by Ann Marie Kennon

CAPITAL FARM CREDIT

STRENGTH IN EVERY ACRE

How a Texas cooperative fuels agriculture, rural living, and family dreams

For more than a century, Capital Farm Credit has stood as a cornerstone of Texas agriculture, providing farmers, ranchers, and rural landowners with the financial tools they need to thrive. As the leading agricultural cooperative lender in Texas–with 67 offices and more than $15 billion in managed volume–the organization's influence touches nearly every corner of the state. But what makes Capital Farm Credit unique is its structure, its scope, and the way it gives back to the people it serves.

"Capital Farm Credit was created in 1916 as a government-sponsored enterprise to give farmers and ranchers access to financing," explains Nathan Winstead, Relationship Manager in Round Rock. "We're shareholder-owned, which means our borrowers are also our owners. That cooperative model is powerful because a large portion of our profits goes right back to members in the form of dividends. When you apply those dividends to your loan, it can significantly reduce your effective interest rate."

That structure makes Capital Farm Credit different from traditional banks.

"IF YOU'RE COMPARING APPLES TO APPLES ON FINANCING, OUR CAPITAL STRUCTURE MEANS CUSTOMERS GET MORE VALUE OVER THE LIFE OF THEIR LOAN," WINSTEAD SAYS. "IT'S A TRUE BENEFIT OF BEING A COOPERATIVE."

OWNING A PIECE OF TEXAS ISN'T JUST FOR FARMERS AND RANCHERS. THROUGH CAPITAL FARM CREDIT, FAMILIES AT EVERY STAGE OF LIFE—YOUNG COUPLES TO RETIREES—CAN FINANCE LAND FOR RECREATION, LEGACY, OR A FUTURE HOMESTEAD. WITH DIVIDENDS THAT LOWER COSTS AND EXPERTS WHO GUIDE YOU THROUGH THE PROCESS, YOUR DREAM PROPERTY MAY BE CLOSER THAN YOU THINK.

A MISSION ROOTED IN AGRICULTURE

Capital Farm Credit serves more than 23,000 shareholders across all 192 counties of Texas. While many loans support production agriculture–like working capital for cattle ranches, crop production, or farm equipment–the cooperative also finances recreational land, rural homes, and even commercial agribusiness.

This diversity is by design. "We retain most of our agricultural loans in-house rather than selling them, which keeps relationships strong," Winstead explains. "At the same time, we've built verticals that add stability–like home loan services, crop and livestock insurance, and equipment financing and leasing. Each of those creates opportunities to cross-serve our members and help them mitigate risk."

Beyond Land Loans: A Full Spectrum of Services

While many people think of Capital Farm Credit only as a "land lender," the cooperative does far more than that:

★ **Production Agriculture** – working capital, crop and livestock protection, operating expenses.

★ **Recreational Land** – financing for hunting, fishing, camping, or family retreat properties.

★ **Home Loans** – underwritten by correspondent banks but serviced locally.

★ **Commercial Agribusiness** – timber, forestry, cold storage, food production.

★ **Aquaculture** – shrimp and salmon farms along the Texas coast.

★ **Equipment Leasing** – barns, tractors, storage sheds with tax advantages.

★ **Insurance Products** – crop, livestock, and drought protection to safeguard income.

Because of this breadth, Capital Farm Credit can meet borrowers at virtually any point in their journey–from small farm plots to large-scale agribusiness operations–and provide the right financial tools at every stage.

"We are not just a land lender — we do so much more than that."

Helping Texans at Every Stage of Life

One of the biggest myths about farm credit is that it's only for established producers. In reality, Capital Farm Credit helps Texans at every age and stage:

★ Young couples dreaming of their first few acres.

★ Mid-career families looking for a recreational getaway while balancing jobs and kids.

★ Farmers and ranchers needing working capital to expand herds or buy equipment.

★ Empty nesters investing in a legacy property for their children and grandchildren.

Winstead paints a familiar picture: "A husband and wife are sitting at their buddy's ranch around a bonfire. She says, 'I'd really like to have a place like this someday.' He says, 'I guess I'll go ask my banker, but I'm not sure if they finance land or Ag property.' If their friends inherited the land and never worked with Farm Credit, they don't have the answer. That's where we come in. We make it easy for anyone to understand the process. And we explain how we are different in what our appetite is to finance. Big box banks like JP Morgan, Bank of America, Wells Fargo don't typically finance Ag land and ranches. This is Capital Farm Credit's niche: rural property and everything that comes with it."

Capital Farm Credit works with W2 wage earners, small business owners, and people with highly complex financial statements. Typical borrowers need a credit score of 680 or above, a minimum of 15% down, and adequate cash flow to support both existing and proposed debt. "We look at the whole picture," Winstead explains. "Our underwriting teams are local–they understand the business, land values, and commodity prices. We hold the borrower's hand through the process to meet their needs."

Often, the relationship evolves over time: a land-only loan leads to financing for utilities or equipment storage, which eventually leads to a home on the property. "We're not just closing a deal," Winstead says. "We're building a long-term relationship."

