

# DELIVERING TODAY INVESTING FOR TOMORROW

2023 ANNUAL REPORT





## 2023 | DELIVERING TODAY. INVESTING FOR TOMORROW.



The 2023 results of your Farm Credit Illinois (FCI) cooperative include setting record earnings, passing a significant loan volume milestone, and achieving a near-record member experience score. In addition to these 2023 successes, FCI made strategic investments in employees, credit decision modernization, technology infrastructure, and growing the Association's capital to more than \$1.2 billion – all to be best positioned to serve future generations of the cooperative.

FCI's approach of simultaneously delivering reliable, competitive credit to current members – while strategically strengthening the Association's foundational capacity to serve future members – made 2023 an extraordinary year of "Delivering Today. Investing for Tomorrow."

A fourth consecutive year of record or near-record earnings for FCI is mirrored by another strong financial year for member-farmers. The cooperative's diverse business segments – most notably Capital Markets Group agribusiness loans – generated a majority of the \$105.0 million of net earnings. Local marketplace loan growth, Farm Credit System collaborations, and crop and livestock insurance sales also contributed to FCI's 2023 profits.

In 2015, FCI set a 10-year vision goal of growing owned, managed, and collaborated loan volume to \$7 billion. The cooperative achieved this target two years early with an ambitious team committed to local marketplace growth and leveraging System collaborations.

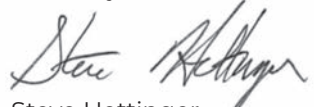
The Board of Directors declared a \$40 million cash patronage distribution from the \$92.1 million of 2023 earnings – leaving \$52.1 million for the future as retained capital. Over the past three years, cash patronage reduced effective interest rates across the entire member loan portfolio on average by about 1%. And while patronage distributions may vary annually to maintain an adequate capital base and regulatory compliance, cooperative members can pencil in patronage every June, effectively reducing interest rates paid the previous year.

Looking ahead to 2024, FCI is well-positioned to continue improving the current member lending experience while exploring new technologies and collaborations to meet evolving needs. In 2023, 84.2% of members indicated being "very satisfied" with their FCI experience. Recognizing relationships and agricultural expertise remain valuable to borrowers, the cooperative prioritizes attracting and retaining talented employees. Today's thoughtful investments set the cooperative up for future success and vitality.

With the CEO's retirement date announced for Dec. 31, 2024, the upcoming leadership transition and creation of a new 10-year vision will set the stage for what's next at FCI. The cooperative's core purpose of **Helping Farm Families Succeed** will remain at the heart of the business even through change. The Board's focus on maintaining a strong capital position, funding initiatives supporting members and the marketplace, and offering low upfront interest rates while further lowering members' effective interest rates through cash patronage helps ensure the Association will deliver on its mission today and tomorrow.

Thank you for choosing to do business with Farm Credit Illinois. We are grateful to count you among the cooperative membership.

Sincerely,

  
Steve Hettinger  
Chairperson of the Board

  
Aaron S. Johnson  
President & CEO

# 2023 HIGHLIGHTS

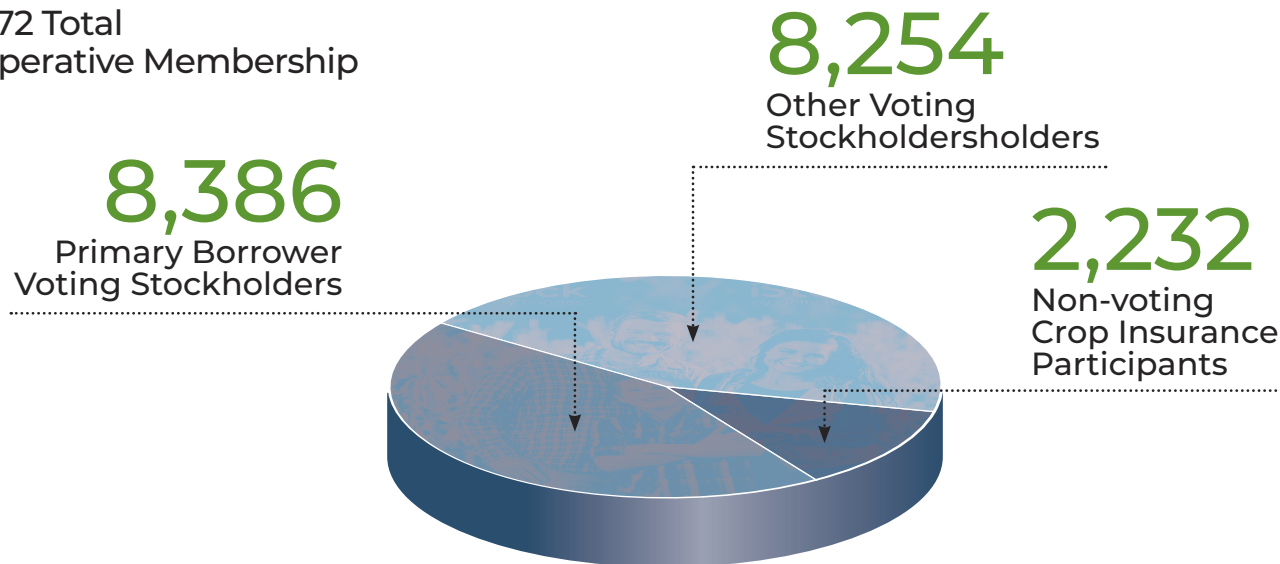
## Business Results

	2023	2022	CHANGE%
Owned and Managed (O&M) Loans	\$6.272 B	\$5.614 B	+11.7%
Non-Adverse Credit Quality (O&M)	98.2%	98.8%	-0.6%
Multi-Peril Crop Insurance & Livestock Risk Protection Premiums	\$72.0 M	\$86.0 M	-16.3%
Total Capital	\$1.221 B	\$1.2 B	+5.5%
Total Regulatory Capital	16.1%	17.7%	-1.6%
Net Earnings	\$105.0 M	\$92.1 M	+13.9%
Cash Patronage*	\$40.0 M	\$40.0 M	0.0%

