

Panhandle-Plains LAND BANK, FLCA

panhandle-plainslandbank.com

In Agriculture, Hope Springs Eternal



The humorist Will Rogers said, "The farmer has to be an optimist or he wouldn't still be a farmer."

Farmers and ranchers are some of the most optimistic professionals anywhere. They might grumble about taxes, government policy and weather conditions, which are seldom ideal, but they perse-

vere through all kinds of adversity, always confident that better days lie ahead.

Last year proved the truth in Rogers' observation. The year 2011 was challenging for many farmers, ranchers and agribusiness firms throughout our area, as the general economy remained sluggish and the weather created difficult operating conditions for many customers. But, as one borrower optimistically tells me, "We are one day closer to the next rain." Now that is optimism!

Nevertheless, Panhandle-Plains Land Bank customers remained committed to meeting their financial obligations, and that diligence contributed to the association's improved financial performance in 2011. In turn, Panhandle-Plains Land Bank was able to pay a record cash patronage of \$3.8 million to its stockholders. With this year's record cash patronage, the association has put more than \$20.5 million in cash in our customers' pockets since 2005. In the past eight

years, Panhandle-Plains Land Bank has returned an average of 18 cents of every dollar paid in interest.

For the most part, 2012 began with better pastures and planting conditions than we experienced last year; interest rates remain relatively low, and the agricultural sector is one of the bright spots in the nation's economy and in our local economy. But come what may, Panhandle-Plains Land Bank is not a fair-weather lender.

The Farm Credit System was established in response to difficult conditions that farmers and ranchers faced more than 95 years ago. Over the years, Panhandle-Plains Land Bank has financed producers through all kinds of adversity, from wildfires and flooding to drought and economic depression. Through the years we have strived to provide loan products that can help our customers be successful, and we will continue to support agriculture through all its ups and downs.

We wish you good weather and good markets for a better 2012.

Sincerely,

Greggory S. Lloyd
Chief Executive Officer

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Part of the Farm Credit System

Attitude Is the Key

Positive Results Highlight Regional Annual Meetings

“Attitude is a little thing that makes a big difference,” said British Prime Minister Winston Churchill. And, at Panhandle-Plains Land Bank, it has made a HUGE difference.

Panhandle-Plains Land Bank is in strong financial condition and able to pay record cash patronage this year, thanks to stockholders, board members and employees having the right attitude. That was the essence of presentations by Board Chairman Steve Rader and CEO Gregg Lloyd at the association’s regional stockholders’ meetings April 3 and 5, where they both repeated Churchill’s statement.

Chairman Rader expanded on the theme, saying, “The association made outstanding accomplishments, improving credit quality during a time of difficult economic and weather conditions,” said Rader. He explained that year-end financial strength allowed for the 2011 record cash patronage payment of \$3.8 million. “In the past eight years, Panhandle-Plains Land Bank has returned over \$20 million in cash to its stockholders.” Rader expressed confidence in the association’s ability to provide superior service in spite of challenges. His remarks closed with another Churchill quotation: “I am an optimist. It does not seem to be much use being anything else.”

CEO Gregg Lloyd echoed Rader’s comments on the strong financial reports and emphasized that the association’s success was due to a good attitude on the part of the board, employees, and most importantly, its stockholders.

“Leadership from the board, hard work by the employees and loan performance all with the right attitude are what set Panhandle-Plains Land Bank apart from its competition,” Lloyd explained. “As a customer and owner, you are the reason we are in business,” he told stockholders.

