

Agricultural Finance Co-operative Limited

BUILDING A BETTER BANK FOR REGIONAL AUSTRALIA

THE FARMERS CHOICE

SPECIAL POINTS OF INTEREST:

- [AFCL Founder](#)
- [Mr Bob Yabsley](#)
- [Directors](#)
- [AFCL AIMS](#)
- [Fact Finding](#)
- [Membership](#)
- [Members Shares](#)
- [Services](#)
- [Web Site](#)
- [Contacts](#)

Agricultural Finance Co-operative Limited (AFCL) was researched over a life time but did not become reality until a farmer from Goondiwindi had enough of the whole Australian banking system. Five years ago he decided it was time to do something about it, not only for himself and his family but for the whole of the rural industry. In October 2003 he addressed a farm seminar in Cobram Victoria. Over 140 farmers attended and the response proved to him that with farmers support he could now put his plan into action. When interviewed by the seminar organiser his response was, "I have seen families thrown off their land by banks that are more concerned with return to their shareholders than supporting agriculture through the difficult times. They tend to support farmers only in the good times which has put at risk the stability of farming in Australia."

Now it is time for change and a banking organisation that, whilst maintaining commercial reality, understands the unique challenges inherent in farming busi-

nesses. Through a Co-operative structure AFCL will do all that is possible to support its members during the tough times without the need to meet shareholder profit expectations. These expectations in a Co-operative environment will be met through providing the support mentioned and in reduced interest costs and charges.

AFCL has now been registered as a Co-operative with the NSW Registrar of Co-operatives. With the support of all regional Australia, AFCL will move to build a banking system that will support regional Australians and farmers assisting them to maintain a viable farming business that is attractive to their son or daughter to continue when they decide to retire or leave the industry. Shareholders of AFCL will decide the type of banking system that is fair which will adjust to the seasons requirements and is not profit driven returning any profits to continue to improve services that will build a better bank for

all primary producers and regional Australia.

Bob Yabsley is the founder of AFCL and also is the elected Chairman of the board of directors. Bob and his family have lived and farmed in the Goondiwindi district in Queensland since 1983 and have vast experience in all areas of farming. The driving force for Bob has been continually seeing so many experienced farmers leaving the industry. The average age of farmers being 55 plus, many of their children are not interested in taking over the family farm because they believe there are easier and more rewarding ways of making a living off the farm. Bob also stated that he had experienced many scenarios, pressures and sacrifices placed on family and friends that were neither fair, nor moral although it is legal. AFCL, he believes, is the solution. Membership is required to achieve success. All rural Australia should support this effort.

INSIDE THIS ISSUE:

Chairman's Report	2
Board Members	2
Let us Help You Become a Member	3
Shareholding	3
Active Members	3
Securing Your Future	4
How to Support Us	4
Contacts in Your State	4

AFCL REGISTERED 25 JANUARY 2006

Bob Yabsley with the assistance of Peter Jackson, Partner of Jackson Smith Solicitors applied to the NSW Registrar of Co-operatives on the 23 January 2006 to register AFCL as a Co-operative. On the 25 January 2006 AFCL's application was approved to raise funds

to further research and investigate the establishment of a Co-operative and eventually a Rural lending institution (bank) that would provide better services to the rural community. AFCL has a two year deadline to be in a financial position to establish a

finance institution that would provide cost effective services to all primary producers. The directors of AFCL have one goal in mind and that is to formulate a rural lender (bank) that produces financial stability for rural Australia.

AFCL CHAIRMAN'S REPORT TO ALL POTENTIAL MEMBERS

The pursuit of profits above all else has resulted in an exodus of rural commitment by banks as they vigorously pursue more secure and understood cashflow businesses in urban Australia. The demise of specialist rural finance providers following deregulation in the 1980's (Commonwealth Development Bank, Agricultural Bank, Queensland Industry Development Corporation and others) which assisted farmers manage the challenges of droughts, disease, commodity prices, etc. now means that we as farmers and farming communities have to compete for finance with the big end of town and lending opportunities in urban Australia.

AFCL was instigated from a lifetime of rural experience and by the financial greed of our existing financial institutions. My experience has indicated that we can all live a more rewarding life by working together for the common good.

I am firmly convinced that to continue in agricultural businesses and maintain an acceptable standard of living that will encourage our children to continue as rural producers and provide meaningful work and rewards for all rural workers, we need, as an industry to have control of the financial environment we operate in.

