

GROWING RURAL AMERICA

2017 Corporate Social
Responsibility Report



OVERVIEW

As a mission-based cooperative lender and member of the Farm Credit System, CoBank is committed to serving as a good corporate citizen. The bank is an active supporter of causes and programs that support people and communities in need, as well as the industries we serve across rural America.

KEY FACTS

> HEADQUARTERS

Greenwood Village,
Colorado



> ASSETS

CoBank is one of the largest private providers of credit to the U.S. rural economy

\$129
BILLION

> BANKING CENTERS



> EMPLOYEES

CoBank employed 1,002 associates as of 12/31/2017


1,002

> RECOGNITION

CoBank has been named to *Global Finance* magazine's list of the 50 safest banks in the world seven years in a row



2-9 | CORPORATE GIVING

- \$12.3 million in charitable contributions in 2017, including commitments for future years
- \$3 million Sharing Success program matched gifts from more than 730 CoBank customers to local, charitable organizations throughout the country

10-13 | SUPPORT FOR AGRICULTURE & LOCAL FOODS

- \$78.3 billion retail and wholesale agribusiness portfolio
- More than \$3.1 million contributed to local food and urban agriculture programs over the past five years

14-19 | COOPERATIVE ADVOCACY & INDUSTRY SUPPORT

- \$3.2 million to support cooperative advocacy and industry organizations across the U.S. in 2017

20-25 | RESEARCH & HIGHER EDUCATION

- Multi-year grants to land grant and other universities focused on agricultural research and education
- Financial support for university centers focused on the study and advancement of cooperatives

26-31 | RURAL COMMUNITY DEVELOPMENT

- Major investments in rural equity funds and public-private partnerships designed to bolster investment and job growth in the U.S. rural economy

32-35 | SUSTAINABILITY & THE ENVIRONMENT

- \$3.3 billion renewable energy portfolio
- One of the nation's leading financiers of renewable energy projects



To Our **CUSTOMERS & OTHER STAKEHOLDERS**

As a financial cooperative and member of the Farm Credit System, CoBank has responsibilities to a long list of stakeholders. Our customers need us to serve as a dependable source of credit, day in and day out, regardless of conditions in the marketplace. Policymakers expect us to support our customers and finance rural industries while operating the bank in a safe and sound manner. Our associates want a caring employer that provides them with opportunities to do fulfilling work and to grow in their professional careers.

Also on the list of CoBank stakeholders are rural communities and institutions across the United States who need financial support. The vitality of rural America depends heavily on charities, schools, local government agencies, trade associations and other entities that serve the needs of people and promote the growth of local economies.

Each year, CoBank contributes millions of dollars to such organizations through its various corporate social responsibility programs. We believe these investments are a critical part of our broader mission of service to rural America.

This report highlights many of the achievements of our corporate social responsibility programs in 2017. As in prior years, our activities were concentrated in six key areas:

- › Corporate giving;
- › Support for agriculture and local food systems;
- › Cooperative advocacy and industry support;
- › Higher education;
- › Rural community development; and,
- › Sustainability and the environment.

We are tremendously proud of these efforts and hope that you find the stories on the pages that follow as inspiring as we do. We look forward to another tremendous year of partnership with our customers in 2018, as well as with our charitable partners throughout the country.

Tom Halverson

THOMAS HALVERSON
President
& Chief Executive Officer

Kevin G. Riel

KEVIN G. RIEL
Chairman



CORPORATE GIVING

As a mission-based cooperative lender, CoBank believes in giving back to the communities where our customers and associates live and work. In 2017, the bank made a total of \$12.3 million in charitable contributions.

Corporate giving at CoBank takes many forms, including:

SHARING SUCCESS PROGRAM

CoBank's signature Sharing Success program is an annual \$3 million fund that matches the charitable contributions of the bank's customers. In 2017, a record 731 customers participated in Sharing Success, supporting nearly 980 different organizations.

SUPPORT FOR UNITED WAY AND OTHER COMMUNITY ORGANIZATIONS

CoBank has a long-standing workplace giving program that enables its employees to designate a portion of each paycheck to the United Way. Employee contributions are supplemented by corporate donations to local United Way chapters supported by our associates. In 2017, CoBank associates donated nearly \$290,000 to United Way.

CoBank has also established strong, strategic partnerships with other nonprofit organizations dedicated to helping people in need. These organizations include the American Red Cross, Food Bank of the Rockies, Young Americans Center for Financial Education and Children's Hospitals and Clinics of Minnesota. The bank backs these organizations with significant corporate contributions each year and many receive additional support in the form of board service by CoBank executives and/or employee volunteerism.

BOARD- AND ASSOCIATE-DIRECTED GIVING PROGRAMS

Every year, each member of the CoBank board of directors is able to direct \$20,000 in contributions from the bank to nonprofit organizations he or she selects. In addition, each CoBank associate is able to direct an annual contribution of \$500 from the bank to the charitable organization of their choice. Each associate is also entitled to a paid day off from work to volunteer in his or her community.

In 2017, contributions made by CoBank through its board- and associate-directed giving programs totaled nearly \$1.1 million.

VOLUNTEER SERVICE AWARD PROGRAM

Through its Volunteer Service Award program, CoBank honors employees who are making a difference by contributing their own time and money to charitable organizations. Winners of the award are selected annually and are able to direct a \$5,000 contribution from the bank to the charities they support.

SPECIAL CONTRIBUTIONS

Every year, CoBank considers special, one-time contributions as a result of requests from customers and other stakeholders or in response to external events. One of the many organizations the bank supported in 2017 is the Kentucky Association of Food Banks. CoBank and Farm Credit Mid-America joined forces to support the association's Kentucky Hunger Initiative—an innovative program launched by Kentucky Agriculture Commissioner Ryan Quarles. The donation from CoBank and Farm Credit Mid-America funded the purchase of chest freezers that were provided to more than 120 food pantries across the state.



➤ Pictured left to right: Farmers' Electric Cooperative retired CEO Dan Bryan, general manager Rod Cotton and AYBF board president Michael Leamer

Corporate Giving

SHARING SUCCESS

For more than 25 years, the Area Youth Benefit Fund (AYBF) has been helping Missouri families. Established by Chillicothe-based Farmers' Electric Cooperative, the fund provides grants to help pay medical expenses for local children.

Like most cooperatives, Farmers' Electric cares deeply about those it serves. In the late 1980's, the organization surveyed its members to understand the greatest needs in the community and how Farmers' Electric could help. One of the top concerns was the availability and expense of health insurance. While the co-op obviously couldn't provide health insurance to its entire membership, its leaders felt that they could make a difference for local families who were struggling with medical bills they could not pay.

The AYBF was formally established as a 501(c)(3) charity in 1993 and is open to any family living in the nine-county region served by Farmers' Electric. Initially, the cooperative conducted outreach to the community and held events like a charity golf tournament and auction, hoping to raise as much as \$20,000 to help local children. Community response to the AYBF was tremendous and Farmers' Electric was able to meet that goal by the fund's second year of operation. Today, AYBF has raised more than \$750,000, providing grants to more than 650 families.

One of the children who has been helped by the fund is two-year-old Axten Buntten. Born prematurely, Axten spent the first month of his life in the neonatal intensive care unit at St. Luke's Hospital in Kansas City. He has been diagnosed with an ectopic kidney, autism and a host of other serious medical conditions. Though the family has medical insurance, the magnitude of Axten's needs left them with incredible debt. They first turned to the AYBF for assistance in 2016, when a \$4,000 bill for a stay in the intensive care unit was turned over to collections.



