expected outcomes across the board. And if you have a recreational tract, we trust you're seeing a thriving game population!

The fall harvest is well underway, but we understand that anxiety levels are high with uncertainty around yields and pricing. Volatility in the row crop market, unpredictable weather, and the looming election environment coupled with the future of the Farm Bill are all weighing heavily on our minds. Given the critical safety nets the Farm Bill provides for row crop producers, it's easy to understand the deep concern, especially since a new bill seems far off and likely dependent on the next administration. Adding to these worries are drought conditions and declining commodity prices, making it no surprise that some farmers might be hesitant about planting crops next year.

Despite these challenges, Alabama Farm Credit is prepared to stand shoulder to shoulder with you to ensure your success. We fully understand the threats facing farmers today, and we are committed to meeting your credit, insurance, and advisory needs during these difficult times.

Across the entire Farm Credit System, we are facing increased capital regulations imposed by both ratings agencies and the Farm Credit Administration (FCA). These regulations are intended to keep Farm Credit bonds attractive to investors, ensuring ongoing funding for the entire system—a necessity for farmers and ranchers alike. However, these new rules require all Farm Credit institutions to retain more capital, which will inevitably reduce the amount of earnings available for patronage.

Please know that your Board and management team remain fully committed to our patronage program. We will continue to return the maximum amount possible without jeopardizing the financial strength of the association. Our top priority is the safety and soundness of the organization to ensure its sustainability and to avoid any further restrictions on returns to our stockholders. We are dedicated to ensuring that Alabama Farm Credit is here to support future generations of farmers and ranchers.

On a brighter note, we are excited to share the results of our recent Together We Grow Foundation Agri Shoot, held in September. This event raised \$33,000—far surpassing our initial goal of \$20,000—with over 150 people attending the Foundation's second annual event! The shoot took place on September 24th at Selwood Farm, with 28 teams competing, 25 vendors on-site, 24 sponsors contributing, and many volunteers and supporters helping to make the day a success. The proceeds from the event will go toward scholarships for students in North Alabama who are pursuing careers in agriculture. A huge thanks to everyone who participated and made this event such a success!

Despite the challenges of a subdued lending environment, your association continues to perform well. Interest rates are expected to decline before the end of the year, which we hope will stimulate some growth in the fourth quarter.

As always, don't hesitate to reach out to your loan officer for any financial or advisory support you may need. Our organization is here to help you find your path to success—through both good times and bad.

Matt Christjohn

Matt Christjohn, Board Chairman



Ag Night Raises \$4K for Youth Scholarships



**JOIN US
IN 2025**



Ag Night 2024 was an unforgettable experience, celebrating agriculture and Young, Beginning, and Small (YBS) farmers in grand fashion.

The event featured a VIP panel discussion on growing, starting, and marketing agricultural operations, complemented by an evening celebrating ag with live animals, engaging games, over 15 vendors, and of course, baseball.

We're proud to announce that Alabama Farm Credit and our Young Farmer Advisory Board raised an impressive \$4,050 for agricultural youth scholarships, which has been donated to the Together We Grow Foundation.

We can't wait to see you all again at Ag Night 2025!

Our Commitment to our Members New Board Directors

Congratulations to David Winston Bryant and Jordyn Upchurch on their election to the Alabama Farm Credit Board of Directors.



David Winston Bryant of Heflin, AL, owns Foothills Timber Company and is a full-time timber buyer serving forest landowners in Cleburne and surrounding counties. He and his wife own Ponderosa Farms Quail Plantation and an 800-acre tree farm, recognized as a TREASURE Forest since 1996 and awarded the Helene Mosley TREASURE Forest Award in 2022. Bryant has chaired the Forest Fund for the Alabama Forestry Association since 2016 and was a Board Trustee from 2008-2016, including two years as Vice Chairman.

