

**CELEBRATING THE INDIVIDUAL STRENGTH
OF OUR COOPERATIVE SYSTEM**



TRADITION. SERVICE. EXPERTISE. TECHNOLOGY.
PRODUCT LINE. FAMILY. FELLOWSHIP.

THE REASONS FOR IDENTIFYING YOURSELF AS "CO-OP" ARE AS VARIED AS THE PEOPLE WHO PROUDLY WEAR THE MONIKER OF LIFELONG MEMBER OR DEVOTED CUSTOMER. CO-OP IS MORE THAN A HOMETOWN STORE OR EVEN A FARM SUPPLY COOPERATIVE. CO-OP IS A WAY OF LIFE INFUSED WITH THE PERSONALITIES, EXPERIENCES, AND MEMORIES OF A COLLECTIVE RURAL COMMUNITY OF THOUSANDS. TO BE CO-OP IS TO BE HOME.

THAT'S WHY IT'S EASY TO SAY: **I'M CO-OP.**



SHANE PETTY
CHIEF RANGER
TENNESSEE STATE PARKS
MARSHALL FARMERS CO-OP

SEARCH AND RESCUE



EACH YEAR, SHANE PETTY AND HIS BLOODHOUND, COPPER, CONDUCT DOZENS OF SEARCH-AND-RESCUE MISSIONS ACROSS TENNESSEE'S STATE PARK SYSTEM.

I'M A PARK RANGER WHO'S RESPONSIBLE FOR THE SAFETY AND SECURITY OF 53 STATE PARKS. **I'M AN EQUESTRIAN** — I WAS RAISED IN THE SADDLE AND NOW RIDE ONE OF THE MOST-PHOTOGRAPHED TENNESSEE WALKING HORSES IN THE STATE. **I'M AN ANDY GRIFFITH SHOW FANATIC.** **I'M A SEARCH-AND-RESCUE PROFESSIONAL** WHO HAS COORDINATED HUNDREDS OF MISSIONS THAT HAVE ENDED IN EITHER TRIUMPH OR HEARTBREAK. **I'M A DOG-LOVER** AND CONSIDER MY BLOODHOUND, COPPER, TO BE NOT ONLY A CHERISHED COMPANION, BUT A VALUED CO-WORKER AS WELL.

I'M SHANE PETTY AND **I'M** **CO-OP**®.



CLAY KELLEY
COTTON FARMER
TIPTON FARMERS CO-OP

COTTON IS STILL KING



SOME 75 PERCENT OF THE 5,000 ACRES CLAY KELLEY FARMS
IN TIPTON COUNTY ARE DEVOTED TO COTTON.

I'M A THIRD-GENERATION FARMER WHO IS PROUDLY WORKING
SIDE-BY-SIDE WITH THE FOURTH GENERATION SINCE MY SON, BILL, GRADUATED
FROM COLLEGE AND JOINED OUR OPERATION. **I'M A ROW-CROP
GROWER** MANAGING SOME 5,000 ACRES NEAR THE MISSISSIPPI RIVER, AND
COTTON IS STILL KING ON MY FARM. **I'M A FOURTH-TERM CO-OP
DIRECTOR** AND LOYAL TO THE CORE. **I'M AN AVID HUNTER** OF DEER
AND DUCKS IN MY RARE SPARE TIME. **I'M A HUSBAND AND FATHER**
AND RECENTLY BECAME A GRANDFATHER, TOO — AND I REALIZE THAT FAMILY IS
THE MOST IMPORTANT CROP OF ALL.

I'M CLAY KELLEY AND I'M 



STEPHEN MCBRIDE
FFA NATIONAL RUNNER-UP IN
PREPARED PUBLIC SPEAKING
COFFEE FARMERS CO-OP

VOICE FOR AGRICULTURE



COFFEE COUNTY FFA MEMBER AND 4-H'ER STEPHEN MCBRIDE FEEDS A COUPLE OF HIS ANGUS CATTLE ON HIS FAMILY'S BEECH GROVE FARM.

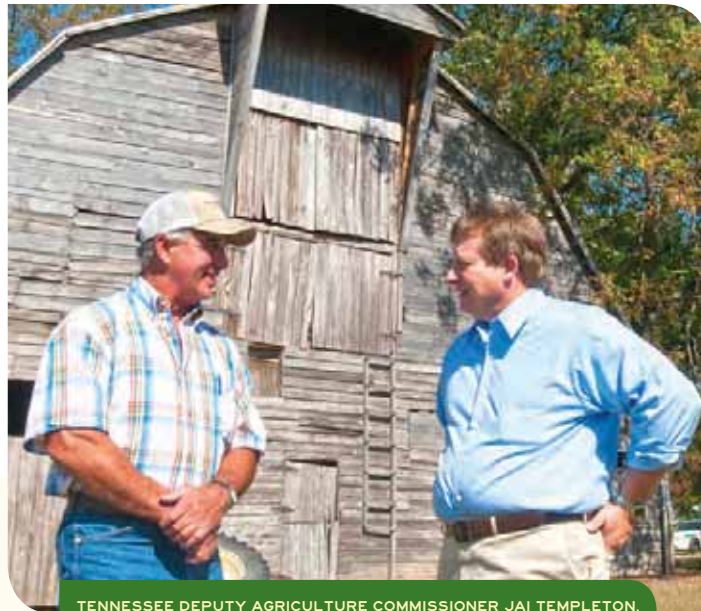
I'M PRESIDENT OF COFFEE COUNTY CENTRAL HIGH SCHOOL FFA AND AN ACTIVE 4-H MEMBER. **I'M A MASTER BEEF PRODUCER** OF REGISTERED ANGUS CATTLE — AND A STATE WINNER IN THE 4-H BEEF PROJECT. **I'M FOLLOWING IN THE FOOTSTEPS OF TWO OLDER BROTHERS** WHILE TRYING TO MAKE MY OWN MARK ON THE WORLD. **I'M FFA'S 2011 NATIONAL RUNNER-UP IN PREPARED PUBLIC SPEAKING**, WHICH HAS HELPED ME BECOME AN ADVOCATE FOR ANIMAL AGRICULTURE. **I'M AN ASPIRING AGRICULTURE PROFESSOR** AND THE VOICE OF THE NEXT GENERATION OF FARMERS.

I'M STEPHEN MCBRIDE AND **I'M** **CO-OP**.



JAI TEMPLETON
DEPUTY COMMISSIONER
OF AGRICULTURE
MID-SOUTH FARMERS CO-OP

LEADING THE WAY



TENNESSEE DEPUTY AGRICULTURE COMMISSIONER JAI TEMPLETON, RIGHT, VISITS WITH SOMERVILLE FARMER RUBE RHEA.

I'M A SIXTH-GENERATION FARMER WHO IS HONORED TO SERVE AS TENNESSEE'S DEPUTY COMMISSIONER OF AGRICULTURE — I KNOW FIRSTHAND THE CHALLENGES TODAY'S FARMERS AND RURAL COMMUNITIES FACE.

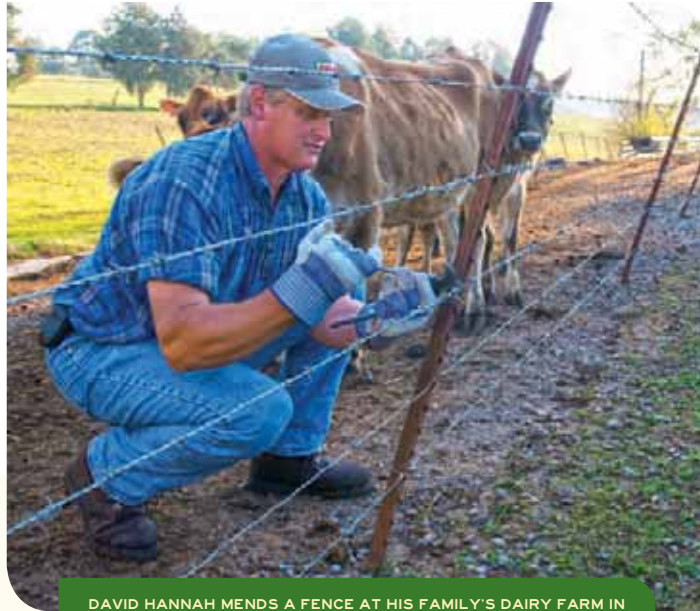
I'M THE FORMER MAYOR OF MCNAIRY COUNTY, WHERE I SPENT FIVE YEARS WORKING HARD TO IMPROVE THE LIVES OF RESIDENTS. **I'M A CO-OP MEMBER**, ROW-CROP GROWER, CATTLEMAN, AND HAY PRODUCER — WHEN I'M NOT IN NASHVILLE, THAT IS. **I'M A DEVOTED HUSBAND AND FATHER**, AND I WANT MY CHILDREN TO KNOW THE JOY AND SATISFACTION OF MAKING A LIVING FROM THE LAND.

I'M JAI TEMPLETON AND **I'M** **CO-OP**.



DAVID HANNAH
DAIRY FARMER
SOUTHEASTERN FARMERS
CO-OP

EVERY DAY A BLESSING



DAVID HANNAH MENDS A FENCE AT HIS FAMILY'S DAIRY FARM IN CLEVELAND.

