



Farm Credit West Overview



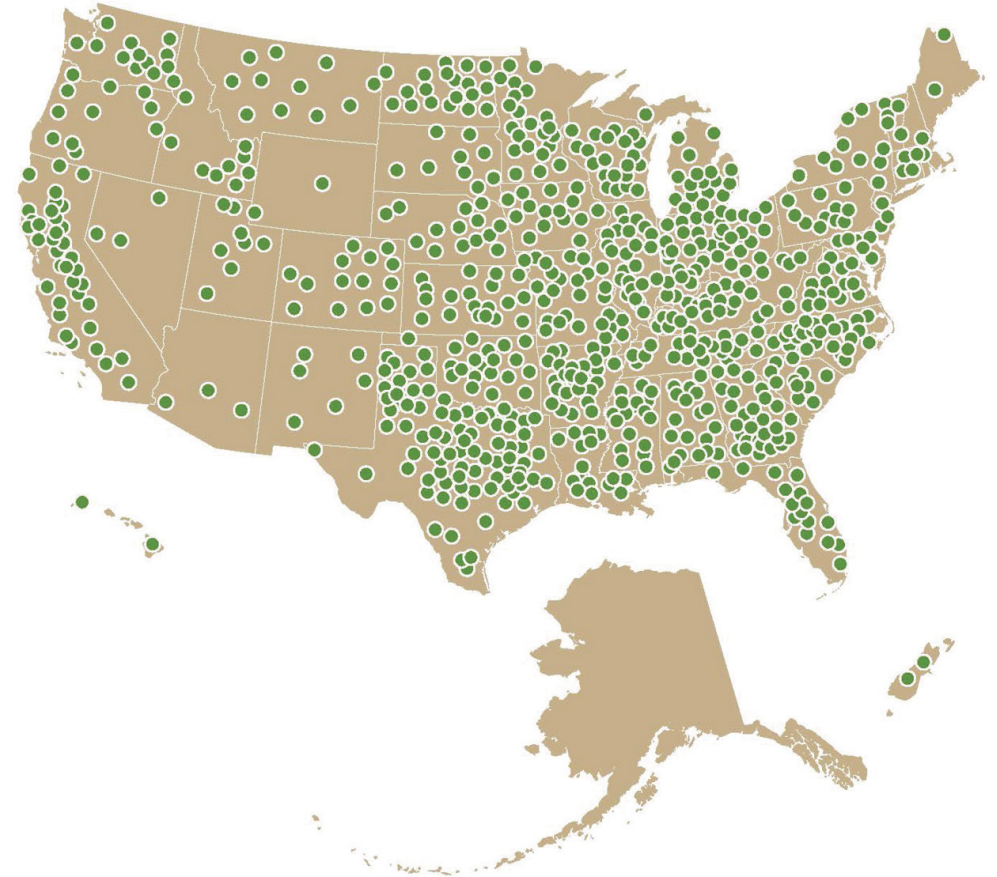
February 9, 2021



COMMITTED. EXPERIENCED. TRUSTED.

About the Farm Credit System

- Established in 1916 when President Woodrow Wilson signed the Federal Farm Act.
- Network of lending cooperatives owned by its customers (farmers, ranchers, agricultural cooperatives and rural customers)
- Specific mission – to provide sound, dependable funding for American agriculture and rural America
- Approximately 41% of all U.S. farm business debt is funded by the Farm Credit System (USDA ERS, 11/2019)
- \$365.4 billion in assets and \$61.7 billion in capital at September 30, 2019 (Farm Credit Administration)
- The system is rated AAA/AA+

