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COMMUNITY *Champions*

FCCB supports Ag Progress Days

Members of the First Citizens Ag team supported Pennsylvania's largest outdoor agricultural exposition in August – Ag Progress Days. “I look forward to the event every year,” said Kiera Carneiro, Ag Banker. “The event showcases the latest in Penn State research as well as valuable up-to-date information I can take back to my customers and fellow Ag team members.” This years' event hosted nearly 500 exhibitors from 34 states and 4 providences in Canada. Nearly 50,000 people attend each year. Our Ag team enjoyed meeting new Pennsylvania farmers and promoting the State's leading industry!



Have You



FOURTH EDITION
2019

Welcome

LETTER FROM THE PRESIDENT

Randy Black Celebrating
Industry Leaders

Customer SPOTLIGHT

Lisa Graybeal sees the
future of dairy.

Fresh IDEAS

Applesause Macaroni and
Cheese—seriously?

What's Happening IN AG?

Chris Hoffman earns national
recognition.

Feature Article 1:

Understanding certifications
is key.

Feature Article 2:

REAP Tax Credits—Part II

EVENTS & STUFF YOU'LL WANT TO DO

Shows, Conferences and
Classes

EMPLOYEE HIGHLIGHTS

Chris Landis and Sean
McKinney are headed to the
Ag Bankers Conference.

COMMUNITY *Champions*

FCCB supports Ag Progress
Days.



President's Message

In our final edition of this year's *Have You Herd*, we tip our hats to two Ag industry leaders who've been recently recognized for their accomplishments.

We're confident the future of the dairy and pork industry are in good hands with Lisa Graybeal, who was appointed to the State Dairy Panel, and Chris Hoffman, who was named Pig Farmer of the Year. We're fortunate to have Chris as a member of our Ag Advisory Board and grateful for the industry expertise he provides. Congratulations to both for such well-deserved recognitions!

The year 2019 is coming to a close, and we know the hay may be in the

barn and the crops may be out of the fields, but there are still plenty of chores to be done. Animals never take a day off, and neither do farmers.

We hope you can look back with great satisfaction on what you've been able to accomplish this year, and look forward with anticipation to a new year full of possibilities. Our Ag Team will be by your side to make 2020 a successful year for your operation and your family.

Randy

Customer SPOTLIGHT

**CONGRATULATIONS LISA GRAYBEAL,
APPOINTED TO STATE DAIRY PANEL**

Recently, House Majority Leader
**Bryan Cutler appointed local
dairy farmer Lisa Graybeal of
Graywood Farms (Peach Bottom)
to the Dairy Future Commission.**

Lisa will serve on the Dairy Future
Commission with State Agriculture
Secretary Russell C. Redding and other
key officials.

The panel is expected to evaluate the
processing and marketing of dairy
products and the impact of state laws
and regulations on farmers.
Pennsylvania's \$14.7 billion dairy
industry has been in steep decline,
forcing some farmers to sell their farms
or diversify. Lisa says her personal

mission is to, “Figure
out the future of dairy. I want to know
how dairy is going to survive, and how
the next generations are going to
survive this industry.”

Today, Lisa works the 1,200-acre dairy
farm which was established by her
grandparents in 1942. She and her
brother are the third generation to
operate the 720 milking cow dairy.

Congratulations Lisa! We're confident
your lifelong knowledge of the industry
will be an asset to PA dairy
farmers as we navigate the changing
industry and put milk back on our
tables.



What's Happening IN AG?

First Citizens Ag Advisory Board Member is National Pig Farmer of the Year

The National Pork Board recently selected Chris Hoffman as America's Pig Farmer of the Year. Chris attained the highest score for his leadership in the industry, focus on raising pigs following the We Care ethical principles, and his commitment to connecting consumers and farmers. To become America's Pig Farmer of the Year, Hoffman went through an on-farm audit of animal health, safety and management practices, a series of personal interviews and an online vote.

Chris is a strong advocate for the pork industry, as well as a responsible, first generation producer. Chris owns and operates a variety of organizations including Lazy

Hog Farms, a 1,400 sow farrow-to-wean operation, a 4,800 head nursery barn and 4,400 head finishing barn located in Juniata County. He also operates Lazy Chick Farms, raising 250,000 chickens annually.



He has a long history of leadership, serving as the Pennsylvania Farm Bureau's Vice President, leading the Agricultural Promotion Committee. Chris also chairs Pennsylvania's Nutrient

Management Advisory Board, is a member of the PA Pork Producers Council, and the Penn Ag Industries Association.

We are proud Chris chooses to be a member of our Agricultural Advisory board. Our advisory boards are composed of farmers and other industry leaders who help us stay in touch with the needs, opportunities, and challenges of our Ag customers. Guidance from members like Chris is invaluable. We'd like to congratulate Chris on all the great things he is doing for the Pork Industry and thank him for his dedication to First Citizens!



Fresh IDEAS

Steal the spotlight this holiday season with a side of Applesauce Mac & Cheese.

Applesauce Mac & Cheese with Sausage

1 lb. boiled macaroni
¾ lb. ground sausage browned
3 1/3 c. whole milk
1 c. applesauce
12 oz. grated Swiss (divided)
8 oz. grated cheddar
½ c. flour
6 tbs. butter
1 tsp. nutmeg
½ tsp. pepper
¼ tsp. salt
Pinch of cinnamon and cloves

- 1 Preheat oven to 375.
- 2 Warm milk and applesauce in saucepan.
- 3 Melt butter in large Dutch oven and whisk in flour for two minutes. Whisk in hot milk and applesauce and cook two minutes, until thickened.
- 4 Add all other ingredients and pasta and ½ of Swiss, then top with remaining Swiss. Bake uncovered for 30-40 minutes.

