

NEWS RELEASE



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AgHeritage Farm Credit Services

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AgHeritage Farm Credit Services Announces 2017 Financial Results

AgHeritage Farm Credit Services (AgHeritage FCS), a cooperative serving 24 counties of central and southeast Arkansas, reports year-end financial results for 2017. Net income for the year ended December 31, 2017, was \$24.87 million and owned and managed assets were approximately \$1.25 billion.

"AgHeritage FCS has generated some of the top financial ratios in the Farm Credit System in terms of capital, efficiency ratio, credit quality and earnings," said Greg Cole, president & CEO of AgHeritage FCS. "We have grown to exceed \$1.2 billion in total assets and enjoy a strong market share position, which is another confirmation of achieving our vision of being the lender of choice in our local marketplace."

While the U.S. economy continues to perform at a robust level, the agricultural economy continues to be challenged. Last year, the crop sector entered into its fourth year of an efficiency cycle. This cycle is characterized by a dramatic decline in crop prices, with inputs decreasing at a much slower rate. This disparity is magnified by a relatively flat demand, a strong dollar and large carryover stocks in need of supply adjustments. Short of a significant event in the marketplace, this cycle could last for an extended period of time. The protein sector continues to experience modest profitability with lower feed costs offsetting declining meat prices. Despite the situation, AgHeritage FCS remains a financially strong organization. We, and the entire Farm Credit System, are well capitalized and are in a strong financial position to meet the needs of our customer-owners during these turbulent times.

"One of the value propositions of being an agricultural lending cooperative that's been around for over 100 years is our expertise in finance and agriculture," added Cole. "We've supported rural Arkansas with reliable, dependable credit and financial services for more than a century, and we'll continue being there today and tomorrow."

As part of the AgHeritage FCS Board's commitment to customer-owners, \$3.7 million was paid as patronage refunds to eligible shareholders in February 2018. Since the patronage program began in 2006, a total of \$36.1 million has been returned.

AgHeritage FCS provides credit and related services to more than 2,900 farmers, ranchers and producers or harvesters of aquatic products in 24 Arkansas counties. Branch offices are located in Batesville, Brinkley, Dermott, Lonoke, Newport, Pocahontas, Searcy, Star City and Stuttgart.

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