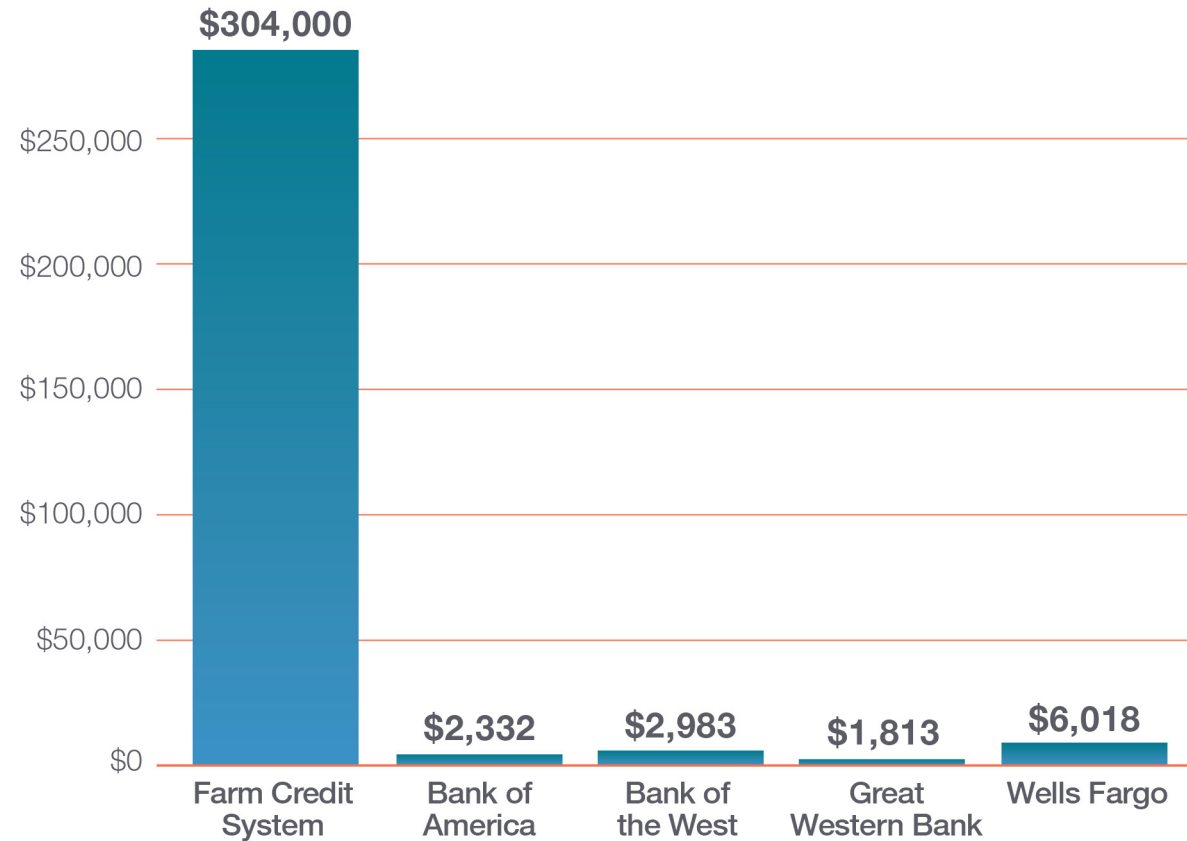


Leading the Way in Agricultural Lending



TOTAL AGRICULTURAL LOANS (IN MILLIONS)

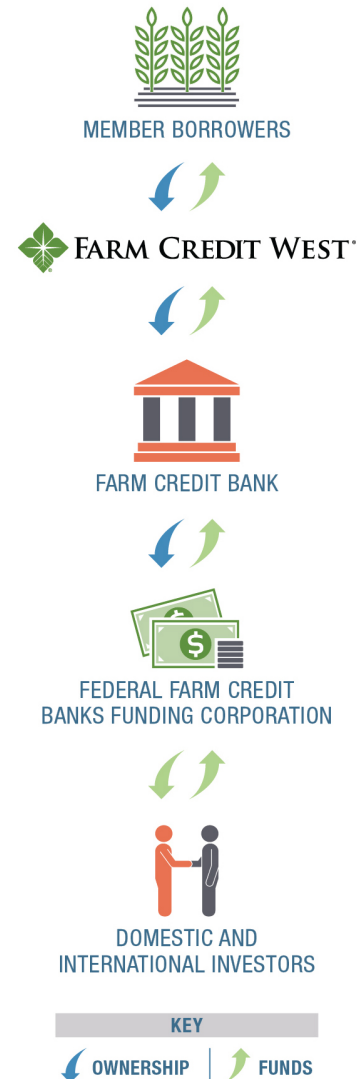
As of 12.31.19



Source: Commercial bank data supplied by American Bankers Association Top 100: Farm Lenders Ranked by Dollar Volume Report