WHAT'S UP WITH ALL THE *Certifications*?

Contributed by Chris Pierce, President, Heritage Poultry Management Services, Inc.



Being involved in livestock production today is much different than any other time in history. Today's consumers care more about what they are putting into their bodies and how it's produced. Animal welfare, food safety, and environmental stewardship are top of mind which means as a farmer, meeting the certification requirements in these areas will be crucial to your success.

PA farms are located within 8 hours of 20% of the total US population so our livestock is considered "local" by most areas of the Northeast. This proximity is a primary reason why small family farms in Pennsylvania have had the opportunity for growth over the last 20 years. In addition, many farmers are diversifying to create multiple sources of income which increases certification responsibilities even further.

For long-term success, it's critical to understand and meet the many certification requirements. Remember, you're not alone — seek knowledge and experience from others.

EVENTS & STUFF YOU'LL WANT TO DO

WOMEN IN DAIRY CONFERENCE Harrisburg, December 3, 2019 9:00 AM – 4:00 PM
KEYSTONE FARM SHOW, York, Jan. 7-9, 2020
PENNSYLVANIA FARM SHOW, Harrisburg, Jan. 10-18, 2020

More on

In our last edition, we covered some of the basics of the REAP program, where farmers earn PA tax credits for installing "Best Management Practices" that enhance farm production and protect natural resources. Each year, the State Conservation Commission fine-tunes the tax credit program, so we asked Joel Semke, REAP Coordinator, to provide an update to our Ag Team.

- Annual allocation was raised from \$10 million to \$13 million.
- Cap per Ag operation lifetime limit was raised from \$150,000 to \$250,000 in any 7-year period.
- Credits can now be applied to entire joint tax returns.
- Legacy Sediment Project reimbursement rate increased from 25% to 50%
- Although tax credits are issued after the installation of a practice or purchase of eligible equipment, farmers can apply ahead of time and credits can be reserved.
- You can apply for REAP credits for past equipment purchases. Equipment must still be owned by you and have been purchased in the last 7 years for new equipment and 3 years for used.
- Labor completed by the farmer on the construction and installation can be included in the costs submitted. Farmer must keep track of hours.

The Conservation Excellence Grant Program – part of the 2019 Farm Bill – provides the framework to combine CEG grants, REAP tax credits and Agri-Link low-interest loans leaving the farmer with very little debt on the project.

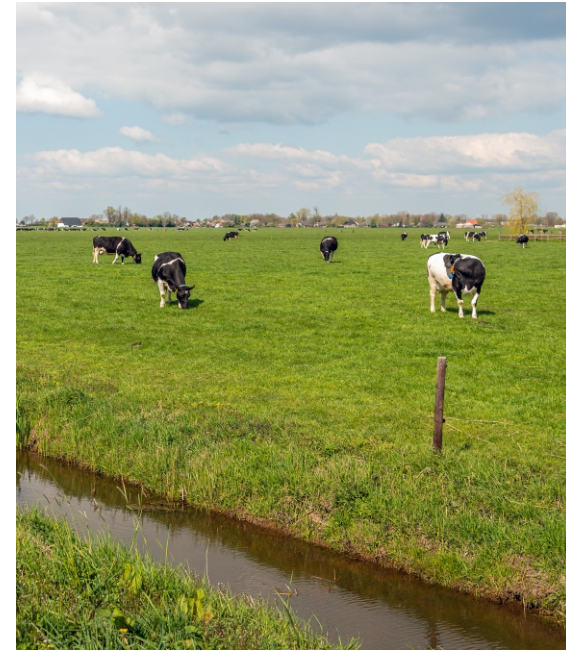


REAP credits can be transferred to family members or others outside of the joint return. To do so, farmers must claim the credit against PA taxes the first year it is issued, and wait one calendar year from the date of issuance. The assignee or purchaser must use the credit in the

year it was transferred, and they can only pay 75% of their tax bill with the credit. The income/gain from selling REAP credit is reportable at all levels. Farmers can sell/transfer credits at any time and at multiple times within the 15-year window. Farmers may sell credits by finding a buyer, a tax credit broker, or contacting a First Citizens Ag Banker.

REAP Tax Credit applications are now being accepted.

Visit agriculture.pa.gov for program guidelines and applications.



Employee HIGHLIGHTS



AN INVESTMENT IN KNOWLEDGE PAYS THE BEST INTEREST

~BENJAMIN FRANKLIN

Ag Team Lenders **Chris Landis** (top) and **Sean McKinney** (bottom) will attend the Ag Bankers Conference in Dallas, Texas this month. They'll be studying trends in land values, alternative proteins, common traits among successful farms, and preparing to help their agricultural customers improve business liquidity.

Training also includes a look at special Ag programs, such as crop insurance, FSA Guaranteed Loans, USDA Loan Guarantees, and Rural Investing with Small Business Investment Companies. Our Ag team knows true customer service is about being in touch with the intricacies of the farm as a business and guiding customers in their growth. Chris and Sean will share what they've learned with our Ag team as they plan for a successful 2020!

PENN STATE EXTENSION WORKSHOPS | ONLINE COURSE BEE KEEPING 101. The science and practice of beekeeping for beginning beekeepers. Bee biology and behavior, hive management, equipment, bee products. Visit www.extension.psu.edu for more information.