

Cape Fear COUNTRY

Lu Mil Vineyard

CFFC Announces
23% Patronage
Refund

Members Elected to Serve
on CFFC Board of Directors



A PUBLICATION OF CAPE FEAR FARM CREDIT

Spring 2008



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Cape Fear COUNTRY

Cape Fear Country is published quarterly for stockholders and friends of Cape Fear Farm Credit.

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Cape Fear Country Spring 2008



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Located in the central part of Bladen County is a small town with a population of only approximately 250 people.

The town of Dublin is the home to an abundance of churches, agriculture and trucking facilities, and plenty of recreational activities to attract folks from all around.



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We're Relationship Lenders... Count On Us for the Understanding and Expertise to Endure the Tough Times



Richard A. Eason

Many would say we are in tumultuous financial times. The falling stock market, the Bear Stearns debacle, the weak U.S. dollar, rising energy costs, the weak housing market and volatile commodity prices have all combined to give most experts the opinion that we are entering a recession or maybe already experiencing one.

All of these areas impact you, our members, either directly or indirectly. In today's world, information is available just seconds after it happens. This rapid information often causes markets to swing dramatically not only from day to day but

from hour to hour. Because of this, it is imperative for business owners and their lenders to be fully aware of events that impact their operations.

It is critical that you manage your balance sheets just as effectively as you manage your operation. Understanding how the lack of liquidity or improper leverage can cripple an unprepared business during tough times is essential. It is also critical that your lender understands your operation enough so as not to panic when uncertainty or difficult times arise. Cape Fear Farm Credit lenders are constantly challenged by management to

stay abreast of economic circumstances and understand the ramifications they have on our members.

Understanding your business is another example of our commitment to relationship lending just like our patronage refund program. We are presently delivering checks totaling almost 11.5 million dollars in CASH, which represents 23% of all the interest that accrued on your loans in 2007. What makes this even more impressive is the fact that we are actually returning more dollars to you, our stockholders, than our total non-interest operating expenses for the entire year.

The future is always uncertain. However, one thing you can count on is a commitment from your cooperative, Cape Fear Farm Credit, to always provide excellent service from a knowledgeable employee at a better than competitive price through our aggressive patronage program.

I pray that you and your family will be safe as we enter the busy season of planting and that our seasons provide for a bountiful harvest! ∞






Lu Mil Vineyard

Located in the central part of Bladen County is a small town with a population of only approximately 250 people. The town of Dublin is the home to an abundance of churches, agriculture and trucking facilities, and plenty of recreational activities to attract folks from all around. One very popular attraction in Dublin has attracted people from all over the state and even some folks from out of state.

Lu Mil Vineyard, owned by Cape Fear Farm Credit members Ron and Vicky Taylor, opened in December 2005 with a bang. On that rainy December day, the Taylor's hosted about 350 people from the Bladen County Hospital Foundation under their old barn shed where they had their gift shop and wine tasting facility set up. The Taylor's helped the foundation raise over \$18,000 in only two hours that afternoon. Looking back at the end of that day, Ron and Vicky knew they had started something that was obviously in high demand for the area, and they've been on an upward trend from then on. They no longer host guests under their old barn shed; instead, guests now enjoy an 8,000 square foot facility

which houses a wine tasting room and gift shop, a spacious banquet and event hall, as well as a commercial kitchen for caterers. The wrap-around covered porches and outside deck overlook the pond on site, offering a wonderful place to sit, relax and enjoy the scenic vineyard. Lu Mil Vineyard has come a long way from it's beginning in 2005 and has now been used for a variety of purposes including weddings, receptions, festivals, reunions, fundraising events, concerts and business meetings (including a few meetings and dinners for Cape Fear Farm Credit).


 Ron and Vicky Taylor have a true passion for Lu Mil Vineyard and agritourism in general.

Lu Mil Vineyard is actually a farm on which Ron Taylor grew up. The farm house still at the vineyard is where Ron was raised. The vineyard used to be a field covered with rows of tobacco where Ron worked with his father, Miller. Miller and his wife, Lucille, were influential people in their rural community as their business, Taylor Manufacturing, provided farm equipment mechanization, primarily tobacco equipment. Ron grew up working the tobacco fields and helping with the family business, which was a profitable way of life for several years. However, with the tobacco reorganization a few years back, the need arose to diversify and consider alternative crops. About six years ago, Ron made the decision to begin the vineyard. He also kept with the inventive nature of Taylor Manufacturing and

CONTINUED ON NEXT PAGE



From the left: Elizabethtown branch manager Brandon Strickland, loan officer Brook Hall, members Ron and Vicky Taylor

CONTINUED FROM PAGE 5

therefore developed a grape harvester which is now used by several area growers. Ron named Lu Mil Vineyard after a unique combination of his parents' names to honor their contribution to agriculture and give credit to their entrepreneurship. As Ron says, "It's what my parents did through Taylor Manufacturing that gave me the idea of the need for agritourism. Our area needed a place like Lu Mil Vineyard for local events and the constant demand is what has kept us going so well."

