

# Partner

is published for directors, employees and retirees, all of whom are a valuable part of the bank's activities.

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### CALENDAR OF EVENTS

#### • Holidays

Good Friday • April 2  
Memorial Day • May 31

#### • AgFirst Farm Credit Bank Board Meetings

Columbia • March 15-16  
Hershey, Pa. • June 12

#### • AgFirst Farm Credit Bank Board Planning Meeting

Columbia • March 15-16  
Hershey, Pa. • June 12

#### • AgFirst Farm Credit District Presidents Council Meeting

Columbia • May 4-6

#### • 1999 AgFirst Farm Credit District Educational Conferences

Baltimore, Md. • April 14-16  
Panama City, Fla. • April 21-23  
Charleston, S.C. • May 19-21

#### • AgFirst Farm Credit Bank 1999 Annual Meeting

Hershey Lodge & Convention Center  
Hershey, Pa. • June 12-15

### our mission

*“Enable our members to be the lender of choice to agriculture and rural America through cooperation and added value funds and services.”*

**Partner** is published by AgFirst Farm Credit Bank.

Please address any comments, questions or address changes to Advertising and Communications, AgFirst Farm Credit Bank, P.O. Box 1499, Columbia, SC 29202-1499. Our phone number is 803-799-5000 Visit our website at: <http://www.agfirst.com>

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# Are we living off past successes or creating new opportunities?



F.A. "Andy" Lowrey  
Chief Executive Officer

It's amazing that a year can go by so quickly.

While it was a year dominated by discussions of the "FCA Philosophy Statement," low commodity prices and Y2K, it was also a year of sound performance by the **AgFirst** District entities.

A review of the year would certainly begin with the financial success we experienced. Again, we enjoyed record earnings, with total net income of the associations and bank combined of \$218 million, an increase of \$10 million. The increased earnings were achieved in addition to substantial increases to our allowance for loss accounts in anticipation of a more difficult credit period in 1999.

Our combined return on equity (before FAC) was 12.34%, an improvement over last year's 12.09%, and operating costs as a percentage of net interest margin continued to decline.

Unfortunately, there is little time to bask in our past successes. We are already hard

at work on our 1999 business plan, which could be characterized as an outline for transition. As we prepared our bank plan, we took a long hard look at ourselves and asked ourselves "Are we living off our past successes or creating new opportunities?" We didn't always like our answer. In particular, we determined that our current technology would not position our associations and the bank to compete effectively and take advantage of future opportunities.

Consequently, we will make a substantial investment in research and development over the next three years. While there is a tendency to focus too much attention on hardware and software when discussing technology, this initiative will be broader. Our focus will be "how do we become the best service provider possible while maximizing the associations' return."

It is clear that will involve technology components — like an improved telecommunications process (Netvision), better access to

Our focus will be "how do we become the best service provider possible while maximizing the associations' return."

data by associations using data warehouses and the transition to Windows-based, client-server applications.

However, it also involves a careful analysis of the bank processes we perform each day to determine where there are greater efficiencies and to eliminate bottlenecks and overlap. As we have enlarged our family from 19 associations to our current 37, we have become like a house that has been added on to over and over again. Now is a good time to tear down a few walls and re-map our functions.

The competitive environment we face in 1999 and beyond will be formidable. As James Champy, a business consultant points out, "We have to abandon the management Credo *Get it Right, then keep it going* and embrace the credo, *Get it right and make it better, and better and better.*" ■

# Decision...Responsibility... Accountability



Larry R. Doyle  
Executive Vice President

In the **AgFirst** District we have sometimes agonized and debated about decision making. The debate has generally centered on who should be making certain decisions, and who is responsible and accountable for the results of the decision.

We are no different from all other companies or corporations who have to decide to merge or not to merge, where to go with technology, to open or close locations, to enter or leave certain lines of business. As Jerre L. Stead, chairman and CEO of Ingram Micro Inc., a computer technology distributor in Santa Ana, Calif., stated, "Your decisions are either lionized or demonized."