I'M ONE-HALF OF HANNAH BROTHERS DAIRY, A DOUBLE CENTURY FARM THAT MY BROTHER, CHARLES, AND I OPERATE. **I'M A PROUD FATHER OF THREE CHILDREN** — LINDSEY, KAYLA, AND JOSH — AND HUSBAND TO BRENDA TO WHOM I'VE BEEN MARRIED FOR 30 YEARS. **I'M BOARD CHAIRMAN OF SOUTHEASTERN FARMERS CO-OP** AND ON BOTH THE BRADLEY COUNTY SOIL CONSERVATION BOARD AND BRADLEY COUNTY BOARD OF EQUALIZATION. **I'M AN ELDER** AT FLINT SPRINGS CUMBERLAND PRESBYTERIAN CHURCH. **I'M A MEMBER OF THE SONS OF THE AMERICAN REVOLUTION** — THE ONLY KNOWN REVOLUTIONARY WAR SOLDIERS BURIED IN THE COUNTY ARE ON THIS FARM.

I'M DAVID HANNAH AND **I'M** **CO-OP**.



JENNA GRIFFIN
REGISTERED NURSE
AND NEWLYWED
GIBSON FARMERS CO-OP

BRIDAL BLISS



JENNA GRIFFIN, RIGHT, ADMIRES THE SELECTION OF UNIQUE ITEMS IN GIBSON FARMERS CO-OP'S GIFT SHOP, WHICH IS OVERSEEN BY EMPLOYEES ROSE ALLMON, LEFT, AND ROBBIE RODGERS.

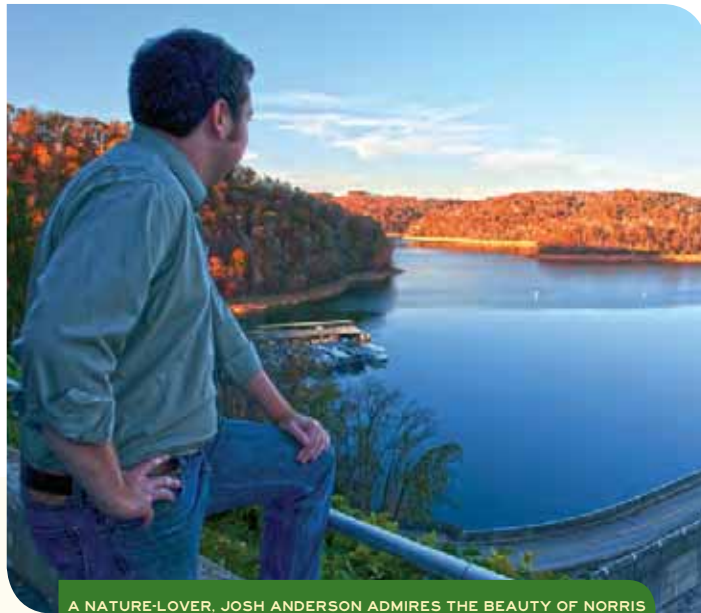
I'M A NEW BRIDE, MARRIED ON SEPT. 24, 2011, TO HUMBOLDT POLICE OFFICER PAUL GRIFFIN. **I'M NOT A FARMER**, BUT I LOVE SMALL-TOWN, RURAL LIFE AND THE HELPFUL, FRIENDLY FOLKS AT MY LOCAL CO-OP. **I'M THE PROUD RECIPIENT OF AN ARRAY OF UNIQUE AND USEFUL GIFTS** FROM THE CO-OP'S BRIDAL REGISTRY — I'M ESPECIALLY FOND OF MY NEW RED DISHES! **I'M A CARDIAC CARE NURSE** WHO LITERALLY HAS THE PATIENTS' HEARTS IN MY HANDS. **I'M AN OUTDOORS GIRL** WHO LOVES YARD WORK, FISHING, AND JUST ABOUT ANY ACTIVITY IN THE FRESH AIR.

I'M JENNA GRIFFIN AND **I'M** **CO-OP**.



JOSH ANDERSON
UNIVERSITY OF TENNESSEE
EXTENSION
ANDERSON FARMERS CO-OP

MUTUAL INTEREST



A NATURE-LOVER, JOSH ANDERSON ADMIRES THE BEAUTY OF NORRIS LAKE, WHICH IS LOCATED NEAR HIS HOME IN ANDERSON COUNTY.

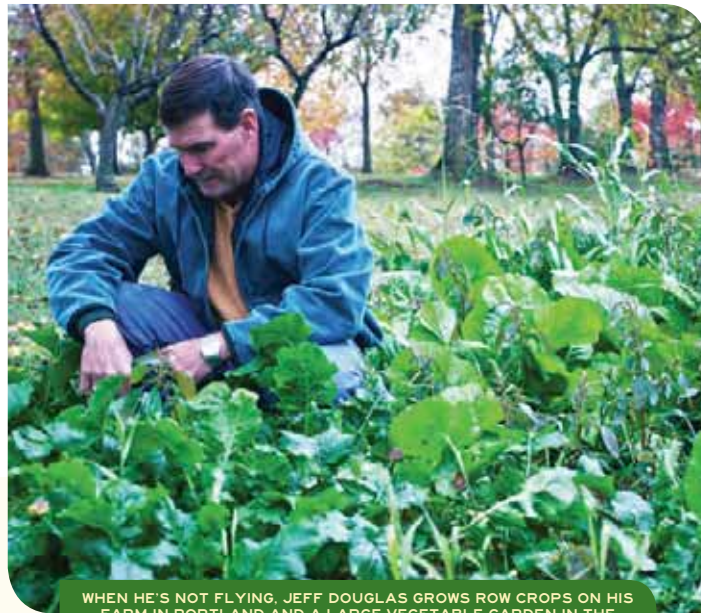
I'M AN ASSISTANT WITH UT'S PESTICIDE SAFETY PROGRAM. I'M A HOBBY FARMER — I GROW AND SELL SWEET CORN EVERY YEAR AND KEEP A FEW GOATS AROUND AS PETS. **I'M THE FOURTH GENERATION** TO LIVE ON MY FAMILY'S FARM IN HEISKELL. **I'M AN ANTI-QUER. I'M INTO GENEALOGY** — MY WIFE AND I HAVE TRACED FAMILY BACK TO THE MIDDLE AGES. **I'M A SOCIAL MEDIA ENTHUSIAST** WHO FOLLOWS CO-OP'S FACEBOOK PAGE. **I'M A BELIEVER** IN THE CO-OP SYSTEM, WHERE YOU CONNECT WITH PEOPLE WHO HAVE AN INTEREST IN YOUR SUCCESS BECAUSE IT DETERMINES THEIR SUCCESS.

I'M JOSH ANDERSON AND **I'M** **CO-OP**.



JEFF DOUGLAS
AIRLINE PILOT
SUMNER FARMERS CO-OP

FLYING FARMER



WHEN HE'S NOT FLYING, JEFF DOUGLAS GROWS ROW CROPS ON HIS FARM IN PORTLAND AND A LARGE VEGETABLE GARDEN IN THE BACKYARD OF HIS MT. JULIET HOME.

I'M A COMMERCIAL AIRLINE PILOT — FOR 22 YEARS I'VE HAD THE HONOR OF FLYING AMAZING TECHNOLOGY ABOVE OUR GREAT COUNTRY.

I'M A FARMER — I WAS RAISED RIDING THE FENDER OF MY GRANDDAD'S TRACTOR AND NOW OPERATE HEAVY EQUIPMENT IN THE SKY AND ON THE GROUND.

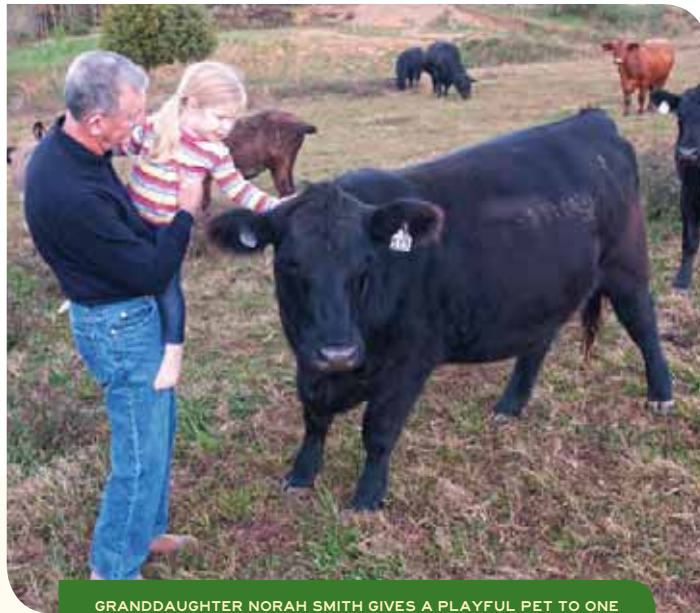
I'M A DEVOTED CHRISTIAN AND FAMILY MAN WHOSE PRIORITIES ARE GOD, FAMILY, AND FLYING/FARMING. **I'M A TRACTOR-PULLER**, AND THE THRILL OF SHOVING FORWARD THE THROTTLE OF MY TRACTOR IS MORE INTENSE — AND STRESSFUL — THAN POWERING THE THRUSTER LEVERS OF A HALF-MILLION-POUND JET AT TAKEOFF.