Ron and Vicky Taylor have a true passion for Lu Mil Vineyard and agritourism in general. They host farm tours all year round and also provide seasonal activities such as a corn maze and a Christmas light show. It seems that the sky is the limit when it comes to the possibilities for the vineyard and the Taylors continue to expand due to the demand for such a facility. Currently, they are adding 12 more acres of muscadine grapes to the 35 acres they already have and they're building cabins on site to house overnight guests. Ron and Vicky Taylor have a wonderful vision for Lu Mil Vineyard and Cape Fear Farm Credit is proud to have a relationship with the Taylors. Ron comments about doing business with Cape Fear FC saying, "We have a real vision about what we can be.



Ron and Vicky Taylor next to one of the cabins under construction at Lu Mil Vineyard

You can't make a vision like ours become a reality without knowing you have a reliable lender like Cape Fear Farm Credit by your side when you choose to take that leap. I'm so thankful that they treat us like they care about

us and our business, which is not the treatment you get at just any local bank."

To find out more about the Taylor family farm that is now home to Lu Mil Vineyard, visit their website at www.lumilvineyard.com.

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Ryan Patterson

We've all listened to our parents and grandparents talk about the "good ole days." You know those stories about back when people used to be able to leave their houses and cars unlocked without worrying about being robbed or use the honor system to sell goods at the local market. It's those simple things that make folks of past generations look back and say, "I miss back when...." Well guess what? Down on a farm in Harnett County, Cape Fear Farm Credit members Ryan Patterson and his dad, Phil, still use the honor system when it comes to selling their tomatoes and the impressive part is that they've never missed a dime!

Ryan Patterson is a young, beginning and small farmer who grew up working on his dad's farm, but he didn't have his own crop until the 1997 crop year. Although Ryan's dad, Phil, had been a Cape Fear Farm Credit member for years, Ryan did not do business with Cape Fear prior to 2007. It was because of a referral from CFFC Chief Financial Officer Matt Currin after a few rounds of golf that Ryan decided to come to the Lillington branch and see what his possibilities might be. That's when Ryan met Lillington branch manager Joan Daughtry, and as Ryan puts it, "I had never seen Joan before, but when I came in to



From the left: Ryan Patterson with his dad, Phil, and Lillington branch manager Joan Daughtry

the branch and told her my situation, she just looked at me and said, "No problem" and made it happen. That was refreshing because I was used to getting the third degree from other banks."

Ryan and Phil have a farming operation consisting of over 100 acres of tobacco, 400 acres of soybeans, 150 acres of wheat and 75 acres of corn. Ryan graduated from NC State University in 1998, which is the first year the Patterson's had greenhouse tomatoes. They started off with one house of 600 plants the first year. Then after seeing the profitability, they bought their second greenhouse the very next year. Now, they have 7000 square feet between two tomato greenhouses, and business is good. Ryan was responsible for the diversification of their farm into greenhouse tomatoes and he says, "I learned at NC State about the importance of diversifying. After the tobacco allotment went down, I figured it would be a good opportunity to move into something else to help with cash flow, especially during the months where we didn't have any cash flow from traditional crops. A couple of my classes at NC State focused on growing tomatoes as an alternative crop and so that's where the idea came from, and that's really how I learned to get started." So, now Ryan and Phil Patterson tend to their traditional crops as they always have, but now they have an alternative source of income through their greenhouse tomatoes. Right off the road at their farm is a sign that reads, "Taste the Greenhouse Effect... Vine Ripened Tomatoes." If you just follow the sign, it leads right down to the facility where tomatoes are stacked for sale with an unlocked cash box on the counter and the scale for pricing next to it. Ryan and Phil check the box a couple of times a day and replenish the change, but everything is operated completely on the honors system, just like in the "good ole days."