A Unique and Reliable Source of Credit

- Farm Credit does not accept any government funding or tax dollars
- Funds are generated through sale of bonds in financial markets and used to make loans to agriculture
- Interest charged on loans support operations at Farm Credit West and the remainder is returned to member-borrowers via our Patronage program





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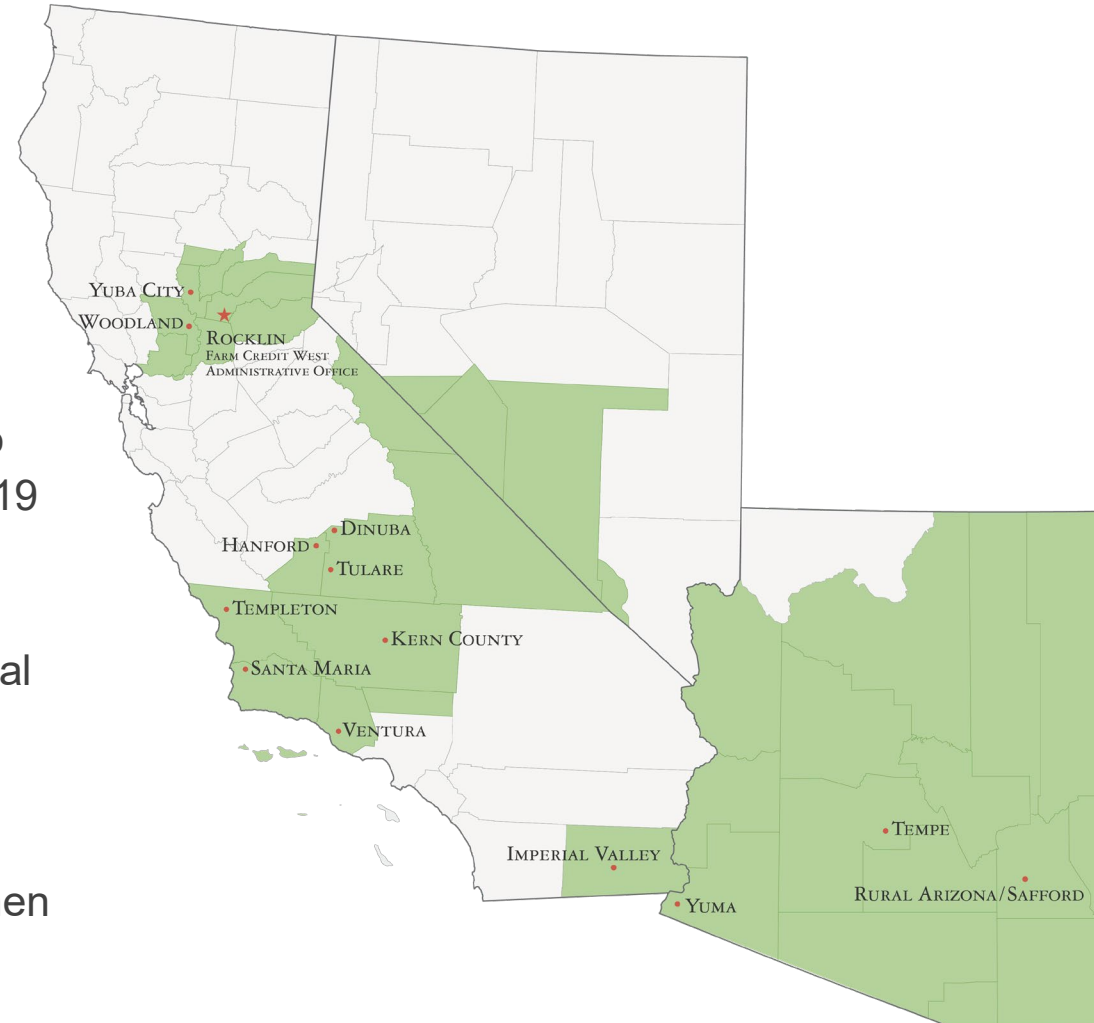
- Committed to serving agriculture since 1916
- Knowledgeable staff that understands the unique credit and financial service needs of agriculture
- Majority of loan decisions are made at the branch level with the remaining made no further than our corporate offices in Rocklin, CA
- Governed by a board of directors comprised of farmers and ranchers from the same communities as you