AFCL's aim is to:

- (a) Build an environment aimed at helping and supporting each other;
- (b) Become a focus for providing financial stability;
- (c) Build resources to assist in providing more affordable loans to members and build the equity required to apply for a banking licence;
- (d) Assist members to succeed in their business and at the same time incorporate an exit strategy into all loans that provides for loan repayment to the Co-operative and the ability to exit with dignity.

Directors of AFCL are situated in New South Wales, Queensland, Victoria and South Australia. Applications are proceeding for registration in all states and territories. Currently directors are working without any reward until the Co-operative attains significant substance. However, this is a service organisation and there is no mechanism, desire or expectation for directors or anyone else to be rewarded beyond payment for actual services provided.

I encourage all primary producers and other eligible people and businesses to support this effort by becoming a member. The cost is minimal but the rewards, if the effort is successful, can be immense and the difference between you and your families farming viably or not.

Bob Yabsley
Founding Director and
Chairman of the Board of Directors

FARMERS WHO ARE DIRECTORS WILL AIM TO ACHIEVE THE BUILDING OF A BETTER BANK

Why would four farmers give up their valuable time to help other farmers? Community spirit has proven over many years that small communities stick together through the tough times.

Bob Yabsley, Chairman, cotton and crop farmer from Goondiwindi QLD, founder of AFCL began fighting for himself and other farmers in the 1970's when farmers were fighting the excesses of the union movement. Bob came to realise the thing unions respected most was money in the hands of their opponents that could be used to retaliate against them. For four consecutive years he took his motion, that was sponsored by his local "Livestock and Grain Producer" branch, to annual conference in Sydney. This motion was to raise capital to be used as a fighting fund to protect the farmers rights. This effort began the establishment of the National Farmers Federation and its fighting fund which has largely been responsible for the mitigation and containment of union excesses in rural business.

Robert Colwell, Director, crop and cattle farmer

from Gunnedah has five children and has been a farmer all his life.

John Tiver, Director, crop, sheep and cattle farmer from Burra in SA has two boys running the farm. Keith Hay, Director, crop, dairy, sheep and cattle farmer from Deniliquin NSW has three children.

All directors of AFCL when contacted by Bob Yabsley believed that the structure of AFCL was needed now. Each of them had experienced some difficulty with their banks over a number of years and were sick and tired of trying to please the bank every year to continue. At the first board meeting the directors all agreed AFCL must set a new understanding and direction to protect all regional Australia's needs. Their commitment is voluntary and their immediate aim is to encourage all farmers to support AFCL through membership and shares to assist in achieving its goals which should be your goals.

**PLEASE REFER TO PAGE 4
FOR ALL CONTACT DETAILS
YOUR FUTURE IS IN YOUR HANDS**

FIRST BOARD MEETING HELD 20TH JANUARY 2006

AFCL called its first board meeting in January 2006. All nominated board members were in attendance including the legal team from Jackson Smith Solicitors at their Hunter Street office in Sydney. As the meeting progressed a feeling of unity, direction and purpose was established between all the directors. As the discussions continued throughout the day and a

Chairman and Directors had been selected, Bob Yabsley thanked the other directors for their overwhelming support that he received. He then addressed the most important issue, and that was how do we as a group get farmers to support something that should have been in place years ago. One member of the board mentioned that it is never too late for farmers.

We are talking about an industry that never gives up and if we as a board can help regional Australia get the type of banking system in place to support them to get back on their feet, then we have achieved our goal. There is no doubt that the board of AFCL will succeed if farmers support this Co-operative's effort by purchasing shares and becoming a member.

WHERE TO FROM HERE

MEMBERSHIP NUMBERS ARE THE KEY

What type of banking is needed to assist farmers? AFCL is focused on listening to the feedback from those members who are willing to support an idea or concept. That is proven to be fair and reasonable, that stands by its principles to its members and structure a bank that gives opportunity for growth and development to farmers who know that with the right working capital

and farm plan, sufficient income will be generated over time to service their debt.

MEMBERSHIP

Why is membership so important to AFCL? Without significant membership AFCL will not have the financial muscle to establish the institution required to provide the financial services to members or to ultimately apply for a banking li-

cence, which directors believe may be required to be able to service members needs efficiently.

NSW and Victoria have experienced one of the worse droughts on record. Most farmers have eaten away at their remaining equity just to survive. Exceptional Circumstances grants and interim payments have assisted in small ways but this has not fixed the problem.

