

LANDSCAPES™

a portrait of living & working in rural America

summer 2014



FARM CREDIT

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ON THE COVER: This glorious display of wildflowers was captured by photographer Joe Lowery.

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Part of the Farm Credit System

Investing in Rural America

By Stan Ray

The last time I was in New York City, it was not to see the sights, but to experience how people around the world invest in rural America through the Farm Credit System.

In short, local Farm Credit institutions are able to lend money, not because they are depository institutions, but because the System issues bonds on Wall Street, and investors buy those bonds with the promise of a return. That money flows through Farm Credit to rural America in the form of a land loan, an operating loan, a line of credit, or financing to expand an agribusiness. As borrowers repay their loans, Farm Credit provides a return to its bond holders.

Real People, Real Lives

However, when we talk about investing in rural America, we're not just talking about lending money. As a reader of Landscapes, you've seen countless stories over the years about how local Farm Credit lenders have helped individual borrowers change their lives and impact their families and local communities.

- I think about the Mandujano Brothers, for instance, who worked summers in the vegetable fields in Far West Texas and today own 8,000 acres in two counties, and sell directly to some of the largest grocery chains in the country.

- Then there's Army veteran Orlando Cadena, who returned home to help on his father's farm while working as a firefighter and police officer. With the support of his local Farm Credit lender, he is now a full-time farmer on 6,000 acres — an achievement he did not imagine possible when he came out of the military.
- How about Brenton Johnson, who turned his urban backyard garden into one of the largest organic (community-supported agriculture) farms in the southern United States — with 60 employees, more than 1,000 member-customers and \$3.5 million in annual sales?
- And then there are the farm families featured in this issue — the Newhouses, the Pilgrims, the Marshes and the Neuhauses, for example — families who have partnered with Farm Credit for two and three generations to achieve their goals.

When I think about how Farm Credit invests in rural America, this is what comes to my mind — individuals and family partnerships that have been impacted in meaningful and significant ways with the support of local Farm Credit lenders.

We Live and Work in Your Community

Local loan officers are more than just gatekeepers to capital; they, and the lending cooperatives they represent, invest in the hopes and dreams of their borrowers,

partnering with them and supporting their success. They are also the folks who step up when their community needs support. This magazine isn't large enough to tell all the stories of local Farm Credit employees who go above and beyond the call of duty to teach an after-hours class, raise money for a youth scholarship, support a local food bank, or assist with recovery efforts when disaster strikes. Farm Credit employees proudly invest time and talent in such worthy causes because they live and work in the communities they serve.

New Ways to Serve You

Earlier this year, Farm Credit partnered with the U.S. Department of Agriculture to announce a new Rural Business Investment Company, which authorizes the System to fill a critical need for equity investment in rural America. This approach to providing capital is new to Farm Credit, but something we are excited to be a part of, because it's just one more example of how Farm Credit is fulfilling its mission of service to agriculture and rural America.

Whether we are financing a young person just getting started in farming or a new agribusiness that will create jobs for rural residents, we are proud to know that Farm Credit is helping to strengthen our nation's rural communities.



Eddie Seal

Cadena



Mark Matson

The Mandujanos



Jim Lincoln

Johnson

Sen. Saxby Chambliss Inducted Into Farm Credit Academy of Honor



U.S. Sen. Saxby Chambliss of Georgia was inducted into the Farm Credit Bank of Texas (FCBT) Academy of Honor at this year's FCBT Annual Stockholders Meeting in Houston, Texas.

A policymaker currently serving his last legislative term, Sen. Chambliss received the honor for his devotion to protecting the

interests of agriculture during his 20 years in Congress.

The Academy of Honor recognizes significant contributions and outstanding service in the field of agriculture or rural financing. To date, 56 people have been inducted into this prestigious group. This year, the award establishes a \$10,000 scholarship that will be presented in Chambliss's name to a student attending a university of his choice.

First elected to the House of Representatives in 1994, Chambliss was instrumental in drafting two bills and reforming federal crop insurance. After his election to the Senate in 2002, he served as chairman of the Senate Agriculture Committee during the 109th Congress, and later was ranking member of the committee during the 110th and 111th congresses.

A true friend and defender of the Farm Credit System, Chambliss was one of the few members of the U.S. Senate who worked to include System proposals in the 2008 farm bill.

In later years, he worked with Sen. Blanche Lincoln, chairman of the Senate Agriculture, Nutrition and Forestry Commission, to ensure that the Farm Credit System was excluded from the requirements of the Dodd-Frank Act.

Two Association Mergers Result in More Diversified Lending Cooperatives

Two co-op mergers took place within the Texas Farm Credit District on Jan. 1, 2014, leaving a total of 15 local lending cooperatives, or associations, within the five-state district, compared with 17 associations previously.

AgriLand Farm Credit and Texas AgFinance merged to become Texas Farm Credit Services.



TEXAS
FARM CREDIT

Headquartered in Robstown, Texas Farm Credit serves 100 coun-

ties stretching from the Rio Grande Valley to North and East Texas. Mark Miller is chief executive officer of the association.

Lone Star Ag Credit and Texas Land Bank also merged on Jan. 1, and continued under the name Lone Star Ag Credit. The merged association is headquartered in Fort Worth and serves 48 counties

in an area stretch-

ing from west of Abilene to northeast Texas, and from Central Texas to the Oklahoma border. Lone Star's chief executive officer is Troy Bussmeir.



Both mergers were approved by stockholder vote and by the Farm Credit Administration in late 2013.

In both cases, the mergers enabled the lending cooperatives to achieve geographic and portfolio diversification, and greater financial strength. As a result, they expect to be able to offer improved service to rural Texas.

Patronage Highlights Farm Credit's Strong Financial Results

The Texas Farm Credit District reported excellent financial results in 2013, resulting in a record patronage declaration early this year.

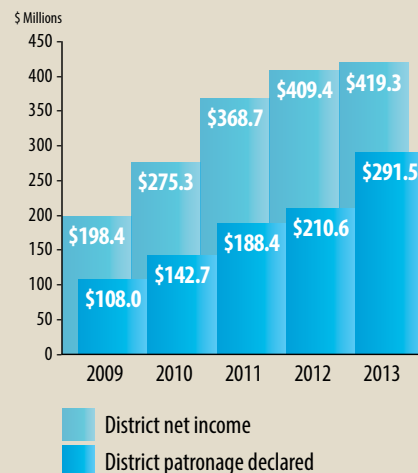
The district, composed of the Farm Credit Bank of Texas and its current 15 affiliated lending associations, declared \$291.5 million in patronage, returning a portion of 2013 district earnings to member-owners. This represents a 38.4 percent increase over the patronage declared the previous year.

Sharing earnings when possible is one of the key ways that Farm Credit puts dollars to work in rural America. Patronage refunds effectively lower the cost of borrowing for Farm Credit customers, and are a distinct benefit of doing business with a lending cooperative.

Agriculture continued to flourish across the Texas Farm Credit District's five-state territory in 2013. Strong commodity prices, a recovering general economy and improving crop conditions across much of the region contributed to record earnings for the district, which includes Alabama, Louisiana, Mississippi, New Mexico and Texas.

Net income for the bank and associations combined was a record \$419.3 million for 2013. Total assets increased 5.9 percent to \$22.4 billion, and combined district loan volume rose 4.7 percent to \$17.7 billion at Dec. 31, 2013.

District associations and stockholders worked diligently to meet their commitments, resulting in excellent credit quality. For the district, 97.8 percent of all loans were classified as acceptable and special



mention, up from 96.8 percent the previous year.

Nationally, the Farm Credit System reported combined net income of \$4.64 billion for 2013, compared with \$4.12 billion a year earlier.

Farm Credit Pledges \$150 Million to Rural Investment Fund

Farm Credit Bank of Texas, headquartered in Austin, and Capital Farm Credit, headquartered in Bryan, Texas, are among eight Farm Credit System cooperatives that have pledged up to \$150 million to a new fund that will invest in agriculture-related businesses.

Established under the USDA's Rural Business Investment Program, the fund will focus on investments in enterprises that will create growth and job opportunities in rural areas, with an emphasis on smaller businesses, including those working in bio-manufacturing, local and regional food systems, advanced energy production and other cutting-edge fields.

The fund will be managed by Advantage Capital Partners, which has partnered with the eight Farm Credit banks and associations in a Rural Business Investment Company that was licensed under the USDA to raise capital from the System. Announced in April, the initiative is designed to support innovative small businesses that need private equity in addition to, or instead of, borrowed funds and loan guarantees currently available from governments.

Advantage Capital Partners will also invest in the fund.

Farmer Veteran Coalition Launches New Labeling Program

The Farmer Veteran Coalition (FVC) is accepting applications for its Homegrown By Heroes initiative. This product-labeling program, which is supported by Farm Credit, will allow farmers, ranchers, fishermen and other agricultural producers who have served or are still serving in the U.S. military to use the logo on their products.

To qualify for the Homegrown By Heroes label, one must have served honorably or still be serving in any branch of the U.S. Armed Forces, and be at least a 50-percent owner and/or operator of the farm business. Producers from all states and U.S. territories are eligible. FVC staff can assist applicants in developing food safety plans and, if needed, business plans.

The initiative was launched in May and is sponsored by the Farmer Veteran

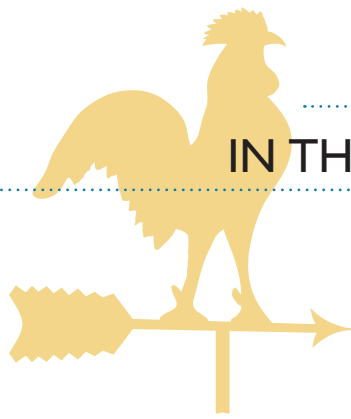
Coalition, whose mission is to mobilize veterans to help feed America. It is financially supported by farm and agricultural organizations, including Farm Credit, the American Farm Bureau Federation, the National Farmers Union and others.



The FVC works to develop a new generation of farmers and food leaders, and expand viable employment and career opportunities through the collaboration of the farming and military communities.

Through mentorship, peer support and career counseling, the FVC supports veterans returning to or beginning careers in the food and farming industry.

For more information or to register with Homegrown By Heroes, visit www.farmvetco.org.



IN THE WIND: Resources for Rural Living

Website Helps Small Business Owners Navigate Affordable Care Act

If you have paid employees working in your agricultural operation, you need to know how and when the Affordable Care Act (ACA) will impact your business. The national umbrella organization of Extension departments has developed a Web page of resources to help small business owners figure it out.

Final regulations issued on Feb. 10, 2014, delayed implementation of the mandate for employers to provide health insurance coverage to employees who work at least 30 hours per week. Essentially:

- Businesses with fewer than 50 full-time employees will not be required to provide health insurance coverage to any of their employees.
- Businesses with 50 to 99 full-time employees will be required to provide health insurance coverage to their full-time employees, but will not have to do so until 2016.
- Employers with 100 or more full-time employees will be required to offer coverage to their full-time employees beginning in 2015, but will only need to offer coverage to 70 percent of full-time employees that first year, instead of the normal 95 percent.

Employers who are required to offer coverage could be subject to significant penalties if they do not meet these standards.

To learn more about the complex mechanics of the health care reform law and how it will affect you, go to the national Extension Web page at <http://bit.ly/AffordableCareActResources>.

Please note: The ACA contains many complex rules. The information here is not intended to be a substitute for personalized, professional advice.

Savings on SOLAR ENERGY

It seems like solar panels are showing up everywhere — in agricultural equipment, at rural electric cooperatives, and on rooftops from Wal-Mart to the White House.

Part of the reason is the falling cost: As research and manufacturing have increased, the price of solar equipment has dropped 99 percent in the past 35 years, and 60 percent in the past three years alone, according to the U.S. Department of Energy. Another reason is the growing availability of funding to help homeowners and businesses offset part of the up-front expense.

A federal goal of making solar energy cost-competitive with conventional energy is bringing the technology more within reach financially. For example, the IRS, rural utility companies, the USDA Rural Energy for America Program and other organizations offer incentives for installing renewable energy systems.

If you've ever thought about using solar energy to cut your energy expenses or bring electricity to a remote area, these resources could help you take advantage of substantial savings.

Database of State Incentives for Renewables & Efficiency

Comprehensive guide to national, state and local financial incentives: www.dsireusa.org

USDA Rural Energy for America Program

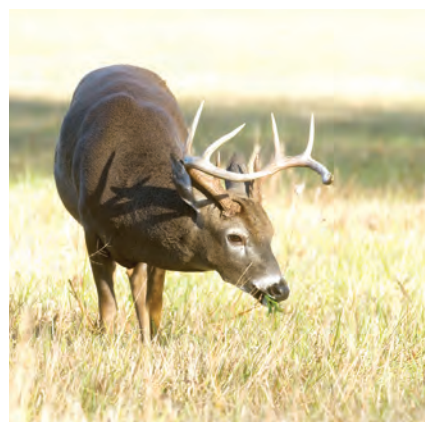
Grants and loans for energy-efficiency improvements or renewable energy systems: www.rurdev.usda.gov/BCP_ReapResEei.html

*Learn more: To see how solar energy generates electricity and income for one Alabama farm, read *Everything Under the Sun*, page 28.*

Learn to MANAGE WILDLIFE — During Lunch!

Did you know that if you manage your land for songbirds you are also benefiting game birds, and vice versa? Red-headed woodpeckers and bobwhite quail, for example, are both attracted to longleaf pine forests with a grassy understory.

