

# LANDSCAPES

a portrait of living & working in rural America

winter 2016



FARM CREDIT

# LANDSCAPES

winter 2016

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**ON THE COVER:** Morning fog shrouds a barn in Alabama. Photo by Bill Wilson



Larry White

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## DAY IS DONE

*For the hay and the corn and the wheat that is reaped,  
For the labor well done, and the barns that are heaped,  
Give thanks!*

— Adapted from the poem "Giving Thanks," by an anonymous author



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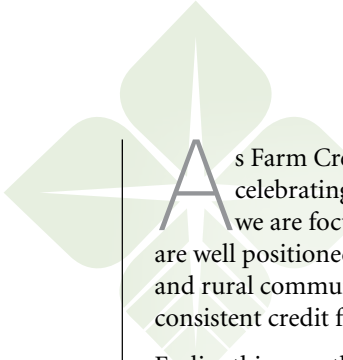
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# Stronger Than Ever

By Stan Ray



As Farm Credit wraps up a year of celebrating its 100-year anniversary, we are focused on ensuring that we are well positioned to support agriculture and rural communities with reliable and consistent credit for the next 100 years.

Earlier this year, the U.S. Department of Agriculture reported that about a third of principal farm operators are at least 65 years old, which has sparked interest in the transfer of land to the next generation of landowners and agricultural producers. The next generation, like those before it, will face high barriers to entry, volatile commodity prices, increasing input costs, uncertain markets and weather patterns, and attacks against public policy programs that support their industry.

Yet in the face of those headwinds, Farm Credit originated more than 62,000 loans to young producers (under age 36) last year and 80,000 loans to those falling in the category of beginning producers (10 years or less experience). This is evidence that there is great interest in agriculture and that the future is bright despite limited incentives and inherent risks.

As Farm Credit marked its centennial milestone by paying tribute to those who came before us, we also pay tribute to those who endeavor to continue what the previous generations started. And the best way to honor their commitment and dedication is to ensure Farm Credit is financially strong and prepared to use that strength to support our customers and the rural communities we serve throughout the country. Today, Farm Credit is financially the strongest it has ever been.

As a result, Farm Credit is able to go beyond just providing loans to young or beginning farmers. In many cases, those loans come with special incentives, education and other support. Farm Credit lenders across the country offer training and seminars on topics such as intergenerational transfer of family farms, risk management techniques, and establishing and maintaining effective business plans — regardless of whether those entering agriculture are focused on traditional, organic, direct-to-retail or other emerging business models.

In addition, Farm Credit has an important mission beyond agriculture. We provide financing for rural homeownership as well as to companies that provide vital infrastructure for rural communities and help improve the quality of life for rural families. Rural communities and agriculture are at the heart of what we do because we exist to provide reliable access to credit to help both thrive.

While the marketplace today has its challenges, we continue to have a positive long-term outlook. Farmers, ranchers and rural Americans remain enterprising, entrepreneurial and committed to their way of life. We are equally committed to working in the best interest of our borrower-owners, and look forward to the next 100 years of Farm Credit.



Bree Nelson



Charmain Nelson

## Farm Credit **CROP INSURANCE GROUP** to Provide Input for Farm Bill Talks

**B**ree Nelson of AgTexas Farm Credit and Charmain Nelson of Texas Farm Credit recently were named to the 12-person Crop Insurance Advisory Workgroup established by the national Farm Credit Council.

Composed of crop insurance experts from throughout the nationwide Farm Credit System, the workgroup will evaluate anticipated crop insurance proposals and help the council in its work with Congress prior to the next farm bill.

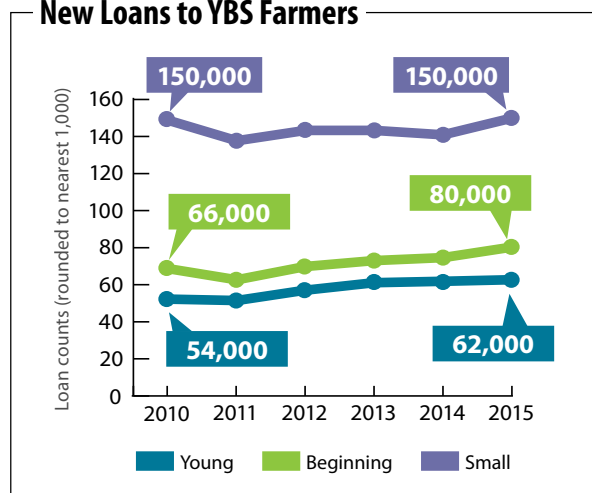
The group advocates for a strong crop insurance program to meet the needs of producers. In early September, it helped the council pen a letter to the USDA Risk Management Agency (RMA) asking to revise federal crop insurance regulations. The letter came in response to the RMA's proposed rule setting out criteria for double-cropping and replanting-related issues. The council's letter argued that RMA's proposal regarding replanting requirements would create challenges for soil conservation and undercut the individual farmer's ability to make the best decision possible for his or her operation.

## LENDING INCREASES TO **Young, Beginning and Small Producers**

**F**arm Credit institutions' new lending to young, beginning and small (YBS) farmers outpaced the growth in Farm Credit's overall ag lending in 2015, according to a recent Farm Credit Administration (FCA) report.

The FCA's 2015 Annual Report on the Farm Credit System's Young, Beginning and Small Farmer Mission Performance was released this past summer. It includes the results of a survey of Farm Credit associations across the country.

### New Loans to YBS Farmers



The report states that the number and dollar volume of loans outstanding increased in all three YBS categories — young, beginning and small — from 2014 to 2015.

As defined by the FCA:

- A young farmer is age 35 or younger.
- A beginning farmer has 10 years or less farming experience.
- A small farmer has gross annual farm sales of less than \$250,000.

The number of Farm Credit loans made in 2015 to young, beginning and small farmers rose by 5.1 percent, 7.5 percent and 6.7 percent, respectively, from the previous year. The System's overall number of new farm loans closed in 2015 grew by 3.7 percent.

The report also noted that:

- The System made 150,022 loans, totaling \$11.8 billion, to small farmers in 2015.
- The dollar volume of new loans made to beginning farmers rose by 12.2 percent from 2014 to 2015.
- Farm Credit institutions closed 62,143 loans to young farmers in 2015, representing 17.2 percent of all farm loans made during the year.



## Farm Credit Celebrates Centennial, **SETS SIGHTS ON SUCCESSFUL FUTURE**

**F**arm Credit centennial festivities wrapped up this fall, after lending cooperatives across the nation celebrated Farm Credit's 100th birthday on July 17 and throughout the year.

Many local Farm Credit co-ops that began as National Farm Loan Associations will celebrate their 100th anniversaries in 2017, continuing centennial festivities into next year.



*Top photo: From left to right, Farm Credit Bank of Texas Board Chairman Jimmy Dodson, U.S. Reps. Mike Conaway and Collin Peterson, and national Farm Credit Council Chairman Curtis Hancock display a U.S. House resolution commemorating Farm Credit's centennial. The resolution was signed by every member of the House Agriculture Committee, including Chairman Conaway and Ranking Member Peterson.*

*Bottom photo: Farm Credit Bank of Texas unveiled a permanent exhibit in its headquarters in Austin. The exhibit depicts Farm Credit history in photographs and words, and can be viewed in the bank's lobby during office hours, Monday to Friday.*

## Congress Urged to Act on **FARM POLICY** Matters

**T**he Farm Credit Council this fall urged Congress to act on several pending issues important to Farm Credit borrowers, including the following policy matters.

### **Fund FSA Loan Programs**

The council, which is Farm Credit's national trade organization, teamed with 14 other farm organizations in a letter calling on Congress to adequately fund FSA loan programs in the 2017 fiscal year.

USDA recently provided \$185 million of additional FSA funding — reprogrammed from other resources — to address the 2016 funding shortfall and backlog of pending applications. However, this funding is estimated to fall \$215 million short of pending requests, and no new applicants can be considered in 2017 until existing applications are evaluated.

The letter urged Congress to address the funding shortfalls for 2016 and 2017 so that producers who cannot be fully serviced by commercial credit under current price conditions will be able to get the financing they need.

### **Extend Tax Provisions**

In September, the council joined agricultural, business, energy and transportation groups in a letter to House and Senate leaders calling for a seamless, multiyear extension of tax provisions that are set to expire at the end of 2016 unless they receive congressional approval.

This year, the expiring tax provisions most important to agriculture include the biodiesel tax credit, the second-generation biofuel producer tax credit and other renewable energy provisions.

### **Keep Farm Policy Strong and Crop Insurance Affordable**

Farm Credit Council President and CEO Todd Van Hoose lent his voice to crop insurance discussions, penning a guest editorial in Farm Policy Facts to educate Congress and the public about agriculture.

"For most farmers this is the second or third straight year of declining prices, while inputs have not followed the same trend," he wrote. "With a 56 percent drop in net farm income, there is a lot of pain in farm country right now, and we are seeing a lot of farmers limiting or forgoing equipment purchases and recalibrating other expense controls to balance their operations against the new commodity price level. This is why maintaining strong farm policy and keeping crop insurance affordable are critical."



# FRESH FROM — THE — FARM

America's growing fresh food movement is nothing new for the Sides family of East Texas. Fresh has been best, ever since they first plowed ground nearly 60 years ago.

*"As farm-to-school programs grow, there will be more understanding about healthy food and more expectation of eating fresh local produce."*

*- Brandon Sides*



Courtesy of Sides Pea Farm

**P**urple hulls and black-eyes. Creams and crowders. Peas galore! And beans, too — pinto, lima and butter.

If you've bought farm-fresh peas or beans within a 500-mile radius of Canton, Texas, you've probably purchased legumes from Sides Pea Farm, the state's largest producer of fresh market peas. During growing season, trucks rush fresh-shelled peas and beans from the farm's processing facility six days a week to grocers, distributors, farmers markets and roadside stands across Texas, Louisiana, Oklahoma and Arkansas.

The farm also serves the fresh-frozen market, including the Dallas Independent School District's successful farm-to-school program, and recently added an 8,000-bushel commercial freezer, financed by Legacy Ag Credit, specifically to serve this growing market.

From June 1 to Aug. 15, you can buy directly from the Sides Pea Farm store, located next to the processing facility on the same 70 acres where Winford and Virginia Sides started farming in 1957. The couple opted to grow peas and beans as their niche. Winford did the farming, and Virginia did the selling, especially at the Dallas Farmers Market, where she ran a stand for more than 40 years.

Now 83, Virginia still loves selling peas and helping folks decide what to buy and how to cook it. Other than Sides-grown peas and beans, her store offers seasonal produce from other local farmers, plus jellies and hot sauce made from her mother's recipes.

Virginia comes by farming naturally, having grown up as one of 14 children on an East Texas farm.

"I even did some plowing the day Winford and I got married," she laughs. "I can't imagine being anything but a farmer."

## FARMING TRUMPS LAW SCHOOL

Being a farmer, by definition, has its ups and downs. The low point for the Sides family came in 2008 when Winford's health started to decline and fire destroyed the operation.

"We had to either rebuild or cut back," Virginia says, "so I asked my grandson Brandon if he could help out."

At the time, Brandon was attending law school in San Francisco, but he returned to the farm and never looked back. Three years later, Winford passed away.

"I always remembered working around peas with my grandparents," 35-year-old Brandon says. "I'm glad I came back. I



Photos this page by Randy Mallory

*Virginia Sides and her grandson Brandon operate Sides Pea Farm, which will ship about 1 million pounds of peas and beans this year. Their production facility, left, near Canton, Texas, runs seven days a week during peak season.*

can't imagine being stuck behind a desk doing paperwork, and a lot of my old college buddies wish they could do the same."

Virginia recalls that Winford was about the best pea grower there was.

"He could look at a field and tell you exactly what it would produce," she says. "I'm thankful for what he did, and I'm so proud of Brandon for carrying it on."

Indeed, Brandon Sides must have inherited his grandfather's "pea genes," because under his direction, the operation has grown exponentially. This year the farm will ship approximately 1 million pounds of peas and beans to fresh and fresh-frozen markets. That much pea power requires close to 2,000 acres of production between South and East Texas. Typically both areas produce two to three crops per year.

## PICKED BY HAND

Beans are harvested mechanically, but peas must be picked by hand to meet uniformity standards, Brandon explains. The harvested legumes head to the Canton facility, where they go through pea shellers that strip fresh peas and beans from the hulls. The produce then travels on a conveyor belt for sorting and culling.

The manual sorting line handles 100 bushels an hour. A high-tech optical sorter

added this year sorts up to 4,000 pounds an hour using color recognition technology to remove discolored product.

During peak season, May through August, the production facility operates 12 hours a day, seven days a week.

## OLD-FASHIONED PEAS FOR A NEW GENERATION

People who love peas, really love their peas, according to Virginia, who reports that every year the farm welcomes repeat customers who drive for hours to buy big bags of fresh peas. Although traditional Southern field peas remain a niche product, Brandon believes that America's expanding fresh food movement promises to introduce old-fashioned peas to a new generation.

In 2011, the Sides farm began supplying fresh-frozen peas and beans to the Farm to School Program of the Dallas school district. The program aims to increase the amount of fresh food served in public schools, as well as educate students about healthy eating and food production.

Last year, the district ordered 40,000 pounds of fresh-frozen peas and beans from the Sides farm. By the end of 2016, Brandon expects that number will have doubled. The farm ships another 5,000

"I'm glad I came back.  
I can't imagine being  
stuck behind a desk doing  
paperwork, and a lot of my  
old college buddies wish  
they could do the same."

— Brandon Sides

pounds of fresh produce 25 miles away to  
the Rains school district.

For Virginia and Brandon, their work with  
schools is important. When they meet  
with students in school cafeterias to talk  
peas and explain what happens from field  
to plate, they experience the fruit of their  
labor.

## KIDS LIKE PEAS

"I really enjoy sitting with the kids. They're  
real sweet, and they really like our peas,"  
Virginia says enthusiastically.

Adds Brandon: "Things are coming back  
to where they were when my grandpar-  
ents started farming. Back then, people  
were used to eating fresh local produce. As  
farm-to-school programs grow, there will  
be more understanding about healthy food  
and more expectation of eating fresh local  
produce."

Innovative thinking — and plenty of hard  
work — has allowed Sides Pea Farm to  
prosper for almost six decades, says Dustin  
McClendon, Canton branch manager of  
Legacy Ag Credit.

"The Sides family has been a stable force in  
our community for a long time," he says.  
"They are innovative and can adapt to  
changes in the marketplace. That's why we  
all respect them so much." ■ RM



Bailey Eiland

## A BEAN AND PEA PRIMER

Pinto beans and cornbread. Black-eyed peas, especially for good luck on New Year's Day. These have long  
been staples of the Southern diet. But there's a wide range of varieties offering subtle differences in taste  
and look.