➤ The Buntten family of Tina, Missouri, has received multiple grants from the Area Youth Benefit Fund to assist with medical bills for two-year-old Axten.



› “It takes a community to raise a special needs child,” says Kory Bunten, who left his job to be Axten’s full-time caregiver.

“We heard about AYBF from a friend,” says Kory Bunten, Axten’s dad. “We didn’t know what to expect, but we filled out an application and just crossed our fingers. I didn’t know how we were going to get by...how we would get the things that Axten needed, so when Farmers’ Electric and AYBF actually helped, I really shed some tears. It hit home because this is my family. That kind of help and support was truly amazing.”

“There aren’t a lot of resources in rural Missouri,” says Axten’s mom, Stacey Brice. “We have great insurance and our friends, family and neighbors are very supportive, but Axten’s bills last year came to about \$1 million. Even with insurance, we still owe thousands and thousands of dollars. Farmers’ Electric and the AYBF really stepped up when we needed help the most. They made it so simple and it was clear that they really cared about us.”

“The AYBF is able to provide help when there are no other resources to draw on,” says Rod Cotton, general manager of Farmers’ Electric Cooperative. “There might be a gap in insurance or a high deductible that a family just can’t meet. That’s when we step in to help.”

“Through the Sharing Success program, CoBank has been a tremendous partner and supporter of the AYBF,” continues Cotton. “We’ve taken



› In 2016, Axten’s medical bills totaled approximately \$1 million.

advantage of Sharing Success every year since it started. We raise money locally and, of course, Farmers’ Electric provides its own financial support to the fund. But that \$5,000 contribution from CoBank every year is a great boost for us and really makes a difference in our community.”



➤ *Relief efforts in Kansas, Oklahoma and Texas helped impacted farmers and ranchers to recover and rebuild and replenished the resources of volunteer fire departments.*

Corporate Giving DISASTER RELIEF

Natural disasters are a fact of life in rural America. Tornadoes, floods, wildfires and hurricanes take place throughout the United States each year, and it's often rural areas that bear the brunt of the damage.

Even so, 2017 was an unusually tough year in terms of the destruction caused by a number of very severe natural disasters.

As part of its broader commitment to corporate citizenship, CoBank joined repeatedly with customers, Farm Credit associations and nonprofit organizations like the American Red Cross to support local recovery efforts.

"Rural disaster relief has become one of the mainstays of our corporate social responsibility program," says Tom Halverson, CoBank president and chief executive officer.

"In the aftermath of any disaster, it's vital that resources get delivered quickly to organizations on the ground that are helping people rebuild their lives," Halverson said. CoBank is committed to doing its part to help rural communities remain strong, even after disaster strikes."



➤ *CoBank partners with the Red Cross to support disaster relief efforts in rural communities.*

CORPORATE CONTRIBUTIONS BY COBANK IN 2017 INCLUDED THE FOLLOWING:

- **WILDFIRE RELIEF IN KANSAS, OKLAHOMA AND TEXAS** - Early in 2017, a series of wildfires swept through Kansas, Oklahoma and Texas, burning hundreds of thousands of acres of farm and ranch land, destroying property and killing livestock. CoBank responded by creating a \$200,000 fund to match contributions to various relief efforts.
- **HURRICANE HARVEY** - hit the state of Texas in August 2017 and quickly registered as one of the most destructive storms in U.S. history. The Category 4 storm displaced tens of thousands of people. CoBank contributed \$100,000 to the



› After a natural disaster, Red Cross volunteers are on the ground, often within hours, providing food and shelter to those impacted.

Red Cross and matched the donations of its employees and partnering with customers in other relief efforts.

- **HURRICANE IRMA** - was the first Category 5 hurricane of the 2017 Atlantic hurricane season. Irma caused devastation throughout Florida and the Southeast. In response, CoBank contributed \$100,000 to the Red Cross to support Hurricane Irma relief efforts.
- **HURRICANE MARIA** - devastated the U.S. territory of Puerto Rico. The Category 5 hurricane was the deadliest storm of the 2017 Atlantic hurricane season. CoBank matched the contribution of fellow Farm Credit member AgFirst, donating \$100,000 to the Red Cross for Hurricane Maria relief efforts. An additional contribution to NRECA International supported the purchase and delivery of diesel generators to help restore power to the beleaguered island.
- **CALIFORNIA WILDFIRE RELIEF** - In October alone, seven fires swept across Northern California, destroying homes and businesses. At the recommendation of its affiliated Farm Credit associations, CoBank contributed \$100,000 to Habitat for Humanity of Sonoma County to focus on the pressing housing needs of impacted communities. Another \$100,000



› In 2017, Hurricanes Harvey, Irma and Maria created unprecedented damage. Losses from Hurricane Harvey alone are estimated at close to \$100 billion.

was donated to Redwood Empire Food Bank, enabling them to meet increased demand from those displaced by the fires.

"It takes an entire community to respond to those devastated by disasters of the magnitude of Hurricanes Harvey, Irma and Maria," says Gino Greco, chief executive officer, American Red Cross of Colorado & Wyoming. "We are grateful for the support of community partners like CoBank, who bring hope to those in need. It is only with their help that we are able to fulfill our mission to prevent and alleviate human suffering in the face of emergencies."



› 79-year-old veteran Jesse Smith took part in a CoBank-sponsored No Barriers Warriors expedition. Smith says the experience “forever changed me.”

Corporate Giving NO BARRIERS

In 2017, CoBank joined forces with No Barriers USA, a Colorado-based nonprofit organization, to create a program that would allow the bank to honor the countless men and women from rural communities who have served in the United States military and who have returned home with various forms of service-related disabilities.

CoBank customers throughout the country nominated veterans from their communities to take part in a CoBank-sponsored, No Barriers Warriors expedition. Nominees ranged in age from their late twenties to nearly 80 years old and served in all branches of the armed forces in places like Afghanistan, Saudi Arabia, Iraq and Vietnam. Expeditions took place in the Colorado wilderness and challenged veterans to take part in demanding activities like white water rafting, rock climbing and trekking.

John Toth is the director of the No Barriers Warriors program. Toth, himself a U.S. Army veteran, understands many of the challenges that are facing veterans with disabilities.

“The transition to civilian life can be a challenge: one compounded by injuries or wounds suffered as a result of military service,” says Toth. “The Warriors program helps veterans overcome their barriers by putting them in difficult situations. These situations push them physically and

mentally, showing them that they have the strength within themselves to overcome the barriers they face in their daily lives. Coupled with our No Barriers curriculum, it’s truly transformative.”

Midwest Energy and Communications, an electric distribution cooperative located in Cassopolis, Michigan, nominated 79-year-old Korean War veteran Jesse Smith to participate in a No Barriers Warriors expedition. Smith returned home from the war with post-traumatic stress



› CoBank’s partnership with No Barriers supports rural veterans like Mitch Lundby, a veteran of the North Dakota National Guard and Air National Guard who served in Iraq.