This is just one of the subjects now offered in a webinar series by the Texas Wildlife Association in partnership with Texas AgriLife Extension. The webinars cover a wide array of wildlife and land management topics, including predator control, water for wildlife, and managing for deer or turkey. These free online webinars are held during the lunch hour, noon to 1 p.m., Central time, on weekdays.



The webinar series provides sound, science-based wildlife management information delivered by experts to you in the comfort of your own home or office. Each Web-based seminar is fully interactive and allows you to make comments and to question the experts during the presentation.

For a full schedule of the 2014 Wildlife for Lunch webinar series and instructions for enrolling, go to <http://bit.ly/WildlifeWebinars>. And, in case you miss any webinars, you can find them archived here: <http://bit.ly/ArchivedWildlifeWebinars>.



Going With the Grain

A family that grows and mills rice finds new markets for one of world's staple foods.

On a clear spring morning, a steady breeze blows across the coastal prairie west of Beaumont, Texas, lifting the state flag at the farm of Debbie and Kevin Robbins.

Just down the lane, they start their morning watching the sunrise over a small lake, surrounded by their rice fields and cattle pastures.

A few years ago, the reservoir seemed like the perfect spot for a fishing cabin for

Kevin and his buddies. But with such scenic vistas, the place really needed picture windows, a second story and more amenities, Debbie thought. Before they knew it, they didn't have a man cave, they had a new home.

"You have no idea how you messed me up," jokes Kevin, always ready with a good-natured remark.

Now settled in, the couple loves watching waterbirds from their upstairs landing,



Christine Forrest



The Doguet family — left to right, Darby and Mike Doguet, Debbie Robbins, Greg Devillier and Kevin Robbins — have operated their rice mill in Beaumont, Texas, since the early 1980s. Kevin and Debbie's home is in the nearby rice country, left.

stargazing on the dock and listening to airplanes flying in rice during planting. They are also surrounded by family. Their son, daughter-in-law and grandson have a new house next door, and Debbie's brother and their niece live just across the pasture.

And when your family is steeped in the rice business, there's no better place to live.

"Our other house was pretty, but I don't know what it is about this place," says Debbie, president of Doguet's Rice Milling

Co. in Beaumont. "It's just so calm. We're right in the middle of the rice fields."

Rice Is a Family Legacy

Descendants of Louisiana rice farmers, Debbie and her five siblings learned about the industry from their father, Darby Doguet, who bought a rice dryer in 1979 in Beaumont, in the heart of Texas rice country. Two years later, he expanded, founding Doguet's Rice Milling Co. The legacy continues, and Debbie, her brother

Mike, husband and two sons now work at the family business, which has about 45 employees.

"My father knows the rice business inside and out," Debbie says. "He is very business savvy."

During the July-October harvest season, trucks of rough rice line up continuously at both the mill and a larger rice dryer and storage facility about five miles to the south. Together, the facilities can store 620,000 hundredweight of rice.

"We're at capacity every year," says Debbie, who has worked at the business from the beginning, including 13 years in partnership with Mike after their father retired, and four years as owner and president. "The farmers in this area really need rice facilities."

The business works with about 50 rice farmers from the west side of Houston into Louisiana.

"My dad a long time ago was a commissioned rice buyer, and we still put on a sale to market the farmers' rice every two or three weeks," she says. "We try to buy all the rice that comes in, but if we can't use it at the mill, we sell it to mills here and in Louisiana and Houston. We take care of the payoffs and paperwork for them."

The Doguet name is well-known in the area. In addition to drying, storing, marketing and packaging rice, the mill also operates a store that sells rice, rice by-products and family products such as turf and jars of roux for making gumbo. Nothing is wasted at the mill, where rice bran is sold as a cattle feed supplement, and rice hulls are sold as horse bedding and a drying agent, or composted and offered for free to local gardeners.

Organic Rice Opens Opportunities

What assured the company's growth was the decision about 25 years ago to mill certified organic rice, the product that is now experiencing the greatest demand.

"There are fads that disappear, but organics have just grown year after year," says Debbie's son Greg Devillier, who joined



Scott Eslinger

Mill owner and president since 2010, Debbie Robbins continues her family's tradition of selling organic and conventional rice, roux and turf at the company's store.



Scott Eslinger

The pearlers behind Debbie's son Greg Devillier, vice president, mill and whiten rice by removing the brown bran layer.

the family business in 2006 after earning a marketing degree at Texas State University. In training to become general manager when his uncle Mike retires this year, he also serves on the board of the USA Rice Millers Association.

Organic rice now makes up about 75 percent of the mill's business, Greg says. The product sells at a premium, so to get a predictable price, the mill contracts with farmers and buyers. When a farmer considers trying organic rice, the family recommends talking to one of their growers who has hands-on experience with the cultivation and paperwork.

"The interest is there, and there are more and more people growing it," Debbie says. "It's a win for the mill and a win for the farmer."

"Organic is the way of the future. It's what consumers want, it has no pesticides, and it's good for the environment. I think it's the way to go."

If you've ever bought organic rice, chances are that some has come from the mill. Customers have spotted the Doguet's label across the U.S. and overseas, but the majority of the mill's brown and white rice is sold in 2,000-pound totes to mills, grocery stores and manufacturers that private-label it, use it in foods or mill it into flour.

The business is also experiencing a lift from another consumer trend. Because Doguet's doesn't mill any other grains, its rice is suitable for people on a gluten-free diet by choice or necessity.

"There are so many rice products out there," Debbie says. "There are rice crackers, breads, pasta, seasoned rice flour, rice milk. You can buy anything you need made with rice."

At a recent natural products expo in California, strong interest in the mill's organic, gluten-free rice reinforced the family's determination to expand.

Already, they have installed a pest-control system that uses carbon dioxide instead of chemical fumigants, upgraded their dust controls and been certified by the Safe Quality Food Institute.

Next they plan to build a climate-controlled warehouse and packaging facility with more storage tanks, enabling them to package up to six products simultaneously. They're also considering a robotic packaging system and a flour mill to keep up with demand.

Rice and Cattle Intertwined

The Robbinses say it's easy to believe in their product when it's so good for you. They also recognize its value to their registered Brangus and commercial cattle.

Rice and cattle are strongly linked in this part of the state, where many farmers rotate rice fields with pasture. The bran that is removed from white rice during milling also makes a palatable and nutritious feed supplement for the cattle that share the land.

Kevin, who joined the company in 2013, says that when he wanted some of the mill's rice bran as a high-protein feed supplement recently, he had to wait his turn.

"I tried to get on the list and was told, 'Well, it may be a while,'" he says. "There were at least three screens of people waiting to get rice bran. We can't make enough of that."



fothunter/Shutterstock.com

The Robbinses have been expanding their cattle operation at their farm, and also have cattle at their deer camp 400 miles to the west in Carrizo Springs, in a region celebrated for trophy white-tailed deer.

When they bought the family getaway in 2012, they went to Capital Farm Credit, which has provided financing for the Doguets since Darby became a member years ago. Debbie's brothers Mike, who has cattle and turf operations, and David, president of the south Texas turf company Bladerunner Farms, are also customers of Farm Credit associations.

Teresa Turbeville, vice president of lending at Capital Farm Credit's Dayton credit office, enjoys working with the family.

"Debbie is a very intelligent, hardworking individual, and Kevin is hands-on and very involved in their commercial rice operation," she says. "I just think a lot of them."

"I've worked with a lot of different loan officers over the years, and Teresa really gives you ideas to help you get what you need," Debbie says. "We have always had a farm loan from Capital Farm Credit. When

we need financing, we consider them every time because of the patronage dividends."

Growing and Giving

Back at the mill, framed photos of local youth livestock show winners line the hall to Debbie's office. As she walks by, she reminisces about how she and her siblings grew up raising lambs, steers and hogs, and says the mill buys winning livestock from youth at the South Texas State Fair. They also donate to food banks, help feed disaster relief workers, support Catholic charities, sponsor a day at the annual Texas Rice Festival, and sometimes give meat to their employees, whom they consider an extension of their family.

"The community is giving to you and buying your product, and I just love giving back," she says.

Serving the community is also part of their motivation to expand.

"It's not just better for yourselves, it's better for the farmers, it's better for employees," she says. "When you have more, you can give more." ■ CF

Dirty Rice Made Easy

1 can cream of celery soup
1 can chicken broth
1 package onion soup mix
2 cups Doguet's rice
1 pound ground beef or pork

Preheat oven to 350 degrees. Brown ground meat, then combine meat with remaining ingredients in a medium baking dish. Bake for one hour, turning every 15 minutes.

Debbie Doguet Robbins, president of Doguet's Rice Milling Co., says her favorite rice dish, above, comes from the company website, Doguets.com, which features winning recipes from rice festivals and cooking contests.

"I make this recipe all the time because it's so good," says Debbie, who often adds a tube of pan sausage to the ground meat. "It's easy, it feeds a lot of people, and it's great for family functions."

Science, Industry Expand Rice's Potential

In Beaumont, Texas, where the average rainfall is as heavy as the soil, rice not only tolerates the conditions, it thrives. Farmers have grown rice in the area since the late 1800s, typically in a rotation with cattle or crawfish.

Together, the top rice states — Arkansas, California, Louisiana, Mississippi, Missouri and Texas — produce 20 billion pounds of rice a year, generating \$34 billion in economic activity and supporting 128,000 jobs, according to a 2010 study.

Fundamental to the crop's success are yields that average about 8,000 pounds per acre, more than five times what they were in our grandparents' generation, says Dr. Lloyd T. "Ted" Wilson, professor and director of the Texas A&M AgriLife Research Center at Beaumont. University and USDA scientists at the 105-year-old center work closely with growers to develop improved cultivars and production and management methods.

Although yields for organic rice are about half that of conventional rice, organic rice fetches about twice the price


for growers, says Greg Devillier, vice president at Doguet's Rice Milling Co.

Texas leads the nation in organic rice acreage, and the family-owned mill was the first in the state to mill organic rice and the first in the country to offer organically grown seed rice.

Scientists who work with organic and conventional rice at the center have collaborated on projects with the mill and with Mike Doguet, mill general manager and past president of the Texas Rice Improvement Association. And Capital Farm Credit, which has served generations of Doguets, sponsors the research center's annual educational field days for producers, industry representatives and international visitors.

"They want to know what farmers in the area need, and do a lot to help them," Debbie Doguet Robbins, mill president, says of the center. "We're fortunate to have them out here."





CLOSE TO THE EARTH, CLOSE TO GOD

Family and faith are at the heart of this Mississippi Mennonite farming community.

AT first, Rawlin and Gloria Friesen had doubts about buying the rundown poultry farm near Mount Olive in south-central Mississippi. Although it came with existing chicken flocks, it also came with challenges. Trash and debris littered the grounds around the two poultry houses. Weeds and high grass surrounded the white frame house. Inside and out, the house itself had long been neglected.

But when the seller offered them a bargain price, the couple signed a contract.

“The day Rawlin and I bought the farm in May 2007, we gathered eggs,” recalls Gloria, who’s on her knees, planting tomatoes in her garden. “We knew we had to start at the bottom with this farm, and that’s what we did.”

“We redid every room in the house,” she continues, pausing to check on the youngest of their four children, 4-year-old son Trey, who’s riding a tricycle nearby. “This farm was in terrible condition. Getting everything back in shape took a lot of work, but we got it done.”

The Friesens’ strong determination coupled with support from their relatives and church enabled the young family to transform the unkempt farm into a productive operation that has since expanded to four poultry houses. They are among four local Mennonite families with the Church of God in Christ who have financed poultry houses and farmland through Southern AgCredit.

Helping One Another

The first Mennonites moved to the Simpson, Smith and Covington tri-county area in 2005, drawn largely by the poultry industry. They also wanted to establish a new congregation. Although it’s not a requirement of their denomination, Mennonites often branch out from large congregations and form smaller new groups, which helps to foster relationships among members. Communities are close-knit, and members help one another. Today, nearly 20 families form the Pleasant Hills Mennonite Church near Mize in Smith County. Most live within 5 miles of one another, and children are schooled at the church building.

As a church, Mennonites endeavor to live their faith from their hearts, not as a set of rules to be followed. In this Mennonite branch, men wear beards, and women wear head coverings. Televisions and radios are shunned. Many do use cell phones and the Internet, but only for business and personal communications.

Glen Sowell, regional vice president with Southern AgCredit, and staff at the lending cooperative’s Newton branch work closely with all four Mennonite families. It’s not uncommon for loan officers to share a meal in their kitchens or walk through their dusty chicken houses, filled with noisy hens and roosters, or broilers.

“These folks are the salt of the earth,” Glen says. “We talk about finances and our families, too. I’ve also consulted with them on matters such as their cattle, housing, equipment and bulk propane tanks.”

Katie Unruh inspects her flock of baby chicks.

The Koehn Family

K Church deacon Charles Koehn and his family were among the first to move to the tri-county area in November 2005. He and his wife, Joan, have four children: Becky (Wenger), 23; Andrew, 20; Rueben, 17; and Laura, 13.

Previously, the Koehns lived in a larger Mennonite congregation in the Mississippi Delta. They moved south because Charles, 47, wanted to live in a livestock and mixed farming region as opposed to the Delta, where row crops are more common. After conferring with Glen, he decided to expand his cattle herd.

"We bought 60 acres, which Southern AgCredit financed, half a mile down the road from our home," says Charles, who owns an excavation company that employs several men within the congregation. "The location allows me to keep an eye on the cattle, coming and going to work. I now have 39 registered Gelbvieh mama cows. Our children and I enjoy them, and it's a good thing to do as a family. Laura helps me during calving season and with keeping records.