I'M JEFF DOUGLAS AND **I'M** **CO-OP**®.



JOHN MCGRAW
ORTHOPEDIC SURGEON
JEFFERSON FARMERS CO-OP

HEALING AT HOME, ABROAD



GRANDDAUGHTER NORAH SMITH GIVES A PLAYFUL PET TO ONE OF THE COWS ON JOHN MCGRAW'S NEW MARKET FARM.

I'M A PARTNER IN KNOXVILLE ORTHOPEDIC CLINIC AND OPERATE THEIR JEFFERSON CITY OFFICE. **I'M AN ARMY RESERVIST** JUST DEPLOYED TO AFGHANISTAN, WHERE I WILL USE MY MEDICAL SKILLS. **I'M TEAM DOCTOR** FOR JEFFERSON CITY HIGH SCHOOL AND THE TENNESSEE SMOKIES MINOR LEAGUE BASEBALL TEAM. **I'M PART-OWNER OF RADIO STATION WJFC** AND HOST MY OWN SHOW, "DOCTOR TO DOCTOR." **I'M A SUNDAY SCHOOL TEACHER** AT JEFFERSON CITY FIRST BAPTIST CHURCH. **I'M A HUSBAND, FATHER, AND GRANDFATHER. I'M A BEEF CATTLE FARMER,** AND WORKING WITH MY ANIMALS PROVIDES AN ESCAPE FROM ALL THE STRESSES OF HEALING HUMANS ON A DAILY BASIS.

I'M JOHN MCGRAW AND **I'M** **CO-OP**.



THOUGHTS FROM YOU



I'M CO-OP BECAUSE OF KNOWING I WILL GET QUALITY PRODUCTS & PROFESSIONAL SERVICE ALL AT A FAIR PRICE. I ENJOY KNOWING MY CO-OP PATRONAGE HELPS SUPPORT THE LOCAL AND STATEWIDE AREA FARMERS. 'GO CO-OP!' – *JEFFREY S. JONES*

I'M CO-OP BECAUSE I LOVE THE WAY OF LIFE. MY FAMILY WAS CO-OP. IN THIS DAY AND AGE QUALITY COUNTS AND I CAN ALWAYS COUNT ON MY SEVIER COUNTY CO-OP FOR QUALITY HORSE FEED AND QUALITY KNOWLEDGE AND SERVICE! – *DONNA PARTON*

I'M CO-OP BECAUSE THE PRINCIPLES OF COOPERATION TAKE YOU BEYOND A SIMPLE BUSINESS TRANSACTION TO A CONNECTION WITH PEOPLE WHO HAVE AN INTEREST IN YOUR SUCCESS, BECAUSE IT DETERMINES THEIR SUCCESS. – *JOSHUA ANDERSON*

I'M CO-OP BECAUSE IT'S MY EVERYTHING HORSE, DOG, CAT, YARD, PASTURE, BARN, TRUCK AND TRAILER STORE. IF I CAN'T FIND IT, THEY'LL FIND IT FOR ME. IF I NEED HAY, A HORSE OR BUSH-HOGGING DONE, SOMEBODY KNOWS SOMEBODY WHO KNOWS SOMEBODY. I'M CO-OP BECAUSE WE'RE FAMILY. WE TAKE CARE OF ONE ANOTHER. – *SUSAN HYDEN STINNETT*

I'M CO-OP BECAUSE THROUGH THE LAST 40 YEARS THEY HAVE ALWAYS BEEN THERE TO DEPEND ON AND NO DOUBT THEY WILL THERE IN THE FUTURE. A BIG THANK YOU FOR YOUR MANY YEARS OF SERVICE TO THE FARMERS IN ALL 95 COUNTIES OF TENNESSEE! – *HAL LUCKEY*



[WWW.FACEBOOK.COM/TENNESSEEFARMERSCOOPERATIVE](https://www.facebook.com/TENNESSEEFARMERSCOOPERATIVE)





2011 HIGHLIGHTS

- TFC added a new associate member: Henderson Cooperative in Henderson and Morganfield, Ky. Associate members have access to TFC products, services, and patronage but do not have voting rights. This brings the total number of associate members to seven.
- TFC's Retail Development Department helped to complete an impressive expansion and renovation at Sevier Farmers Cooperative in Sevierville with a grand reopening attracting huge crowds on Oct. 8. Many other smaller projects and long-term improvement plans were also made at member cooperatives and ADI locations.
- Stockdale's opened its new retail store in Bowling Green, Ky., on April 8, 2011, as planned. This is the first Stockdale's outside Tennessee and to be built from the ground up. TFC's two existing Stockdale's stores in Hixson and Covington recorded a sales increase of 2.3 percent over the previous year, while Stockdale's consolidated recorded an operating income of \$216,035 before administrative charges.
- Farmers along the Mississippi and Tennessee rivers saw history repeat itself with serious spring floods for the second year in a row. Late April rains caused devastating flooding that resulted in many farmers changing cropping plans, having to replant corn, losing wheat crops, or being unable to plant some acreage at all. The flooding came on the heels of deadly tornadoes that swept across Tennessee April 25-28, killing 38 people and damaging homes, farms, businesses, and property.
- Tennessee Farmers Cooperative made a \$50,000 contribution to help establish the Farm Animal Care Coalition of Tennessee (FACCT), a nonprofit organization that will be a proactive voice for humane animal care, well-being issues, and best management practices for farm animals. FACCT will advocate for the agricultural industry and serve as an educational resource for producers, consumers, lawmakers, and the media.
- Under a supply agreement finalized Dec. 2, 2010, Tennessee Farmers Cooperative is now sourcing the majority of its crop protection products from Winfield Solutions, a subsidiary of Land O'Lakes cooperative based in St. Paul, Minn. With a sales volume of \$3 billion annually, Winfield is the No. 2 wholesaler of crop protection products in the U.S.
- This agreement furthered a relationship with Winfield that began in 2008 when TFC began marketing Croplan Genetics as Co-op's proprietary brand of corn, soybean, wheat, and cotton seed. In 2011, market share grew 6 percent in hybrid corn and more than 10 percent in soybeans.
- The Winfield Solutions Answer Plots in Alamo, Manchester, Union City, Hopkinsville, Ky., and Decatur, Ala., hosted hun-



DENNIS MCCASLIN, RIGHT, CROPLAN GENETICS SALESMAN, CONDUCTS A SESSION AT AN ANSWER PLOT EVENT IN UNION CITY. OTHER SITES SERVING OUR REGION ARE IN ALAMO, MANCHESTER, HOPKINSVILLE, KY., AND DECATUR, ALA.

dreds of member Co-op personnel and growers at field-based knowledge events from early spring through late summer. These in-depth sessions show the latest crop protection, seed and nutrient technologies to address the unique growing conditions of growers in our area.

- TFC Agronomy introduced the new Winfield Solutions R7 tool to member cooperatives. This web-based, crop-planning tool uses maps and satellite imagery to reveal variability within each field. The technology draws from an archive of nearly 20 years of satellite imagery and weather data to help customers succeed in the field.
- TFC Crop Nutrients Department launched a new Nutrisolutions tool as part of our partnership with Winfield Solutions. The Nutrisolutions tool relies on in-season tissue-sampling for corn and soybeans, with analysis providing a detailed recommendation to identify and solve nutrient deficiencies before they impact crop yields.
- At the LaVergne Fertilizer Plant, a new conveying system from the rail lines to the building allows fertilizer to be unloaded five times faster than with the old mechanism. In place for spring 2011, the system offers speed that helps ensure product availability for member Co-ops and eliminates overtime for plant employees. Systemwide, TFC moved a total of 599,000 tons of fertilizer in 2011.
- With renovations that were completed in the summer of 2011, TFC's Halls Seed Plant is now operating with facility improvements that include an upgraded bagging line, expanded warehouse, new bulk bagging system, and new seed sorting, cleaning, and treating equipment.
- The Tires, Batteries, Accessories and Fuel Departments introduced several new products and programs to improve and complement current product offerings. The new Courser LTR and Courser STR light truck tire were added from the Mastercraft line, and the Co-op battery program was changed from direct-ship to a warehouse-only program for easier shipments. The complete rebranding of Co-op oil and grease products was also completed in 2011.
- In September, both Middle Tennessee State University in Murfreesboro and the University of Tennessee at Knoxville opened impressive new dairy facilities that will give students and researchers a state-of-the-art, hands-on learning laboratory.
- TFC gave youth livestock exhibitors another reason to work toward winning championship titles by earmarking special financial rewards for those who take home top awards with market goats, hogs, steers, and lambs at their respective state shows. The monetary awards will be doubled if the winning animals were fed Co-op-manufactured feeds.



TFC AGRONOMISTS JACK CHRISTIAN, LEFT, AND TOM BIBLE LEARN ABOUT WINFIELD SOLUTIONS' POWERFUL NEW WEB-BASED R7 TOOL THAT USES SATELLITE IMAGERY TO HELP GROWERS MAKE CROP-PLANNING DECISIONS.

