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An Exciting Year for First Citizens Ag Team

Well, it's been quite a year for the First Citizens Ag Division. Expanding our highly-experienced teams into the central and south central regions of Pennsylvania has already afforded recognizable benefits to our organization and the farmers in these communities. Our expansion has not just been geographic, as we've also gained important expertise in other lines of Agriculture including swine, poultry, crops and other Ag interests. Our Ag team now has a combined total of over 350 years' experience in Agriculture, which can only mean good things for you, our customers.

We've got the momentum to make 2017 another exciting and productive year for our customers and our organization. We will continue to build lasting partnerships with more Agribusinesses so we can learn more, share what we learn and use it to help the Ag community prosper. At the root of our expertise is the fact that most of us, including myself, have been or continue to be farmers. So, you'll find us in more Ag organizations and committees, and at more Ag events than ever before because we truly are part of the network. We believe that our history as farmers creates an innate interest in helping the industry of Agriculture thrive, and that's what makes us different. We hope you can see this as well.

On behalf of the First Citizens family, I'd like to thank you for your continued trust in us and extend our wishes for a healthy and prosperous New Year.

Randy

Our Ag team from left to right: Back row: Francis Strause; Kiera Meyer; Sean McKinney; Jason Landis; Erin Cole; Dave Morris. Front row: Jeffery Bollinger, Chris Landis; Dwight Rohrer; Randy Black; and Blaine Fessler



Providing a Unique Educational Experience

First Citizens recently donated \$10,000 to The PA Friends of Agriculture, whose mission is preserving and promoting Agriculture throughout the state. They help students make the connection between Agriculture and the food on their table. The group uses a Mobile Ag Lab, which allows students grades K-8 to perform hands-on experiments related to Ag. The Lab, which has reached over 1,000,000 students in 96% of PA counties, is funded by donors like First Citizens.

Pictured from left are: Lou Sallie, PFB Agriculture Administrative Secretary; Chris Hoffman, PFB Vice President; and Blaine Fessler, VP and First Citizens Ag Lender and Team Leader.



We Put Farmers First



Reminder – The application deadline for our annual Ag Scholarship is March 15th!

\$1,000 is awarded to a senior high school student continuing their education in an agricultural-related field. The scholarship will be paid out to the recipient for their second year in college or trade school, upon receipt of the recipient's prior year transcript. The scholarship requires a cumulative GPA of at least 3.0, and the recipient must reside in the First Citizens market area. Preference will be given to students who are customers or have family members as customers. For more information, or to apply, visit our website at firstcitizensbank.com/community.

Cook's Column

Lasagne Soup

Ingredients:

- 1 lb. sweet Italian sausage
- 2 c. chopped onions
- 1 c. diced carrots
- 2 c. sliced mushrooms
- 2 tbsp. minced garlic
- 5 c. chicken broth
- 2 14-oz. cans diced tomatoes
- 1 c. dry Mafalda pasta
- 2 c. chopped fresh spinach
- 1 c. diced mozzarella
- Shredded Parmesan
- Thin sliced basil

Directions:

1. Brown sausage in large saucepan over medium-high heat. Add onions, carrots, and saute for 3 minutes. Stir in mushrooms and garlic and saute for 3 more minutes.

2. Add broth and tomatoes and bring to a boil. Stir in pasta and simmer until cooked, about 10 minutes. Add spinach and cook until it wilts.

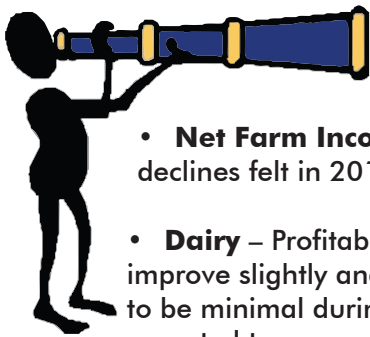
3. To serve, place diced cheese in each serving bowl, then ladle soup over to melt. Garnish with Parmesan/basil.

Makes 9 cups

Submitted by:
Aletta Schadler



Have a great farm-fresh recipe you'd like to share? Mail or e-mail a copy to us at: fccbinfo@firstcitizensbank.com