"Southern AgCredit has been great," he adds. "Glen Sowell is thorough and careful, and doesn't just casually make a loan. He brought our paperwork right to the kitchen table so I didn't miss a bit of work. He got everything done quickly and professionally. I have a great deal of confidence in him."

THESE FOLKS ARE THE SALT OF THE EARTH.

— Glen Sowell
Southern AgCredit

The Unruh Family

U In July 2006, Byron and Katie Unruh moved their family from North Carolina to start a poultry farm near Mize. The couple has four children: Amber (Koehn), 25; Anthony, 23; Blake, 18; and Kaeann, 13.

"We liked this area, our church was here, and it felt like the Lord wanted us here," says Byron, 49, who's taking a break at home after checking a morning delivery of new chicks. "We bought 80 acres of pasture and woods. Southern AgCredit loaned us the money for our land, six chicken houses and our home."

In the kitchen, Katie pours a glass of iced tea for her husband. "I would have been helping Byron this morning in the (chicken) houses," she says, "but he wanted cinnamon rolls instead." Smiling, Katie sets plates of chubby iced pastries and chocolate chip cookies on the kitchen table.

Since marrying in 1986, the couple has always operated poultry houses, except for six years when they served as missionaries in the Philippines and West Africa. Contracted with Peco Foods Inc., an integrated grower, processor and marketer, the Unruhs produce 9-week-old broiler chickens in their six 50-by-500-foot houses.

Using a wireless network system and his laptop computer, Byron monitors temperatures, lights, feeders and water usage from the family's home, located just downhill from the poultry barns. "I couldn't run this farm without my family," he says.

Since moving to Mississippi, Byron has diversified into cattle.

"They take more time than the chickens, but they're more fun," he says with a grin. "They're a mix of Angus, Brangus and Charolais. My cattle are such calm creatures. They just mind their own business and eat grass. I like to be out in the pasture, working with them."

The Unruh family enjoys working together on the farm. From left to right are Kaeann, Byron and Blake.



The Becker Family

B Calvin and Michelle Becker closed on a loan with Southern AgCredit in February.

“We came here to visit our daughter, Sarah, who teaches at our church school,” says Michelle, seated beside her husband at their kitchen table. “We loved the area and congregation so much that, after praying about it, we decided to sell everything and move here.”

Another plus: The relocation slowed down their daily routine. In Tennessee, where they lived previously, the Beckers not only owned and ran two broiler houses, but Calvin also managed seven duplexes and had his own carpentry business.

Because they were experienced in the poultry business, they looked at an existing operation for sale near Mize.

“At first, we weren’t interested,” says Michelle, setting out bowls of meatballs, rice, green beans and sliced strawberries for lunch. “Then, after we asked God to open the door if He wanted us here, the owner lowered the price. We took that as a sign to buy. We starting running the farm the day we bought it.”

Calvin, 59, a skilled carpenter who worked all morning to replace a feed-line motor, helps himself to fruit. Under contract with Koch Foods in Pearl, Miss., the Beckers produce 8-week-old broilers that weigh approximately 8 pounds.

“The size is new to us. In Tennessee, our integrator wanted 4-pound birds, but we’re managing,” Calvin says.



Calvin Becker replaces a feed-line motor in a broiler house.



Gloria Friesen



“We’ve had a lot of learning curves, but our biggest challenge was learning to use the computerized controllers in the chicken barns,” he adds. “But once we get everything running smoothly, it’ll be even better.”

The Friesen Family

F Not enough regular work ultimately led carpenter Rawlin Friesen, 36, to move his family from South Carolina to Mount Olive in November 2006. While he built the Unruh home, he and his wife, Gloria — sister of Katie Unruh — and daughter Tyanne, now 10, lived in a cabin on the Unruh farm. Rawlin looked for jobs in the area, but then the poultry farm with four houses came up for sale.

“We decided that chickens would be something we could do as a family,” says Gloria. The family now includes Thomas, 7; Tia, 6; and little Trey. “In South Carolina, we tried to buy a farm, but we didn’t have credit or equity. When this place became available, we found a lender who made us a loan.”

This year, the Friesens, who contract with Koch Foods, refinanced the property with Southern AgCredit and built two more houses, each with a capacity for 11,000 breeder birds.



Rawlin Friesen

“In the beginning, I didn’t have any experience with chicken farms,” Rawlin says, “but I’ve learned. I repair nearly everything myself, and we’ve made a lot of improvements, like computerized controllers in the houses.”

The Friesens’ hens run free in the poultry houses and are not caged. The family also has roosters, because the eggs must be fertilized. A production cycle starts with 20-week-old hens. Four weeks later, they begin laying in metal nest boxes, attached to conveyor belts that move the eggs to a picking room. For about 43 weeks thereafter, the Friesens gather eggs four times daily and sometimes five times during peak production.

“The first couple of years we wondered if we’d make it because money was tight,” Rawlin says. “I sure didn’t know what I was getting into! But we’re real happy with the way things turned out.”

Gloria nods. “When I look back on everything we’ve done on this farm,” she says, “I don’t know how we did it. I really don’t. But it feels so rewarding that we did.”

Helping the Community

Likewise, Glen Sowell feels honored to be a part of all their lives.

“As lenders, we work to win our customers’ trust by helping them to obtain their wants and needs,” he says. “This community gives you that feeling of being a member of their family once you get to know them. The unique relationship that develops makes you want to give the extra effort to assure their success.” ■ SSR

THE FAMILY THAT FARMS TOGETHER, STAYS TOGETHER

For 30 years, five Marsh brothers have farmed in partnership in northeastern Louisiana. Today, seven sons farm with them.

Around 7 a.m. each weekday, the five Marsh brothers file into the break room at their northeastern Louisiana farm headquarters, plunk down coffee mugs on the wood veneer table, and catch up on news. Sometimes, a few of their seven sons show up, too. From his upholstered office chair, Larry Marsh, the fourth oldest brother, checks the weather and commodities on a computer monitor.

“We figure out who goes where and what we’re going to plant on which fields,” Larry says. “Then everyone takes off in different directions.”

This morning routine at Marsh Farms Partnership in Sondheimer, La., started in 1984 after the five brothers — longtime customers of Louisiana Land Bank — jointly accepted the reins of the family’s farming operation from their father, Jeff Marsh.

“People around here said we wouldn’t last,” Larry says. “We’ve had our ups and downs, but overall, we get along just fine.”

SHARECROPPING ROOTS

The strong work ethic, love of farming and camaraderie evident around the table began with Jeff and their mother, Lucille, who were married in 1935.

“As the old saying goes, behind every good man is a strong wife and hardworking woman,” says

Paul, the eldest of the couple’s five sons and five daughters.

As a young man in the 1930s, their father worked on a dredge boat, helping crews straighten out the Mississippi River.

“Daddy grew up on a farm in Mississippi, and he always wanted to go back to farming,” Paul says. “In 1941, he started as a sharecropper here in East Carroll Parish. A year later, he bought a plow, a mule and a milk cow.”

Jeff soon left sharecropping and rented his own farmland, often clearing the land of timber with the help of a hired hand before he could sow cotton or grow corn to feed his hogs.

“Daddy used to say he had to travel one row seven times with a mule before he could plant,” Paul says.

When finances allowed, Jeff bought his first International Harvester tractor, followed by one of the area’s first mechanical cotton pickers. In the early 1950s, he purchased Sycamore Plantation, a 900-acre farm.

“Then, as he could, Daddy would buy 40 acres here and 70 acres there,” Paul says.

Back then, the entire family worked on the farm, girls included. And the work wasn’t easy.

“I remember chopping and picking cotton as a kid. At the end of a row, we could get a drink of water. And it wasn’t cold either!” Paul adds.

As the years passed, Jeff continued to buy land. After high school, the boys — Paul, now 77,





*From left, Paul, Cooter, Larry,
Billy and Jimmie Marsh*

William “Cooter,” 70, Jimmie, 67, Larry, 63, and Billy, 62 — left for college, trade school or the military. Afterward, they all returned to the farm.

“That’s when Daddy formed Jeff Marsh & Sons Inc.,” Billy says.

LAND FOR 10 CHILDREN

In 1984, Jeff retired and divided his 1,200 acres equally among his children.

“Daddy wrote down the numbers one to 10 on pieces of paper, put them in a medicine bottle, and tossed them on the table,” Cooter remembers. “Then everyone picked a number. That’s how we each got our piece.”

That same year, the five brothers formed Marsh Farms Partnership, which farms both family and leased land.

“Individually, we (brothers) own our land and rent land, too,” Cooter says. “Early on, we decided that we’d plant everybody’s land, including our sisters’, and put it all into one pot. Then everyone takes a percentage.”

Today, the five brothers farm cotton, corn and soybeans on approximately 6,500 acres of owned and leased farmland. Several years ago, an additional 2,500 acres of family-owned land

was converted from cattle production to timber and recreational use, and eventually each brother established his own hunting camp on the property.

“We like to hunt more than run cattle,” Cooter quips.

STRONG CAMARADERIE

In recent years, all five have participated more in the farm’s management than running tractors and other physical work. Larry serves primarily as marketer, while Paul takes care of the banking business. Two of their seven sons work for the operation; the other five farm on their own. All the farms are located within a 10-mile radius.

“We help our sons, and they help us, though we don’t do business together,” Cooter says. “Sometimes we might cut a little for them, or they might cut for us.”

Such camaraderie among family members is hard to find, they agree.

“Most families bust up after they try farming together,” Cooter notes, “but not us. Certainly, we have our differences sometimes. But it’s like a marriage. You have to give a little and take a little. You also have to consider everybody’s ideas. Plus, none of us are hot-headed, so that helps, too.”

Keith Post, vice president and branch manager with Louisiana Land Bank in Monroe and Tallulah, has worked with the Marsh brothers for more than two decades.

“They *are* a unique family, in that they get along so well,” Post says. “They always do what they say they will, and they always have a great attitude. They’re also great farmers and stewards of the land.”

THEN AND NOW

From sharecropping to smartphones, and handpicking cotton to six-row mechanical pickers, the Marsh brothers have witnessed tremendous changes in their industry.

“Farming now is a *lot* different than 50 years ago,” Cooter reflects. “Daddy had a third-grade education. Today, you definitely need a college education, which most of our sons have. They all have knowledge of GPS (Global Positioning System) technology, so they program our equipment. Also, they’re more knowledgeable about crop varieties. We have pages of soybean varieties now, whereas there used to be only five or so.”

“Roundup Ready made big farmers out of little farmers,” Jimmie adds. “It revolutionized farming. Now we don’t have to spray or cultivate like we used to.”

As for the future, there’s a good chance that a fourth generation of Marshes will take the reins.

“My 7-year-old grandson Alex has already told me, ‘I want to be a farmer just like you, Pop Pop!’” Paul reports. ■ SSR



Darryl Vest/ Shutterstock.com

Sheryl Smith-Rodgers

“Early on, we decided that we’d plant everybody’s land, including our sisters’, and put it all into one pot. Then everyone takes a percentage.”

— Cooter Marsh



JIMMIE AND HIS SON GARRETT

Garrett Marsh, 33, started farming as soon as he could reach the tractor pedals.

"Before that, he rode with me on the tractor," his father, Jimmie, says.

For several years, Garrett attended college. Then he started his own trucking company and later his own farming operation called Double M Farms. Nearly five years ago, he made Marsh family history when he branched out to rice.

"I've got good ground for it," Garrett says of his 800 leased acres, "which is heavy clay, not sandy loam."

"I've always loved farming," he adds. "It's an occupation where you're not doing the same thing every day."



PAUL AND HIS TWIN SONS JEFF AND JOE

In their 47 years, twins Jeff and Joe Marsh have spent little time apart. They've also stuck close to farming for most of their lives.

"They grew up on tractors whenever I could get them away from hunting and fishing," says dad Paul, laughing.

"Joe and I have always been together," says Jeff, who is a customer of Louisiana Land Bank.

"We still scrap pretty good, too!" his brother adds with a grin.

The pair attended college; then, in 1991, they went into business together as J & J Farms, farming corn and soybeans on about 1,350 acres of leased and owned land.

"Daddy and our uncles have helped us a lot with our farm over the years, and we've helped them, too. That's just what we do," Joe explains.



LARRY AND HIS SONS CADE AND MACK

Brothers Mack, 39, and Cade Marsh, 28, left farming long enough to earn business degrees. After college, Cade went straight to work for Marsh Farms, while Mack formed his own farming operation, Wemack Farm Partnership, in which he grows corn,

soybeans and cotton on 1,300 leased acres.

"As a kid, I remember sleeping on a blanket in the back window of the tractor's cab while Daddy was plowing cotton," Mack says. "Sometimes I'd fall off when he made a turn."

Likewise, Cade — who farms on his own some and sells crop insurance — fondly recalls his boyhood days in the fields with his father, often playing in the cotton trailers during harvest.



COOTER AND HIS SON LANCE

Big trucks have always fascinated Lance Marsh, 36.

"In kindergarten, he said he wanted to be a bean truck driver," dad Cooter says. "It came true!"

"Yes," Lance says, "I do have my very own trucks now."

After earning an agricultural business degree, he worked two years for Marsh Farms and farmed on his own on the side. In 2003, he went solo as Lance Marsh Farms, which produces corn, cotton and soybeans on 1,200 leased acres. Lance and his cousin Mack Marsh share farming equipment.