So if decisions are so weighty, he would further say, "Why don't we make it easier on ourselves to make better decisions? Effective decision making is rare in the corporate world even though companies contain the necessary elements."

If we were to take a critical look at ourselves in the **AgFirst** District, we would probably find that we are much like many others. Most importantly, the lines of accountability and responsibility have been blurred. Decision making without accountability and responsibility encourages

decision making without facts, the least effective brand. We have sometimes tried to make important decisions through committees or other forms of consensus building. This approach is ideal for defusing accountability. It provides a safe harbor for board, management and staff, but a terrible environment for effective performance and utilization of resources.

**AgFirst** must provide value as viewed by our stockholder-customers to remain competitive as our environment changes. We must restore an atmosphere of accountability. To do so we must invest heavily in our most vital resource, people. By preparing them through training and empowering them to make decisions, we hope to provide a vehicle to do a better job of reacting to the needs of customers. To be totally effective we must be very close to our association customers, developing and maintaining an awareness of their needs. We will respond to needs with solid analysis, communications and an empowered work force.

Management and staff of **AgFirst** will not be able to escape responsibility for corporate decisions by relying on customers to make decisions for us as we compete in the future.

We will develop a service

plan and staffing structure that affords us maximum customer interaction and dialogue — building a customer aware environment. As we gather input through direct customer relationship contacts, work groups, conferences and surveys, we can gauge what we can develop that will meet the needs of our customer-owners and provide a fair return to our organization as a service provider and lender. Putting it another way, we will be providing value.

To assist with our transition, we have engaged the Gartner Group and PriceWaterhouseCoopers. Gartner has helped with our technology vision and their part of the process was completed in December.

PriceWaterhouseCoopers will be working with the bank during the first half of 1999 to help us map our internal processes to detect areas that we might be able to improve upon to become more efficient and more effective at delivering products and services to our stockholder-customers. The first phase of the effort is complete, that is, the mapping of all our current processes.

Many associations were interviewed as part of the study. While time and budget did not allow for everyone to be involved, we very much appreciate the input we received.

I hope our customer-stockholders will be able to agree that in the final analysis we will only be effective in the long run if the bank's board, management and staff are responsible and accountable for decisions that affect **AgFirst**. Our stockholder-customers should hold us accountable for fair returns on their investment, competitive and fairly priced services and a lending relationship that positions our owners to compete effectively across the business segments we are allowed to access.

It is not possible to be successful without a very functional and professional relationship with our current and potential customers and owners. We are planning and working hard to live up to your expectations. Don't let us ever pass our responsibilities to our stockholder-customers and escape responsibility and accountability. ■

# Stay in control of your destiny



Thomas S. Welsh  
Executive Vice President

You have heard me say many times “the only thing changing in Farm Credit is everything.” During 1998, the **AgFirst** District experienced and managed a lot of change as we accomplished record earnings and continued excellent service to our customers. As we move into 1999, we will experience change at an accelerated pace as we deal with economic volatility, Year 2000 compliance and technology initiatives, along with designing business processes that better satisfy changing customer and workplace priorities.

I recently read a handbook on “change” that pointed out that many companies will lose control of their destiny because:

- They do not have foresight to change before it is forced on them.
- They start addressing change but do not have the determination to see it through.
- They change, but move too slowly, and the marketplace simply outruns them.

We want to continue to control our destiny and deliver economic value to our customers by being an active part of change. We not only

want to participate in it but lead it.

We have put in place a business plan for 1999 driven by initiatives that will not only improve what we are doing today but, more importantly, will position our associations and the bank to compete more effectively and take advantage of future opportunities. It is a plan that I am very excited about, and our bank staff is looking forward to providing proactive leadership to our new initiatives. We are confident

cannot guarantee success, but we know that poor communication will almost guarantee failure. We will work hard to ensure that there are no communication gaps.

