



Fresno Madera Farm Credit

CONNECTION

WINTER 2015

Agriculture is Our Only Business



Keith Hesterberg
President & CEO

PRESIDENT'S MESSAGE

To all Member Borrowers:

Like all years, 2015 brought with it challenges and opportunities! I'm happy to report to you that for your farmer-owned cooperative, the year for Fresno Madera Farm Credit is shaping up to be one of overall success. We will not be finalizing our financial results for the fiscal year ended 2015 until March of 2016, however I can report to you that your cooperative continues to perform well.

At Fresno Madera Farm Credit, we take our responsibilities to serve you very seriously. We believe that in addition to providing you with the capital that you need to operate your ranches and farms, we must also focus on the experience we create when we deliver the service. We also understand how important it is for us to remain efficient so that we can be responsible with our resources, and return as much value to YOU the member - in the form of patronage, and by continuing to build the financial strength of the organization.

In order to achieve these goals, we understand that improvement for us must be an

ongoing effort, and as we undertake that process we believe we're going to need your help.

Beginning this month, and continuing into the future you will see us seeking your feedback when we process new or renew existing loans. At first you'll see this in the form of customer surveys during all of 2016, and beyond next year we'll be evaluating additional and alternative ways to connect with you as we seek to further enhance efficiency, and create the best possible experience for you our members.

As we conclude the year, I want to extend to you my sincere thanks on behalf of our staff, and your board of directors for your ongoing support of Fresno Madera Farm Credit - we all take tremendous pride in our mission to serve you and the Agriculture in this region.

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CONNECTION

is a quarterly publication for customers of
Fresno Madera Farm Credit.

Board of Directors



Jeff Jue, Chairman
John Simpson, Vice Chairman
(Appointed Director)
Daniel Errotabere
Fred Fagundes
Edward Martinazzi
Victor Sahatdjian
Stephen Schafer
Lance Shebelut
Denise Waite (Appointed Director)
Jeff Yribarren, 2nd Vice Chairman

Holiday Schedule

Offices will be closed:

Christmas Holiday

- * Wednesday, December 23
Offices close at 3:30pm
- * Thursday, December 24
- * Friday, December 25

New Years Holiday

- * Thursday, December 31
Offices close at noon
- * Friday, January 1

Martin Luther King Jr. Day

- * Monday, January 18

President's Day

- * Monday, February 15

Upcoming Events

January 26-28

Unified Wine & Grape Symposium,
Sacramento

February 9-11

World Ag Expo, Tulare

February 17-19

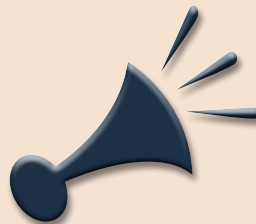
American Pistachio Growers Annual
Conference, Palm Desert

HOMEGROWN *By* HEROES



Thank you for your service!

Homegrown by Heroes is a Farm Credit sponsored program of the Farmer Veteran Coalition that identifies, promotes and supports agricultural products grown and raised by U.S. veterans. The program gives agricultural producers the ability to use the Homegrown by Heroes label on the products they sell. Veterans or active duty service men and women from any branch of the military are eligible to participate. If you are interested in program details, please contact your loan officer for information.