Managing Risk, Building Stability

Agriculture is inherently tied to unpredictable forces like weather, global markets, and commodity prices. Capital Farm Credit helps farmers and ranchers navigate those risks through flexible lending and protection programs.

"If a rancher is expanding a herd but rainfall is scarce, we can provide drought

FAST FACTS

HOW DIVIDENDS SAVE YOU MONEY

A typical $300,000 land loan at 7% can save nearly 1% off the effective interest rate when annual dividends are applied to the principal.

WHO CAN APPLY?

W2 wage earners, small business owners, and complex financial households. Credit score 680+, 15% down, and cash flow to cover debt.

MEMBER IMPACT

23,000+ shareholders | 192 counties
$15B managed volume

insurance coverage to supplement income so they can afford hay and feed," Winstead says. "It's about making sure their operations are sustainable long-term."

The cooperative also partners with commercial banks and global companies to structure large-scale projects financed with syndicated loans. For example, Capital Farm Credit can finance cold storage facilities for beef producers–projects that would be too large for a single lender but are vital to the agricultural supply chain.

> *"Our mission is to support agriculture and rural communities so they can thrive."*

Wilco Willie · Wilco Rodeo & Fair 2024

PHOTO COURTESY NATHAN WINSTEAD

ADDING TRUE VALUE

Capital Farm Credit's community outreach reflects its deep commitment to strengthening rural Texas. Recognizing thriving communities are essential to the state's agricultural success, the organization invests in programs that educate, empower, and uplift the next generation of agricultural leaders while supporting the long-term success of landowners and agribusinesses.

Through its Grow Your AgriRoots Contest, Capital Farm Credit rewards innovative beginning farmers, ranchers, and agribusiness owners with up to $50,000 in prize money for their dedication and ingenuity. Its Youth Scholarship Program provides $1,000 awards to graduating seniors pursuing agricultural careers, while 4-H and FFA Community Grants fund service projects that build leadership and civic engagement among young Texans. The Farmers Markets Grants initiative strengthens local markets with $1,000 grants, keeping agriculture at the heart of Texas communities.

Beyond these programs, Capital Farm Credit continually adds value to its members and partners by tracking land sales statewide to help real estate agents and buyers make informed decisions, ensuring fair listings and preventing overpayment. The cooperative also offers interest rate conversions, loan modifications, and refinancing opportunities that benefit shareholders in a changing rate environment.

In addition, Capital Farm Credit supports financial literacy programs for high school students, internships, and local educational partnerships, helping prepare the next generation for financial success and agricultural stewardship.

Innovation and People First

While technology plays a role in efficiency, Winstead emphasizes that lending is still very much a people business. "We've developed tools, like apps that capture and analyze conversations, but ultimately it's about building trust and credibility with clients," he says.

Internally, Capital Farm Credit invests heavily in culture and talent. "From the top down, it's a family-first environment. Leaders want employees to go to their

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WHAT IS AQUACULTURE?

FUELING GROWTH IN TEXAS AND BEYOND

Aquaculture–commonly known as fish farming–is the cultivation of aquatic organisms such as fish, shrimp, oysters, and algae for food, recreation, or environmental restoration. In Texas, aquaculture has become an essential part of the state's agricultural and economic landscape. With hundreds of operations across the state, Texas ranks among the nation's leaders in producing hybrid striped bass, catfish, and shrimp, supporting both the seafood supply chain and conservation efforts through restocking and research.

The industry's success depends not only on innovation and sustainability but also on access to reliable financing–something Capital Farm Credit has helped make possible for more than a century.

> *"We touch everything from financing a 20-acre homestead to underwriting multi-million-dollar shrimp boats on the coast," Winstead says. "If you go buy seafood at the grocery store, chances are we had something to do with helping that business succeed."*

As Texas continues to diversify its economy, aquaculture represents a bridge between traditional agriculture and modern agribusiness–where water quality technology, renewable energy, and food security intersect. Through cooperative lending models like Capital Farm Credit's, producers gain more than capital–they gain a partner invested in their success. Whether it's financing shrimp farms along the Gulf Coast or developing inland fish hatcheries, Capital Farm Credit helps Texans build sustainable livelihoods that feed families, strengthen communities, and preserve the state's agricultural legacy for generations to come.

kids' soccer games or recitals," Winstead shares. "That culture makes a difference in attracting and keeping great people."

Strategic planning also plays a key role. "We evaluate succession planning, identify rising leaders, and share knowledge across generations. It's all about creating long-term value for stakeholders and ensuring we have the right people in place to serve our members."