We know that today’s marketplace has changed its reward structure. It does not reward companies simply for showing up, or for “trying.” The business world only rewards “results” in terms of quality, speed, innovation and value.

Over the last several years

destiny. ■

We will work hard to ensure that there are no communication gaps.

that our staff will shoulder the responsibility to drive change through our business plan.

As we implement our plan, we will continue to raise the bar on our communication effort. We understand that managing change requires a tremendous amount of high quality communication. Our standard communication procedures simply will not cut it. Good communication

and this past year, our financial results have been acceptable. But now is the time to create a sense of urgency to look through the planning window and determine what we want to be and how we can maintain value and sustain business growth. We look forward to working with you as we work our plan, achieve positive results and better control our

# Potential Farm Credit-Related Issues for the 106th Congress



Nick McNair  
Vice President

## Potential Commercial Banker Initiatives Related to Farm Credit:

Commercial bankers continue to raise objections whenever possible to Farm Credit lending authorities and GSE attributes. With the American Banker Association (ABA) continuing to employ Bert Ely to discredit the Farm Credit System, we might expect the ABA to push the following four themes in Congress:

- **TAX STATUS**

Always number one on the bankers' list of arguments against the Farm Credit System, this issue likely will arise again in 1999.

- **MISSION ENHANCEMENT**

In recent months, the bankers have been making reference to additional mission requirements for Farm Credit. As opposed to arguing for removal of Farm Credit's GSE attributes, bankers have focused instead on raising the mission-related requirements for Farm Credit. In addition, they continue to point out that Farm Credit is not subject to the Community Reinvestment Act.

- **SUPER REGULATOR**

While bankers continue at times to raise the possibility of a "super regulator" for all financial institutions or for all GSEs, there seems to be little interest in this effort on Capitol Hill; however, we look for the bankers to continue to accuse FCA of being too close to the

Farm Credit System. Although FCA clearly is setting its own agenda, bankers will try to paint the customer eligibility regs and the upcoming implementation of the philosophy statement as examples of the agency doing the System's bidding.

- **PRIVATIZATION**

In announcing the formation of its new task force to focus on "agricultural banking in the volatile markets of the 21st Century," the ABA again mentioned "privatizing the Farm Credit System" as a top priority for the organization. Although no definition for "privatization" was given, it likely is a euphemism for access to agency debt markets and tax status.

## Bankruptcy

Efforts at overhauling the bankruptcy code were unsuccessful last year as lawmakers were unable to resolve conflict between creditors and consumer groups; therefore, Senator Chuck Grassley (R-IA) added a simple extension for chapter 12 to the omnibus appropriations legislation. As a result, chapter 12 did not expire at year-end and instead now is extended through the end of fiscal year 1999. Grassley's staff indicates that they will again seek to make chapter 12 permanent. Farm Credit supports Grassley's efforts.

## FCA Budget Limit

The Agriculture

Appropriations bill has traditionally carried a limitation on FCA outlays. It continues to be a priority of FCA to have this limitation removed from the annual appropriations bill. In 1998, the System did not actively oppose FCA's efforts to remove the limit. If the limitation is to be retained, the System will have to take a more active role to do so in 1999.

## Agricultural Trade

Most observers believe "Fast-Track," which was one of the most important trade events of the 105th Congress, will be difficult to obtain this year. The Uruguay Round Ministerial meeting is scheduled to take place in December of 1999, which will have agriculture as its primary focus. This will likely trigger Agriculture Committee hearings in both the House and Senate Agriculture Committees. It appears unlikely that legislation pertaining to agricultural trade matters will be in play in 1999.

## Federal Home Loan Bank Modernization

In years past, there have been attempts to restructure the Federal Home Loan Bank System to allow virtually unlimited access to GSE funding for commercial banks.

Farm Credit has declined to oppose the FHLBank legislation, instead choosing to point out to lawmakers the competitive implications of the

proposal and asking for similar treatment for Farm Credit institutions.