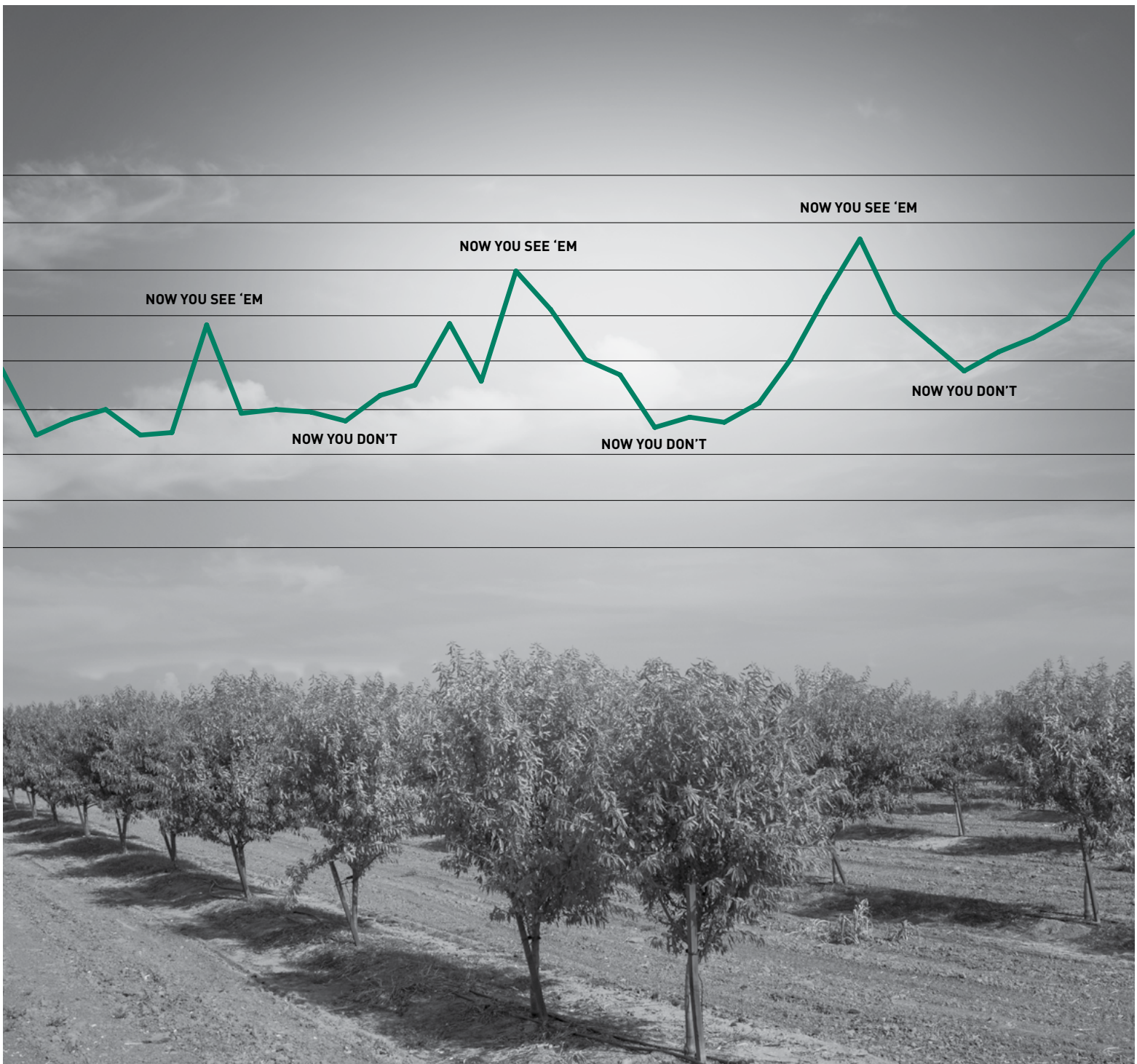
CALLING *all* CANDIDATES

Are you interested in representing the
membership by becoming a board member?

Call (559) 277-7000 for information.

2016 NOMINATING COMMITTEE

*Jill Burford-Minnick, Carl Gunlund,
Richard Harman, Paul Mesple, Eric Niino, Paul Toste*



When it comes to financing agriculture, we don't believe in disappearing acts.

Some lenders say it's a good time to be a part of agriculture. It's true.
The difference is we'll still be here when they want no part of it.
Fresno Madera Farm Credit. When you're in agriculture for keeps,
it's good to know your lender is, too.



Fresno Madera Farm Credit
fmfarmcredit.com | 559.277.7000

Crop Report



Raisin, wine & table grapes

Growing conditions were generally favorable for grape production in 2015, with no adverse conditions reported due to high temperatures during the summer. Early estimates indicated the 2015 crop will be slightly smaller than the 2014 crop, and it appears the overall quality may not be as good. The wine grape harvest is finished. The growing season was relatively normal and the 2015 crop appears to be slightly smaller than the average production in past years. The table grapes have had a good year.



