

**Together we're better.**

# **Annual Meeting**

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**INFORMATION STATEMENT**



**Annual Meeting Schedule:**  
**When: May 19, 2022 – 1:00 PM**  
**Location: Embassy Suites**  
**201 University Drive East**  
**College Station, TX 77840**



April 20, 2022

Dear Stockholder:

The Board of Directors of Capital Farm Credit, ACA (CFC) invites you to attend the 2022 Annual Meeting of Stockholders to be held at **1:00 PM** on **May 19, 2022**. The meeting will take place at the **Embassy Suites in College Station**, located at **201 University Drive East**, or you may participate **online**.

At the meeting, CFC stockholders will:

- Review 2021 corporate and financial operations;
- Report the 2022 Nominating Committee nominations for five board of director positions;
- Receive nominations from the floor, if any, and consider approval of a final slate of candidates;
- Present the 2023 Nominating Committee slate for stockholder consideration;
- Appoint an independent party to tabulate voting results; and
- Conduct other business, if any.

To register to attend in person or to learn more about the election process, please call 1-877-322-3018. Please register as soon as possible, so we can ensure adequate space. Lunch will be served at noon. To register to attend online, please go to [www.capitalfarmcredit.com/annualmeeting](http://www.capitalfarmcredit.com/annualmeeting).

Ballots are scheduled to be mailed on May 26, 2022. Only holders of Class B voting stock as of March 31, 2022 will receive a ballot. You may be receiving this booklet as a non-voting stockholder (if you only have crop insurance, a rural home loan, or are an owner of preferred stock), in which case you will not receive a ballot.

We appreciate your business and hope you will join us in person or online for our annual meeting.

By signing below, we certify we have reviewed the annual meeting information statement, determined it is prepared in accordance with all applicable statutory and regulatory requirements, and is true, accurate, and complete to the best of our knowledge and belief.

Very truly yours,

Handwritten signature of John Malazzo in black ink.

John Malazzo, Board Chairman

Handwritten signature of Jeffrey C. Norte in black ink.

Jeffrey C. Norte, CEO

Handwritten signature of Sally Lawson in black ink.

Sally Lawson, CFO

## Election Process

Voting stockholders will receive a ballot, voting materials, and instructions by mail. Ballots may be cast by return mail or through a secure internet site. The ballots will be received, tabulated, and reported by an independent third-party tabulator, to be appointed during the annual meeting.

Ballots must be returned within 15 days from the date they were mailed. Elections are decided by a majority of the stockholders voting. If there are more than two candidates in a race and a candidate does not receive a majority of votes cast, a run-off election will be scheduled between the two candidates receiving the most votes. The winning candidate will serve a four-year term. The results of the election will be announced to all stockholders by mail and on our website.

As of the record date of March 31, 2022 as established by the Board, there were 21,723 holders of Class B stock entitled to vote.

## Establishing a Quorum

To conduct business at the Annual Meeting, CFC bylaws require a quorum of at least 3 percent of the number of stockholders entitled to vote, whether in person or represented by proxy, as of the record date. Mail and internet ballots both count towards the quorum requirement.

## Nomination Process

The nominating committee selected two candidates for each of the five open director positions. Additional nominations may be made from the floor by any voting stockholder for an open director position at the Annual Meeting, subject to the following:

- The nomination must be seconded by a voting stockholder who did not make the initial nomination;
- The nominee is physically in attendance at the Annual Meeting and accepts the nomination;
- The nominee submits all required disclosures within five business days following the Annual Meeting; and
- The nominee is eligible as defined by Farm Credit Administration regulations and CFC bylaws, policies, and procedures.

Additional information on eligibility requirements may be obtained by calling 1-877-322-3018.

## Annual Report

The 2021 Annual Report has been mailed to all stockholders and can also be found at [www.capitalfarmcredit.com/about-us/financial-reports](http://www.capitalfarmcredit.com/about-us/financial-reports).

## Current Director Information

The CFC Board of Directors has ten regional directors, six at-large directors, and three appointed, outside directors. Each stockholder-elected director position carries a four-year term. There are **five** stockholder-elected director positions to be filled this year.