## Financial Services Industry Modernization

There have been proposals to fundamentally reshape the financial services by breaking down barriers between the banking, securities, and insurance industries, and allow financial firms to modernize their respective charters.

Supporters of financial services industry modernization were unable to overcome fierce opposition at the end of the 105th congressional session. Chairman Leach has re-introduced financial modernization legislation early in the 106th Congress. This new legislation more closely resembles the legislation approved by the Senate Banking Committee in the final days of the 105th Congress. It's not as comprehensive as HR. 10.

## Crop Insurance/Risk Management

Reforming federal crop insurance programs is an announced priority of the Agriculture Committees for 1999. We expect both the House and Senate Agriculture Committees to begin work on the issue early in 1999.

Farm Credit's crop insurance task force has put forth recommended goals and priorities for Farm Credit's involvement in shaping crop insurance reform.



Farm Credit staff is also working closely with commodity and farm organizations, insurance agents and companies, as well as commercial bankers in an attempt to build a coalition in support of reform.

Successfully advocating Farm Credit's priorities in crop insurance/risk management legislation will be a top priority in 1999.

### **FARRM Accounts and other Ag Producer Tax Issues**

Farm and Ranch Risk Management (FARRM) is the establishment of a trust account into which farmers can contribute up to ten percent of their net income.

The American Bankers Association has opposed Farm Credit institutions being allowed to manage this type of account as they feel this would give Farm Credit the opportunity to have savings accounts. While some associations may choose not to have this type of service, we believe it is critical that Farm Credit institutions not be excluded in any FARRM account proposals.

### **USDA Guaranteed and Direct Lending Programs**

Incoming Agriculture Committee Chairman Larry Combest has considerable interest in the operation of the FSA credit programs. Commercial banks in Texas have been very vocal regarding the need to make the guaranteed loan program more user friendly for lenders. With the real possibility of

tightening credit markets for farmers and ranchers in 1999, we would anticipate Combest holding hearings on the FSA programs.

### **Farm Policy Changes**

At the close of the 105th Congress, monies were made available to farmers and ranchers to contend with the financial stress resulting from disaster and low commodity prices. During the waning days of the last Congress, significant debate developed concerning the Freedom to Farm approach to farm program management. A significant minority of House and Senate Agriculture Committee members argued for increasing loan rates as the best way to deal with the agriculture crisis. Republicans argued to "stay the course" on the '96 Farm Bill, and were largely successful.

As the 106th Congress begins its work, no doubt the agricultural crisis will be a significant issue. The debate over Freedom to Farm will likely continue, with possible hearings on the '96 Farm Bill in the Senate and House Agriculture Committees. A number of House and Senate Agricultural Committee staff members indicate hearings are a virtual certainty. ■

## **AgFirst District is again #1 in PAC contributions**

Employees and directors in the *AgFirst Farm Credit District* contributed \$47,755 to the Farm Credit PAC in 1998. A distant second place was Wichita with \$34,050, followed by AgriBank with \$32,531. Total contributions to Farm Credit PAC were \$181,740.93, up 12 percent over 1997.

The top five associations contributing were:

Central Florida-\$3,460;

North Central-\$3,198;

First South PCA-\$2,985;

South Florida-\$1,800;

Piedmont-\$1,755

Central Florida, Central Kentucky, North Central, Piedmont and Southwest Georgia associations had 100 percent board participation in 1998. *AgFirst Farm Credit Bank* had 100 percent board participation as well.

