

Illinois Finance Authority  
Agriculture Committee Meeting  
May 5, 2009  
10:30 a.m.  
Via Teleconference

Agenda

- I. Review and approval of the April 7, 2009 Minutes
- II. Discussion of the following:
  - BFB – Jason W. Kane - \$250,000
  - Agri-Debt Guarantee – Mark and Karen Donoho - \$413,950
- III. Other Business
- IV. Adjourn

**D R A F T**

**MINUTES OF THE APRIL 7, 2009 MEETING OF THE AGRICULTURE  
COMMITTEE OF THE ILLINOIS FINANCE AUTHORITY**

The Agriculture Committee (the "Committee") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held an Agriculture Committee Meeting via teleconference at 9:30 a.m. on April 7, 2009 at the Illinois Finance Authority, 180 N. Stetson, Suite 2555, Chicago, Illinois:

**Members participating by  
phone:**

Michael W. Goetz  
Bradley A. Zeller

**Members absent:**

Edward H. Leonard, Sr.

**Staff:**

John Filan, Executive Director  
Christopher Meister, Deputy  
Director & General Counsel  
Eric Reed, Senior Funding Manager  
Carla Burgess Jones, Board  
Secretary

**Members present:**

None

**Staff Absent:**

None

**Others**

None

**GENERAL BUSINESS**

**Call to Order and Roll Call**

The meeting was called to order at 9:28 a.m. The following agricultural project(s) were presented for review and will be recommended for approval at the April 14, 2009 Illinois Finance Authority Board Meeting.

**Approval of Minutes**

Mr. Zeller asked if there were any concerns regarding the approval of the March 9, 2009 Agriculture Committee Meeting Minutes. There being none, a motion was moved by Mr. Zeller and seconded by Mr. Goetz.

**Discussion and approval of the following Beginning Farmer Bonds:**

Kal Engelkens - \$240,000  
Cody Purdom - \$120,000  
Paul Shepherd - \$110,000  
Brian & Evelyn Bielfeldt - \$95,000

Mr. Reed, Senior Funding Manager gave a description of the purpose for each of Beginning Farmer Bonds request for financing.

Mr. Zeller asked if the Committee had any objections to recommending the Beginning Farmer Bonds for final approval. There were no objections. Mr. Zeller announced that the above noted Beginning Farmer Bonds will be presented for final approval to the Board at the next scheduled board meeting.

### **Update on Applewood Farms, LLC**

Mr. Reed gave an update on the Applewood Farms, LLC project that was previously approved by members of the Ag Committee at the February 3, 2009 meeting, and was then presented for final approval at the February 10, 2009 meeting of the Board of Directors. Mr. Reed stated that in general the treatment plans to combat the virus that was affecting the wienie pigs was on schedule, and because of the treatments pig sales are rising. Mr. Reed further stated that Applewood is also receiving good prices on the feeder pigs.

A brief discussion ensued concerning the status of Applewood Farms increase in sales as well as the current status of the company's financials. Members asked questions, and Mr. Reed satisfactorily addressed those questions.

### **Adjournment**

Mr. Zeller asked if there was any other business to come before the Committee. There being none. Upon a motion by Mr. Goetz and seconded by Mr. Zeller, the meeting adjourned at approximately 9:41 a.m.

Respectfully Submitted,

Carla B. Burgess Jones  
Secretary

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors  
From: Eric Reed/lk  
Date: May 12, 2009  
Re: Overview Memo for Beginning Farmer Bonds

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- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolutions for each attached project
- **Amounts:** Up to \$250,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$250,000.00**
- **Calendar Year Summary:** (as of May 12, 2009)
  - Volume Cap: \$15,000,000.00
  - Volume Cap Committed: \$4,241,486.00
  - Volume Remaining: \$10,758,514.00
  - Average Acreage Farm Size: 85
  - Number of Farms Financed: 21
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - convey tax-exempt status
    - will use dedicated 2009 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees:**
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's Bank
  - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**  
Stephen F. Welcome, Esq.  
Three First National Plaza, Suite 4300  
Chicago, IL 60602