Region	Director Name	Age	Term Expires	Years Served	Agriculture or Aquaculture Enterprise
1	Kelly Gaskins	69	2022	21	Cotton
2	Terry McAlister	67	2022	13	wheat, cattle, cotton, milo
3	Lance Morris	72	2023	34	cotton and milo
4	Lowell Woodward	66	2022	17	cattle, sheep, goats, horses
5	Danny Parker	71	2025	24	cattle, corn, cotton, vegetables
6	Paul E. Aelvoet	62	2022	22	cotton, corn, cattle
7	Gary Palousek	70	2023	19	cotton, milo, sugar cane
8	Josh Eilers	33	2025	1	cattle, ranching
9	Shane Sklar	46	2024	2	cattle, corn, cotton
10	John Malazzo	66	2023	15	corn, cotton, cattle
<b>At-large Positions</b>					
1	Ronnie Riddle	65	2024	10	cotton, wheat, cattle
2	Dale Crenwelge	63	2025	14	cattle, ranching
3	Joe David Yates	66	2022	12	cattle, ranching
4	Dale Hoelscher	55	2023	13	cotton, corn, wheat
5	Kenton Kimball	69	2023	22	stocker cattle, ranching
6	Kenny Brown	66	2025	1	cattle, ranching
<b>Board-Appointed Non-Stockholders</b>					
	Jerred Hurst	42	2022	4	none
	Steve Stevens	82	2021	9	horses, cattle
	Sharleen Walkoviak	68	2022	4	none

All directors attended at least 75 percent of the board meetings in 2021. Mr. Kimball attended less than 75 percent of the three Risk Committee Meetings. No other directors attended less than 75 percent of their assigned committee meetings (Risk, Audit, Compensation, or Governance).

### Description of Director Regions

The bylaws call for ten director election regions with boundaries established along county lines. The regions vary considerably by a number of factors, including square miles, number of stockholders, and loan volume, but the farming and ranching practices, seasons, crops, and livestock grown are common within any respective region.

The bylaws further require each region to be represented by a stockholder-elected director residing within the region. This requirement ensures each region is represented by a board member familiar with the agricultural environment, economic characteristics, and general interests of the stockholders within the region. Despite having regional board positions, all voters vote for each open seat.

Unlike the regional board positions, physical location of residence is not a factor in determining eligibility for an at-large director. The at-large concept permits the Nominating Committee and the voting stockholders to choose nominees from an area, an industry, or a background to suit the current needs of the stockholders. The board believes the combination of regional and at-large directors is the best approach to ensure stockholder representation for each region while affording stockholders the ability to elect a board of directors reflective of the stockholders' demographics, culture, and agricultural operations.

Region	Counties in Region	Number of Voters in Region
Region 1 — High Plains	Briscoe, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hartley, Hemphill, Lipscomb, Moore, Ochiltree, Parmer, Roberts, Sherman, Swisher, and Wheeler	816
Region 2 — Rolling Plains	Archer, Baylor, Callahan, Clay, Cottle, Fisher, Foard, Hardeman, Haskell, Jack, Jones, King, Knox, Montague, Motley, Nolan, Palo Pinto, Shackelford, Stonewall, Stephens, Taylor, Throckmorton, Wilbarger, Wichita, and Young	1758
Region 3 — South Plains	Andrews, Bailey, Borden, Cochran, Crosby, Dawson, Dickens, Gaines, Garza, Hockley, Howard, Kent, Lamb, Lubbock, Lynn, Martin, Mitchell, Scurry, Terry, and Yoakum	1333
Region 4 — West Texas	Brewster, Crane, Crockett, Culberson, Ector, El Paso, Glasscock, Hudspeth, Irion, Jeff Davis, Loving, Midland, Pecos, Presidio, Reagan, Reeves, Schleicher, Sterling, Sutton, Terrell, Tom Green, Upton, Val Verde, Ward, and Winkler	619
Region 5 — Hill Country	Bandera, Blanco, Burnet, Coke, Coleman, Concho, Edwards, Gillespie, Kendall, Kerr, Kimble, Kinney, Lampasas, Llano, Mason, McCulloch, Menard, Mills, Real, Runnels, San Saba, and Uvalde	1869
Region 6 — Winter Garden	Atascosa, Bexar, Dimmit, Frio, Karnes, La Salle, Maverick, Medina, McMullen, Wilson, and Zavala	2092
Region 7 — South Texas	Bee, Brooks, Cameron, Duval, Hidalgo, Jim Hogg, Jim Wells, Kleberg, Kenedy, Live Oak, Nueces, San Patricio, Starr, Webb, Willacy, and Zapata	1295
Region 8 — Central Texas	Bastrop, Bell, Bosque, Caldwell, Comal, Coryell, Falls, Guadalupe, Hays, Lee, McLennan, Milam, Travis, and Williamson	4584
Region 9 — Coastal Bend	Aransas, Austin, Brazoria, Calhoun, Colorado, DeWitt, Fayette, Fort Bend, Goliad, Gonzales, Jackson, Lavaca, Matagorda, Refugio, Victoria, Waller, and Wharton	2518
Region 10 — East Texas	Brazos, Burleson, Chambers, Galveston, Grimes, Hardin, Harris, Houston, Jasper, Jefferson, Leon, Liberty, Madison, Montgomery, Newton, Orange, Polk, Robertson, San Jacinto, Trinity, Tyler, Walker, and Washington	4839