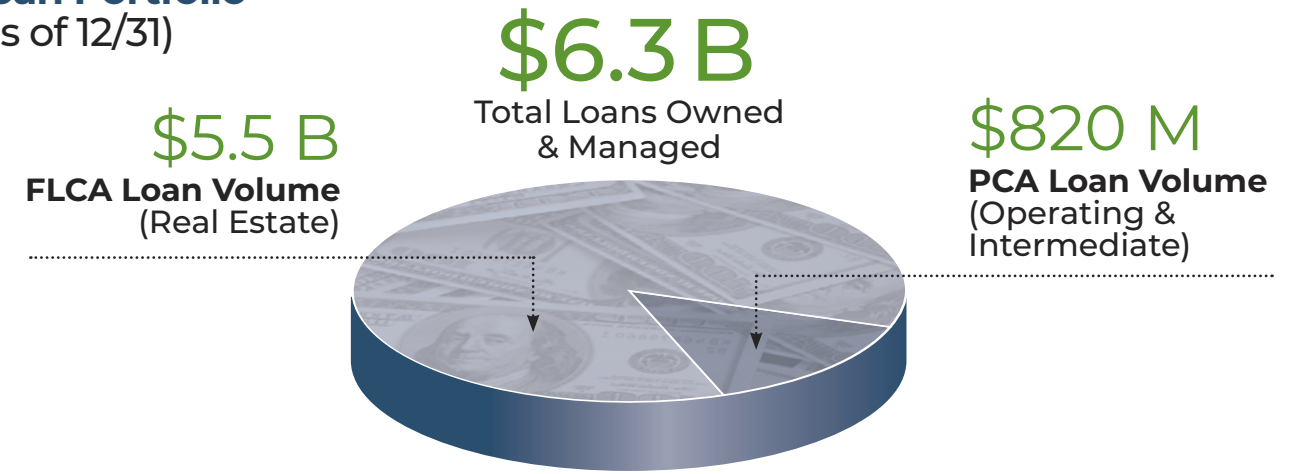
\*Patronage is paid from the previous year's earnings.

