

ANNUAL REPORT 2021

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Board Resolution Regarding Corporate Giving

It is hereby resolved that it is the desire of the Board to promote community and charitable giving through the employees of Texas Farm Credit by encouraging them and challenging the Association to meet the following financial goals through monetary and time donations.

It is the goal of Texas Farm Credit to set aside 2 percent of its annual net income for charitable giving. This shall include providing relief efforts for communities impacted by natural disasters or devastating events as well as community giving, youth education and scholarships, sponsorships, military/veterans/first responders support, and education/research.

In addition, the Board encourages all employees of Texas Farm Credit to dedicate at least two paid work days per year to volunteer for organizations that are private or public nonprofit community organizations engaged in meeting human, educational, environmental or public safety needs.



Dear Stockholders,

It is my pleasure to present this year's Passion Forward Annual Report. In 2017, our team launched Passion Forward — a charitable giving initiative formed in response to our Board of Director's challenge to give back 2% of our annual net income to local charitable organizations.

We're proud to announce that in 2021, we surpassed that goal with a final donated percentage of 2.34%. I'd like to say a special thank you to the Texas Farm Credit employees who took time away from their regular workday to volunteer and money out of their own pockets to donate and to our directors for supporting us in

this mission.

The Board has challenged us to meet the 2% give back goal again in 2022. To ensure we meet that goal, we are continuing our Employer Matching Gift program which allows employees to donate their hard earned money to a charitable organization they feel passionate about. In turn, Texas Farm Credit will match their donation dollar for dollar, up to \$150. We will also continue to offer each full-time employee 16 paid hours to devote to charitable volunteerism. We trust our employees to select meaningful causes, and we're proud to support them and their personal passions.

We will also continue our #ShearrerYourPassion initiative and present the Community Champion of the Year award to recognize an employee that has demonstrated passion and service to their community through volunteerism. Initiated by the Association's Inclusion Leadership Council in 2018, this award grants \$2,500 on behalf of the winner to the charity of their choice. It was named in honor of the late Tommy Dean Shearrer, a long-time customer of Texas Farm Credit, past board member, and role model for community outreach.

In addition, Texas Farm Credit will continue its sponsorship of the East Foundation's Land Stewardship Ambassador Program which is a 10-week course designed to cultivate 30 future community leaders from the urban communities of San Antonio and Laredo to be well versed in land stewardship principals. Students receive a college-style syllabus to prepare them for weekly seminars that go beyond natural resource management to explore the human dimensions such as political, economic, and social elements of land stewardship. One of the segments of our Passion Forward program is education, and this investment is a perfect fit for that initiative.

Finally, in 2021, we revamped our awards-and-recognition program for 4-H and FFA students, increasing our support to over \$100,000 a year. The spirit of reinvesting in the communities we serve is deeply embedded in our culture — one of the strengths of the cooperative business model — and we're proud to support the future of agriculture and rural Texas in this way.

And a special thanks to you, our customers and shareholders. You've chosen Texas Farm Credit as your financial partner and we appreciate and value your confidence in us. We look forward to our continued relationship and a prosperous 2022.

Mark Miller
Chief Executive Officer



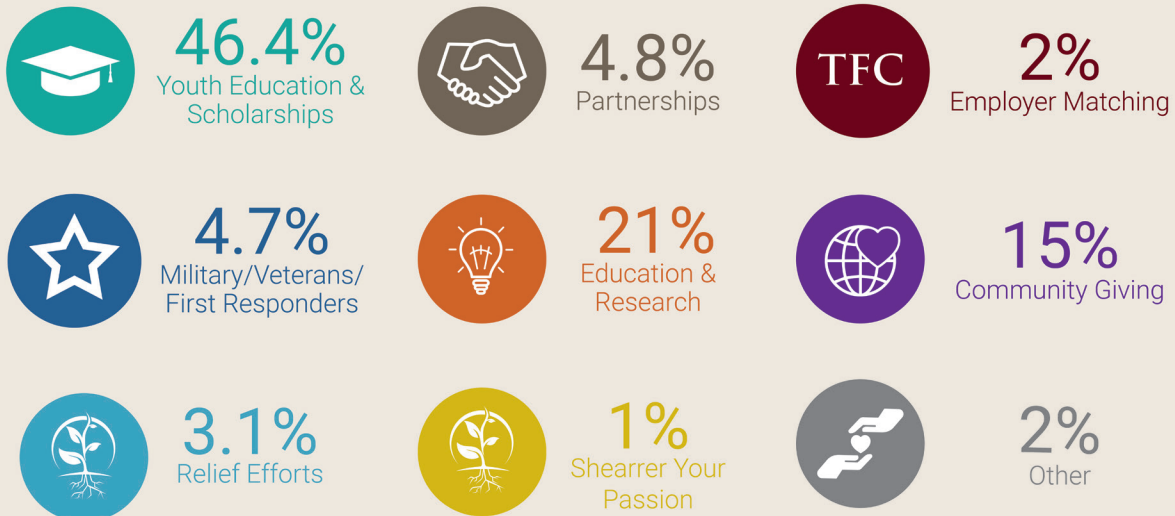
Who We Are

Texas Farm Credit finances agricultural operations, agribusinesses, homes and rural real estate, and offers a variety of insurance services.