➤ *No Barriers expeditions include demanding activities like rock climbing, white water rafting and trekking that challenge veterans' perceptions of their own capabilities.*



➤ *The No Barriers experience is a catalyst for change. Participants stretch boundaries and create relationships that can last a lifetime.*

disorder and other injuries that have made social interaction difficult for him. As a result, he has led a fairly solitary life in his retirement years. But a love of nature led him to apply for the CoBank/ No Barriers opportunity.

"This trip was fantastic and forever changed me," says Smith. "The crew was incredible and became part of me. I can't thank them enough for the experience. We all came together and really connected and I learned that, even at 79, I can still take on new challenges and succeed. All veterans with disabilities carry baggage, but the only real obstacle in life is your thinking. I would tell anyone who is even considering [a CoBank/ No Barriers expedition] to not be afraid and just go for the adventure."

CoBank customer BlueRidge Energy nominated local veteran Robert Moore to participate in the No Barriers program. Instead of participating in an expedition, Moore chose to take part in the veterans' track at the annual No Barriers Summit, a two-day event that brings together people of all backgrounds and abilities. "The No Barriers event really touched me in so many ways," says Moore, who has served in both the Marine Corps and the National Guard. "It made me rethink my direction in life. I know that I have a lot to work on, but I'm determined to succeed. I'm really grateful for the opportunity to participate in the No Barriers program and I was proud to be among such strong, positive and talented people."

Whether a veteran participates in an expedition or the Summit, the No Barriers experience is a catalyst for change. Participants stretch boundaries, innovate through adversity and create strong relationships with their fellow veterans that can last a lifetime. In 2018, CoBank is proud to once again offer its customers this unique opportunity to recognize the veterans in their communities. With their help, the bank will identify and sponsor up to 50 veterans with disabilities to take part in either the Summit or one of four, five-day expeditions that will challenge perspectives and change lives.



FIELD GROWN

8 QUARTS

PROD



SUPPORT FOR AGRICULTURE & LOCAL FOODS

As one of the nation's largest agricultural lenders, CoBank plays a vital role supporting the U.S. farm economy. CoBank provides farmer-owned cooperatives and other agribusinesses with loans, lines of credit, export financing and other financial services. Our customers are a key part of the value chain in every ag sector, so are CoBank's affiliated Farm Credit associations that serve farmers, ranchers and other rural borrowers in 23 states around the country.

Beyond traditional financial services, CoBank supports agriculture in other ways as well. Through our corporate citizenship initiatives, we have made significant investments in local cooperative development; Young, Beginning and Small (YBS) farming programs; and local and urban food systems.

Examples of programs receiving significant support from CoBank include:

CO-OP START, a program launched by CoBank that helps emerging and existing small agricultural cooperatives through innovative financing, business mentorship and training. Since its inception, CoBank has approved loans or leases through the program totaling \$2.15 million.

FARMSTART, a program conducted in partnership with Farm Credit East and Yankee Farm Credit, two of CoBank's affiliated associations. The program supports individuals looking to launch businesses in agriculture, forest products and commercial fishing in the northeastern United States. Since its inception, FarmStart has made over 250 investments totaling more than \$11.3 million.

NATIONAL FARM TO SCHOOL NETWORK

(NFSN), a national network that connects communities with fresh, healthy food and local food producers by changing food purchasing and education practices at schools. CoBank and AgriBank, another bank in the Farm Credit System, sponsored an economic impact report produced by NFSN that quantified the positive economic benefits to local farmers when schools sourced food locally. CoBank's support of the National Farm to School Network supports local agriculture and fosters the creation of additional local food markets nationwide.

D.C. CENTRAL KITCHEN (DCCK), a nonprofit "social enterprise" in Washington, D.C., that develops and operates food-related social ventures that break the cycle of hunger and poverty. DCCK prepares adults with high barriers to employment for culinary careers and creates good, living wage jobs for the culinary job graduates. DCCK prepares healthy school meals for low-income school children, sourcing fresh produce from local farmers in the area.



➤ *Troy University students and staff work with kids at their local Boys & Girls club to grow healthy vegetables and teach good nutrition.*

Support for Agriculture & Local Foods CAMPUS KITCHENS PROJECT

The Campus Kitchens Project (CKP) is an innovative program that enables college students to alleviate hunger in their local communities while also reducing food waste. Operating at over 60 universities and colleges around the country, Campus Kitchens leverages school kitchen facilities, donated food and the passion of student volunteers to prepare and deliver meals to people for whom hunger and food insecurity are a constant struggle.

In rural Pike County, Alabama, for instance, Troy University’s student-led Campus Kitchens program has taken up the challenge of addressing food insecurity, focusing its efforts on increasing food access among local children and senior citizens. Student volunteers partner with the university’s food service provider to recover, package and distribute unused food to the needy in the community. They have also created a strong partnership with the local Boys and Girls Club, starting a backpack program that provides supplemental food to children from low-income families and establishing a community garden that teaches kids how to grow and prepare their own food.

Troy students worked with the children at the club to plant vegetables like squash, okra,

peas, beans and peppers. During the school year, volunteers from Troy garden with the kids every Tuesday.



➤ *“We’re not growing huge amounts of produce. But we’re introducing good healthy foods to the kids.”*

“The gardens are such an important component of our program,” says Avery Livingston, coordinator for the Office of Civic Engagement at Troy and director of the university’s Campus Kitchens program. “We’re not growing huge amounts of produce. But we are introducing good healthy foods to the kids.”

Last summer, Campus Kitchens volunteers worked with the Boys & Girls Club to expand



➤ *More than 20 children participated in the CoBank-sponsored nutrition camp offered by the Troy chapter of the Campus Kitchens Project.*

their program, offering a four-day nutrition camp to more than 20 third and fourth graders. CoBank funded the program which allowed participants to work in the garden and take part in games and activities that taught the importance of making healthy food choices.

The children toured their local grocery store, learned new recipes for healthy snacks and meals, and got to take home their own slow cooker—allowing them to share what they learned with their families.

“The nutrition camp wouldn’t have been possible without CoBank’s support,” says Lauren Cochran, secretary for First-Year Studies at Troy. “It allowed our students to engage with the kids in a deeper way and to share their knowledge about healthy eating. Some of the kids had never eaten blueberries before. Once they tried them, they kept coming back for more.”

“The garden and nutrition camp have been such an awesome experience for our kids,” says Jade Adams, unit director for the Boys & Girls Club of Troy. “They are constantly asking when they can ‘do Campus Kitchens again.’ I’ve personally enjoyed seeing our kids working in the garden and hearing them tell their parents how they are learning to plant and water.



➤ *The backpack program, created by Troy students, sends children in need home with nutritious meals.*

In addition to the Boys & Girls Club gardening program, the Troy team plans to expand their Campus Kitchens program to serve local senior citizens and to work with local farmers to introduce gleaning programs, under which farmers allow area residents to collect leftover crops directly from fields after the harvest.

“Troy’s Campus Kitchen is still young, but it has brought new light and new attention to the university,” says Livingston. “University life isn’t just about football or sitting in classrooms. Students need to use their skills and give back to their communities. There are lots of ways to do that, but food insecurity issues and the Campus Kitchens program really resonate with our students. After all, everybody has to eat.”



COOPERATIVE ADVOCACY & INDUSTRY SUPPORT

In addition to its various corporate philanthropy programs, CoBank is an active supporter of organizations that promote the public policy interests of cooperatives and industry sectors served by the bank. We believe this industry support is an important part of our broader mission in rural America.