“ Farm Credit West will ensure
The Customer Comes First
by providing superior service at
Competitive rates, in a timely,
Professional, and ethical manner. ”



Serving Agriculture Since 1916

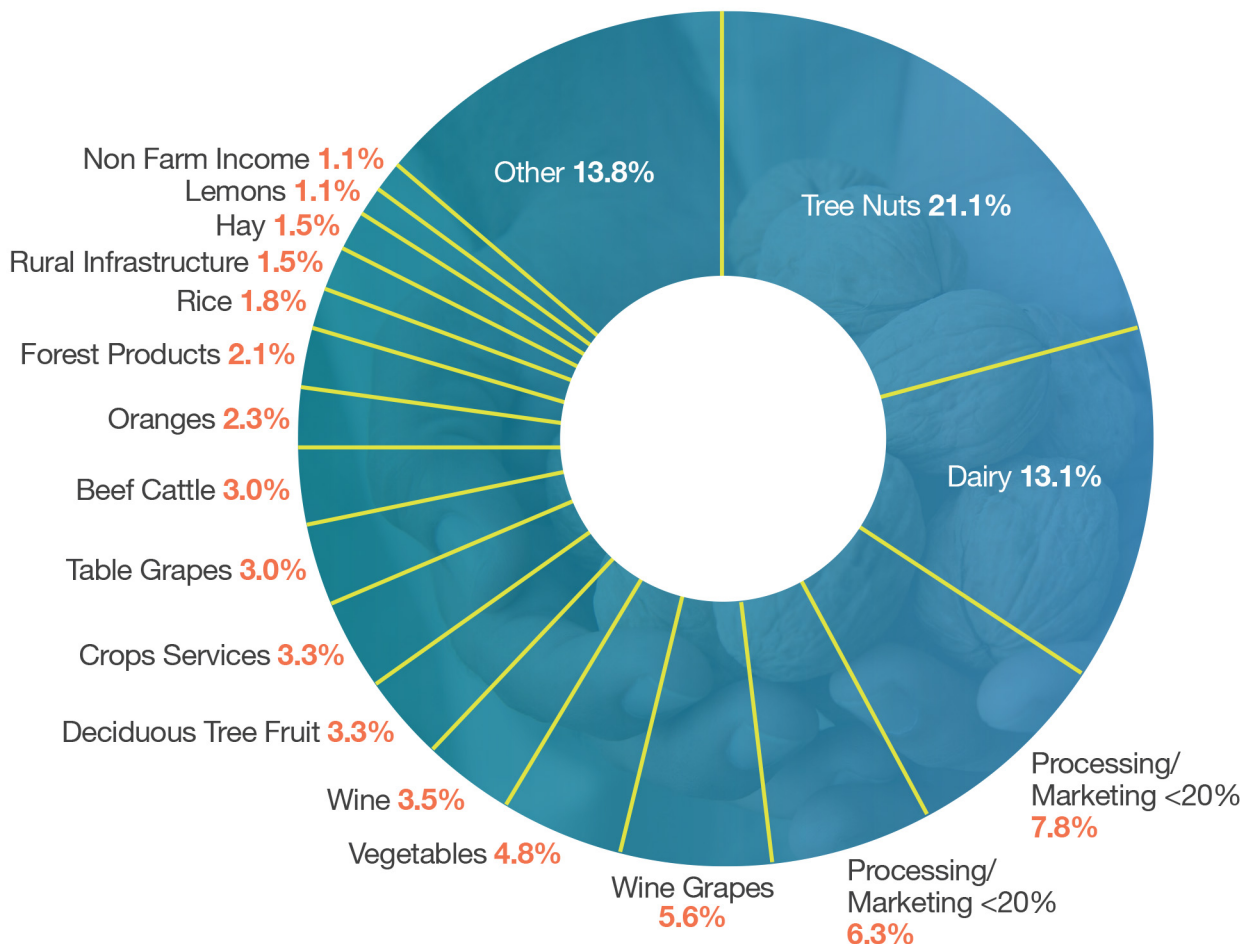
- Leading agriculture lender in California's Sacramento Valley, Southern Central Coast, Southern San Joaquin Valley, Imperial Valley, and the state of Arizona
- Approximately 11,400 loans and leases to over 5,300 customer-owners as of 12/31/19
- Proven ability to manage large, complex and agribusiness relationships with a legal lending limit in excess of \$200 million
- Programs to support young, beginning, and small farmers, ranchers and dairymen