<b>Project Number:</b>	<b>A-FB-TE-CD-8238</b>
<b>Funding Manager:</b>	Eric Reed
<b>Borrower(s):</b>	<b>Kane, Jason W.</b>
<b>Borrower Benefit:</b>	First Time Land Buyer
<b>Town:</b>	Smithshire, IL
<b>Amount:</b>	\$250,000
<b>Use of Funds:</b>	Farmland – 188 acres
<b>Purchase Price:</b>	\$500,000 / (\$2,660 per ac)
%Borrower Equity	0%
%Other Agency	50%
%IFA	50%
<b>County/Region:</b>	Warren / West Central
<b>Lender/Bond Purchaser</b>	Midwest Bank of Western IL / Brad Ray
<b>Legislative Districts:</b>	Congressional: 17 <sup>th</sup> , Phil Hare State Senate: 47 <sup>th</sup> , John Sullivan State House: 94 <sup>th</sup> , Richard Myers

Principal shall be paid annually in installments determined pursuant to a Twenty five year amortization schedule, with the first principal payment date to begin one year from the date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin one year from the date of closing with the twenty fifth and final payment of all outstanding balances due twenty five years from the date of closing.

**\*Jason W. Kane:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.00% fixed for the first five years and adjust every five years thereafter equal to prime as listed in the Wall Street Journal with a floor rate of 5.00%. IFA Fee: \$3,750



May 12, 2009

**\$413,950**  
**Mark and Karen Donoho**  
 AGRI- DEBT GUARANTEE,

**REQUEST** Purpose: Provide 85% loan guarantee in favor of Peoples National Bank to facilitate the restructuring of the borrower's debts.  
 Project Description: The proposed loan of \$487,000 is part of the overall refinancing package proposed by the lender. By refinancing their debts, the borrowers will be able to restructure debts properly and improve cash flow.  
 Program: Product Type: Agri-Debt Guarantee  
 State Treasurer's Funds at Risk:\$413,950  
 Conditions: none

**BOARD ACTIONS** Final  
 Voting Record: None prior

**MATERIAL CHANGES** N/A

<b>JOB DATA</b>	N/A	Current jobs	N/A	New jobs projected
	N/A	Retained jobs	N/A	Construction jobs projected

**BORROWER DESCRIPTION**

- Type of entity: Sole-Proprietorship
- Location: Keenes/Southern Region
- When was it established: 1979
- What does the entity do: Grain and pumpkin Farm
- Who does the entity serve: N/A
- What will new project facilitate: Refinancing of borrower's debts

**CREDIT INDICATORS**

**Proposed Structure** Originating Bank: Peoples National Bank  
 Collateral: 160 Acres Collateral Position: 1<sup>st</sup>  
 Corporate Guarantor: \_\_\_\_\_ N/A \_\_\_\_\_ Personal Guarantor: N/A  
 Maturity Years: 25 Years  
 Interest Rate: 6.5% fixed for 3 years

**Sources and Uses** New Bank Loan: \$487,000 Refinancing \$487,000

	Total	\$487,000	Total	\$ 487,000
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**Recommendation** Staff Recommends Approval

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
May 12, 2009**

**Project: Mark and Karen Donoho**

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**STATISTICS**

Project Number: A-DR-GT-	Amount: \$413,950
Type: Agri-Debt Guarantee	IFA Staff: Eric Reed
County/Region: Jefferson/Southern	City: Bluford

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**BOARD ACTION**

Final Resolution  
State Treasurer's Reserve Funds at risk: \$413,950      Extraordinary conditions: None  
Credit Committee Recommends Approval

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**VOTING RECORD**

None.

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**PURPOSE**

Use of proceeds: Refinance and restructure various existing debts for the borrower.

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**IFA PROGRAM AND CONTRIBUTION**

The Authority's Agriculture Guarantee Program guarantees up to 85% of a bank's loans to Illinois farmers and agribusiness owners. The Agri-Debt Restructuring Guarantee Program is available to assist farmers to consolidate and extend the term of agricultural debt. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve funded for this program and are also full faith and credit obligations of the State of Illinois. IFA's issuance of guarantees helps borrowers obtain debt financing at reduced rates of interest and improved terms.