Sides Pea Farm grows nine varieties of beans and Southern peas. Beans include their top seller, pinto,  
as well as green lima and speckled butter beans. All are sold fresh or fresh-frozen, offering a taste and  
texture customers prefer over dried beans. Peas include three top-sellers — purple hull, lady cream  
and black-eyed peas — plus zipper cream, brown crowder and butter peas. Customers living east of  
Interstate 35 tend to prefer purple hulls, and those west of I-35 go for black-eyes, notes Virginia Sides.

### Packed With Protein

Beans and peas, along with lentils, are legumes, which offer versatility and nutrition that's low in fat  
and high in protein and fiber. Native to Central and South America, beans made their way north through  
trade and migration by indigenous peoples.

Southern peas are native to West Africa and probably reached the South during the slave trade era.  
Drought-resistant and easy to grow, these pea varieties became known variously as field peas, cowpeas  
or Southern peas. They were popular as food for people and animals, as well as an excellent cover crop,  
adding nitrogen to the soil.

Pea classification is based mostly on color, size and spacing in the pod. Black-eyes have a "black eye" on  
the seed. Purple hulls have, well, purple hulls. The almost colorless varieties are called creams. Crowders  
have seeds so close together that they "crowd" each other. Small-sized peas are lady peas. And zipper  
peas are so easy to shell, it's as if they come equipped with a zipper.

For Mrs. Virginia's basic bean and pea recipe and more, go to [www.sidespeafarm.com/recipes](http://www.sidespeafarm.com/recipes). ■ RM

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# New Growth in a Small Town

As a child, Pat Thomasson ran the postage meter in her family's Mississippi wood products business. Today she runs the company — and she's growing it in new directions.

---

**T**wenty years ago, Pat Thomasson had a conversation with her father and mother that she was not expecting — at least not yet. Hugh and Helen Thomasson asked their only child to come home to Philadelphia, in east-central Mississippi, to help run the family's wood products business.

“Our company was in trouble,” says Pat, who was working as a senior securities analyst in Jackson, Miss., at the time. The highly competitive wood products industry was changing, and Thomasson Co. needed to change too.

“My parents both grew up in the lumber industry, and it was part of their culture,” Pat says. “We all recognized that we needed to become well-rounded.”

A certified public accountant, she had the financial and business expertise to help the company reorganize and look beyond its core products of lumber and utility poles. Plus, she'd literally grown up in the business herself, running the postage meter at age 10 and mapping out delivery routes as a teenager.

In 1996, Pat returned to Philadelphia, population 7,500, and after working in several positions took the helm as chief executive officer.

“We made it through those tough years,” says Pat, “and kept looking for ways to make our business better.”

Today, Thomasson Co. is flourishing under Pat's leadership. The business has gone from near bankruptcy to becoming one of the most widely recognized wood products companies in Mississippi, selling products in 48 states and 10 countries. In fact, annual sales have more than doubled since 2010.

But Pat is quick to point out that she didn't turn the company around on her own.

“I'm not the brain power here,” she says. Rather, she stresses, it's been a team effort involving her parents and a core group of five longtime managers, several of whom have worked for Thomasson Co. for 35 years.

“We all think differently, but we work together every day to make this company succeed,” Pat says.

Debra Ferguson/Southern Images



“We made it through those tough years, and kept looking for ways to make our business better.”  
— Pat Thomasson



CEO Pat Thomasson and employee Tom Henderson review poles that will be “framed,” or custom-drilled, for a utility company.



## A Master Salesman

There's no forgetting, though, that until he passed away in 2008, Pat's dad was the heart and soul of the company.

Hugh Thomasson was a "master salesman," according to his daughter. He grew up working in his father's mill, and worked as a salesman for other lumber companies as a young man. In 1972, he sold a tract of land to start his own distribution business. Soon, he was buying lumber from sawmills and selling it to building supply companies and end users. Two years later, Thomasson Co. sold its first load of utility poles to a Bell Telephone customer, and by the early 1980s, the company was selling more poles than lumber.

Hugh was on the right track, but several challenges pressured the business.

With Pat on board, the management team assessed the company's strengths and weaknesses. They hired good people, established a board of directors, formalized business contracts, entered new markets, innovated business models and took advantage of opportunities.

Today, Thomasson Co. owns some timberland but doesn't grow its own trees. Instead, its sister company, EMPC, leases tracts of mature trees and has the timber harvested.

Thomasson then mills the wood into utility poles, pilings, railroad crossties, and heavy-duty wood mats that support cranes and other heavy equipment. The company also manages inventory for customers and sells wood products to larger mills.

## Quick Service Boosts Reputation

Over the years, Thomasson Co. has built a reputation for quality, service and meeting exacting specifications — critical in an industry that demands fresh products and prompt delivery. For example, after Hurricane Sandy downed electrical lines on the East Coast, Con Edison, a New York utility, commended Thomasson's quick delivery of power poles.

**"Lumber leads the way into a recession, and when housing picks up, it leads the way out of it." – Pat Thomasson**

The company innovated an inventory management and consignment model for utility poles that became an industry standard. Previously, utilities purchased poles and kept them in their own inventory.

"We began storing for utilities, managing their stocking programs, and allowing utilities to only pay for poles when they needed them," Pat says. "This saves our customers money and makes their lives easier."

It was a Thomasson salesman Walt Rudolph who suggested the company add another product line. Walt was selling poles in Maine when he noticed that a different operation was selling hardwood mats to the same customer. He called the home office and said, "We're in the wrong business!"

Mat sales were slow to take off. "But along came the energy boom, and we ran with it," Pat says. "Today, about 40 percent of our sales are in hardwood mats, and the other 60 percent are utility poles."

## An Innovative Lender

Thomasson Co. looks for innovation in lenders, as well. As the company expanded heavily into mats, so did its financing needs. Before long, it had outgrown its local bank's capacity.

In addition, the lender for Thomasson's pole manufacturing subsidiary wanted to increase fees and paperwork. That's when Thomasson Co. president and part-owner Brent Gray called Andrew Mangialardi, whom he had known for years in banking circles. Mangialardi, vice president of capital markets at Southern AgCredit in Ridgeland, Miss., offered an alternative loan structure.

"Andrew suggested we use the equity in the pole plant as collateral when we borrow to obtain timber tracts," Pat explains, adding that the refinancing idea proved a more affordable and efficient solution.

Southern AgCredit also brought in other lenders, including Farm Credit Bank of



*Pat Thomasson, left, and her mother, Helen Thomasson, are majority owners in Thomasson Co., which manufactures wood utility poles, pilings and mats used under heavy equipment.*

Debra Ferguson/Southern Images



Photos on this page by Debra Ferguson/Southern Images

*Debarking, above, is one of several steps involved in turning pine trees into utility poles. Above at right, Thomasson employee Lee Cunningham classifies a pole for strength.*

Texas, to expand financing to the growing enterprise.

“Andrew’s always gone to bat for us, and never leaves us hanging,” Pat says. “Our lending relationship is really where we need it to be now.”

### **Surviving the 2008 Recession**

Even with a top team behind you, succeeding in the wood products industry isn’t easy. Lumber sales declined rapidly in 2008 with the beginning of the recession and the drop in housing starts.

“Lumber leads the way into a recession, and when housing picks up, it leads the way out of it,” Pat explains.

The recession prompted the industry to implement layoffs and shutdowns. Thomasson Co. sold Laurel Lumber Co. and concentrated on its industrial side.

“It was a painful time,” Pat says. “We had 30 employees at our Laurel facility, and we worked hard to help them keep their jobs.

However, it didn’t work out as well as we had hoped.”

Today, Thomasson Co. is thriving again, and employs 75 full-time workers.

Helen has been involved through all the ups and downs. She remains part owner and treasurer, and reports in to the Philadelphia office every day, opening the mail, costing pole orders, approving payables and reviewing customer files.

“I have worked in every capacity except sales,” Helen says. She was especially adept at handling accounts payable during tough times.

### **The Right Qualifications**

While Helen and Pat learned on the job, Pat’s academic background and outside work experience also have been assets. She graduated from the University of Mississippi with a master’s degree in accounting, and worked for the accounting firm Arthur Andersen in New Orleans and the Securities

## **Thomasson Company: 21st Century Growth**

**1972** – Began when Hugh Thomasson started a lumber distribution business

**2005** – Purchased EMPC, a soft-wood utility pole manufacturer in Macon, Miss.

**2008** – Opened the Macon Treating Company to treat poles and construction pilings

**2009** – Sold Laurel Lumber Company, a remanufacturing plant

**2010** – Started building and buying heavy-duty hardwood mats

**2016** – Purchased Yazoo Lumber and Mats in Yazoo City, Miss., to expand its mat-making capacity



Nancy Jorgensen

*The fourth generation to work in the timber and wood products industry, Pat Thomasson was the first female president of the Mississippi Lumber Manufacturers Association.*

Division of the Mississippi Secretary of State's Office before returning to Thomasson Co.

"When Hugh sold that wood products tract to start his own business, that was supposed to be Pat's college fund," Helen says. "Pat worked her own way through college. Like her dad, she works hard, and her forte is working with people."

Pat's awards prove Helen's point.

In 2010, Pat was elected the first female president of the Mississippi Lumber Manufacturers Association. In 2014, the Mississippi Business Journal named Pat the Business Woman of the Year, and in 2015, the Women's Business Enterprise Council South presented her with an enterprise award.

That's not all. Under the current leadership team, Thomasson Co. earned the 2011 Small Business Exporter of the Year award from the U.S. Small Business Administration Mississippi District Office, and the 2012 Governor's Cup Award for Small Business. And in 2016, Thomasson Co. received a supplier diversity award from Oncor Electric Delivery Co. LLC, a large electric transmission and distribution company.

While Pat didn't intend to return home to run the family business, she has no regrets.

"I love the people here, I love Mississippi, and I love going to work every day," she says. ■ NJ

# AgSweep

## Helping Businesses Manage Cash

Thomasson Co. started using a Farm Credit cash management tool called AgSweep in February 2016. Within weeks, it had already saved time and money.

"We have been growing rapidly, and AgSweep increases our efficiency, freeing up time for other things," says Pat Thomasson, CEO of the wood products company. "That's good, because new opportunities are always coming our way."

Sweep accounts particularly benefit customers that have a high cash turnover and daily cash needs.

Jane Thomas, the controller at Thomasson Co., spent a little time initially learning the system. Now she uses AgSweep daily to monitor loan and checking account balances. She counts on AgSweep to increase the company's earnings by automatically minimizing excess bank balances that might otherwise sit idle, and applying the excess funds to reduce loan balances.

Thomasson Co. maintains a revolving line of credit with Southern AgCredit, a Farm Credit association based in Ridgeland, Miss. AgSweep links the company's association loan to a Wells Fargo checking account.

Here's how AgSweep can work for you through your Farm Credit association:

- AgSweep automatically advances funds from your line of credit when the associated checking account falls below a target balance that you have set.
- When excess funds are available in your checking account, AgSweep "sweeps" funds and applies them to the outstanding balance of your line of credit.

AgSweep provides other cash management services and reports as well. While the software captures a large amount of information, Thomas only downloads reports she needs.

"If we need additional information, it's there — we don't have to re-create anything," she says. "Everything I need is in one place. Wire transfers are a breeze. It is a burden lifted."

For more information on cash management programs like AgSweep, contact your local Farm Credit association. ■ NJ

# SWEET FARM alabama

Miguel Otero, a 2015 Small Hispanic Farmer of the Year award winner, considers his greatest achievement the farm he built from scratch.

**I**n a fateful day 10 years ago, Florida resident Miguel Otero headed north across the state line into Alabama to check out some land where he could start his first farm since emigrating from Cuba as a youngster.

At initial glance, the gently rolling acreage for sale in Houston County looked dismal. The soil was badly eroded, worn down by years of producing row crops.

Miguel, however, took a closer look at the property and envisioned the farm of his dreams.

A decade later, it's that and more.

"Everything you see now was built by me and my wife, Angela, since we bought the place," he says, steering a golf cart across a grassy pasture, where black cows leisurely graze.

Today, Otero Farms — a thriving 97-acre operation in southeastern Alabama — produces cattle, poultry and hay. With little outside help, the Oteros built their own barns, fencing and troughs. Contractors built the chicken house and their three-bedroom home.

"But we couldn't have done everything we have without loans from Alabama Ag Credit," Miguel stresses. "They're great folks. They're always available to give good advice, and they're very considerate of farmers. We trust them very much."

From the start, the Oteros have worked with Darren Cannon, vice president and branch manager in nearby Dothan. Alabama Ag Credit helped to finance both the property and the chicken house. Lee Hughes, now vice president of the Enterprise office, also worked with the couple to acquire financing for the poultry project.



Photos by Sheryl Smith-Rodgers

*Miguel Otero*

"Miguel and Angela have been members of our association for almost 10 years and have been excellent customers," Cannon says. "They are good managers and have been able to achieve considerable financial goals for the farming operation through hard work and planning. I am proud they let us be a part of helping them achieve these goals and for being my friends."



*Miguel Otero sorts cattle on his southeastern Alabama operation, where he practices heavy rotational grazing in the summer months.*



*The Oteros' poultry farm was named a top producer by Perdue Farms Inc. in 2011 and 2013.*

## CUBAN FARMING ROOTS

The Oteros are no strangers to the world of agriculture. Born in Santiago, Cuba, Miguel spent his early childhood on his grandfather's sprawling farm. But everything changed when a new regime took over the government.

"My grandfather ran a 1,000-acre farm and was one of Santiago's biggest coffee producers," he says. "When Fidel Castro first came, he promised farmers that they'd have hospitals and schools. Then when he took power, he told the farmers that they had a week to get off their land or they'd be shot."

In December 1970, Miguel, just barely 8, and his family escaped to Miami, Fla.

"When I got older, my family bought a few acres of land," he says. "By the time I was 16 or so, I had some horses. So I roped and rode bulls in rodeos. That's when I decided that someday I'd have my own land, because I missed the country and livestock so much. But people scoffed at me. They'd say, 'That was Cuba, this is the United States.' I thought, 'Why can't I have that here?'"

"I succeeded," he adds, "because I never forgot my roots or what my parents taught

me, which was always do the right thing and help everyone you can."

Like her husband, Angela also was born in Cuba and shares an agricultural background.

"My grandfather grew tobacco, bananas and potatoes," she says. "As teenagers, we were required to go to a summer camp where we farmed for the government."

Sadly, her father, who rebelled against the regime, was a political prisoner for much of her childhood. He finally was released when she was 14 years old.

In 1979, her family moved to Venezuela. Six years later, they arrived in Miami. It was there in 1999 that she and Miguel met and married.

## SAVING TO BUY LAND

"I still wanted to pursue getting my own land," says Miguel, who at the time installed fire sprinkler systems for a living. "So I became a construction superintendent. We built a house and sold it so we could move forward financially."

In 2005, the Oteros moved to Ocala, Fla., where they purchased some acreage and built homes to sell. A year later, they moved to Zolfo Springs, where they bought a larger tract and built and sold

more homes. By 2007, the couple had gained enough financial footing to purchase the run-down farm in Alabama.

