



NEWS RELEASE

COBANK INVESTS IN NEW \$150 MILLION RURAL ECONOMIC DEVELOPMENT FUND

Bank Joins with Seven Other Farm Credit Institutions as Founding Investor in Fund Formed under USDA's Rural Business Investment Program

DENVER (April 22, 2014) — CoBank, a cooperative bank serving agribusinesses, rural infrastructure providers and Farm Credit associations throughout the United States, today announced that it is a founding investor in a new fund that will promote job growth and economic development through equity investments in rural businesses.

U.S. Secretary of Agriculture Tom Vilsack unveiled the \$150 million fund at a press conference in Iowa on Monday. Formed under the U.S. Department of Agriculture's Rural Business Investment Program, the fund will focus on investments that help rural communities and industries, with an emphasis on supporting businesses involved in production agriculture, processing and marketing of agricultural products, farm supply, input suppliers and rural infrastructure providers.

"This new fund will allow innovative small businesses throughout rural America to access the capital they need to grow and create jobs," Vilsack said. "One of USDA's top priorities is to help reenergize the rural economy, and we now have a powerful new tool available to help achieve that goal. This new partnership will allow us to facilitate private investment in businesses working in bio-manufacturing, advanced energy production, local and regional food systems, improved farming technologies and other cutting-edge fields."

CoBank has committed to invest \$20 million in the fund. Seven other Farm Credit institutions are contributing the balance, including AgStar Financial Services (Mankato, Minn.), AgriBank (St. Paul, Minn.), Capital Farm Credit (Bryan, Texas), Farm Credit Bank of Texas (Austin, Texas), Farm Credit Services of America (Omaha, Neb.), Farm Credit Mid-America (Louisville, Ky.) and United Farm Credit (Willmar, Minn.)

"We're enormously proud to serve as a founding investor in this important new venture," said Robert B. Engel, CoBank's chief executive officer. "The Farm Credit System is an essential provider of credit to agriculture and rural America. However, it's critical that rural businesses have access to equity forms of capital as well, which is why the Rural Business Investment Program was created. We see this fund as another way that CoBank can fulfill its mission and support the continued development of the U.S. rural economy."

Advantage Capital Partners, a leading growth capital and small business finance firm, will serve as general partner of the fund. Based in New Orleans and with offices throughout the U.S., Advantage Capital has invested more than \$1.6 billion since 1992. The firm invests in small businesses across a wide range of industries that are located in geographic areas underserved by traditional sources of capital.

USDA has conditionally licensed the new fund. Final approval is pending based primarily on execution of formation documents and investor capital commitments.

About CoBank

CoBank is a \$98 billion cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. The bank also provides wholesale loans and other financial services to affiliated Farm Credit associations serving farmers, ranchers and other rural borrowers in 23 states around the country.

CoBank is a member of the Farm Credit System, a nationwide network of banks and retail lending associations chartered to support the borrowing needs of U.S. agriculture and the nation's rural economy. Headquartered outside Denver, Colorado, CoBank serves customers from regional banking centers across the U.S. and also maintains an international representative office in Singapore.

For more information about CoBank, visit the bank's web site at www.cobank.com.

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