

CULTIVATIONS



Pre-Plant 2021 Edition

News & Highlights
from Farm Credit Illinois

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Farm Credit Illinois Announces Director Election Results

The voting member-owners of Farm Credit Illinois elected two incumbent and two new members to the cooperative's Board of Directors. One new outside director was also appointed to the board, which is comprised of 12 elected FCI member-directors and two appointed outside directors who all serve four-year terms.

A tellers committee of FCI member-owners met Dec. 22, 2020, to canvass 1,236 returned envelopes as part of the annual election process. The four board members elected were Joseph Pickrell of Buffalo, Region 1; Steve Hettinger of Philo, Region 2; Lisa Helmink of Breese, Region 3; and Evan Schuette of Breese, Region 3.

Twelve FCI members were elected as the 2021 Nominating Committee; 12 additional members were named as alternates to the committee.



Region 2

Steve Hettinger, age 58, is a corn and soybean farmer in Champaign County. He received a general studies degree from Parkland College. This

will be his second term as a board member, having been first elected in 2017.

"While on the board I will represent the concerns and visions of the cooperative's member-owners," Hettinger says. "I will use my previous board experience to help provide guidance to FCI's management team as they strive to help farm families through these challenging times."



Region 1

Joseph Pickrell, age 50, is a Sangamon County corn and soybean farmer. He earned a bachelor's degree in agribusiness from Illinois State

University. This will be his first term on the board.

"FCI has been a vital part of my operation from the beginning," says Pickrell. "As a director, I will continue supporting the FreshRoots young and beginning farmers program and look for additional ways the Association can help new and long-time farmers embrace farm data technology on their operation."



Region 3

Lisa Helmink, age 48, is a Clinton County corn, soybean, and wheat farmer and runs a Holstein beef operation. She studied at Kaskaskia College

before transferring to Southern Illinois University Edwardsville where she received a bachelor's degree in accountancy. This will be her second term as a board member, having been first elected in 2016.

"The top responsibilities of the board are to help make a difference in the agricultural industry, understand the members we serve, and become active leaders in our communities," Helmink says. "As a board member, I will keep these in mind while promoting FCI's mission of Helping Farm Families Succeed."



CHAT WITH THE CHIEF



Virtual platforms proved successful for FCI staff teams and directors in 2020

Detoured but Not Deterred

by Aaron Johnson, President & CEO

The year 2020 provided a series of unexpected detours. The pandemic altered, delayed, or canceled many well-intentioned plans both personally and professionally for cooperative members and employees alike.

While business operations at Farm Credit Illinois continued throughout the year, we responded to the changing landscape by deploying new approaches and strategies to deliver member service. Our journey detoured from original plans, but FCI's 2020 business results are a testimony that we were undeterred from our mission of **Helping Farm Families Succeed**.

2020 Achievements

Although 2020 is a year many may prefer to forget, FCI had a few wins worth remembering:

- Distributed \$28 million of cash patronage in June
- Exceeded the \$5 billion milestone for owned, managed, and collaborated volume in July
- Began waving lender fees for FCI originated agricultural loans in October
- Interest rates again ranked in the lowest 10% of all Associations in the Farm Credit System
- Converted more than 7,500 existing loans to lower interest rates – at no cost to

borrowers – and reduced annual interest payments to more than 4,000 different borrowers, saving a combined \$12.8 million annually

- Set a record for net earnings of \$88.1 million
- Welcomed more than 550 new cooperative members

Preseason Patronage

In response to the complexities faced in 2020, the FCI Board of Directors made the extraordinary decision to distribute a one-time “preseason patronage” payment to members in March – in addition to the normal cash patronage distribution in June.

The Board declared a total 2020 patronage distribution of **\$42.7 million**.

- \$10 million will be paid to members the week of March 15, as an additional cash patronage distribution
- \$30 million will be paid the week of June 14, as the conventional annual cash patronage
- \$2.7 million will be paid to eligible capital market loans

We look forward to celebrating cooperative participation by delivering two separate patronage payments in 2021.

Patronage checks will arrive in a mailed gold envelope.