We commend all directors and employees in the *AgFirst* District for their contributions to PAC. PAC contributions to members of Congress open a lot of doors and allow us to tell the *AgFirst Farm Credit* story as well as share our views on related issues. ■

## **Secretary of Agriculture Glickman's Key priorities for 1999**

- Strengthening the farm safety net through major crop insurance reform, ensuring that no farmer or rancher loses his or her land because of an act of God.
- Further expanding trade opportunities for American farmers.
- Expanding anti-hunger activities and the school breakfast program, and increasing food rescue and gleaning efforts through partnerships and community involvement.
- Extending implementation of the new, science-based meat and poultry inspection system to about 2,500 small plants across the country.
- Expanding research to improve all of USDA's work, from nutrition to food safety to sustainable agriculture.
- Issuing national organic standards that are good for farmers and consumers.
- Continuing efforts to fairly address long-standing civil rights issues. ■

# Are your employees living up to their potential?



Pat N. Roche  
Human Resources Specialist

In the last issue of *Partner*, I wrote about being Year 2000 compliant with your management skills.

In line with that same thought, I want to write about one of those areas where some of the skills identified in that article's self quiz might be used. This particular area of management responsibility is one that produces stress for both the manager and the subordinate. Often it is neglected or shortchanged because the manager is uncomfortable with the process, is poorly trained for the process, and/or doesn't understand its long-term importance for the organization and the employee.

What am I talking about? Well, if you haven't already figured it out, I am talking about the performance appraisal process. This is probably one of the *most important*, as well as dreaded, *responsibilities* a manager has. Yet, all too often it is poorly conducted and produces little, if any, of the positive results it has the potential to produce.

A quick review of the skills identified in the last issue of *Partner* (motivating, communicating, creating, visioning, coaching/mentoring,

team building, listening, trust building, committing, and collaborating) will show that virtually all of these skills could be put to use during the performance appraisal process.

For example, motivating is surely what a manager needs to do if he or she wants high performance and growth from subordinates. And, what better time do you have to capture the employee's complete attention than during the annual performance review! Certainly this is a time when the manager must be very adept at communicating, too, if he or she expects to describe performance expectations in so compelling a manner that the employee is motivated toward achieving them.

Listening is another key to a successful performance appraisal. Here is your opportunity to really learn about your employee's professional and personal interests and concerns. A manager who listens well during a performance appraisal may actually learn more than the subordinate from the appraisal.

Here is a chance to find out how to motivate this employee, what he or she may have to contribute that could improve

the company's processes, and what skills or talents the employee may want to better develop. The manager's role as coach/mentor can certainly be put to good use here as well.

If over time, the manager delivers what is promised during performance reviews, then the employee's trust of the manager and the company will grow. Naturally, the opposite of this is also true. Therefore, managers need to be careful not to make idle promises and to follow through with promises if they want to retain credibility with their subordinates. So, if you can't do it, don't promise it! And, if you promise something and circumstances make it impossible to produce, be sure to update the employee.

The performance appraisal is also a time where collaboration may be quite useful. For instance, if there are some tough or touchy performance issues that need to be resolved, a much better received resolution will usually result if there is a collaborative effort between the supervisor and subordinate to work through the problem. Not only will there be more possible solutions, but more importantly, there will be

better acceptance by the subordinate than if the solution is mandated by the supervisor. Think about how you might feel in a similar situation if you were on the receiving end.

If you want to test your employee appraisal skills (or just want to reassure yourself), here is a checklist that you can complete and score yourself. For anyone who does not do well on the quiz or who would like a more complete review, Human Resources offers performance management and appraisal training. For more information, you may contact me at extension 347, via e-mail at [u2pnr](mailto:u2pnr), or on the internet at [proche@agfirst.com](mailto:proche@agfirst.com). ■

# Performance Appraisal Checklist

*How good are your performance appraisals? Here is a checklist for managers and supervisors to complete that should give you some idea of how effectively you are conducting performance appraisals.*