Ryan and his wife, Sarah, have three children: Reece (age 7), Rylan (age 2) and Addison (age 1). Ryan's mom, Linda, also helps in the greenhouses. Phil has a daughter, Emily, who also lives in the area.



FFA Student Perspective



Name of student: Blake Ford

High School and grade: West Bladen High School, Senior

FFA advisor's name(s): Gary Collier and Dana Mills

FFA involvement: I have been an active member of the West Bladen chapter FFA for four years. My junior year I was chapter secretary and I have participated in truck/tractor driving, parliamentary procedure, and tool identification competitions.

Other extra-curricular activities and academic/athletic/community achievements: I have been working part time for a row crop farming operation in Columbus County called Ward Farms. I have been working there for three years now. I learn new and exciting things everyday.

What is your opinion of the importance of young people continuing to get into the farming industry?


It is very important that young people get involved in the farming industry. The key to attracting the next generation of young farmers is education. Telling people about agriculture is like planting a kernel of corn. You plant one kernel and watch it grow and multiply into 1,600 kernels. The benefits that our society reaps from agriculture grow exponentially. A Department Head at NC A&T State University said that there will be 50,000 new jobs per year available in the agricultural fields for at least the next five years.

Our current generation of young adults has changed dramatically throughout the past 15 years. I realize that some people in my generation do not know the meaning of hard labor and the importance of agriculture. I was brought up in a good home where I have been taught the meaning of hard labor. According to the American Farm Bureau, the average age of farmers in America today is anywhere between 50 and 60 years of age with 30% being 65 or older. It is imperative that this new generation becomes involved in the industry of agriculture to ensure that America's position in world agriculture is one of premier leadership and policy development.

Agriculture has something for virtually everyone. There are many different jobs that require the knowledge of agricultural

studies. Agriculture is defined as "the process of producing food, feed, fiber, fuel and other goods by the systematic raising of plants and animals." Without these jobs, we would not have an agricultural foundation on which to build. Our future depends on agriculture! It is the backbone of our rural communities and one of the reasons America is a world superpower.

Agricultural literacy is at an all time low. I am sorry to say that some people actually believe that their groceries come from the grocery store! Our food comes from crops which are grown in fields by hard working Americans such as me. I feel that schools should offer more agricultural related classes to educate our youth for the future. We can have a better understanding of agriculture and its importance to the world markets if our education system were better understood by policy makers.

Agriculture helps us to develop an understanding of history and is a springboard for the future. It is so much more than a small acreage family farm. It has been the basis for life since the beginning of time and will continue to be necessary. Just ask yourself, what you would be without agriculture? The answer is; naked and hungry. 



"Telling people about agriculture is like planting a kernel of corn. You plant one kernel and watch it grow and multiply into 1,600 kernels."



Name of student: Matt Barnhill

High School and grade: West Columbus High School, Senior

FFA advisor's name(s): Carlton Campbell, Fred McPherson, Jeff Parris

FFA involvement: FFA Member for four (4) years: I have participated in many events such as Tool ID, Forestry, Prepared Public Speaking, Parliamentary Procedure, Poultry Judging, Livestock Judging, & Hunter Safety. I have conducted an SAE program in the area of Wildlife Production and Management over the past three years, working at a local Fox Hunting Preserve. During my sophomore year, I served as my Chapter Reporter and as the Three Rivers Federation Historian. During my junior year, I served as the West Columbus Chapter President, Three Rivers Federation Secretary, and South Central Region Treasurer. My senior year, I have served as my Chapter President, the Three Rivers Federation President and the South Central Region President. I plan to run for a State FFA office this June. I have attended State and National Convention three times, LEAD Conference, State Leadership Conference / ROPES for Regional Officers.

Other extra-curricular activities and academic/athletic/community achievements: Principal's Outstanding Viking Award, Principals Student Advisory Committee, 2007 Farm Bureau IFAL Participant, GEAR-UP North Carolina Participant, 2008 Regional Teaching Fellows Finalist, National Beta Club Member, National Society of High School Scholars, United States Achievement Academy for Mathematics and Leadership, Optimist Club Outstanding Youth for 2008.

My parents are Mark and Carol Sue Wilkerson Barnhill. I attend the Chadbourn Church of God located in Chadbourn. In my free time I am usually found working on an FFA activity around school or hanging out with a couple of friends in the outdoors.

What is your opinion of the benefits and importance of having an agriculture education program like FFA available to you at your school?