"Farming is a great lifestyle," Lance says.

"I really enjoy being outside."



BILLY AND HIS SON CODY

As a youngster, Cody Marsh, 37, wore a football helmet when he rode the tractor with his father.

"I was disking so fast that Cody would bump around in the cab," Billy laughs. "So I had to get something to protect his head."

Cody's love of tractors stuck. After earning an agricultural business degree, he returned to Sondheim to manage books for Marsh Farms. Then for a time, he farmed on his own and with younger brother Hunter, who now works for Monsanto in Missouri. Since 2007, Cody has worked full time for Marsh Farms, running tractors in the fields.

"I tried to get out of farming, but I just had to get back to playing in the dirt," he says, grinning.

Pilgrims' Progress



When Donald Pilgrim retired from a distinguished 30-year teaching career in 2000, he had no plans to ride off into the sunset. To hear him tell it, he didn't plan to run a feed store either, but life has a way of working out. Today, many a former student stops by Pilgrim Farm and Ranch Supply in Weatherford, Texas, to catch up with their former ag teacher, who owns and operates the successful store with his sons, Carson and Cody.

"The main reason we started the feed store was to have a place to market our hay," Donald says. "I thought, 'we'll work together and build something that the boys can have later.' That's been important to me."

Teaching and Farming

The fact that Donald went from teaching agriculture to young people to running an ag business isn't all that surprising, however.

While still teaching in the nearby community of Peaster, Donald always had an ag enterprise on the side. Throughout the years, he farmed peanuts, watermelons and cantaloupe, in addition to raising cattle. He loved farming, but after spending school nights planting hundreds of acres of crops with little to no return, he re-evaluated his operation in 1992.

"A farming friend of mine decided that from then on he wasn't raising anything that couldn't walk itself into a trailer, and



Linda and Donald Pilgrim and their family

I decided that wasn't too bad a philosophy for us," Donald says with a laugh.

Donald continued to raise cattle, and that same year, he got his first loan from AgTexas Farm Credit Services.

"I told all of my students, 'you make a living from 8 to 5, and what you do from 5 to 10 gets you ahead,'" he says.

A few years after fully retiring, Donald was looking to branch his business further, and both sons were at crossroads in their own careers; Cody had recently graduated from Tarleton State University and Carson was stretched thin operating his own fleet of dump trucks. To the Pilgrims, the fertilizer business seemed like a logical addition to supplement their endeavors at the time,

and they turned to AgTexas for financing to purchase fertilizer trucks.

Branching Out

Never ones to sit idle, Donald says they soon wanted to branch out in yet another direction, and began offering custom hay services, harvesting and marketing hay for local producers. Trying to market hay in the rural area of Peaster presented several challenges, so the Pilgrims began looking for a place to build a hay facility closer to Weatherford. After reviewing construction plans and costs, Donald knew they needed to sell more than just hay to be profitable, and he saw an opportunity to bring his family together in business. With that, the idea for Pilgrim Farm and Ranch Supply was born in April 2005.

From ag teacher to ag businessman, Donald Pilgrim has built a flourishing operation with the help of his two sons.



Photos by John Stankewitz

Today the store retails feed, agricultural supplies and hay in addition to the Pilgrims' fertilizer services. Hay is a large part of the store's business, as farmers, ranchers and horse operations have flocked to the region. During the prolonged Texas drought, local hay has been in short supply but high demand, so the Pilgrims supplement their inventory with bales from Arizona, New Mexico and Idaho.

"When we were out in the country and someone wanted two round bales, you had to drop everything you were doing to load just those two bales, and you really didn't make any money on it. The store is just a more convenient way to get paid what it's worth," Donald explains. "And it blends really well with the rest of our operation."

Sticking With AgTexas

As logical as each next step for the family operations seemed, the Pilgrims say that choosing to finance multiple facets of their businesses with AgTexas was just as logical.

"There wouldn't be a Pilgrim Feed or a farm in the country or any of the other stuff if it wasn't for AgTexas," Donald says, matter-of-factly.

In addition to growing hay, he farms more than 300 acres of wheat and has a 400-head replacement heifer herd. He purchases quality Angus heifers from established programs in the northern United States, feeding them on grain fields in the winter and coastal Bermudagrass in

"There wouldn't be a Pilgrim Feed or a farm in the country or any of the other stuff if it wasn't for AgTexas."

— Donald Pilgrim



AgTexas Vice President Chad Alleva, second from left, enjoys a visit with Donald, Carson and Cody Pilgrim.

the summer, before selling them each fall. Two years ago, Donald and his sons began raising cattle together, too.

"Dad is pretty sharp at the buying and selling cattle," Carson says. "Cody and I handle the manual labor and he's more the brains behind the operation."

Cody manages the store's daily operations, and a majority of the family's fertilizer operations. From April to May, both he and Carson spend 10- to 12-hour days in the driver's seat of a fertilizer truck, applying liquid fertilizer for producers throughout Parker County. Cody also owns a successful



Store employees, above and at left, are a source of pride for the Pilgrims, as each one shares the family's commitment to hard work and customer service.

fencing company in Weatherford. Carson admits he spends less time in the store than his brother, but he handles most of the custom hay business for the family, including the baling, and is more involved with the cattle herd with Donald. He also owns several commercial properties in town.

Two Generations of Farm Credit Customers

Cody and Carson obviously share their father's entrepreneurial spirit and strong work ethic, but they also followed in his footsteps by becoming AgTexas customers. Carson got his first loan from AgTexas when he was just 18 to purchase a dump truck, providing the foundation for a trucking business that he eventually sold after the store opened. Cody became an AgTexas borrower in his twenties when he needed an equipment loan.

"When Dad was our age, he'd go to a bank and be told 'no,' but we've been fortunate," Cody says of their relationship with the lending co-op. "When you're in business trying to branch out, and you've got someone backing you who has as much confidence as you have in yourself, you keep that confidence and your business benefits."

Chad Alleva, vice president of lending services in AgTexas' Stephenville office, has watched the Pilgrims' operation grow as their loan officer for the last 14 years.

"AgTexas has been good to us because of the relationship they had with Dad, but we've never called Chad when he hasn't backed us 100 percent," Carson says.

Alleva says that he respects the family's sophisticated business model, and that they keep him well informed about their day-to-day activities. In turn, he says he often relies on Donald's knowledge of the cattle industry for his own herd.

"None of this is by accident," he says of the Pilgrims' integrated operation. "In lending, one of the most important things is communication. They keep me in the loop so it allows me to have the information to make quick decisions when they need me."

Pitching in to Provide Great Customer Service

The Pilgrims acknowledge that their store isn't the only option for producers in their robust agricultural area, and Cody says they work hard to make customer service their competitive advantage.

The three men also give a lot of credit to their employees and wives for helping them juggle their many responsibilities. Donald's wife, Linda, who also worked for the Peaster school district for 25 years, can often be found running errands for her sons, and she did the bookkeeping for the store before Carson's wife, Jackie, assumed the responsibility. Both Jackie and Cody's wife, Jennifer, are heavily involved in the operation.

Laughing, Donald and his sons say that working side-by-side with family members has presented its share of squabbles and tension, but they rest easy knowing that they all focus on a common goal, instead of on short-term problems.

"At the end of the day, this is my dad's idea and he got his boys to go for it. He knew we'd stand by him and do a good job," Cody says. "This business is built because of his reputation as an ag teacher and a farmer, and those are the reasons it thrives."

Even though Donald's retirement has been anything but leisurely, he wouldn't have it any other way.

"No matter what I was doing, I've always had a burning desire to succeed," Donald says. "You can't wait for things to come to you." ■ SH

Betting on Green

Buying a piece of farmland is one thing. Purchasing a farm equipment dealership that could require all of your time and money is quite another.

It's no wonder, then, that Vince Neuhaus vividly remembers the day in 1980 that he and his wife, Suzanne, both in their 30s, drove into Waco, Texas, to sign the papers to purchase a John Deere dealership.

"We were on the elevator going up to the lawyer's office, and we looked at each other and asked ourselves, 'What are we doing? We could lose everything we have!'" he recalls.

Thirty-four years later, he shakes his head and smiles as he thinks about the risk that they took.

Fortunately, he says, "the Lord was watching over us."

Not only did the risk pay off for the young couple, it turned out to be a pivotal business decision.

Today, their Brazos Valley Equipment Co., now owned by son Brent Neuhaus, operates in four locations — Waco, Hillsboro, Cleburne and Ennis — and serves a 16-county territory of central and north-central Texas. With both rural and urban markets on their doorstep, including the Dallas-Fort Worth metroplex, the company specializes in traditional large ag and hay equipment as well as lawn care equipment.



Vince, left, and Brent Neuhaus

John Stankewitz

"We carry everything that's in the John Deere inventory, from riding lawn mowers to the largest harvesting equipment — everything except snow blowers," Brent quips.

Starting Young

The story of Brazos Valley Equipment actually begins in Texas' Rio Grande Valley, where Vince and his brother worked part time for a John Deere dealer, putting equipment together. After earning a bachelor's degree from Texas A&M University and a master's from Oklahoma State University, Vince returned to the Valley and worked for the local John Deere dealership. Then, for several years, he and his partners operated a cattle-feeding equipment business, first in San Antonio and later in New Braunfels. But his passion for big green equipment remained.

Along the way, a seasoned machinery dealer offered Vince what turned out to be sage business advice — to invest in a county-seat town in central Texas. More advice came from Vince's brother, who recommended that he look for a John Deere dealership near Dallas, where the economy was strong.

In 1978, Vince moved his family farther north to Robinson, on the southern fringe of Waco, where he took a position with the local John Deere dealership and rented a piece of farmland. The following year, the owner offered to sell him the business.

It took six months for Vince and Suzanne to secure financing for the purchase. Finally, they took ownership of the company, with \$35,000 in operating capital and six employees — two of whom still work for the dealership — but the first few years were not easy. The business, which they renamed for the Brazos River that runs through their territory, was challenged by the farm financial crisis of 1981 through 1986.



Vince Neuhaus with a favorite vintage tractor

Farming on the Side

To supplement income from the dealership, Vince continued to farm, planting corn at night and tending cattle before and after business hours. Having his own farm, he notes, allowed him to understand the issues that his farm customers were facing.

"Two or three times I had to sell some calves to make payroll," he admits. "Thank the Lord I had a good wife."

He also had three children to help with chores. One in particular, Brent, took an interest in the farm and the equipment business. By age 11, Brent was cultivating corn. Before he started high school, he was farming 180 acres that he'd financed and managed himself.

"Mom said I always took things apart and surprisingly put them back together, but I never would call myself a mechanic," Brent says. But he showed definite signs of becoming an agribusinessman at an early age, winning several small grains awards and earning his FFA American Farmer degree based largely on the detailed records he kept.

"I used to just pore over that stuff; I loved it," says Brent. "I'm analytical by nature, so not much gets by me."

In 1992, Brent graduated from Texas A&M University with a degree in agricultural

economics and joined the dealership full time, working first in sales and later sales management, as he had worked in parts and service during summers in high school.

Taking the Business Online

The timing couldn't have been better. From 1992 to 2000, John Deere introduced numerous Web-based products, including an online inventory, and asked dealerships to take more responsibility for inventory and parts management. Brent, with his computer skills and recent training in technology, managed Brazos Valley's move into online applications. He also began to look at new markets.

"Being a farmer, I was focused for so many years on taking care of our farmers," Vince says. "Brent started pushing the small ag business side when we still had a single store. He has a knack for new ideas and identifying opportunities I can't see."

In 1997-98, Brazos Valley Equipment reached beyond the traditional agricultural market to offer turf equipment, a line that has continued to grow every year since. The following decade saw the company challenged even more, as demand for technology-enhanced equipment grew. To better understand how technology could work for their customers, the Neuhauses applied the new precision-focused technologies on their own farms.

"We were early adopters of yield mapping and auto-track technology," says Brent.

Expanding to Four Locations

In 2004, Brent purchased the company from his parents and soon began looking at expansion opportunities.

"John Deere can see the economies of scale," says Vince, "but we fought the multi-store concept early on."

Under Brent's leadership, Brazos Valley Equipment purchased the Hillsboro



"Customers are looking for us to help them with technology and to be a leader in data enablement."

— Brent Neuhaus

dealership 35 miles up the highway in 2007, followed by dealerships in Cleburne and Ennis in 2009.

With each purchase, Brent turned to Lone Star Ag Credit, the lender that Vince has used for real estate financing since 1984. The Farm Credit cooperative financed the dealership facilities in Hillsboro and the real estate for the Cleburne and Ennis stores. Earlier this year, Lone Star Ag Credit also financed a new 27,000-square-foot retail and service facility at the Ennis location.

"Whether it's farmland or facilities, Farm Credit has been able to give us terms and structures that we probably couldn't have access to at any other financial institutions," Brent says.

"And then they always pay patronage — and who doesn't like to get money back?" Vince comments.

Teaching Customers

These days, Brazos Valley Equipment's 100 staff members are increasingly focused on technology and data management, and the company employs an integrated solutions manager who trains both employees and customers.

"Customers are looking for us to help them with technology and to be a leader in data enablement," Brent says. "It's important for us to maintain relevancy with them."



Janet Hunter

Vince Neuhaus, left, checks on his Angus cow-calf pairs with his son Brent, center, and Lone Star Ag Credit Vice President Adam Goldenberg. Every year, Brent's wife, Kim, who's a teacher, brings her students to the farm to learn about agriculture.