Jordyn Upchurch from Lineville, AL, is the co-owner of Rockin' U Farm, a family business in Clay County. Their operations include a commercial poultry farm for Koch Foods, a SimAngus cow-calf operation, a direct-to-consumer beef business, and a trucking company. Upchurch is actively involved in her community, serving on the Board of Directors, Compensation Committee, and Business Investment Committee for Alabama Farm Credit, ACA. She represents the Alabama Farm Credit Board on the Together We Grow Nonprofit Organization and was a founding member of the Young Farmers Advisory Board. Additionally, she is on the Alabama Farmers Federation State Young Farmers Committee, the Clay County Farmers Federation Board, and is an Area Advisor for Sweet Grown Alabama.

We are confident that the value these two will bring to our Board of Directors will be equally important to our members, and we look forward to having them join in our efforts to support them.

A Letter from the CEO

Members of Alabama Farm Credit,

I hope this letter finds each of you in good spirits for the end of 2024. It is hard to believe we are already in November and planning for next year. I have had the privilege of speaking to many of our members throughout this year and have heard the amount of pressure you're collectively facing on your farms and in our communities.

I take my role as your CEO, and the mission of our organization, very seriously, and continue to advocate on your behalf to our legislators for the need to pass a Farm Bill, especially for our row crop farmers with the volatile seasons you have faced.

We understand that our role as your lender is to be a strong and reputable place that you can depend on to grow and maintain your livelihood. That is why, despite the tough market conditions, Alabama Farm Credit continues to work hard to achieve financial success for the future generations of farmers in our communities. With that in mind, we know that it is important to have clear communication around decisions that may affect you.

At our 2023 annual stockholders meeting, I spoke about changes impacting our association as a result of adjustments made by our contractual funding bank within the Farm Credit system. These changes were driven by the pressures of financial market strain and the need to strengthen capital reserves, ensuring the system's resilience under any circumstances. Across the country, all four funding banks are increasing capital reserves to meet the expectations of regulators and rating agencies. These complexities are unprecedented for our generation. The rapid rise in interest rates and inflation has affected both the agricultural economy and our nation as a whole.

Looking ahead to 2025, I want to inform you of further changes that will impact our association and require our careful response. Our funding bank has implemented a capital injection requirement for all associations, including Alabama Farm Credit, and additional adjustments to the contract between the bank and their customer associations. These changes are aimed at meeting the expectations of regulators and rating agencies, and while these topics may seem technical, they directly impact our association and your experience as members. It's critical for you to understand not just what is happening, but why these changes are necessary. The requirement to build capital reserves is the driving force behind these decisions.

As a result, Alabama Farm Credit must adjust how we allocate net income between earnings and patronage. As you may recall, we allocate our net earnings in two ways: patronage payouts to members and retained capital for the association. The capital assessment from the funding bank will increase the amount we need to retain in capital and reduce the portion of earnings available for patronage. While the exact numbers for 2024 net income have not yet been finalized or published, we do expect that patronage payouts in 2025 will be lower than what was distributed in March 2024.

It's important to note that the business model changes affecting the association, implemented in late 2023, are permanent. These adjustments were necessary to maintain long-term stability and will remain in place going forward. Additionally, the new changes in 2024 will also be permanent. However, the capital assessment itself is a one-time event, scheduled for March 2025, and we are allocating earnings from both 2024 and 2025 to meet this requirement.

We understand how difficult this economic environment has been for you, and we don't take these challenges lightly. The decisions we've made regarding patronage were not easy, and we are all feeling the effects of these changing times. Our hope is that by sharing this information with you now, you will be better able to plan for the changes you'll see in next year's patronage payout.

Despite these challenges, we are proud of what we continue to accomplish as an association that serves the entire agricultural community of North Alabama. Our leadership team is actively working on new strategies to enhance profitability and strengthen the organization during these trying times. We are committed to finding creative solutions to ensure that Alabama Farm Credit grows stronger and continues to provide the excellent service you expect, while reinforcing the trust you've placed in us for more than 108 years.