There are many benefits of having an Agricultural Education program along with FFA available to every student at their respective high school. Let me begin by saying that the benefits that each individual receives depends upon each student's goals and interests, as it was once said, "What we see depends mainly on what we look for." The obstacle each individual needs to overcome is the stereotype that has been placed on the FFA, which is the attitude stating, "The FFA is for farm kids or rednecks." This stereotype is far from the truth. By overcoming this stereotype of the FFA, we discover the importance and learn the benefits of this great organization. If we tend not to look any further or dig any deeper to find out the truths about the FFA, the real benefits and opportunities will go undiscovered. Once each individual has overcome this obstacle, the rest just comes natural.

Being an active part of the largest and greatest student organization in the world says a lot about a person as an individual. When someone finds out that you are an FFA member, you are automatically held to a higher standard in your school, community and anywhere else you may go. FFA members are taught discipline, integrity, courage, unselfishness and loyalty. We hold the morals, values and qualities that meet or exceed the requirements of any other student organization. Each of these characteristics were possibly instilled in us at home, but they were cultivated through the FFA program, FFA advisors and fellow members.

I cannot begin to list all the benefits students can receive from a quality FFA program, but I will list the main points. The

agriculture industry and every industry in the United States are seeking great leaders to run their organizations and businesses. No other student organization better prepares you for this than the FFA. You can learn the leadership skills necessary to make it in any industry and also learn to be a productive citizen in your community. Skills learned such as public speaking, parliamentary procedure, teamwork, problem solving, time management and organizational skills form the foundation that all leaders must have. You can learn each of these skills and many more just by being an active part of your FFA program. Every activity that you participate in with the FFA should be fun as well as challenging.

Perhaps the greatest benefit this organization has to offer is early career preparation through Career Development Events or CDE's. The FFA offers over 30 CDE's in which its members can participate. Each of these events relate to a specific career. By participating in one of these events, you are preparing for a career.

When we make the decision to become an FFA member and put on the blue and gold corduroy jacket, we become part of a well-rounded agricultural education program full of opportunities. Every individual must decide what they want to achieve by being a member of this organization. I know about all the benefits of the FFA from my personal experience. Now the choice is yours. Remember, what you get from the FFA depends mainly on what you are looking for and the effort you put into it. I challenge you to take advantage of the benefits and opportunities that are available to you through this extraordinary organization. ∞



Deborah Johnson

North Carolina Pork Council

By Deborah Johnson, President and CEO, N.C. Pork Council

Over lunch with a couple of pork producers recently, our conversation seemed to jump from one hot topic to another: immigration reform, high input costs and animal activist activity.

As we finished off our meal, one of them said, “You know, when I built my sow farm back in ’93, I thought my only worry would be breeding animals and keeping disease off my farm. No one could have convinced me back then that I’d be sitting here 15 years later talking about things like “no-match” letters, the Humane Society, activist activity on the Internet and stuff like that having an impact on me and my business.”

I am sure there are many other pork producers in the Cape Fear Farm Credit territory who share his feelings. And he’s right... the world does look a lot different for pork producers than it did 15 years ago as we have evolved from an expanding industry to a mature industry here in North Carolina. In general, the world looks a lot different today for all of agriculture, not just pork producers.

Market forces, animal health, production costs.... For pork producers, these are concerns that have been and will always be with us. However, all of today’s farmers face a wider range of challenges than ever before.

Some of these challenges come from the fact that we live in an era where the public’s right to know is an expectation that extends into areas that previously were presumed to be none of their business. Some of these challenges come from the fact that communication networks can influence reputation with tremendous speed. Some of these challenges come from the fact that emotion often rules

over science in the court of public opinion. Some of these challenges come from public policy decisions that are “knee-jerk” reactions to public outcry. Some of these challenges come from the fact that concepts like “accountability, trust and social responsibility” have moved out of the corporate boardroom into the rural countryside.



North Carolina
didn’t become
a worldwide
agricultural leader
by accident.

Take all of these challenges and add the impacts of an ever-expanding population in a state that census experts predict to be one of the top 10 most populous before 2030. Our rural landscape is becoming more urban each day.

These are the facts that we face. No matter how much we’d like to go back to another point in time, we can’t. And we can’t put on blinders to avoid these challenges. Just as we have faced changes and challenges in the past, we must face them head on now and in the future. We must be progressive and learn to adapt, just as we have always done. North Carolina didn’t become a worldwide agricultural leader by accident.

