

Chisholm Trail Farm Credit

Trail Talk

Spring 2010 • Vol. 5, No. 1



The board adopted a cash patronage program several years ago to distribute excess association earnings back to customers. The program provides for a patronage dividend to be paid to Chisholm Trail Farm Credit customers if the association's earnings are in excess of the amount needed to capitalize the association. CTFC has distributed \$2,594,000 in patronage funds to its customers during the past five years.

The association experienced a dismal year in earnings in 2009. The U.S. AgBank's patronage to CTFC was reduced by \$757,000. Several large loans became classified, causing the association to make \$1,142,000 in provisions to the Allowance for Loan Loss account. Record low interest rates caused association earnings on its capital to be reduced by approximately \$750,000. All these factors combined to cause the association's earnings to decline to \$967,000 at year end 2009, down from a level of \$2,233,000 in 2008. This reduction in earnings forced the board of directors to approve management's recommendation to suspend its patronage payment to customers for one year.

If any one of these extraordinary events had not occurred, the association's earnings would have been sufficient to pay a patronage. The "Perfect Storm" hit your association's earnings in 2009. The good news is we have revised our business plan model so we don't rely on U.S. AgBank's patronage anymore. And, all the classified loans that prompted the provisions to the Allowance account have been collected or upgraded. We fully expect our patronage payments to customers to continue in 2011 based on 2010's business.

CTFC's board and management are committed to the patronage program for the future. Our net income so far in 2010 is well above projections due to increased earnings on core business, and receiving a patronage from U.S. AgBank that was not projected. Our rates to our customers continue to be some of the lowest in the industry, and our projection is to re-establish our patronage payments to customers to their previous levels or higher in early 2011.

As always, I encourage anyone with questions concerning your association to call or stop by to see me at your convenience.

Butch McComas, President

In This Issue ...

Branch Office Locations	BC
CTFC, ACA Board of Directors	5
Is Online Banking Right for You	3
Loan Types	4
Scholarship Program.....	3
Term Life Insurance	4
2010 Director Candidates	2
Upcoming Events	5
Who and Where We Serve	5



Customer Spotlight: Meet the Acre Family4

Rural America's customer-owned partner, the Farm Credit System, celebrated its 90th anniversary of service on July 17, the date when President Woodrow Wilson signed the Federal Farm Loan Act in 1916.

Today, with more than \$106 billion in loans financing agriculture and its related cooperatives, rural home buyers, small community infrastructure and the export of U.S. farm commodities, the Farm Credit System is the oldest and largest financial cooperative in the nation.



Chisholm Trail Farm Credit ... *Your One Stop Agricultural Lender!*

2010 Director Candidates

Ballots will be mailed April 30. Deadline for votes to be returned is May 21.



Region 1: Kevin Smith

Smith is 56 years old and has always lived in Fairview in Major County. He has been a CTFC stockholder since 1994 and a director since 2001. Smith began farming and ranching in 1973. He produces rye, wheat and corn on 1,300 acres of cultivated and grassland, in addition to a cow-calf and stocker cattle operation. He is a member of Sooner Cooperative and Farmers Elevator Co. He and his wife, Judy, have three children and one son-in-law. They are members of the First United Methodist Church of Fairview.



Region 1: Dennis (Jay) Messenger

The 60-year-old Hillsdale native lives in Garfield County. He has been a Farm Credit stockholder since 1977, and has been farming and ranching for more than 38 years. His operation consists of a cow-calf program, stockers grazed out on wheat and summer grass, and wheat as a cash crop. Messenger serves on the Property and Asset Board of the Hillsdale Christian School. He is a member of Hillsdale Bible Church where he also serves on the board. He is a graduate of John Brown University, and he and his wife, Eileen, have four children and one grandson.



Region 2: Verl M. Daugherty

This 61-year-old lives near Gracemont in Caddo County. He has been a CTFC stockholder since 1970 and a director since 1995. He has been farming and ranching since 1970. His operation consists of a cow-calf herd, stocker cattle and wheat. He is an Oklahoma State University graduate with a degree in agricultural education. He serves on the board of directors of the Caddo County OSU Alumni Club and works extensively to fundraise for the scholarship and honors programs. Daugherty also serves as an elder at the First Christian Church of Anadarko. His wife, Earlyn, is a retired teacher in the Anadarko Public Schools.



Region 2: David Estes

Estes is 46 years old and lives southwest of El Reno in Canadian County. He's been a Farm Credit stockholder since 1997, and has been farming and ranching for 31 years. In addition to farming, Estes works as a crop insurance agent and custom fertilizer applicator. His farming operation consists of a family partnership with 2,100 acres of wheat, alfalfa and grass hay, as well as stocker cattle and a cow-calf herd. Estes serves as secretary of the Heaston Rural Water District and is a member of the Oklahoma Agribusiness Retailers Association.



Region 3: J. W. (Jack) Moore, Jr.

Moore is 66 years old and lives near Washington in McClain County. He has been a CTFC stockholder since 1971 and a director since 1989. He began farming in 1971 and operates Moore Dairy, L.L.C. with his brother, Randy. They also grow pasture, alfalfa and corn for silage. Moore is a 1966 Oklahoma State University graduate with a degree in agricultural economics.