## Member-Owners

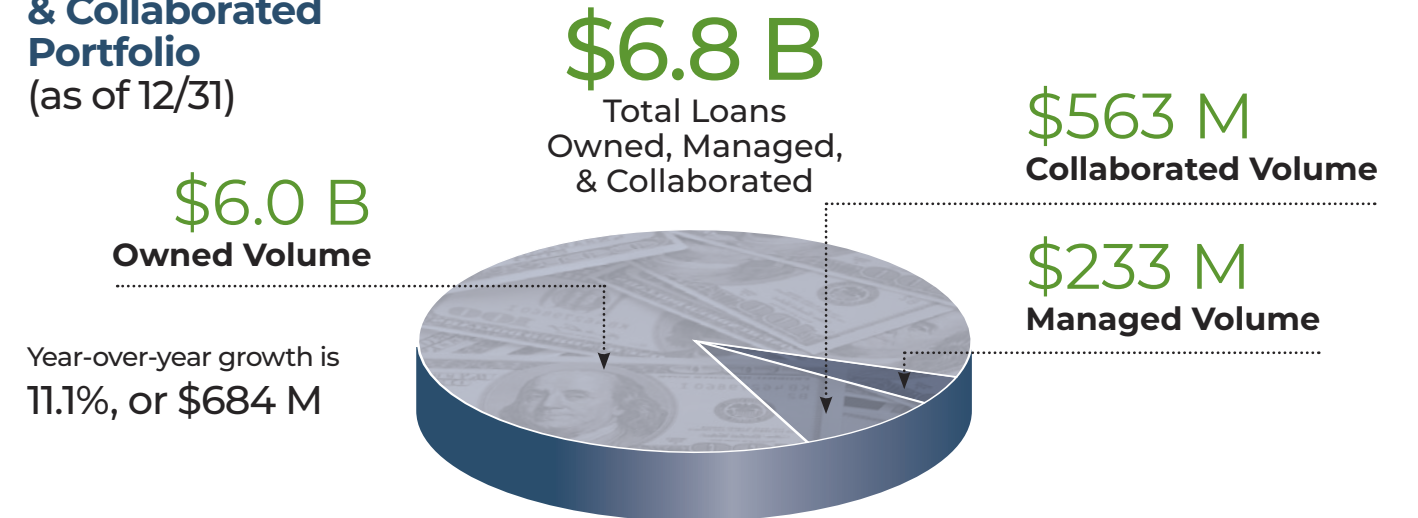
18,872 Total Cooperative Membership



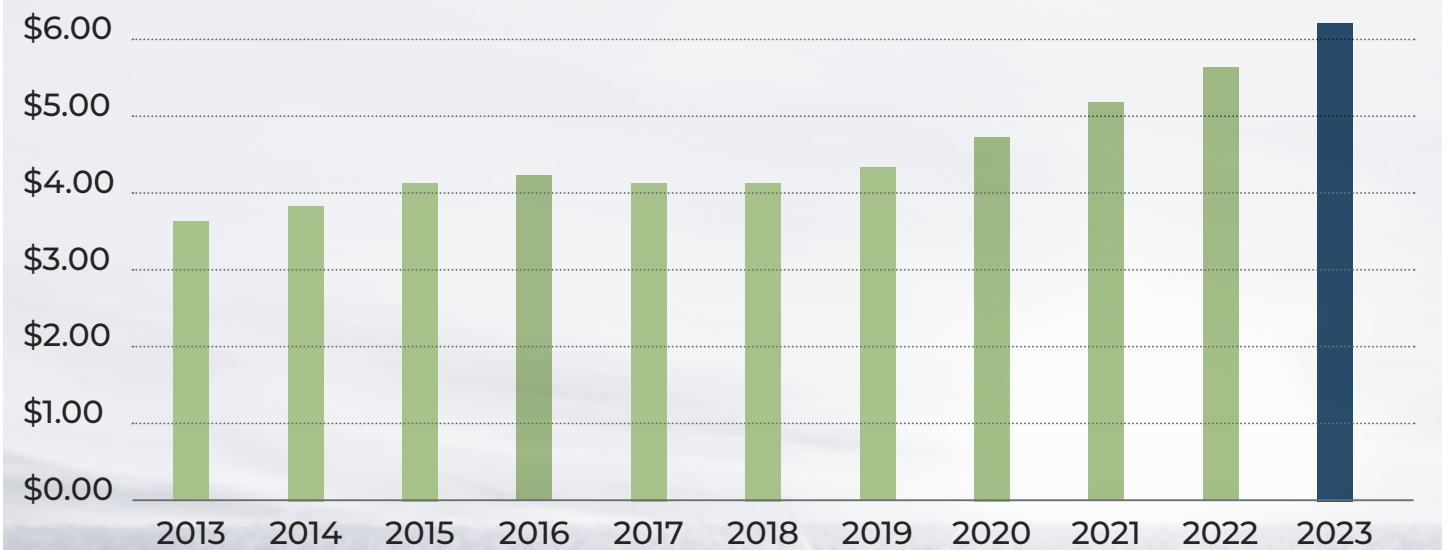
## Owned & Managed Loan Portfolio (as of 12/31)



## Owned, Managed, & Collaborated Portfolio (as of 12/31)



## Past 10 Total Owned & Managed Performance (in billions as of 12/31)



## 2024 Board of Directors

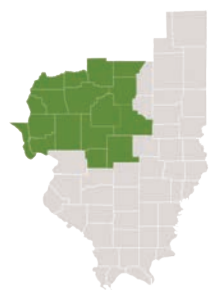
Member-owners elect 12 peers to the board of directors and two outside directors are appointed – ensuring FCI carries out its cooperative mission. Listed below by director region and county.



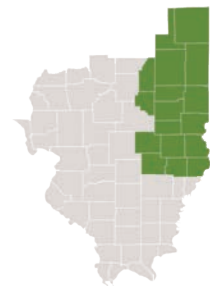
**Back L-R:** Adam Brown, Vice Chair (One, Macon), Kent Brinkmann (Three, Clinton), Marc Bremer (Three, Massac), David Haase (Two, Iroquois), David Allspach (One, Logan), Steve Hettinger, Chair (Two, Champaign), Wes Durbin (One, Shelby), Joe Pickrell (One, Sangamon), Evan Schuette (Three, Clinton), Eric Mosbey (Two, Crawford)

**Front L-R:** Scott Bidner (Two, Champaign), Lisa Helmink (Three, Clinton), Michael Donohoe (Appointed Outside, Champaign), Anne Larocca (Appointed Outside, Lake)

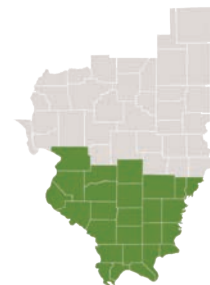
### REGION ONE



### REGION TWO



### REGION THREE



### OUTSIDE APPOINTED

## Senior Management

FCI's senior team sets strategic direction and protects the financial well-being of the Association.



**Aaron Johnson**, President & Chief Executive Officer

**Kelly Hunt**, Executive Vice President & Chief Financial Officer

**Ryan Berg**, Senior Vice President (SVP) & Chief Operating Officer

**Jim Dunne**, SVP & Chief Risk Officer

**Shaun Murray**, SVP & Chief Marketplace Officer

**Bob Rhode**, SVP & General Counsel

## Borrower-Member Benefits

FCI returned \$40 million of 2022 earnings as member patronage in June 2023 – representing the fifth annual cash distribution. Patronage is paid proportionally to borrower-members based on the net interest margin contributions of their respective loans.

Cooperative members can pencil in patronage annually thanks to the Board of Director's long-term capital management plan. FCI remains committed to providing a strong capital position, initiatives supporting members and the marketplace, and low upfront interest rates – while further lowering members' effective interest rates through annual cash patronage distributions.