The dealership hosts field days and clinics to teach farmers how to use cellular and satellite-based technology to operate the latest farm equipment. Brent and staff members also work with other agribusiness firms in a quest to improve equipment efficiency.

"Almost every trip across the field involves GPS precision-driven equipment that is collecting data, so the key is to learn from this data. By working with third-party fertilizer and chemical dealers, we can better understand how to use equipment more efficiently to maximize production," Brent explains.

Besides the changes in technology and productivity — one combine today can do the work of five combines in 1980 — the Neuhauses have noticed another change in recent years.

"Customers have changed," says Vince, who remains on staff as an advisor. "It

used to be people would stand around and talk to others for a while."

"Now, they've done their research before they come in," Brent explains, expounding on his dad's observation. He also points out that "uptime is important to people now. They want equipment that's ready to go when they are."

Reflecting on the growth of the agricultural and turf equipment industry over the years, Vince is thankful that he and his wife risked their savings to purchase this dealership. But at the end of the day, he also appreciates the opportunity to head out of town and get on one of his own tractors.

"I still love to put seed in the ground and pick up a newborn calf," he says. ■ JH

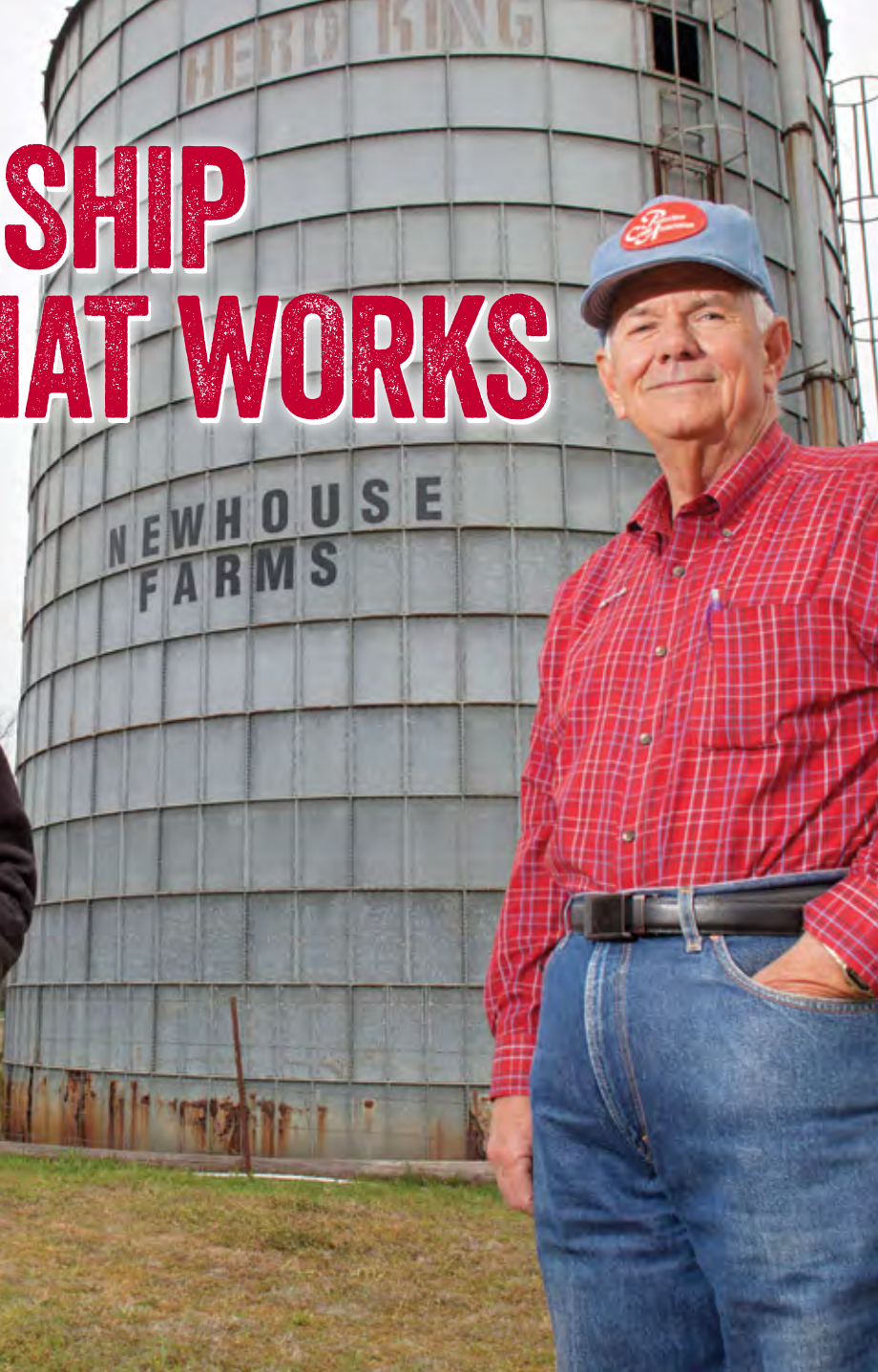


John Stankewitz

Utility tractors line the lot at Brazos Valley Equipment in Ennis. The new showroom and service center, which opened earlier this year, was financed by Lone Star Ag Credit.

A PARTNERSHIP THAT WORKS

Photos by Russell Graves



Quentin, left, and Jimmy Newhouse

Blending years of experience with youthful energy, an uncle and nephew team up to farm North Texas land that's been in the family for five generations.

Q

uentin Newhouse eases his truck down a hill on family land overlooking the big bottomland in northeastern Fannin County, Texas. Situated just a few miles south of the Red River, the farm is green and lush with cool-season grasses, and Quentin's cattle are well-fleshed because of it. It is March, and the field to which he is headed sits fallow for now, resting between crops and soaking up moisture left by an unusually cold and wet winter.

His dad, Mark, is already in the field working on an implement that they will soon place in service. Before long, his uncle Jimmy Newhouse arrives and the three start talking farming.

Mark and Jimmy used to operate the farm. Now 34-year-old Quentin, the fifth generation to work this land that their forefathers settled in the 1800s, is earning a living from the soil as well. In doing so, he is bucking a nationwide trend — the trend among young farm people to leave agriculture.

Nationally, more than 60 percent of farmers are over 57 years of age. In Texas, that number is closer to 59 and rising. Statistically speaking, it is rare to see someone Quentin's age tackling the financial risks associated with farming. The 2012 United States Department of Agriculture Census showed that for every farmer under age 35, there were almost six age 65 or older.

However, Quentin — with a lifelong love for the agricultural lifestyle, a sideline construction business and the backing of a dedicated Farm Credit lender — is determined to succeed in farming like his ancestors before him.

ENTERPRISING SPIRIT

The industrious Newhouse family is no stranger to hard work. Over the years, they have tried various enterprises, including a dairy that Mark and Jimmy operated in the 1970s and 1980s. After phasing out the dairy, they continued to raise cattle and farm, all while holding down other jobs.

While still in high school, Quentin started working for Jimmy's construction company. Following graduation in 1999, he assumed a larger role in the construction firm, eventually taking over the company when Jimmy took a job with Mueller Inc., a manufacturer of metal buildings and roofing products.

In 2007, seeking a more active role in the family farm, Quentin entered into a 50-50 partnership with Jimmy, now 68, and they began full-scale farming of the family land, located seven miles north of Honey Grove.



Quentin Newhouse prepares a field for cotton planting. Cotton is one of the few crops on the Newhouse farm that feral hogs ignore.

Quentin soon began to acquire secondhand equipment to use in his newfound operation. Buying used equipment — some of which was not fully operational — was one way he made the transition affordable.

"With my metalworking skills, I was never afraid of buying equipment that needed some fixing," he says, watching his 2-year-old son play with toy tractors in the dirt. "I figured if a plow was broken, I could weld on it and get it going again."

His strategy proved sound, as startup costs in farming can be prohibitive. Nationwide, the average initial investment for a 250-acre farming operation can be upwards of \$1 million.

STAYING AHEAD OF THE HOGS

The pair began growing wheat and soybeans with good success, but eventually the local feral hog population developed a taste for their crops.

"Pigs got so bad that they knocked out seven acres of soybeans in one night," says Jimmy. "So we started trying to come up with other crops they didn't like as much."

They tried milo, but the pigs liked it, too. They couldn't grow corn, because that would have been like giving candy to the porcine invaders. Eventually the pair discovered that pigs didn't bother bearded wheat, so it became one of the farm's signature crops.

Along the way, Quentin and Jimmy also grew sunflowers when they could contract the crop for a favorable profit. Sunflowers perform well in Fannin County's soils and temperate climate, and an elevator in nearby Bonham made for convenient delivery of the crop.

"We did well with sunflowers, but when the contract price fell, we couldn't make money growing them," Quentin explains. "So we started looking for a new crop that we could do well with and one the pigs wouldn't eat."

Their answer was cotton.

With their mechanical and metalworking skills, the Newhouses are able to buy second-hand equipment and fix it up.



GOING FOR COTTON

Historically, dryland cotton was a staple crop in Fannin County. Over the past half-century, however, more diversified crops, including cereal grains, sunflowers, corn and milo, came into favor. In fact, in 2013 the number of acres dedicated to cotton in the county was negligible. With no gins and hence no local market, the Newhouses' cotton-farming prospects might appear dim.



The Newhouses made a go at it, however.

"That first year we grew cotton, the weather turned off dry," Quentin says. "But we still managed to make half a bale per acre."

Uncle and nephew persevered, and last year they had their best

cotton crop yet. While they proved they can successfully grow the crop, getting it to market still remains a challenge.

"The challenge of growing cotton is that there are no gins nearby," Jimmy admits. "We have to take the cotton over 40 miles to the gin, and then it takes several months to get the cotton sold. It's still been worth it, though."

AN ALLY IN FARM CREDIT

For Jimmy, who once worked as a loan officer in the Farm Credit System, it's important to have a financial partner who is familiar with the local agricultural conditions and the challenges of farming. That's why he and Quentin rely on Texas Farm Credit for their operating, land and equipment financing, and acknowledge David Althof, senior loan officer in the cooperative's Bonham branch, as a strong ally.

"No one else can understand what's going on with what we do unless they understand the agriculture business," Jimmy says. "David understands."

In the four years he's worked with Jimmy and Quentin, Althof says he has seen their strong work ethic and dedication to their farming operation translate into success.

"Quentin grew up involved in agriculture, working with his dad, who was a crop and dairy farmer, so he has a strong work ethic," Althof says. Quentin has diversified into running his own small cow-calf operation, and works closely with his uncle Jimmy on their crop-farming partnership.

"As a lender, it is reassuring to see experience and enthusiasm being passed down from one generation to the next," Althof continues. "Young people like Quentin are the future of our industry."

Still, Quentin and his wife, Heather — parents to three young children — know that starting a farming operation isn't easy. Between the feral pigs, fickle markets and the weather, he has seen a host of challenges in the half-decade that he's been farming.

But for the sixth generation of Newhouses who might want to work the family land someday, he knows the rewards will be worth the effort. ■ RG



CONSTRUCTION ON THE SIDE

Between working for Farm Credit and Mueller Inc., Jimmy Newhouse started a construction business that specializes in metal buildings — specifically barns and homes. When he transitioned to working for Mueller Inc. in the early 2000s, his nephew Quentin Newhouse took over the construction company.

Even though he spends much of his time farming, Quentin still runs the construction business, and on any given day, you might find him welding the frame of a new shop or putting metal on the roof of a new home that someone else built.

"We install a lot of steel roofs," says Quentin, explaining that metal roofs are economical, durable and considered stylish by today's custom builders and homeowners. He also sees a new trend emerging.

"Metal houses are becoming pretty popular," he says.

Metal houses — also known as barndominiums or barndos — are essentially built out of beams, purlins and skinned-in metal panels, much like a traditional farm shop, he explains. Inside, however, the homes incorporate traditional home construction methods, with wooden studs used to frame the walls.

"Metal homes used to be a bit cheaper to build, but now there isn't much difference in price between a metal home and a traditionally built home," Quentin explains. "The main savings comes in the long-term external maintenance costs. Metal is just a lot easier and cheaper to maintain."

With his construction business doing well, Quentin finds it challenging to balance the building projects with his farming operation. For example, after an unusually cold, wet winter in northeast Texas, come spring he had to wait for concrete crews to pour slabs so he could construct the buildings. Then, once the weather had improved and the slabs were poured, it was planting time.

"If you have a full-time job, farming is the worst second job you can have," says Quentin. "When something needs to be done on the farm, you need be at work. It's tough fumbling that back and forth."

But with youthful energy, an enthusiastic spirit and 17 years of experience in farming and construction, the young entrepreneur is making it all work.

A Rural Appraiser makes all the difference

Consult a professional rural appraiser to learn what your agricultural property is *really* worth.

If you are thinking about selling a piece of land, you probably have an idea of how much it's worth. But if you want an objective valuation from someone in the business, get a professional property appraisal.

"There's no emotion involved when you hire a state-certified, accredited rural appraiser," says Jimmy Chambers, chief executive officer of Central Texas Farm Credit.

Most appraisals are done as a requirement of a loan application. Under federal law, all loans require an appraisal, and most loans over \$250,000 require a property appraisal that conforms to the Uniform Standards of Professional Appraisal Practice (USPAP).

While lenders use appraisals to decide how much to lend on real estate, appraisals serve many other purposes, as well — purposes ranging from estate settlement to taxation issues.

Determining Fair Value

"Real estate buyers will often get an independent appraiser to help them determine how much to offer for a property or to determine how much of the value of a property they can use for depreciation," Chambers says.