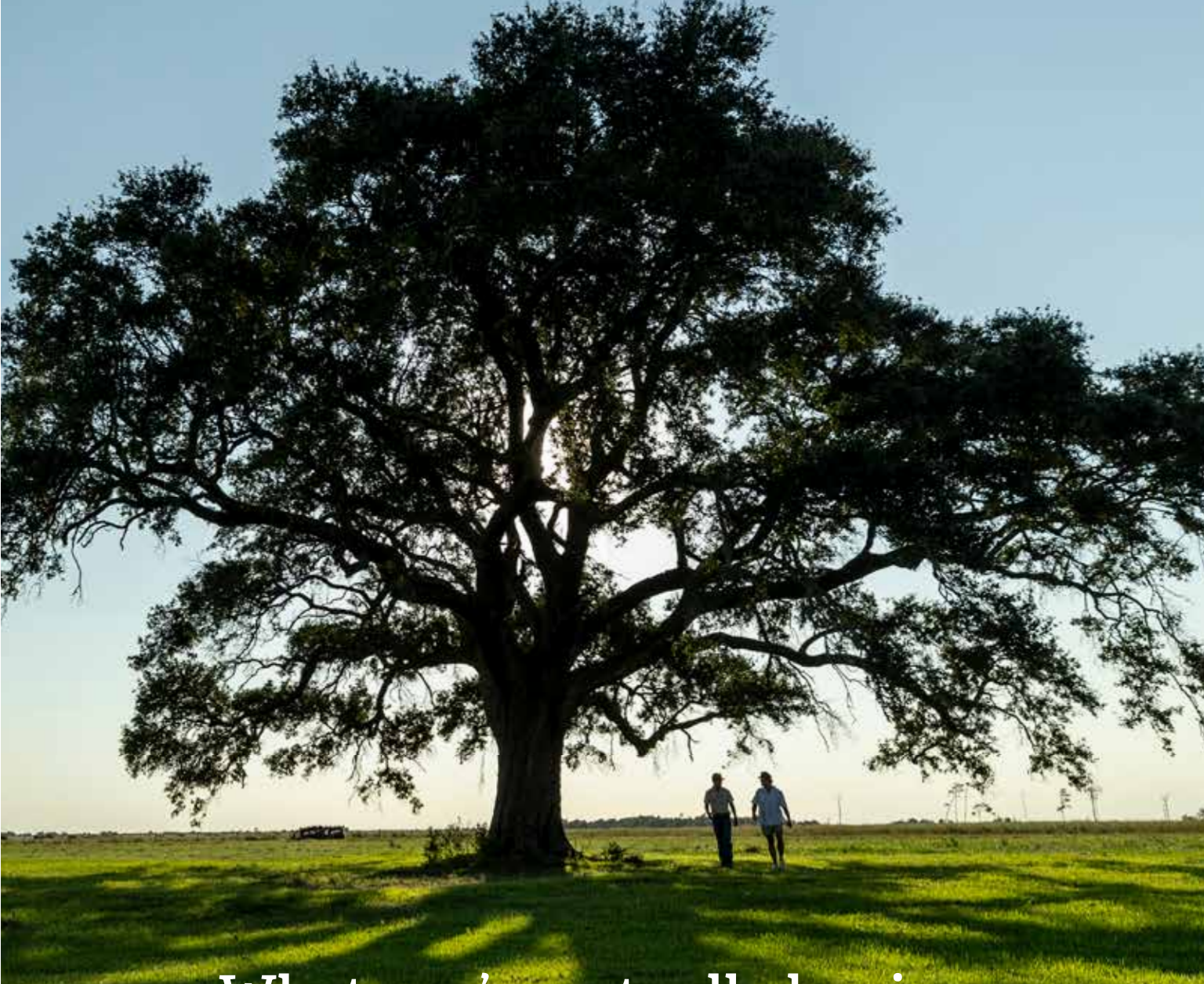
A Broader Impact on Texas Communities

From financing hydroponic and aquaculture operations to supporting iconic Texas ranches, Capital Farm Credit's impact extends well beyond traditional farming. The cooperative's investments help maintain Texas' agricultural heritage while opening doors for new kinds of producers and entrepreneurs.

At the community level, Winstead practices what he preaches. "Visibility equals credibility," he says. "When people see you serving–whether through Rotary, the YMCA, or the Wilco Rodeo–they know you're invested as a leader in the community. That same principle applies in business. If we serve our communities well, they'll think of us first to help them with their needs."

For Winstead, the value of farm and Ag lending comes down to legacy. "Most of my clients want a place to make family memories, whether that's a working ranch or a recreational getaway," he says. "Capital Farm Credit helps make that dream come true, and in doing so, we're preserving the traditions and future of Texas agriculture."

PHOTO COURTESY NATHAN WINSTEAD



What you're actually buying is *your own* bit of serenity.

It doesn't matter what kind of life you lead or line of work you're in, we all need that special place that grounds us. Securing a piece of recreational land in Texas is as good as it gets. And you don't need to be a farmer or rancher to work with us to get it. As one of the only lenders in Texas who specializes in recreational land loans, we know how to put together a solution that works for you. Now breathe in. Breathe out.

Learn more at CapitalFarmCredit.com.

CAPITAL FARM CREDIT

Together we're *better.*™

NMLS493828

ROUND ROCK
512.640.1870
NATHAN WINSTEAD
NMLS1111714