## RESTORING THE SOIL

Miguel knew the land needed restoration before he could farm it. For assistance, he turned to the USDA Natural Resources Conservation Service (NRCS) and learned how to improve the farm's soil and water quality. The Oteros enrolled in the agency's Conservation Stewardship Program, which allowed them to expand and implement new conservation techniques.

In a wooded area of the farm, they removed trees, plowed the ground and planted Tifton 9 Bahia grass for cattle. They also installed water troughs with pads and put up cross-fencing for rotational grazing. Today, a fenced alleyway leads cattle to the barn.

"During the summer, we practice heavy rotation on our pastures," says Miguel, who is an advisor on the Houston County Soil and Water Conservation District Board. "When we get rains, I rotate the cattle every other day to give the grass time to return. I don't like to stress the grass by letting the cows eat it all the way to the ground."



“We are where we want to be. . . . Every day, I thank the Lord for putting us on this farm in Alabama.” - **Miguel Otero**

The couple’s efforts ultimately turned the highly eroded farm completely around, says Joe Wilson, a retired NRCS district conservationist who advised the couple. Over the years, the Oteros have completed several contracts under the NRCS Environmental Quality Incentives Program, which gives participants financial and technical assistance. Payments are made after conservation practices are implemented.

“Miguel is the kind of guy you love to work with,” Wilson says. “He’s a small farmer, but diversified, with his finger in a lot of pots. When he signs up for a program, he gets it done to the NRCS’s standards and specs.”

## DIVERSIFYING WITH PULLETS

With ample land, Miguel decided to add poultry to his operation, drawing from his experience in Zolfo Springs, where he had owned an incubator and hatched 100 chicks a month.

In 2008, the Oteros contracted with Perdue Farms Inc. and built a 60-by-660-foot structure containing two state-of-the-art poultry houses under one roof, where they now raise pullets for breeder hen farmers.

Twice a year, they receive two flocks of baby chicks, which they keep for 22 weeks.

“We’re in the chicken house three or four times a day, for three or more hours, to make sure they’re comfortable, watered and well ventilated,” Miguel says.

“It’s not a job,” he adds. “It’s fun. I look forward to going out to the houses and checking the chickens every day.”

In 2011 and 2013, Perdue Farms recognized Otero Farms as a top producer.

“I chose to work with Perdue because they’re one of the leading companies in the poultry industry,” Miguel says. “They work with USDA inspectors, care about the treatment and safety of their birds, and host different kinds of workshops.”

Otero Farms also received the 2012 Conservation Farm of the Year award from the Houston County Soil and Water Conservation District. In 2015, the National Organization of Professional Hispanic NRCS Employees named Miguel Otero its Small Hispanic Farmer of the Year.

“We are where we want to be,” Miguel says in reflection. “I feel satisfied, and that means a lot. How many people wish they could be here and can’t? Sometimes all this makes me want to cry. Every day, I thank the Lord for putting us on this farm in Alabama.” ■ SSR



*Miguel and Angela Otero*

# CUCUMBERS ARE HIS BREAD AND BUTTER

Paul Ede buys the family company, becoming the fourth generation to work in the cucumber business.

*"I'm proud that I can continue something that my granddad built, and now that I have a son, my primary motivator is leaving something behind for future generations."*

*– Paul Ede*

Nan Ede



Kanokwalee Pustitanun

Mike Bagby

*Cucumbers grown by Holmes and Holmes Produce are pickled by several well-known brands.*

**I**n the summer of 2011, Paul Ede took a huge risk — and his family couldn't be prouder.

He purchased a cucumber shed at auction, making him the fourth generation in his family to work in the cucumber industry.

But it wasn't just any business he bought — it was Holmes and Holmes Produce, the company that his grandparents Robert and Carol Holmes started in Knippa, Texas, in 1978.

In one fell swoop, Ede left behind the security of a marketing job in Austin, embraced the rewards and challenges of being an agribusiness owner, and brought the family business back into the family.

## SUPPLYING THE BIG CHAINS

"We're what's known as a greenshipper of cucumbers," Ede says. Cucumbers that pass through his shed eventually end up on grocery store shelves as whole dill pickles, spears and chips.

The production chain begins with Ede negotiating contracts with pickle companies, including well-known brands such as Claussen, Vlasic, Best Maid and Mt. Olive.

"We don't plant until I know how much we will sell. We figure out how many acres we need to produce what we can sell, and then we contract with growers," he explains. "We provide the seed, and the growers plant and care for the crop while it's growing."

For Ede, it amounts to overseeing about 3,800 acres annually. The fields are planted on particular days, so that his two self-propelled harvesters can be moved in succession from field to field during harvest.

The goal is to harvest cucumbers when they are at an optimal diameter. There are only three grades for cucumbers, separated by just quarter inches.

"We need cucumbers that are between 1¼ inches and 2 inches in diameter. Once they reach that size, you've only got about a 24-hour window to get them out of the ground," Ede says.

## CRAZY BUSY 16 WEEKS A YEAR

In the vast world of pickle production, Holmes and Holmes fills a small but significant niche. The company keeps the supply of cucumbers coming from Southwest Texas when other areas of the country are not in production.

"Because of our climate, we can have two seasons a year, one in the spring and one in the fall, and we're the only shed in the region operating during our harvest season," Ede explains. That makes timing critical.

A cucumber-growing season lasts about 45 days. During that period — from the time the seed is planted by contracted growers to the day that ripe cucumbers are loaded on refrigerated 18-wheelers for their trek to processing plants around the country — all hands are on deck.

"It is crazy busy during the season. We have about 16 weeks a year when we are working 16- to 18-hour days," Ede says. At those times, the Holmes and Holmes staff grows from five full-time, year-round employees to more than 60 people, including seasonal workers.

Ede ran the shed in Knippa from 2012 until 2015. Then, instead of upgrading the Knippa facility to meet new regulations, he opted to buy a larger facility about 15 miles away in Uvalde. The company is now in its second production cycle in this facility.

Cucumber production and marketing is an endeavor that requires painstaking planning and strategic monitoring — skills that Ede learned from his family growing up.

*Once a labor-intensive job, cucumber picking is now handled by huge mechanical harvesters.*



Kanokwalee Pustanun

*Cucumbers need pollinators to form fruit, so the family keeps one beehive per acre in this South Texas field.*



From left to right are Paul and Nan Ede with son Bruce, Carol and Robert Holmes, and Linda and Frank Ede. Bruce could become the fifth generation to work in the pickling cucumber business.

## FAMILY KNOW-HOW FOSTERS SUCCESS

"This is not something you could do without knowledge of the business," Ede says. "I started working equipment when I was 10 or 12 years old. In high school, I worked in the shed during the summers. I learned enough growing up to be able to come back and run the business."

Carol Holmes, Ede's maternal grandmother, is happy to see him at the helm now.

"I told him he could change the name to Ede, and that would be fine," she says.

Instead, he opted to keep the Holmes name on the business, fully aware that it's what he learned from his parents and grandparents that has helped him be successful. That family heritage sets Holmes and Holmes Produce apart.

"I've worked with Paul for a few years, and he's a great person and a good business owner," says Jae Thompson, Capital Farm Credit vice president and branch manager. "But what really makes his story interesting is that he's the fourth generation in his family to be in this business. That's really neat."

Ede's great-grandfather started working for Brown-Miller, a large pickle company in Oklahoma, in the early 1940s. His granddad Robert Holmes worked for the same

company for almost 20 years, until starting his own shed in Knippa.

"Back then it was all hand-picked, and delivered to the shed in 50-pound burlap sacks," says his mother, Linda Ede. It wasn't until 1990 that Holmes and Holmes converted to mechanical harvesters.

It's been a family venture from the start.

"My mom and dad own a piece of the business with me. My mom is still vice president and runs the office and the shed during the season. My dad is a CPA who handles our financials, and my granddad is my 24-hour consultant," Ede says.

Their story reveals an important aspect of farm families: the know-how passed down from generation to generation can be a significant component of success.

## RISKS AND REWARDS OF OWNING A BUSINESS

When Ede moved from Austin with his wife, Nan, in 2011, he says he put it all — his career and his savings — on the line.

"It was scary at first, but it has worked out pretty good. I think the whole family is satisfied and happy," he says.

Ede admits that he didn't always know that the cucumber business was for him. As a

## WHAT IS A CUCUMBER SHED?

Less than 15 hours separate a cucumber's journey from the field it grew in to the 18-wheeler that will deliver it to a processing plant. Those important hours are spent at a cucumber, or pickle, shed.

When cucumbers reach optimal diameter, a large mechanical harvester is sent to the field to pick them. The harvester can pick 30,000 pounds of cucumbers in 20 minutes. And the cucumbers can be unloaded into trucks without stopping the harvest.

When a truck is full, it comes straight to the shed. There the cucumbers are unloaded and begin a trip on conveyors through a giant piece of equipment. First they pass through a holding tank filled with water, which rinses off dirt from the field. The equipment is set to sort out, or grade, the cucumbers, as they fall at different places based on their size. Also, workers check each cucumber as it passes by on a conveyor belt, removing those that are deformed or broken.

Once the cucumbers are sorted by size, they are hydro-cooled in 40-degree water for about an hour. Lowering the internal temperature of the cucumbers helps preserve their crispness for the time it takes for them to be transported. ■ PC

young college graduate, he chose to instead try his hand in corporate America, working in marketing for Hershey's.

"They were a great company to work for, but I guess I'm just a country boy at heart," Ede says. "Plus, I started to see the value of owning your own business. I'm proud that I can continue something that my granddad built, and now that I have a son, my primary motivator is leaving something behind for future generations." ■ PC

# Chorizo de San Manuel

## A Seasoned Business

Making Mexican-style sausage becomes a success story for a South Texas family.

**M**aking laws is often compared to making sausage — neither should ever be seen, the saying goes.

But one South Texas family is very proud of how their chorizo is made. Their Mexican-style sausage has become so popular, it has grown from a local convenience store sideline product to a widely distributed pork product that might someday go to markets nationwide.

“When my parents were selling our chorizo by the pound just to local customers, they’d slaughter only one pig a week that made maybe 30 pounds of chorizo,” says Luis Flores III, son of the founders of Chorizo de San Manuel – Guerra’s Brand Inc. “Now we produce chorizo five days a week.”

### Phenomenal Growth

The growth of the family-owned business can be traced to the philosophy of Luis’ father, Luis Flores Jr., who with his wife, Vicky, slowly and methodically expanded operations as demand for their comfort food grew in South Texas.

Chorizo de San Manuel products are now sold by H-E-B, Walmart and other grocers throughout Texas and several surrounding states and as far north as Colorado.

Their facility in San Manuel, Texas, located roughly between the King Ranch and the Lower Rio Grande Valley, is a spotless, state-of-the-art plant with USDA inspectors constantly on-site.

Mexican-style chorizo is a variation of Spanish “chorizo fresco” developed centuries ago. The fresh sausage is sold raw to consumers who fry the spicy pork to a texture much like ground beef, then mix it mostly with eggs and wrap it in corn or flour tortillas. It is also folded into cheese to create a Mexican-style fondue.

Luis Jr., the patriarch of the family business, passed away in 2005 at the age of 60, just months before the operation moved into a new 20,000-square-foot processing plant, the company’s second major expansion.



Photos by Rod Santa Ana

*Chorizo de San Manuel is a family affair. Seated, left to right, are Emilio, Vicky and Marco Flores. Standing, left to right, are Jaime Flores, Patricia de los Santos and Luis Flores III. In the photo behind them is the late Luis Flores Jr., company founder.*



### The Patriarch's Vision

“My dad had vision. He was closely involved with the new building until the very end,” Luis III says. “He always told us to never worry about how much money you’re going to make. Just perfect the quality of the product, and the customers and money will come.”

Luis III, his mother, Vicky, his sister Patricia, his brother Jaime and extended family members do just that, working closely together and refusing to skimp on ingredients or take shortcuts to boost production.



*The corporate name honors the Guerra family, from whom Luis Flores Jr. received his original chorizo recipe.*

*Sausage rolls off the packaging line, ready for shipment to grocery stores across Texas.*

“Our chorizo is 100 percent natural,” he says. “We use only the highest quality cuts of pork, which is the pork shoulder or Boston butt. We never include cereal or lesser cuts of meat like salivary glands or lymph nodes.”

Spices, vinegar and other ingredients that go into Chorizo de San Manuel products are also carefully selected for quality.

“We still grind our own spices and make our chorizo in small batches. Advisors have come in and suggested ways to improve efficiency by using already-ground spices or larger meat grinders. We’ve tried all those shortcuts, but the chorizo just doesn’t taste the same,” Luis III says. “And if we won’t eat it, we won’t sell it.”

Instead of using large meat grinders, the Flores family decided to stay with smaller grinders and hire more employees to run them, mostly from the tiny surrounding ranching community. They also insist on grinding their own spices, which they buy in bulk.

“We strive for quality and consistency,” says Vicky. “Because we don’t use preservatives, the shelf life of our product is not as long as other meat products, but none of our product ever comes back to us. We ship it out fresh and try to get it to consumers within a maximum of four days of when it’s made.”

The vinegar used in the chorizo serves as a natural preservative, and each package is vacuum-packed to extend its shelf life.

### History Dates to World War II

The success story of Chorizo de San Manuel began during World War II when Adolfo “Shorty” Guerra and his brothers opened a convenience store on U.S. Hwy. 281, one of only two main arteries into and out of the Rio Grande Valley. Guerra developed a recipe for chorizo, and the store started selling the sausage to local ranchers and passersby, either in links or by the pound.

San Manuel native Luis Flores Jr. worked at the store nights and weekends after his daytime job as janitor at what was then one of McAllen’s most upscale stores, JCPenney on Main Street. He stocked shelves with Guerra, waited on customers, pumped gas, kept the place clean and helped make the chorizo, which was becoming more and more popular with shoppers.

Eventually, Luis was promoted to auto service salesman at JCPenney. But in 1975, when Adolfo Guerra’s brother, Leonardo, decided to retire and sell, the convenience store was offered to Luis and Vicky, who was employed at an insurance agency in McAllen.

“We hesitated buying,” says Vicky, “because at the time, the sale price seemed like a

whole lot of money. But we bought it and worked long hours to make ends meet. The chorizo recipe came with the store. My husband was very grateful to Mr. Guerra and always insisted on keeping the name. That’s why Guerra Brand is still part of our corporate name.”

The convenience store became a Flores family affair.

“We all worked there,” says Patricia, Luis and Vicky’s daughter. “The school bus would drop off all us siblings in front of the store, and we’d go straight from the bus into the store to work until it closed. Mom would show up after her job in town to keep the books.”

### Their Chorizo Takes Off

As the chorizo’s popularity grew, the family decided to take their product into town, to restaurants and other grocery stores.