- Congress passed the Food Safety Modernization Act of 2010 (FSMA), which redesigns food safety provisions and significantly expands the powers of the Food and Drug Administration (FDA) with respect to food — including animal feed, pet food and feed ingredients. The American Feed Industry Association (AFIA) was successful in assuring the legislation recognizes that animal feed processing should not be regulated exactly the same as food processing. The FSMA, however, does require all feed and food facilities to perform a hazard analysis and implement written preventive control plans. TFC's three feed mills are AFIA Safe Feed/Safe Food Certified through a program that establishes comprehensive standards that meet or exceed all federal and state regulations, including the FSMA.
- Several feed mill improvements were made in 2011, including the installation of a new processed grain-cleaning system at the Jackson facility and a new warehouse roof system at the LaVergne and Jackson facilities that should prolong the roof life by 20 years.
- As a key part of the ongoing Co-op Dairy Directions program, Co-op's Calf Feed Program was updated with the latest nutritional technology from Cooperative Research Farms (CRF) and university research. The centerpiece of the change was the introduction of Co-op Calf Primer/TCR. Despite dairy cow numbers declining throughout our region, sales of Co-op Calf Feeds exceeded the previous year's results.
- Co-op was named the "Official Feed" for the Tennessee chapter of the National Barrel Horse Association while continuing to hold the same designation with the Tennessee Walking Horse National Celebration, Brownland Farm (a premier hunter/jumper competition facility in Franklin), the Tennessee Quarter Horse Association, and the Volunteer Ranch Horse Association.
- Co-op sheep and lamb feed and goat feed lines were updated with new product names and packaging. While the products themselves weren't drastically changed, the names were rewritten to make them more descriptive of each feed's content and purpose, and new bags were designed. Inside those bags, the original formulations were evaluated and infused with the latest nutritional developments.
- An estimated 1,000 producers and Co-op personnel from across the state turned out for the second Co-op Knows Beef Bonanza on Aug. 23 at Miller Coliseum in Murfreesboro. The day-long event featured educational seminars, demonstrations, and a trade show of vendors showcasing livestock-related products.
- After several unsolicited inquiries, the Pro-Pet board of directors decided to accept an offer from HIG Capital to sell the company, of which TFC was part



OFFICIALS ESTIMATE THAT MORE THAN 1,000 BEEF PRODUCERS, VENDORS, SPECIAL GUESTS, AND CO-OP EMPLOYEES ATTENDED THE AUG. 23 CO-OP KNOWS BEEF BONANZA FIELD DAY AT MILLER COLISEUM IN MURFREESBORO.

owner. The terms of the sale include a long-term supply agreement to assure TFC continues to have its private label pet food brand, Action Ration, and distributor rights to the Big Red and Pro-Pet lines. The proceeds from the sale of the company are being distributed to TFC members and associate members as patronage based on pet food purchases.

- The annual Tennessee Beef Agribition made a successful move from Murfreesboro to the Ward Agricultural Center in Lebanon. Co-op donated two W-W sale rings to the popular event, giving the Co-op name and logo prominent exposure at Agribition and year-round during other livestock events held at the center.
- The popular Tennessee Agricultural Enhancement Program continued in 2011, offering some \$16 million to fund cost-share options in livestock equipment; cattle genetics; hay, feed, and grain storage; and producer diversification. Since its beginning in 2005, the program has helped farmers improve their operations and has been highly beneficial to Co-ops, where many applicants purchase their approved equipment.
- TFC's Metal Fabrication Plant in LaVergne, commonly called the "Gate Plant," celebrated its 40th anniversary of manufacturing innovative, quality farm hardware products — many of them conceived and designed by Co-op employees. In the more than four decades since the plant began operations, the product

line has expanded from mainly gates to hay and bunk feeders, corral panels, bale movers, and most recently mineral feeders, cone-style hay feeders, alley packages, and much more.

- Operations at LaVergne's Gate Plant have become quicker and more economical thanks to a new, custom-built tube-cutting machine that can cut 25-foot sections of tubing of various diameters into lengths below 60 inches, which includes dimensions commonly used on round-bale, bunk, and mineral feeders. Before, those shorter lengths had to be outsourced for cutting, adding cost and time to the manufacturing process.
- The Herdsman Brand, a farmer-owned, private-label line only available at Co-op, was expanded to include other hardware products beyond the initial offerings of barbed wire, hi-tensile wire, and field fencing. Debuting in 2010, the Herdsman brand has quickly gained the respect of member Co-ops and producers with the only wire guarantee in the market.
- At the start of football season in August, Co-op launched a sponsorship on the University of Tennessee's Vol Network, running 30-second radio spots during Bob Kesling's daily Vol Notebook reports, 30-second television commercials during weekly replays of UT games, and print advertisements in UT's football, men's basketball, and women's basketball guidebooks. The sponsorship runs until basketball season ends in April.



BENNY DANIEL, LEFT, OUTSIDE SALESMAN FOR DICKSON FARMERS COOPERATIVE, AND BEEF PRODUCER TIM PETTY DISCUSS THE WW/PRIEFERT CATTLE-WORKING SYSTEM TIM PURCHASED THROUGH THE TENNESSEE AGRICULTURAL ENHANCEMENT PROGRAM.

- Tennessee Farmers Cooperative became a major sponsor of Dollywood theme park's new thrill ride, the Barnstormer. Dolly Parton herself debuted the new ride March 25 when her namesake park in Pigeon Forge opened for its 26th season. As part of the sponsorship, the Co-op logo and "Your Hometown Store" slogan are featured on banners throughout the farm-themed area, and ride operators wear Co-op-branded straw hats.
- Tennessee Junior Livestock Exposition celebrated its 40th anniversary in July 2011 with Co-op continuing its longstanding support of this statewide tradition. Since the first Expo in August 1972, the program has documented participation from more than 30,000 youth, and many of today's exhibitors are second-, third-, or even fourth-generation participants.
- As a result of improved loss control, lower claims frequency and lower overall claim costs throughout the Co-op system, the TFC Risk Management Property & Casualty Insurance Program rates fell for the eighth consecutive year in 2011-12.
- In addition to lower premium rates, TFC's captive insurance company, Agricultural Risk Insurance Company, Ltd., issued a \$1 million policyholder dividend in December 2011. Total cash dividends returned to Co-op members participating in the Property & Casualty Insurance Program amounted to \$4 million over the past four years.
- The first International Year of the Cooperatives was launched by the United Nations on Oct. 31 to put an unprecedented spotlight on the advantages of co-ops around the world. The theme for the 2012 campaign is "Cooperative Enterprises Build a Better World."
- TFC maintained its focus on employee continuing education efforts in the past year and added several new successful programs. In early August, more than 75 percent of Co-op general managers participated in a conference that gave them a chance to openly discuss challenges and opportunities in the Co-op system. In early November, TFC introduced a new Targeted Education And Cooperative Applied Principles (TEACAP) session to key employees. This two-day event, held in conjunction with CoBank, focused on the changing ag environment and opportunities for Co-ops.
- TFC exhibited at the first Land and Wildlife Exposition Aug. 12-14 at the Opryland Hotel in Nashville. The Co-op booth featured a comprehensive, cross-department display of products for hunters, outdoorsmen, and landowners.
- TFC's Home, Lawn, Specialty Department added two new power equipment lines — Tanaka and Big Dog — which have proven popular with members and customers.
- TFC continued to grow its social media presence on popular networking sites like Facebook, Twitter, and YouTube.



DURING DOLLYWOOD'S 2011 OPENING DAY, LINES WERE LONG AS EAGER VISITORS WAITED FOR THEIR TURN TO EXPERIENCE THE NEW BARNSTORMER THRILL RIDE THAT IS SPONSORED BY CO-OP.

- TFC continues to help host and sponsor the FFA National Officer Experience across Tennessee, which includes a stop by the national officer team at TFC's LaVergne headquarters. The 2010-11 team included James Flatt of Lebanon as Southern Region vice president.
- The 11th edition of the 4-H/FFA commemorative Case knife, released in October 2011, raised \$25,000 for state 4-H and FFA organizations. That brings the total to \$200,000 given to agricultural education since the program began in 2001. This year's knife paid tribute to the 40th anniversary of the Tennessee Junior Livestock Exposition.
- TFC continued its tradition of providing students majoring in agriculture at the University of Tennessee at Knoxville, Tennessee Technological University in Cookeville, Middle Tennessee State University in Murfreesboro, and the University of Tennessee at Martin with 32 scholarships for \$1,500 each. These scholarships are awarded by each university to students who are from Co-op families and satisfy the requirements set up by TFC.
- TFC and its member cooperatives served as hosts for 18 interns in the summer of 2011. These college students representing universities and junior colleges in Tennessee and Kentucky worked 12 weeks at member Co-op locations and at TFC. The interns learned hands on about

the Co-op system and had an opportunity to be part of classroom training as well. Many previous Co-op interns have gone on to professional jobs within our system. Three specialized internships were also offered through partnerships with FFR, Croplan Genetics, and Tru-Test.

- TFC combined its two annual Buyers Shows into one comprehensive event in July at the Embassy Suites in Murfreesboro. A concert by country artist John Michael Montgomery highlighted the well-attended, two-day show.



