



A new year, new hope

“The farmer has to be an optimist, or he wouldn’t still be a farmer,” said humorist Will Rogers.

Indeed, farmers and ranchers are eternal optimists — especially at the beginning of a new year. In January, we generally restart the clock in agriculture, leaving last year’s results behind us. With a new year comes the hope of perfect weather, strong consumer and export market demand for ag products, improved commodity prices, expanded new markets and favorable legislation.

Counting our blessings

At Capital Farm Credit, we’re excited about 2022, and we hope you are too. At the same time, we’re counting our blessings from 2021. In November we celebrated reaching \$10 billion in net loan volume, a historic milestone. Our smart growth is a tribute to our incredible staff and the trust and partnership with our borrowers.

While the COVID-19 pandemic impacted lives and livelihoods in ways no one could have predicted, there’s much we are grateful for. Agriculture kept working, and Capital Farm Credit kept working for you. We had weather challenges with hurricanes in the Gulf Coast region and the historic freeze in Central Texas in February 2021; however, Texans demonstrated their resilience and, by and large, fared well. For the most part, moisture was adequate but not excessive, and commodity prices were at good levels. Interest rates remained low, and the agricultural economy reported positive gains.

With Capital Farm Credit’s strong loan growth in 2021, we remain encouraged by our customers’ confidence in the Texas economy and the ag industry. We’re proud to help a significant number of customers make their first rural land purchase, in some cases returning to their roots or starting their first ag enterprise.

As a cooperative, Capital Farm Credit strives to manage its capital for the financial well-being of its members. Our goal is to return almost all our annual earnings in the form of patronage so that our customers recognize the value of their membership. Thus, we’re particularly pleased that we could distribute a record \$215.9 million in cooperative returns to our customers in 2021, based on the previous year’s net earnings of \$220.3 million.

Looking forward

As we begin the new year with USDA projecting net farm income to increase by 17% in 2022, we share our farming and ranching members’ optimism and look forward to continuing to provide top-notch customer service and financing tools.

Last year, we introduced mobile banking and electronic signature software to accommodate your busy lifestyle. That technology allowed us to serve you from your home or tractor. This year, we’re further improving our products and services to give you an even better banking experience by improving our process efficiencies. In addition, we also opened three new office locations in Brenham, Seminole and Victoria.

Above all, we hope our competitive financing solutions will help you achieve your goals and dreams. Our team members look forward to visiting with you face to face in 2022, whether it’s at your place, at our credit office or at community events.

Best wishes for good health and for good farming and ranching in the year ahead.

Jeff Norte
Chief Executive Officer



Capital Farm Credit surpasses \$10 billion milestone

Capital Farm Credit recently announced its achievement in exceeding \$10 billion in net loan volume. This historic milestone continues to be a testament of the association's mission to provide reliable credit and financial services to agriculture and rural communities across Texas.

Core values and commitment

"Reaching \$10 billion in loan volume is a direct result of our outstanding team members who demonstrate Capital Farm Credit's core values of family, trust, value and commitment," says Jeff Norte, Capital Farm Credit chief executive officer. "While it takes all of these values to achieve success, it's our team's commitment to serve our customers that truly enables us to reach this significant milestone."

With 68 offices across Texas, Capital Farm Credit supports more than 22,000 farmers, ranchers, agricultural producers and rural homeowners.

"The financial success of Capital Farm Credit is also our members' financial success," says Sally Lawson, Capital Farm Credit chief financial officer. "In keeping with our vision to be the partner of choice for rural lending, we return our earnings to our members through our patronage program. It is a privilege to be part of this association as it reaches this great achievement."

Together we're better

"Our story has been the same for more than 100 years," says Norte. "At Capital Farm Credit, together we're better. We really believe that. This isn't only recognition for our team. It is an appreciation for our customers, the trust they have put in us and the future of agriculture."

Banking with Capital just got easier

New automated system offers faster loan turnaround and better mobile banking.