“We bought a used refrigerated Falfurrias Butter truck to deliver our chorizo,” Vicky says. “We should have kept that old truck, but at the time it didn’t seem important.”

By 1985, their chorizo had become so popular, promoted only by word of mouth, that the family built a processing plant near the convenience store and concentrated their efforts on the sausage. The old store had become dilapidated and



*The chorizo is made in small batches using high-quality ingredients and no preservatives except vinegar.*



*Chorizo is produced in this modern plant that Texas Farm Credit helped to finance. It is located in San Manuel, where the company started over 30 years ago.*

was torn down. An old sign post is all that remains today.

But the processing plant opened new markets for Chorizo de San Manuel.

“Until then we didn’t have cold storage,” Luis III says. “We didn’t have the capacity to ship our product to H-E-B or San Antonio or anywhere outside the local area because we couldn’t warehouse our products and we were not federally inspected.

“The new plant opened a lot of doors for us, but we still sell and deliver to lots of mom and pop stores and local restaurants,” he says.

### Partnering With Farm Credit

Eventually, Chorizo de San Manuel outgrew the 4,500-square-foot plant, which is now used only for storage. Today production takes place in a new, 20,000-square-foot facility that was financed in part by Texas Farm Credit.

“We’ve been doing business with Texas Farm Credit for many, many years,” Luis III says. “They helped us construct our new facilities and they’ve helped us finance equipment. It was also economically better for us to deliver in our own tractor-trailers versus contracting out our loads. Farm Credit helped us overcome this obstacle too.”

Vicky, who still works at the plant full time, says it was important to keep the new facility in San Manuel.

“When we were looking for land for the new plant, the city of Edinburg offered us tax incentives if we built there. But my husband insisted that we stay in San Manuel. He taught us all that it was important to remember where you came from and to give back to the community.”

### Continuing to Grow

An expanding line of Chorizo de San Manuel products is continuously being shipped to Walmart, H-E-B, Costco Wholesale, Sam’s Club, Lowe’s Market, Grocers Supply Company and other local grocery chains. The products also are purchased by school districts because they meet nutritional guidelines.

But the Flores family also still sells chorizo to walk-in customers in the new plant’s lobby, which includes a large portrait of founder Luis Jr.

“We didn’t include a storefront in the plans for this new facility,” says Luis III. “We only have a small freezer in the lobby because locals, hunters and travelers love to come

in and buy chorizo or our aged beef for their travels or outings. But we may need to open a store, because it’s a steady stream of customers.”

As for the future, he says the company may expand to markets in California and Florida.

“But like Dad taught us,” he says, “we do everything carefully and methodically. We stay on top of things the way he and Mom did because one never knows what can happen.” ■ RSA

*For more information, visit [chorizodesanmanuel.com](http://chorizodesanmanuel.com).*

# NEVER A MISSED OPPORTUNITY

For Louisiana's Earles family, a variety of business entities, from a flying service to a land-grading company, helps them weather the risk in farming.



From left to right, David Bergeron, John Earles Jr. and John Earles Sr.



Photos by Nancy Jorgensen

**W**ith record flooding and relatively low commodity prices, 2016 has not been a good year for many Louisiana farmers. But year in and year out, John Earles Sr. and John Earles Jr., who grow sugarcane, rice and soybeans near Bunkie, have found ways to keep their ag operation thriving.

And 2016 was no exception.

“We took profits we earned a few years ago when commodity prices were good, and invested in diversifying our business,” says John Jr., known locally as Little John. “Vertical integration is our goal.”

Since then, the father-son team has continued to move forward by investing more deeply in the supply chain that serves their Triple E Farms, located in south-central Louisiana.

“Almost all of their expansion enhances their farming operation,” reports David Bergeron, vice president and manager of the Opelousas branch of Louisiana Land Bank, which has financed the family’s farmland since the 1970s.

## NEEDS SPAWN NEW BUSINESS ENTITIES

The list of business entities the Earles family has created to vertically integrate the operation — thereby reducing risk — is extensive.

- **TRIPLE E LAND GRADING CO.** – Diversification efforts began in 1993, when father and son started leveling and grading their land. Offering services to others through a side business enabled them to spread the cost of their high-end equipment.
- **BUNKIE FLYING SERVICE** – Rice seed is planted by airplane, and both rice and sugarcane require aerial application of herbicides, pesticides and fungicides. After starting a flying service to meet their own needs, the family offered the service to neighbors as well.
- **CENLA FUELS LLC** – Soon they realized they could save money by purchasing wholesale fuel for their planes, semitrucks and other equipment. A fuel business that the family launched now sells fuel throughout the state.
- **EARLES INC.** – The family already dried its own rice in large, round galvanized steel bins for Triple E Farms, and began a commercial drying service for other producers.
- **CAJUN SUGAR II** – After the nearby Cajun Sugar Co. went out of business in 2015 due to a lack of cane supply, John Sr. and John Jr. partnered with other growers to purchase the mill, renaming it Cajun Sugar II. The move assured a reliable, affordable processing facility with the potential for additional income. The mill is expected to process 950,000 tons of sugar in 2016, almost double its 2015 volume. In addition, the mill now purchases fuel from CENLA Fuels for its fleet of semitrucks.
- **CAR WASHES** – Growing sugarcane requires driving vehicles on muddy roads. In their most recent venture, the Earles family opened three tunnel-style express car washes.

“Each business carries its own weight,” says John Sr. “If we had a bad year on the farm, our car wash and flying businesses would carry us through.”

## CANE TAKES THE CAKE

The family’s history in Louisiana begins with John Sr.’s father, James G. Earles Jr., who moved from Indiana after World War II.



“Grandpa thought outside the box from the start,” says Little John. “He harvested clover seed, bagged it and sold it in New Orleans, and was the first to grow soybeans and rice in this area.”

By the time John Sr. joined his dad’s operation in 1971, the farm had grown to 1,200 acres. In 1990, they began growing sugarcane, taking advantage of soil that he claims “can grow anything,” even though it meant hauling cane 80 miles to the nearest mill.

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**“This is the northernmost place where you can grow cane in the world.” – John Earles Jr.**

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“That was considered crazy in those early years,” Little John says. “This is the northernmost place where you can grow cane in the world. Now sugarcane is our biggest cash crop — our most durable and profitable.”

Louisiana is the nation’s second-largest sugarcane-producing state, behind Florida, and the third-largest rice producer, after California and Arkansas.

Sugarcane is labor-intensive and requires huge, specialized equipment. Seedlings must be planted between rows of mature cane before the mature plants are harvested, beginning in late September.

“But sugar is still the best game in town,” says John Sr.

Bunkie receives an average annual rainfall of about 60 inches. In 2016, however, 20 inches of rain fell in August alone — which is usually a fairly dry month. Wet ground set the soybean harvest back and reduced rice yields a bit, but the Earles family feels fortunate compared to other Louisiana farmers who were flooded out.

## **WATER WHERE IT’S NEEDED**

Rain may be plentiful here, but it doesn’t always fall at the right time. Triple E Farms invests about \$100,000 a year to improve irrigation systems, including maintaining wells and leveling ground.

In past years, they furrow-irrigated the fields, but now use surge methods by which the water supply is pulsed on and off in planned time periods, a practice that uses about 40 percent less water than furrow irrigation, Little John estimates. Underground pipelines move water from field to field, and a tailwater recovery system recaptures irrigation runoff for reuse.

“I’m the third generation in my family to work toward obtaining bayou water for irrigation,” says Little John. “Five years ago we succeeded in getting dredging

going that allows us to obtain free-flowing water, gravity-fed out of the Red River and Bayou Boeuf.”

Besides rice and cane, the family also produces milo and crawfish. After the rice fields have dried out and the rice has been combined, about 400 acres of land are flooded so that crawfish can be raised here through the winter. These crustaceans feed on what remains of the rice plants, until late winter or early spring, when they are collected from traps by workers in flat-bottom boats.

The Earles family rotates soybeans with cane and rice. Herbicide used on their Roundup-ready beans carries over to the cane and rice crops that follow, thus reducing input costs. The beans also fix nitrogen into the soil and leave behind valuable organic matter.

The family also achieves cost savings through the latest precision technology.

“Five years ago no one around here did precision application,” Little John reports. “Now we do it on every acre, and it allows us to apply less fertilizer.”

It takes 12 full-time and seven part-time seasonal employees to keep the farm going. In August and September, with harvest in full swing, the farm’s seasonal workforce mushrooms to 25. Through it all, John Sr.’s wife, Vicky, handles secretarial tasks, bookkeeping, payroll and banking.

“We farm 12 months out of the year,” Little John says. “Harvest alone goes on for about five months.”

## **DREAMS FOR THE FUTURE**

The Earles family faces challenges just like other producers do. It’s more difficult to find labor these days, and weather seems to be more volatile. But their faith in their borrower-owned lending co-op, Louisiana Land Bank, remains rock-solid.

“The Land Bank has been there for us during good times and bad, over and over again,” says John Sr., a Louisiana Land Bank board member since 2010.

David Bergeron has watched the Earles’ agricultural operation grow and diversify since he joined the Land Bank staff in 2003.

“The Earles are good, hard-working customers,” says Bergeron, who farms milo and soybeans himself in his spare time. “They’ve been smart to reinvest their profits in diversification.”

Little John has three children — a daughter, 17, and boys ages 12 and 13. And while they don’t play significant roles on the farm yet, he says the family’s dream is to keep their ag operations growing for the next generation.

“We want to own more land, and we’ll continue to focus on vertical integration,” says Little John. ■ NJ

# SIX GENERATIONS STRONG

**Resourceful and willing to diversify, Texas' Gohlke family has built a profitable agricultural operation while financing with Farm Credit for six generations.**

Janet Hunter

*Working together to operate Gohlke Family Farms are, left to right, Gary, Patricia, Taylor (top), Cooper, Ginny, Burt and Colby Gohlke.*

In 2011, Mother Nature dealt a severe drought to Texas. Dryland crops withered under extreme heat, feed prices shot sky-high, and ranchers drastically reduced the size of their cattle herds. Texas A&M AgriLife Extension Service economists estimated the state's agricultural losses for the year at \$7.2 billion.

For many producers, it took extra resourcefulness and ingenuity to keep their operations thriving. One Central Texas farm family not only survived the drought, however, but developed a successful new enterprise in their effort to generate income from a stunted corn crop.

"We had a lot of corn that we needed to do something with, so we chopped it for silage and started selling it to dairies," says Gary Gohlke, who farms and ranches with his family near Crawford, Texas — a 90-minute drive from a major dairy region southwest of Fort Worth.

The Gohlkes' creative marketing strategy earned them ongoing contracts with dairies and other livestock operations, and today, silage sales are a significant source of income for Gohlke Family Farms. In 2015 alone, the family handled 25,000 tons of corn silage harvested

from their own farm and other local farms, and this year they expect to handle as much or even more silage.

"It's all about freight," says son Burt, who manages the farm's trucking operations. "Our area and Hill County (north of Waco) are the closest corn-growing areas to the dairies."

Silage was not the family's first value-added venture, and it probably won't be their last, according to their loan officer.

"The Gohlkes are successful in their farming operation because they are willing to do whatever they need to do in order to be profitable and expand their reach," says Adam Goldenberg, vice president of Lone Star Ag Credit in Waco.

For example, while other cattle producers were selling animals in 2011, the Gohlkes took a different approach.

*Corn is harvested for silage, which Gohlke Family Farms will market to nearby dairies.*



Courtesy of Ardent Creative

“During the drought, we *bought* cattle because we had silage scrap to use up,” Gary says. Their herd currently includes about 300 commercial cows.

## Generating Extra Income

The family’s diversification efforts began in the 1990s, when Gary started selling fertilizer on the side to generate extra income without investing in more farmland. A few years later, he and his son Burt purchased a Big A spray rig and launched an applicator business. Since then, they have added other business activities, as well. They store grain for neighboring farmers in years when they have excess storage capacity. For the past two years, they have sold feed and corn seed, and some years they also sell hay. That’s in addition to farming oats, wheat and corn and raising cattle.

All of these enterprises complement one another and help keep the Gohlkes’ five silage trucks and three drivers fully employed, explains Gary’s wife, Patricia.

“Burt’s office is in a truck or a spray rig,” Gary quips.



Courtesy of Ardent Creative

*When the Gohlkes’ bins are not full of their own wheat and oats, the family rents them to other farmers.*

In addition to the father-and-son team, Gohlke Family Farms employs a farmhand, a part-time bookkeeper and Burt’s son Colby, 20. Burt’s wife, Ginny, serves as the central communications point for the farm and family. And while it is too soon for the couple’s younger children, Cooper, 14, and Taylor, 12, to choose careers, the young FFA members raise and show prize-winning pigs.

“When something has to be

done, whoever is available just gets in and does it,” says Burt.

## \$125 an Acre in 1941

The family’s love for agriculture and affiliation with Farm Credit began with Gary’s great-grandfather, who paid \$125 an acre in 1941 for the property on which Gary and Patricia live. In 1976, Gary began farming with his grandfather and his father, Ira, who at age 92 continues to raise cattle. Burt launched his farming career in 1993, and Colby began farming full time this year, after studying diesel mechanics. With each generation, the family’s land holdings have expanded, and they now farm owned and leased land, most of it contiguous, in McLennan and Coryell counties.

“The Gohlkes are about family, faith and farming,” says Goldenberg.

Today, all four of Gary and Patricia’s children — Burt, Vance, Kelly and Cody — have real estate loans with Lone Star Ag Credit, and this fall Colby became the sixth generation to do business with Farm Credit when he signed a home loan.

“Lone Star Ag Credit has helped my family finance our piece of Texas,” says Gary. And he hopes that land will remain in the family for generations.

“My plans are to have three or four more good years farming and then turn things over to two really good guys I have working here with me,” he says, nodding to Burt and Colby.

“Our future goal is to always try to leave the family something they can be proud of,” Gary says, “and for us that’s this land.” ■ JH

# A Country Retreat

The peace and privacy of the Gohlkes’ rural rental property make it a popular spot for weddings and weekend escapes.

With farmland spread over two counties, several agribusiness operations to run, and grandkids involved in sports and FFA, Gary and Patricia Gohlke always have had plenty to keep them busy.

But when the couple had the opportunity to purchase a different type of property two years ago — a property that would be perfect for country vacation rentals — they didn’t hesitate.

This time the place was Patricia’s parents’ home, located just outside of Crawford, Texas. After her father passed on, she and her siblings inherited the house and about 80 acres, which she and Gary continued to maintain.

“One day we were over here cutting the grass, and Gary said, ‘Why don’t we buy the place?’” Patricia recalls.

The Gohlkes purchased her siblings’ share in the property in August 2014 and immediately set about remodeling the four-bedroom home, which had not been updated since it was built in 1973.

“We weren’t sure what we were going to do with the house, but we decided we’d at least fix it up,” says Patricia.

## Remodeling and Updating

Gary immediately decided they needed to vault the ceiling and knock out some walls to create a spacious entry and living area. Patricia envisioned a large open kitchen where several people could cook.

