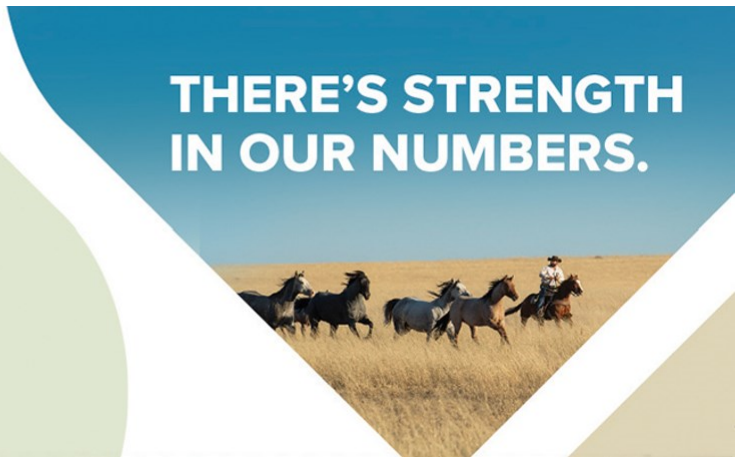


THE BRAND

The Newsletter for the Farm Credit of New Mexico Community

October 2023 Final Edition



We're Here to Help New Mexico Farmers and Ranchers Succeed

By James Duffey

The Farm Credit System was created in 1917, born out of the need to modernize lending practices as agricultural operations became larger with more sophisticated farming practices, requiring more capital investment. For more than 100 years, farmers and ranchers have worked alongside Farm Credit System partners to adapt to market challenges and opportunities, as well as technology advancements.

Our customers are growing, adapting, and changing the shape of agriculture. And so are we. Farm Credit of New Mexico (FCNM) is merging with American AgCredit, creating a Farm Credit association that is well-positioned to partner in the success of our customers and our teams.

To be successful, it takes strategic vision and the courage to implement changes to advance as necessary to navigate the ever-changing landscape of agriculture, especially during the good times. Together, we must continually evaluate our opportunities from both sides of the fence. Your FCNM Board of Directors analyzed expense and income trends of the Association, along with technology advancement impacts and acknowledged increasing challenges ahead. It was determined that to remain competitive in the future, more size and scale are needed to drive a higher income to mitigate increasing costs, invest in technology and protect a strong patronage payment to stockholders. FCNM continues to be successful; however, to position for future success, we recognize that changes need to be implemented proactively before challenges arise and when opportunities are most available.

Changing farming practices are not without measured risk, which is also true with Association mergers. However, the perceived benefits for our customers, stockholders, future customers and employees are substantial. Recognizing the competitive pressures that continue in the financial services industry, we

Scan the QR Code or visit agloan.com/welcome to see a video on James Duffey.



must provide an optimal experience to attract and retain customers. This merger means *more* for our customers, our employees and our mission.

HELPING PRODUCERS SUCCEED

For our customers, the combined expertise, diversified territory, and increased core capital of the merged Association will provide marketplace stability, increased credit capacity to scale customer operations, enhanced access to technology, and profitability to drive consistent patronage.

More size and scale help mitigate rising operating costs and creates a stronger business model to serve all segments of agriculture. This builds on our competitive advantage by leveraging the deep agricultural expertise we offer to a larger customer base, which reduces the overall cost to serve each customer.

By coming together, our collective size and scale will allow us to afford and offer a better customer experience, leveraging ongoing investments American AgCredit has made in technology. More digital capabilities enable faster and better customer service, while also allowing us the ability to remain regulatory compliant with more efficient and automated processes. Additionally, customers will have access to enhanced operational and commodity-specific insights and expertise, bringing even more value.

The highs and lows of agriculture markets require a dependable lender. Our merger with American AgCredit creates a larger asset base, combined with a more diversified portfolio, providing

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We're Here to Help New Mexico Farmers and Ranchers Succeed

By James Duffey

stability and dependability during commodity market volatility. The increased efficiency improves profitability, providing a safety net for a stable and consistent patronage program with the potential for an increase in patronage distributions.

SUPPORTING THE FUTURE OF NEW MEXICO AGRICULTURE

The merger would also advance our most important asset – our people. The culture and values of both Associations align, setting a foundation for American AgCredit to unlock the power of our employees' expertise and leadership. The merged Association also provides teams with a more diverse organization that offers expanded career choices and better tools to serve our customers more efficiently. It also provides a great employee experience and continued work flexibility, supported with better tools and technology to do their jobs more efficiently.