LOAN PORTFOLIO BY COMMODITY

As of 12.31.19




One of the financial strengths of Farm Credit West is the commodity diversity of **our \$10.8 billion loan and lease portfolio**

Second Largest Farm Credit Association in California



	TOTAL ASSETS at September 30, 2019	TOTAL LOANS at September 30, 2019
Farm Credit West	\$10.6 Billion	\$10.7 Billion
American AgCredit	\$12.7 Billion	\$11.8 Billion
Yosemite Farm Credit	\$3.4 Billion	\$3.2 Billion
Golden State Farm Credit	\$1.8 Billion	\$1.6 Billion
Fresno Madera Farm Credit	\$1.3 Billion	\$1.2 Billion
Colusa-Glenn ACA	\$488 Million	\$460 Million

Products and Services

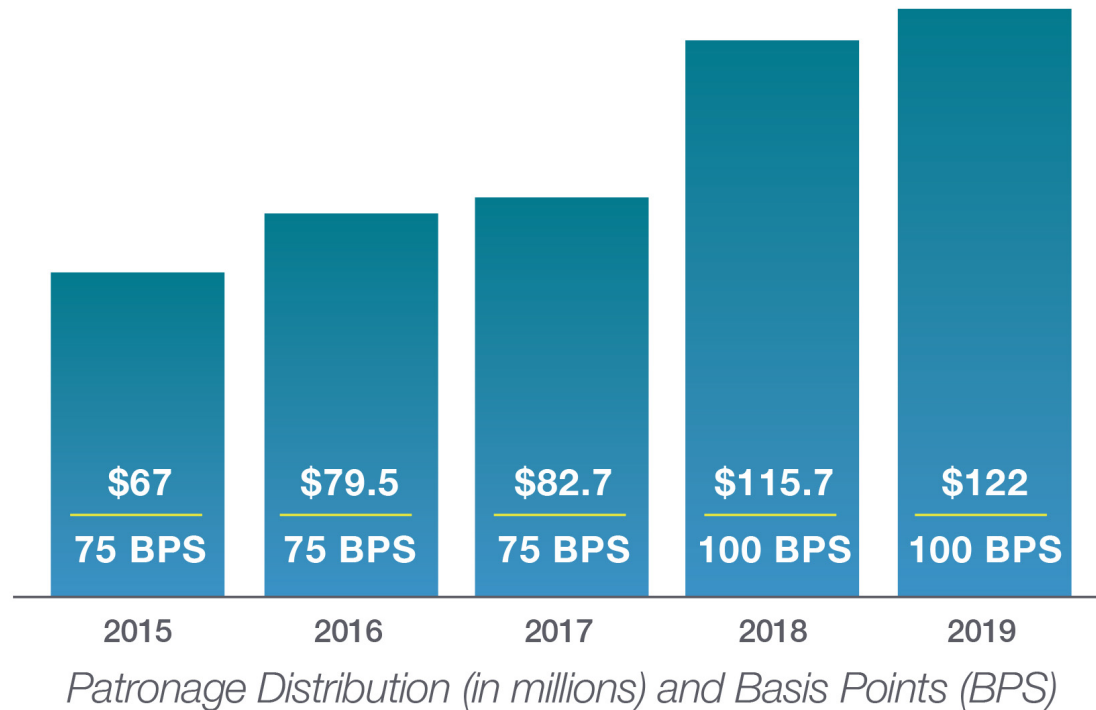


REAL ESTATE	OPERATING	EQUIPMENT FINANCING	FINANCIAL SERVICES
Real Estate Loans Development & Construction Loans Facility Leases	Revolving Lines of Credit Letters of Credit Operating Loans Term Loans	Loans & Leases Machinery Solar Vehicles Winery	Online Banking Cash Management Future Payment Fund

Competitive Rates and Flexible Terms

- Mortgage loans fully amortized up to 30 years
- Development and construction loans with multi-year draw periods
- Operating lines of credit with flexible draw and repayment terms
- Pre-payable fixed interest rate options
- Variable and fixed interest rate programs for flexible and effective interest rate risk management

Unique Benefit of a Cooperative



As owners of the financial cooperative, Farm Credit West's customers have the opportunity to share in the financial success of the cooperative through patronage distributions.

Farm Credit West has paid **\$828 million since the program's inception** in 2002.

In 2019, we returned 1% of average eligible loan balances to our customers totaling \$122 million.



What information we require for a loan

- Balance Sheet (Point in Time)
 - Details what assets you currently own and what debts you have incurred
 - Assets minus Liabilities = Net Worth
- Three years of Income Statements or Tax Returns
 - Shows your trend in cash flow over time, to see what funds you have available to repay debt.
- Cash Flow Budget