COOPERATIVE INDUSTRY ORGANIZATIONS SUPPORTED BY COBANK

NATIONAL

Association of Cooperative Educators
Cooperation Works
Cooperative Communicators Association
Cooperative Development Foundation
Farm Credit Council
International Co-operative Alliance
National Cooperative Business Association
National Council of Farmer Cooperatives
National Renewables Cooperative Organization
National Rural Electric Cooperative Association
National Society of Accountants for Cooperatives
NTCA - The Rural Broadband Association
Touchstone Energy Cooperatives
U.S.A. Cooperative Youth Council

REGIONAL AND LOCAL

Agricultural Cooperative Council of Oregon
Agricultural Council of California
Alabama Council of Cooperatives
Alabama Rural Electric Association
Alaska Power Association
Arkansas Electric Cooperative Accountants Association
Association of Illinois Electric Cooperatives
Association of Louisiana Electric Cooperatives

Association of Missouri Electric Cooperatives
California Center for Cooperative Development
Central Minnesota Managers Association
Colorado Rural Electric Association
Cooperative Council of North Carolina
Cooperative Network
Eastern North Dakota
Cooperative Managers' Association
Electric Cooperatives of Arkansas
Electric Power Association of Mississippi
Florida Electric Cooperatives Association
Federation of Southern Cooperatives
Fruita Consumers Cooperative Association
GEMC Accounting Association
GEMC Suppliers' Group
Georgia Rural Electric Managers Association
Grand Canyon State Electric Cooperative Association
Idaho Consumer-Owned Utilities Association
Idaho Cooperative Council
Illinois Cooperative Council
Indiana Cooperative Development Center
Indiana Electric Cooperatives
Indiana Statewide Association
of Rural Electric Cooperatives
Iowa Association of Bookkeepers for Cooperatives
Iowa Association of Electric Cooperatives
Iowa Institute for Cooperatives
Kansas Cooperative Council
Kansas Electric Cooperatives
Kansas Rural Electric Cooperative Accountant's Club
Kentucky Association of Electric Cooperatives
Kentucky Council of Cooperatives
Louisiana Council of Farmer Cooperatives

Michigan Electric Cooperative Association
 Mid America Cooperative Education
 Midway Co-op Association
 Minnesota Rural Electric Association
 Minnesota State Managers Association
 Missouri Electric Cooperatives Managers Association
 Missouri Institute of Cooperatives
 Montana Agricultural Business Association
 Montana Council of Cooperatives
 Montana Electric Cooperative Association
 Nebraska Cooperative Council
 Nebraska Rural Electric Association
 Neighboring Food Co-op Association
 Nevada Rural Electric Association
 New Mexico Rural Electric Cooperative Association
 North Carolina Association of Electric Cooperatives
 North Dakota Association of Rural Electric Cooperatives
 North Dakota Co-op Managers' Association
 Northeast Association of Electric Cooperatives
 Northeast Cooperative Council
 Northern Minnesota Managers' Association
 Northwest Cooperative Development Center
 Northwest North Dakota
 Cooperative Managers' Association
 Northwest Regional Cooperative Institute
 NREA Suppliers Group
 Ohio Rural Electric Cooperatives
 Oklahoma Agricultural Cooperative Council
 Oklahoma Association of Electric Cooperatives
 Oklahoma Electric Cooperative
 Accountants' Association
 Pennsylvania Rural Electric Association
 South Dakota Association of Cooperatives
 South Dakota Cooperative Managers' Association
 South Dakota Rural Electric Association
 Southern Minnesota Managers Association
 Tennessee Council of Cooperatives

Tennessee Electric Cooperative Association
 Texas Agricultural Cooperative Council
 Texas Electric Cooperatives
 Texas Rural Electric Women's Association
 Texas Statewide Telephone Cooperative, Inc.
 The Electric Cooperatives of South Carolina
 Tri-State Generation & Transmission Association
 Utah Council of Farmer Cooperatives
 Utah Rural Electric Association
 Virginia Cooperative Council
 Virginia, Maryland & Delaware Association
 of Electric Cooperatives
 Washington Rural Electric Cooperative Association
 Washington State Council of Farmer Cooperatives
 Wisconsin Electric Cooperative Association
 Wisconsin State Managers' Association
 Wyoming Rural Electric Association
 Yampa Valley Electric Association

**OTHER INDUSTRY ORGANIZATIONS
 SUPPORTED BY COBANK**

NATIONAL

Ag Export Coalition
 Agricultural Retailers Association
 AgSafe
 AIIM International
 American Agri-Women
 American Coalition for Ethanol
 American Cotton Shippers Association
 American Jersey Cattle Association
 American Pistachio Growers
 American Sugar Alliance
 American Sugarbeet Growers Association
 American Water Works Association
 American Wind Energy Association
 Association of Grain Regulatory Officials
 C-FARE

Cotton Growers Warehouse Association
Dairy Cares
Ecological Farming Association
Equipment Leasing and Finance Association
The Fertilizer Institute
Global Farmer Network
Growth Energy
National Association of Credit Specialists
National Association of Insurance Commissioners
National Association of
State Departments of Agriculture
National Association of Water Companies
National Association of Wheat Growers
National Business Economic Issues Council
National Chicken Council
National Coalition for Food and Agriculture Research
National Corn Growers Association
National Cottonseed Products Association
National Grain & Feed Association
National Hmong American Farmers
National Milk Producers Federation
National Rural Economic Developers Association
National Rural Lenders Association
National Rural Water Association
National Sorghum Producers
National Sustainable Agriculture Association
North American Export Grain Association
North American Millers' Association
Produce Marketing Association
Public Lands Council
Renewable Fuels Association
Renewable Fuels Foundation
Rural Electric Management Development Council
Rural LISC
Smart Electric Power Alliance
Solar Energy Industries Association
Telergee Alliance

Truth About Trade and Technology
United Dairy Industry Association
United Fresh Produce Association
U.S. Dairy Export Council
U.S. Grains Council
U.S. Pea & Lentil Trade Association
U.S. Poultry & Egg Association
U.S. Soybean Export Council
Utilities Telecom Council
Young Professionals in Agriculture
Women in Agribusiness
WTA - Advocates for Rural Broadband

REGIONAL AND LOCAL

Ag Lenders Society of California
Agribusiness Association of Kentucky
Agribusiness Club of Washington
Agribusiness Council of Indiana
Agribusiness Council of Wichita
Agricultural Business Council of Kansas City
Agricultural Council of Arkansas
Agricultural Council of California
Alabama Cable Telecommunications Association
Alaska Telephone Association
Alliance for the Future of Agribusiness in Nebraska
Alliance of Indiana Rural Water
Almond Alliance of California
Arkansas Rural Water Association
Association of Regional Water Organizations
Butler County Farm Bureau Association
CalCom
California Association of Grower Gins
California Association of Winegrape Growers
California Avocado Commission
California Cattlemen's Association
California Certified Organic Farmers
California Citrus Mutual