Nuts

The 2015 almond crop is expected to be smaller than the original projections of 1.8 billion pounds and is now projected at 1.7 billion. The unusually warm winter, lack of rain along with limited availability of surface water and quality well water all contributed to the decreased yields. Prices have been at all-time highs but some softening of the market has taken place as harvest wrapped up.

The 2015 walnut crop is estimated to be up 1% from the 2014 crop. This could be another record crop and prices are well behind the highs of 2014. Reasons for the downturn in prices are a combination of record crops in China, carry-over from the 2014 crop and reduced exports due to the stronger dollar. The increase in U.S. production is generally due to young orchards coming into production.

This year's pistachio crop is anything but normal. Some estimates have the California crop as low as 275 million pounds. A combination of low chilling hours, the high percentage of blanks, water availability issues and quality of irrigation water in some areas have contributed to the lower yields. On the bright side, demand for the product continues to grow both in foreign and domestic markets. A good crop out of Arizona will help fill growing demand.



Tree fruit

Overall, tree fruit shipments were good with favorable prices. Weather conditions were mostly favorable for fruit ripening; however, high temperatures caused some concerns for harvest crews.

The 2015/2016 Navel crop appears slightly larger than the previous year, with a large fruit set and large size fruit. There is some uncertainty regarding commodity pricing at this point due to a large projected crop combined with record prices for some Navel oranges last season. The Asian citrus psyllids in Fresno and Tulare Counties are still a concern throughout the citrus industry. There is no cure for the disease, also known as "citrus greening," which kills the infected tree within five years. It is yet to be determined if the frosty morning cold has caused any damage to fruit.

The "easy peel" varieties appear to have a good crop this year. The increased supply should be about 2% and was again largely due to new acreage coming into production. The increasing supplies in easy peel citrus are expected to continue going forward as more groves reach maturity.



Irrigated field crops

The lack of irrigation water kept growers scrambling and adjusting planting schedules all season. Water conditions in the state did not improve as water deliveries to the west side were cut. Cotton, once a major crop on the west side, was reduced again this year due to limited water supplies. Pima acreage was down 29% and Upland acreage was down 21% from 2014. Melon, corn and tomato acreage are down somewhat due to water shortages. Producing acres have relied primarily on pumped water and additional supplemental surface water, purchased when available, resulting in higher farming costs. As the 2015 processing tomato crop season comes to an end, it is expected to end up about the same as the 2014 crop on fewer acres. It looks like yields will be higher than originally projected. Melon prices started high, decreased slightly and then strengthened in the late season. Sweet corn prices remained strong throughout the season.

The alfalfa price is off by 30-35% compared to a year ago. While some growers elected to let their hay fields dry up, supplies are still up from last year. Exports are down and the demand from beef producers is also down due to somewhat better feed conditions and fewer cattle. Chopping of corn for silage has concluded with prices to the grower also down from levels a year ago.



Dairy & cattle

The Dairy industry has seen a very different picture in 2015 compared to 2014. Current mailbox milk prices are in the low \$14 range compared to \$21.49 in October of 2014. The current surplus of milk worldwide is the main reason for the downturn in prices. The current price is below the cost of production for many Dairies. Dairy liquidations have continued on a regular basis and more are expected. The good news is feed prices have decreased for both roughages and grains and no drastic changes are predicted in the near future.

Beef cattle producers had been receiving record prices for all classes of cattle (stockers, feeders, fat cattle, cull cows and bulls) for the first half of 2015. Prices have slipped this fall on reports of increasing cow numbers and surplus meat supplies. As a result of low feeding cost, cattle leaving the feedlots are at heavier weights with carcasses averaging a record 925 lbs. compared to 880 lbs. a year ago. Drought continues to be a problem for cattle producers in the west, with many producers reporting shortages of stock water and slim feed conditions.



Agriculture in general

Even with the recent rains in the valley and welcome snow in the mountains, water has been and will remain the primary issue for most agricultural operations. At this time, availability of water from the state and federal contractors appears bleak for the 2016 season unless we receive a near miracle snowpack this coming winter. Let's all hope predictions of an El Nino come true or fallow ground will increase even more in the coming year.

The crop report is produced by FMFC's Appraisal Department based on their local knowledge and expertise of current conditions.