RURAL ROOTS ENDOWMENT

Most importantly, Farm Credit of New Mexico and American AgCredit are equally committed to our mission to serve agriculture and the farmers and ranchers that feed the world. American AgCredit is committed to New Mexico agriculture now and into the future. We are proud to fund the \$10 million *Rural Roots*

Endowment overseen by a committee of stockholders and employees in the New Mexico territory. With a vision to protect the history and culture of our state's agricultural legacy, while driving the industry forward, the *Rural Roots Endowment* will provide grants and direct funds to local organizations that support youth and education in agriculture, producer-focused initiatives, and efforts to fight hunger and support underserved populations. Learn more on page 9 of this newsletter or at agloan.com/welcome.

People are at the center of everything we do – with the *Rural Roots Endowment* and our focus on the future, we are committed to supporting farmers, ranchers, and our neighbors who live and work in rural America. This merger will power our pursuit of the Farm Credit mission, fueling our efforts to help customers across the expanded territory succeed today, and tomorrow which is why Farm Credit of New Mexico and American AgCredit will accomplish more together.

HONORING OUR HISTORY

We salute and honor the successful history of Farm Credit of New Mexico and the entire the Farm Credit System. The cooperative structure of the Farm Credit System – which is farmer and rancher owned, is the backbone and strength of the system. Our board of directors are farmers and ranchers, as well as experts in



Roswell Production Credit Association Meeting 1937

We're Here to Help New Mexico Farmers and Ranchers Succeed

By James Duffey

finance, auditing and management, ensuring we meet the current and future needs of our stockholder customers. The story and pictures in the article remind us of our collective mission: Farm Credit was created to solve the unique needs of the agriculture industry and will continue to advance alongside of you to meet the challenges of tomorrow.

THE EARLY YEARS OF THE FARM CREDIT SYSTEM

Lifelong Producer Morgan Nelson on the Farm Credit System

Morgan Nelson (1919-2019) spent a lifetime devoted to the agriculture industry with a family history that spans from the settlement of the Pecos Valley to today's modern times. Through the course of time, the industry has seen a great deal of innovation, both in farming practices and financing.

During Farm Credit's centennial celebration in 2016, Mr. Nelson shared his memories with us. During this time of change let's reflect back on what one of our past leaders shared:

He had early conversations with his father and uncles about the merchant level financing that was common practice prior to the 1930s. "Most of the terms in those days were very short, mostly 60-90 days. It was difficult to make long term plans with such short-term commitments."

Mr. Nelson shared that the Farm Credit System really began to start making loans in the area in the early 1930s. "It was a very innovative approach to financing a farm. Financing a complete crop cycle was something very new and allowed farmers to make more long-term decisions."

"Financing a complete crop cycle was something very new and allowed farmers to make more long-term decisions."

Along with this, it invited a new type of farming that led to further innovations within the industry. "The stability of crop and land financing was critical for producers to become more progressive, and that led to greater innovation and further advancements. It was no longer a hand to mouth operation," he

said.

Through the early years, many of the rural electric co-ops, cotton gins, and other farm-based cooperatives were financed through the Farm Credit System. Nelson explained, "This allowed farmers to market their crops throughout the year and take advantage of markets that were typically higher after the harvest season."

Of equal importance was the borrower and bank relationship that was formed through the Farm Credit System. Nelson said, "It was no longer adversarial with a stockholder-owned association; the borrowers have an interest in the financial stability of their bank. The relationship created by this concept was very critical to the success."

Mr. Nelson explained that the current capital structure of the association is critical. Each member is allocated capital and the Association has the ability to return capital in the form of patronage dividends.

"This idea that we are all in this together and the members/owners having elected board members was an innovative approach to financing. Employees and the borrowers all have a vested interest in the success of the organization and the industry. This creates strong and valued relationships," he said.

Throughout its history, Farm Credit of New Mexico has been very fortunate to be blessed with directors such as Morgan Nelson. His commitment and leadership are far-reaching across the many sectors of agriculture, and we are grateful for all the contributions he made. Morgan Nelson finished his time on this earth and went to be with the Lord on March 1, 2019, at the age of 99 years and 5 months. There have been so many individuals have left their mark on New Mexico agriculture. As we move in to a new era of Farm Credit in New Mexico, it is important to reflect back, while looking forward to the ever-evolving future of agriculture and the Farm Credit System.

"Employees and borrowers all have a vested interest in the success of the organization and the industry."



Governance Matters

NEW MEXICO'S REPRESENTATION ON THE AMERICAN AGCREDIT BOARD

The governance of your cooperative is important. Your Board of Directors is composed of elected Directors and Outside Appointed Directors. Voting Stockholders elect a Board of Directors from their members to lead the Association in a positive direction for all borrowers. Outside Appointed Directors, who may or may not be stockholders, are appointed by the elected Directors to provide independence and expertise to benefit the cooperative.