Region 3: Anthony Reed

Reed is 55 years old and lives near Thackerville in Love County. He has been a Farm Credit stockholder since 1973, and has been farming and ranching for more than 38 years. His operation consists of a cow-calf program, stocker cattle, irrigated peanuts and other small grains. Reed has served eight years as Love County Commissioner. He currently serves on the Oklahoma Peanut Commission, is a member of the Red River Coop and is active in the Thackerville Baptist Church. He and his wife, Karen, have raised five children and enjoy spending time with their six grandchildren. ♦



Scholarship Program

Each year, CTFC, ACA awards seven \$1,000 scholarships to dependants of CTFC customers. To be eligible, applicants must be Oklahoma high school seniors or college freshmen who haven't already received a scholarship. To learn more about this program,

drop by any branch office and pick up an application or visit www.chisholmtrailfc.com.

The April 1 deadline has been extended to April 15. If you have any questions concerning this program, call your branch manager or loan officer. ♦

OSU Agricultural Economics and Aggie-X Scholarships Presented



Bryce Castonguay, Omega

Castonguay is an agribusiness sophomore, and is the son of Perry and Karen Castonguay. Castonguay plans to return to the family farm.



Hollie Jo Detrick

Detrick is a freshman ag economics/accounting double major. She is the daughter of Gary and Cindy Detrick. She plans to obtain a job as a loan officer at a bank.



Austin Goerke, Watonga

Goerke is an agribusiness junior with a pre-law option. He is the son of Kyle and Mary Goerke. He plans to attend law school upon graduation.



Elliott Hellwege, Kingfisher

Hellwege is a freshman at Oklahoma State University. He is the son of Ernie and Karen Hellwege of Kingfisher. He plans to graduate with an agribusiness degree before returning to the family farm. ♦

Scholarships presented by Farm Credit's Barry Bessinger.

Is Online Banking for You?

Midnight or noon, from home or the road, Farm Credit's online banking is fast, easy and always secure.

With online banking you can:

- Check balances
- Access account history
- Transfer funds between accounts

How to get started:

Ask us for an enrollment form for online banking, or complete and submit an enrollment form right from our Web site.

Other benefits include:

- Accessing your accounts 24 hours a day, 7 days a week.
- Exporting your account history to personal software such as MS Money® and Quicken®.
- Paying your bills anytime, anywhere. Setup automatic payments and e-mail reminders. ♦



♦ Real Estate Loans

- Farm and Ranch
- Improvements
- Refinancing



*We lend a hand,
when you need a hand.*



Chisholm Trail Farm Credit ... *Your One Stop Agricultural Lender!*

Customer Spotlight: Meet the Acre Family



From left are Trish; daughter Kinsley; Jerod; and son Kesler.

Jerod and Trish Acre, Oakwood, have been members of the association since 2002. They are proud parents of twins, Kinsley and Kesler, born July 3, 2009. Jerod is the nephew of former Enid PCA member, the late Otha Acre.

The Acre's operation consists of 470 acres of owned land and 820 acres of leased land in northwestern Oklahoma. Their operation centers on a cow-calf enterprise.

Jerod keeps busy with a sideline business of fence building and cedar tree cutting for area farmers and ranchers. He is also known to be "Mr. Mom" because, at times, the twins ride with Dad on errands and daily chores until Mom returns home from her daily commute to work in Oklahoma City. Jerod was even brave enough to bring the twins to the Watonga Branch Office Customer Appreciation Dinner when they were only three months old! ♦

Term Life Insurance

CTFC sponsors a loan protection insurance program that is designed to protect your farming investment and your family's financial future. Whether you're taking on new debt or have an existing Farm Credit loan that is unprotected, it's a good idea to

review your insurance coverage. Applying is easy and everyone under the age of 70 is eligible to apply for coverage. See your loan officer and get a quote on the amount of insurance that is best for you. It's affordable and an extraordinary value! ♦

♦ Home Loans

- Rural Homes
- Acreages
- Mortgage Rates

♦ Short Term Loans

- Cattle
- Equipment
- Operating

Real Estate Loans

We can assist you in purchasing or developing your next farm, ranch or country home.

We offer variable, adjustable and fixed rates on most loan products.

Loan terms up to 30 years are available. We can make arrangements that can be customized to fit your budget plan. You can make monthly, quarterly, semi-annual or annual payments. And, most of our loans can be repaid early without a penalty.

Most of our loan products can be converted to another interest rate product for a single conversion fee without requalifying.

Equipment and Livestock Loans

Let's talk about your next tractor, implement or feeder/stocker purchases.

If you need help in growing your farm business, we will be your best choice in helping you with purchasing additional equipment or expanding your livestock plans.

Loan terms are available up to 10 years with monthly, quarterly, semi-annually or annual payments.

Livestock loans can be tailored and structured to coincide with the sale of livestock. And, most equipment and livestock loans can be repaid early without penalty.

Operating Loans

We can help with your operating expenses and planning requirements.