This is often the case during private transactions, notes Ken Hobart, chief appraiser for Southern AgCredit in Mississippi and Louisiana.

"Someone might be selling a property to a family member and just want to establish a fair price that is acceptable to both parties, so they'll hire an appraiser who is familiar with that type of property," Hobart says.

Situations in which you might need a professional real estate appraisal include:

- Establishing property value before selling, purchasing or insuring a property
- Gifting
- Partnership dissolution
- Tax assessment review and advice
- Estate planning and estate settlement
- Divorce settlement
- Dispute resolution concerning foreclosure, easements and zoning issues
- Advice on eminent domain and condemnation matters
- Private mortgage insurance removal
- Land-use studies
- Cost-benefit or investment analysis

Specialists in Rural Property

If you hire your own appraiser to value rural property, consider the advice of Bill Beam, past president of the Texas chapter of the American Society of Farm Managers and Rural Appraisers (ASFMRA). He recommends hiring a rural appraisal specialist who is familiar with your geographic area and specializes in your type of property.

"We are seeing more and more special-use clients, who have unusual and complicated situations," he says. Beam, who is with Western Appraisal LLC in Abilene, Texas, reports that it's not uncommon to be asked "to do follow-up" for clients who did not start with a rural appraisal specialist.

ASFMRA members have appraisal expertise in ranchland, farmland, feed yards, dairies, vineyards, gins, poultry and timber operations, and other specialized types of agribusinesses. Members are required to take continuing education to maintain their state certification.

"With agribusinesses, it takes a very high level of appraisal expertise," Chambers says.

Working Their Network

Professional rural appraisers can offer their clients access to other rural valuation experts, as well, according to Robby Vann, vice president of collateral risk management at the Farm Credit Bank of Texas.

"We share knowledge and expertise. There's a lot of networking within our profession — we can generally find someone who has expertise in any particular area that a customer needs," says Vann, who is vice president of the ASFMRA's Texas chapter.

Hiring an accredited rural appraiser also can be beneficial in legal cases, such as right-of-way projects.

"If the appraiser has a designation, such as the ARA (Accredited Rural Appraiser), it can provide credibility when the case goes to litigation," Beam says. "We have a very high standard of ethics, and we have a lot of integrity." Professional appraisers are bound by a code of ethics restricting them from appraising types of property for which they are not trained.

Hiring a Rural Appraiser

Farm Credit associations employ state-certified accredited rural appraisers or highly qualified evaluators who are specialists in agricultural properties, or they hire fee appraisers.

"Farm Credit appraisers and evaluators are some of the most knowledgeable people in this business because they are exposed to every type of rural property," Hobart says.

Some associations also offer appraisal services to their customers for a fee, and all associations can assist customers in finding a qualified rural appraiser. ■ JH

EVERYTHING UNDER THE SUN

IN a peaceful valley at the base of Keel Mountain just east of Huntsville, Ala., the sun casts a warm glow over the open fields that meander along the Flint River.

Looking up at the surrounding mountains and the light shimmering on a pond not far from Little Cove Road in Gurley, you can understand what inspired Tony and Cozette O'Neil to make this place their home.

But there's something a little different about their Cozy Cove Farm.

Out in the fields, more than 100 alpacas and llamas lower their long necks to graze on the lush grass, while nearby in one corner of a pasture, 208 solar panels tilt toward the sun, silently generating enough electricity to power about five homes.

The O'Neils, who used to pay up to \$500 for electricity each month, now make \$15,000 a year selling energy.

"We grow hay and electrons," Tony says proudly.



Sarah Cole, AL.com/Landov

Cozette and Tony O'Neil

Space-Age Inspiration

Tony has always kept one eye on the sky.

A retired NASA engineer, he helped harness the power of the sun in his first project with the agency, Skylab, a solar-powered observatory and space station in the early 1970s.

Later, when he was mission manager for the ATLAS program in the early 1990s, it was his team at NASA's Marshall Space Flight Center in Huntsville that was responsible for the laboratory used to conduct atmospheric research from the space shuttle's cargo bay.

"We mapped the entire Earth's atmosphere in nine days so we could determine how badly we're polluting," Tony says. "It took years to write the papers."

When that mission found rising levels of chemicals in the atmosphere from cars and power plants, he recognized that if we didn't change our habits back on Earth, there could one day be a heavy price.

Seeking practical ways to reduce emissions and use renewable energy in daily life, he installed solar-powered lighting in some barns that had no electricity. Later came an electric John Deere Gator for the farm and an electric Chevrolet Volt for driving in town.

He saw new possibilities in 2012 when his car club met at Redstone Park and Energy Demonstration Area in Huntsville, where solar panels do double-duty providing shade for parking and power to charge electric vehicles.

"I got to thinking," he says. "What's going to constantly go up over my life? Utility bills. I don't think my NASA retirement is going to go up as much as the utilities. That's when I really got serious."

He had long believed in solar technology's future, and a recent drop in the cost of equipment and an increase in financial incentive programs told him its time

SUNNY PROSPECTS FOR INCENTIVES

Incentive programs reimbursed the O'Neils for about 70 percent of their 50-kilowatt photovoltaic system, which will quickly pay for itself through the sale of electricity.

\$160,000	Total installed cost
- \$48,000	IRS tax credit
- \$40,648	USDA Rural Energy for America grant
- \$20,500	AlabamaSAVES grant
- \$3,000	Nexus Energy Center grant
\$47,852	Out-of-pocket cost
+ \$15,000	Projected annual income from electricity
3.19	Years to break even

had come. Once he found out that utility customers could sell renewable energy to the Tennessee Valley Authority (TVA) at above-market rates, it didn't make sense not to go solar at the farm.

Working with Outpost Solar, the company that built the demonstration center, the O'Neils came up with a plan for their own 50-kilowatt solar array in a 100-by-100-foot footprint. That was a small nook on the 54-acre farm, but big enough to generate \$15,000 a year at 22 cents per kilowatt-hour through a 10-year contract with the TVA.

There were a few headaches, like a new 100-year floodplain that required last-minute design changes, raising the equipment 7 feet high and the installation cost by 16 percent. But with enough incentives to pay for more than \$112,000 of the \$160,000 project, there was no reason to stop. Available programs included a federal income tax credit for 30 percent of the cost, a USDA rural business grant for 25 percent, state funding through AlabamaSAVES, and a small renewable energy grant from a Huntsville nonprofit organization.

Finding a Good Lender

What they still needed was financing. To their surprise, a commercial bank and their credit union showed no interest, despite the project's safety and income potential.

That's when they turned to Alabama Farm Credit, where they had been members in the past.

The solar project was a first for Jason Thomas, vice president and Athens branch manager for Alabama Farm Credit. He was impressed with the couple's research, and with such strong farm collateral, he saw

no problem financing the system with a mortgage on the land.

“We thought this was a good project,” Jason says. “Everything they planned was thoroughly studied.

“It’s like any other loan. Anybody in a similar situation — who has land, plenty of equity, good credit and a good relationship with the association — should not have any trouble getting financing.”

On Feb. 28, 2013, after a few months of construction, the O’Neils flipped the switch: Electricity started flowing from the solar panels through inverters, changing from direct current into alternating current, and up to a transformer on a pole. Once in the utility grid, it made its way toward the light sockets and power outlets of the farms down the road.

“My neighbors don’t know where their power is coming from,” Tony says, “but during the daytime, it’s coming from me.”

Putting Down Rural Roots

On this sunny farm, solar panels are a value-added product in more ways than one.

“They’re like big carports,” Tony says. “The animals can walk underneath them and rest in the shade.”

It was a love of animals that first inspired the O’Neils to buy this property almost 20 years ago, when they were living in an elegant golf course community six miles away.

Cozette says she had never thought about animals much when she was working or raising their sons Daniel, also a NASA engineer, and Chris, facilities project manager for the City of Huntsville. But that was before she discovered horses.

“I just looked at everything differently,” she says. “I started thinking barns were pretty, and cows in the field were pretty. People thought I’d get over it, but I never did.”



Spinning alpaca yarn



Felting alpaca fiber

The couple bought their first American Saddlebred from Belle Reve, William Shatner’s Kentucky horse farm, and soon bought a small farm, making frequent trips to repair the barn, replace barbed-wire fencing and tend to a growing variety of livestock. It wasn’t long before they bought three adjacent farms and traded their large suburban home for a small but sweet farmhouse under centuries-old oaks.

Their next life-changing experience was discovering alpacas, South American camel relatives prized for their soft, warm fleece. Because alpacas were recent imports at the time and cost about \$22,000 apiece, the O’Neils opted for their cheaper, larger llama cousins, later bringing alpacas into the growing herd as their cost came down.

At first a novelty, the smart, trainable creatures became the farm’s main focus.

“I decided they were cleaner, calmer and more fun than other animals,” says Cozette, a lifelong knitter who learned how to shear, process and dye the fleece, making her own yarn and felt.

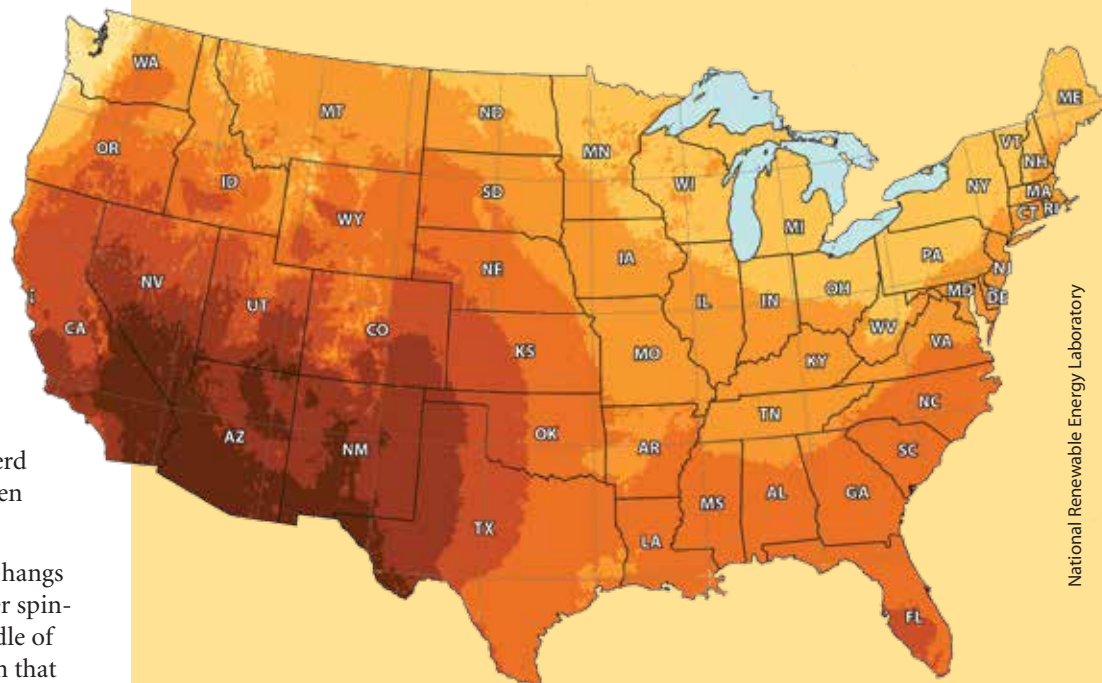
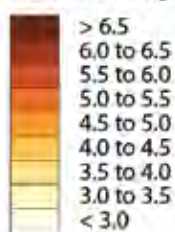
Discovering a New Craft

Each animal’s fleece has a unique color and texture, and both llamas and alpacas can have a silky coat or a dense, woolly coat. Because the fiber contains no lanolin, it is hypoallergenic and easy to work with.

“I think that’s why they’re such clean-smelling animals,” says Cozette, who knows their 110 llamas and alpacas by



kWh/m²/Day



National Renewable Energy Laboratory

name. “Sherman, my first llama herd sire, smelled like baby powder when I sheared him.”

Under a portrait of Sherman that hangs in their sunroom, she pulls out her spinning wheel and transforms a bundle of soft alpaca fiber into thick art yarn that she will later knit or sell at a fiber fair. She also makes felted rugs and pillows using an industrial needle felting machine that compacts the fiber and adheres it to a fabric backing.

Availability and the economy have now tipped the scale, and alpacas far outnumber llamas at the farm. Although the O’Neils still see some show alpacas selling for \$11,000, they also rescued registered alpacas at no cost during the downturn, and say there’s no longer a difference in price for a backyard llama or alpaca. When Cozette markets animals, llamas — good pack animals and defenders against predators — are the bigger seller.

“Llamas are gentle,” she says. “A lot of retired people and 4-H kids want them. They might think it’s just for a guard, but they end up loving the animal.”

But it’s not marketing that motivates her.

“You have to love what you’re doing. That’s all there is to it,” she says. “People ask if I make money at this. I might make \$30 for a scarf that I’ve processed, I’ve dyed, I’ve spun, I’ve knitted.

“But I tell people nobody my age is as happy as I am. It changed my life.”

Tony adds that for small ag producers, there’s no easy way to turn a profit.

“The solar system is the best part of the farm,” Cozette replies. “Every day the sun shines, it makes money, and nobody has to feed it.” ■ CF

See more photos at FindFarmCredit.com/seemore.

The Southern states are among the sunniest parts of the country. Here, a south-facing 1-square-meter flat solar panel can generate 4.5 to 6.5 or more kilowatt-hours of electricity per day, averaged over a year.