What does that governance look like now that American AgCredit and Farm Credit of New Mexico are one? Four stockholder-elected directors and one outside appointed director from Farm Credit of New Mexico will join the "Initial Board" of the merged Association. The Initial American AgCredit Board will be comprised of 20 stockholder-elected directors and four outside appointed directors.

Two of the four initial seats occupied by Farm Credit of New Mexico stockholder-elected directors will terminate at the end of the director's existing term in 2025. The other two positions will be continuing positions on the American AgCredit Board nominated from New Mexico. To stand for election to a particular Board seat, the candidate must reside in or maintain operations in the Nominating Region corresponding to that seat. These Nominating Regions are set forth below:

<i>Geographic Nomination Territory</i>	<i>Number of Stockholder Elected Directors</i>	<i>Number of Voting Stockholders</i>
Western Territory – California, Hawaii and Nevada	7	4,272
Heartland Territory – Kansas and Oklahoma counties formerly served by Heartland Farm Credit	3	2,065
Great Plains Territory – Kansas counties formerly served by Farm Credit of Southwest Kansas	3	1,341
Mountain Plains Territory – Colorado	3	1,370
New Mexico Territory – All New Mexico counties	4 (2 continuing)	1,019

The term of the outside appointed director from the New Mexico territory will expire in 2028. As that outside appointed director's term expires, the Board will determine whether to fill or close the seat, noting that FCA regulations always require at least two outside appointed directors. However, the number of Director positions assigned to the New Mexico Territory, whether elected or appointed, may not be altered for seven years without the approval of at least one Director from the New Mexico Territory.

Directors Joining American AgCredit Board

James Duffey, Roswell, continuing NM territory seat (current Chairman of the FCNM Board), term of office ends with AAC's annual meeting in 2025. First elected in 2015.

Doug DeGroot, Roswell, continuing NM territory seat, term of office ends with AAC's annual meeting in 2025. First elected in 2020.

Danita Agar, Santa Rosa, continuing NM territory seat, term of office expires with AAC's annual meeting in 2026. First elected in 2017.

Jonathan Vander Dussen, Clovis, continuing NM territory seat, term of office expires with AAC's annual meeting in 2025. First elected in 2017.

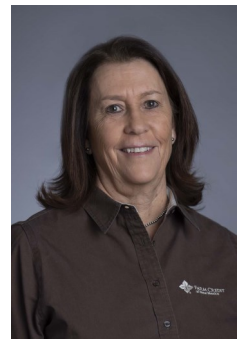
Tom Drake, Clovis, Outside Appointed Director, term of office expires with AAC's annual meeting in 2028. First appointed in 2002.



Duffey



DeGroot



Agar



Vander Dussen



Drake

Governance Matters

New Mexico's Representation on the American AgCredit Board

Departing Directors

We want to thank the Directors who stepped down at the time of the merger. Their leadership and guidance over their time of service has been valued. Each one has made an impact on FCNM, the staff and stockholders. We can't thank them enough for their time and efforts.

Hilaire Mowduk, Las Cruces, First appointed in 2006. Scott Shafer, Carrizozo, First appointed in 2013. Jim Hyatt, Deming, First elected in 2015. Leon Porter, Los Ranchos, First elected in 2020. Kelly Peterson, Animas, First elected in 2022.



Mowduck



Shafer



Hyatt



Porter



Peterson

Thank You To All Who Led Farm Credit of New Mexico

Presidents and CEOs

1999 Production Credit Association of Southern New Mexico, PCA, and Farm Credit Services of New Mexico, FLBA, merged to form Farm Credit of New Mexico, ACA. The association has ran under the direction of four Presidents and CEOs

Joe E. "Eddie" Ratliff 1999-2003

Bruce McAbee 2003-2008

Alfred (Al) Porter Jr. 2008-2018

Alan Feit 2018-2023

The best thing
about the future,
is that it comes
one day at a time.