Our mission is to serve the agricultural and rural community by being a reliable lending source in both good times and bad.

Headquartered in Robstown, Texas, we serve 100 Texas counties from the Red River to the Rio Grande Valley and are part of the Farm Credit System, a nationwide network of rural lending cooperatives established in 1916.

2021 Passion Forward Results





Board of Directors

The Texas Farm Credit Board of Directors is made up of 10 members who not only support our goals of giving back but also challenge us to find creative ways to get involved.

John Prukop, *Chairman*
Bobby Hobson, *Vice Chairman*
Thomas Barker
Jerry Chappell
James Dawley
Marion Durand
Roxann Garvin
David Henneke
Mark Reus
Greg Richbourg




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Community Giving

• 4-H Bass Fishing Virtual Tournament • Holiday Giving • Little Free Library • Camp Blessing • Promise Academy • Children's Alliance of South Texas

1. 4-H Bass Fishing Virtual Tournament: Texas Farm Credit sponsored District 5's virtual bass fishing skill-a-thon. Kids fished at their favorite spot and the first 200 registered received a free Check-It Stick provided by Texas Farm Credit.

2. Holiday Giving: The Fairfield branch continues to support local foster children during the holiday season.

Pictured: Danny Wren and JP Clopton

3. Little Free Library: The Tyler office donated 272 books to 13 local Little Free Libraries locations.

4. Camp Blessing: For the 4th year in a row, employees of TFC used their employer matching funds along with a corporate match and donated \$10,000 to Camp Blessing.

This camp exists to provide help and hope to people of all abilities through Christ-centered camp experiences.

5. Promise Academy: The Texas Farm Credit Inclusion Leadership Council hosted a blood drive across its branches where employee and blood donor, John Carpenter won the Association's raffle drawing including a \$1,825 donation (plus a \$175 personal donation) to a charity of his choice. Carpenter catered lunch and presented his awarded donation to Promise Academy, where their mission is to cultivate wise, creative and compassionate leaders through exemplary Christ-centered education in North Tyler.

Pictured: Jennifer Huffine, Hayley Walker Birdsong, John Carpenter, Meredith Feistel, Maddie Butler, Lisa Browning

6. Children's Alliance of South Texas: The Texas Farm Credit Inclusion Leadership Council hosted a blood drive across its branches where employee and blood donor, Jenny Balentine won the Association's raffle drawing including a \$1,825 donation to a charity of her choice. Balentine presented her awarded donation to Children's Alliance of South Texas, a child advocacy center for child victims of abuse.

Pictured: Jenny Balentine and Sarah Franklin



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Education and Research & Partnerships

- The Land Stewardship Ambassadors • Texas A&M Agribusiness Entrepreneurship Program • King Ranch Institute for Ranch Management • Farm Credit Fellows • Texas A&M Foundation

1. The Land Stewardship Ambassadors: TFC sponsors the East Foundation's Land Stewardship Ambassador Program which is a 10-week course designed to cultivate 45 future community leaders from the urban communities of San Antonio and Laredo to be well versed in land stewardship principals.

2. TAMU Entrepreneurship Program: TFC continued their five-year commitment to sponsor the annual Texas A&M University (TAMU) agribusiness entrepreneurship program symposium. The symposium is a

signature event of the TAMU Department of Agricultural Economics in the College of Agriculture and Life Sciences. Through the entrepreneurship program, agricultural economics students learn business start-up principles and conceptual planning.

3. King Ranch Institute for Ranch Management: Texas Farm Credit was the proud sponsor at the 17th annual King Ranch Institute for Ranch Management Symposium which included awarding 28 certificates in Advanced Ranch Management.

4. Farm Credit Fellows: TFC initiated a Farm Credit Fellows program - a partnership between Texas Farm Credit and Texas A&M-Kingsville to enhance the understanding and application of agricultural finance principles such as risk assessment, loan structuring, financial analysis, and borrower-lender relationships to students.

5. Texas A&M Foundation: TFC contributed to an endowment in collaboration with the Texas A&M Foundation to support the higher education of high-achieving minority students in the Rio Grande Valley at Texas A&M University McAllen.



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TEXAS FARM CREDIT ENTREPRENEURIAL DREAMS SYMPOSIUM

Save the Date!