See Chisholm Trail Farm Credit for assistance in growing your farm operation. Whether you require short term financing or long term planning with the next generation, we have the ability to structure the help you need.

- Competitive Interest Rates
- Choice of Variable, Adjustable or Fixed Rate Plan
- Flexible Repayment Plan
- Patronage Refund Program ♦



Who and Where We Serve

Chisholm Trail Farm Credit's customers are the farmers, ranchers and rural home owners who live, operate or own land in the following counties in north and south central Oklahoma: Alfalfa, Blaine, Caddo, Canadian, Carter, Cleveland, Comanche, Cotton, Garfield, Garvin, Grady, Grant, Jefferson, Kingfisher, Love, Major, McClain, Murray, Okfuskee, Pontotoc, Pottawatomie, Seminole and Stephens counties.



- Chisholm Trail
- Chisholm Trail Farm Credit Branches

Enid: (800) 251-3722

Watonga: (888) 289-6608

Duncan: (800) 305-0370

Chickasha: (800) 799-6569

Upcoming Events

A·P·R·I·L

- 8 Enid Information Meeting
- 10 Lions & Baxter Black, Duncan High School
- 15-17 Farm Show, Oklahoma City (Partly sponsored by Oklahoma Farm Credit)
Come see us at our booth.
- 15 Chickasha Information Meeting
- 24 Oklahoma Shorthorn Association Sale, Duncan
- 27-28 State FFA Convention (Partly sponsored by Oklahoma Farm Credit)
Come see us at our booth.
- 30 CTFC director election ballots mailed
- 30 Chisholm Trail Stampede PRCA Rodeo, Duncan

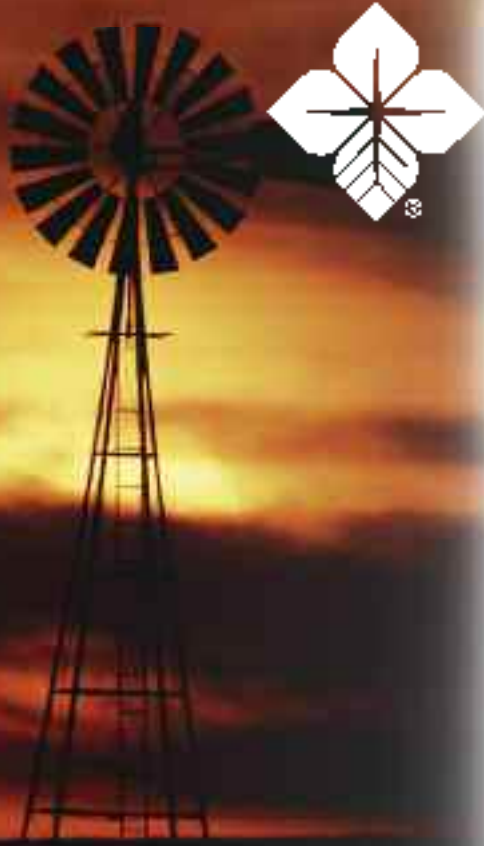
M·A·Y

- 4-6 National Land and Range Contest, Oklahoma City
- 21 CTFC director election ballots due
- 31 Offices closed for Memorial Day

Watch your mail for other upcoming events.

CTFC, ACA Board of Directors

- Larry Cochran, Jet
- Verl Daugherty, Gracemont
- Paul Heath, Watonga
- Kenney Markes, Bison
- Jack Moore, Washington
- Lonnie Sellers, Duncan
- Kevin Smith, Fairview
- Jack Wilson, Ringling



Chisholm Trail Farm Credit

805 Chisholm Trail
P.O. Box 1709
Enid, OK 73702

PRSRT STD
US POSTAGE
PAID
PERMIT # 926
OKLA. CITY, OK

To:



Spring 2010

Branch Office Locations

Enid Branch

805 Chisholm Trail
P.O. Box 1709
Enid, OK 73702
(580) 237-2535; (800) 251-3722

Watonga Branch

1420 N. Clarence Nash Blvd.
P.O. Box 5
Watonga, OK 73772
(580) 623-4959; (888) 289-6608

Chickasha Branch

1027 Choctaw
P.O. Box 868
Chickasha, OK 73023
(405) 224-6214; (800) 799-6569

Duncan Branch

1902 S. Hwy. 81; P.O. Box 1246
Duncan, OK 73534
(580) 255-0370; (800) 305-0370

Outpost Locations and Schedule Shawnee

2801 N. Kickapoo, Ste. B
Shawnee, OK 74802
Each Wednesday
8 a.m. to noon and 1 to 5 p.m.
(405) 574-5444

Pauls Valley

110 N. Willow
Pauls Valley, OK 73075
Each Thursday
10 a.m. to 2 p.m.
(405) 834-5059

El Reno

OKC West Stockyards
El Reno, OK
Each Wednesday,
10 a.m. to 2 p.m.
Call the main office at
(405) 224-6214; (405) 245-5230

Ardmore

Pollard Insurance Agency
1405 W. Broadway
Ardmore, OK 73401
Each Wednesday,
10 a.m. to 3 p.m.
(580) 226-6070; (580) 467-8178