Putting the Sun to Work for You

Photovoltaic (PV) systems that convert sunlight into electricity can bring power to previously inaccessible areas, lower energy expenses or even generate income. The energy can be used on-site, fed into the grid, stored in batteries or a combination of these.

Utility customers with renewable energy systems can receive credits for the electricity they provide to the grid, paying only for any net energy that they consume, or in some cases can be paid for surplus energy. Policies vary by state and utility.

Solar technology is most cost-effective in the South, where households receive more sunshine and consume up to 39 percent more electricity than the national average, according to the U.S. Department of Energy (DOE). Panels for a typical 5- to 10-kilowatt residential PV system can be mounted on a south-facing roof, shade structure over a deck or carport, or ground-level rack. Total installed cost runs about \$3,000 to \$5,000 per kilowatt. You can estimate the best system size for your energy needs using an online calculator such as PVWatts, pvwatts.nrel.gov.

Elsewhere on a farm or ranch, solar panels can easily power off-grid equipment such as:

- lighting
- gate openers
- electric fence chargers
- water pumps for livestock or irrigation
- pond aerators
- exhaust fans
- refrigeration units

“What’s really great for rural people is there are now wonderfully engineered packages that are reliable and relatively inexpensive,” says Leslie Libby, solar project manager for Austin Energy, the municipally owned utility in Austin, Texas. She recommends sizing an off-grid system based on the shortest day of the year and making sure batteries can store enough energy to make it through a few weeks of overcast weather.

Increasingly affordable, PV systems cost less than half what they did three years ago, according to the DOE’s SunShot Initiative. Much of the price can be offset by incentives such as grants, utility rebates and federal and state income tax credits, shortening the payback period. Businesses also can claim accelerated depreciation on federal taxes.

Leasing is another popular option, providing positive cash flow with few up-front costs, Libby says. Whether you buy or lease, she recommends getting multiple bids from experienced contractors.

Once you go solar, you might think you have it made in the shade: Most components will produce energy for about 30 years with little maintenance. Only the inverters will need replacing once or twice.

“That’s the promise of solar. The life is long, and the amount of energy is substantial,” Libby says. “When it makes financial sense, it just does.” ■ CF

Learn about programs that help you save on solar technology, page 5.



Photos by Darren Phillips

BILLY AND HIS YOUNG GUNS

NEW MEXICO'S FRANZOY FAMILY HAS BLAZED A REPUTATION AS A LEADER IN THE STATE'S ONION AND CHILE INDUSTRIES

Billy Franzoy, center, jokes with sons, left to right, Mark, Chris, Brian and Justin.

With names like Billy the Kid Produce and Young Guns Produce, you might think these southwestern New Mexico businesses live in the past. As it turns out, they're two of the most up-to-date processing operations in the state.

William "Billy" Franzoy owns one-half of Billy the Kid Produce, and his son and daughter-in-law Chris and Tammy Franzoy own the other half. Three years ago, they gutted the old Billy the Kid chile-dehydrating plant in Deming and assembled a state-of-the-art, 110,000-square-foot onion-drying facility. With their new automated packing technology, they pack white, yellow and red onions into a variety

of packaging sizes, but 50-pound units make up the lion's share.

"We now ship more than 1 million 50-pound units of onions every summer, making us one of the largest onion processors in the state," Chris reports. "We load about 25 truckloads a day."

GREEN CHILE GOODNESS

If you love green chile dishes, you're probably familiar with the famous chile peppers from Hatch, which is about a 45-minute drive northeast of Deming. Young Guns Produce has processed chile here since 1986, and continues to pack fresh green chile. In 2011, Chris and Tammy took a leap and gutted their existing facility, and now operate a modern 50,000-square-foot

processing facility in Hatch. Their Hatch Green Chile Factory LLC fire-roasts, freezes and packages green chile, as well as sun-dried red chile purée.

"We supply fresh green chile to major grocery chains during the harvest season in the fall," Chris says. "Adding the ability to freeze chile allows us to market our products year-round to grocery and food-service customers across the nation, which stabilizes our business."

In all their ventures, Chris says, "we are meeting consumer demand by adding value to our products, and we're vertically integrating — building a more direct line to the consumer."

Investing in high-tech packing equipment for onions and chile also has helped the Franzoys remain competitive in a global marketplace.

"It's made us more efficient," Chris says. "We've reduced our costs and our labor needs."

The Franzoys employ about 100 people at both companies.

A SHOT IN THE LEG

Billy Franzoy earned his nickname as a boy.

"When he was 3, he accidentally shot his brother Jerry in the leg," Chris explains. "They called him Billy the Kid after that."

Later, it seemed natural to name his business Billy the Kid Produce. Today, you'll find the Billy the Kid brand on the family's onions, along with the Young Guns and Four Sons brands.

Besides Chris, Billy has three other sons: Mark, Brian and Justin. These days, Billy, Mark and Brian spend most of their time farming. Justin, the youngest, manages the day-to-day operations at Billy the Kid and is the production manager.

The family also processes and markets produce for other area farmers.

"These farmers are just as passionate as we are — they do a great job of farming and are very important to our companies," Chris says.



From November to March, Chris visits potential clients. During the summer months, he mostly sells from his desk. He also breaks away to travel to food shows, while Tammy juggles business with family activities involving their sons Jacob, 20; Tristan, 17; and Tyler, 15; and a daughter, Jordan, 13.

"I owe so much to my wife for holding down the fort while I'm away," Chris says. "Farm life is very

demanding, but it's been a joy, and it's a great place to raise our children."

PUMPKINS, PECANS AND FIELD CROPS, TOO

Combined, Billy, Mark and Brian grow chile, onions, pumpkins, pecans, pinto beans, alfalfa, wheat and silage corn on about 2,500 acres. They plant onions from September to March, and harvest onions all summer. Chiles are planted in March

and April and harvested green in August and September, using specialized field equipment. Some peppers are left in the field to turn red as they dry in the sun; they harvest these red peppers later in the fall.

For New Mexico growers who irrigate using river water, the state's ongoing drought is creating tough times. The Rio Grande River dried up before reaching Hatch last year and this year. Fortunately, the Franzoys irrigate almost all their crops with groundwater pumped up from wells.

In recent years, the family has installed subsurface drip equipment.

"It's a significant investment, but it's the most efficient of all irrigation systems," Chris says. "It applies just the right amount of water to the root of the plant. We have stayed on the cutting edge of technology in farming and in both of our packaging facilities."

What makes the region's chile and onions so great? Beyond the warm, sunny New Mexico climate, "the quality of water and the sandy loam here equal great-tasting produce," Chris says.

He and his brothers represent the fourth generation of Franzoys to farm in the area. Their great-grandparents emigrated from Austria and homesteaded 250 acres in the early 1900s. Today, the family tree has grown to include about 700 people. Not all of them raise crops, but Chris estimates that the extended family farms more than 15,000 acres.

“

Bar codes allow produce to be tracked from the farm to the table in minutes. In the event that something happens with distressed or contaminated produce, we'll be able to trace the problem to the source."

— Chris Franzoy



“We all compete with each other!” Chris says, laughing.

FOCUS ON FOOD SAFETY

Today’s consumers demand a safe food supply, especially when it comes to produce, and Chris predicts that the demand will only escalate. Toward this end, the Franzoys recently implemented new computerized systems in their processing plants, including the Produce Traceability Initiative (PTI).

“Bar codes allow produce to be tracked from the farm to the table in minutes,” Chris says. “In the event that something happens with distressed or contaminated produce, we’ll be able to trace the problem to the source.”

The facilities are also certified through the Global Food Safety Initiative (GFSI).

“A third-party auditor, Primus Laboratories, certifies that we maintain good agricultural and manufacturing practices,” Chris says. “We score very high.”

FINANCING MAKES EXPANSION POSSIBLE

The Franzoys plan to continue adding value to their produce and their business model. Chris foresees Hatch Chile Factory making ready-to-eat frozen dinners, and Young Guns offering chopped and sliced onions.

The need for capital has grown as the Franzoys have expanded, and Ag New Mexico, their Farm Credit lender, has provided much of their financing.

“The Franzoys are always looking to the future,” says Warren Russell, a Farm Credit Bank of Texas relationship manager based in Las Cruces. “They continually update their farming and processing methods. They have a good story to tell about how you can successfully make major changes, expand, and create new ventures.”

It’s been a fruitful partnership. Chris in turn appreciates Ag New Mexico’s ability to visualize the benefits that growth would bring.

“Ag New Mexico allowed us to capitalize on an opportunity to vertically integrate and bring in new packing technology,” says Chris. “With their help, we were able to reduce costs and sustain our business.” ■ NJ

For more information, visit younggunsproduce.com.

Posole Verde

(Green Chile Posole)

- 2 pounds diced boneless pork
- 3 tablespoons shortening
- 1 cup flour
- 1 tablespoon black pepper, ground
- 1 tablespoon crushed dried Mexican oregano
- 1 tablespoon fresh chopped garlic
- 1/2 tablespoon salt
- 2 29-ounce cans white or golden hominy
- Water
- 2 pounds roasted, peeled and chopped mild green chile, fresh or frozen (Young Guns recommended)
- 1 medium onion, diced

Combine flour and spices in a large bowl. Roll diced pork in flour mixture, then shake off excess flour. Set aside. In a large, heavy stockpot or cast iron dutch oven, melt shortening until very hot. Crisp the pork in shortening until dark brown. Do not drain.

Add both cans of hominy with liquid. Fill one can with water and add to pan. Bring to a rolling boil for 15 minutes, then reduce heat to low. Cook for 45 minutes. Add chopped mild chile and diced onion. Cook for 1 hour.

Garnish with diced fresh green onion, fresh chopped cilantro and fresh lime. Serve with flour tortillas or cornbread.



Ekkanai Chaikanta/Shutterstock.com



The Queen of Greens

Move Over, Spinach:
Make Room for Kale

If the cartoon character Popeye were revisited today, it's likely that he'd be chugging cans of kale to boost his strength.

Indeed, while spinach has long been the king of greens, kale is now being crowned the queen. In recent years, the leafy green vegetable has been touted as a superfood that ounce for ounce packs a mighty nutritional punch. As a result, demand for this superstar veggie has risen dramatically.

"Fifty years ago in my grandfather's day, kale wasn't hugely popular and was produced mostly for the catering market, which used it as a garnish for food displays," says south-central Texas vegetable farmer and Capital Farm Credit customer Michael Adamek. "But due to its skyrocketing popularity in the past couple of years, we've seen a huge increase in demand. Today, about 25 percent of our winter crop is kale — that's double what we were producing two years ago."

Today kale — an ancient foodstuff — is part of a hot food trend, with celebrities singing its praises in the media. It's true that this veggie is an excellent, potent source of vitamin K, vitamin A, vitamin C, fiber, minerals and carotenoids — and that's just to start. Research also has shown that kale contains 45 different flavonoids, with a variety of antioxidant and anti-inflammatory effects.

Kale can be eaten raw when it's young and tender, and it is so nutritious that even when cooked it is loaded with vitamins and minerals. If using mature kale, it's best to remove the fibrous stems, and then chop the leaves. Add kale to soups and stews or just braise it in chicken broth for a few minutes as a side dish. It makes a wonderful addition to your food repertoire. ■ TJ

Kale Chips

These light and crunchy chips are sold in grocery stores, but are easy to make yourself!

1 bunch kale
Olive oil spray
Salt and pepper to taste
Spices (optional)*

Heat oven to 350 degrees. Line cookie sheets with aluminum foil and spray with olive oil. Wash kale and remove stems. Cut or tear into bite-size pieces and pat dry. Spread the leaves in a single layer on a cookie sheet, making sure the leaves don't overlap much. Spray the leaves with olive oil and sprinkle with salt and pepper to taste. Bake for 15 minutes.

*Spice It Up:

Spicy Hot — sprinkle with cayenne powder

Italian Style — add a dash of garlic powder, dried basil and grated parmesan cheese

Mexican Style — sprinkle with garlic powder, cumin, oregano and chili powder

Nutritional Content

One cup of chopped, cooked kale contains 33 calories, and the percent daily value of the following nutrients:

- calcium, 9 percent
- vitamin A, 206 percent
- vitamin C, 134 percent
- vitamin K, 684 percent

It is also a good source of the minerals copper, potassium, iron, manganese and phosphorus.

Health Benefits

A cruciferous vegetable, kale is a member of the Brassica family, along with broccoli, cauliflower and cabbage. Here are some of its health benefits:

- Helps lower cholesterol
- Is a detoxifying food
- Low in calories
- Rich in organosulfur compounds, which are known to fight cancer, especially colon cancer
- Contains high levels of sulforaphane, which helps nourish the immune system
- Acts like sunglasses for the eyes, because it's abundant in the carotenoids lutein and zeaxanthin
- Supports normal blood clotting, antioxidant activity and bone health, because of its high level of vitamin K*
- Helps digestion because of its high fiber content

***Caution:** Kale's large concentration of vitamin K, which promotes blood clotting, can be a problem for people taking blood thinners such as Coumadin. Consult your doctor on the intake of vitamin K that's right for you.

There are many varieties of kale, but basically there are two types. Scotch types have gray-green and very curled and crumpled leaves while Siberian types are blue-green and less curled.

An Amazing Ride

A lifelong horse-lover shares her Texas Hill Country ranch with horseback riders and wagon drivers.

Sheryl Smith-Rodgers



Cherry Edwards marvels when she reflects on the past few years of her life.