“We both had the same ideas, it just took some arguing to get there,” Gary says, chuckling.



*Patricia Gohlke is pictured in front of The Bosque, the rural home that her family rents out for special events and weekend escapes.*

Outside, the Gohlkes built a patio area that could accommodate huge dinner parties and a gazebo large enough to serve as a dance floor. For furnishings, Patricia scoured antique markets throughout Central Texas.

Named The Bosque, after the river that runs through the property, providing a natural swimming hole, the rolling property is also home to a small herd of Longhorn cattle.

By November 2014, the house was ready for visitors. Initially, Patricia — who works as a property manager in addition to helping on the family farm — advertised the place as a bed-and-breakfast. It soon became apparent that there was more demand for rural wedding sites and country vacation rentals.

### Booked Most Weekends

Now, just two years after opening, The Bosque is booked almost every weekend, typically for weddings, family reunions, retreats or football gatherings.

“We have guests who drive in from all over the state for Baylor games (in nearby Waco), and if they have a student at the university, they’ll all come out and spend

the weekend here together,” Patricia says.

If guests need tables, chairs and dishes for large parties, the Gohlkes can provide those amenities. They even design a unique brand for each couple married at The Bosque.

Financed by Lone Star Ag Credit, the property provides more than an extra income stream for the Gohlkes. It’s also a meeting place for their own family and friends.

On certain holidays and long weekends, such as the opening of dove season, it is reserved for the Gohlkes themselves. That’s when Gary and Patricia’s son, Vance, and his wife drive in from San Angelo and daughter Kelly Patterson and her husband, Kyle, come from Midland with their families. Another son, Cody, who manages a farm machinery dealership in Temple, is a partner in the venture,



*For every couple married at The Bosque, the Gohlkes design a brand, which is burned into a tree in the front yard.*



*A large gazebo and patio are perfect for outdoor gatherings.*

but every member of the family feels some connection and ownership.

This past summer, nearly 100 of the Gohlkes’ closest friends and relatives helped celebrate the 4th of July at the Bosque.

“We have a lot of good family time here,” Patricia says.

But the family also takes pleasure in renting the property to guests, knowing they are sharing the peace and privacy of rural Texas with others. ■ JH

*For more information, visit [thebosque185.com](http://thebosque185.com).*

# from boll to bedding

Their Own Line of Linens

First, Alabama's Mark Yeager built his own cotton gin. Now he and his family are taking their crop from the field to the bed, marketing their own line of heirloom-quality linens direct to the consumer.

*Anna Yeager Brakefield with one of the first sets of sheets produced by Red Land Cotton*

Photos this page by Gary Clark

**N**orthwestern Alabama cotton farmer Mark Yeager knows all about making lemonade out of lemons. Or rather, making a thriving cotton business out of a challenging cotton market.

He and his family have done just that for three generations on the Yeager farm, which he took over in 1983.

Despite being blessed with the farm's rich red clay soil, renowned for producing premier cotton at the foot of Bankhead National Forest, he, like other cotton producers, has faced declining prices and escalating operating expenses.

Many of Yeager's peers have exited the market for greener pastures such as soybeans and corn. According to USDA Census of Agriculture data, the number of cotton farms in Alabama dropped from 1,820 in 1987 to 925 in 2012. Cotton ranks fifth in the value of agricultural products sold in Alabama, behind poultry, other grains and crops, and cattle operations.

### Building His Own Gin

What Yeager needed in order to continue pursuing his passion for cotton farming was innovation and an entrepreneurial spirit. And that spirit was evident in 1994, when he took the bold step to build his own cotton gin so he could control the fiber quality of his crops.

"I wanted control of my own cotton and to mill my own cotton seed," says Yeager. "We have one key employee

who works on the farm in the off-season and is very capable of running the gin in the fall, average ginning 5,000 to 6,000 bales a year in about a five-week period."

While the gin ensured quality control and provided an income stream, the family continued to look for business strategies to maximize their farm income.

Last year, a simple post on Instagram pointed them to their most recent venture, which launched this fall — Red Land Cotton heirloom sheets crafted from their own crop.

"Last year, Dad posted a video to Instagram while they were ginning their cotton, and his sister, who lives in Dallas, commented that she would love some sheets from that North Alabama cotton," says Yeager's daughter Anna Brakefield. "Ever since then, Dad kept thinking on it, and asked me if I'd like to get involved."

The timing and opportunity couldn't have been better for the young marketing professional. Brakefield recently had moved back near the family farm after two years with a New York City advertising agency.



Mark Yeager and his farm and gin manager, Tony Blankenship

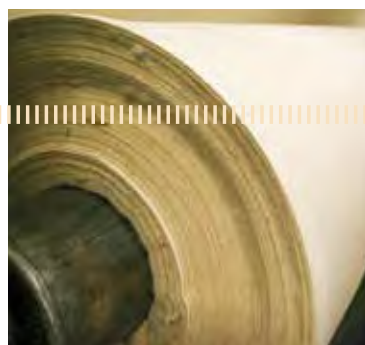
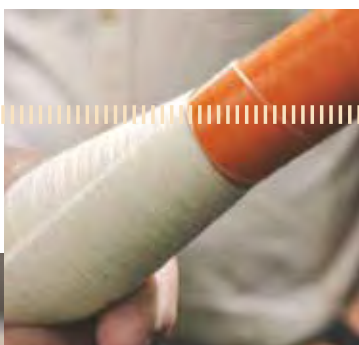
Photos this page by Gary Clark



The Yeager family operates their own gin so that they can control their fiber quality.



Wire is tied around cotton bales on the gin press.



*Spools of yarn and rolls of sheeting fabric made from the Yeagers' cotton*

Courtesy of Red Land Cotton

## Defining the Brand

With the idea of developing their own line of cotton bedding, she and her dad set about doing market research, talking with friends and neighbors to refine their concept. The late Madeline Gray, the great-grandmother of a friend, provided the light-bulb moment.

"We wanted to do something different, and had been asking around, getting ideas from people. A friend came up to me in Sunday school and mentioned that she had found some 1920s linens in a chest that had been passed down to her from her great-grandmother, Madeline Gray," says Yeager. "I slept on them and they reminded me of sleeping on grandma's sheets as a kid."

The idea of vertically integrating appealed to Yeager. Father and daughter considered producing a sheet to compete in the exclusive Pima sheet market, but the romance and nostalgia of days gone by resonated with them.

"We could have made a high-thread-count, high-sheen sheet with the high-quality cotton we are growing, but I don't think that would have correlated with who we are here on the farm," says Brakefield, who researched pricing and messaging to differentiate Red Land Cotton sheets from other high-end sheets. "We wanted to make something that was different."

## Re-Creating Grandma's Sheets

What was missing, they determined, was a superior-quality sheet made to the specifications of heirloom textiles. With that concept in mind, they sent Madeline Gray's sheet to Cotton Incorporated's textile engineers to be analyzed, and replicated it as closely as possible. In fact, Gray is the namesake for one of two lines that entered production this fall. They mimic Gray's originals down to the double-hemstitching, lace edging, and bleached and natural color options.

"We are using the best cotton we have, and the construction will feel very much like a 1920s sheet. It breathes much better than a tightly woven 600-count sheet," Brakefield says, describing Red Land's sets of heirloom sheets, which retail online starting at \$250.

Yeager set aside 50 bales from the 2015 harvest — approximately 1 percent of his total production — to test the market.

"To find a mill willing to make yarn out of our 50 bales of cotton was an interesting process," says Yeager, who ultimately

"We are using the best cotton we have, and the construction will feel very much like a 1920s sheet. It breathes much better than a tightly woven 600-count sheet."

— Anna Brakefield

Gary Clark

"My goal is that every ounce of cotton that leaves the farm goes into our own textile."

— Mark Yeager



The Yeager family from left to right: Cassandra and Mark, daughter Anna Brakefield and sons Mark Jr. and Joe. Dog Cotton proudly poses in front.

secured Parkdale Mills in North Carolina to spin the yarn. "It is really amazing to me, given the total number of bales they will do, that they accepted our proposal."

The yarn is shipped to Hamrick Mill in Gaffney, S.C., for weaving — one of only two mills in the United States that can weave cloth the width of a bed sheet.

"I have a much greater appreciation now for what is required to take a bale of cotton all the way to a finished textile," he says.

## Marketing Through Social Media

To generate advance sales, Brakefield placed drawings of the sheet designs online and promoted them on social media.

"Online marketing offers so many options and capabilities for a person in rural Alabama to reach the masses," says Brakefield, who has relied heavily on social platforms and low-cost videos posted on the Red Land Cotton website to evoke a nostalgic tone.

"It doesn't cost anything to go out into the field and take a video and share what you are doing," she says. "A lot of people don't know what goes into producing a cotton crop, and we want to be able to share that."

She adds, "There's always been something very warm and romantic in the old way. I think that, even though you may not necessarily want to live like the old days, that old way is reminiscent of a sweeter time. It is a different kind of romantic."

The initial marketing alone generated sales of roughly 100 sets, which began shipping in mid-October. Red Land Cotton expects to produce approximately 3,500 sheet sets in its initial production run, and is planning a seven-fold expansion for next year.

"My goal is that every ounce of cotton that leaves the farm goes into our own textile," Yeager says.

If the past is any predictor, those who know Yeager won't be surprised when he achieves that goal.

"Mark has been a Farm Credit customer for more than 30 years and is a top-notch row-crop farmer and excellent businessman," says the Yeagers' loan officer, Heath Davis, vice president and branch manager with Alabama Farm Credit in Tuscumbia. "While other cotton farmers are diversifying into other crops, Mark is taking his cotton and further producing it. What he is doing is completely unique from anything I have seen." ■ SD

For more information, visit [redlandcotton.com](http://redlandcotton.com).

Landscapes readers will receive a 15 percent discount off the price of Red Land sheets when using the promotional code Landscapes16 at checkout.



Photos by Jim Bean

*Dr. Richard Thorpe, TSCRA president*

# ON CALL FOR THE CATTLE INDUSTRY

As an emergency room doctor and a first-generation rancher, Dr. Richard Thorpe offers a unique perspective as president of Texas's largest livestock organization.

**G**rowing up in suburban Dallas, Richard Thorpe was obsessed with all things cowboy. In grade school, doodles and drawings of cowboys filled his notebooks and his thoughts — and then in high school in the '70s, things got serious.

“I drew up the ranch brand we use today during my junior year in study hall,” the first-generation rancher says.

It was an unlikely hobby for a boy who was introduced to the outdoors through hunting and fishing, but Thorpe had a purpose. Today, the child fully determined to live life as a cowboy has grown into a cattleman, currently serving as president of Texas's oldest and largest livestock organization, the Texas and Southwestern Cattle Raisers Association (TSCRA).

“I had a lot of goals and a vision, and part of that was to one day get to where I could own a ranch,” Thorpe says. “While growing up, I was very fortunate to have close friends whose families owned ranches, and we would spend weekends and summers there. I liked it so much that I decided at a very young age that I wanted to live on a ranch.

“Why would you live in the city when you can live there?” he says of the country.

### **From Rodeo Cowboy to Prominent Cattleman**

Thorpe and his wife, Karen, own Mesa T Ranch, headquartered in Winters, a small town in west-central Texas. They raise cow-calf, stocker and feedlot cattle in two counties. Karen and daughter Tami also run a blue roan horse breeding operation.

The couple made the decision to settle in the rural area in 1985, when Thorpe, an emergency room doctor, graduated from medical school at Texas Tech University in Lubbock.

“We chose Winters because land was affordable and it was good land that I thought we could do something with agriculturally,” he says. The location also offered opportunities for Thorpe’s medical career, with four hospitals within driving distance.

Both Thorpe and his wife had rodeo in their past (they met at a rodeo in their twenties), so starting out with a horse operation seemed like a logical fit. Over

time, however, Thorpe became intrigued with the business aspect of raising cattle.

“That was when I evolved from being a cowboy into a cattleman — and suddenly, the picture got a whole lot bigger.”

The Thorpes started attending TSCRA School for Successful Ranching events, the organization’s flagship educational program, which offers demonstrations, classroom lectures and general sessions led by experts on current topics.

“These were our people,” Thorpe says of those early events. From there, the couple became regulars at TSCRA meetings and functions.

With a solid reputation and a medical degree as assets, Thorpe was asked to represent the organization on the Texas Beef Council, serving on the board for six years. He later served on the executive committee of the National Cattlemen’s Beef Association (NCBA), where he chaired both the Human Nutrition Research Committee and the Culinary and Beef Innovation Group.

“As a doctor, I’ve always pushed to prove that beef is healthy and has a very important role in the American diet,” Thorpe says. He’s been quoted in countless publications, been interviewed live on national network news and played a role in national dietary guideline discussions.

### **A Voice for Private Landowners**

A TSCRA director since 2006, Thorpe began his two-year term as president in March 2016.

“I really love this association, and I’m so privileged to have been asked to be a director and officer,” he says. “The organization has a very proud history, and I want to carry that torch on.”

Established in 1877 to curb livestock theft, the TSCRA represents about 50,000 ranchers and beef producers who manage approximately 4 million head of cattle on 76 million acres of range and pastureland,



*The Thorpes’ brand, the Mesa T*



primarily in Texas and Oklahoma. The association also provides law enforcement and livestock inspection services, legislative and regulatory advocacy, and insurance services for its members and the industry.

“The cost of membership is by far the best value a rural landowner can get,” Thorpe says. “We represent mainly cattle ranches, but we also have members who have horses or recreational property.”

In addition to actively promoting the health benefits of beef, Thorpe has been a strong advocate for private property rights.

“I know how hard it is to get land and how much it means to have it to raise a family on,” Thorpe says. “It’s a very personal, horrible thing if you’ve ever been a victim of eminent domain — for you to spend your whole lives building a ranch and then to have someone come in and say, ‘we’re taking it.’”

The Thorpes still live on the first ranch they purchased in 1985. As adjoining and nearby properties have come available over the years, they’ve turned to Central Texas Farm Credit to finance additional purchases. To further diversify, they recently added high fencing and a lodge on one

part of the ranch where they plan to begin a deer operation. Brian Meeks, Central Texas Farm Credit’s San Angelo branch manager, says that the association helped provide financing for the construction of the lodge.

“It has been a privilege working with Richard and Karen for more than 25 years as they have used our loan

programs to improve their ag operation to what it is today,” Meeks says. “They’re great people who understand and love ranching life. Their involvement in the TSCRA speaks of their passion and dedication to preserve the past, protect the present and promote the future of the Texas cattle industry.”

Thorpe currently splits his time between TSCRA commitments, the ranch and the emergency room at nearby Abilene Regional Medical Center. He’s quick to note that while he may spend more time away from the ranch, his family, especially wife Karen, more than pitch in.