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**VOLUME CAP**

N/A

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**JOBS**

Current employment: N/A	Projected new jobs: N/A
Jobs retained: N/A	Construction jobs: N/A

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**ESTIMATED SOURCES AND USES OF FUNDS**

Sources: IFA Guarantee:	\$413,950	Uses: Equipment Debt	\$268,000
Peoples National Bank	<u>\$73,050</u>	Carryover Debt	\$ 55,000
<b>Total</b>	<b><u>\$487,000</u></b>	Real Estate Debt	<u>\$164,000</u>
			<b><u>\$487,000</u></b>

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**FINANCING SUMMARY/STRUCTURE**

Security:	1 <sup>st</sup> real estate mortgage on 160 acres of farm land and all improvements.
Structure:	25 year term with annual payments of principal and interest.
Interest Rate:	See confidential section
Interest Mode:	Adjustable
Credit Enhancement:	IFA 85% Guarantee
Maturity:	25 years
Estimated Closing Date:	June 15, 2009

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### PROJECT SUMMARY

**Summary:** Mark and Karen Donoho are seeking to refinance various accounts payable, equipment debt, and real estate mortgages through Peoples National Bank. Peoples National Bank has proposed a 25 year loan in the amount of \$487,000, secured by a 1<sup>st</sup> mortgage on 160 acres of farm land. As part of the total refinancing package, Peoples National Bank will also originate a \$155,000 4 year term loan secured by equipment.

**Project Rationale:** With the approval of the proposed loan transaction, the borrower's debts will be structured properly and cash flow and liquidity will be improved. Due to cash flow problems and inconsistent cash flow, Peoples National Bank has requested an IFA guarantee to solidify the bank's position and allow the bank to continue with financing. The new loan will also provide significant interest rate savings for the borrower, as their current debts carry between 9% and 12% interest rates.

**Timing:** The proposed transaction is expected to close within 30 days of approval.

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### BUSINESS SUMMARY

Mark and Karen Donoho operate a 1,500 acre farm in Eastern Jefferson County. The Donohos raise yellow corn, white corn, soybeans, and pumpkins. The majority of their operation is devoted to the specialty crops of white corn and pumpkins, which are raised and sold on contract.

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### OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

**Applicant:** Mark and Karen Donoho  
**Project Location:** 23399 N. Heritage Lane  
Bluford, IL 62814  
**Borrower:** Mark and Karen Donoho  
**Ownership:** Sole Proprietorship

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### PROFESSIONAL & FINANCIAL

<b>Borrower's Counsel:</b>	N/A		
<b>Accountant:</b>	Aldag & Associates	Mt. Vernon	Louis Aldag
<b>Originating Bank:</b>	Peoples National Bank	Mt. Vernon	Mark Kabat
<b>Bank Counsel:</b>	N/A		
<b>IFA Advisors:</b>	D.A. Davidson & Co. Scott Balice Strategies, Inc.	Chicago Chicago	Bill Morris Lois Scott
<b>IFA Counsel:</b>	N/A		

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### LEGISLATIVE DISTRICTS

**Congressional:** 19<sup>th</sup>, John Shimkus  
**State Senate:** 54<sup>th</sup>, John O. Jones  
**State House:** 107<sup>th</sup>, John Cavaletto

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### SERVICE AREA

N/A

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### BACKGROUND INFORMATION

Mark and Karen Donoho operate a 1,500 acre grain and pumpkin farm in Eastern Jefferson County. The Donohos raise traditional row crops as yellow corn and soybeans, as well as specialty crops of white corn and pumpkins,



which are grown on contract. The Donohos contract the sale of their white corn with Atzeca Milling in Evansville, IN, while they grow pumpkins on contract for Frey Farms Produce headquartered in Keenes, IL.