*You are not alone,
as a group we can
unite farmers,
our land is worth
nothing unless we can
plant our own crops,
not someone else's.
Support us so that we
can support you.
Bob Yabsley
Chairman*

AFCL REGISTERS ITS FIRST MEMBERS

The first farming family to support AFCL outside the board members was a farmer from NSW who had lost her husband from cancer three years ago. "We take things for granted until we lose a loved one. Farming was all we knew, we grew up with a lifestyle that only farmers would appreciate and to find that other farmers are willing

to do something to preserve the opportunity for our kids. This is worthwhile supporting. At the time I could not afford \$2,000 to buy shares but if I and many others are going to keep on farming then what better way than to support something that may give my children the opportunity to keep their father's farm."

Another farmer from Victoria bought 5,000 shares. "I was evicted back in 1999. I had nowhere to go, everyone had turned their back on me and my family. I knew there was no turning back so I relied on a total stranger to help me and after four years of stress and getting all my family back together, I can now say that my only son will now take over

the farm when I decide to retire. I am prepared to support AFCL because its direction is to assist all farmers with their banking needs. If you are a farmer and you want to continue farming that allows your son or daughter to continue farming then get behind AFCL and help protect your families farming future.

MEMBERS SHAREHOLDING

It is director's view that shareholders in this "Investigative Co-operative" should receive benefits for their early support as we move forward to the body that ultimately becomes the financial entity to service members. These benefits could be through dividends (not permitted in this Co-operative under Rule 87a) or when; as envisaged, this Co-operative, following a change of its rules either becomes the financing entity or the major shareholder in a new corporation.

It should be remembered that any change of Co-operative rules has to be supported by a member's vote and directors would envisage any rule change that provides benefits to its members would be supported by members.

It is important that funds are raised through shareholding and membership fees as quickly as possible, as the earlier funds are available, the earlier advice can be sought and the entity going forward identified and established.

AFCL

Agricultural Finance Co-operative Limited

**BUILDING A BETTER BANK
FOR REGIONAL AUSTRALIA**

MEMBERSHIP ENQUIRIES:

PHONE: 07 4677 5105
FAX: 07 4677 5236
EMAIL: ADMIN@AFCL.BIZ
WEBSITE: WWW.AFCL.BIZ

**Farmers Helping Farmers
We know You Care—Call Now
Members Hotline 07 4677 5105**

AFCL CONTACTS ALL STATES

Currently AFCL is registered in NSW only. In the coming weeks all States throughout Australia will be registered.

If you are:

- ◆ a primary producer that owns a farm; or
- ◆ 50% of your business relies upon farmers in your area; or
- ◆ a family member of the previous groups

that wishes to support this effort, then it is essential for you to be part of AFCL. Once AFCL achieves sufficient membership it will be able to determine the structure of the new rural lending body/bank.

YOUR LOCAL CONTACT

QLD	Bob Yabsley	07 4677 5105	SA	John and Margaret Tiver	08 8267 1917
NSW (Nth)	Robert Colwell	02 6744 1771	NSW (Sth)/ VIC (Nth)	Keith Hay	0429 824 428
VIC	Andrew McLaughlin	0427 114 420	— Field Officer—Member Services		

AFCL Farmers Supporting Farmers

Call Now 07 4677 5105

Farming is a specialised industry. Unless you are a farmer or service the farming industry, our aim means nothing to you. AFCL and its directors who have many years of experience behind them know how important your farm and livelihood is to you and the home it provides for you and your family.

Seasons—What do they mean? Waiting on rain, uncertain on whether to sow a crop, or sell some sheep or cattle to feed the family? How are you going to meet your interest payment, should you sell some land, why am I a farmer? All these questions and more go through your mind every day.

Answer—Get behind something that will with your support as a member shareholder allow you to help AFCL to “Build a Better Bank” that will provide you and your family with certainty that you can rely on.

Why not contact us now

MEMBERSHIP

For further details on how to become a member of AFCL:

By Phone—Contact your local state director listed below to organise a copy of the Rules and Disclosure Statement;

OR Go to our Website: www.afcl.biz

Go to the Publications page to view/download and read the Rules and Disclosure Statement first before downloading the membership form which applies to you. Print and complete the membership form then post together with your payment to:

Agricultural Finance Co-operative Limited
PO Box 1055
Goondiwindi Qld 4390