Just as we supported your grandparents, we will be here for your grandchildren.

If you have any questions, or if you'd like to discuss how these changes may impact you, please don't hesitate to reach out to me or your local office. We also encourage you to join us at our next annual meeting to learn more about our plans moving forward.

Together We Grow. Together We Are Alabama Farm Credit!



Mel Koller

Mel Koller, Chief Executive Officer

Agri Shoot Shootin' Guns, Raisin' Funds



Successful Agri-Shoot Boosts Student Scholarships

We are thrilled to share that the Together We Grow Foundation's 2nd annual Agri-Shoot event was a resounding success, raising money for scholarships for high school and college students, helping them achieve their educational dreams.

Thanks to the incredible support of our community, sponsors, partner associations, and enthusiastic teams, we exceeded our fundraising goal. A special shoutout to our volunteers for ensuring the event ran smoothly.

Stay tuned for Agri-Shoot 2025 details. Together, we can continue to grow, support, and empower the next generation.

SAVE THE DATE

6.13.25

Ag Night 2025

at Trash Pandas Stadium

9.23.25

Agri Shoot 2025

at Selwood Farm

Summer Internships

In summer 2024, we had 3 wonderful interns who contributed greatly across our association. Interns Logan Tharpe, Kiera Collins, and Catherine Roberts were with us for 2 months, circulating between our many departments and divisions, gaining a firsthand look at the many innerworkings that make Alabama Farm Credit what it is today.

Offering this program is something we started in 2023 and with the impacts that have followed, we are looking forward to continuing the program for years to come.

Internship details and application dates can be found on the Alabama Farm Credit website.



We Are Stronger Together.



Texas Farm Credit District and Partners Pledge Over \$315,000 for Hurricane Helene Relief

The Texas Farm Credit District, along with AgFirst, CoBank, and Farmer Mac, has committed over \$315,000 in relief aid to support those affected by Hurricane Helene. Contributions of \$112,250 have been made by the Farm Credit Bank of Texas and affiliated associations, covering regions in Alabama, Louisiana, Mississippi, New Mexico, and Texas.

These institutions, united by a shared mission, provide financial and other services to rural communities, agribusinesses, and agricultural providers.

Alabama Farm Credit is Committed to Supporting our Communities on the Good Days and the Bad

In times of crisis, a community's strength and resilience truly come to light. Natural disasters, such as storms, can leave behind paths of devastation that affect countless lives and livelihoods. At Alabama Farm Credit (AFC), we recognize the importance of standing together and supporting each other through both the good and the bad days.

Alabama Farm Credit, deeply rooted in the communities it serves, is making significant strides in providing relief and support during such trying times. We are actively participating in disaster relief efforts through our network of seven branch locations across the state.

While our hearts and efforts are firmly anchored in our local community, Alabama Farm Credit also extends its support to the broader agricultural community. Agriculture is the backbone of our economy and culture, and any disruption in this sector can have far-reaching impacts.

Our thoughts and prayers go out to the rural communities, farmers, ranchers, and families living through the devastation that the hurricane has left in its wake.

There are many ways that you too can contribute to this cause, such as at give.feedingamerica.org/a/hurricane-helene





Farmers Turning Unused Meat into Hope

Alabama Farm Credit is proud to support an innovative partnership that unites farmers, processors, and community members to reduce hunger across Alabama.

Thanks to a new partnership between one Cullman-based cattle farmer and his meat-processing colleague up the road in Morgan County, The Link's food pantry can now add Alabama-raised meat to the menu of food items it offers each week to area residents in need. Spearheaded by David Daily of Daily Ag Products and Titus Weaver of Weaver Meat Processing, this initiative encourages individuals to play a part in the fight against food insecurity while supporting local agriculture.