Mark is 49 years old and has farmed all his life, while Karen is 51 and works as a part time teacher at Frontier College in Fairfield. Mark Donoho began working for Frey Farms Produce at the age of 19, which evolved into a partnership whereby Mr. Donoho now raises pumpkins for the Freys. The Donohos primarily raise jack lantern pumpkins for Frey's rather than pumpkins for processing. Most of their pumpkins are sold in retail locations such as Kroger and Wal-Mart.

Frey Farms Produce is headquartered in Keenes, IL with operations in also located in Poseyville, IN. In addition to pumpkins, the company also produces, distributes, and sells watermelons, cantaloupes, and ornamental gourds. The company maintains shipping locations in Georgia, Missouri, and Florida. Mr. Donoho states that Frey Farms is one of the largest producers of pumpkins in the United States and that he is Frey's largest grower.

The Donohos grow white on contract for Azteca Milling Co., which is headquartered in Irving, TX, also has operations in Evansville, IN. Azteca Milling Co. is the largest producer of corn masa flour in the United States. Their products are used by the tortilla, bakery, snack, and retail industry. The Azteca Milling plant buys white corn from farmers within an approximate radius of 60 miles of Evansville, including farmers in Southwest Indiana, Southern Illinois, and Western Kentucky. Azteca provides a premium payment to it's growers for white corn which is paid above and beyond the market price for traditional yellow corn. The location of Azteca in the area provides significant additional income for the farmers who contract with them.

**CONFIDENTIAL INFORMATION**

Estimated Fee: \$3,104

**INTEREST RATE:** The proposed interest rate on the loan will be fixed for the first 3 years at 6.5% and adjusted every three years thereafter at 1.5% above Wall Street Journal Prime.

**FINANCIALS**

<b><u>FINANCIAL DATA FOR:</u></b>	<b>5/15/07</b>	<b>4/20/08</b>	<b>4/6/09</b>	
Mark and Karen Donoho	<b>Year</b>	<b>Year</b>	<b>Year</b>	<b>Proforma</b>
Cash.....	5,000	19,000	5,000	78,071
Crops/Livestock.....	49,229	104,145	116,750	55,100
Other Current Assets.....	245,000	189,500	56,900	325,000
<b>Total Current Assets.....</b>	<b>299,229</b>	<b>312,645</b>	<b>178,650</b>	<b>458,171</b>
Farm Machinery/Equipment.....	534,018	616,450	562,875	562,875
Real Estate/Improvements.....	520,000	557,500	625,000	609,000
Other LT Assets.....	5,000	30,700	8,000	8,000
<b>Total Non-Current Assets.....</b>	<b>1,059,018</b>	<b>1,204,650</b>	<b>1,195,875</b>	<b>1,179,875</b>
<b>Total Assets.....</b>	<b>1,358,247</b>	<b>1,517,295</b>	<b>1,374,525</b>	<b>1,638,046</b>
Notes Payable.....	0	205,900	47,500	325,000
Current Maturities LT debt.....	56,513	0	15,356	42,915
Other Current Liabilities.....	187,050	34,000	241,528	0
<b>Total Current Liabilities.....</b>	<b>243,563</b>	<b>239,900</b>	<b>304,384</b>	<b>367,915</b>
Equipment debt.....	247,237	304,262	257,047	120,215
Real Estate Debt.....	155,691	161,607	148,957	478,960
Other LT Liabilities.....	0	1,800	1,300	0
<b>Total Non-Current Liabilities.....</b>	<b>402,928</b>	<b>467,669</b>	<b>407,304</b>	<b>599,175</b>
<b>Total Liabilities.....</b>	<b>646,491</b>	<b>707,569</b>	<b>711,688</b>	<b>967,090</b>
<b>Net Worth.....</b>	<b>711,756</b>	<b>809,726</b>	<b>662,837</b>	<b>670,956</b>
<b>Liabilities and Net Worth.....</b>	<b>1,358,247</b>	<b>1,517,295</b>	<b>1,374,525</b>	<b>1,638,046</b>
Working Capital.....	55,666	72,745	(125,734)	90,256
Current Ratio.....	1.23	1.30	0.59	1.25
Debt-to-asset ratio.....	0.48	0.47	0.52	0.59
Debt-to-worth Ratio.....	0.91	0.87	1.07	1.44