**CELEBRATE 2023**

**\$43.0 M**  
RETURNED

**78 %**

of Association's  
2022 net earnings

(Represents \$40.0 M member-borrower and \$3.0 M Capital Markets Group patronage distributions combined)



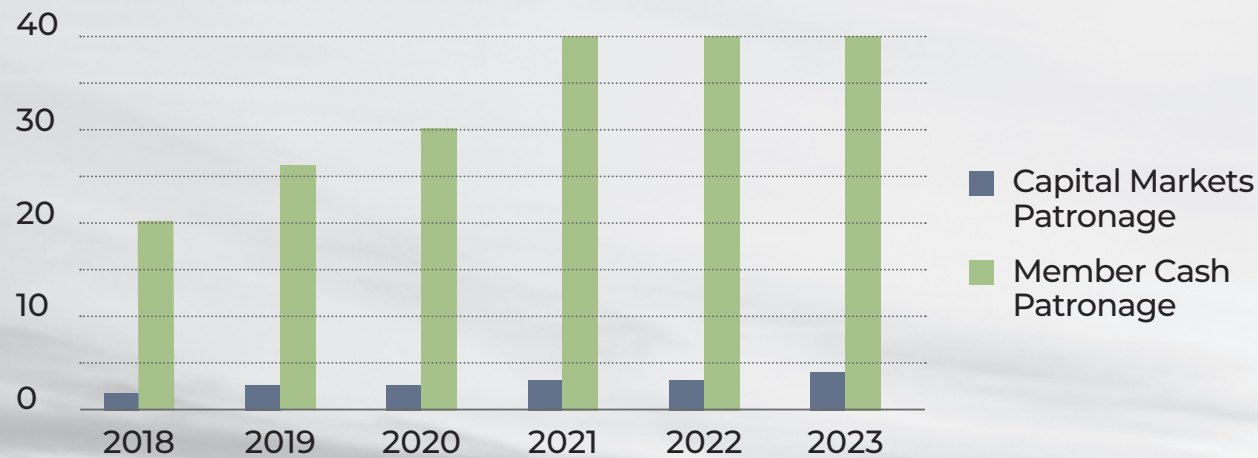
**ANTICIPATE 2024**

**\$43.7 M**  
RETURNED

**89 %**

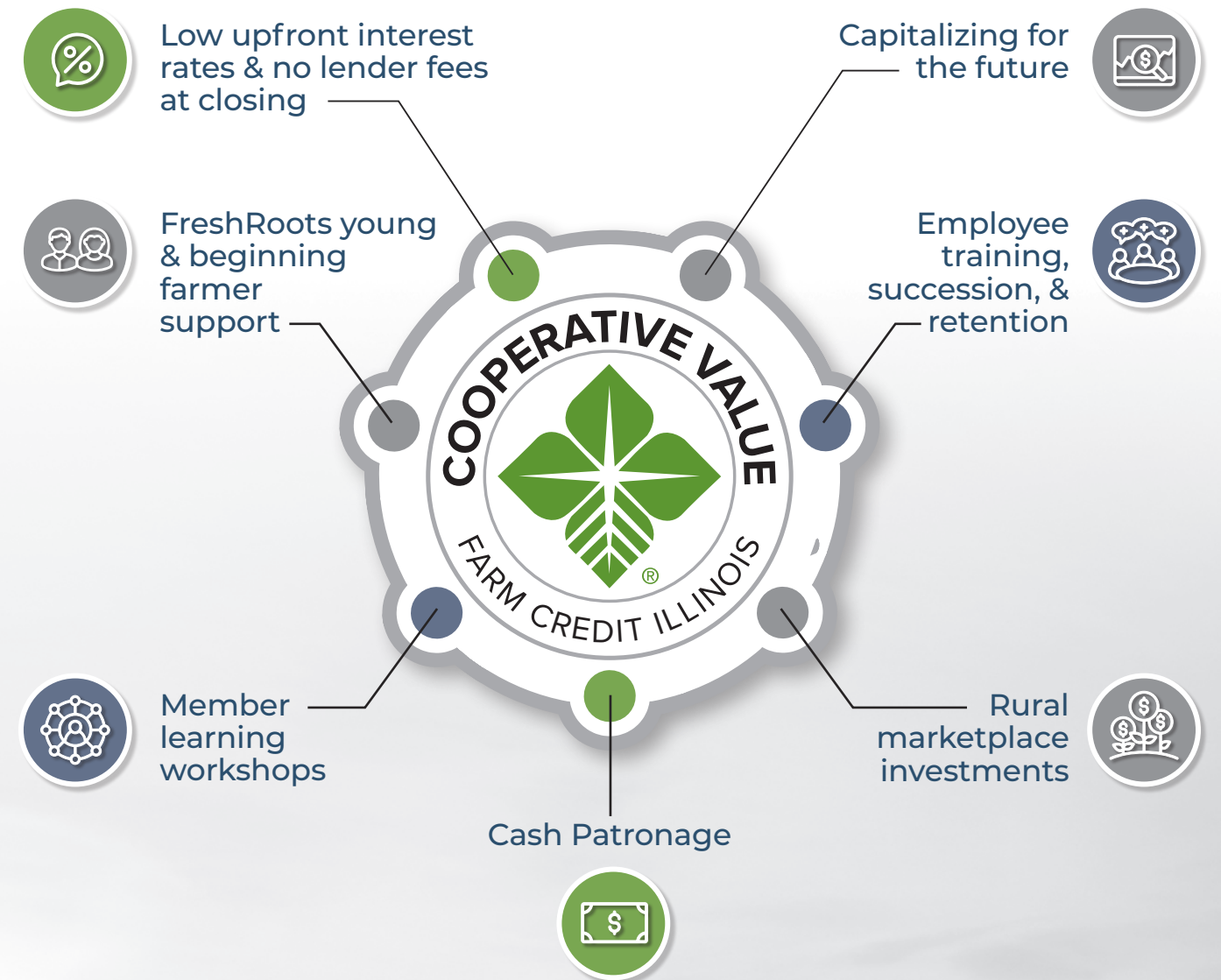
of Association's  
2023 net earnings

(Represents \$40.0 M member-borrower and \$3.7 M Capital Markets Group patronage distributions combined)



## Cooperative Value

While most businesses are motivated by the returns they earn for investor-owners, the success of a cooperative business is expressed through the value delivered to member-owners. Without investor-owners, lending cooperatives focus on the needs and preferences of their borrower-owners and design products and services delivering the greatest cooperative value.



## Helping Farm Families Succeed



### Products & Features

- Farm Real Estate Loans
- Operating Lines of Credit
- Machinery, Structure, and Livestock Loans
- Agribusiness Financing
- FreshRoots Young and Beginning Farmer Loans
- Crop Insurance
