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[www.lonestaragcredit.com](http://www.lonestaragcredit.com)

## *Building lifetime relationships* through financial solutions

### Message From the Chairman

Dear Stockholder:

For more than 90 years, Lone Star Ag Credit has been financing agricultural producers and other rural Texans, and we are dedicated to remaining a well-capitalized, stand-alone financial institution that you and your family can rely on for another 90 years.

With this commitment in mind, the board of directors has selected Steve Fowlkes as our new chief executive officer. Steve brings a wealth of Farm Credit experience to Lone Star Ag Credit. He has been with the Farm Credit System since 1977 and had been the chief credit officer for the Farm Credit Bank of Texas since June 2003. As the bank's CCO, he oversaw the bank's credit division, which included risk management, credit services, association direct lending, capital markets, special assets, and marketing and corporate relations.

We've had the privilege of working with Steve in that capacity for many years, which is why we know what an asset he will be to our team. Plus, we are fortunate to have hired someone with deep roots and a strong affinity for our territory. Steve is a Fort Worth native, and also worked at the Federal Land Bank Association of Cleburne early in his career. He earned his bachelor's degree in economics and his master's degree in agricultural economics from Texas A&M University.

Steve's first decision as CEO was to hire Troy Bussmeir as chief credit officer. Troy had been with the Farm Credit Bank of Texas since March 2004. He started there as a senior credit analyst, and a year later, he was promoted to vice president and association relationship manager. Prior to joining our district bank, he had worked at AgFirst Farm Credit Bank in Columbia, S.C., where he provided credit support on a \$1 billion capital markets portfolio. Troy earned his bachelor's degree in accounting and finance from Palm Beach Atlantic University.

With the extensive experience at both the association and bank levels, these two leaders are in a perfect position to oversee our business development and take our association to a new level. They have a talented and dedicated staff of employees to work with also, who always strive to provide flexible, competitive financing for all your rural financing needs.

Our association has witnessed significant changes in the past year, with the depressed economy, fluctuations in agricultural markets and a new leadership team. One thing will always remain the same, however: Lone Star Ag Credit is committed to our mission of building lifetime relationships through financial solutions.

Sincerely,

Bruce Duncan  
Chairman of the Board



Part of the Farm Credit System

ASSOCIATION SUPPLEMENT - SUMMER 2010

# Now Everyone Can Run-A-Ranch!

Children of all ages can now try their hand at owning and running their own ranch with the Run-A-Ranch interactive exhibit at the Cattle Raisers Museum in Fort Worth. Through the exhibit, which is sponsored by Lone Star Ag Credit, urban children can have an agricultural experience without ever leaving the city limits.

Lone Star Ag Credit ventured into the educational partnership with the Cattle Raisers Museum in an effort to educate and inform a new generation. As the premier rural lender in Texas, Lone Star Ag Credit wants to engage today's youth in the agriculture industry. For many of those youth, the Run-A-Ranch interactive exhibit might be their first introduction to agriculture.

"The young, entrepreneurial farmer or rancher is a target market for us because we want to see the youth of our state achieve success in their operations," said Kimberly Thomas, vice president of marketing at Lone Star Ag Credit. "This virtual, interactive exhibit will give everyone a lesson in economics — teaching them how much it really costs to put a steak or a burger on your table."

Located as its own entity within the internationally acclaimed Fort Worth Museum of Science and History complex, which boasts a million visitors annually, the Cattle Raisers Museum helps visitors understand why Texas and Fort Worth are so heavily centered on agriculture.

For more than a quarter of a century, the Cattle Raisers Museum has entertained and educated visitors with the real story of cattle ranching in the Southwest, beginning with its origins as both an industry and cultural phenomenon in the 1850s through to what the business will look like in the future.

The museum's mission is to inform visitors of the significance of the ranching business and to build platforms to preserve the history and advance the future of the livestock industry.

For more information, please visit [www.cattleraisersmuseum.org](http://www.cattleraisersmuseum.org).