<b>Cash Basis Accounting</b>						
	2006	2007	2008	Average	Proj	
Crop/Livestock Sales	511,599	432,676	690,138	544,804	831,860	
Other Farm Income	116,798	61,472	180,427	119,566	0	
<b>Total Farm Income</b>	<b>628,397</b>	<b>494,148</b>	<b>870,565</b>	<b>664,370</b>	<b>831,860</b>	
General Operating Expenses	475,683	526,387	545,988	516,019	604,550	
Depreciation	33,667	29,159	81,338	48,055	30,000	
Interest Expense	29,171	41,676	73,643	48,163	62,000	
<b>Total Farm Expenses</b>	<b>538,521</b>	<b>597,222</b>	<b>700,969</b>	<b>612,237</b>	<b>696,550</b>	
<b>Net Cash Farm Income</b>	<b>89,876</b>	<b>(103,074)</b>	<b>169,596</b>	<b>52,133</b>	<b>135,310</b>	
<b>Accrual Adjustments</b>						
Stored Crops Adj.	0	54,916	12,605	22,507	0	
Accounts Rec. Adj.	0	18,000	16,200	11,400	0	
Prepaid Exp. Adj.	0	(73,500)	(72,200)	-48,567	0	
Accounts Payable Adj.	0	0	0	0	0	
<b>Accrual Adj. Income</b>	<b>89,876</b>	<b>(103,658)</b>	<b>126,201</b>	<b>37,473</b>	<b>135,310</b>	
<b>Repayment Margin Analysis</b>						
	2006	2007	2008	Average	Proj	
<b>Net Farm Operating Income</b>	<b>89,876</b>	<b>(103,658)</b>	<b>126,201</b>	<b>37,473</b>	<b>135,310</b>	
Add: Non-farm Income	25,354	25,163	26,640	25,719	26,500	
Add: Depreciation Expense	33,667	29,159	81,338	48,055	30,000	
Add: Annual Term Debt Interest	29,171	41,676	73,643	48,163	62,000	
Less: Income Taxes	(12,669)	0	(17,190)	(9,953)	(18,000)	
Less: Family Living W/D	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	
<b>Balance Available for Term Debt R</b>	<b>135,399</b>	<b>(37,660)</b>	<b>260,632</b>	<b>119,457</b>	<b>205,810</b>	
Principal on Term Debt	56,513	58,750	54,986	56,750	42,212	
Interest on Term Debt	29,171	41,676	73,643	48,163	62,000	
<b>Total Principal and Interest Pymts</b>	<b>85,684</b>	<b>100,426</b>	<b>128,629</b>	<b>104,913</b>	<b>104,212</b>	
<b>Equals Term Debt Coverage Ratio</b>	<b>1.58</b>	<b>(0.38)</b>	<b>2.03</b>	<b>1.14</b>	<b>1.97</b>	
<b>Equals Term Debt Repayment Marg</b>	<b>49,715</b>	<b>(138,086)</b>	<b>132,003</b>	<b>14,544</b>	<b>101,598</b>	
<b>COLLATERAL ANALYSIS:</b>						
Collateral Description	Value	Advance	Adj. Value			
Real estate	\$ 609,000	0.80	\$ 487,200			
<b>Total Collateral</b>	<b>\$ 609,000</b>		<b>\$ 487,200</b>			
<b>Total Loans Outstanding:</b>		\$ 487,000				
<b>Adjusted LTV:</b>		100%				
<b>Excess Collateral:</b>		\$ 200				

**FINANCIAL COMMENTARY:**

The financial statements are borrower prepared, reviewed and submitted by the lender. The lender also submitted tax returns for the years 2006-2008. The proforma balance sheet and cash flow projection were prepared by the lender.

The borrower has experienced a general decline in current assets over the past 3 years, most of which is due to a reduction in prepaid expenses. As a result working capital and liquidity have suffered to the point where the borrower has negative working capital of (\$125,734) and a large amount of carryover debt from resulting from losses in 2008. This is the primary reason for Peoples National Bank seeking to restructure the borrower's debts and obtain an IFA guarantee.