2017 Agricultural Outlook

- **Net Farm Income** – Expected to rise over the next few years after the sharp declines felt in 2015 and 2016.
- **Dairy** – Profitability during 2017 should improve over 2016 as milk prices improve slightly and feed costs remain low. Milk production expansion is expected to be minimal during 2017 as cow numbers remain steady. The all-milk price is expected to average \$17.19.
- **Cattle** – Domestic demand for beef grew slightly during 2016. Per capita consumption is expected to increase to 79.5 lbs per person in 2017 with total beef production expected to increase slightly to 25.7 pounds. U.S. herd numbers are increasing after recent years of decline. Prices are expected to remain on average around \$128 per hundredweight with Feeder steer prices averaging around \$167 per hundredweight.
- **Broilers** – Broiler production increased by 1.5% in 2016 and is expected to increase by less than 1% in 2017 as lackluster improvement in export markets has moved more production into domestic markets and lowered returns. During 2017, prices are expected to average around \$0.90 per pound. An increase of 2.5% is expected for the export market. With feed prices remaining stable in 2017, the industry should see positive profit margins.
- **Turkeys** – Production for 2016 increased by 6.6% as 2015 production was negatively impacted by avian influenza. The aftershock of the avian influenza outbreak was positive for pricing in both 2015 and 2016. Production is expected to increase by around 5% during 2017, as producers expand based on strong market pricing. Improvement in export markets is expected as trade moves toward more historic levels. Turkey prices are expected to average around \$1.14 for 2017, which coupled with relatively low feed costs, should help producers maintain positive returns despite production increases.
- **Layers** – Egg production increased by approximately 5% during 2016 as the result of production returning after 2015's avian influenza losses. Production is expected to increase by around 3% as producers continue to rebuild flocks. Prices are expected to average \$1.09 per dozen. With this in mind, producers will see some improvement in returns after a weak 2016 due to higher production and a slow improvement in domestic use.
- **Swine** – Hog prices continued to decline during 2016. Net prices on a carcass weight basis were 18% below the five-year average. Pork production is expected to increase to 25.4 billion pounds in 2017 with per capita consumption expected near 64.5 pounds. 2017 is showing some signs of price improvement but will remain below the five-year average hog price. With production levels remaining flat, 2017 should improve producer profitability with feed costs remaining low.
- **Corn** – During 2017, fertilizer prices are expected to decline and seed prices are expected to remain generally flat. Profits are expected to decline due to lower prices per bushel. Projected prices are expected to average \$3.50 for the 2016/2017 marketing season (as compared to \$3.60 for 2015/2016) based on the crop estimate and expected demand.
- **Soybeans** – Profitability during 2017 will decline slightly as the result of lower pricing based on higher production for the year. Prices are expected to average \$8.90 per bushel.

References:

Farm Sector Income & Finances, USDA Economic Research Service
U.S. Outlook, Beef; Broiler/Poultry; Pork; Corn; Soybeans; Dairy, September / November 2016 editions; IHS Global, Inc.
USDA Economic Research Service

First Citizens Annual Ag Forum Dates Announced for 2017

Mark Your Calendar
March 7, 2017 – Tioga County Fair Grounds, Whitneyville
March 8, 2017 – Farm Show Complex, Keystone Conference Center in Harrisburg

If you've attended our previous Ag Forums, you know that it's something you don't want to miss. If you haven't, mark your calendar now! This year, our guest speaker is Dr. Ron Hanson, who will speak about farm succession planning for the next generation. This is a growing issue and one that has its share of both financial and emotional family challenges. Professor Hanson has counseled Nebraska farm families for 40 years, helping them resolve family issues involved with the farm business, ownership, family succession and the transfer of management control between farming generations.



Dr. Hanson recently retired from the University of Nebraska-Lincoln and currently serves as the Harlan Agribusiness Professor Emeritus. During his 46 years teaching and advising college students in Agribusiness, he earned 31 university and national awards. Ron was the first University of Nebraska professor to receive the prestigious USDA Excellence in University teaching from the U. S. Department of Agriculture which is the highest national teaching honor granted in the area of Agriculture and Food Science.

First Citizens Trust and Investment Services can also help with the succession planning process by tailoring buy sell agreements as part of your plan. We have a licensed attorney on staff to help with the design and execution of your estate plan as well.

Look for Us at These Other Upcoming Events:

1/10 - 1/12 - Keystone Farm Show, York | Booth #532
2/8 - 2/9 - PA Dairy Summit, Lancaster
2/21 - Keystone Pork Expo and Poultry Progress Day, East Earl



Customer Spotlight Flying High Farms Randy & Judy Good

Randy and Judy Good operate Flying High Farms, with over 40,000 free-range chickens. Although they both grew up on a dairy farm, they took different career paths which didn't leave much time for their growing family. So in 2012 they made a decision to change all of that when they decided to do more than just live on their 40 acres southwest of Selinsgrove. The idea of free-range chickens was appealing to them, so they learned all they could from other successful free-range egg farmers and built two 20,000 hen barns in 2013. Their 40,000 chickens have 3 square feet of pasture per bird, exceeding the standard for free-range. They ship about 260,000 eggs per week that are marketed as cage free, free-range by Pete and Gerry's and Nellie's Nest. But their interests don't end there – Judy continues to work part-time as an MRI technician and Randy grows beans and corn, is a volunteer fire fighter, and an EMT. He's also a licensed pilot and he and a friend have an aerial photography business.

Congratulations Good family for finding a way to live well, enjoy what you do, make time for family, and help support the growing market for free-range eggs!