COUNTRY ARTIST JOHN MICHAEL MONTGOMERY WAS THE HEADLINE ATTRACTION AT THE 2011 CO-OP BUYERS SHOW, WHICH COMBINED TWO TWICE-YEARLY SHOWS INTO ONE BIG EVENT IN JULY AT THE EMBASSY SUITES IN MURFREESBORO.



WITH HER GUIDE DOG, FRESCA, AIMEE HENDLEY, RIGHT, WAS AMONG THE 2011 INTERNS WHO SPENT 12 WEEKS THIS SUMMER WORKING IN THE CO-OP SYSTEM. AIMEE, WHO IS VISUALLY IMPAIRED, WORKED AT ROBERTSON CHEATHAM FARMERS COOPERATIVE IN SPRINGFIELD UNDER THE SUPERVISION OF OPERATIONS MANAGER ADAM BROWN.



THOUGHTS FROM YOU



I'M CO-OP! AND I'M PROUD TO BE CO-OP! TO BE 'CO-OP PROUD' MEANS YOU WEAR THAT TITLE 24-7-365. IT'S NOT JUST AN 8 TO 5 JOB. IT'S A LIFESTYLE YOU LOVE IF YOU CAN TRULY SAY 'I'M CO-OP.' IT'S NOT A JOB - IT'S A PRIVILEGE TO ASSOCIATE WITH THE FARMERS WHO RELY ON YOU TO ASSIST THEM WITH THEIR NEEDS TO PERFORM THEIR DAY-IN-DAY-OUT CHORES TO FEED THE NATION AND EVEN THE WORLD! - *NANCY DYER WALLS*

I AM CO-OP BECAUSE IT IS THE DRIVE BEHIND RURAL AGRICULTURE IN TENNESSEE. IT HAS BEEN PART OF OUR DAILY LIVES FOR MANY YEARS. ON APRIL 26, 2011, OUR HOME AND FARM WERE SEVERELY DAMAGED BY A TORNADO. WHEN DAYLIGHT BROKE, WE HAD PEOPLE FROM ALL OVER THE COMMUNITY PITCH IN A HELPING HAND. OUR LOCAL CO-OP WAS ONE OF THEM. SEVERAL EMPLOYEES WERE HERE HELPING PICK UP DEBRIS, MOVING SEED AND CHEMICALS, RE-PATCHING FENCES, AND SIMPLY OFFERING A KIND WORD. WORDS CANNOT EXPRESS HOW APPRECIATIVE WE ARE OF THE HELP WE RECEIVED, BUT WE ARE ABLE TO REPAY THEM BY SUPPORTING THEIR BUSINESS. I'M CO-OP BECAUSE CO-OP IS FAMILY! - *BRITTANY BAKER FOWLER*

I'M CO-OP BECAUSE I BELIEVE IN THE AMERICAN SPIRIT. WHERE LIKE-MINDED INDIVIDUALS CAN COME TOGETHER TO PROVIDE A BETTER WAY OF LIFE FOR THE COMMUNITY AROUND THEM! JOINED TOGETHER AS INDIVIDUALS WITHIN THIS CO-OP SYSTEM, WE CAN OVERCOME THE CRITICISM THAT SURROUNDS US AS FARMERS AND AGRICULTURALISTS AND STAND STRONG. THANK GOD FOR THE INTUITION OF FARMERS BEFORE ME, PROVIDING OPPORTUNITY FOR TENNESSEE AGRICULTURE TO BECOME WHAT IT IS TODAY! I'M CO-OP! - *BRANDON WHITT*



WWW.FACEBOOK.COM/TENNESSEEFARMERSCOOPERATIVE





OVERVIEW OF TFC

2011 TFC BOARD OF DIRECTORS

LARRY RICE
2011 CHAIRMAN
ZONE I DIRECTOR



WAYNE BROWN
2011 VICE CHAIRMAN
ZONE III DIRECTOR



LARRY PAUL HARRIS
ZONE I DIRECTOR



RICEVILLE DAIRYMAN JOHNNY BRADY IS ONE OF THE NEWEST DIRECTORS ON TFC'S BOARD, ELECTED TO A THREE-YEAR TERM AT THE 2010 ANNUAL MEETING.

AMOS HUEY
ZONE I DIRECTOR



CLINT CALLICOTT
ZONE II DIRECTOR



DONALD JERNIGAN
ZONE II DIRECTOR



KENNETH NIXON
ZONE II DIRECTOR



GEORGE SMARTT
ZONE III DIRECTOR



JOHNNY BRADY
ZONE III DIRECTOR



THE COOPERATIVE STRUCTURE

Today, Co-op in Tennessee includes TFC and 56 operating member cooperatives. At the very foundation of the highly successful cooperative system in Tennessee are the some 70,000 farmers who are member owners of the local Co-ops in their home counties. Of course, you don't have to be a member of the Co-op to shop there. Co-op offers quality products for everyone!

The more than 160 Co-op retail outlets, which operate in 84 of Tennessee's 95 counties, serve more than half a million customers across the state. Six member Co-ops also have branch retail stores in the neighboring states of Kentucky, Georgia, Mississippi, North Carolina, and Virginia. TFC also has seven associate members — one in Mississippi, three in Arkansas, one in Virginia, one in Kentucky, and one in Alabama.

Since ours is a federated cooperative system, there is a pyramid of ownership. The farmer members own their local Co-ops; those local Co-ops, in turn, own TFC. In conjunction with other regional cooperatives, TFC owns inter-regionals, which are cooperative businesses that focus on research, services, or manufacturing and distribution. This gives the farmer true ownership of his or her own farm supply and service organization.

LOCAL LEVEL

Each of TFC's member Co-ops is a separate, independent cooperative business controlled by farmer members. The farmer members, each of whom owns one share of voting stock, are responsible for electing a local board of directors, which establishes that particular Co-op's policies and employs the general manager. The daily operation of the business is under the direction and supervision of the general manager, who answers to the board of directors.

Another feature of the federated cooperative is that any savings above the cost of doing business are returned to the member patron on a patronage basis. Because savings are distributed locally, the money remains in the area where the Co-op is located.

STATE LEVEL

The cooperative system in Tennessee is divided into three zones, roughly reflecting the three Grand Divisions of the state — East, Middle, and West Tennessee. Three farmer-



AG EQUIPMENT USA'S BRETT NANNEY, RIGHT, AND REX MANN, LEFT, TALK WITH SAGEBRUSH METAL ART CO. OWNER KEN SARGENT ABOUT HIS HAY-HANDLING MACHINERY AT THE INAUGURAL AG EQUIPMENT FIELD DAY OCT. 25.

members from each zone are elected by member Co-ops to represent them on TFC's board of directors for a three-year term.

TFC operates from facilities in LaVergne in Middle Tennessee, Tenco near Knoxville in East Tennessee, and Jackson in West Tennessee. Each has its own distribution center, fertilizer plant, and feed mill. In addition, TFC's offices, metal fabrication plant, and farm equipment facility are located in LaVergne, and a seed conditioning and vegetable/lawn seed packaging facility are located at Halls in West Tennessee.

SUBSIDIARIES

Through the years, TFC has purchased and established subsidiary companies to provide additional services, extend TFC's reach into the other markets, and grow TFC's business. Though these companies are not operated as cooperatives, the revenue they generate and the services they provide strengthen the entire Co-op system. These subsidiaries are:

ADI & ADI Agronomy — ADI (Ag Distributors, Inc.) was formed in the fall of 1992 when TFC took over the lease at a wholesale fertilizer terminal on the Cumberland River in west Nashville. Today, ADI consists of two business units, ADI Wholesale and ADI Agronomy. ADI Wholesale is a provider of bulk and

bag crop nutrients to independent retailers across the Southeast. In 1995, ADI Agronomy, Inc. was created by the purchase of a network of independent retail farm supply stores and fertilizer terminals in the Bootheel of Missouri. After TFC's purchase of several former Agrilience locations in 2009, ADI Agronomy now includes 12 locations in Missouri, Arkansas, and Kentucky. Reflecting the area's rich crop production of corn, cotton, soybeans, wheat, and rice, these facilities offer mainly seed, fertilizer, crop protection products, and custom application services. Recently, several of the retail stores have added a larger selection of products, including home, lawn, and garden supplies, hardware, and clothing.

Stockdale's, LLC — Stockdale's: America's Rural Outfitter is TFC's retail initiative, established in 2006 as a way to better serve the rural lifestyle market. Currently, TFC has Stockdale's stores in Hixson, Covington, and Bowling Green, Ky. These attractive, conveniently designed stores provide a comfortable, welcoming environment and a large selection of quality products for the home, farm, and family. Product lines include clothing and footwear, pet and horse supplies, lawn and garden items, feed, fencing, tools, outdoor equipment for hunting and camping, gifts and home décor, and much more.

INTERREGIONALS

Not only does a farmer's involvement with his Co-op extend beyond the boundaries of his farm and home county, but it indeed reaches well outside Tennessee. TFC is associated with other farmer cooperatives in joint ventures to explore, develop, produce, and procure certain products, conduct research, and promote the cooperative way of doing business.