Technology Improvements

While prioritizing safety and health of members and employees, we will continue working to improve our electronic transactions and technology platforms in the coming year. A new online banking platform will be introduced in the summer and crop insurance agents will increase the use of DocuSign technology. Virtual learning program options have also been adopted to equip farmers with practical knowledge.

Yes, 2020 was a year of detours. But with agility and innovation, we are not deterred from pursuing brighter futures for farm families and our agricultural community. We are grateful to walk with you during times of prosperity and adversity – today and tomorrow.



Three of the on-farm 2020 FreshRoots Directors Cup Presentations



Are You a Beginning Farmer Pursuing Success? Apply for a \$5,000 Directors Cup Award

The **FreshRoots** Directors Cup presented by the FCI Board celebrates young and beginning farmers committed to continuous learning and intentional living for a brighter future for their farm family business and community.

Recipients Receive

\$5,000
CASH AWARD &
Directors Cup Plaque

Selection Process

Up to six young and beginning farmers or farmer couples will be selected as 2021 recipients.

Recipients will be selected by a panel of industry representatives and one FCI Board member.

Eligibility Requirements

To apply, young and beginning farmers MUST

- ▶ be up to age 40 or in their first 10 years of farming
- ▶ have been an FCI member-borrower for at least three years (2018 or earlier)
- ▶ not be a current FCI employee or director (or spouse)
- ▶ not be a child of a current FCI director

Married couples applying jointly must individually meet all requirements and apply on one application.

Eligibility status determined as of Jan. 1, 2021.

**Applications must be submitted online by
April 16, 2021.**

Apply at www.farmcreditIL.com/directorscup

COOPERATIVE LEADERSHIP

Director Elections

continued from page 1



Region 3

Evan Schuette, age 23, raises corn, soybeans, and cow-calf pairs and sells seed in Clinton County. He earned an associate's degree in agribusiness,

plant and soil science, and animal science from Kaskaskia College before receiving a bachelor's degree in agribusiness from Murray State University. He will serve a two-year term, filling a vacancy.

"The next generation of farmers are operating under tight margins and looking to work with the most knowledgeable loan officers who offer the best interest rates," says Schuette. "I look forward to helping position FCI as a forward-looking cooperative with a sustainable and adaptive mindset to meet the needs of farm families in central and southern Illinois."



Appointed Director

Anne Larocca, age 37, is a senior account manager at bswift, LLC in Chicago. She received a bachelor's degree in international business and finance

from Augustana College and a master's degree in accounting from Roosevelt University. She replaces retiring outside director of three terms – Bridget Schneider of Lincoln.

*"I am thrilled to bring my experience and partner with the board as we work together, **Helping Farm Families Succeed**," says Larocca.*

Results of the 2020 Nominating Committee

(listed below by region and county)

Region 1

David Dorn Jr., Christian
John Klemm, DeWitt
John Rundquist, Montgomery
Austin Tomhave, Morgan

ALTERNATES:

Brian Burrus, Cass
Alec Murphy, Sangamon
Andrew Murray, Jersey
Allen Sasse, Logan

Region 2

Ryan Gilbert, Edgar
Greg Pool, Ford
Brian Walk, Cumberland
Allen Walters, Clark

ALTERNATES:

Stan Catlett, Vermilion
Kevin Hunsinger, Champaign
David Punke, Ford
Mark Semple, Jasper

Region 3

Judith Edler, Monroe
Scott Knop, Randolph
David Krebel, Monroe
Arthur Matecki, Washington

ALTERNATES:

Allen Gramenz, Randolph
Alan Neuhaus, Jackson
Rick Pytlinski, Jefferson
Austin Winter, Perry

Director Regions



Member Opportunities

Ever considered serving in FCI's cooperative leadership?

Fill out a candidate interest form by **July 9**.

www.farmcreditIL.com/candidate

The 2021 Nominating Committee will review potential candidates and present those selected at the Association's annual meeting.

VOTING STOCKHOLDER BYLAW CHANGE

The FCI Board of Directors recently approved a change to the cooperative's bylaws that expands who qualifies as a voting stockholder. **Effective Jan. 1, 2021**, each entity or person directly liable on a loan who jointly or individually holds Class C common stock and meets the voter eligibility requirements in the Farm Credit Act will qualify as a voting stockholder. This change diversifies and increases FCI's voting stockholders from nearly 8,000 to approximately 16,000 – including a 1,000% increase in female voting stockholders. Each voting stockholder may still only vote once, regardless of the number of loans held or co-borrowers listed on any loan.