- Country Living Loans
- Low Upfront Interest Rates
- Customizable Terms & Options
- No Lender Fees at Closing
- Fee-free Repricings
- Cash Patronage
- Funds Held
- Farm Cash Management
- Complimentary Learning Programs

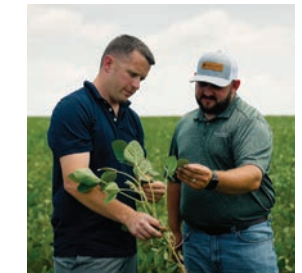
## Lending For Country Life

Whatever rural life you envision, FCI has the financing to make it happen with Rural 1st®. As the leader in country life lending, Rural 1st provides a complete range of loan options for:



**RURAL 1<sup>st</sup>**  
 Rural 1<sup>st</sup> is the tradename and registered trademark of Farm Credit Mid-America, NMLS 407249. Rural 1<sup>st</sup> products are available to consumers within the territories of participating Farm Credit System Associations.

## Crop & Livestock Insurance

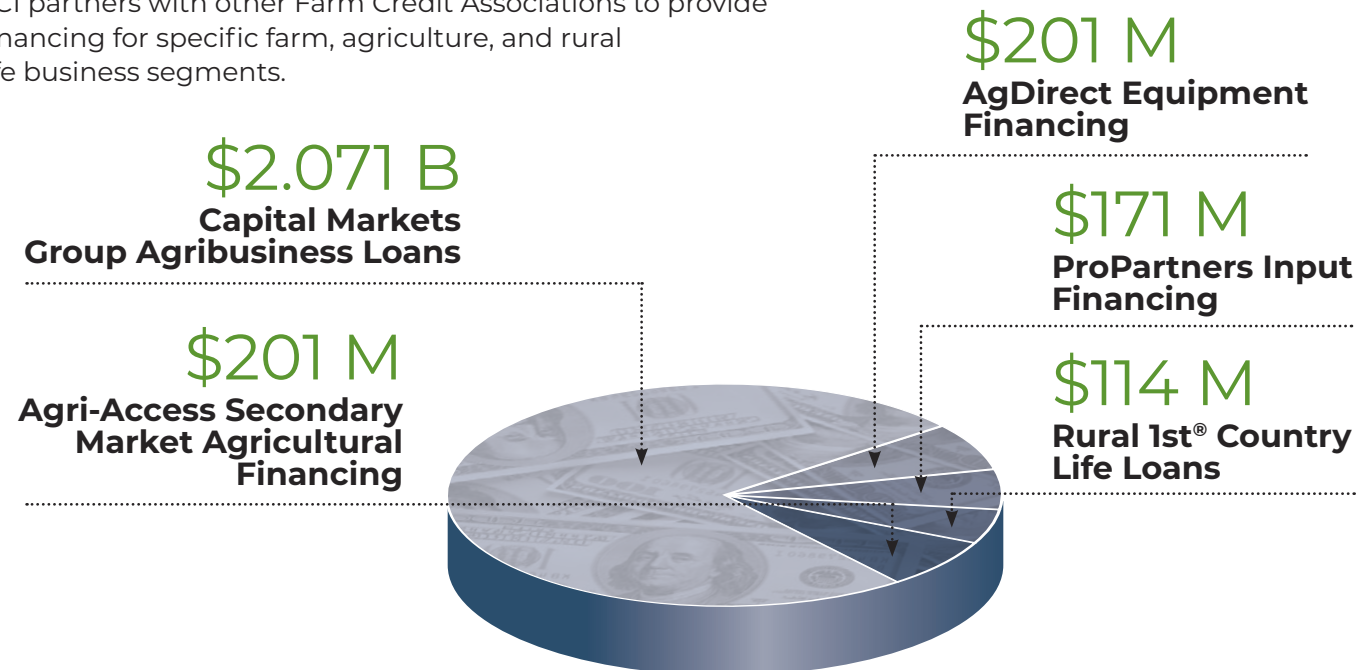


With a staff team dedicated exclusively to agriculture, FCI agents specialize in crop and livestock insurance and share knowledge across the southern 60 counties of Illinois. This network of expertise helps agents find the appropriate mix of products to fit your farm's unique risk management plan and budget.