	Yes	No		Yes	No
1. Do you provide performance feedback to employees on a day-to-day (as needed) basis?	_____	_____	11. Do you offer constructive suggestions for any needed performance improvements?	_____	_____
2. Do you have a current and accurate job description for each employee that you supervise?	_____	_____	12. Do you review relevant policies, guidelines, or performance definitions in order to provide consistent ratings?	_____	_____
3. Do your employees have copies of their job descriptions?	_____	_____	13. Do you encourage employee comments and questions during the performance appraisal discussion?	_____	_____
4. Have you defined and communicated performance expectations, goals, or standards for your employees?	_____	_____	14. Do you make written comments about specific performance issues on the appraisal form to clarify or explain your performance ratings?	_____	_____
5. Do you prepare performance appraisals on time in accordance with the policy or practice of your organization?	_____	_____	15. Do you obtain the employee's signature on the performance appraisal form?	_____	_____
6. Do you refer to work samples or relevant job situations when preparing a performance appraisal in order to provide an accurate and detailed assessment of the employee's performance?	_____	_____			
7. Do you schedule the performance appraisal well in advance at a time that is mutually acceptable to both you and the employee?	_____	_____			
8. Do you conduct performance appraisal discussions in an office that is private and free from interruptions?	_____	_____			
9. Do you discuss an employee's work performance in as objective and constructive a manner as possible that avoids personal insults or unreasonable criticism?	_____	_____			
10. Do you give the employee credit for achievements and recognize accomplishments?	_____	_____			

## Scoring - Results

Add up the number of questions for which you checked "Yes." Then determine how well you are doing from the information below:

- |           |   |
|-----------|---|
| 13 - 15   | Very good. Your appraisal practices are sound.  |
| 10 - 12   | So, so. You need to improve your appraisals.  |
| 9 or less | Immediate improvement is needed. Your appraisal practices may cause serious employee relations problems or legal liability. |



# The next farm crisis ...estate planning procrastination



Jerry Shuffler,  
Director of  
Financially-Related Services

*You can't control the weather or the markets, but you can take charge of your life's work with a sound succession-estate plan*

*According to the United States Census of agriculture, 800,000 or 40 percent of all farmers in the United States are 50 years of age or older. Even more interesting is the fact that 100,000 of those farmers are each generating over \$250,000 in annual gross farm income. Although most of these farmers have substantial estates, many do not have established workable succession-estate plans.*

*There's little doubt that succession and estate planning is a more complicated process for farmers than for the average person or business. But taking the bull by the horns, that is, getting a plan started as soon as possible, can help avoid tragic tax consequences and disruptive family squabbles. Plain and simple, planning ahead is a good business decision.*

## The Big Put Off

Experts estimate than 80 percent of all ag-related operations do not have a succession or estate plan in place. Why does procrastination run so rampant? Here are some of the most common excuses for not going forward with the

planning process.

- In many cases, farmers are simply too busy farming. Acknowledging this as a valid seasonal reason, then the obvious time to start planning is during off-peak periods.
- Generally, farmers and ranchers are independent and self-reliant. They believe that financial planners and advisors may not be sufficiently informed to address their unique financial situations. While this belief may once have not been without merit, today it is more myth than fact. New technologies have resulted in more integrated and comprehensive processes as well as resources and tools for planners to use to deliver accurate and reliable planning advice and counsel to a wide clientele.
- The mistaken belief that the cost of succession and estate planning is too expensive. Farmers too often don't appreciate the wealth they've accumulated in land, facilities and equipment over the years or what the future value of their holdings will be. In reality, the cost of a properly planned estate is truly insignificant compared to the cost to survivors, financially and emotionally, of an unplanned estate.
- For many farming families, succession is not addressed because no one is sure when dad or mom will to retire. They may never want to but indeed one day they inevitably will and ignoring this fact will not resolve the issue. It simply cannot be avoided. But the issue can be overcome and resolved with honest communication and a plan that takes into account the desires of all involved. Here is where a trusted financial planner can help.
- **Parents may feel eventual heirs are not ready to take over the operation.** The reasons for such feelings can vary widely. Left unattended, such feelings may prevail and be an impediment to developing a proper plan. Again, a financial planner can facilitate open and honest communications which will go a long way to identifying parental concerns and give heirs help and guidance in their personal development to gain the trust and confidence of parents.
- **Indecision about how to treat all heirs equally.** Frankly, true equal distribution is difficult if not impossible. But families, with the aid of financial advisors, can come up with

an equitable plan acceptable to everyone, which focuses on fair, even if not equal, distribution of accumulated wealth.