## 2023 Nominating Committee

The ballot will contain a slate of stockholders to serve on the 2023 Nominating Committee as selected by the 2022 Nominating Committee. The slate must be approved by a majority of voting stockholders, and anyone elected to serve on the Nominating Committee will serve a one-year term. CFC bylaws do not allow for floor nominations for the Nominating Committee. The Nominating Committee includes twenty positions (two in each region), plus an alternate position for each region. Nominating Committee members must be eligible to represent the region for which they are nominated as determined by CFC bylaws and policy.

The 2022 Nominating Committee's nominees for the 2023 Nominating Committee are:

Region #	Name	Region #	Name
1	Rodney Hunter	6	Derry Gardner
1	Dale Wilhelm	6	Hank Kotzur
1	Steven Schilling (alternate)	6	Scott Yanta (alternate)
2	Eric Richards	7	Mike Vickers
2	Jason Poole	7	Ronnie Smith
2	Allen Huegatter (alternate)	7	Primo Walker (alternate)
3	Mike Patschke	8	James Sell
3	Dahlen Hancock	8	Aaron Martinka
3	Randy Smith (alternate)	8	James Kamas (alternate)
4	Terry Schenkel	9	Charles Graham
4	Mando Mandujano	9	Mark Anderson
4	Charles Taylor (alternate)	9	Mike Watz (alternate)
5	Robert Millican	10	Jerry Broxson
5	Glenn Halfmann	10	Otho Turner
5	Allen Arfsten (alternate)	10	Jerry Armstrong (alternate)

## Director Nominees

Director nominee information is prepared and submitted by the nominees (except for CFC making syntactical corrections to nominee material and eliminating any statement that may be considered campaign or voter solicitation material). The biographical information is for educational purposes only and should be used to evaluate the qualifications of candidates in the election. CFC has not verified any of the information presented.

Biographical information for all nominees (those within this disclosure and any floor nominations) is also provided to voting stockholders with the ballot and voting materials.

### Region 1

**Jon Engelbrecht**, 102 S. Spruce St. Stratford, TX 79084

Jon Engelbrecht, 51, is the managing partner of J&S Joint Venture. With operations locally in Sherman County, Mr. Engelbrecht evolved a modest third-generation farm into a bustling agricultural operation newly consisting of a cattle livestock production that works in conjunction with the time-tested corn/grain sorghum crop rotation.

Mr. Engelbrecht is a 1993 graduate of Texas A&M University where he obtained degrees in both Accounting and Finance. Mr. Engelbrecht has been on numerous boards including the Sherman County Development Committee and the Stratford Education Foundation, and he served on Capital Farm Credit's 2021-2022 Advisory Council. Mr. Engelbrecht also operates a seed dealership in Stratford, Texas where he lives with his wife, Sharon, and their two sons.

**Josh McDonald**, 2450 Highway 86, Friona, TX 79035

Josh McDonald, 41, served on the Capital Farm Credit 2021-2022 Advisory Council. Mr. McDonald has experience in dealing with all three lending segments of Capital Farm Credit through his businesses—local credit offices, large commercial agriculture group, and capital markets.