TFC's major interregional affiliates are:

Allied Seed, LLC — Enhances TFC's ability to provide quality forages, legumes, and turf grasses. TFC is an equal partner with two other regional farm supply cooperatives in the ownership of Allied Seed, which has processing facilities in Nampa, Idaho; Worland, Wyo.; and Albany, Ore. Allied grows, processes, and distributes turf grasses, forages, and legumes to its members and other companies worldwide.

FFR Cooperative — Manages and coordinates extensive genetic research in forage seed and testing in on-farm evaluations throughout major forage and crop production areas. Through its efforts, FFR shortens the time required to bring new crop varieties through the laboratory to the farmers' fields.



IN APRIL 2011, TFC'S THIRD STOCKDALE'S STORE OPENED IN BOWLING GREEN, KY. THE NEW 35,000-SQUARE-FOOT FACILITY HOUSES A WIDE PRODUCT MIX TO APPEAL TO THE AREA'S MIX OF RURAL AND URBAN LIVING.

Headquartered at Lafayette, Ind., FFR also conducts forage testing in Bowling Green, Ky. FFR is one of the few private forage seed research companies in the U.S. and supplies many of the grasses and clover used by farmers across the nation. FFR also does extensive wheat screening and testing throughout all U.S. crop production areas and has produced such outstanding varieties as Croplan Genetics 8302 and others.

Cooperative Research Farms (CRF) — Conducts research on animal nutrition and practical feeding problems for a wide variety of livestock at member research facilities as well as through external contracts with various universities and private research facilities. Headquartered in Richmond, Va., CRF continues to be a world leader in feed research, with owners from North America and Europe. CRF was founded in 1954, and TFC has been a member since 1965.

Universal Cooperatives, Inc. — Manufactures, processes, purchases, and distributes farm and home supplies such as automotive items, crop protection products, twine, and animal health products. Owned by 14 regional agricultural cooperatives, Universal has central offices in Eagan, Minn., and animal health distribution warehouses in Bowling Green, Ky., and Wichita, Kan. TFC is also an active member of Heritage Trading Company, a buying group formed under the Universal umbrella to collectively source products at quantities large enough to keep both prices and quality in check.

CoBank, ACB — A cooperative banking institution that offers a broad range of flexible loan programs and specially tailored financial services to agricultural cooperatives, rural utility systems, and Farm Credit associations. CoBank, headquartered in Denver, Colo., also finances agricultural exports and provides international banking services for the benefit of U.S. farmer-owned co-ops and American agriculture.

Tennessee Council of Cooperatives (TCC) — Promotes and advances cooperatives in the state. The council's membership structure is grouped into five categories: dairy cooperatives, farm credit organizations, farm supply cooperatives, rural electric cooperatives, and others, including tobacco warehouses, artificial breeders' associations, rural telephone cooperatives, livestock associations, marketing organizations, and the Farm Bureau.

National Council of Farmer Cooperatives (NCFC) — A nationwide association of cooperative businesses owned and controlled by farmers. NCFC is the voice of its members in legislative matters on the national level and serves as a clearinghouse in the collection and exchange of educational material.





WEAKLEY FARMERS COOPERATIVE MEMBER JACK OGG, WHO FARMS WITH SON SCOTTY IN MARTIN, WAS AMONG GROWERS REALIZING EXCELLENT YIELDS FROM CROPLAN GENETICS WHEAT VARIETIES IN 2011.

PRODUCT DEPARTMENTS

AG INPUTS DIVISION

Crop Protection

This department's overall mission is to supply member Co-ops throughout the state with crop protection products that promote plant health and control economically damaging weeds and insects. One growing segment of the business is the use of fungicides in the form of seed treatments as well as during the growing season. Product managers work closely with basic manufacturers to identify new products, track distributor and dealer programs, and make sure inventory is available to member Co-ops. With a supply agreement completed in December 2010, the majority of these products are now sourced through WinField Solutions, a subsidiary of Land O'Lakes cooperative and the No. 2 wholesaler of crop protection products in U.S.

Farm Seed

The Farm Seed Department continues to realize excellent growth in the sale of farm seed to member Co-ops and works closely with major seed vendors to provide a wide range of quality products for growers. Products include seed for major row crops and forages along with those for a growing wildlife segment. Through a supply agreement in 2008, Croplan Genetics, a cooperatively owned brand of Land O'Lakes, became the Co-op's proprietary line of corn, soybean, wheat, and cotton seed, which continues to show excellent growth throughout the system.

Crop Nutrients

The Crop Nutrients Department sources a wide range of plant food products from fertilizer manufacturing facilities in the U.S., Canada, and abroad. Fertilizer is delivered in bulk or bags through our extensive infrastructure to member Co-ops by rail, barge, or truck from a variety of river terminals and plants across Tennessee. By working closely with managers of member Co-ops to identify local needs, farmers can be assured that they have access to quality crop nutrients when and where they are needed.

Hardware

The Hardware Department is committed to serving member Co-ops and customers in the procurement, marketing and selling of hardware products and services. Its three main areas are farm hardware, which includes roofing, fencing, livestock equipment, and twine as well as miscellaneous items such as dog kennels, building supplies, electric fencers, and accessories; Ag Equipment USA, which sells farm implements and large spray and fertilizer equipment; and metal fabrication, which offers quality products manufactured at TFC's plant at LaVergne, including gates, hay rings, bunk feeders, bale-moving equipment, corral panels, mineral feeders, and other items.

Distribution & Logistics

Moving products from manufacturing points to member Co-ops and their customers in

the most efficient, cost-effective manner continues to receive top priority from TFC. In doing its important work, TFC's Logistics area is committed to developing creative strategies and taking advantage of available opportunities to enhance its level of service to member cooperatives in distribution and transportation. TFC continues its partnership with Averitt Dedicated Logistics to manage the dedicated truck fleet and maximize outbound and inbound truckload opportunities.

ANIMAL NUTRITION DIVISION

Meeting the feed and animal health needs of livestock producers and companion animal owners is the charge of the Animal Nutrition Division. The division has been researching, developing, formulating, manufacturing, and distributing quality feed products for the ever-changing marketplace for more than 65 years. Feed manufacturing facilities are located in Jackson, LaVergne, and Rockford (Tenco). In addition, the division buys and resells animal health products, pet food, livestock supplement products, salt, milk replacers, and various feed ingredients. Staff nutritionists, regional feed/animal health specialists, and a staff veterinarian work with member Co-ops and producers to improve livestock production practices across the region.

CONSUMER PRODUCTS DIVISION

Home, Lawn, Specialty

Home, Lawn, Specialty supplies a broad line of consumer items ranging from clothing and hunting supplies to power equipment and home heating products. Besides being basic

in lawn and garden items, including seed, chemicals, and hardware, the department also supplies inputs to non-traditional farming enterprises and offers a wide selection of pet and equine products.

Tires, Batteries, Accessories/Fuel

Each year, the TBA/Fuel Department provides tires and tubes, batteries, lubricants, grease, and fuel to member Co-ops. Many of the products are branded exclusively for the Co-op system. The department also operates and manages Mr. Tire, an affiliate program that helps member Co-ops provide optimum service in the consumer tire market.



PRODUCTS FROM TFC'S HOME, LAWN, SPECIALTY AND TIRES, BATTERIES, ACCESSORIES/FUEL DEPARTMENTS WERE AMONG THOSE SHOWCASED AT CO-OP'S BOOTH AS PART OF THE LAND & WILDLIFE EXPO AUG. 12-14 AT NASHVILLE'S GAYLORD OPRYLAND HOTEL.

SERVICE DEPARTMENTS

Accounting

From calculating amounts member Co-ops receive in a variety of programs to paying invoices and seeing that TFC employees receive their payroll checks, TFC's Accounting Department is the financial nucleus of the entire Co-op system.

Communications

This creative department has a wide range of responsibilities, including advertising, publications, promotions, publicity, meeting planning, Web design and content, photography, and corporate marketing. Since 1959, the department has published the **Tennessee Cooperator**, Co-op's membership maga-

zine that goes to some 100,000 subscribers. Recent communications efforts are incorporating new social media tools like Facebook, YouTube, and Twitter.

Customer Relations

This area includes member information systems, primarily focusing on the maintenance of the system's Merchant software; public relations, which involves legislative tracking, grants and bids, producer impact measures, and affiliations with other organizations; and new business development, charged with seeking new growth opportunities, measuring market share, and conducting competitive analyses. The Customer Relations Officer

also has responsibility of overseeing the separate areas of Communications, Member Services, Regional Managers, and Retail Development.

Employee Benefits Administration

This department manages insurance programs and pension plans for the entire cooperative system. Through the Co-op Health & Welfare Plan and Trust, all full-time employees of TFC and its participating member Co-ops have access to benefits that include health and life insurance, long-term and short-term disability insurance, dental insurance, and a Section 125 cafeteria plan. When the employee participates, family members are also eligible for health, dental, and dependent life coverage. The Co-op Pension Plan and Trust enables all employees of TFC and its participating member Co-ops to prepare for retirement through participation in a 401(k) defined contribution plan. Participants receive ongoing investment education to help them maximize their investment returns through stable value accounts and mutual funds.