Over the years, I have come to believe in some “rules of the road” that I think can help us meet some of these challenges we face, both now and in the future. They include:

Stay focused on the things you can control.

Be realistic in this realm—be the best manager you can be and realize that you impact not only your own viability, but a bigger world as well.

Do the right thing on your farm or within your sphere of influence... always.

Communicated behavior is what yields credibility. When you say that you take good care of your livestock, your practices must support that statement. When you say that you are effectively managing nutrients on your farm, your practices must support that statement. Be sure you are doing what you say are doing every day, day in and out.

Be engaged off the farm.

Educate others about what you do, partner with others when the opportunity arises, and be sure you vote. Support those candidates who truly support your business. If you are in a position to make a difference or exert influence, do so. Be sure you are not making negative contributions to the effort.

Recognize your own value to the success of agriculture so that when you do speak, you do so with your heart and your head.

Facts, economics and science only go so far; the “real” perspective you bring as a voice of

agriculture must be included in any message that is related.

As I said earlier, North Carolina is a world leader in agriculture; from this very geographical region, we are feeding people all over the world. We have international visitors constantly flowing into southeastern North Carolina who are trying to learn from your

agricultural successes. You are in the forefront in developing and adapting new ideas, but it is foolhardy to interpret our strong showing as evidence that we are invincible. No doubt, our state's flagship industry's position in global markets will become more and more difficult to maintain because of a variety of factors.

Yes, the world does look a lot different than it did in 1993. And going forward in the next 15 years, it is up to each of us to be ready to adapt to the pressures brought on a changing society and the shifts in the structure of our economy in order for agriculture to remain strong. ∞

Elizabethtown Employees Volunteer at Local Envirothon



Elizabethtown branch manager Brandon Strickland (right) with member and employee of the Extension office Chubby Starling (left)

Two employees of the Cape Fear Farm Credit Elizabethtown branch volunteered at the Area VII Envirothon held April 2, 2008. Branch manager Brandon Strickland and loan officer Brook Hall participated in the full day event at Jones Lake State Park.

Envirothon is a problem-solving natural resource competition for middle and high school students in the United States and Canada. The event is designed to test young people about their knowledge of natural resources—soils, forestry, wildlife, aquatics and current environmental issues. Students visit the five “in-the-field” test stations where written and hands-on problem solving is required.

This was the first year that the FFA students from West Bladen High School competed in the Envirothon. Their instructor, Dana Mills, is a CFFC member of the Elizabethtown branch. At the event, Brandon Strickland helped with the written test at each station of the competition and Brook Hall volunteered with middle school registration.

Teams from Bladen, Columbus, Cumberland, Harnett, Hoke, Richmond and Scotland counties competed in this year's NC Association of Soil and Water Conservation Districts Area VII Envirothon. The top seven teams will advance to the state competition. ∞



West Bladen High School FFA instructor and CFFC Elizabethtown branch member Dana Mills (left) with her FFA students and Chubby Starling (back)



The students listen to a lecture before judging the trees

Cape Fear Farm Credit Announces 23% Patronage Refund at Annual Stockholders' Meeting

Over 800 members and guests were in attendance at the 2008 Annual Stockholders' Meeting held on Thursday, February 21, at the Fayetteville Crown Coliseum formerly known as the Charlie Rose Agri-Expo Center. Cape Fear Farm Credit announced this year's patronage refund, which represented a record high of 23% of the accrued interest on their loan back in cash! The meeting began at 6pm with a chicken and barbeque dinner and the program concluded by 8pm after a drawing for door prizes with the grand prize being \$1,000 cash.



CFFC President and CEO Richard Eason (left) with retired outside director Willard Small



Clinton loan officer Nelson Powell (right) with members George and Priscilla McGill



Clinton branch manager Jay Darden



From the left: Elizabethtown members Barry Billups and Ray Marlowe with CFFC appraiser Matt Edwards



Dunn branch manager John Patterson (right) with member Nate Honeycutt of N & L Farming



Kenansville branch manager Robin Albertson (right) with members Gary Bell, Neil Horne and Gerald Mobley



Raeford/Laurinburg loan officer Rebecca Wood with Raeford member Adrian Locklear and his son

Around Cape Fear Country...

2008 Customer Appreciation Events Take Place for Several CFFC Branches

The spring of 2008 was a busy time for public relations around several CFFC branch offices. Elizabethtown had a dinner on March 6 at Lu Mil Vineyard. On March 28, Clinton hosted a luncheon. Lillington held their annual member appreciation dinner on March 31, at Linshire by the Pond. Lumberton held their dinner event on April 1, and Burgaw hosted their member appreciation dinner on April 8.