Mr. McDonald started his farming business at age 15, renting a farm to grow crops and stocker cattle. He is now a partner and CFO at Blue Sky Farms, a family-owned, multi-state dairy and farming operation based in Friona, Texas. Blue Sky Farms operations consist of dairy, alfalfa, cotton, and grain farming throughout the Panhandle, South Plains, and Central areas of Texas. In addition, Blue Sky Farms is a partner in Select Milk, the creator of Core Power and Fairlife milk.

Mr. McDonald is also the owner of Sea Scrolls, a real estate company focused on investment and development in rural towns. In addition, he is a partner in an accounting services company based in Canyon, Texas, which provides financial management for dairy farms, crop farms, and ag retailers.

Mr. McDonald is a graduate of West Texas A&M University in Canyon, Texas, where he obtained a Master's degree in professional accounting. He is also a graduate of Georgetown University in Washington, D.C., where he earned a Master's degree in commercial real estate development. Mr. McDonald maintains a relationship with West Texas A&M University by offering hands-on learning to students on the dairy farm.

Mr. McDonald has served as the state delegate on the Parmer County Soil and Water Conservation District Board for five years and is a High Plains Underground Water District advisory board member. In addition, Josh serves on the board of Created with a Purpose of West Texas, a life-affirming Christ-based pregnancy organization. He is also the finance council president at St. Ann's Church in Bovina.

Mr. McDonald lives in Lazbuddie, Texas, with this family. He has been married to Kristen for eighteen years, and they have two children.

## **Region 2**

**Jack Cowen**, 401 West Hays St., Benjamin, TX 79505

Jack Cowen, 37, along with his family, owns and operates Cowen Cattle Company and Williamson Ranch, diversified ranching and farming operations in Knox, Baylor, and Stonewall Counties. These operations incorporate both cow-calf production and a stocker cattle operation, including extensive acreage in no-till wheat production for both grain production and cattle grazing, a grow yard for backgrounding and weaning cattle, while also retaining ownership in a large percentage of their cattle at various feed yards in the panhandle of Texas.

Mr. Cowen holds a bachelor's and master's degree in Agricultural Engineering. Prior to returning to work with the family ranch, he worked as a consulting engineer for a wide variety of clients, ranging from

small to very large farms and ranches, in various parts of the industry, including beef cattle, dairy, timber, greenhouse, citrus, fresh produce, and ethanol/biofuel operations. This consulting work also led to working for one of the oil and gas supermajors, where he focused on projects, ranging across six continents, and from renewable fuel developments to deep water offshore oil and gas production.

Mr. Cowen is a member of the National Cattlemen's Beef Association, Texas and Southwestern Cattle Raisers Association, Texas Cattle Feeders Association, and Texas Farm Bureau. He is a graduate of Class VIII of the Wedgworth Leadership Institute for Agriculture and Natural Resources and has previously served on the national board of the Alpha Gamma Rho fraternity. Mr. Cowen's brother and father also have a CFC lending relationship.

Jack resides in Abilene, Texas, with his wife, Carrie, and their two children.

**Terry McAlister**, 13748 Wolf Road, Electra, TX 76360

Terry McAlister, 67, has a diversified farming and ranching operation stretching through the North Texas counties of Wichita and Wilbarger, bordering the Red River. His operation spans 46 years and two generations, with his oldest son actively involved today. All parties have been Farm Credit System borrowers throughout. Mr. McAlister has both stocker cattle and mother cow enterprises incorporated into no-till wheat, cotton, and corn field crop enterprises. Mr. McAlister attended Vernon Regional College, majoring in Farm and Ranch Management, completed the Texas A&M Extension Master Marketer Program in 1997 and 1998, and the Southwest Graduate School of Banking's Director Development Program from 2001 through 2013.