Environmental Health & Safety (EHS)

Services provided by this department include property protection, employee and customer safety, and compliance with all Environmental Protection Agency (EPA), Occupational Safety and Health Administration (OSHA), Department of Homeland Defense Security (DHS), and other regulatory agencies. EHS also oversees the Safety Activities Program to assure employee participation for required OSHA training is up-to-date and complete and provides additional training materials and courses in defensive driving, first aid, cardiopulmonary resuscitation (CPR), and requested meetings for member Co-ops and TFC facilities. Loss control/compliance visits are conducted annually for member Co-ops and more frequently for TFC facilities, and the department also assists the members in required annual compliance reporting and updates of emergency and facility information.

Regional Accounting

The staff of the Regional Accounting Department provides a variety of services for member Co-ops as well as TFC. Highly qualified professionals offer accounting, payroll and tax services to member Co-ops along with educational and advisory assistance. Regional Accounting also offers internal audit and statistical analysis services. Member Co-ops benefit by receiving accurate monthly financial statements in a timely manner with detailed margin and expense analysis.

Financial Solutions

Co-op Financial Solutions (CFS) and AG Finance Solutions (AFS) are resources for the entire Co-op system and its subsidiaries in financing, credit, and risk protection. In addition to approving credit requests, setting credit limits, and monitoring accounts for payment, the department offers sales finance programs that are structured to meet the needs of individual farmers. Financial Solutions now serves 21 clients, including member Co-ops, Consolidated Agri Product (CAP) locations, ADI Agronomy, and Stockdale's. In addition to providing finance and credit options, CFS/AFS agents are underwriters for Producers Ag Insurance Group and Rain & Hail Crop Insurance Company and can assist producers with risk management policies that best meet their needs.

Human Resources

The Human Resources Department is responsible for several core functions, including recruiting and staffing, wage and salary administration, record-keeping, maintaining the Human Resources Information System, recommending policies and procedures, employee relations, ensuring compliance with state and federal laws, training, and supporting member cooperatives with human resources needs.

Information Systems

All computerized business functions of TFC and its member Co-ops are supported by the Member Data Services and Corporate Information Systems departments at TFC's headquarters. The majority of TFC's corporate information systems needs are provided through a contractual business alliance with EFC Systems, a company whose sole purpose is supplying expertise in the ever-changing world of computer technology. These departments are responsible for implementation, maintenance, and support of software applications, communications networks, hardware, operating systems, and telecommunications.

Legal

The staff attorney counsels TFC on a wide variety of legal issues that such a large and diversified company may encounter. The attorney also assists member Co-ops with matters such as bylaw revisions and sales tax questions and serves as a resource for general legal guidance.

Mailing and Printing

This department is the nerve center for hundreds of thousands of correspondence pieces received by and mailed from TFC's headquar-

ters each year. In its own shop, the group prints a wide variety of materials for TFC and member Co-ops and handles all shipping and receiving for the office.

Member Services

As its name implies, this department provides a variety of services to member Co-ops and TFC. Planning educational and training opportunities for employees, directors, and customers is one of the main priorities, including key responsibilities of TFC's management training program. Statewide managers' meetings, TFC's annual meeting, educational sessions for employees and members, promotional and marketing assistance, and a variety of other projects and events fall under the Member Services umbrella. The department also helps oversee 32 Co-op scholarships that four universities award each year to deserving agriculture students in Tennessee, administers an annual intern program, and works with youth activities.

Regional Managers

Just as each product department has field representatives who work closely with member Co-ops and their customers, TFC's own field staff operates independently with members as well. Work of this group, made up of four regional managers, dates back more than half a century. Although the regional managers support the entire system, they focus on working with member Co-ops in providing management counsel and helping with budgeting, long-range and facility planning, and environmental, health, and safety issues. Among other duties, they assist Co-ops with director training, planning board retreats, and board and management counseling and share responsibilities for

recruiting, hiring, and supervising candidates for TFC's management training program.

Risk Management Services

Risk Management Services Inc. is the entity that manages the Property and Casualty Insurance Program for the cooperative system. Through utilization of our own captive insurance company, TFC and the member cooperatives are able to take advantage of the economics of retained and shared risks in the areas of workers compensation, general liability, automobile liability, property, pollution, auto physical damage, directors and officers, employment practices, and excess umbrella liability. Risk Management is also responsible for claims management, insurance certificates, and bonding/surety needs of the members in addition to office and grounds maintenance, security, and management of the fleet of company cars and light trucks.

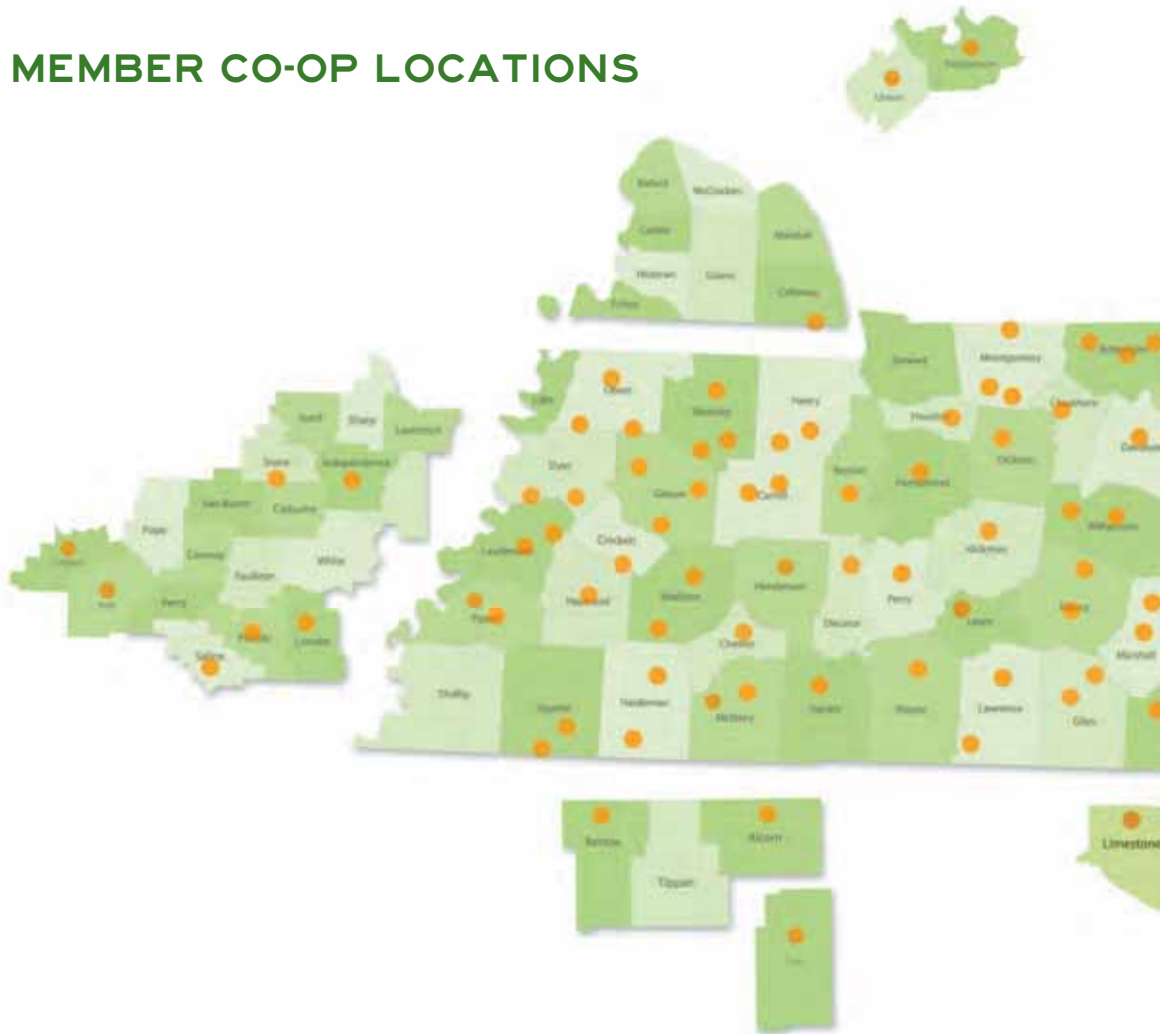
Retail Development

From assisting with the design and layout of new or renovated stores to developing a long-range master plan for property, TFC's Retail Development Department helps member Co-ops be more efficient and profitable in serving their customers. Assistance is provided in store design, education and training, and planograms, which guide member Co-ops in displaying and promoting key products. An important training tool is the Master Merchant Program, which provides Co-op employees with education and resources to design attractive showrooms, build effective product displays, improve customers' shopping experiences, and implement innovative merchandising ideas at their respective locations.



TFC'S RETAIL DEVELOPMENT DEPARTMENT WAS INSTRUMENTAL IN THE COMPLETION OF AN IMPRESSIVE NEW DESIGN AND EXPANSION OF SEVIER FARMERS COOPERATIVE'S CAMPUS IN SEVIERVILLE.