Abraham Lincoln

Board of Directors

Harold Houghtaling, Jr. 1986 – 2008

Joe Clavel 1995 – 2017

Tom Bess 1999 – 2000

Don Burton 1999 – 2000

Jim Culberson 1999 – 2000

Jimmy Harris 1999 – 2000

Ralls Jones 1999 – 2000

Jeff Witte 1999 – 2001

Lyle Hutchins 1999 – 2001

Kenneth Jennings 1999 – 2002

Scott Edeal 1999 – 2002

Brady Porter 1999 – 2002

Kevin Penn 2001 – 2008

W. Douglas Reid 2001 – 2010

Tom Drake 2002 – 2023

R. Mack Bell 2003 – 2012

Tyson "Ty" Achen 2003-2011

Allen W. "Wess" Wells 2003 – 2020

Ben Haines 2006 – 2013

V. Hilaire Mowduk 2006 – 2023

Michael W. Marley 2008 – 2020

Mack Bell 2009 – 2012

David Salopek 2009 – 2015

Gary Good 2010 – 2014

Tyson "Buddy" Achen, Jr 2012 – 2014

Aubrey Dunn, JR 2012 – 2015

Scott Shafer 2013 – 2023

Martin Sweetser 2014 – 2022

James Duffey 2015 – 2023

Stan Fury 2015 – 2017

Jim Hyatt 2015 – 2023

Danita Agar 2017 – 2023

Johnathan Vander Dussen 2017 – 2023

Leon Porter 2020 – 2023

Doug DeGroot 2020 – 2023

Kelly Peterson 2022 – 2023

Alan Feit Retirement

FEIT TO RETIRE AFTER 43 YEARS IN FARM CREDIT

On August 31, 2023, FCNM President and CEO Alan Feit retired after a long, successful career serving the farmers and ranchers who own Farm Credit. Alan began his Farm Credit career in 1980 with the Federal Land Bank of Greeley. He served in various credit and leadership positions through the years, including Chief Banking Officer and Senior Vice President of Credit at American AgCredit. He joined Farm Credit of New Mexico (FCNM) in 2018 as President and Chief Executive Officer, leading the Association and driving:

- Excellent financial performance and profitability with strong patronage payments,
- Improved customer service and delivery,
- Strengthened controls resulting in strong regulatory adherence,
- Empowered leadership who have advanced the Association’s organizational capabilities,
- Trust and transparency throughout the Association, resulting in strong engagement and retention, and
- Strategic direction through the American AgCredit merger.

Under Alan’s leadership, FCNM’s earnings grew from just over \$28 million in 2018 to more than \$40 million in 2022, and patronage returned to stockholders grew from \$9.7 million in 2018 to \$16 million in 2022. The Association’s capital remained strong at 19.69 percent in 2022.

According to James Duffey, FCNM’s Chairman of the Board, “Alan has shown tremendous care and respect for employees – with everyone taking responsibility for their role and the success of the Association. During his tenure at FCNM, Alan brought the Association a long way and is leaving it in a position of strength and power as it transitions to American AgCredit.”

As President and CEO of FCNM, Alan quickly earned the trust of the Board with his integrity and transparency.

“Trust is an essential element for all healthy human relationships at home or work, with family or friends,” said Alan. “One of the reasons I made a career in Farm Credit is the quality of people whom I have always been able to trust.”

Family is important to Alan and his wife Dana, who have been married for nearly 40 years and have two daughters, a daughter-in-law, a granddaughter and two grand dogs. After retirement, Alan and Dana plan to purchase a ranch in Wyoming where they will spend part of their time.

“I couldn’t have found a better place or better people to partner with,” said Alan. “Dana and I have immensely enjoyed the people of New Mexico, who are friendly and authentic – with the exclusion of the crazy drivers on Paseo!”

Thank you, Alan, for all your hard work and support on behalf of Farm Credit. Enjoy your well-deserved retirement!



The picture commemorates Evin’s homecoming after a year deployment in northern Iraq. Left to right: Alan, wife Dana, daughter Evin, Evin’s wife Erin, and daughter Kylie.



The factors affecting the market landscape for agriculture continue to become more complex. To help you navigate the changing lay of the land, Terrain™ is a complimentary offering for customers of American AgCredit and other participating Farm Credit Associations.

Terrain will equip you with valuable insights on economic factors, trends, and markets. View reports, videos and more from Terrain at terrainag.com.

Customers of American AgCredit can sign up to receive updates on new materials from Terrain as they become available. Sign up today! Scan the QR code or visit agloan.com/terrain.



**OUR NAME HAS CHANGED
BUT OUR OWNER
WILL STAY THE SAME.
YOU.**



Farm Credit of New Mexico has merged with American AgCredit. As members of the nationwide Farm Credit System, we've shared the same values and goals for more than 100 years. Now we'll share our combined resources to help grow your business as we continue to support New Mexico agriculture through our Rural Roots Endowment.

Learn more at agloan.com/welcome



FARM CREDIT
OF NEW MEXICO

IS NOW



American
AgCredit

YOUR FUTURE GROWS HERE.