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The borrower's financial statements have actually been prepared after FYE, rather than at 12/31/XX, which would coincide with the borrower's tax returns. The borrowers experienced an operating loss in 2007, which resulted in an increase in notes payable reported on their 4/20/08 balance sheet. This shortfall, which was not addressed in 2008, is now reflected in increased accounts payable reported on their 4/6/09 balance sheet.

As current assets have declined, current liabilities have increased over the past 3 years. The most notable increase has been in payables, which increased over \$200,000 at the end of 2008. The increase in payables is a direct result of losses incurred the year before from a poor pumpkin crop. The lender states that extreme heat experienced in the summer of 2007, caused their pumpkins to be undersized and poorer quality, which resulted in a discounted sales price. The lender also states the heat damaged experienced by the borrower was the 1<sup>st</sup> year in ten years of operations.

As noted in the proforma balance sheet, the borrower's liquidity and working capital will be restored after the proposed loan is closed. With the proposed refinancing, working capital will again be positive and the borrower's current ratio will be an acceptable 1.25:1.

Fixed assets have essentially remained steady over the past 3 years and are comprised primarily of equipment, farm real estate and improvements, and retirement accounts.

Sales and overall revenue for the borrowers have fluctuated over the past 3 years, with a loss from operations of \$103K in 2007. However, the borrower recovered nicely in 2008 by posting sales of \$690,000 and overall revenue of \$870,000. This rebound in sales resulted in a profit of \$126,000.

Projected Sales for the farm are \$831K in 2009. Of the total sales, white corn sales are projected to be \$309K or 37% of total sales, while pumpkins represent \$260K or 31% of total projected sales. As stated earlier, the specialty crops raised by the borrowers are the key part of their operations and the major difference in their farm from traditional row crop farms in Southern Illinois. In 2009, the borrowers are projecting 567 acres of white corn and 130 acres of pumpkins. The remainder of their production varies between other traditional crops.

With the positive earnings in 2008, the borrower's debt service coverage improved dramatically from prior years to a ratio of 2:1. Under the proposed restructuring, the borrower's debt coverage is projected to remain strong at 1.97:1. Projected debt service for 2009 assumes the principal and interest payments for the proposed IFA guaranteed loan, a second loan in the amount of \$155K, secured by equipment, and an existing auto loan in the amount of \$19K. Peoples National Bank has also provided a \$325,000 revolving line of credit, secured by crops and equipment to finance 2009 crop input expenses.

Peoples National Bank has received appraisals on the subject real estate collateral of 160 acres, which reflect a total value of \$609,000. The 160 acres and improvements represent all of the borrower's owned real estate. The appraisals were prepared in November 2008. Under the bank's loan policy and IFA guidelines, 80% of the appraised value may be advanced, which equals \$487,200, which is adequate collateral for the proposed request.

The bank as provided current credit reports for Mark and Karen Donoho, which reflect scores of 624 and 704 respectively. Although nothing is reported on their credit reports, the lender states that the borrowers filed bankruptcy approximately 12-13 years ago because of medical bills related to a special needs child of theirs.

The lender states that the borrowers carry crop insurance on all crops. They carry revenue coverage, which guarantees between 65% and 75% of their projected revenue on row crops, and \$500 acre on their pumpkins, which would cover most of their input costs. Mr. Donoho also carries \$400,000 in term life insurance.

**Credit Concerns:** This credit provides three major concerns which are 1) Inconsistent debt coverage related to an operating loss in 2007 2) Poor liquidity with negative working capital 3) High leverage with a proforma debt/worth ratio of 1.44:1.

**Mitigating Factors:** 1) The borrowers have had positive earnings and strong debt coverage 2 of the past 3 years 2) The borrowers have sufficient collateral to secure the proposed loan 3) The borrower has a history of diversified operations, which provide them with various sources of crop revenue 4) Crop insurance coverage in place.

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