- **Inconsistent farm profits.** Studies show that it takes about \$250,000 in farm sales to support one farm family. If more than one family is going to depend on the farm for income, that creates a need for sound farm and financial management. And because farm profits frequently go up and down from year to year, it's easy to put planning on the shelf until more stable times-which frequently never arrive.

## Settling the questions of the wondering generation

What is the wondering generation? The wondering generation are the children of farming families who wonder if they are ever going to get a chance to run their own farm operation.

The effect of not having a succession/estate plan only adds to the anxieties of the wondering generation. But those anxieties can be relieved by examining the options unearthed during the planning process. For example, you can:

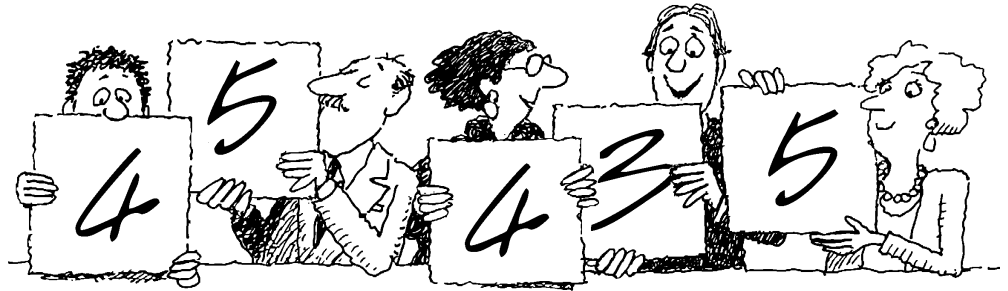
- Find out when the time is

# Quality of Service Results

right for retirement.

- Determine how much you will be taxed if you sell, pass the farm on to the children or retire gradually.
- Decide if easing out of farming is better than selling outright.
- Gauge how much cash you're going to need during retirement.
- Add up the expected financial contributions from your various retirement savings accounts and Social Security.
- Find out how best to invest your cash, whether in conservative, medium-risk or high-risk investments.
- Determine how to manage estate and income taxes, and legal fees.

Farm estate planning is about protecting a life's work for beneficiaries, informing heirs of intentions and assuring financial independence in retirement. Encourage customers to make sure they have taken the necessary steps to have current succession or estate plans in place. ■



The results are in from the annual evaluation of the quality of services provided by AgFirst Farm Credit Bank to district associations.

You may recall the evaluation is patterned on one used by Crestar, located in Richmond, Va. Every association within the AgFirst District is requested to evaluate each department within the bank on an annual basis. In addition to the operating performance of each department, the associations are asked to rate the attributes listed below:

- Responsiveness to association needs
- Job knowledge of department staff
- Reliability of assistance
- Accessibility of staff
- Communications
- Professionalism
- Staff attitude
- Courtesy of staff
- Special projects requested by the association

Associations are encouraged to offer suggestions for improvement and to recognize any bank employees who have provided exceptionally good service to them. In the past, the bank has always received a number of excellent suggestions for improvement from the associations, and this year was consistent with this trend.

The actual results of the quality of service evaluation were impressive. The bank overall was rated at slightly higher than 4 ("Good") on a 5-point scale. The department within the bank with the best performance as evaluated by the responding associations was Human Resources (Steve Francis), followed by Accounting, Reporting and Control (Jim Camp), and Treasury (Timmy Amerson).

The highest rated functional activities were Employee Relations (Jack Heckman), Payroll (Dottie Hooks) and Benefits (Joyce Leet).

Nearly 40 employees were mentioned by name as exceptional performers. I call each of these employees to let them know their efforts are appreciated by the associations and can tell you how pleased the employees are to have been recognized. In addition, it's a very powerful motivator

Let's continue to make good things happen at Farm Credit!

■