Our Expertise and Leadership

The merger between Farm Credit of New Mexico (FCNM) and American AgCredit (AAC), two strong and capable associations, is a significant step toward ensuring the long-term viability and sustainability of New Mexico agriculture while expanding our capabilities to serve the rest of the AAC chartered territory. It also helps us remain well-positioned to partner in the success of our customers and our employees as they grow, adapt and help change the shape of agriculture for the future.

And speaking of growth, it is exciting to see the new career opportunities that FCNM employees will have in the merged association. Shown below is the senior leadership team and their new roles.

Kevin Kuper, Executive Head of Commercial Banking

Kevin has been named Executive Head of Commercial Banking. Kevin will report to AAC Chief Banking Officer, Gary Van Schuyver. This role, which was created as part of a change in how AAC organizes its Go-to-Market (GTM) team, is an incredible opportunity for Kevin and will benefit AAC and the newly merged Association for years to come. Kevin has been an integral part of FCNM over the past 23 years, serving in a variety of roles.

In this role, Kevin will work with the GTM management team serving traditional producers across the AAC territory supporting banking programs, crop insurance, and leasing functions.

Troy Lock, Executive Head of Controls

In his new role as Executive Head of Controls, Troy will report to AAC President and Chief Operating Officer, Greg Somerhalder. Troy's expertise is rooted in more than three decades of finance and banking experience – and he's been a strong leader at FCNM since 2019. His financial operations experience spans process and program development, risk management and process strategy. Troy will work to enhance strong business controls at AAC.

Shacey Sullivan, Executive Head of Communications and Government Relations

In her new role as Executive Head of Communications and Government Relations, Shacey will report to AAC Chief Brand Officer, Sarah Kolell. She is responsible for leading state and federal legislative efforts and as well as a team of communications and multimedia professionals to ensure the Association communicates in a unified voice, in alignment with AAC strategy and values, to both internal and external stakeholders, as well as managing mission programs. Shacey has worked with FCNM for over 22 years.

Jeremy Kohler, Head of Regional Banking for New Mexico

Jeremy has been named the Head of Regional Banking for New Mexico, reporting to Kevin Kuper. Jeremy will provide strategic business development and marketplace leadership to the New Mexico regional relationship team. Jeremy's leadership, finance expertise and strong connection to New Mexico agriculture will help the merged Association grow the future for our New Mexico customers. Jeremy has worked with FCNM for nearly 15 years.

Cindy Redding, Senior Human Resources Project Manager

Cindy will join AAC as a Senior Human Resources Project Manager reporting to Rich Hollis, Executive Vice President, Chief People Experience Officer. In this role, Cindy will play a vital role in driving critical business projects. Cindy was instrumental in leading FCNM through its recent people transformation and will bring these leadership skills to her new role at AAC. Cindy joined FCNM in 2018, with prior human resources experience for companies like Incitec Pivot – Dyno Nobel, Pinnacle West Capital, The Mosaic Company, Amoco, Abbott, and Sonoco Products.



Kuper



Lock



Sullivan



Kohler



Redding

Our Expertise and Leadership

Terry Schmidt, FCNM Senior Vice President, General Counsel and Standards of Conduct Officer



Schmidt

With over 23 years of legal experience in the Farm Credit System, Terry retired September 18, 2023. Terry joined FCNM in 2021 and quickly earned the trust and rapport of employees across the Association. With a solution-oriented mindset, Terry provided legal counsel to all levels of the organization with efficiency and speed of service. During the many months of pre-merger demands, Terry managed a significantly increased work load, met tight deadlines, and led the extensive and successful merger disclosure, shareholder and balloting process for FCNM.

Alan Feit, President and CEO stated, “Terry has been the consummate professional in all that he does and we appreciate his generous contributions to FCNM, his teammates, and to our customers. He represents the best of the human equation. This would not have been a successful merger without him.”

Previously, Terry served as Assistant General Counsel and Associate General Counsel with AgWest Farm Credit (formerly Northwest Farm Credit Services), Assistant General Counsel at Metropolitan Life Insurance Company, Senior Counsel at AEGON USA Realty Advisors, and Deputy General Counsel with Farm Credit Services of America. Prior to that, Terry had several years in private legal practice.

A Strong Team in New Mexico

FCNM employees will be taking on new roles and imparting knowledge and skills into most functional areas of AAC including: Corporate, Retail, and Regional Banking, Corporate and Regional Underwriting, Enterprise, Corporate, Regional and Customer Operations, Credit Resolution, Appraisal, Loan and Financial Accounting, Business Support functions including: Internal Audit, Finance, Human Resources, Legal, Risk Management, Strategy, Brand, Treasury, Project Management and Administrative Services.