**\$1.58 M**  
**insured acres**  
**1,397**  
**head covered**

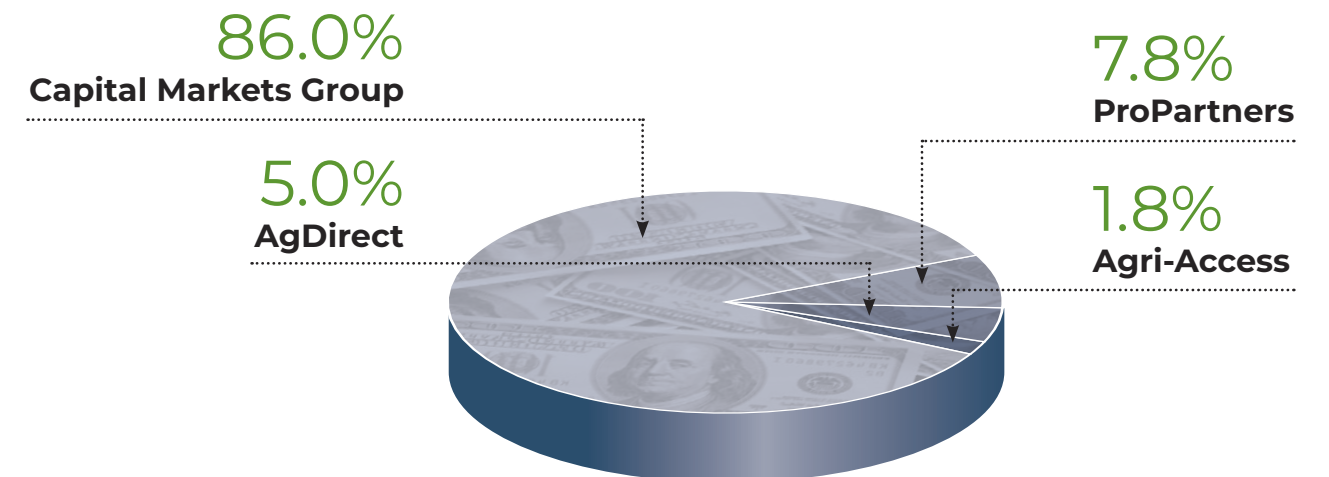
## Portfolio Diversification Through System Collaborations

FCI partners with other Farm Credit Associations to provide financing for specific farm, agriculture, and rural life business segments.



## Business Earnings Benefit FCI Members

In 2023, the collaborations collectively generated \$58.0 M of pre-tax income. This represents approximately 55.3% of the Association's fully allocated pre-tax earnings. With expenses fully allocated, the Rural 1st collaboration experienced a minimal loss for the year. The earnings contributions of the other four collaborations were:



## Nominating Committee

The 2024 nominating committee selects a slate of candidates for the 2025 board of directors and nominating committee. Committee members and alternates listed below by board region and county. Interested in serving as a director or nominating committee member? Submit a candidate interest form at [www.farmcreditIL.com/candidate](http://www.farmcreditIL.com/candidate).

### REGION ONE



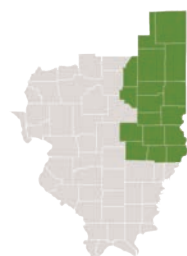
#### Nominating Committee

**David Dorn Jr.**, Christian  
**Dereke Dunkirk**, Christian  
**Heath Houck**, Montgomery  
**John Klemmt**, Dewitt  
**Katherine Sellmeyer**, Macon

#### Alternates

**Allen Sasse**, Logan  
**Brian Burrus**, Cass  
**Jerry Schmidt**, Logan

### REGION TWO



#### Nominating Committee

**Allen Walters**, Clark  
**Jack Hastings**, Clay  
**Kevin Hunsinger**, Champaign  
**Rhonda Weinard**, Vermillion  
**Thomas Roepke**, Effingham

#### Alternates

**Joseph Plunk**, Piatt  
**Mark Semple**, Jasper  
**Mitchell Heap**, Ford

### REGION THREE



#### Nominating Committee

**Adam Thomas**, Alexander  
**Jacquelyn Gass**, Jackson  
**Kelli Borrenpohl**, Washington  
**Kenneth Taake**, Pulaski  
**Larry Hasheider**, Washington

#### Alternates

**Austin Burbach**, Madison  
**Austin Winter**, Perry  
**Kevin Bauman**, Franklin

## Member Advisory Councils

A group of members with diverse operations exchanged ideas with cooperative leadership, recommending future member experience initiatives. FCI annually holds three council meetings comprised of farmers of various ages and farm operations for each region, along with a FreshRoots advisory meeting with young and beginning farmers. Participants listed below by board region and county.