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2021 TEXAS FARM CREDIT CERTIFICATE IN ADVANCED RANCH MANAGEMENT RECIPIENTS

- | | |
|------------------------|----------------------------|
| • Alicia Allen, KS | • Justin McClelland, NM |
| • Gregory Baker, TX | • Henry Mellon, TX |
| • Bennett Bush, TX | • Joseph Ozuwa, TX |
| • Ron Butler, TX | • Leigh Price, TX |
| • Scott Crozier, UT | • Leacy Pryor, NV |
| • McCain Duvallier, TX | • Sierra Rhodes, TX |
| • Markham Dossett, TX | • Bryce Robolt, UT |
| • Chad Engle, NE | • Evann Rowland, GA |
| • Cody Fry, TX | • Billy Salada, MT |
| • Ashley Hughes, FL | • Rolando Silguero, TX |
| • Tom Keller, TX | • Billy Whitehurst, MT |
| • Emily Landrum, NC | • Stanley Woelfel, Jr., TX |
| • Joel Lemons, NM | • John Worthington, OK |
| • Tony Martinez, TX | • Ethan Young, UT |

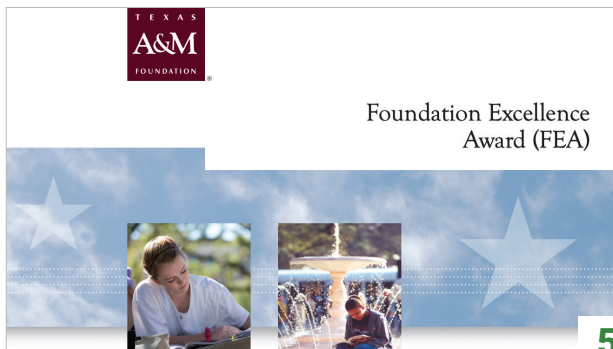


King Ranch® Institute for Ranch Management

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Relief Efforts

- Alba-Golden FFA • Blood Drive • Barn Fire • Winter Storm Relief

1. Alba-Golden FFA: TFC made a \$10,000 donation to Alba-Golden ISD FFA for the repurchase of equipment lost in a fire at their project center.

Pictured: Dustin McClendon and Kody Cox

2. Blood Drive: Every year, the Weslaco branch supports a community blood drive.

Pictured 2a: Veronica Cantu

Pictured 2b: Bruce Kroeker

3. Barn Fire: Two Nueces Co. 4-H members (brothers) each lost their steer for the 2021 Nueces Co. Jr Livestock Show in a barn fire the night before the steer show. Organized by Jodi McManus and Jason Floyd, TFC donated \$1500 to each brother to purchase a new steer for the 2022 show.

4. Winter Storm Relief: Our Brenham branch donated water during February's winter disaster that created many hardships including frozen water.



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Youth Education and Scholarships

- Youth Ag Video Showcase • School Supply Drive • First Bale Cotton Auction • Marsha Martin Scholarship • Ag Awareness Day • Lemonade Day • San Antonio Junior Commercial Steer Show

1. Youth Ag Video Showcase: TFC launched a new virtual contest encouraging local youth to submit a video spotlighting their agricultural project for a chance to win a portion of a \$20,000 cash prize.

2. School Supply Drive: A local mom of four in Pleasanton reached out regarding TFC's annual school supply drive. The Pleasanton branch was able to fulfill their school supply list.

Pictured: Thomas Jackson and Elizabeth Moore

3. First Bale Cotton Auction: Cyndie Haden is on the Algodon Club Board of Directors and participated in the First Bale

Cotton auction to raise funds for local scholarships. Pictured is the Harlingen Cotton Committee awarding the scholarship to the Southern Careers Institute.

4. Marsha Martin Scholarship: Every year, TFC provides the Marsha Martin Scholarship to 6 students who excel in both the classroom and extracurricular activities.

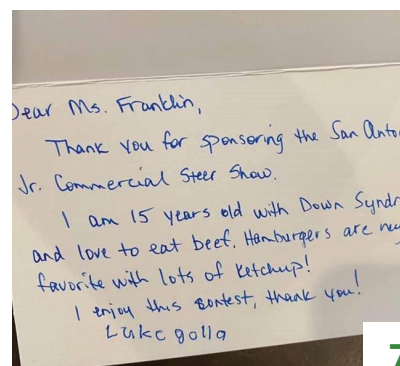
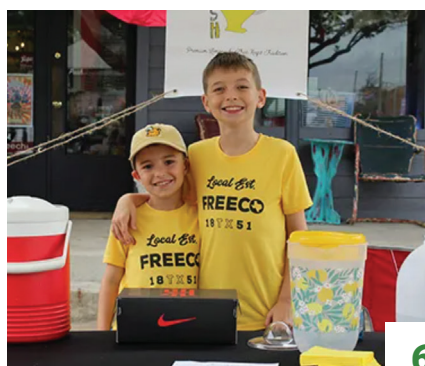
5. Ag Awareness Day: The Weslaco branch sponsored the Kids, Kows and More event which teaches ag education to elementary students. Audrey Vasquez was a judge.