Elizabethtown

Elizabethtown loan assistant Linda Wilson (right) with member JC Stoker Jr.



Elizabethtown

From the left: Elizabethtown members Annabell and Jerry Graham with Joe Allen



Elizabethtown

Elizabethtown members Douglas and Vickie Bordeaux



Lillington

Lillington branch manager Joan Daughtry (middle) with members Charles and Becky Parrish



Lillington

Lillington members Pam and John Griffin with their daughter, Campbell



Clinton

Clinton members Gene and Rhonda West (middle) with son Matthew and CFFC Chief Relationship Manager Jay Smith (right)



Clinton

From the left, front to back: CFFC Chief Lending Officer Michael Jackson, Clinton members Tommy Norris, Dean Alsop and Lauch Faircloth (right)



Clinton

From the left: Clinton loan officer David Sutton, members John Matthews and Gene West, and branch manager Jay Darden



Clinton

From the left: Clinton branch manager Jay Darden, member Jamie Matthis with son Lane Matthis and loan officer Nelson Powell



Lumberton

From the left: Lumberton branch manager Betty Kay Williams with member Carolyn McGirt and Carolyn's daughter, Annette McGirt Monahan



Lumberton

Lumberton loan officer Ginny Martin (middle) with members Joey and Debbie Bruce



Lumberton

Lumberton members Myron and Shannon Davis with daughter Mary



Burgaw

Burgaw members Randy, Diane and Jonathon Rivenbark



Burgaw

Burgaw member Earl Davis holding his patronage refund check



Burgaw

Burgaw member Regina Barnhill holding the door prize she won



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Members Elected to Serve on CFFC Board of Directors

Shortly after the 2008 Annual Stockholders' Meeting, one new member and three incumbents were elected to serve on the Cape Fear Farm Credit Board of Directors.



P. Jart Hudson, Jr.

Mr. Hudson is a resident of Sampson County where he has lived for 49 years. A farmer for 26 years, his operation consists of approximately 3,500 acres of peanuts, tobacco and corn. Mr. Hudson also has a livestock operation consisting of eight swine finishing floors. He has been a Farm

Credit member for over 10 years during which he has served on the Board of Directors for five years. He is a member of First Baptist Church in Clinton.



Lyle Ray King

Mr. King is a resident of Brunswick County where he has lived for 63 years. He has farmed all of his adult life and his 2,500-acre row crop operation consists of tobacco, cotton and grain. Mr. King has been a Farm Credit member for 30 years during which he has served as a director

for 18 years. He also serves on the AgFirst Farm Credit Bank Board of Directors.



W. Jeffrey (Jeff) Simpson

Mr. Simpson is a lifelong resident of Cumberland County where he has been farming for over 32 years. He has been a Farm Credit member for 25 years. His 950-acre operation consists of tobacco, corn, soybeans and sweet potatoes. Mr. Simpson now serves as the Chairman of

the Cumberland County FSA Committee and Congressman Mike McIntyre's Advisory Committee. He has also served on the Farm Bureau Board of Directors and the 2006 Cape Fear Farm Credit Nominating Committee. Mr. Simpson was the former owner and operator of Beaver Dam Seafood. He is a member of Beaver Dam Baptist Church.



Alfred K. Wooten

Mr. Wooten was born and raised in Pender County where he has been farming for over 23 years. He is a producer of commercial turf grass with more than 900 acres in production. He has been a Farm Credit member for 18 years and has served as a director for four years. Mr. Wooten is

an active member of Burgaw Baptist Church where he has served as Chairman of the Board of Deacons, a member of the finance committee and is presently the Sunday School Director. He was the former president of the NC Sod Producers Association and currently serves on the Pender County Farm Bureau Board of Directors. ∞

Welcoming New Employees



Jill Johnson

Jill Johnson became an employee of Cape Fear Farm Credit on March 3, 2008, as a loan assistant for the Raeford and Laurinburg Branches. Jill will be responsible for assisting the branch manager in daily operations of the branch and will provide mortgage and retail loan services to customers.

Jill is from Waynesville, Ohio. She attended Norwich University where she graduated with a bachelor's of science degree in communications and also received her commission in the U.S. Army as a Signal Corps Officer. She served eight years in the Army and completed two combat tours to Afghanistan and Iraq.