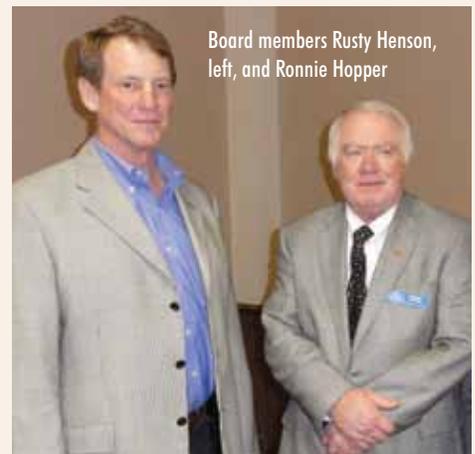
“Please tell your friends and neighbors about the association with an attitude — the can-do attitude!”

Stockholders elected one new director and re-elected two others. Larry Fairchild from Adrian retired after 24 years on the board. Joining the board of the Federal Land Bank of Amarillo in 1988, Fairchild has served the association as it prospered through many changes. In addition to farming, Larry and wife Paula travel, fish and enjoy a growing family. The Panhandle-Plains Land Bank team expresses its deep appreciation for their hard work and dedication.

Perry Kirkland, a farmer-stockman from Vega, was elected to Place IV, representing Oldham and Potter counties. Ronnie Hopper from Petersburg and Rusty Henson from Quitaque were re-elected to Places VIII and IX, respectively.



Chief Credit Officer Cory Bruce, right, is pictured with Director Perry Kirkland and his wife, Melanie Kirkland



Board members Rusty Henson, left, and Ronnie Hopper



Larry Fairchild, retired director, left, and Perry Kirkland, newly elected director

Getting to Know Your Cooperative

SPOTLIGHT ON THE AMARILLO BRANCH

Located conveniently just east of 45th and Bell streets, the Amarillo branch office provides service for the central and western parts of the association's territory, including Armstrong, Carson, Oldham, Potter and Randall counties. This is a diverse territory with real estate loans made for conventional ranching and farming, rural recreational tracts and small home sites adjacent to the city of Amarillo. From highly improved, irrigated cropland to rough and rolling ranches, the Amarillo staff sees a bit of everything the Texas Panhandle has to offer.

Meet the Staff

The Amarillo branch has a team of five full-time employees: Steve Donnell, Kay Lynn McLaughlin, Trent Tyson, Cindy Giebel and Mary Ann Stephens.

Steve Donnell, senior vice president and officer in charge, has been with the association since 1994. He has been manager of the Amarillo branch for 10 years and was promoted to his current position in January of this year. Originally from Spearman, Steve still enjoys his small family farm in Hansford County. He and his wife, Denise, reside in Bushland, where she is counselor at Bushland High School. They have two daughters and two grandchildren.

During his tenure with the Land Bank, Steve has worked credit of all kinds and for customers who have a variety of needs. Under his leadership, the Amarillo office has experienced phenomenal growth. Steve summarizes his tenure as "working with a great team at the Land Bank, serving the best people in the world — Panhandle producers."

Kay Lynn McLaughlin joined the association first as a stockholder in 2002, and then was hired as a loan officer in March 2010. Kay Lynn was a tenured mortgage loan officer with eight years of local commercial banking experience when she joined



Pictured from left to right: Cindy Giebel, Steve Donnell, Kay Lynn McLaughlin, Trent Tyson and Mary Ann Stephens

the association. She was raised on a farm near Groom and now resides in Conway. Kay Lynn is married to Scott, who farms and works at Pantex. They have one son, Christopher.

Trent Tyson is the most recent addition to the Panhandle-Plains team. He joined the association in March 2011, and was promoted to loan officer on Jan. 1 this year. He was raised in the farming community of New Deal, which is just north of Lubbock, and now calls Canyon home. Trent is married to Jandi, a technology specialist for Region 16 Education Service Center. They have two children, Ben and Haddie.

Cindy K. Giebel, loan administrator, has been with Panhandle-Plains since 2003. She is a native and current resident of Amarillo. Cindy has one daughter, Kayla.

Mary Ann Stephens returned to work for the association in 2010. She previously was employed in the Amarillo office from 1987 to 1993. Mary Ann was raised in Amarillo and is married to Chris, a sergeant with the Department of Public Safety in Amarillo. They have three children, Rachel, John and David.