At Capital Farm Credit, we know you're busy. Life moves at a fast pace — whether you're running a farm or running your kids to ball practice.

So, you need a financial partner that can keep up.

That's why this year Capital Farm Credit is converting to a fully automated "back-office" system that will allow us to serve you faster, more efficiently and more securely.

The result — better mobile banking, improved access to your loan accounts and easier document routing and signing. You'll notice the difference when you renew or apply for a loan, make payments or check the status of your accounts.

Key benefits for you:

- Complete forms online, sign them electronically (where laws allow) and upload supporting documents.
- Get faster loan approval and loan closing.
- Track the progress and status of your loan.
- Set billing preferences, make payments and manage your accounts online.
- Use the online task list to help you gather and track your loan documents.
- Receive automated email reminders and updates.

Custom-developed for Farm Credit, this new integrated lending system will seamlessly tie all of Capital's loan origination,



processing, servicing and accounting functions together. This will save you time and make it easier than ever to obtain capital to reach your dreams.

"Our entire team is excited to have a streamlined system using modern technology that speeds up loan processing time, eliminates manual processes, minimizes errors and simplifies how we manage loan documents," says Jeff Norte, Capital Farm Credit chief executive officer. "It's taken an enormous amount of staff time and teamwork to implement, but we're confident our new solution will serve Capital Farm Credit customers well for years to come."

New credit office opens in Victoria



As we continually look to improve our service offerings and locations, Capital Farm Credit proudly announces a new location in Victoria. The Victoria credit office will allow the association to better serve its growing cooperative membership base in Victoria County.

Led by Thomas Kyle, relationship manager, the new location further strengthens Capital Farm Credit's mission to provide reliable credit and financial services to agriculture and rural communities.

"At Capital Farm Credit, we take great pride in providing superior, relationship-based lending experiences to go along with unmatched support of local youth and agricultural organizations," says Kyle. "Capital Farm Credit is thrilled to become a bigger part of the Victoria community."

The Victoria office is located at 1501 E. Mockingbird Lane, Suite 100A, in Victoria. The phone number is 361.582.9500.

Capital Farm Credit establishes inaugural Advisory Council



Capital Farm Credit recently established an advisory council to support the association's board of directors and management team. It is charged with providing insight and advice regarding Capital Farm Credit services, resources, communication efforts and community outreach.

The council is composed of 16 community and industry leaders from across the association's territory. They range from Extension experts to customers to real estate professionals. Each person contributes a unique perspective and knowledge to these key Capital priorities:

- support diverse agricultural interests in Texas
- recognize various agriculture concerns in its communications
- maintain the vital role agriculture plays in the economy

Capital Farm Credit is privileged and inspired to collaborate alongside these individuals to better serve agriculture and rural Texas.

Meet the members of the new Capital Farm Credit Advisory Council. Back row, from left: Josh McDonald, Ryan Harper, Dr. Joe Outlaw, Jon Engelbrecht, Dr. Alfred Parks, Ernie Collins, Kimberly Ratcliff and Dr. Billy Zanolini. Front row, from left: Dr. Erin Kiella, Deitra Robertson, Dru Stevens, Dr. Danny Klinefelter, Josh Eilers, Cathy Cole and Stan Bevers. Absent from photo is Jason Poole.

“Texas Country Reporter” celebrates 50 years on TV

Marks 20-year relationship with Capital Farm Credit

Bob Phillips, host of “Texas Country Reporter” and a Capital Farm Credit stockholder



Bob makes a voiceover recording in the sound booth.

What do you do when your TV show hits 50? Celebrate in a big way, of course.

That’s exactly what Bob Phillips plans to do throughout the golden-anniversary season of his popular “Texas Country Reporter.” Since 1972, Bob and the weekly TV program have shared folksy Texas stories about everyday people with offbeat talents and interests.



As CFC official spokesman, Bob Phillips, right, attended the opening of the new Brenham credit office last July. He's pictured with CFC staff at the event, from left: Wes Sutton, general counsel; Glenn Trant, chief operating officer; Phil Peabody, chief lending officer; Kyler Crenshaw, relationship manager, Brenham; and CEO Jeff Norte.

