

March 2021

Greetings Farm Credit East Customer Owners,

I suspect we all recall a moment when the disruptive potential of COVID-19 first entered our minds. For me, that moment occurred on a grey afternoon in early March. I was driving home from a dairy producer gathering in Syracuse on a deserted I690 West. The hotel conference center I had just left was nearly abandoned, and in the parking lot I counted just two cars. Little did I realize it then, but that would be my last social gathering with farmers in 2020. The radio news was reporting the day's emergency 50 bps rate cut by the Fed, local college closings and likely postponement of the NCAA Basketball tournament. As I drove, a million dark thoughts raced through my mind about the near term impact on our business. I will carry memories of that drive to the end of my days.

One year in, I choose to reflect on the positives. Our agriculture businesses have mostly weathered the storm. For a variety of reasons, most notably the incredible resiliency of producers, the worst of financial forecasts never fully materialized. Hearing customer stories of their efforts to keep employees and families healthy, all while adapting operations and marketing plans to preserve revenue streams, has been inspiring. Churchill once said, "A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty." Never doubt the power of a farmer's optimism.

At FCE, management's discussion of our Business Interruption Plan is an annual board exercise. Simulations of that plan are more difficult. Yet when it mattered most, when our core competency of serving customers was threatened, our best in class staff executed with remarkable speed and effectiveness. Don't dismiss the enormous effort they expended on our behalf. The flow of credit was maintained, PPP loans were processed, financial services delivered and business stress was modified with forbearance actions when needed. All from make-shift home offices, around home schooling responsibilities, and concern for their own families. I have an overwhelming amount of respect for those who made it happen.

The pandemic is forcing an acceleration of future trends. Technology investments aided the ability of FCE to serve customers through the disruptions of the past year. Rapidly evolving financial technology will lead us into a vibrant future, enhancing everything we expect of our individual relationships and service from FCE contacts. Uniform digitization will create efficiencies and enable development of value additive products for our future business needs. FCE continues to stand as an institution that supports the long term promise and potential of northeast agriculture and maintains the humility to learn from and adapt to changing customer needs.

It is an exciting time to be a member of our cooperative. Service on your Board of Directors has been a considerable privilege. I am seeking your continued support as an elected Director from the West region. As you participate in your right of director selection, your consideration and support would be warmly appreciated. I wish you and yours the best in health and prosperity.

Sincerely,

John P. Knopf
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