Congratulations to grand prize winner Brian Schafer. This photo is the cover of the 2016 FMFC Calendar as well as the image on the FMFC Centennial postage stamp which will be used by FMFC in 2016.



::: Jacob Sertich :::



::: Jacob Sertich :::



::: Brian Schafer :::



::: Jennifer Markarian :::



::: Holly Helmuth :::



::: Jacob Sertich :::



::: Robert Sahatjian :::



::: Holly Helmuth :::



::: Jed Webster :::



::: Jed Webster :::



::: Puvan Sran :::



::: Jennifer Markarian :::

2015 FMFC PHOTO CONTEST WINNERS ANNOUNCED

FMFC's inaugural photo contest has wrapped up for the year! Thank you to those who submitted photos!

Winning photos gave visual insight to the beauty and diversity of agriculture in the San Joaquin Valley. These winning photos, included in the 2016 Customer Calendar, were mailed to our members in early December. In



addition, the photos have been printed to canvas and are on display in our Fresno office. In celebration of our upcoming Centennial, the grand prize photo will become the "2016 Fresno Madera Farm Credit postage stamp" image used by FMFC in 2016.

Keep snapping those shots! The 2016 Photo Contest will open in May. We can't wait to see what photos you have to share with us next year.

Fresno City Council Declares June 25 "My Job Depends on Ag" Day

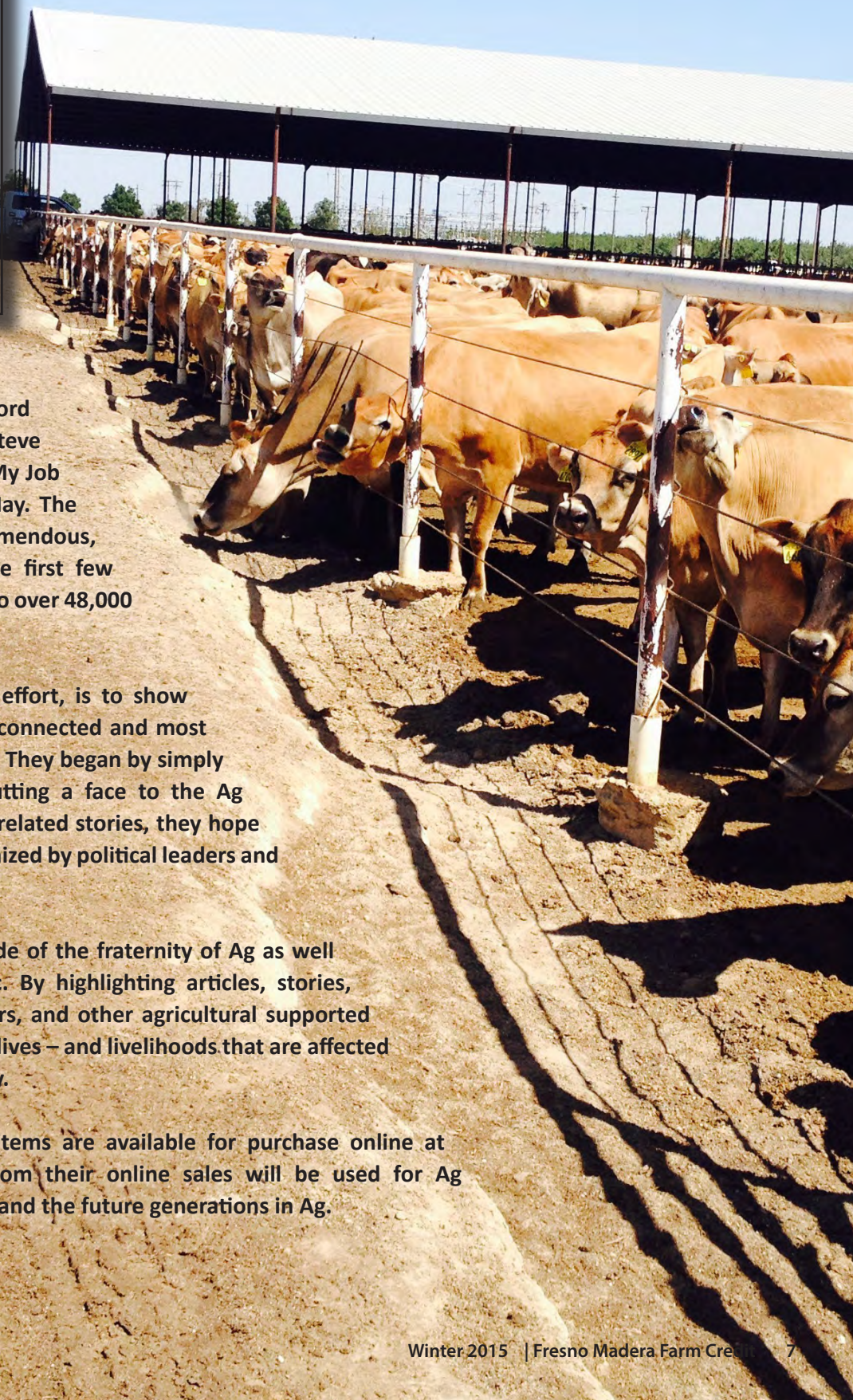


In an effort to help spread the word about how everyone depends on Ag, Steve Malanca and Erik Wilson began the "My Job Depends on Ag" Facebook page in May. The initial support and momentum was tremendous, boasting over 20,000 likes within the first few weeks. Today, this number has grown to over 48,000 followers across the country.

Their vision, through this grassroots effort, is to show how many people's lives are related, connected and most importantly dependent on agriculture. They began by simply sharing their personal stories. By putting a face to the Ag industry through this collection of Ag related stories, they hope the impact of agriculture will be recognized by political leaders and consumers as well.

Their goal is to illustrate the magnitude of the fraternity of Ag as well as to educate and inform the public. By highlighting articles, stories, and images from the farmers, ranchers, and other agricultural supported businesses, they are able to show the lives – and livelihoods that are affected every day by agriculture in this country.