"The secret behind our longevity is that we do stories about people, not places or events," he says. "We keep it real, too. We like to say we're a 'real reality show' because the ones that claim to be reality shows are staged. Ours is not."

Bob and his show will hit another important milestone in 2022. That's when Capital Farm Credit marks its 20th anniversary as the longest-running sponsor of "Texas Country Reporter."

"We constantly realize that Capital Farm Credit members are the same people who watch our show," says Bob, who's a stockholder himself with the rural lender. "Whenever I go to a Capital Farm Credit event, everybody in attendance tells me they watch the show. That's a perfect marriage between a sponsor and a TV show."

Creating a classic

Bob's been a natural in front of the camera since he joined the program in 1972 at age 21. Then host of "4 Country Reporter" out of Dallas, he and a crew drove a white news van on the lookout for small-town stories from the region. Viewers loved the twice-weekly show and clamored for more.

In 1986, the TV station cancelled "4 Country Reporter." Not ready to quit

the show, Bob obtained the program's copyright so he could keep the name and format. Later that year, he started Phillips Productions in Dallas and syndicated "Texas Country Reporter."

His wife, Kelli Phillips, a former news anchor in Beaumont, joined the show as co-host in 2015.

"From the time we got married in 2007, I started working on Kelli to join me on the show," Bob says. "But she was enjoying her job. Now she loves doing the show even more."

Today "Texas Country Reporter" airs on every market in Texas and RFD-TV nationwide. People also watch the show on YouTube. Every day, Bob and Kelli get emails from fans in faraway places such as New York City, Los Angeles, Seattle, Chicago and around the world.

Marking 50th season

Texas-size celebrations call for Texas-themed music. So Capital Farm Credit has teamed up with "Texas Country Reporter" to sponsor "A Texas Tribute," a 16-month concert tour across the state. Cities will include Beaumont, Dallas, Lubbock, Midland-Odessa, Richardson, San Antonio, Tyler and Wichita Falls.

"We want to honor the great state of Texas," says Bob, who's a fourth-generation Texan. "Since we've produced a TV show for 50 years about Texas, we decided this would be a great thing for us to do."

Each local orchestra will select and perform patriotic Texas music such as "The Yellow Rose of Texas." Throughout the evening, Bob and Kelli will read historical

Texas Country Reporter

- 50 years
- 6,000 stories
- 4,500 shows
- 3 million miles
- Every Texas state highway
- Every incorporated town and city and every county in Texas
- 20 years with Capital Farm Credit



The original Texas Country Reporter crew

Kelli Phillips, left, has co-hosted Texas Country Reporter with her husband, Bob, since 2015. Supported by Capital Farm Credit, they're celebrating the show's golden jubilee with a concert tour across the state. Here, they sport matching 50th anniversary shirts.

selections. These might include the Texas Declaration of Independence, William B. Travis' letter from the Alamo, humor from Ann Richards and Molly Ivins, or a letter from a cowboy on the XIT Ranch.

As a grand finale, every concert will end with "Hill Country Theme," the show's first theme music that aired from 1972 to 1997. The lilting score was written in 1967 by Glenn Paxton for a TV documentary entitled "Lyndon Johnson's Texas." When the song's license expired, Bob replaced the theme with a different arrangement.

That's not all. Every episode this season will run short clips called "Golden Moments" — excerpts from stories from the 1970s to the early 2000s.

"Each show will have two," Bob says. "Viewers will also see all kinds of images in the show going back to the '70s. Our kick-off show has me doing a stand-up in 1981 and then 40 years later in 2021," Bob says with a laugh. "I go from skinny, black-haired Bob to what I look like today."

Writing the show's memoir

Stuck at home when the pandemic hit, Bob felt at loose ends. Then a project on his to-do list fell into his lap.

"I kept telling myself our 50th is coming up, and people will expect a book," he says. But until then, he hadn't had time to write a book.