Jill is married to a Hoke County native, Julian S. Johnson IV, a Staff Sergeant in the 82nd Airborne Division. She attends the Raeford Presbyterian Church. In her free time, she enjoys running marathons, traveling, reading, and spending time with her family. ∞

Baby Announcements



Brenn Morgan Smith, granddaughter of CFFC director Harold Smith and wife Deb, was born on February 19, 2008. She weighed 8 pounds 11 ounces at 22-½ inches long. Brenn's parents are Jeremy and Heather Smith of Goldsboro.



Lillington members Jeff and Holly Autry welcomed a daughter, **Savannah Lynne Autry**, on January 15, 2008. Savannah weighed 6 pounds 12 ounces and was 20 inches long. Her grandparents, Jimmy and Scarlett Autry, are also members of the Lillington branch.



Julian and Joann Butler of Raeford welcomed a grandson, **Joshua David Butler**, on January 21, 2008. Joshua was born to parents David and Cheryl Butler and he has an older sister, Hannah (age 9). Joshua and his big sister, Hannah, are pictured above.



Walker Blair Etheridge, son of Lillington members David and Casey Etheridge, was born on December 22, 2007. He weighed 8 pounds 7 ounces and was 21 inches long. Walker's grandparents, Congressman Bob Etheridge and wife Faye, are also members of the Lillington branch.



Kenansville members Bradley and Susan Frederick of Warsaw are pleased to announce the birth of their son, **Brayden Thomas Frederick**, on December 18, 2007. Brayden weighed 7 pounds 2 ounces and was 20-¾ inches long.



Jimmy Lynn Avery was born on February 1, 2008 weighing 7 pounds 8 ounces. He is the son of Jimmy and Lynnettah Avery of Fairmont. Jimmy and Lynnettah are members of the Lumberton branch.



Eric Dorrile Peppers, Jr. (left), son of CFFC associate accountant Nicole Smith and Eric Peppers Sr., was born on March 22, 2008. Eric weighed 6 pounds 10 ounces and was 18-½ inches long

Clinton members Patrick and Angela Neal welcomed a son, **Colton Rhett Neal** (right), on March 7, 2008. Colton weighed 9 pounds 13 ounces and was 21-¼ inches long.



Newsworthy Members and Employees



Clinton member **Ken Spell** of Piney Green Farm received the award for the 2007 Nursery Farm of the Year by the Murphy-Brown LLC Kenansville Division. Ken is pictured on the left with his son, Blake.



On March 21, 2008, the Clinton branch hosted an NC State University Senior (and Clinton native), **Terrie Baldwin**, for a day of job shadowing as she completes her final requirements for graduation.

Pictured above is Terrie Baldwin (middle) with fellow NC State alumni and CFFC member Anthony Marshall (right), and Clinton loan officer Nelson Powell (left)



Stephen Salmon, son of Lillington member Curtis Salmon, received a scholarship from the North Carolina Society of Farm Managers and Rural Appraisers at the NCSFMRA Winter Meeting in February. Stephen is a senior majoring in Agricultural Business Management with minors in Economics and Crop Science at NC State University.

In November 2007, a new agribusiness center at Mount Olive College was dedicated in the memory of a woman who spent her life promoting agriculture and agribusiness, the late **Lois Grady Britt**, a former CFFC Kenansville member.

On January 31, 2008, Kenansville members **Henry and Edward Dail** received the first place award in the 2007 Duplin County corn yield contest. They averaged 248.58 bushels per acre and the crop was non-irrigated and conventional till.



In February, CFFC Appraiser **Wayne Strickland** was elected to serve on the Board of Directors of the North Carolina Society of Farm Managers and Rural Appraisers. Wayne was also recently elected President of the North Carolina Chapter of the American Society of Farm Managers and Rural Appraisers.

CFFC Appraiser Wayne Strickland (left) with Chief Appraiser Dan Gurley (right)



In February, CFFC Chief Appraiser **Dan Gurley** was named Rural Appraiser of the Year by the North Carolina Society of Farm Managers and Rural Appraisers. Dan was also installed as the President of the NCSFMRA. ∞

Dan is pictured above on the right, with CFFC Chief Lending Officer Michael Jackson



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Basic Strawberry Smoothie

Ingredients:

- 4 cups pineapple juice
- 1 cup orange juice
- 2 cups strawberries (preferably frozen)
- 1 1/2 cups frozen vanilla yogurt

Directions:

Put all ingredients into a blender and blend until smooth. Serves 4.