Through this program, when producers are processing their meat at Weaver Meat Processing, they have the option to donate unused portions of their livestock to The Link food pantry. These contributions ensure high-quality, nutritious meat reaches families in need, while allowing donors to receive a tax receipt for their generosity. Weaver Meat Processing prepares these donations for delivery, and this month, a trailer of fresh meat made its way to The Link Food Bank. Daily Ag Products donated 528 lbs. of beef and Weaver Processing donated 274 lbs. of breakfast sausage.

"It's a good intermeshing of our rural community with sort of the city aspect of Cullman, and the broader needs of Cullman County," explained Alabama Farm Credit CEO Mel Koller. "We're a mission-driven organization, and we're specifically driven to help production agriculture in the rural communities. So, this is a wonderful crossover where the producers are involved, the processors are involved, the community's involved, and The Link makes it happen."

Since the start of this year, The Link has experienced a 600% increase in traffic and doesn't anticipate it slowing down anytime soon.

Alabama Farm Credit recognizes the essential role agriculture plays in sustaining communities and is committed to initiatives that align with its values. This meat donation program not only addresses food insecurity but also supports sustainable, community-driven farming practices.



Alabama Farm Credit encourages local businesses, farmers, and consumers to get involved. Together we can build a stronger, more unified response to hunger. For more information or to learn how you can participate or start a similar initiative, please contact Melissa Betts at The Link of Cullman County at 256-775-0028.

SCAN HERE
to read the full story



Notes from the Field

Ryan Heffel

*Insurance Agent
at Farm Shield*



Navigating the Challenges of Drought and Lower Commodity Prices

This year, our region faced a severe drought, with most counties reaching a D3 or greater classification on the drought monitor. This level of drought indicates extreme conditions, significantly impacting our agriculture, as crops suffered extensive damage due to both drought and heat. In response, the USDA has released cattle relief payments for affected areas, aiming to support our farmers during these challenging times. It is possible that USDA may release ARC and/or PLC payments for the 2024 crop year to our row crop operations in summer of 2025 as a disaster relief program also.

It's becoming increasingly important to explore comprehensive county-wide insurance plans as our commodity markets weaken. These plans will have increased subsidies and higher coverage levels available in 2025, allowing farmers to safeguard their investments more effectively.

For those looking into area plans, enhanced coverage options are now available at a much more subsidized rate. There's potential to purchase a higher-level area-wide plan, providing broader protection for your crops.

Please keep in mind that the deadline for Pasture, Rangeland, Forage (PRF) insurance is fast approaching on December 1st. Additionally, remember that claims must be filed within 15 days after harvest completion or by December 10th for corn and soybeans, and December 31st for cotton, if you are still harvesting.

Staying informed and proactive can make all the difference in navigating these adversities. If you have any questions about your coverage options, don't hesitate to contact us for guidance and support.



**FARM
SHIELD**

Now Offering Livestock Risk Protection



What is LRP Coverage?

Safeguard your livestock investments with Livestock Risk Protection (LRP), a federally subsidized program designed to shield you from declining market prices. With LRP, you can select from various coverage levels and insurance periods to protect against national market volatility. Insurable livestock include Fed Cattle, Feeder Cattle, and Swine. LRP determines indemnities using area pricing and is available on a per head basis.

Benefits of LRP

- Custom coverage levels/periods based on their schedules
- Retained ownership of livestock while protecting investments
- Submit applications for eligibility throughout the crop year
- Obtainable until the early hours after price rates are published

**SCAN HERE
to talk to an agent**



Don't Miss These Deadlines!

Here's what's coming up:

Scholarships

2025 Applications

SCAN TO APPLY

Submission Due by
2.6.25



Internships

2025 Applications

SCAN TO APPLY

Submissions Due by
12.31.24



Together We Grow. Together We Are
Alabama Farm Credit.

Stay Connected!



Please note, while no immediate action is required, staying informed about our collective progress ensures that we all move forward together. Thank you for taking the time to read through these updates.