"One night I woke up with an idea. I went to my computer and started writing," Bob says. "When daylight came, I was still writing. It all spilled out once I got started."

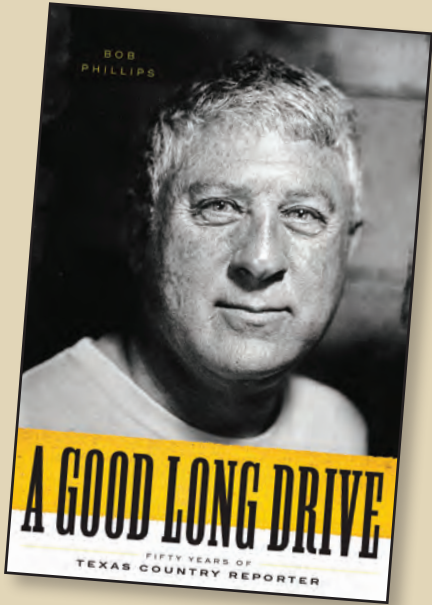
The memoir, *A Good Long Drive: Fifty Years of Texas Country Reporter*, weaves Bob's story together with the story of the show — how it got its start, what it's about and why it's still airing all these years later. It even mentions Capital Farm Credit.

Still logging the miles

Since 1972, Bob's told more than 6,000 stories and produced more than 4,500 shows. To tell those stories, he's logged over 3 million miles, traveling every Texas state highway and many unpaved back roads. Plus, he's been to every incorporated town and city and every county in Texas, often multiple times.

"Still, Kelli and I wake up every morning, looking forward to what that day will show us and the stories we'll get to tell," says Bob. "That's stayed just the same for all 50 years."

"We constantly realize that Capital Farm Credit members are the same people who watch our show."
— Bob Phillips



Bob wrote this memoir in 2020, while isolating at home due to the COVID-19 pandemic.

Dive into possibility

This summer get away to your own piece of rural paradise.

A Texas summer well-spent includes time enjoyed on lakes, rivers, ponds or any body of water while you fight the Texas heat. As the excitement surrounding summer grows, we don't blame you for craving your own Texas paradise. Family fishermen and women, river rebels and weekend warriors— your personal country refuge can be a desire, a necessity and even a reality.

At Capital Farm Credit, helping you design your recreational property heaven is our specialty. Holiday getaways, hunting ranches, and that perfect piece of retirement land are examples of what we can finance. Your recreational property dreams are what we've been waiting for all year. What you imagine, we can make happen.

Make a splash

Capital Farm Credit's passion for lending extends beyond financing traditional agricultural operations. Our experienced lenders furnish flexible financing options for land purchases specifically designed for leisure, outdoor sports and entertainment.

We specialize in rural property transactions and want to guide you through the process. Our attention to detail ensures your desired purchase aligns with your recreational goals. Your dream property is more possible than you think.

"Our products and services are created and tailored for your choice of rural lifestyle," says David Harrison, field

marketing manager at Capital Farm Credit. "We put plans in motion every day. Whatever you're looking to accomplish, we're prepared to achieve it with you."

Financing options include competitive rates and easy payment plans. Why wouldn't you partner with the experts?

Money pool

As a cooperative, Capital Farm Credit is owned by the same rural property owners we serve. Unlike an investor-owned bank, our members have a vote and a voice in the business. When you borrow money from Capital Farm Credit, you're borrowing from a cooperative that operates in our members' best interests.

We return a portion of our earnings to members through our cooperative returns program. This can result in significant reductions in borrowing costs. Our board of directors annually reviews the financial health of the cooperative and decides how profits are returned — whether as cash or allocated equities. Our cooperative structure has maintained its integrity for more than 100 years.

Buried treasure

When it comes to discovering the right investment vehicle, this finite asset — your recreational property — could yield intangible returns you might not imagine. Your property may become an extension of yourself — and an environment

where you'll want to spend quality time creating memories to share with the next generation.