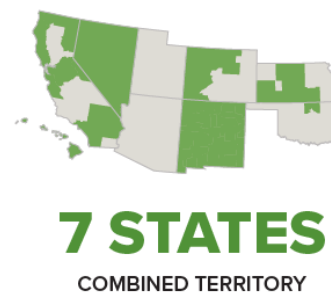
FCNM employees will continue servicing all New Mexico customers and remain available to you to service your needs and help drive business success.

Team Members Still Helping Producers Succeed

Cary Crist

This year marks Cary’s 30th year within Farm Credit. As a Senior Relationship Manager, Cary Crist will continue to provide relationship and lending support to key customers throughout New Mexico. Cary’s leadership and influence will continue to be a critical to our state as well as the entire footprint of AAC.

Our core New Mexico team will continue to serve you, our customers, from all five of our existing locations. Relationship Managers, Underwriters, and Operations staff from across the state will continue to report through New Mexico-based leadership. Our team of Relationship Managers will be led by Directors of Regional Banking **Jacob Penn** and **Amy Munson**. Underwriters will report through our Director of Regional Underwriting, **Scott Bailey**, **Valerie Scott** Appraisal Director will lead the appraisal team and **Margie Narramore** will lead our team of operations staff as Regional Operations Leader.





Rural Roots Endowment

Rooted in New Mexico

This merger will power our pursuit of the Farm Credit mission, fueling our efforts to help customers

Continuing to Support New Mexico Agriculture

The support you have come to know and expect from Farm Credit of New Mexico (FCNM) will only be enhanced with the merged Association. American AgCredit (AAC) is equally committed to our mission to serve agriculture and the farmers and ranchers. The merged Association's commitment to New Mexico agriculture now and into the future is demonstrated with the funding of the \$10 million *Rural Roots Endowment* which is designed to provide grants and direct funds to New Mexico organizations.

THREE REASONS...

Legacy - to keep the capital raised by the producers/stockholders of FCNM over the past 100+ years. Allowing it to remain in New Mexico for the good of New Mexico Agriculture.

Vision - to support youth and education in agriculture, producer-focused initiatives, efforts to fight hunger and support underserved populations.

Commitment - to demonstrate the strong commitment American AgCredit has to New Mexico Agriculture and its continued growth.

FUNDING PRIORITIES

The area of New Mexico (NM) agriculture that funding will be allocated to are:

① NM Youth Organizations (FFA, 4H, junior livestock, scholarships, etc.)

① Fighting Hunger in NM (support to groups that support feeding New Mexico such as food banks.)

① Protecting NM Agriculture (giving to organizations working to protect the rights of ag producers. Example: funding for the purpose of protecting private property rights of farmers and ranchers.)

① NM Producer Education (for items such as regenerative farming practices, organic, all-natural, local, or other programs that may assist producers to create further value for their operations.)

① Direct Producer Support in NM (grants and direct funds to producers for start up, economic development, and/or conservation.)

① Ag Education in NM (support for groups that educate the general population about agriculture such as Ag in the Classroom, pumpkin patches, etc.)

① Underserved Populations within NM (support that goes to groups of producers that may be traditionally underserved minority producers.)



Rural Roots Endowment

Rooted in New Mexico

*Continuing to Support
New Mexico Agriculture*

GOVERNANCE

Rural Roots Endowment will be overseen by a five-member Committee of Advisors made up of three stockholders and two employees from the AAC New Mexico territory. Each staggered three-year terms. The inaugural committee is:

Kelly Peterson (stockholder member, one term expires 2024)

Scott Shafer (stockholder member, two term expires 2025)

Leon Porter (stockholder member, three term expires 2026)

Shacey Sullivan (employee member, four term expires 2025)

Cary Crist (employee member, five term expires 2026)



To manage the endowment, AAC is proud to partner with the Community Foundation of Southern New Mexico (CFSNM). This endowment will focus on investing in the long-term viability, sustainability and profitability of agriculture in New Mexico. For over 34 years, CFSNM has awarded grants, scholarship, and emergency funding throughout southern New Mexico. In partnership with the *Rural Roots Endowment*, the Committee of Advisors and CFSNM will be able to impact all counties in New Mexico. As a team CFSNM is located in Las Cruces, NM, they will be traveling to ensure grant opportunities are brought to the Committee of Advisors annually from each corner of our beautiful state.