Logo decals and other promotional items are available for purchase online at myjobdependsonag.com. Proceeds from their online sales will be used for Ag scholarships to help support Ag youth and the future generations in Ag.



FARM CREDIT SUPPORTS LOCAL FOOD BANKS

"One out of three children in the Central Valley go hungry every day, and the state's drought conditions have only worsened the problem," said Andrew Souza, president and CEO of Fresno-based Community Food Bank.

Joint Effort Raises \$75,000 for Community Food Bank

Fresno Madera Farm Credit & Farm Credit West teamed up with GAR Tootelian Inc., KMJ Radio and The Market on September 1 to support the Community Food Bank who partners with over 200 agencies to distribute food throughout Fresno, Madera, Kings, Kern and Tulare Counties. Their efforts provide food for approximately 280,000 people each month. For every \$10 that was donated, GAR matched it with an additional \$5. The combined total donated to Community Food Bank was \$75,000! In addition, non-perishable food items were collected and dropped off at The Market. Fresno Madera Farm Credit employees held their annual food drive internally, allowing participation from both the Association and the employees. Each food item was matched by The Market and all donated to Community Food Bank.



Food and monetary donations were accepted at The Market on September 1 to support Community Food Bank.

Farm Credit Donates \$100,000 to California Food Banks



Pictured: Joe Soto: FMFC CFO, Dan Kiggins: FMFC CCO, Andy Souza: CFB President & CEO, Keith Hesterberg: FMFC President & CEO, Kym Dildine: CFB Director of Development, Stephanie Graham: FMFC CAO

California's six Farm Credit associations – American AgCredit, Farm Credit Services of Colusa-Glenn, Farm Credit West, Fresno Madera Farm Credit, Golden State Farm Credit and Yosemite Farm Credit – pledged \$50,000 to rural areas hurt by the historic drought, which has idled hundreds of thousands of acres of farmland and left many farm workers unemployed. Denver-based CoBank, which finances agricultural cooperatives and other agribusinesses throughout the country, including in California, has matched that contribution with an additional \$50,000.

The combined \$100,000 was distributed to 18 California food banks. The contribution follows a similar joint contribution made by the lenders in 2014.