More Than 650 Loans

As of the end of February, the branch had 653 loans in its portfolio, with a volume of \$128.3 million. Of the \$3.8 million cash patronage paid by the association this spring, \$1,444,707 was paid to stockholders who do business with the Amarillo office.

Stockholders of the Amarillo branch operate irrigated and dryland row-crop farms, cow-calf and stocker ranching operations, and cattle and grain agribusiness operations. In addition, the branch has customers who own rural recreational property and a significant number of small-tract home site loans.

While spring growing conditions are better this year than last, the Panhandle continues to deal with drought conditions and much uncertainty. But as Mr. Lloyd explained in his letter to the stockholders, agricultural producers are optimists. We are one day closer to a rain!

Plainview Couple Witnesses Farm Policy Taking Shape



Pictured from left to right are Michael and Cristie Harrell with Stan Ray, chief administrative officer, Farm Credit Bank of Texas

Michael and Cristie Harrell learned on a trip to the nation's capital last fall about the role they can play in shaping federal farm policy. They were among 28 young agricultural producers selected to attend the 2011 Farm Credit Young Leaders Program. Member-borrowers of Panhandle-Plains Land Bank, which is part of the nationwide Farm Credit System, the couple interacted with government, financial and agricultural decision-makers and had an inside look at how the System operates.

During the sixth annual event, sponsored by the Tenth District Farm Credit Council, participants traveled to New York City and Washington, D.C., while farm bill discussions were taking place. Each lending co-op in the district chose participants who have shown outstanding leadership and involvement in the agriculture industry.

The Harrells live near Plainview, where Michael and his dad grow cotton, seed milo, corn, sunflowers, cucumbers and wheat. He began farming with his father part time in 1985, while attending Texas Tech University, where he studied mechanized agriculture and agricultural education and first met Cristie. The couple has a son and a daughter.

Visiting the Capitol During Vote

A visit to the U.S. House Chamber during a vote capped off the four-day trip, which included meetings with agriculture industry representatives, Farm Credit Council officials and congressional staff in Washington, D.C. The group also had a briefing at the Federal Farm Credit Banks Funding Corporation and toured a Wall Street brokerage firm in New York City.

The Tenth District Farm Credit Council is the trade association that represents the legislative and regulatory interests of the Farm Credit Bank of Texas and its affiliated lending cooperatives throughout Alabama, Louisiana, Mississippi, New Mexico and Texas.

CANYON FFA

WHERE GOOD IS THE ENEMY OF GREAT

Congratulations to the seven members of the Canyon FFA who brought home the bronze, after competing at the State FFA Leadership Development Events in Huntsville last December.

The students were members of the Canyon FFA Agricultural Issues Team, which finished third out of 20 teams at the state contest. They beat out the defending national champions from Stamford and were third behind perennial powerhouse teams from Madisonville and Devine.

For the contest, the Canyon students researched, planned and developed a 15-minute presentation about the pros and cons of the agricultural guest worker program and our economy.

According to agricultural science teacher Jeff Klose, these students did exceptionally well for their first time at the state contest. "It is very rare for a team to finish in the top five in agricultural issues their first time at the state contest," Klose said.

Klose added a special thank-you to the 5,000-plus members of the community who listened to the presentation prior to the contest and helped build this team into a state-level contender. Among those who heard the presentation and hosted a team practice was Panhandle-Plains Land Bank's Amarillo office staff.

Panhandle-Plains Land Bank is a strong supporter of the FFA program and congratulates the Canyon FFA team on their success.



From left to right: Taylor Shackelford, Texas FFA state first vice president; Collin Backus; Jeff Klose, team advisor; Tyler Mogford; Darby Sullivan; Kevin Ruiz; Hannah Seiver; Landry Kieth; Andrew Roder and Abby Prouse, Texas FFA state vice president