## The Quail Coalition and Park Cities Quail



*T. Boone Pickens, left, presents Bob Carter with the T. Boone Pickens Lifetime Sportsman Award. Bob is accompanied by his grandsons, Travis and Blake.*

There's a new group — or should we say "covey" — in town.

The Quail Coalition, Inc., which formed following the dissolution of Quail Unlimited, is composed of sportsmen who enjoy quail hunting, bird dogs and all that go with them. The group started with 3,000 committed quail hunters across Texas, according to Joe Crafton, chairman of the Park Cities Chapter in Dallas.

"We are excited to be a part of the Quail Coalition," Crafton said. "This group has leadership that has proven to be the most committed and accomplished among the sportsman conservation groups."

Each chapter is dedicated to creating a network of local quail hunters for fellowship, raising money for worthy projects and funding important quail research. The Park Cities Chapter held its 2010 dinner and auction on March 11. This year, they honored Bob Carter with the T. Boone Pickens Lifetime Sportsman Award.

"Working with organizations such as Park Cities Quail, we can help solve the mystery surrounding the disappearing quail populations in Texas. We can then pass down our love of the sport and the principles that will allow succeeding generations to enjoy the great outdoors as we have," Carter said.

The auction benefited the Rolling Plains Quail Research Ranch, whose mission is to sustain Texas' wild quail hunting heritage for this and future generations.

The Quail Coalition, Inc., [www.quailcoalition.org](http://www.quailcoalition.org)

Park Cities Chapter, [www.parkcitiesquail.org](http://www.parkcitiesquail.org)

Rolling Plains Quail Research Ranch, [www.quailresearch.org](http://www.quailresearch.org)

# The Dallas Agricultural Club

In a world of constant change, at least one thing has remained the same for the last 84 years — the noon meeting of the Dallas Ag Club on the first Monday of every month. The group, which has been deemed the “original noon-day agriculture club of the world,” held its first meeting in January 1926.

Still true to its original mission, the club promotes agriculture awareness and provides industry updates for its members. It remains a great place for its members to stay abreast of relevant and timely information about agriculture. The club also features topics such as estate planning, livestock breeding and genetics, wildlife management, animal diseases, water quality and watershed management.

In addition, the club does the following:

- Provides legislative updates and hands-on field days for members
- Awards scholarships annually to college freshmen from Dallas County or an adjacent county pursuing an agriculture-related program or major
- Sponsors the plant identification contest at the State Fair of Texas and the Dallas Farm Day for school children

Today’s Dallas Ag Club is doing its best to continue the legacy started so many years ago by supporting young people involved in agriculture and educating its members.

Most meetings are held at the Dallas County office of the Texas Agrilife Extension Service, 10056 Marsh Lane, Suite B-101 Dallas, Texas 75229. Their website is [www.dallasagriculturalclub.com](http://www.dallasagriculturalclub.com).



*Dr. Floron “Buddy” Faries, Extension Animal Science from TAMU.*



## Fort Worth Farm and Ranch Club

Lone Star Ag Credit was honored to sponsor the February luncheon meeting of the Fort Worth Farm and Ranch Club at the new Museum of Science and Natural History. The Fort Worth Farm and Ranch Club was founded on May 22, 1950, and to this day the club promotes the interest in and advancement of agriculture and agribusiness in Fort Worth. Over the years the club has provided a networking atmosphere, in which a broad scope of programs and information are presented.

Some of the main involvements of the club are:

- Supporting the Tarrant County Junior Livestock Show
- Sponsoring Domino’s Pizza Ranch, an event that educates Tarrant County fourth-graders about agriculture and how it relates to them
- Presenting the Bill King Award at the Fort Worth Livestock Show’s Livestock Appreciation Day luncheon
- Hosting other contests and programs aimed at promoting and increasing awareness of agriculture

Lone Star Ag Credit’s involvement extends beyond sponsorship. Kimberly Thomas, senior vice president of marketing, took her position as the club’s president in April, and Julie Porter Mayfield, marketing specialist, has served on the club’s board since 2001.