"California's agricultural sector is strategically important to the state and to our nation as a whole," said Robert B. Engel, chief executive officer of CoBank. "Farm Credit is committed to supporting this vital industry in good times and bad, not only with dependable credit but with other forms of assistance as well. We hope this contribution will make a meaningful difference for farm workers and their families, and we appreciate the important work that food banks are performing to help them through the drought crisis."

"One out of three children in the Central Valley goes hungry every day, and the state's drought conditions have only worsened the problem," said Andrew Souza, president and CEO of Fresno-based Community Food Bank, one of the food banks that will receive funds from the Farm Credit contribution. "It is no longer just the poor and the homeless who are hungry; working families are also struggling to make ends meet. We are so grateful to CoBank and Farm Credit for recognizing the critical nature of this issue and stepping up to make a difference."

Recent Volunteer Highlights

Madera Fair

Buckle donation & presentation

Fresno Fair

- Prepared and served breakfast to 4H & FFA
- Conducted Champion of Excellence interviews
- Assisted with livestock auctions

Poverello House

Prepared & served meals



GIVING BACK throughout the year



Follow us on Facebook and Twitter @fresnomaderafc,
or visit www.fmfarmcredit.com to see how we are
giving back locally throughout the year.



Distribution Center Volunteering (Group & Individual)

Monday - Friday 8:00 am- 2:00 pm
Volunteers assist with a variety of projects
that may include sorting food donations,
repackaging bulk foods, sorting produce and
bagging/boxing food.

Office Assistance Volunteering

Monday - Friday 7:00 am- 4:30 pm
Office volunteers assist with filing, organizing,
data entry, mailings and other projects to
prepare for food distributions. Scheduling
is flexible and allows volunteers to explore
several areas of interest.

Nutrition Education Volunteering

Days/ times vary
Assist in introducing our communities to
nutritional meal preparation and planning.
Volunteers help with cooking, serving and
outreach.



Community
FOOD
BANK

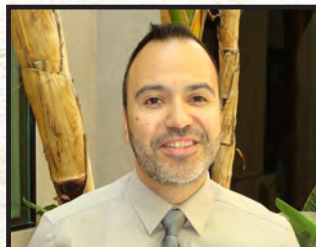
A Member of **FEEDING AMERICA**

welcome new hires



Kaitlin Pentsa
Loan Accounting Specialist

Kaitlin is the newest member of our Loan Accounting Department and brings over 5 years of customer service experience. She earned her associate degree in business administration and joins our team following a 6 month temporary assignment with FMFC.



Joe Soto
Chief Financial Officer

Joe is a CPA and joins our Fiscal Department and Management Team from a large and well-regarded accounting firm that supported more than 26 industries including Agribusiness, wineries/ vineyard and financial institutions. He earned his bachelor's degree in business administration with a concentration in accountancy and a minor in computer information systems.



Fresno Madera Farm Credit

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Fresno, CA

Contact Us

FRESNO

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NE Corner of
Herndon & Milburn
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Fax (559) 277-7030
Hours: 8 a.m. - 5 p.m. M-F

MADERA

305 North "I" Street
NE Corner of
4th & "I" Streets
Madera, CA 93637
(559) 674-2437
Fax (559) 673-8414
Hours: 8 a.m. - 5 p.m. M-F

KINGSBURG

1698 Draper Street
SE Corner of
Draper & Washington
Kingsburg, CA 93631
(559) 419-5411
Fax (559) 419-5416
Hours: T-W: 8 a.m. - 5 p.m.
M, Th, F: By appointment

LOAN ACCOUNTING

(559) 277-7016

TOLL FREE

1-877-363-8637

WEBSITE

www.fmfarmcredit.com

\$20 FOR YOUR FEEDBACK

In order for us to improve in the right ways, we're interested in hearing from you about your experiences. We understand that you have a choice in lenders, and we are motivated to continue to earn your business by providing you with the best possible customer experience at all times. Following the completion of a new loan, or renewal, an email will be sent with a link which will allow us to obtain your anonymous feedback.

\$20.00 DONATED FOR EACH COMPLETED SURVEY

We realize that your time is valuable, and appreciate your comments, as they are vital to our ongoing efforts to provide exceptional customer service. For each completed survey, FMFC will donate \$20.00 toward local Ag Youth Programs.

We're Social.



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