“Since I didn’t get the chance to take over a family ranch, my goal has always been to establish a ranch that could be passed on for generations. I’ve accomplished what I set out to do.” — Dr. Richard Thorpe

“When I’m at the hospital or doing something for TSCRA, our ranch doesn’t lose a step,” he says. “Karen knows as much about ranching as I do — we both came up through the school of hard knocks.”

And while neither of them grew up in ranching, they are making sure that their love of the ranching way of life is being passed down. Daughter

Tami resides nearby with her daughter and husband, Chad Halfmann, who comes from a family in the Red Angus seedstock business, and the couple’s son, Scott, and his wife, Misty, have three children who visit the ranch often.

“I’m very proud to be a first-generation rancher, but I’m really excited to see the third generation on the ground,” Thorpe says of his grandchildren. “Since I didn’t get the chance to take over a family ranch, my goal has always been to establish a ranch that could be passed on for generations. I’ve accomplished what I set out to do.” ■ SH



*Richard Thorpe says that he and wife Karen operate as a team, and he credits her for keeping the ranch going as he attends to TSCRA or hospital matters.*

# Stay Safe Online

**T**he World Wide Web can be a dangerous place, exposing you to people who would steal data, play pranks and even take over your identity. That's why you need to learn how to protect yourself on the Internet, especially if you handle business transactions or do banking online.

Educate yourself about potential threats and protections, starting with the following online security tips.

## Create Strong Passwords

Strong passwords contain a mix of numbers, letters and symbols that are difficult for hackers to crack. Use a sentence or uncommon phrase with 10 or more letters that you can easily remember. Then, make it a stronger password by substituting original letters with numbers, uppercase letters and special characters. For example, you could change "the cat barks" to Th3C@tBarx. Avoid using properly spelled words in your password, use a different password for every website or account, and change your passwords often.

## Set Social Media Settings to "Private"

On social media sites, be discreet — make sure that strangers cannot view your personal details. While information such as your vacation plans or birthday party photos may seem harmless, it could let fraudsters know when you were born, when you're out of the house, and how they might draw more information out of you with a phishing e-mail. Making your photos and status updates private reduces this possibility.

## Use Two-Factor Authentication

Two-step, or two-factor, authentication helps prevent hackers from cracking the password to your e-mail or bank account. This process adds a second security hurdle, such as a unique code that's sent to your phone or a series of security questions that only you can answer. Enabling two-factor authentication whenever it's offered (including on Facebook, Twitter and Gmail) helps safeguard your personal details.

## Install Anti-Virus and Anti-Malware Software

Provide an effective defense against attempts to steal your personal information. Malicious software, also known as malware, is now most often used to make money. Two types of malware — ransomware and data-stealing trojans — are much more common than viruses. Anti-virus and anti-malware programs routinely handle known bad code. Be sure to update regularly to protect against new malicious attacks.

## Be Cautious With Attachments and Downloads

Don't accept unknown e-mails. Your computer can obtain a virus, worm or trojan when you simply open infected e-mails and attachments. If you choose to download files, make sure your security software is enabled and up-to-date and — most important — that you only open

attachments that you are expecting. Farm Credit associations typically send documents and confidential information via their secured file-sharing services, which you also should use to transmit documents to your Farm Credit lender.

## Beware of Phishing Scams

Phishing attacks come in the form of fraudulent e-mails, phone calls and websites designed to lure unsuspecting users into revealing private account or login information. If you receive an e-mail that includes a website link, don't click on the link — instead, open a separate browser window and visit the company's legitimate website directly. You can also verify the e-mail's legitimacy by phoning the business directly.

## Use E-Mail Wisely

Never send your credit card information, Social Security number or other confidential information via e-mail. Only share your e-mail address with trusted sources — do not post it on websites or on forums. Consider creating a separate e-mail address for uses such as newsletters and website subscriptions. Also, do not reply to e-mail from an unknown sender. Even clicking "unsubscribe" could set you up to receive more spam e-mail.

## Update Regularly

Keep your computer's operating system up-to-date by installing routine Windows or Mac updates. For example, when a Windows message pops up saying that an update is available, click to install the update, or run Windows Update and follow the instructions. It is also important to keep software applications such as Adobe Flash and Microsoft Office updated. If you are not sure if an update notification is authentic, go directly to the software company's website. ■ JH

*This article contains excerpts from articles published in Northwest Farm Credit Services' Yields Magazine.*



# Do Pigs Lay Eggs?

**A Mississippi Educator Sets the Record Straight on Agriculture**

**I**n her 16 years as a Mississippi Extension agent focused on agricultural education, Julie White has heard it all. Cotton comes from sheep. Pigs lay eggs. Brown cows produce chocolate milk. And where does paper come from? Even her adult audiences don't always have the right answers.

Raised on a small cattle farm in Denham Springs, La., White credits the adults in her life early on with fostering her desire to teach others about agriculture.

"Growing up, I was involved in 4-H, which is where I gained my love for agriculture," says White, a Mississippi Land Bank customer since 2004. "I had Extension agents and parents that poured a lot into me, teaching me the value of what agriculture was doing for me. That instilled in me a passion for teaching, and when it came time to pick a career, I knew I wanted to work for Extension."

## Hands-On Program for Kids

With an agricultural education degree in hand from Louisiana State University, she joined Mississippi State University in 2000, where her husband, William, also works.

"As a county Extension agent, I was surprised to see the number of kids and adults who had no clue where their food and clothes come from," says White, who responded four years ago by creating an agricultural education program called FARMtastic. The hands-on program gives elementary students an opportunity to interact with farmers, see farm animals up close, and learn about various crops, forestry and livestock.

What began as a county program in Starkville, Miss., soon took to the road. Last year alone, White and her FARMtastic colleagues reached nearly 6,000 students in second through fourth grades across the state.

"It doesn't matter if the kids are in an urban or rural area, it is amazing to see the light bulb that comes on

when they hold a baby chick," she says. "I feed off of the fact that they are having those light-bulb moments."

In addition to their full-time jobs, she and William do custom hay baling and run a small cow-calf farm with his parents in Oktoc, Miss., with plenty of involvement from their own children, Matthew, 11, and Morgan, 9, both active 4-Hers.

In 2015, the busy mom, farm operator and professional educator became the first Mississippian selected to participate in the American Farm Bureau Federation's prestigious two-year Partners in Agricultural Leadership (PAL) class. After a rigorous selection process, White was one of 10 individuals nationwide chosen for the PAL program, underwritten in part by Farm Credit. The training sessions took her to New York City to study media relations; Washington, D.C., to learn about ag policy and the legislative process; Brazil to study international agriculture; and most recently, Honolulu, where she learned strategies for promoting agriculture by engaging with the public.

## Teaching by Storytelling

"As agriculturalists, we need to be telling our story more," says White. But she acknowledges that doing so doesn't come naturally for some. "The easiest way to get started is with kids. Get involved in your local agricultural organizations, and help them teach kids. Kids like stories; tell them what you are doing on your farm.

"Another easy way to get involved is to use social media," she says.

She suggests, for example, posting pictures of current farm activities, accompanied by short blurbs about what you are doing and why. Use simple words without farm jargon.

"It just takes practice to tell the story," she notes. "It's your story, and nobody knows your story but you." ■ SD

*"It doesn't matter if the kids are in an urban or rural area, it is amazing to see the light bulb that comes on when they hold a baby chick."*

*– Julie White*

Megan Bean

*Julie White, left, with her husband, William, and children Matthew and Morgan on their Oktoc, Miss., farm*

# D I V I D E

## & Transfer

**It's one thing to build your ranch up — another to pass it down.**

**A New Mexico couple explains their approach to transferring property to their adult children.**

**F**or months, over breakfast and before lights out at night, Frank and Jeannie Burton bounced ideas back and forth about the future of their ranch estate. Married more than five decades and parents to six children, the New Mexico cattle ranchers had decided they were ready to downsize their extensive business interests.

"We knew we needed to plan our estate," Jeannie says. "But we wanted to do it in the simplest way, so if something happened to us, the kids wouldn't have a big mess to deal with."

But how, they wondered, should they fairly transfer properties to their grown children, some of whom had no interest in ranching?

That discussion lasted nearly a year and would later involve their trusted family attorney and their Farm Credit lender, Ag New Mexico.

### Starting Small

As a young man, Frank Burton longed to own land. His dad was a carpenter and a farmer in Clovis, N.M., and Jeannie's

father worked for the railroad and ranched. Out of college, Frank worked for a packing house in Pueblo, Colo., saving up for the day that he and Jeannie could start their own ranch.

That day came in the early 1970s when, with two young children, Justin and Jeff, he and Jeannie took the plunge and purchased 91 acres in partnership with Jeannie's brother and his wife at Black Lake in northeastern New Mexico.

Their new lifestyle wasn't easy. At times, the Burtons barely got by and had to borrow money to pay their monthly land note. Eventually, they borrowed a little extra and bought their first 10 cows. Jeannie, who'd heard a news account of lightning striking some cattle dead, worried constantly that the same would happen to theirs. But the cattle survived and brought enough at sale for the Burtons to pay their note and purchase 20 more head of cattle.

Their cattle business grew rapidly, and Jeannie learned not to worry

so much. Then, in 1973, the cattle market crashed, taking the Burtons with it. But the family hung on and grew in size with the additions of Pamela, Albert and Trilby. Along the way, another child, Warren Rice, joined the family. Together, they'd all spend summers in the mountains at Black Lake, where they'd graze their cattle. Come winter, they'd haul the cattle down to grasslands near Springer.

"Back then, we were colorblind when it came to buying cattle," Frank says. "We'd buy whatever we could to make a dollar. Now we run about 75 percent black Angus."

In 1979, Frank and Jeannie formed Burton Enterprises Inc. The following year, they bought what would become Antelope Valley Ranch, a cattle operation north of Springer. There, they built a one-room shop, which housed the family until their home was built. They continued to buy more land, along with interests in feedlots and auction barns.

"After we left Pueblo, we could have gone anywhere,"



*From left to right, Pete and Pam Slater with son Tobe; Albert and Monica Burton with children Owen, Wade, Hannah and Olivia holding dog Sassy; Frank and Jeannie Burton; Shana and Jeff Burton*



Photos by Sheryl Smith-Rodgers



Jeannie says. “But we chose this place so our kids could go to a small school, be a part of a community, and live close to family.”

## The Second Generation

Much has changed since those early days. The Burtons’ six children each have their own families and busy schedules. Grandchildren total 20, and a third great-grandchild is on the way. Three of their adult children, Jeff, Pamela and Albert, and their spouses partner with one another in various ranching ventures. They also run their own businesses and cattle operations, some of which were purchased from Frank and Jeannie.

“We weren’t ready to quit ranching completely, but we wanted to get out of our children’s way,” Frank explains. “So after Jeannie and I talked about what we wanted to do, we came up with a plan to sell different parts to different children at market value. We planned everything out and took it to our attorney, who drew up the legal documents we needed.

“If people are just given things, they don’t take as much pride in them,” Frank adds. “At least, that’s our theory.”

After that, the Burtons made their offers, which included easy financing terms. Children could accept or reject the deals. Daughter Trilby and her husband, Jarrod Webster, agreed to buy her parents’ interest in a Clayton feedlot, while Pamela and her husband, Pete Slater, purchased a ranch in northeastern New Mexico. In January 2015, Jeff and Albert bought out Burton Enterprises Inc. from their parents.

“Two sons have no interest in the cattle business, so we made other concessions for them,” Frank says.

“We forced the rest to take everything off our hands,” he adds, chuckling. “But we did it with no strings attached. They can sell their properties if they want to.”

John Heckendorn, vice president and branch manager with Ag New Mexico in Belen, assisted the Burtons — many of whom were already Ag New Mexico



**“If people are just given things, they don’t take as much pride in them. At least, that’s our theory.”**  
— Frank Burton

customers — with financing and transferring properties.

“They are pillars of the ag community in New Mexico,” he says of the family. “They’ve been around a long time and have a solid reputation.”

Among the Burtons, Jeff has been an Ag New Mexico member the longest.

“I took out my first loan in 1995, and I’ve been with them ever since,” he says. “Ag New Mexico has been good to us and supported our families in so many ways.”

## Tight Family Bonds

Aside from partnerships with his siblings, Jeff and his wife, Shana, own a trucking company, run cattle and grow hay. Shana also teaches first grade in Springer. Albert and his wife, Monica, who is the ranch bookkeeper and a Springer school board member, own Western Beef Marketing, which buys and sells cattle for customers. Pamela works as the clinical director for a nonprofit children’s treatment center,

while Pete manages the ranch where the couple lives near Bard, N.M.

“We were taught by experience to diversify,” Albert says. “We all do something different, not just one thing.”

With that diversification comes a willingness to adapt.

“We do whatever makes sense at the time,” Jeff says.

“During a bad drought five years ago, we had to lease pasture somewhere else. We were then deeply in cow-calf operations. So we had to sell and get into yearlings,” he explains. Although their operations are based in New Mexico, they also do business in neighboring states.

Now and then, a few Burtons may get crosswise with one another, which happens in any family. But not often.

“Yes, it’s tough sometimes,” Jeff admits. “We’re all strong-minded, which could pose problems, but we don’t let it. We always find a way to get along.”

With future family relations in mind, Frank and Jeannie didn’t want to partner together any siblings in the business deals they offered. But it couldn’t be avoided in selling Burton Enterprises to Jeff and Albert.

“Estates are tough,” Jeff says. “There’s no easy way.”

As for Frank and Jeannie, they kept their home and a few acres. They lease some neighboring land, where they run their cattle. They also still own an interest in a Clayton livestock auction barn.

“We’re doing what we want to do,” Frank says. “Why quit?”

Since downsizing, however, the couple has been enjoying life and have peace of mind about the future.

“We’ve seen so many ranches go from one generation to the next with no preplanning, and they go broke because they can’t hold it together,” Frank says. “I think everyone should think of estate planning. They should have a solid plan in place, instead of letting the courts and attorneys decide. We’re sure glad we did.” ■ SSR

# Pass It Along

The first step in transferring property is to make a plan.

By age 40, Frank and Jeannie Burton were already planning ahead for the unexpected. In 1979, just a few years into their ranching career, the New Mexico couple set up Burton Enterprises Inc. to keep their business accounts separate from their personal accounts.

“None of us lives forever, so we need to think in terms of how we’ll pass on what we’ve accumulated to the next generation,” Jeannie says. “We wanted to do that in a way that was beneficial and meaningful to each of our children.”

Take the advice of the Burtons, now in their 70s — it’s never too early to plan how you’ll transfer your farm or ranch to the next generation.

Conversations and decisions on the subject can be tough, especially without expert guidance. That’s why some folks prefer to avoid the topic. In a recent study, 89 percent of Minnesota farmers surveyed had no up-to-date business transfer plan.

Not surprisingly, the common dilemma is expected to grow. The USDA forecast that between 2015 and 2019, American farmland owners — about a third of whom are at least age 65 — will transfer 93 million acres.