### REGION ONE

**Chip Atten**, DeWitt  
**Cole Awe**, Logan  
**Aaron Downs**, Shelby  
**Ross Ferrill**, Macon  
**Lahni Fry**, Sangamon  
**John Gaffner**, Bond  
**Dave Kruenegel**, Fayette  
**Nicole Lanham**, Christian  
**Leigh Ann & Otto Rentschler**, Sangamon  
**Allen Sasse**, Logan  
**Kyle Schulte**, Cass  
**Dylan Slifer**, Effingham  
**Mark Thursby**, Macoupin  
**David Wirth**, Sangamon

### REGION TWO

**Mark Brummer**, Effingham  
**Nick Decker**, Champaign  
**Gerald Ginder**, Richland  
**Mitch & Ava Heap**, Ford  
**Brian & Angie Horath**, Clay  
**Rebecca Hughes**, Champaign  
**Carter & Christina Ingram**, Vermillion (IN)  
**Kaylee Keigher**, Iroquois  
**Ory Olson**, Champaign  
**Ryan Probst**, Jasper  
**Andy Schumacher**, Cumberland  
**Terry Welsh**, Clark  
**Megan Wilken-Reynolds**, Iroquois

### REGION THREE

**Bruce Brinkman**, Monroe  
**Brad Browning**, Franklin  
**Michelle Buehne**, Clinton  
**Hayden Byars**, Wayne  
**Charlie Coleman**, Bond  
**Brent Corners**, Jefferson  
**Ryan & Emily Haake**, Washington  
**Brent Miller**, Pulaski  
**Mark Oglesby**, Saline  
**Kristi Stout**, Pulaski  
**Bryan Tomm**, White  
**Rolland Vandever**, Marion  
**Jeremy Weisel**, Perry  
**Deric & Regan Wright**, Wabash

## FRESHROOTS ADVISORY COUNCIL

**Jeff Carls**, Cass  
**Tara Duzan**, Douglas  
**Cole Fechtig**, White  
**Nick Frederking**, Washington

**Eric Holscher**, Crawford  
**Jake & Sarah Hotze**, Effingham  
**Drew & Erin Kastner**, Logan  
**Aaron Kruse**, Madison

**Scott Oberneufemann**, Saint Clair  
**Jack Plunk**, Piatt  
**Zachary Schlechte**, Madison  
**Logan St. Peter**, Iroquois



## Lending Assistance & Learning Incentives

FreshRoots has been helping young and beginning farmers up to age 40 and/or in their first 10 years of farming get a healthy start in their farming careers since 2018.



Since 2018  
Program Launch



1,704  
MEMBERS

\$1.73  
MILLION  
Learning  
Incentives  
Redeemed

\$642  
MILLION  
Loan  
Commitments

\$120  
THOUSAND  
Directors Cup  
prize money  
awarded

## Directors Cup

The FreshRoots Directors Cup presented by the FCI Board celebrates young and beginning farmers committed to continuous learning and intentional living for a brighter future for their farm family business and community. Three member-couples were named the fifth annual honorees in 2023 and each received \$5,000.

**Apply online annually from  
Jan. 1-March 1.**

Recipients are selected by a panel of industry representatives and an FCI Board member. Farmers must be up to age 40 or in their first 10 years of farming and have had an FCI loan for at least three years to qualify.

**Learn more at [www.farmcreditIL.com/freshroots](http://www.farmcreditIL.com/freshroots)**

## 2023 FreshRoots Directors Cup Honoree



**Chad and Katy Conder of Stewardson  
(Shelby County)**

### Farming Enterprises:

Corn, soybeans, and cattles

### Farming Career:

Chad began his farming career in 2004 alongside his father and started custom planting in 2023; Katy is a school counselor

### Family Life:

They have two children – Carter and Caroline

### Words to Live by:

“We are a forward-focused farm, constantly setting goals and holding one another accountable,” Chad says. “In all areas of our lives, reflection, change, and growth are essential to success. We hope this mentality will provide opportunities for future generations.”

### Why FCI:

“As we continue to chip away at our long-term goals, we are grateful for the help we’ve received with reduced interest rates and guidance from the FreshRoots program.” notes Katy.





## 2023 FreshRoots Directors Cup Honoree



### Jake and Sarah Hotze of Teutopolis (Effingham County)

#### Farming Enterprises:

Cattle, corn, soybeans, wheat, and hay

#### Farming Career:

Jake began raising Holstein cattle in 2015 and has since grain and forage; Sarah is a self-employed marketer and business mentor

#### Family Life:

#### Words to Live by:

“We apply the mindset that goals and dreams take consistency and perseverance,” notes Sarah. “It hasn’t always been easy as young farmers, but challenging ourselves helped us grow our farm to where it is today and where it can go in the future.”

#### Why FCI:

“Farm Credit really cares about your goals and helping fill in the knowledge gaps,” says Jake. “Mentorship and guidance can get you a lot further than you can go on your own.”



## 2023 FreshRoots Directors Cup Honoree



### Dan and Emilee Niemeier of Alhambra (Madison County)

#### Farming Enterprises:

Corn, soybeans, wheat, alfalfa, and cattle

#### Farming Career:

Dan works as a territory sales representative within the crop protection industry and Emilee, 30, works in a public school district as a speech-language pathologist; started farming part-time in 2017 and are part-owners with his father, grandfather, and brother

#### Family Life:

They have two daughters and one son – Reagan, Kinleigh, and Heath

#### Words to Live by:

“I’ve learned over the years that life is a juggling act and you have to decide daily which balls are made of glass and which are made of rubber, allowing you to catch them another time,” says Dan. “Balancing priorities allows us to find additional ways to support our family – now and generationally.”