Mr. McAlister has participated in Texas A&M's TEPAP (Texas Executive Program for Ag Producers). He has served on the Wichita County Farm Bureau Board of Directors, the North Texas Rehabilitation Center Board of Directors, and the North Texas Rehab Livestock Auction Committee, and is the Wichita County Representative for the Northern Rolling Plains Boll Weevil Eradication Committee. He formerly served on the Red River Land Bank Board of Directors (1992-1996) and was Chairman (1997-1999) until its successful PCA merger to become First Ag Credit. While serving on First Ag Credit's Board of Directors (1999-2008), Mr. McAlister was appointed to various committees, including the Long Range Planning, Audit, and Building Committees. When First Ag Credit joined the Capital Farm Credit team in 2008, he remained on the board, serving on the Planning and Credit Standards Committees. He has also served on the Governance Committee and currently serves on the Audit Committee.

Mr. McAlister was recognized as the 1981 Wichita County Result Demonstrator of the Year, the 1988 Wichita Counter Conservation Farmer of the Year, and the 2020 Ag Producer of the Year. He was also the Producer Alternate Delegate Member of the National Cotton Council of America (2001-2006). His son and daughter-in-law also have a CFC lending relationship. He and his wife, Pat, raised their four children and continue to reside north of Electra, Texas.

## **Region 4**

**Frank Lowe**, 94 Bolner Lane, Del Rio, TX 78840

Frank L. Lowe, 68, retired from Val Verde County after serving as County Auditor for 32 years. Additionally, he has owned Frank L. Lowe CPA firm for 40 years. He operated ranches in Edwards in Val



Verde County from 1979 to 1995, raising angora goats and cattle. Currently, he has 225 acres in Real County in wildlife management.

**Lowell Woodward**, Hovey Road, Fort Stockton, TX 79735

Lowell Woodward, 66, is a long time rancher in West Texas where he raises cattle, sheep, goats, and horses in the trans-Pecos area of Fort Stockton and Alpine. He has been married to his wife Carol for 36 years and has three children, all involved in other agricultural businesses as well as ranching. Having been involved in the agriculture and ranching industry all his life, Mr. Woodward has seen the progression of the industry from multiple perspectives: as a rancher, businessman, and board member. His son also has a CFC lending relationship. Mr. Woodward has served the last 17 years as a director of CFC.

## Region 6

**Paul Aelvoet**, 1092 County Road 532, Hondo, TX 78861

Paul Aelvoet, 62, has farmed and ranched in Medina County for the past 44 years. Through Aelvoet Farms and Aelvoet Partners, his farming operation consists of raising corn and cotton. He is managing partner of DA Cattle Company, a seed stock operation of Limousin and Angus cattle. Mr. Aelvoet resides in Hondo, Texas, where he has served as a manager of the 4-H Club for 33 years and is also Co-Chairman of the Hondo 4-H Booster Club. He has served as vice president of the Medina County Fair Association, Texas Limousin Association, and The Medina County Farm Bureau, and has served on the Medina County Livestock Board.

Mr. Aelvoet is a past president of the Hondo Soccer Association and currently serves on the Hill Country District Junior Livestock Show Board. He has received the Hondo Chamber of Commerce Agriculture Business of the Year and the 4-H Texas Salute to Excellence awards. Additional honors include producing several national and state cattle champions. He and his wife of 38 years, Denise, have four children and five grandchildren. Paul has served on Capital Farm Credit's Board of Directors for a number of years. He is currently Chairman of the Governance Committee, a member of the Risk Oversight Committee, and member of the Board Executive Committee.

**Alfred Almanza**, 23019 Whisper Canyon, San Antonio, TX 78258

Alfred "Al" V. Almanza, 64, is the founder and owner of AVA Enterprises LLC, a cow-calf and hunting operation located in Medina and Frio Counties. Mr. Almanza worked for the U.S. Department of Agriculture Food Safety and Inspection Service (USDA-FSIS) for 39 years, beginning as a Food Inspector in Dalhart, Texas. In 2007, Mr. Almanza moved to Washington, D.C. to serve as the Administrator and ultimately, Deputy Undersecretary for Food Safety - driving the Agency's mission to protect public health through food safety and defense. During his tenure with FSIS, Mr. Almanza served under the Bush, Obama, and Trump administrations, reporting to Secretaries of Agriculture Johanns, Schaefer, Vilsack, and Perdue. He promoted and implemented a national management control system that has strengthened the agency's ability to monitor, detect, and respond to threats to public health, dramatically improving management oversight of FSIS inspection and enforcement activity. Mr. Almanza was instrumental in the modernization of poultry inspection, which has since carried forward to swine inspection and made a lasting impact on the meat industry.