Berry Ice Cube Lemonade

Ingredients:

- 1 11.5 ounce can frozen concentrate strawberry or any berry mix juice
- 24 raspberries or 8 strawberries, sliced
- 2 quarts water
- 1 1/3 cups sugar (or more, to taste)
- 1 1/3 cups fresh lemon juice
- 8 lemon slices

Directions:

Pour the juice concentrate and 1 can of water into a pitcher. Mix to combine, then pour the juice into two ice cube trays, adding the raspberries or sliced strawberries. Freeze. Combine the 2 quarts of water and the sugar in a medium saucepan. Bring to a boil and stir to combine. Reduce to a simmer and cook until the sugar is dissolved, about 1 to 2 minutes. Remove from heat. Strain the lemon juice through a fine sieve into the sugar syrup. Chill. Slit each lemon slice once, from center to rind, then press the slits onto eight glasses. Fill each glass with 3 berry ice cubes and the lemonade. Makes 8 glasses. ∞



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Consolidated Balance Sheets

<i>(dollars in thousands)</i>	March 31, 2008 <i>(unaudited)</i>	December 31, 2007 <i>(audited)</i>
Assets		
Cash	\$ 3,337	\$ 2,102
Loans	729,718	703,680
Less: allowance for loan losses	4,000	3,993
Net loans	725,718	699,687
Other investments	25,778	29,430
Accrued interest receivable	9,775	12,057
Investment in other Farm Credit institutions	10,259	10,259
Premises and equipment, net	3,449	3,490
Other property owned	95	95
Due from AgFirst Farm Credit Bank	1,562	6,799
Other assets	5,213	5,308
Total assets	<u>\$ 785,186</u>	<u>\$ 769,227</u>
Liabilities		
Notes payable to AgFirst Farm Credit Bank	\$ 660,302	\$ 641,059
Accrued interest payable	2,728	3,084
Patronage refund payable	481	11,579
Other liabilities	18,449	11,003
Total liabilities	<u>681,960</u>	<u>666,725</u>
Commitments and contingencies		
Members' Equity		
Protected borrower equity	88	124
Capital stock and participation certificates	2,571	2,542
Retained earnings		
Allocated	11,364	16,631
Unallocated	89,536	83,542
Accumulated other comprehensive income (loss)	(333)	(337)
Total members' equity	<u>103,226</u>	<u>102,502</u>
Total liabilities and members' equity	<u>\$ 785,186</u>	<u>\$ 769,227</u>

Consolidated Statements of Income

(unaudited)

<i>(dollars in thousands)</i>	For the three months ended March 31,	
	2008	2007
Interest Income		
Loans	13,952	13,130
Other	395	387
Total interest income	<u>14,347</u>	<u>13,517</u>
Interest Expense		
Notes payable to AgFirst Farm Credit Bank	8,396	8,196
Net interest income	5,951	5,321
Provision for (reversal of allowance for) loan losses	—	—
Net interest income after provision for (reversal of allowance for) loan losses	<u>5,951</u>	<u>5,321</u>
Noninterest Income		
Loan fees	1,370	769
Fees for financially related services	57	72
Equity in earnings of other Farm Credit institutions	1,561	1,345
Gains (losses) on other property owned, net	(2)	2
Other noninterest income	(15)	17
Total noninterest income	<u>2,971</u>	<u>2,205</u>
Noninterest Expense		
Salaries and employee benefits	1,512	1,724
Occupancy and equipment	198	176
Insurance Fund premium	259	227
Other operating expenses	633	517
Total noninterest expense	<u>2,602</u>	<u>2,644</u>
Income before income taxes	6,320	4,882
Provision (benefit) for income taxes	—	—
Net income	<u>\$ 6,320</u>	<u>\$ 4,882</u>

The shareholders' investment in the association is materially affected by the financial condition and results of operations of AgFirst Farm Credit Bank. Copies of AgFirst's quarterly and annual financial reports to shareholders are available free of charge at www.agfirst.com, or by writing to AgFirst Farm Credit Bank, Financial Reporting Department, P.O. Box 1499, Columbia, SC 29202-1499.



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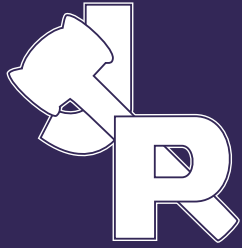
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