CFSNM will serve as a fiduciary nonprofit partner for these funds. The growth endowment will be in perpetuity, which will allow the Committee of Advisors of the *Rural Roots Endowment* to fund agricultural work for generations to come. Grants will be funded per the seven priorities laid out in this newsletter. Funds will be invested, and grant funds will be released in 2024. Organizations will be able to apply through an online system

ensuring that dollars are moved swiftly for the greatest impact throughout the state of New Mexico.

Look for grant applications in the spring of 2024. It is easy to set up a user account with our grants system. Visit www.cfsnm.org and click the Grants and Scholarships tab. The first button below Grants and Scholarships is Apply for a Grant – click there. This page will show you all of our current grant cycles. Click on “Click to Apply for a Grant” and you will be taken to our grants system. Set up a user and you are ready to go!

To learn more about CFSNM and work with the Rural Roots Endowment please visit www.cfsnm.org or www.agloan.com/welcome.

The *Rural Roots Endowment* has been a labor of love for the FCNM Board of Directors. Over the past year, countless hours of planning and preparation with the AAC and FCNM board of directors, leadership, staff, and potential partners has taken place. Always with the focus on the future, a commitment to supporting farmers, ranchers, and our neighbors who live and work in rural America. The *Rural Roots Endowment* will help New Mexico agriculture succeed well in to the future.



Scan the QR Code or visit agloan.com/welcome to see a video on the Rural Roots Endowment.

**HERE TO HELP
MEMBERS SUCCEED.**



LEARN MORE AT AGLOAN.COM/WELCOME

Roswell's New Building

In the summer of 2022, the FCNM Board of Directors approved the construction of a new office building in Roswell. The current office building is leased and not a permanent solution to serving our customers.

The goal was to create an office building centered around our New Mexico customers. We hired SMPC Architects, a New Mexico-based small business dedicated to improving the lives of others through innovative design of the built environment. In 2019 SMPC celebrated 75 years of providing architecture and engineering services in New Mexico.

Planning for the building has been underway for months with the support of SMPC architects, an Albuquerque-based architectural company, and input from the project team with representation from various internal teams, and FCNM board members.

The new building was designed for servicing our customers better and centered many amenities around customer and community needs. With the support of SMPC, the project team designed a building grounded in the past, present, and future of New Mexico's Agriculture Business. One example of this is the landscape design that responds to semi-arid climate conditions and supports water conservation.

In addition, the new location offers easy accessibility from the north and west side of the building, especially for larger vehicle access with pull-through parking spaces.

One of the many customer and community centered amenities we are especially proud of is the large community room. This multi-functional meeting and event space, with outdoor patio, serving the needs of our employees, customers, and the community. It will be made available as meeting space for community non-profits such as 4-H and FFA Ag Youth programs.

In June 2023 we broke ground at 1300 W Country Club Road and the construction phase is expected to last until first quarter 2024. The contractor is Roswell-based and family owned Waide Construction company. Waide construction has been in Roswell for almost 50 years and has built many landmark buildings in Roswell and the surrounding areas.

With this new office building we continue our deep legacy of serving farmers and ranchers across New Mexico.



Growing the Farm Credit Legacy

Farm Credit of New Mexico (FCNM) is part of the Farm Credit System, a nationwide network of borrower-owned organizations that provide more than one-third of the credit needed by farmers, ranchers, agribusiness, rural homeowners, and rural utility cooperatives. As part of the Farm Credit System, FCNM has served New Mexico farmers, ranchers and rural communities for more than 100 years.

The seeds of the Farm Credit System were planted by President Theodore Roosevelt in 1908, when he appointed a Country Life Commission to address the problems facing a predominantly rural population.

The commission's report documented a lack of adequate agricultural credit, where a farmer could readily secure loans on fair terms. The report led to various presidential and congressional studies, which included extensive analysis of other nations' rural credit systems.

The credit delivery method established by the 1916 Federal Farm Loan Act was based largely on Germany's *Landschafts*, which had operated since 1769 and appeared to be the most successful of the various European cooperative ag-credit systems.

During the pivotal congressional debate over an American agricultural credit system, nearly 100 different bills were introduced, which focused on three major approaches:

- Small, independent land banks, with federal charters but private capital. Proponents of this concept favored the non-government funding, but critics feared its built-in motive for high profits would not assure low rates to farmers.
- Twelve federal land banks owned by their farmer-borrowers, partly capitalized by the government and financed through the private purchase of tax-exempt bonds. Advocates maintained this cooperative structure would guarantee low rates, but critics disliked the government sponsorship and expense involved.
- Direct government loans to farmers, favored by the nation's farm organizations but opposed by most politicians.

Congressional proponents of these three approaches battled to a stalemate in 1914, which led to a Joint Committee on Rural Credits in 1915, which in turn drafted the final compromise adopted in 1916, taking the first approach of small independent land banks.