6. Lemonade Day: Hosted by the Fairfield Chamber of Commerce,

TFC sponsored Lemonade Day to promote entrepreneurship within its local youth.

7. San Antonio Junior Commercial Steer Show: This student participated in the intense, competitive steer show, requiring exhibitors to raise a pen of steers, keep records, learn about feeding, animal health, industry standards, and then give a speech. The steers are later sent for processing for a carcass contest.

This card is simple, but the backstory is amazing. Sarah Franklin, our Pleasanton Branch Manager, had the honor of meeting this student at last year's show. All of his hard work throughout the year was evident, impressive, and surely something to be proud of. His speech consisted of heartfelt prayers, which had everyone in tears. He's plowed through many of life's challenges with a grace that made it seem so easy. His faith is unshaken. He is so special and has made a profound impact on many.



Military/Veterans/First Responders Support

• Trooper Damon C. Allen Memorial Foundation • Operation Care Package • First Responder Appreciation

1. Trooper Damon C. Allen Memorial Foundation: Joni Woodall was selected as the 2020 Community Champion of the Year and received \$2500 to donate to the charity of her choice. The Trooper Damon C. Allen Memorial Foundation which helps the lives of first responders by raising funds for various needs such as finances, physical, mental, or emotional assistance or other support during or after a tragedy occurs in their lives or the lives of an immediate family member.

Pictured: Danny Wren and Joni Woodall

2a. Operation Care Package: TFC's Inclusion Leadership Council sponsored Operation Care Package. This event held at the annual employee retreats allowed employees to package much needed and wanted items to ship to our military serving overseas.

2b. Joe Valladares's daughter Nayeli and her kindergarten class presented Johnathan Hegler who headed up this event, with 24 personalized cards that will hopefully bring a smile to our homegrown heroes overseas.

Pictured: Johnathan Hegler

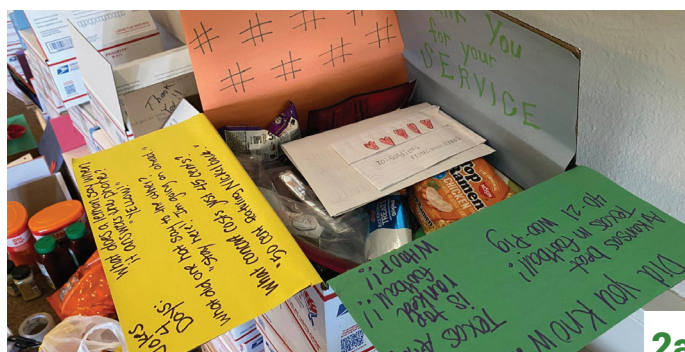
3. First Responder Appreciation: The Pleasanton branch held a first responder appreciation dinner for their local police department.

Pictured: Thomas Jackson and Sarah Franklin

4. First Responder Appreciation: The Tyler branch and mortgage department teamed up to provide 24 handmade gift baskets to both the day and night shift COVID ER and ICU units to Trinity Mother Frances and UT Health East Texas hospitals. Kyle Watts, his wife and two children had the pleasure of passing out these gifts to show appreciation to our medical personnel's dedication to serving their community.



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Employee Giving and Volunteerism

• Mission Nac • Salvation Army • Tyler-Smith County Child Welfare Board • Sky High for Kids • Great Texas Balloon Race

1. Mission Nac: LeAnn Beasley supports MissionNac with work projects for the needy, the disenfranchised, and the widow.
2. Salvation Army: Heather Hirschfield and her son Gage rang the bell during the holidays for the Salvation Army.
3. Tyler-Smith County Child Welfare Board: The Tyler-Smith County Child Welfare Board asks community members to adopt foster children

for Christmas. Kaitlynn Carson, Kacy Land, Tiffany Smith, and Wendy Swift utilized the Employer Matching Gift program and along with a donation from TFC were able to donate \$1250 to purchase gifts for local foster children.

Pictured: Kaitlynn Carson, Kacy Land, Tiffany Smith and Wendy Swift

4. Sky High for Kids: Suzanne Burch and Sarah Franklin support Sky High for Kids of San Antonio that raises

funds to help put an end to pediatric cancer. Sky High also raises funds for St. Jude's hospital.

Pictured: Sarah Franklin and Suzanne Burch

5. Great Texas Balloon Race: Jenn Correa is the Treasurer for this non-profit, community, family event that runs 100% on volunteer efforts and welcomes tens of thousands annually. She has been a part of this organization for 17 years.



After 😊



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