- California Cotton Ginners Association
- California Farm Bureau Federation
- California Farm Water Coalition
- California Fresh Fruit Association
- California Holstein Association
- California Irrigation Institute
- California League of Food Processors
- California Rural Water Association
- California Sustainable Winegrowing Alliance
- California Warehouse Association
- California Water Alliance
- California Water Association
- California Women for Agriculture
- Carolina-Virginias Telephone Membership Association
- CFA Society of Colorado
- Citrus Research Board
- Colorado Association of Wheat Growers
- Colorado Fruit & Vegetable Growers Association
- Colorado Independent CattleGrowers Association
- Colorado Livestock Association
- Colorado Rural Water Association
- Colorado Society of CPAs
- Colorado Telecommunications Association
- Colorado Water Congress
- Dairy Herd Improvement Association – West Delta Council
- District 11 Agri-Women
- Dried Fruit Association of California
- Empire State Forest Products Association
- Evergreen Rural Water of Washington
- Farm Grown
- Florida Association of Special Districts
- Florida Citrus Processors Association
- Florida Fruit & Vegetable Association
- Florida Rural Water Association
- Food Producers of Idaho
- Georgia Agribusiness Council
- Georgia Rural Water Association
- Governor’s Forum on Colorado Agriculture
- Grain and Feed Association of Illinois
- Hawaii Rural Water Association
- Idaho Grain Producers Association
- Idaho Wine Commission
- Idaho Rural Water Association
- Illinois Telecommunications Association
- Independent Water & Sewer Companies of Texas
- Indiana Rural Water Association
- Indiana Telecommunications Association
- Iowa Corn Growers Association
- Kansas Agribusiness Retailers Association
- Kansas Grain and Feed Association
- Kansas Rural Water Association
- Louisiana Member Services Association
- Louisiana Rural Water Association
- Louisiana Telecommunications Association
- Maine Forest Products Council
- Maryland Rural Water Association
- Michigan Agri-business Association
- Midsouth Grain Association
- Mid-South Managers’ Association
- Mid-West Electric Consumers Association
- Minnesota AgriGrowth Council
- Minnesota Agri-Women
- Minnesota Grain and Feed Association
- Mississippi Rural Water Association
- National Association of Water Companies, New England Chapter
- Nebraska Agribusiness Association
- Nebraska Ethanol Industry Coalition
- Nebraska Grain and Feed Association
- Nebraska Public Power District
- NESI-SES Association
- New England Farmers Union
- New Mexico Cattlegrowers’ Association

New Mexico Rural Water Association
New York State Agricultural Society
New York State Telecommunications Association
New York Wine and Grape Foundation
North Carolina Agribusiness Council
North Dakota Grain Dealers Association
Northeast Agribusiness and Feed Alliance
Northeast Elevators Managers Association
Northeastern Association
of State Departments of Agriculture
Northwest Public Power Association
Ohio Agribusiness Association
Ohio Rural Water Association
Ohio Telecom Association
Oklahoma Cotton Council
Oklahoma Grain & Feed Association
Oklahoma Rural Water Association
Oklahoma Wheat Growers Association
Oregon Association of Water Utilities
Oregon Telecommunications Association
Pacific Egg & Poultry Association
Pacific Northwest Grain & Feed Association
Panhandle Grain and Feed Association
Pennsylvania Telephone Association
Plains Cotton Growers, Inc.
Plains Ginners Association
Rocky Mountain Agribusiness Association
San Joaquin Valley Winegrowers Association
South Carolina Telecommunications
and Broadband Association
South Carolina Rural Water Association
South Dakota Agribusiness Association
South Dakota Association of Rural Water Systems
South Dakota Grain and Feed Association
South Texas Country Elevators Association
Southeastern Grain & Feed Association
St. Louis Agribusiness Club

State Independent Telephone
Association of Kansas
Telephone Association of New England
Tennessee Feed and Grain Association
Texas Cotton Association
Texas Cotton Ginners Association
Texas Grain and Feed Association
Texas Grain Sorghum Association
Texas Rural Water Association
Utah Rural Telecom Association
Virginia Rural Water Association
Washington Association of Wheat Growers
Washington Independent Telephone Association
Western Agricultural Processors Association
Western District Power Accountants Association
Western Growers Association
Western United Dairymen
Wine Market Council
Wisconsin Agri-Business Association



RESEARCH & HIGHER EDUCATION

At CoBank, we believe that research and education play a vital role in the health of rural America, today and in the future.

CoBank has supported many land grant universities and other institutions that are developing the next generation of American farmers, ranchers and rural business leaders. The research they conduct fosters knowledge and innovation that benefits rural industries—from agriculture to energy to international trade in commodities. In addition, the bank is committed to seeking out university partners that are conducting research into the social and economic issues impacting rural communities.

As part of its broader corporate citizenship initiatives, CoBank partners with these institutions to:

- › Fund scholarships that enable promising students to study agribusiness, finance, business administration and related disciplines
- › Endow professorships to support research and instruction in fields such as commodities and agricultural economics
- › Provide financial support for university centers focused on the study and advancement of cooperatives, including the Arthur Capper Cooperative Center at Kansas State University, the Graduate Institute of Cooperative Leadership at the University of Missouri and the Quentin Burdick Center for Cooperatives at North Dakota State University

In addition to its university giving, the bank has partnered with customers to make grants to community or technical colleges that are providing vocational training to help produce the technicians and other skilled service people who are so vital to our rural industries and communities.



RESEARCH & HIGHER EDUCATION



RESEARCH AND EDUCATION

- 1. AUBURN UNIVERSITY**
CoBank endowed scholarship in the College of Agriculture
- 2. CALIFORNIA POLYTECHNIC STATE UNIVERSITY-SAN LUIS OBISPO**
Farm Credit Appraisal Chair
- 3. CALIFORNIA STATE UNIVERSITY-FRESNO**
Farm Credit Multicultural Scholars in Agriculture
- 4. COLORADO STATE UNIVERSITY**
CoBank Center for Agricultural Education
- 5. CORNELL UNIVERSITY**
CoBank/Farm Credit East Sesquicentennial Faculty Fellowship
- 6. ILLINOIS STATE UNIVERSITY**
CoBank Fund for Agriculture; Student Scholarships & Professional Development
- 7. IOWA STATE UNIVERSITY**
CoBank Fund for Excellence in Cooperative Economics
- 8. KANSAS STATE UNIVERSITY**
CoBank Excellence Fund for Cooperative Education and Research
- 9. MONTANA STATE UNIVERSITY**
Montana Plant Sciences Chair; Nancy Cameron Endowed Chair in Range Beef Cattle Production
- 10. NEW MEXICO STATE UNIVERSITY**
CoBank Endowed Student Leadership Fund; NMSU Heritage Farm
- 11. NORTH DAKOTA STATE UNIVERSITY**
Quentin Burdick Center for Cooperatives; Center for Risk and Trade
- 12. OHIO STATE UNIVERSITY**
Center for Cooperative, Business and Community Education and Development
- 13. OKLAHOMA STATE UNIVERSITY**
Oklahoma Farm Credit Professorship in Agricultural Economics; Oklahoma Foundation Seed Stocks Complex
- 14. OREGON STATE UNIVERSITY**
CoBank Minorities in Agriculture, Natural Resources and Related Sciences Endowed Scholarship Fund; Oregon Forest Science Complex
- 15. PURDUE UNIVERSITY**
CoBank Purdue Agribusiness Impact Fund
- 16. SOUTH DAKOTA STATE UNIVERSITY**
Trading Floor Laboratory/
Curriculum Development
- 17. TEXAS A&M UNIVERSITY**
Cooperative Excellence Fund
- 18. TEXAS TECH UNIVERSITY**
Larry Combest Chair Endowment for Agricultural Education
- 19. UNIVERSITY OF ALASKA-FAIRBANKS**
Alaska Sea Grant Marine Advisory Program
- 20. UNIVERSITY OF ARIZONA**
Dean's Industry Leadership Program
- 21. UNIVERSITY OF CALIFORNIA-DAVIS**
Ethnic Farmer Project Fund; Cooperative Business Enterprise Class
- 22. UNIVERSITY OF COLORADO-DENVER**
Center for Commodities;
Medical School Rural Track
- 23. UNIVERSITY OF DENVER**
Institute for Enterprise Ethics
- 24. UNIVERSITY OF IDAHO**
Barker Trading Program, Professorship in Ag Economics and Rural Sociology
- 25. UNIVERSITY OF ILLINOIS**
James F. Evans Endowed Chair in Agricultural Communications/Experiential Learning
- 26. UNIVERSITY OF MAINE**
Farm Credit Assistant Professorship of Production Economics and Natural Resources
- 27. UNIVERSITY OF MINNESOTA**
Cooperative Research and Education
- 28. UNIVERSITY OF MISSOURI**
CoBank Endowed Scholarship Fund; Graduate Institute of Cooperative Leadership
- 29. UNIVERSITY OF NEBRASKA-LINCOLN**
Agricultural Economics Commodities Trading Room
- 30. UNIVERSITY OF VERMONT**
College of Ag Food Systems
Transdisciplinary Research
- 31. UNIVERSITY OF WISCONSIN**
UW Center for Cooperative Initiatives Fund
- 32. UTAH STATE UNIVERSITY**
CoBank Scholarship in the College of Agriculture and Applied Sciences
- 33. WASHINGTON STATE UNIVERSITY**
Center for Transformational Learning and Leadership