It's why our lenders invest in your dreams. It's why your goals become our goals.

Dive in

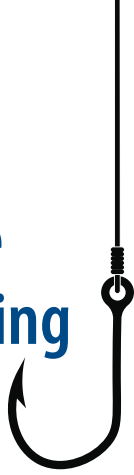
Capital Farm Credit is a "family" of experienced lenders. We're equipped to finance your dreams of rural living and help you make the most of your recreational property purchase. Our knowledge and financing expertise make us your lender of choice to create a retreat you can pass down for generations. With offices serving 192 of Texas' 254 counties, we commit to serve rural communities yesterday, today and tomorrow.

Additional loan programs include:

- Real estate purchase and improvement loans
- Home loans
- Operating loans
- Equipment loans
- Agribusiness loans

To speak to our advisory team, call 877.944.5500 or visit capitalfarmcredit.com.

Know how to stay safe from phishing attempts



You have something scammers want. To get it, they'll try all sorts of ways to trick you. That includes email, phone calls, texting, messaging apps and social media channels.

Here are some tips for keeping your personal information and finances safe.

Know the red flags

Scammers try to persuade you to give information, hand over money, click on a link or open an attachment. Their messages often sound urgent — requesting an immediate response — or too good to be true.

Be wary of unexpected attempts to get you to act. Responding or clicking could expose you to fraud, fake websites and malicious software.

Verify authenticity

Phishing pros often impersonate someone or something you trust, such as a friend, service provider, charity or government agency.

It's hard to tell who's behind a profile picture, logo, email address or website. If anything seems unusual, verify whether the message is authentic — and report it if it isn't. Reach out using contact information you know is correct, such as calling the number on a legitimate website you researched online.

Be aware of phishing alternatives

Most people think of email when they hear the word "phishing." But there's also vishing (voice phishing), smishing (SMS text message phishing) and more.

If you get a call, text or chat out of the blue, don't provide information, click on links or call numbers provided. Break off communication and find a legitimate way to make contact.

Watch your accounts

Banking is one of the top industries targeted by cyber-criminals. Remember, companies don't usually contact you to ask for account information or your password. Capital Farm Credit definitely will not do this.

Check your loan and bank accounts periodically to make sure nothing's out of place. Regularly update your security software, operating system, apps and account passwords.

And share these tips with everyone in your household and business. Better safe than sorry!

Staff and directors share the Farm Credit story in Washington, D.C.

Capital Farm Credit representatives shared the importance of Farm Credit's role in rural America while participating in the 2021 Farm Credit Fly-In this past November in Washington, D.C. More than 500 Farm Credit representatives from across the country met with members of Congress, staffers and other stakeholders.

The Fly-In is the nationwide Farm Credit System's opportunity to demonstrate the impact Farm Credit has on rural communities and its important role in supporting farmers, ranchers and rural infrastructure providers in good times and bad.

Members of Congress look to Farm Credit staff, board members and customers to help them understand the on-the-ground conditions of the agriculture economy and how they can help the ag sector support producers during challenging times.

Congressional Reception

During the national fly-in, Farm Credit hosted a Congressional Reception and Marketplace to give members of Congress and their staff the opportunity to sample products grown and processed by Farm Credit customers across the country.

Capital Farm Credit handed out 200 bottles of flavor-infused olive oil, provided by customer Texana Brands, the largest bottler, buyer and grower of Texas olive oil.



Representing Capital Farm Credit at the national fly-in were, from left: Sharleen Walkoviak, Shane Sklar, Rachel Cutrer, Kenton Kimball, Jeff Norte, Jennifer Thompson, Joe Patranella, Phil Peabody and Wes Sutton. Walkoviak, Sklar and Kimball are Capital board members; the others are staff.



At the Farm Credit Marketplace, CFC employees handed out samples of Texana Brands olive oil to members of Congress and their staff. Pictured from left are Heather Bush, director of marketing; Tanya Foerster, director of advertising and communications; and Robyn Lemon, marketing coordinator.