Past Panel Perspectives

Commentary, wisdom, and perspectives from globally renowned agricultural economist Dr. David M. Kohl



As a national speaker, educator, and writer, I often observe and am involved in many cutting-edge programs for young and beginning agriculture producers. Analogous to cream in the milk bottle, one program

rising to the top is Farm Credit Illinois' visionary FreshRoots program. While looking back on past panels I've facilitated offering advice to young farmers, the following are a few nuggets that still ring true in this new climate.

Better is Better Principle



One topic often discussed was constant attention to making the business more efficient. Some panelists pursued agronomy and land practices to make a short-term capital investment into a long-term profit.

Tiling, water management, and soil health practices to boost yields and generate higher quality output were mentioned. These management practices often lead to the dollars and cents that produce higher margins competitors down the road failed to prioritize.

Monitor Financial Management

Generating year-over-year balance sheets and developing and monitoring projected cash flows were frequently mentioned as best practices. Some seek input from their lenders and, in some cases, the results are compared to peer benchmarks. One



young farmer panelist monitors a financial dashboard of key performance indicators (KPIs), which is analogous to gauges on a tractor or combine. Another indicated that understanding the financials is critical in the family business transition and overall communication with family and non-family members alike.

I am impressed when panelists develop and follow family living budgets to grow the business through prudent spending habits. Some enjoy the financial support of spouses, while others had side gigs to diversify their revenue sources.

Landlord Relations

Communication is critical for business success. Some panelists shared their financials with landlords during cash rent negotiations. Others use enterprise analysis on each farm to determine which properties to continue or drop from the operational plan. Another uses precision agriculture and technology to update landlords – some in distant urban locations – on soil health and natural resource management.



One commonality amongst young farmer panelists is renting and leasing land. Often young producers between the ages of 20-35 will position themselves to acquire land when they reach 35-60 years. Positioning for economic and weather changes in commodity cycles with sound fundamental practices is a proactive strategy for success.

Goal Guided Marketing

Another attribute often discussed was the importance of marketing and risk management. Developing a written strategic plan with goals and priorities in mind is critical. Some indicated the execution and monitoring of the results with a sound understanding of break-even points and the cost of money is a requirement in today's agricultural climate.



Some panelists are investing in parts of the business to capitalize on niche markets, such as organic or specialty crops. Having a diversification plan is critical for success. For most of the panelists, the senior generation was supportive of the young farmers' business strategies. Communication was prioritized, allowing all generations to ask critical questions for crucial conversations.

Protecting Your Account

Passphrase Protocol



When FCI borrowers or their authorized agents initiate business requests via phone, fax, email, or text, they are asked to provide a verbal passphrase. Since 2016, FCI has used verbal passphrases to decrease the likelihood of fraudulent access to funds and sensitive information.

If you don't have a passphrase – or have forgotten yours – FCI staff will work with you to establish a new one before processing any business requests not made in-person. Remember passphrases are meant to be verbalized, so FCI recommends creating a phrase easily articulated in a public place.

You should avoid using easily obtainable information or special keyboard characters and keep it to 35 characters or less.

Thank you for your cooperation and commitment to protect your sensitive information by following FCI's passphrase protocol.

FCI is dedicated to **Helping Farm Families Succeed** by working with members to manage risk both on the farm and electronically. By safeguarding your information and assets, your family farm is positioned to prosper for future generations.

MAY 31

Memorial Day
Office Closed

JULY 5

Independence Day Observed
Office Closed

AUGUST 31 - SEPTEMBER 2

Farm Progress Show
Decatur, IL

SEPTEMBER 6

Labor Day
Office Closed

CHECK OUT WHAT'S
INSIDE

ELECTION

Results

FRESHROOTS

Directors Cup
Application

FCI BYLAW

Change

Presorted
First-Class Mail
PAID
US Postage
Champaign, IL
Permit No. 7777

1100 Farm Credit Drive
Mahomet, IL 61853