➤ *CoBank has been a strong supporter of North Dakota State University for nearly two decades.*

Research & Higher Education NDSU PARTNERSHIP

Nearly 130 years ago, North Dakota Agricultural College was established as the state's official land grant institution. Now known as North Dakota State University, NDSU has become a world-class teaching and research institution and a critical partner to North Dakota's \$10 billion agricultural industry.

The university offers an extension service that provides educational programs for farmers and industry organizations. It is also home to the Quentin Burdick Center for Cooperatives, a vital resource for North Dakota's 500 cooperative businesses. Perhaps most important is the school's role in preparing the next generation of agricultural and cooperative leaders.

CoBank has been a supporter of NDSU for nearly 20 years and has made financial grants to the Burdick Center and other university programs. Most recently CoBank and several of its Farm Credit partners made significant contributions to the Center for Risk and Trading, the pride of the Agribusiness and Applied Economics Department.

Having identified a growing focus on commodity trading, marketing and risk management, NDSU launched a campaign to fund the Center, establishing an endowed chair for its director, Dr. William Wilson, and creating a state-of-the-art

commodity trading room that provides hands-on experience in the use of professional market data and analytics programs.



➤ *Dr. Frayne Olson is director of the Quentin Burdick Center for Cooperatives and leads many of the university's agricultural extension programs.*

"Employers in the entire ag sector are clamoring to fill positions with young professionals who have a sound grasp of relevant technology," says Wilson. "To meet that demand, universities need more students, better teaching and better technology. The commodity trading room helps NDSU to accomplish all three of those things."



➤ *Real-world technology and programs are integrated into student coursework through the NDSU Commodity Trading Room.*

Seth Bisbee graduated from NDSU with a bachelor's degree in agribusiness. He is now working on his master's degree in applied economics.

"The Commodity Trading Room offers world-class technology, software and programs: all of which have been integrated into our coursework," says Bisbee. "Competition when entering any kind of job in the agribusiness industry is extremely high and students need something to give them an edge. The experience offered by the trading room and knowledge of the programs like Bloomberg, Thompson Reuters and GeoGrain is invaluable."

Dr. Frayne Olson is director of the Quentin Burdick Center for Cooperatives and leads many of the university's agriculture extension programs. Olson too is incorporating the trading room into his programs.

"What Dr. Wilson is doing on the classroom side, I am trying to do on the extension side," says Olson. "I take some of the information generated by these programs on the road to demonstrate it to farmers and industry groups. But when I have the opportunity to bring them here and show them what's available, it blows their minds."



➤ *The Commodity Trading Room gives students the technological experience they'll need to navigate a career in agribusiness.*

Wilson and Olson are both quick to point out the benefit of the CoBank relationship to the university. "It takes a lot of money to build a room like this," says Dr. Wilson. "And then you have to maintain it. The financial support of industry leaders like CoBank and Farm Credit has been vital."

"We're very lucky to have a CoBank regional office right here in Fargo," adds Olson. "The local leadership team is always willing to speak to our classes and provide assistance with research projects. The ability to access the experience and knowledge of the CoBank team is a tremendous resource for us in the classroom, in the trading room and in our broader research."



WEST VIRGINIA BUILDING

KEY TOWER

RURAL COMMUNITY DEVELOPMENT

CoBank delivers tens of billions of dollars in debt capital each year to agribusinesses, rural infrastructure providers and Farm Credit associations that serve farmers and ranchers throughout the country. But the bank is supporting rural community development in other ways as well.

CoBank is making investments in equity funds designed to spur economic development in rural communities. Along with other members of the Farm Credit System, CoBank has joined with the U.S. Department of Agriculture in the Rural Business Investment Program (RBIP), a public-private partnership designed to enhance the flow of capital to business enterprises for the purpose of creating wealth and job opportunities in rural areas.

MIDWEST GROWTH PARTNERS FUND.

In 2014, CoBank partnered with Central Iowa Power Cooperative to form Midwest Growth Partners, a \$41 million private equity fund designed to strengthen the economic fabric of Midwestern communities.

Managed by Top Tier Holdings, the fund provides succession planning liquidity for retiring business owners or growth capital for established businesses seeking to expand. Through December 2017, the fund's portfolio totaled \$16 million. One of the fund's early investments, Market Fresh Produce of Nixa, Missouri, was sold in 2017 following two years of robust sales growth and the doubling of full-time equivalent jobs. The success of Market Fresh Produce is a strong example of the fund's potential to positively influence economic investment and job creation in rural communities.

ADVANTAGE CAPITAL AGRIBUSINESS FUND.

In October 2014, CoBank joined with eight other Farm Credit institutions to launch a \$155 million equity fund formed under the auspices of the U.S. Department of Agriculture's RBIP. Managed

by Advantage Capital Partners, the Rural Business Investment Company (RBIC) focuses on investments that grow rural economies, with an emphasis on companies involved in all aspects of the food and agriculture value chain. Through December 2017, the fund had invested over \$85 million in 13 companies.

INNOVA AG INNOVATION FUND IV. In 2016, CoBank, along with seven other Farm Credit institutions, closed on an investment in its second RBIC. Managed by Innova Memphis RBIC, the \$31 million fund invests in early stage companies that develop advanced technology solutions for the challenges faced by farmers and agriculture-related businesses.

OPEN PRAIRIE RURAL OPPORTUNITIES FUND.

In 2017, CoBank joined commercial and community banks, five other Farm Credit institutions and other investors to support the Open Prairie Rural Opportunities Fund. Managed by Open Prairie, a private equity fund management firm, the \$55 million Rural Opportunities Fund was licensed by the USDA to operate as an RBIC in December 2017. The fund targets debt and equity investments in growth and later-stage companies across the agribusiness value chain.