 - Can be for a single year, with a high level of detail or multiyear if you have a business plan that requires a lot of upfront costs that will be repaid over a longer time period
- Entity Documents if you have formed an LLC, LP, or Corporation to house your business.

Financial Analysis (What we look for in your business)

- Working Capital (How **Liquid** you are)
 - Current Assets minus Current Liabilities, positive and the higher the better
 - Basically Cash+Inventory+Accounts Receivable minus Operating loans and Accounts Payable
- Debt to Equity (How **Leveraged** you are)
 - Total Debt divided by Net Worth
 - Prefer less than 1.00:1.00
- Debt Coverage Ratio (How well you can **Repay**)
 - Sum of Debt Payments divided by Net Income plus Interest, Depreciation, and Taxes (Cash Flow)
 - Require over 1:1 repayment ratio

Farm Credit Eligibility Limitations



- Regulated to lend for ag purposes or to full-time farmers for non-ag purposes.
- Full-time farmers either have greater than 50% of their asset value in agriculture related assets, or receive greater than 50% of their revenue from crop/cattle sales
- All Agritourism financial needs can be provided if you qualify as a full-time farmer.
 - I.e. vehicles, operating costs, and structures
- Only ag related assets can be financed by Farm Credit to part-time farmers



Local Community Banks

- Local Community Banks
 - They might provide you with traditional credit cards, operating loans, and equipment or term loans.
 - Small Business Administration program lenders
 - These programs focus on providing capital to startups or beginning operations with a guarantee from the SBA.

Farm Service Agency

- Farm Service Agency (FSA) is part of the USDA.
- Direct Loans
 - Can provide loans directly to farmers that meet their targeted borrower requirements, small, beginning, etc.
- Providing a guarantee of your loan with Farm Credit or a local bank.
 - This will encourage those institutions to approve a loan that might otherwise be denied without the guarantee.



Dedicated Support Team:

Tim Kensinger

Sr. Vice President
175 Cow Meadow Place
Paso Robles, CA 93446
805.434.3665
tim.kensinger@farmcreditwest.com