"I always thought I'd be living quietly at this point," says the native Texan, who grew up in Austin. "Then I bought this property in Burnet County for our horses, and it's been an amazing ride ever since."

In the beginning, Edwards, 69, had no idea that her FourWinds Ranch and Arena — named for the sweeping breezes that rarely let up from all directions — would turn into a commercial equine venture and horse-driving training center that continues to grow and evolve.

The 354-acre ranch, located 11 miles north of Burnet in Central Texas, offers miles of riding and wagon trails, an open-air arena, a covered round pen and a towering covered arena that's visible to passersby on U.S. Highway 281. And she's not even two years into the project yet.

Longtime Love of Horses

Edwards has loved horses since she was a girl, riding and tending them on her family's ranch near Austin. However, after breaking her collarbone in a riding accident, she shied away from them for 50 years.

"Then my oldest son got into horses, and he talked me into taking riding lessons from Jereny Johnson, a trainer at a boarding stable here in Burnet County," Edwards recalls. "Later, the opportunity came up to hitch my Norwegian Fjord, one of the world's oldest horse breeds, to a friend's

wagon. After that, we were hooked on driving horses."

At the stable, Edwards became friends with horse enthusiasts Michael and Cat Berg, who'd both previously worked in finance and banking.

When the ranch where her horses were boarded went up for sale, Edwards decided to purchase her own place, and found the FourWinds property in northern Burnet County.

"When this one came up for sale, at first I thought the land was too flat," she says. "Then I realized it'd be perfect for driving."

In January 2012, Edwards closed on the Hill Country property, which was financed by Capital Farm Credit in Burnet.

"My loan officer Larry Max and his office folks are so helpful," she says. "Thanks to his guidance and patience in processing my loan, FourWinds Ranch became a reality."

Horses Top Hunting

For the first several months, though, Edwards explored different land-management options.

"I believe that land should pay for itself," she says. "So we had a wildlife biologist survey the property. He suggested that we high-fence the property for hunting, and I said no. That's when I decided that I wanted the ranch to be all about the horses."

Before they could move horses in, though, the former cattle ranch needed attention. Michael Berg — who with his wife came on staff to manage the ranch — started the never-ending work of repairing water lines, mending fences and clearing juniper and prickly pear from the land. He fixed up the ranch's wood-frame residence, originally built in the early 1900s. Both the Green House, as it's nicknamed, and the modular Wrangler House are available as guest accommodations.

Edwards' vision for a horse ranch grew even more after the Bergs, while traveling, met the owner of a horse barn manufacturing firm. The contact led to FourWinds breaking ground in February 2013 on 16 turn-out stalls and pens with an open-air arena and a covered 62-foot, lit round pen.

Janet Hunter



Glenna Bell Orman, center, rallies members of the Texas Equestrian Trail Riders Association for a trail ride at the ranch in May.



Left, Michael Berg, FourWinds business manager, works with one of the ranch's Fjord horses.

Below, a couple guides their Belgian mare over FourWinds trails that were designed to accommodate carts and wagons.



Janet Hunter

Sheryl Smith-Rodgers



The covered arena takes advantage of cooling breezes while sheltering horses and riders from sun and rain.

Year-Round Events Arena

Most impressive is the 25,500-square-foot covered arena, which provides year-round shade and shelter. The soaring structure measures 100 feet wide, 255 feet long and 45 feet tall. A light-permeable tension-fabric covering and open sides take advantage of the ranch's namesake breezes. Metal bleachers seat approximately 200.

"No one goes outside during the summer when it's 100 degrees," Michael Berg says. "So you lose a lot of time when you could be riding or driving horses. This arena protects us from the sun, not to mention it's 10 to 20 degrees cooler underneath the cover.

"The covered arena was Cherry's idea," he says of the unusual arched structure. "She's constantly researching and getting ideas. She and Jereny drove to Cleveland, Texas, to see one there and really liked it."

For part of the first year that FourWinds was getting established, Johnson located her training and boarding business on the site. Today, the ranch's herd of 17 hoofed animals includes two donkeys, two miniature Shetlands, two Fjords and two Haflingers, a draft breed from Australia. Many of the horses and ranch wagons, including carts, carriages, buggies and marathon carts, are available for client use.

Driving Lessons With a Pro

A few years ago, Edwards and Cat Berg took driving lessons from professional horse driver Tom O'Carroll at his Good Hands Training Center in Navasota, Texas. The friendship led to the Good Hands Driving Academy Clinic, a weekend of private and group driving lessons conducted by O'Carroll each month at FourWinds Ranch. During the clinics, students may learn how to drive a wagon or a carriage, or work with O'Carroll to teach their own horses how to pull a cart.

"The terrain at FourWinds can be rocky and hard, but they're making beautiful trails and putting in gravel to make them horse-friendly," says O'Carroll, a native of Ireland, who teaches drivers of all skill levels, from beginning to competitive, all over the United States. "A lot of people in the area have wanted to learn how to drive but didn't have the opportunity. Now they do."

According to Ruthie Graves with the Tejas Carriage Association, nearly any horse, as long as it is quiet and obedient, can be trained to pull carts.

"That's what I love about our events — seeing all the different kinds of breeds, from drafts to minis," she says. "Driving is a very social sport. Some people drive for pleasure while others drive for competition."

The combination of rugged trails and flat terrain at FourWinds allowed the Texas Equestrian Trail Riders Association (TETRA) to host its first-ever combination trail ride and driving event in May.

"Most people don't have the chance very often to ride and drive on a larger ranch, especially one with driving trails," says Glenna Bell Orman, TETRA second vice president. "Everyone at FourWinds went above and beyond to make sure that we enjoyed the ranch."

Not Just for Horses

Besides equestrian events, FourWinds Ranch is branching out to host weddings, parties, concerts and even goat roping. In April, the Texas Lacy Game Dog Association held a training event on the grounds. FourWinds also plans to partner with organizations that assist the military.

But Edwards' passion will always come first.

"Because of horses coming back into my life, we now have a place where people can come and be rejuvenated," she says. Smiling, Edwards adds, "This isn't the ride I would have chosen for myself, but it's been a real pleasure." ■ SSR

Put It in Writing

When Leasing Pasture, a Handshake Isn't Enough

Many farmers and ranchers think they can do business on a handshake, just like granddad and great-grandfather did — and some producers still operate that way with no problem. But a deal that's sealed with a handshake alone doesn't always work out.

When you're negotiating a pasture lease, it's fine to shake on the deal in the field, but make sure you actually put the details on paper and have both parties — the lessor and lessee — sign the document, advises Tiffany Dowell, an agricultural law specialist.

"When a problem arises, the lack of written lease agreement can cause major problems for both parties involved," says Dowell, assistant professor and Extension specialist in agricultural law with the Texas A&M AgriLife Extension Service.

"My advice to all producers is to take the time and invest the money to ensure that all leases are in writing and are reviewed by an attorney. Obtaining a written lease incurs legal fees, but the cost spent to have an attorney review a lease will likely be much less than the costs spent to resolve a dispute down the road," she says.

Kaye Edwards, a West Texas ranch owner, agrees. During the four years since her rancher-husband passed away, Edwards

has leased pastureland in Concho County to two different cattlemen she describes as wonderful tenants.

"In my case, I probably could have done the leases without a written agreement," she admits. But as an attorney who has practiced real estate law, she didn't take a chance.

What she developed was a simple three-page document that is not onerous, yet clearly defines the rights and obligations of both the lessor and the lessee.

"It's simple because I want my lessees to be able to understand it, and to know that I'm not misleading them," says Edwards, who operates a private law practice in San Angelo and is a customer of Central Texas Farm Credit.

A host of legal considerations may be included in a written lease, including dispute resolution clauses, attorney fee provisions and confidentiality clauses. Following are some of the key terms and resources that Dowell and Edwards recommend you consider when drafting a grazing or bull lease.

Term of the lease

The lease should specify the beginning and termination dates and under what conditions, if any, the lease may be extended after a certain period.

Edwards' lease can be terminated after one year by either party with 90 days' written notice. Her lessee has the option to renew the lease for one year under renegotiated terms. Also, the lease can be terminated by either party if water is not available.

Payment of rent

A lease should detail how the rent will be calculated. Rent for most grazing leases is calculated on a per-acre, per-head or per-animal-unit basis. Most bull leases specify that rent is paid monthly. A lease should also specify payment details, including due date, form of payment and penalties for late payments.

Description of lease subject

A lease should describe the subject of the lease and include any limitations that exist. For example, if a party leases 100 acres of land but does not intend to use a particular 10-acre field on the property, this limitation should be spelled out in the lease.

The lease might also spell out limitations on activities that the lessee may engage in, such as hunting or fishing, and by which roads or methods the property may be accessed. If limitations are not listed in a written lease, they do not exist. Edwards, for example, specified that her lessee cannot remove mesquite wood and other items of value from the property.



Stocking rates and disaster contingencies

A grazing lease should specify the allowed stocking rates and include contingencies in case a drought or fire occurs during the lease. It should determine who will make the decision to reduce the stocking rate and spell out the period of notice required before the lessee has to remove livestock if this situation arises.

Similarly, it is important to determine the species and breed of animal that will be allowed to run on leased grazing land.

"A herd of 1,500-pound Charolais cows may require more grass than a herd of 1,000-pound Angus cows, and this issue should be addressed up front to avoid any later disputes," Dowell says.

Edwards' lease permits cattle, sheep or goats to be pastured on her land. Because she was concerned about overgrazing, she stipulated that overgrazing would be determined by the standard recommendations of the local USDA office.

Liability and indemnification

It is important for both parties to consider terms addressing their liability and indemnification obligations to each other in the event that a problem arises.

If a leased bull injures someone, is the bull owner or the lessee liable? If the lessee digs a posthole and someone steps in it, is the landowner or the lessee liable? These situations must be considered and addressed in a lease agreement.

Maintenance of fixed assets

Usually, says Edwards, "somebody already in agriculture has the mind-set to take care of the land, more so than a hunter would." Still, it is important that a lease determine which party is responsible for maintaining fixed assets, such as houses, barns, fences and wells.



"Obtaining a written lease incurs legal fees, but the cost spent to have an attorney review a lease will likely be much less than the costs spent to resolve a dispute down the road."

– Tiffany Dowell

Another important consideration is that in many states, permanent structures remain with the property even after a lease terminates. In light of this, a lessee may want to ask the landowner to pay for materials if he intends to build a barn, and the

landowner may want to have input on how the barn is designed since it will remain on his land even after the lease ends.

Transferability

It is extremely important for a lease to address issues related to transferability. Is subleasing permitted? Is consent from the landowner required before a sublease may be entered? What are the lessee's rights if the property is sold during the lease term?

Care of livestock

If part of a lease requires one of the parties to care for another's livestock, it is critical that the expectations be laid out in detail in a written lease.

One producer's idea of feeding sufficient hay may be very different from another's, and unfortunately, these issues often arise when cattle are not adequately cared for, according to Dowell. She notes that some leases offer an incentive to a caregiver for providing a high standard of care. For example, if the breeding rate on heifers is over a certain percentage or if calves gain over a certain amount per day, the caregiver will receive an additional amount in rent payment.

Resources

For more information,

- download the Texas Grazing Lease checklist at <http://bit.ly/AgriLifeBookstore>.
- check out sample lease forms at aglease101.org.

Tiffany Dowell contributed to this article. You can read her Texas Agriculture Law Blog at <http://agrilife.org/texasaglaw/about>.

FRESH FROM THE FARM

Farmers Markets Champion the Local Food Movement

All across the country, it seems, farmers markets are taking hold, bringing growers and consumers together over a common interest — fresh locally grown edibles and unique home-crafted products.

Landscapes magazine celebrates the region's vibrant local food system with this photo tour of farmers markets from Alabama to New Mexico.



Mike Bagby

Capital Farm Credit customer Jamie Braune sells produce and pasture-raised beef to an early morning shopper at the Saturday farmers market in New Braunfels, Texas.



Julien McRoberts

Matt Romero roasts chiles at the farmers market held year-round at the Santa Fe Railyard in New Mexico. The market, which began with a handful of farmers in the late 1960s, is now New Mexico's largest farmers market and one of the most widely recognized in the United States.



Wendy Tysinger

Cheerful sunflowers greet visitors at Festhalle Market Platz, a farmers market in Cullman, Ala.



Philip Gould

Strawberry producer and Louisiana Land Bank customer Eric Morrow hands a bag of fresh berries to an eager customer at a market in Baton Rouge, La.



Philip Gould

Homegrown peaches exchange hands at Lafayette Central Park Farmers Market in Louisiana.

Cajun and country singer Yvette Landry plays accordion at Louisiana's Lafayette Central Park Farmers Market.



Philip Gould



Karen Dorskocil

On a damp autumn day in Texas, pumpkins brighten the Dallas Farmers Market, which has operated since 1941. This image was "shared" more than 100 times after photographer Karen Dorskocil of Lone Star Ag Credit posted it on WFAA-TV's website.



Philip Gould

A mural depicting an old horse-drawn delivery wagon on its way to market in New Orleans serves as the backdrop for the weekly farmers market on New Orleans' Magazine Street. The mural, entitled Coffee Man, is by Lafayette, La., artist Robert Dafford.



Natalie Maynor

The old, original Jackson farmers market still flourishes, although newer markets also serve the Mississippi capital.



Sam Craft/The Paris News

Vendor Jeff Gibson, wearing a Texas Farm Credit cap, bundles radishes for a customer at the Paris, Texas, farmers market.

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