RURAL DEBT OBLIGATIONS.

CoBank partners with other Farm Credit organizations, the USDA, community banks and rural communities to support bond investments in agriculture and community facilities that support rural areas. Since 2012, CoBank and its Farm Credit partners have facilitated over \$300 million of community facility bond investments and CoBank currently has over \$100 million in potential investments in its pipeline. Importantly, these investments provide vital debt capital to projects that likely would not receive private funds without Farm Credit participation.



➤ *Skycision leverages drone technology and high resolution aerial imagery to provide farmers with precision field scouting capabilities.*

Rural Community Development INNOVA AG INNOVATION FUND IV

In late 2016, CoBank and seven of its Farm Credit partners committed to investing in the \$31 million InnoVA Ag Innovation Fund IV. Managed by InnoVA Memphis, the fund is licensed to operate as a Rural Business Investment Company (RBIC) under the U.S. Department of Agriculture's Rural Business Investment Program, which enables Farm Credit institutions to make equity investments in funds licensed by the agency.

The fund provides financing to early-stage companies that develop advanced technology solutions for the challenges faced by farmers and agriculture-related businesses. The investment is part of CoBank's focus on rural community development, supporting organizations and providing financial resources to businesses that are promoting investment and creating economic opportunity in rural America.

"As a Memphis-based business, we are surrounded by agriculture," says Jan Bouten, InnoVA partner. "So when the USDA announced the Rural Business Investment Program, we immediately began exploring opportunities that would support innovation and job creation within the ag industry while providing significant returns for investors. The InnoVA Ag Innovation Fund focuses on high-tech start-ups that aren't necessarily employing thousands yet, but these businesses have the potential to put game-

changing solutions directly in the hands of farmers. Ultimately, this will create jobs, benefit rural communities and strengthen the ag industry as a whole."



➤ *Skycision currently focuses on low-acreage, high value crops like vineyards and orchards.*

One of the fund's recent investments is in Skycision, a Watsonville, California-based business that leverages drone technology and high resolution aerial imagery to provide farmers with precision field scouting capabilities. Skycision assists its customers with drone model and camera selection and provides an



› Hundreds of thousands of drone images are stitched together to give Skycision customers a complete view of their fields.

easy-to-use, phone-based application that allows them to automate field inspection.

“Every year growers are afflicted with unforeseen pest and disease infestations,” says Brendan Carroll, Skycision’s president and CEO. “This type of blight can be cataclysmic for a vineyard or orchard. Blighted trees or vines have to be ripped out and, after replanting, it can take three to five years before they can harvest again. Identifying problems in their earliest stages is essential, but manual scouting is labor intensive and prone to sampling error. That’s where Skycision comes in.”

Skycision customers don’t have to be experts in drone operation in order to use the technology. After an easy training session, customers simply pull up an aerial map of their fields on their phones using the Skycision app. Operators turn on the drone and tap the map to indicate which field they want to scout. An auto-generated flight map does the rest. The drones take hundreds of thousands of pictures which are uploaded to Skycision and stitched together to give farmers a complete view of their fields. By looking at how the pictures change over time, farmers are able to identify problem areas and target treatment to avoid crop loss.

For now, Skycision is focusing on low-acreage, high value crops such as berries, specialty vegetables, vineyards and orchards. Most of its customers are concentrated in Northern



› Skycision CEO Brendan Carroll and Account Executive Eric Belleville demonstrate the ease of drone operation with the Skycision app.

California, although the company recently contracted to provide services to the University of Massachusetts, one of the leading cranberry researchers in the country.

“When you are a young organization, focus really wins,” says Carroll. “You can’t be all things to all people, at least not at the beginning. So Skycision has focused on being a high value provider to a very specialized market. That said, we think there is a vortex of growth and opportunity on the horizon. Jan [Bouten] and Dean [Didato] at Innova have been tremendous mentors from day one and we believe that the support we receive from them—financial and otherwise—will play a big role in the evolution of Skycision.”



➤ *Huntington Mayor Steve Williams was confident from the start that his town would be "America's Best Community."*

Rural Community Development

AMERICA'S BEST COMMUNITIES

In 2014, CoBank joined Frontier Communications, DISH Network and The Weather Channel to launch America's Best Communities (ABC), a \$10 million, multi-year prize competition designed to stimulate growth and revitalization in small cities and towns across the country.

Conceived by Frontier Communications, a CoBank customer, the ABC contest challenged communities to develop revitalization plans focusing on economic development. Approximately 350 communities submitted plans which were evaluated by an independent group of expert judges. Over the next three years, contestants reported on their progress and the pool of contestants was narrowed to three finalists. In 2017, the grand prize of \$3 million was awarded to Huntington, West Virginia.

Located in the western foothills of the Appalachian Mountains, Huntington's economy has historically been dependent on coal and manufacturing, both declining industries.

For years, members of the Huntington community had been forming plans to transform blighted neighborhoods and create economic opportunity. What those plans lacked was cohesion, buy-in and a sense of urgency. The ABC competition changed all of that, galvanizing the community and compelling people to

collaborate, focus their efforts and speed up their timelines to take advantage of this once-in-a-lifetime opportunity.

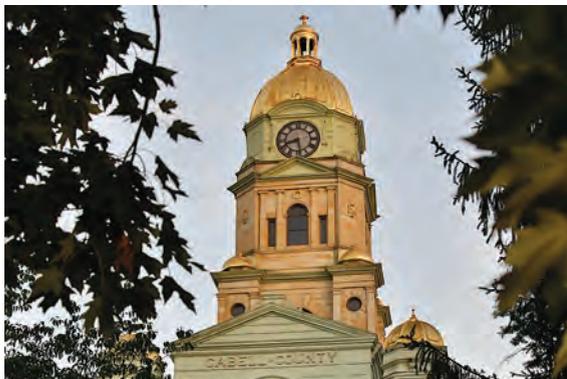
"When I first heard about the ABC competition, I knew it was tailor-made for us," says Huntington Mayor Steve Williams. "We had already identified a number of projects that were expected to make a significant difference in our community in five to 10 years. Suddenly, we were looking at the possibility of making real progress on these initiatives in just three years. To many, that sounded like a daunting proposition and I remember people saying 'slow down. Don't bite off more than you can chew.' My response was 'we can't afford not to do this.'"

THE HUNTINGTON INNOVATION PLAN (HIP) FOCUSED ON FOUR KEY PROJECTS:

- **HIGHLAWN BROWNFIELDS** - Redeveloping abandoned and underutilized manufacturing sites with a focus on riverfront development, recreation and 21st century manufacturing.
- **FAIRFIELD INNOVATION CORRIDOR** - Transformation of a distressed neighborhood, in collaboration with existing residents and businesses, to create new opportunities for growth.



➤ One revitalization program in Huntington provides job training in agriculture.



➤ *The ABC contest has been transformational for Huntington. Mayor Steve Williams says, "we have come to realize that there is nothing this community cannot achieve."*

- **WEST END REVITALIZATION** - Transforming an abandoned clothing factory to house Coalfield Development, a nonprofit organization offering workforce training including solar roof installation and agriculture.
- **GIGABIT CITY** - A high speed broadband project connecting these three projects and key downtown corridors.