#### Why FCI:

“The FCI learning programs have given us tools and resources to keep accurate records, track goals, and better make and communicate farming decisions together,” Emilee notes.



## Learning Opportunities

Farm Credit College learning programs equip members with skills, strategies, and knowledge for success. The Ag Minded Hour Webinar series offers timely topics in an easily digestible format for members and non-members alike.

# 2023

## PROGRAMS HOSTED

Ag Minded Hour Webinars

Spring Training Seminars

Farm Financials 1:  
Statements & Analysis  
Workshops

Farm Financials 2:  
Benchmarking &  
Roadmapping Workshops

Insure with Confidence  
Programs

Fielding Forward Crop  
Insurance Meetings

FreshRoots Retreat

Livestock Connect Meeting

# 19

Educational  
Programs Held

# 1,378

Learners  
Participated

# 1,314

In-person  
Attendees

# 64

Virtual  
Participants

## Volunteer Hours

Employees give back on behalf of FCI to the communities where they live and work. As part of the Association's Vision 2025 goals, employees committed to delivering 20,000 hours over 10 years toward youth development, ag-vocacy, and community service. Employees met this goal in 2023 and have challenged themselves to log an additional 2,500 hours annually in 2024 and 2025.



HOURS | YEAR

2,086 | 2015

2,671 | 2016

2,164 | 2017

2,033 | 2018

2,216 | 2019

1,381 | 2020

1,891 | 2021

3,036 | 2022

3,529 | 2023

# 20,977

TOTAL volunteer service  
hours in nine years

## Scholarships & Grants

Scholarships support college students studying agriculture and community improvement grants help 4-H clubs and FFA chapters deliver tangible value in their community.

**\$100,000**  
INVESTED IN YOUTH PROGRAMS

**30 FCI SCHOLARS & 50 GRANT RECIPIENTS**



## Investments

A growing portion of net earnings are returned to the rural marketplace with cash and in-kind gifts and endowment earnings. Farmer development funds support external organizations delivering learning programs for young, beginning, small, women, urban, and veteran farmers.

**\$302,385**  
YOUTH DEVELOPMENT

**\$24,160**  
AG-VOCACY

**\$45,476**  
FARMER DEVELOPMENT

**\$35,691**  
COMMUNITY CHARITIES

**\$407,712**  
TOTAL INVESTMENTS

## FCI Endowments: A Legacy of Support for Illinois Agriculture

- Ag-vocacy Initiatives Grants  
*farmdoc*  
Illinois 4-H  
Illinois Agricultural Leadership Foundation  
Illinois FFA  
Illinois Farm Bureau Young Leaders  
Lake Land College  
Southern Illinois University College of ALPS  
University of Illinois College of ACES

**\$250 M**  
TOTAL YEAR-END MARKET VALUE

## FCI Named Areas

- Parkland College FCI Lobby
  - Kaskaskia College FCI Loft
  - Lake Land College FCI Training Center
  - Lincoln Land Community College FCI Collaboration & Innovation Rooms
  - John Wood Community College FCI Bleachers in Bradshaw Learning Center at Illinois Extension's Orr Research Center
  - Champaign-Urban Schools Foundation's Fowler Farm FCI Lean & Grow Pavilion
  - Illinois Amish Heritage Center FCI Gathering Place Pavilion
- In conjunction with other Farm Credit institutions:**
- Fair Oaks Farm's FeedBarn
  - Saint Louis Science Center's GROW Exhibit

# 2023 REFLECTIONS



Summer Interns



MANNRS farm visits



FPS



New Paris office



Mahomet groundbreaking



FreshRoots Directors Cup recipients honored  
board of directors luncheon



Farm Credit Illinois supports farm families and Rural America – **Helping Farm Families Succeed** today and tomorrow. The farmer-owned agricultural lending cooperative serves the southern 60 counties with reliable, consistent credit, financial services, and Rural 1st® financing for country living. Contact your local office for more information on farm and country life loans or crop and livestock insurance.

### Cooperative Headquarters

1100 Farm Credit Drive  
Mahomet, IL 61853  
217-590-2200  
[www.farmcreditIL.com](http://www.farmcreditIL.com)

### REGIONAL OFFICE LOCATIONS

DECATUR .....	800-327-1105
EFFINGHAM .....	800-331-9825
HIGHLAND .....	800-281-1344
JACKSONVILLE .....	800-537-3088
JERSEYVILLE .....	800-537-3087
LAWRENCEVILLE .....	800-247-7953
MAHOMET .....	800-327-2141
MARION .....	800-398-7538
MT. VERNON .....	855-862-5280
PARIS .....	800-345-6258
RED BUD .....	800-261-3522
SHERMAN .....	800-475-6103
TAYLORVILLE .....	800-635-1057
WATSEKA .....	800-808-5431

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Equal Employment Opportunity/  
Affirmative Action Employer.



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1100 Farm Credit Drive  
Mahomet, IL 61853

# REVIEW 2023 ANNUAL REPORT

## Electronic & Paper Versions Available

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Request a physical copy at [www.farmcreditIL.com/copy](http://www.farmcreditIL.com/copy)

# READY TO GO PAPERLESS?

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annual reports electronically at  
[www.farmcreditIL.com/digital](http://www.farmcreditIL.com/digital)