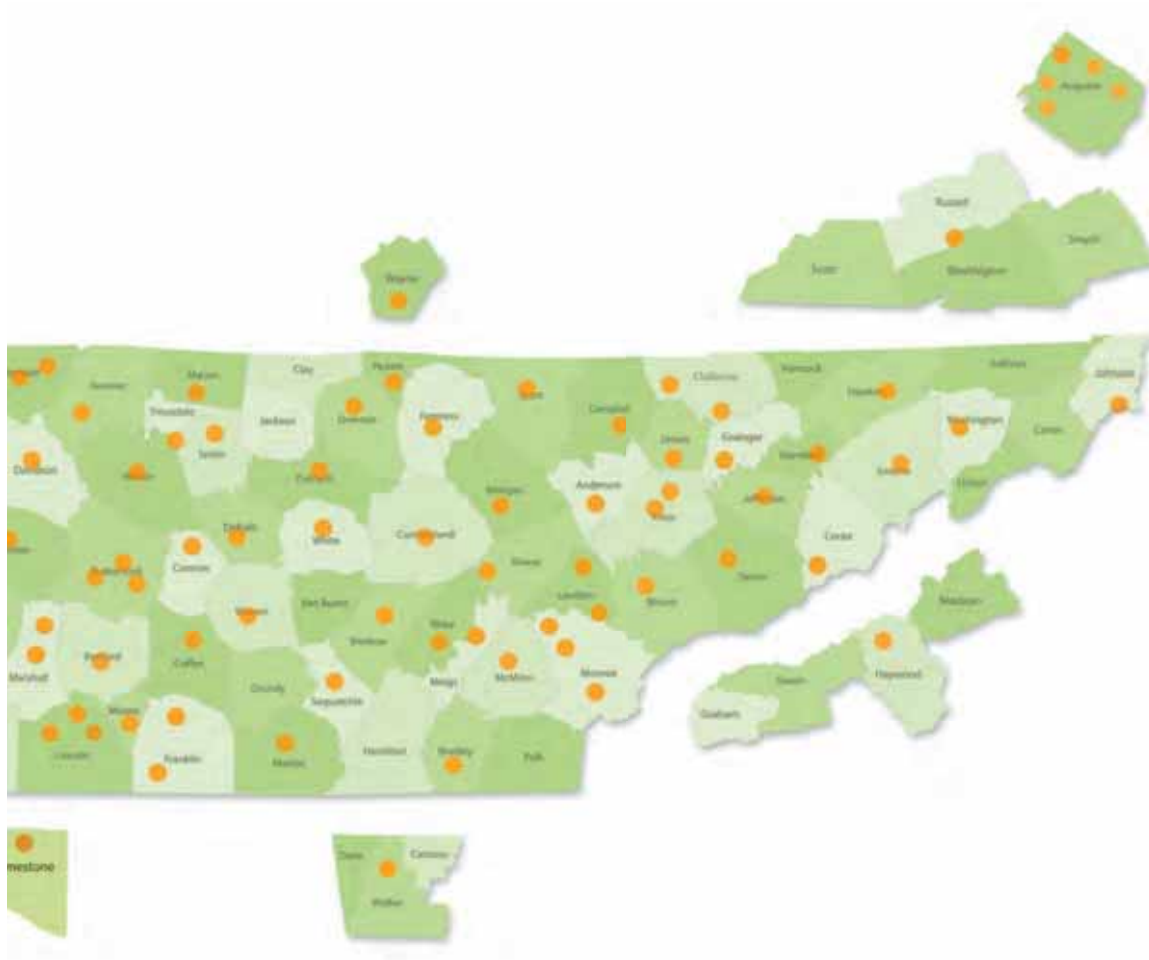
MEMBER CO-OP LOCATIONS



TENNESSEE

ANDERSON FARMERS COOPERATIVE
 BEDFORD MOORE FARMERS COOPERATIVE
 BENTON FARMERS COOPERATIVE
 CARROLL FARMERS COOPERATIVE
 CLAIBORNE FARMERS COOPERATIVE
 COCKE FARMERS COOPERATIVE
 COFFEE FARMERS COOPERATIVE
 CUMBERLAND FARMERS COOPERATIVE
 DAVIDSON FARMERS COOPERATIVE
 DECATUR FARMERS COOPERATIVE
 DICKSON FARMERS COOPERATIVE
 FENTRESS FARMERS COOPERATIVE
 FOOTHILLS FARMERS COOPERATIVE
 FRANKLIN FARMERS COOPERATIVE
 GIBSON FARMERS COOPERATIVE
 GRAINGER FARMERS COOPERATIVE
 GREENE FARMERS COOPERATIVE
 HANCOCK FARMERS COOPERATIVE
 HARDIN FARMERS COOPERATIVE
 HAWKINS FARMERS COOPERATIVE
 HENDERSON CHESTER FARMERS COOPERATIVE
 HENRY FARMERS COOPERATIVE
 HUMPHREYS FARMERS COOPERATIVE
 JEFFERSON FARMERS COOPERATIVE
 KNOX FARMERS COOPERATIVE
 LAWRENCE FARMERS COOPERATIVE
 LINCOLN FARMERS COOPERATIVE
 MACON TROUSDALE FARMERS COOPERATIVE

MARION FARMERS COOPERATIVE
 MARSHALL FARMERS COOPERATIVE
 MAURY FARMERS COOPERATIVE
 MID-SOUTH FARMERS COOPERATIVE
 MONTGOMERY FARMERS COOPERATIVE
 OBION FARMERS COOPERATIVE
 OVERTON PICKETT FARMERS COOPERATIVE
 PERRY FARMERS COOPERATIVE
 PUTNAM FARMERS COOPERATIVE
 ROBERTSON CHEATHAM FARMERS COOPERATIVE
 RUTHERFORD FARMERS COOPERATIVE
 SCOTT MORGAN FARMERS COOPERATIVE
 SEQUATCHIE FARMERS COOPERATIVE
 SEVIER FARMERS COOPERATIVE
 SMITH FARMERS COOPERATIVE
 SOUTHEASTERN FARMERS COOPERATIVE
 SUMNER FARMERS COOPERATIVE
 TIPTON FARMERS COOPERATIVE
 TRI-STATE GROWERS, INC.
 UNION FARMERS COOPERATIVE
 VALLEY FARMERS COOPERATIVE
 WARREN FARMERS COOPERATIVE
 WASHINGTON FARMERS COOPERATIVE
 WAYNE FARMERS COOPERATIVE
 WEAKLEY FARMERS COOPERATIVE
 WHITE COUNTY FARMERS COOPERATIVE
 WILLIAMSON FARMERS COOPERATIVE
 WILSON FARMERS COOPERATIVE



GEORGIA

SOUTHEASTERN FARMERS COOPERATIVE:
LAFAYETTE BRANCH

KENTUCKY

HENRY FARMERS COOPERATIVE:
MIDWAY BRANCH, MURRAY

OVERTON FARMERS COOPERATIVE:
LAKE CUMBERLAND FARMERS
COOPERATIVE, MONTICELLO

MISSISSIPPI

MID-SOUTH FARMERS COOPERATIVE:
ASHLAND BRANCH

NORTH CAROLINA

SEVIER FARMERS COOPERATIVE:
WAYNESVILLE BRANCH

VIRGINIA

WASHINGTON FARMERS COOPERATIVE:
SOUTHWEST VIRGINIA FARM SUPPLY

ASSOCIATE MEMBERS

AUGUSTA COOPERATIVE FARM BUREAU, INC:
STAUNTON, WEYERS CAVE, FAIRFIELD,
SCOTTSVILLE, AND LYNCHBURG, VA

ARKANSAS VALLEY FARMERS ASSOCIATION:
DANVILLE, MAGAZINE, AND RUSSELLVILLE, AR

LIMESTONE FARMERS COOPERATIVE:
ATHENS, AL, LYNVILLE, TN, AND PULASKI, TN

FARMERS ASSOCIATION:
NORTH LITTLE ROCK, BENTON, & CABOT, AR

NORTH ARKANSAS FARM SUPPLY:
BATESVILLE & MOUNTAIN VIEW, AR

ALCORN COUNTY CO-OP:
CORINTH, MS

HENDERSON COOPERATIVE,
HENDERSON, AND MORGANFIELD, KY

OUR VALUE PROPOSITION STATEMENT

TENNESSEE FARMERS COOPERATIVE IS A FINANCIALLY STRONG REGIONAL COOPERATIVE PROVIDING A FULL RANGE OF QUALITY PRODUCTS AND SERVICES, COMPETITIVELY PRICED. WE HAVE A PASSION FOR SUCCESS IN EVERYTHING WE DO. WE WORK AS A TEAM AND ARE KNOWLEDGEABLE AND FOCUSED ON GROWTH. WE PERFORM OUR JOBS WITH INTEGRITY, RESPECT FOR OTHERS, AND HONEST COMMUNICATION BOTH WITHIN AND OUTSIDE OUR COMPANY. WE CONSISTENTLY DEMONSTRATE OUR COMMITMENT TO THE SUCCESS OF OUR MEMBERS AND CUSTOMERS BY OFFERING PROMPT, COURTEOUS, AND PROFESSIONAL SERVICE AND BY STRIVING TO PROVIDE A CONSISTENT RETURN ON THEIR INVESTMENT AND OWNERSHIP IN TENNESSEE FARMERS COOPERATIVE.

- THE DIRECTORS AND EMPLOYEES OF TENNESSEE FARMERS COOPERATIVE