Where do you start when deciding how to pass on your operation? Here’s what to consider first:

## Don’t procrastinate.

“The most important thing is that you *start*,” says Dr. Tiffany Lashmet, an agricultural law specialist with the Texas

A&M AgriLife Extension Service in Amarillo. “But it can be so overwhelming that many people don’t know how to get the ball rolling.”

What you do is sit down and talk.

“You need to decide what your goals are going forward,” Lashmet says. “Do you want to keep your farm or ranch intact? Or split it evenly? Or split it equitably? What do your heirs want? You’ve got to figure out everybody’s goals.”

## Bring experts on board.

“It’s a good idea to involve an estate planning team,” Lashmet says. “I’d look for an attorney who specializes in estates. Also involve an accountant, which will probably be your bookkeeper who’s familiar with your finances.”

## Make a list.

“Create an inventory of *everything* you own, not just land,” Lashmet says. “That’s important because, first, you’ll know what you have. Second, the list will help determine if you’ll need to deal with any potential estate tax issues while developing your plan.”

## Consider “what if” scenarios.

Tragedies can and do happen.

“We’ve found that in 75 percent of our cases, a parent outlives a child,” says Dr. Wayne Hayenga, professor emeritus and Extension specialist with Texas AgriLife Extension. “What if you plan to pass your business to your son, but then he dies? So you need a contingency plan. Things don’t always go as initially planned.” ■ SSR

## Resources

Need more guidance? Check out these free online resources:

**Farm Transitions.** Funded by the USDA Risk Management Agency, this website can help you prepare for when and how your operation will change hands. Fill out questionnaires and worksheets to create a simplified strategy toward planning your estate.

[www.farmtransitions.org](http://www.farmtransitions.org)

Paper copies of the 161-page “Farm Transition Toolkit” may be purchased for \$10 from the Minnesota Institute for Sustainable Agriculture by calling (800) 909-6472.

**AgTransitions.** This free online resource was developed by the University of Minnesota to help farmers and ranchers pass their businesses to the next generation. Use the site’s online tools to nail down goals, examine transfer strategies and tax issues, and develop a written transfer plan. AgTransitions has links to more than 80 online resources along with tips, worksheets and videos.

[www.agtransitions.umn.edu](http://www.agtransitions.umn.edu)

## Farm Journal Legacy Project.

Begun in 2008, this 10-year project aims to help farm families experience multigenerational success. Through the website, you’ll get access to workshops, planning tools, case studies and more.

[www.farmjournallegacyproject.com](http://www.farmjournallegacyproject.com)

## Estate planning videos.

A 12-part video series on estate planning, narrated by Dr. Wayne Hayenga, is available on YouTube. The videos discuss estate planning laws, family considerations, the components of a will, living trusts and durable general power of attorney.

[bit.ly/EstatePlanningHayenga](http://bit.ly/EstatePlanningHayenga)

# catching some rays

Increasingly affordable,  
solar technology helps  
two rural families embrace  
efficiency and self-sufficiency.



*Ann Smith, right, gives Travis Thorne of Capital Farm Credit a tour of the 10-kilowatt solar array that he helped finance. The panels generate about half of the Smiths' electricity and provide shade for their cattle.*

**If** Larry and Ann Smith's cattle could talk, they'd tell you how sunny it is at the couple's North Texas property.

The Smiths knew that a shade structure was a must for their black Angus cattle, but they also wanted to take advantage of the sun for themselves. In 2011, they topped a 25-by-32-foot steel frame with 40 solar panels.

The 10-kilowatt (kW) solar array is just the right size for their small cow-calf herd.

"They love it under here," Ann says as she walks under the solar panels and inverters, which turn the DC power produced by the panels into AC power that feeds into the electrical grid at their property. "When they're in this pasture, they'll spend most of the afternoon here."

The photovoltaic (PV) array wasn't the retired IBM engineers' first renewable energy system. Three years earlier, they had installed a wind turbine on their hilltop property outside Bowie, not far from several large wind farms. There was plenty of wind, but the changeable direction was a problem.

"The turbine would turn so rapidly that it would shut down at its peak time of operation," says Larry, a systems engineer. "Solar's a much better way to go."

Ann, a software engineer, says it didn't take long to see the improvement.

"In two months the solar array overtook what the turbine produced in 2½ years," she says.

## FINANCED AS A CAPITAL IMPROVEMENT

Before the Smiths could start saving on utility bills, they needed to invest about \$60,000 in the project. The couple called up their Capital Farm Credit loan officer, Travis Thorne, who had helped them get a great interest rate on a previous loan.

The solar project was a first for Thorne, who used the Smiths' equity in their property to fund a capital improvement loan.

"We loaned them everything they needed for the project," he says. "They've had so much success with solar that now they want to increase the capacity."

The Smiths have already started installing a second solar array for about half the price per watt, thanks

to a dramatic drop in the technology's cost in the past few years.

They still joke with Thorne about their expensive cow shelter, but the eGauge on their laptop shows how it cut their annual electricity costs in half.

"It's very beneficial. Three or four months out of the year, we're feeding more energy into the grid than we're using," Ann says, pointing to colorful graphs of the electricity produced by the panels and consumed by the house, well pump and shop.

They get credits from their utility company for the surplus, offsetting their bills the rest of the year.

**It's very beneficial. Three or four months out of the year, we're feeding more energy into the grid than we're using." – Ann Smith**

Two tax benefits added

to the savings: Homeowners and businesses can recoup 30 percent of the cost of a renewable energy system through a federal tax credit, and businesses can claim accelerated depreciation.

"The ag operation gives us the best of both worlds," Ann says, adding that their system has almost paid for itself.

They plan to someday add a battery backup system that will let them store solar energy for use during power outages. Until that day comes, when the grid goes down, it's lights out at the Smith place.

## A TRADITION OF SELF-SUFFICIENCY

Storage is a daily routine for David and Gail Rose, who supply their own electricity and household water from the sun and the rain.

Their home in Llano, near the center of Texas, is on the same land where David's great-grandfather started a ranch in the late 1800s.

"We had contemplated living out here back in the early '90s, but it's on solid granite with one shallow well," David says. "We abandoned the idea because we thought we didn't have enough water."

"Rainwater collection wasn't really happening back then, but really, it's ancient. Once we understood how much rainwater we could collect out here, we knew we could sustain ourselves."

"But that was an idea for down the road."

In the meantime, Gail, an emergency room nurse, started collecting rainwater for their vegetable garden in the Austin area, and David, a corporate pilot, drove hybrid electric vehicles and thought about how practical a solar array would be.



*Gail and David Rose built their dream home in the Texas Hill Country with solar panels, battery storage and a rainwater collection system. The rainwater makes it possible to live at their family ranch, where groundwater is in short supply.*

After their two children were grown, they looked forward to building a house complete with solar panels and rainwater harvesting, but were frustrated with the approval process their future neighborhood imposed on nonstandard plans.

One day while visiting the ranch, they realized that if they built in the country, they could have their dream home just the way they wanted it.

The next thing they knew, Gail was designing the house, David was researching the renewable systems, and they were looking for financing.

"I talked to some conventional banks, but they don't understand this market," David says. "They were scratching their heads because they couldn't find any comparable houses that had rainwater and solar."

Then they called Chad Schmidt at Capital Farm Credit's Mason office on the advice of relatives who manage the Rose family's Hereford operation. They were thrilled that Capital could roll the rainwater and solar projects into the construction loan, and Schmidt appreciated their methodical approach.

It was the loan officer's first solar project, but he wasn't new to rainwater harvesting.

"We had cisterns at the ranch where I grew up," Schmidt says. "After my grandfather moved to town, he would come fill up a jug with rainwater every day to take back and set on the kitchen counter."

### COME RAIN OR SHINE

It's now been three years since the Roses moved into their one-story home, designed to maximize the rainwater and solar energy they collect.

"We needed a lot of roof area," says Gail, who retired from nursing and has a business making ceramic lighting fixtures. "Since we weren't on a neighborhood lot, we could make it as long as we wanted."

With every inch of rain, they collect about 4,000 gallons in a 39,000-gallon metal tank, complete with a food-grade liner and an emergency valve for the fire department. David installed everything but the tank himself, trenching in the granite with a jackhammer for the underground pipe and saving almost half of the \$60,000 price quoted by contractors. They don't have to worry about the limited groundwater, and in an average year collect about twice the rainwater they consume.

Two filters and a UV light sanitize the water for household use.

"It's hard to beat rainwater," David says. "There's no chlorine, you don't need a water softener, and there's never a spot on our glasses. It's all free, quality water."

Not far from the water equipment is the home's other storage system — a bank of 20 sealed, deep-cycle, 12-volt batteries charged by the 10-kW solar array on the roof.

For David, it's fun to monitor the solar panels and charge controllers that pack the batteries with electrons. The house runs off the stored energy until the reserves get low overnight, then switches to electricity from the utility company.

Since the Roses are usually off the grid, they seldom notice local power outages, but they do notice the difference in their bills. In their peak month this year they paid only \$49.73 for electricity before fees, even while air-conditioning the 3,200-square-foot house in 100-degree weather.

"You know, we wanted to do solar and rainwater for all the eco reasons, but there's also an economical aspect," David says. "We hope that we can continue the ranch being in the family. This will be another legacy to pass down to our children and grandchildren." ■ CF

See more photos, plus information about solar energy and rainwater harvesting, at [FindFarmCredit.com](http://FindFarmCredit.com).

## ENERGY FROM THE SUN

Interest in solar energy use on farms is increasing, especially on farms that require heating, cooling or irrigation. From 2008 to 2011, the number of U.S. ag operations with renewable energy systems more than doubled.

### HOW MUCH SOLAR ENERGY DOES A SYSTEM PRODUCE?

Photovoltaic (PV) systems generate the most electricity in the southern and western states. While the Southwest gets the most sunshine, the Southeast consumes the most electricity — especially Louisiana, where homes use 42 percent more kilowatt-hours (kWh) than the national average.

Here's how a 5-kilowatt (kW) grid-tied residential system with standard panels tilted to match the latitude can offset utility bills in the southern region. Estimate the benefits for your location with the PVWatts Calculator, <http://pvwatts.nrel.gov>.

	Annual Energy Used Per Home*	Solar Energy Produced Per Year	Annual Savings (Average Cost per kWh Charged by Utility)
Las Cruces, N.M.	7,596 kWh	9,009 kWh	\$1,071 (12 cents)
Amarillo, Texas	13,896 kWh	8,423 kWh	\$777 (9 cents)
Jackson, Miss.	14,976 kWh	7,104 kWh	\$581 (8 cents)
Huntsville, Ala.	15,180 kWh	7,047 kWh	\$734 (10 cents)
McAllen, Texas	13,896 kWh	7,030 kWh	\$773 (11 cents)
Lafayette, La.	15,497 kWh	6,913 kWh	\$551 (8 cents)

\*Statewide average

### HOW MUCH DOES IT COST TO GO SOLAR?

Prices for PV systems have dropped more than 70 percent since 2010. The typical per-watt cost for a grid-tied system, including installation, is:

- \$3 to \$4.50 for a residential system (up to 10 kilowatts, or 10,000 watts)
- \$2.50 to \$3.50 for a commercial system (up to 1 megawatt, or 1,000 kilowatts)
- \$2 to \$2.50 for a utility-scale system (1 megawatt or more)

### HOW ELSE CAN YOU SAVE WITH SOLAR?

People with grid-tied systems generally pay the utility only for net energy consumed. The more owners receive through tax and incentive programs, the faster the system will pay for itself.

Benefits vary by state and utility. Learn more at the Database of State Incentives for Renewables and Efficiency, [www.dsireusa.org](http://www.dsireusa.org).

- **Tax credits:** Renewable energy systems qualify for a one-time federal tax credit of 30 percent of the total system cost. Some states also offer tax benefits.
- **Depreciation:** Businesses can claim accelerated depreciation on federal taxes.
- **Cash incentives:** Some states, municipalities and utilities offer incentives such as rebates.
- **USDA Rural Energy for America Program:** Eligible ag producers and rural small businesses can receive incentives such as grants for 25 percent of the cost of a system.

## AN IDEA THAT HOLDS WATER

### HOW MUCH RAINWATER CAN BE COLLECTED FROM A ROOF?

A system can collect up to 0.623 gallon per square foot of roof area for every inch of rain, before losses such as splashing. Here are examples for systems that are 80 percent efficient, using the formula **inches of rainfall X square feet of roof X 0.623 (gallon) X 0.80 (efficiency)**.

	Average Annual Precipitation in Inches	Gallons Collected Per 1,000 sq. ft. Per Year
Lafayette, La.	60.5	30,153
Jackson, Miss.	54.3	27,063
Huntsville, Ala.	54.2	27,013
McAllen, Texas	22.2	11,064
Amarillo, Texas	19.5	9,719
Las Cruces, N.M.	9	4,486

### HOW MUCH WATER DO AMERICANS USE?

The average person uses 80 to 100 gallons per day at home. Estimate your household water consumption at [www.swfwmd.state.fl.us/conservation/thepowerof10](http://www.swfwmd.state.fl.us/conservation/thepowerof10).

### HOW MUCH DOES RAINWATER COLLECTION COST?

A residential system — including a storage tank, gutters, pumps and more — typically costs \$8,000 to \$10,000, according to the Texas Water Development Board. Professional installation and water treatment for potable indoor use will add to the cost. Download the Texas Manual on Rainwater Harvesting design primer at [www.twdb.texas.gov/innovativewater/rainwater/docs.asp](http://www.twdb.texas.gov/innovativewater/rainwater/docs.asp). ■ CF



Capital Farm Credit loan officer Chad Schmidt, left, and customer David Rose both descended from ranching families that relied on the rain for their household water. The Roses continue the tradition, collecting rainwater in a 39,000-gallon tank.

# SOLAR LEASING Can Be Cost-Effective for Ag Businesses

If you want to know how much electricity costs, just ask a farmer.

Because agriculture uses electricity on an industrial scale, AgTexas Farm Credit Services and Farm Credit Leasing recently teamed up to help ag-related businesses in one of the world’s sunniest regions harness solar energy.

AgTexas also leased its own 100-kilowatt solar array at its new branch office in Amarillo — shading 36 parking spaces and generating energy worth over \$37,000 in the first eight months.

“Leasing solar has been big for agriculture out in California, and we wanted to start offering that in the Texas Panhandle,” said Eddie York, senior vice president of lending at the association’s Amarillo branch. “We also wanted to do something at the new building that would have a green effect. Covered parking is a good side benefit, and honestly, the solar panels have a very aesthetic appeal. They’re a conversation-starter with prospective customers.”

Financing through Farm Credit Leasing is a win for the association and for ag operations, says Brad Thacker, vice president for lending at the branch. For example, some businesses don’t pay enough in taxes to take advantage of the full 30 percent federal tax credit on a large system, but can still share the benefits if they lease.

“Farm Credit Leasing uses the income from the tax credit and depreciation to offset the taxes it is required to pay, and in turn offers the customer a negative interest rate,” Thacker says.