"So many groups came together to talk and plan and to envision what this community could be," says Mayor Williams. "Business owners were sitting down at the same table with schoolteachers and grandmothers. The president of Marshall University and the CEO

of Cabell Huntington Hospital were at nearly every meeting, interacting with community leaders and residents. For the first time, we had a shared vision and a plan to revitalize not only our systems, but the hearts and minds of the people who call Huntington home."

The ABC contest has been transformational for Huntington and while completion of some projects is still years away, significant progress has been made in implementing the HIP plan. "The biggest change we've seen since the contest began is the breaking down of silos," says Williams. "Together, we've come to realize that there is nothing this community cannot achieve."

"Success, in terms of corporate responsibility, isn't measured in earnings statements," continues Williams. "The ABC contest awarded \$10 million in prizes—a significant investment for CoBank and the other sponsors. But the impact of that \$10 million can't be measured. It will be paying dividends in small communities across the country for the next half century and beyond."



SUSTAINABILITY & THE ENVIRONMENT

At CoBank, we believe that a commitment to sustainability and the environment is an integral part of good corporate citizenship. It's about making life better now in the communities where our employees and customers live and work, while helping to ensure a better, healthier future.

We are proud to serve as the financial partner to electric cooperatives and other rural power providers across the United States. Many of these progressive organizations are making forward-looking investments in renewable energy generation systems including wind, solar, hydro, biomass and landfill gas.

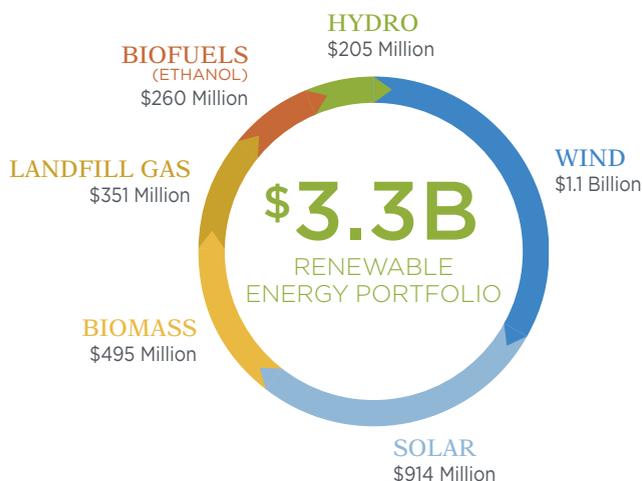
Today, CoBank's energy portfolio includes more than \$3.3 billion in outstanding loans and leases for renewable energy projects. That makes us one of the largest underwriters of renewable energy in the country—a leadership position we're committed to maintaining in the future.

In addition to financing renewable energy systems, CoBank has also taken meaningful steps to reduce the environmental impact of its own

business operations. The bank offsets more than 50 percent of its Colorado power usage through the purchase of renewable wind generation credits, operates a bank-wide recycling program, purchases hybrid vehicles for its business fleet and provides Eco-passes to all Denver associates that allow them to commute to work using city buses and light rail.

CoBank's 11-story headquarters building is LEED Silver certified in recognition of its best-in-class building strategies and practices. The building's many environmentally friendly features include:

- › Electric car charging stations on the premises
- › Photo sensors that measure daylight and automatically adjust lighting levels in the building to save energy
- › Occupancy sensors that measure activity within the building and adjust lighting accordingly
- › Water-efficient systems that reduce overall water usage within the building
- › Digitally-controlled systems that allow for more efficient heating and cooling
- › Regular system reviews to ensure that all energy-efficient features are operating as expected





➤ *Kodiak Electric's commitment to providing reliable, low-cost energy has encouraged increased economic development in its service territory, creating jobs and other opportunities for residents.*

Sustainability & the Environment

KODIAK ELECTRIC

Situated approximately 30 miles from the Alaska Peninsula, Kodiak Island is home to approximately 14,000 residents. Kodiak offers many attractions for nature lovers and outdoor enthusiasts. It is famous for its fishing and as the home of the Kodiak brown bear. Despite these attractions, the City of Kodiak and the surrounding villages are mainly working communities whose primary industry is fish processing.

Since 1941, Kodiak's electricity needs have been served by Kodiak Electric Association, an electric generation, transmission and distribution cooperative. Kodiak Electric operates and maintains three miles of underwater cables, six transmission/distribution substations, 33 miles of transmission line, 345 miles of distribution infrastructure and 6,000 meters. All of the power generated on the island stays on the island to serve the needs of its residents and businesses.

In 2000, approximately 60 percent of the island's electric generation was powered by diesel fuel, an expensive proposition due to the high cost of purchasing and transporting fuel from the mainland. The cooperative's board spent several years looking at options to decrease costs by increasing the percentage of renewables in its generation portfolio. In 2007, the board challenged the cooperative's management to



➤ *Kodiak Electric President and CEO Darron Scott*

increase its use of renewable energy to 95 percent by the year 2020.

"Moving to renewables wasn't solely an environmental issue for us, it was an economic issue," says Darron Scott, Kodiak Electric's president and CEO. "Our members wanted reliable, low-cost power and continuing to rely on diesel fuel just wasn't cost effective."

Over the next several years, the cooperative invested heavily in renewables, taking a full ownership stake in the Terror Lake Hydroelectric Generation Station, which it had previously operated with two other entities. Additional investments increased the number of the station's turbine units, increasing its energy production and efficiency. Today, the Terror Lake plant produces more than 80 percent of the cooperative's power.



› Six 1.5-megawatt wind turbines have helped Kodiak Electric to reach and maintain its renewable energy goals.

The cooperative also added six 1.5-megawatt wind turbines supported by a battery system that helps to stabilize the grid even when there are wind variations. Grid stabilization is also assisted by two one-megawatt flywheels, the first of their kind to be installed in North America.

“Basically, our flywheels are 6.5 tons of steel spinning really fast,” says Scott. “That’s a lot of momentum. When you release that momentum, you generate a lot of power very quickly, but it can only be maintained for short periods of time. Our system can generate two megawatts of power for 16 or 17 seconds. Once that power is released, the flywheels take some power from the system to spin back up again.”

Kodiak Electric vastly exceeded the renewable energy goals envisioned in 2007. By 2014, the cooperative was generating approximately 98 percent of its energy through renewables. Today, that number ranges between 98 and 100 percent.

“Even though environmental impact wasn’t the primary goal, it was a natural byproduct of our investment in renewables and our members are proud that we are protecting this beautiful place we call home,” says Scott. “At the same time, our residential electricity rates have dropped by two to three percent since 2000. Our costs are low and our prices are consistent. And that, in turn, has led to increased economic development on the island. Fish processing is highly dependent



› The primary industry of Kodiak and the surrounding villages is fish processing.

on electricity. We’ve partnered with the industry to ensure that we can reliably meet their needs. As a result, new processors have moved to Kodiak and existing processors are doing more business here. That has created jobs and other opportunities for the community.”

Throughout the transition to renewable energy generation, Kodiak Electric has relied on CoBank as a dependable financial partner, says Scott. “The partnership with CoBank has been a great one. They’ve been with us since the first phase of the Terror Lake project. Since then there have been some difficult times as we worked through permitting and construction issues. CoBank has always supported us, working diligently to meet our timelines and to help us keep our processes moving.”



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(800) 255-7429
FCL: (770) 618-3226

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FCL: (860) 814-4049

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within this CoBank location

** Farm Credit Leasing office only

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