At that time less than 10 percent of U.S. farms had electricity; telephone access was not universally available; and most farms used intensive manual labor and animal drawn machines. Today, most farmers have Internet access, and a growing number are using satellite imagery, computer technology and Global Positioning Systems (GPS) to manage their operations.

The increase in mechanization, irrigation and other technology



has resulted in efficiencies that enable fewer farmers to produce more food and fiber than ever before (in considerably less time), for a growing world population. In addition, improvements in processing, transportation and marketing have led to what we know today to be a very safe, abundant and affordable food supply.

Like the industry it serves, the Farm Credit System keeps getting better with age. The strong foundation upon which the System was built in 1916, combined with ongoing leadership and effective management, has allowed Farm Credit to remain competitive, innovative, and responsive to almost a century of ever-changing market conditions.

To keep growing this Farm Credit legacy in New Mexico, Farm Credit of New Mexico and American AgCredit stockholders voted for a merger of the two Farm Credit cooperatives effective October 1, 2023, creating a merged Association with enhanced marketplace stability, increased funding capacity, and better access to technology.

According to James Duffey, FCNM Board of Directors Chair, this merger means more for customers, employees and the Farm Credit mission. The size and scale of the merged Association builds on the agricultural expertise, talent and passion of the Association employees to drive profitability for customers in New Mexico, and across the Association's territory.

"This merger drives our Farm Credit purpose to serve the farmers, ranchers, and agribusinesses in our seven-state territory," said Curt Hudnutt, CEO, American AgCredit. "With total assets of \$20.5 billion and a diverse North American agricultural portfolio, the merged association creates a stronger partner for our customers that will help them grow their future – and the future of agriculture."

Farmers, ranchers, agribusiness, rural homeowners and rural utilities depend on the Farm Credit System's funding and services to produce the high-quality food and agricultural products enjoyed in the United States and around the globe. To keep supporting customers, American AgCredit is focused on more than simply meeting customer needs. The merged American AgCredit will grow the Farm Credit legacy – and future – by anticipating customer opportunities and helping them succeed through agricultural finance expertise, innovation, and collaboration that's been building since 1916.



Getting to Know American AgCredit

Like FCNM, American AgCredit (AAC) is part of the Farm Credit System. The Associations share a mission to serve farmers and ranchers, a similar culture focused on people, and a drive to grow the future of customers. With the October 1, 2023, merger date, it's a good time to get to know American AgCredit a little more. Here are the top things to know about American AgCredit.

LEADING WITH MORE THAN 250 YEARS OF FARM CREDIT EXPERIENCE

American AgCredit is managed by a 13-member Management Executive Committee (MEC) with deep expertise and more than 250 years of Farm Credit experience. This executive team provides strategic direction and leadership for the Association, ensuring American AgCredit continues to fulfill its mission to be the best lender to agriculture.

SERVING THE MOST DIVERSIFIED PORTFOLIO IN FARM CREDIT

American AgCredit proudly finances all of agriculture and maintains a diverse portfolio that helps the Association to withstand market pressure on any particular sector and stick with custom-

ers through tough times. This commodity diversity strengthens the Association's financial position and drives competitive cash patronage distributions.

SHARING SUCCESS THROUGH PATRONAGE

American AgCredit returned a portion of earnings to customers through a cash patronage distribution, totaling more than \$1.2 billion.

BUILDING CUSTOMER SUCCESS WITH EXPERTISE

The Association's diverse portfolio allows American AgCredit to adopt best practices and innovation across different types of agriculture to support the unique needs of each customer. Terrain, which is an offering from American AgCredit, delivers exclusive insight and forecasting across all sectors of agriculture that impact American AgCredit customers.

GROWING THE FUTURE

American AgCredit partners with customers through the ag changing value chain to help them achieve their goals, protect their legacies and grow the industry's next generation.





American
AgCredit

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WE'RE COMBINING OUR RESOURCES FOR CONTINUED GROWTH.

Farm Credit of New Mexico has merged with American AgCredit. Like us, American AgCredit has been farmer and rancher owned for more than 100 years. We share the same core values and goals of being committed to the success of our members, their operations and communities.

Now, we'll share our combined resources to help grow your business as we maintain an deep commitment to our New Mexico roots through our *Rural Roots Endowment*, a fund that wil keep the capital raised by New Mexico members invested right here in New Mexico Agriculture.

[LEARN MORE AT AGLOAN.COM/WELCOME](https://www.agloan.com/welcome)



FARM CREDIT
OF NEW MEXICO

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American
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