As a result, a \$1 million system would cost less than \$868,000 — monthly lease payments of about \$5,600 for 10 years, plus a 20 percent residual payment to buy

the system at the end of the term. Customers also have the option to renew the lease rather than buy.

Farm Credit Leasing has financed commercial- and utility-scale solar energy systems since 2007, such as at dairies that need year-round power and cotton gins that have a strong seasonal demand, says Joe Kendrick, a Farm Credit Leasing relationship manager in Lubbock. Customers choose their own contractor, then size the system with the help of consultant Jordan Thomas Inc.

Leasing opens the door to solar for a low initial investment and no down payment, and businesses can write off 100 percent of the expense.

“You preserve your working capital, yet have a tax-advantaged way to lock in that lower energy cost long-term,” Kendrick says. “The useful life of a solar energy system is rated at about 40 years. It will generate less power over time, but the degradation is minimal.”

While repairs and damage are uncommon, maintenance and insurance are the lessee’s responsibility.

“Solar panels are extremely durable,” York says. “Once you have made your last lease payment and you own the system, you’re putting money in your pocket.”

## FINANCING OPTIONS FOR PHOTOVOLTAIC SYSTEMS

loan	lease
Farm Credit associations can finance solar energy systems at homes and agricultural operations.	Farm Credit Leasing can finance systems at ag-related businesses.
A loan often requires a down payment.	Requires first payment up front but no down payment, keeping more working capital available. Structuring with payments in arrears allows production to offset lease expense.
A loan requires additional collateral, such as land or a residence.	Solar equipment is the only collateral.
The borrower owns the equipment.	Farm Credit Leasing owns the equipment. At the end of the 10-year lease, the lessee has the option to buy the equipment or renew the lease.
Any cash incentives, tax credits and depreciation go to the owner.	Farm Credit Leasing receives any incentives, tax credits and depreciation, but passes along some of the benefit through discounted lease payments.
Interest on the loan is tax-deductible.	Entire lease payments are deductible as an operating expense.
The loan is generally eligible for patronage.	The lease is not eligible for patronage.

Solar panels in the parking lot at AgTexas’ new Amarillo branch were financed through Farm Credit Leasing, the same service the association offers to ag-related businesses in the Texas Panhandle.



# A Portable Powerhouse

Humble Sweet Potato Is Nutrition in the Palm of Your Hand

**T**hroughout human history, portable, low-spoilage foods have been a source of energy for travelers — think Native American Indians and their jerky, Australian farm workers and meat pies, or seafarers and hardtack. But there's also another grab-and-carry food that is a nutritional storehouse and as much a part of history: the sweet potato.

Archeological evidence reveals that the sweet potato was domesticated in the Americas as far back as 2000 B.C. When Spanish explorers first came to the New World, they encountered the tropical root and carried it back to Spain, after which it spread throughout Europe, Africa and Asia. American colonists began cultivating the vegetable by 1648.

## Staving Off Hunger in Hard Times

Easy to grow and store in warm climates and full of important nutrients, the sweet potato staved off hunger during times of U.S. shortage, from the Revolutionary and Civil Wars through the Great Depression and World War II. Indeed, it served as a compact nutritional package that could be thrown into a basket to carry to the fields or to school.

Recognizing the vegetable's health benefits, Colonial physicians recommended

sweet potatoes because of their value in combating childhood nutritional diseases. Confederates even used dried and roasted sweet potatoes as a coffee substitute.

Despite being an integral part of Southern food culture, the sweet potato's popularity declined from more than 30 pounds per person per year in 1920 to about 4 pounds in 2000.

## Demand on the Rise

These days, however, sweet potatoes are undergoing a revival. Longtime Mississippi Land Bank customer Jamie Earp attests to this trend. Since he began farming sweet potatoes in 1995, he has seen the demand for sweet potatoes grow dramatically because of their widely publicized health benefits. The sweet potato is generally considered one of the most nutritious vegetables.

"I've seen an increase in per capita consumption, from 3 to 4 pounds per person eight years ago to 7 to 8 pounds today," says Earp. He and his brother Ricky own Earp Farms in Houlika, Miss., where they grow 250 acres of sweet potatoes.

Nationally, production — with Mississippi among the five top-producing states — has kept up with demand. According to a study by the USDA Economic Research Service, Mississippi production increased by 155 percent from 2000 through 2014.

## Eat Some Taters

Multiple studies have shown better absorption of the abundant beta-carotene from sweet potatoes when fat-containing foods are consumed along with them. It doesn't take much fat for this better absorption to

take place — only 3 to 5 grams. So if you bake a potato, add a little olive oil or butter.

Earp admits that his family likes sweet potatoes, and that his favorite way to eat them is in sweet potato pie. No matter how you use them, rest assured that doing so will benefit your health and be tasty, too. ■ TJ

## NUTRITIONAL CONTENT

One medium-size baked sweet potato, equivalent to about one cup, contains 180 calories, and the percent daily value of the following nutrients:

- vitamin A, 214 percent
- vitamin C, 52 percent
- vitamin B6, 34 percent

It is also a good source of essential minerals, such as potassium, and vitamins B3 and B1.

## HEALTH BENEFITS

A member of the morning glory family, the sweet potato is unrelated to the white potato or the yam, and has many more health benefits:

- High levels of beta-carotene, an antioxidant
- Anti-inflammatory properties
- High in dietary fiber

## Oven Sweet Potato Fries

*This crowd-pleasing recipe couldn't be easier.*

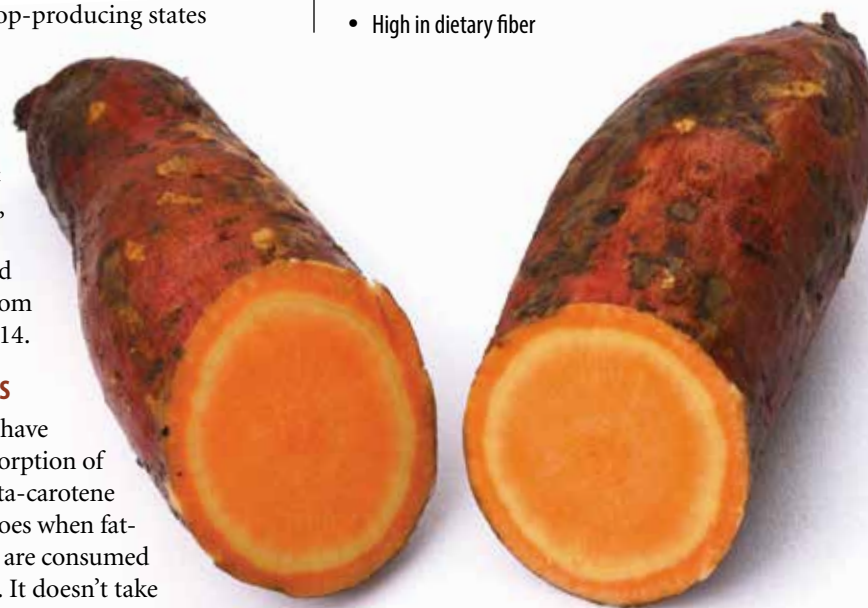
One large sweet potato, peeled and cut into wedges

2 tsp. olive oil

¼ tsp. salt

Pinch of cayenne pepper

Preheat oven to 450°F. Toss sweet potato wedges with oil, salt and pepper. Spread the wedges out on a baking sheet. Bake until browned and tender, turning once, about 20 minutes.



# *This Land Is Your Land*



Laurence Parent

**Guadalupe Mountains National Park:** Rising above the Chihuahuan Desert is an ancient coral reef that includes Guadalupe Peak — Texas’ tallest mountain. Once a Mescalero Apache stronghold, the area was later home to the Butterfield Overland Mail stagecoach route and African-American Buffalo Soldiers. Two historic ranches in the park recall the settlers who raised livestock here starting in the 1870s.



Courtesy of National Park Service



George H.H. Huey/Alamy

**San Antonio Missions National Historical Park:** The Espada Aqueduct, far left, has supplied river water to nearby farms in San Antonio, Texas, for more than 270 years. Built by Spanish missionaries and Coahuiltecan Indians, it was part of a network of dams and acequias — irrigation ditches — that powered a mill and irrigated 3,500 acres on the frontier of New Spain. The aqueduct and four missions, including Mission San José, left, are part of a UNESCO World Heritage Site.

In the summer of 1916, President Woodrow Wilson signed acts that created two lasting American institutions — the Farm Credit System and the National Park Service.

As Farm Credit celebrates our centennial year, we salute the National Park Service for preserving places of great beauty and cultural significance. These include national parks, monuments, historic sites, parkways, scenic trails and more.

At the sites on these pages, history, heritage and agriculture are all intertwined. ■ CF



**Bandelier National Monument:** The canyons and mesas west of Santa Fe, N.M., were first visited nearly 11,000 years ago by ancestors of today's Pueblo people. They later traded the nomadic life for agriculture, farming corn, beans and squash, and leaving behind stone buildings, cave dwellings and rock art.



**El Morro National Monument:** About 2,000 carvings cover Inscription Rock, a sandstone promontory in west-central New Mexico with the only reliable water source for miles. Ancestors of the Zuñi Indians irrigated crops with the water and left their mark on the rocks a thousand years ago, followed by conquistador Don Juan de Oñate in 1605, missionaries, soldiers, gold-seekers and ranchers.



Dennis Hamilton/Alamy

**Natchez National Historical Park:** This park captures the history and cultural diversity of Natchez, Miss., which celebrated its 300th anniversary this year. It includes two homes — the 80-acre Melrose estate, above, built by wealthy cotton planters in the 1840s, and the house of a former slave who became a successful entrepreneur.



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**Tuskegee Institute National Historic Site:** This site on the Tuskegee University campus in Alabama includes a museum, above, honoring agricultural scientist George Washington Carver, who taught African-American students and poor farmers about soil fertility, farming methods and alternative crops. The innovator developed hundreds of uses for peanuts, sweet potatoes and other crops in the early 20th century.

**Natchez Trace Parkway:** This scenic byway through Mississippi, Alabama and Tennessee began as a Native American footpath and pioneer road. At the 20-foot-deep “sunken” trail near Natchez, Miss., left, visitors can follow in the footsteps of the Kaintuck boatmen who floated agricultural products from the Ohio Valley to Natchez and New Orleans 200 years ago, then walked back on the 450-mile Natchez Trace.



John Elk III/Alamy



Courtesy of National Park Service

**Cane River Creole National Historical Park:** Two historic French Creole cotton plantations are preserved near Natchitoches, La., the first permanent European settlement in Louisiana Purchase Territory. Each was a complete community, with traditions rooted in European, Native American and African cultures. French wine bottles have lined the gardens at Oakland Plantation, above and at right, for nearly 200 years.



**Atchafalaya National Heritage Area:** This naturally and culturally rich area in south-central Louisiana extends from the junction of the Atchafalaya and Mississippi rivers to the Gulf of Mexico. Spanning 14 parishes and 10,400 square miles, it encompasses the state capital, small towns, sugarcane and rice fields, prairies, wildlife areas and the nation's largest river swamp, below.



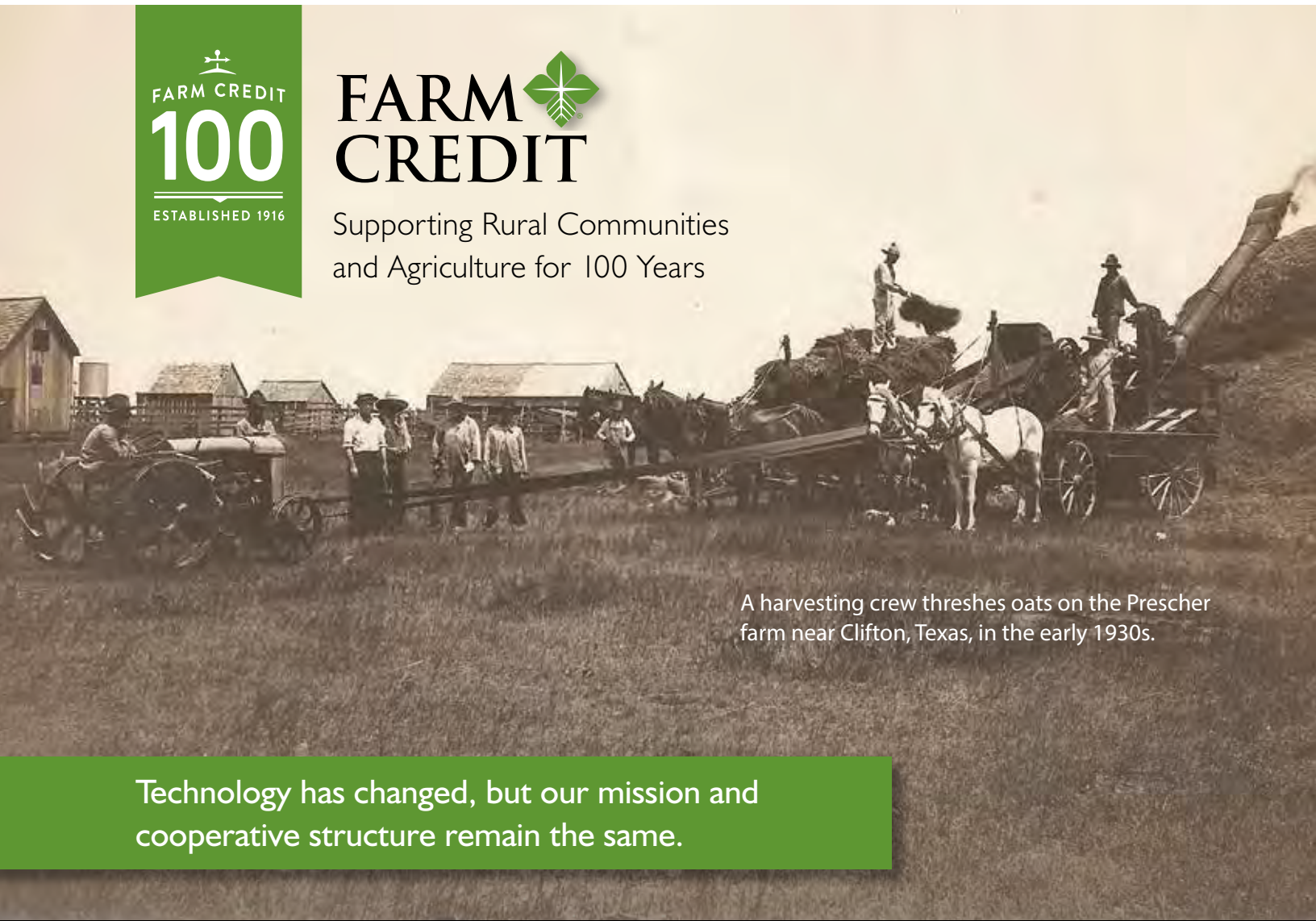
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A harvesting crew threshes oats on the Prescher farm near Clifton, Texas, in the early 1930s.

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