Upon retiring from USDA-FSIS in 2017, Mr. Almanza joined JBS as Global Head of Food Safety and Quality Assurance. JBS is the worldwide leader in protein exports, serving more than 300,000 customers in more than 150 nations. As part of the global leadership team, Mr. Almanza leads the company's food safety efforts, ensuring that JBS operations around the world implement the highest food safety, quality control, and risk management systems, while maintaining and expanding access to global export markets.

Mr. Almanza is an avid hunter and in his spare time enjoys spending time on his tractor and feeding cattle.

### **At-Large Position 3**

**Rachel Cutrer**, 1730 North Richmond Rd., Wharton, TX 77488

Ms. Cutrer, age 43, is a seventh-generation Texas rancher and businesswoman from Wharton County. In 1999, she created Ranch House Designs, the world leader in livestock marketing, and has served as CEO since its inception. The agency currently represents thousands of clients and maintains over 800 websites worldwide. Ms. Cutrer is also co-owner of B.R. Cutrer Ranch, one of the world's leading Brahman cattle operations, and a founder and partner of Brahman Country Beef, Brahman Country Genetics, FitBeef, and The Ranch Downtown.

Ms. Cutrer earned her B.S. in Animal Science from Texas A&M University and an M.S. in Agricultural and Extension Education from Michigan State University. She holds a certificate from Cornell University's Women in Leadership Program and was named the first Outstanding Young Alumni of the Texas A&M University College of Agriculture and Life Sciences. She proudly serves as a board member of the Texas 4-H Foundation, Texas A&M University College of Agriculture Advisory Council, Texas A&M University Department of Animal Science Advisory Council, El Campo Memorial Hospital, and Wharton Country Club.

Ms. Cutrer is an avid spokesperson for agriculture, serving as a keynote speaker for the Beef Cattle Short Course, National Cattlemen's Beef Association (NCBA) Cattle Industry Convention, American Meat Science Association, and numerous other state and regional conferences. She is a past committee member of the NCBA, former officer of Texas CattleWomen, and former executive board member and 16-year director of the American Brahman Breeders Association. Ms. Cutrer and her husband, Brandon, are members of the Church of Christ and have two daughters.

**Joe David Yates**, 510 Ft. McKavitt St., Mason, TX 76856

Joe David Yates, 63, lives in Mason County with his wife, Heather, and their two children. They attend First United Methodist Church and actively support local youth programs including the Mason County FFA, Mason County 4-H, Fellowship of Christian Athletes, Mason Education Foundation, and Puncher Club. The Yates family actively participates in community service, including donating and fundraising to support their small town.

While attending Angelo State University, Joe David won a National Wool Judging Team Championship and began his lifelong career in agriculture. He worked at Producers Livestock Auction, and later managed several wool and mohair warehouses in West Texas. After wool and mohair incentives ended, Joe David transitioned into ranching and real estate sales focusing primarily on ranch sales. He has sold

ranches in Texas, New Mexico, Oklahoma, and Kansas for over 28 years. Joe David Yates & Assoc. is a well-established real estate brokerage firm. Through hard work and strategic planning, the family's large ranching operation spans from Central Texas through West Texas into New Mexico.

Joe David has over 40 years of experience in agricultural organizations which began as a Llano Country Farm Bureau Director. He served on the LCRA Advisory Board and was also a two-term Llano City Councilman. Joe David enjoyed being a Texas Sheep & Goat Raisers Association Board Member and has been a lifetime member of Texas Southwest Cattle Raisers Association. An avid Quarter Horse Racing owner, he was an honored appointee to the AQHA National Racing Committee and elected to the Ruidoso Jockey Club Board of Directors. Joe David is currently a Texas District Farm Credit Council Member and serves as the National Director for the Farm Credit Council. For 12 years, he has been an At-Large Director for Capital Farm Credit and proudly served as a member of its Audit & Risk Committees.

Joe David Yates is a fourth generation rancher and a third generation member of the Farm Credit System.