Meetings are held on the fourth Tuesday of each month at noon in the Texas and Southwestern Cattle Raisers Association’s office in Fort Worth. If you are ever in the area and would like to meet a great group of agriculturalists, we invite you to stop by and join them for lunch.

# Farm Credit Young Leaders Visit Nation's Capital



The nation's financial situation was a key topic of conversation for 23 young Farm Credit borrowers who had an opportunity to interact with decision-makers and Farm Credit System leaders in Washington, D.C., as part of the Farm Credit Young Leaders Program last October.

Lone Star Ag Credit customer Gary Dale Lewis Jr., and his wife, Emily, of Gainesville, Texas, attended the four-day event, which was sponsored by the Tenth District Farm Credit Council. The program was designed to give young Farm Credit stockholders an up-close look at the Farm Credit System. The trip included meetings with officials of the Farm Credit Council and congressional leaders in Washington, D.C. The group also had a briefing at the Federal Farm Credit Banks Funding Corporation in Newark, N.J., and toured a Wall Street brokerage firm in New York City.

"This event was a great opportunity for these young people, who are the future leaders of the agriculture industry and their respective communities throughout our five-state territory. It gave them a firsthand look at the Farm Credit System and provided insight into our nation's financial network and legislative process," said Jimmy Dodson, chairman of the district council.

The Tenth District Farm Credit Council is the trade association that represents the legislative and regulatory interests of the Texas Farm Credit District.

Lewis is the owner/broker of The Real Estate Company, with locations in Gainesville and Whitesboro, Texas. He also owns a cow-calf operation, runs stocker cattle and has oil and gas explorations. He is owner/operator of GDL Rentals, managing partner of T&L Cattle and Land LLC and owner/operator of Wildcat Financial Services.

In addition, Lewis currently serves as a board member on Lone Star Ag Credit's Young, Beginning and Small Farmer Program. When he is not working, he stays involved in his community through his local church, the Knights of Columbus Council and coaching youth football.

## Co-ops Are an Attractive Choice

When times get tough, people start looking for security, and co-ops offer a place they can find it. Following the Great Depression, credit unions — another type of cooperatively owned business — grew exponentially. Experts, including Ivy League finance professors, agree that credit unions will most likely see a similar surge in the near future. The same could be true for Farm Credit lending co-ops.

It is estimated that 70 out of every 100 adults in America are co-op members, and there are 800 million co-op members worldwide. U.S. co-ops include Fortune 500 businesses such as Land O'Lakes and Sunkist, as well as the Associated Press. According to a comprehensive, USDA-funded study by the University of Wisconsin, co-ops hold more than \$1 trillion in assets, and have more than 125 million members.

Here are a few reasons people find co-ops so comforting and appealing:

### **Co-ops represent "business with a face."**

Because most co-ops are locally owned and operated, people know who they are doing business with. And, because revenues stay local, a co-op's income represents gains for the community. People are drawn to co-ops because they offer advantages, such as strength, good deals, self-reliance and community focus.

### **The highest priority of a co-op is to provide value to its stockholder-members.**

Co-ops are owned by the people who use the business, not by outside stockholders. Therefore, co-ops can focus on providing better service at a better cost.

### **As owners, co-op customers have a say in the business' governance.**

Co-op member-owners have a right to have a say in the business' governance. When a co-op's members exercise this right, there is a culture of transparency, a far cry from the culture of many investor-owned corporations.

### **Many co-ops have remained stable despite other bank failures.**

Farm Credit organizations and credit unions have remained stable in the current wave of bank failures. These co-ops have made less risky moves than commercial banks and were not involved in subprime lending. Because every member is an equal owner, there is no incentive for anyone — president, CFO or CEO — to try to manipulate stock price. No single person stands to gain more than another.

To find out more about cooperatives and to find co-ops in your community, visit [www.go.coop](http://www.go.coop).