

## Farm Credit Organizations Respond to COVID-19



Managing through the COVID-19 pandemic has stretched and challenged individuals and businesses alike. Within Farm Credit, the response to self-quarantine and social distancing requirements was virtually immediate. For more than two months now, employees have been working from the safety of their homes to continue to deliver on Farm Credit's mission, supporting customers in these frightening and uncertain times, including helping them gain access to the Paycheck Protection Program.

"We've been incredibly impressed with how Farm Credit and the ag industry adapted so quickly to a new work environment to keep capital flowing to farmers who need it, to keep the lights on and the water flowing in rural communities, and to continue producing and delivering food to a populace who easily could have panicked without the confidence in our food system that decades of reliability has built," says Chad Moller, FCC Services CEO. "I hope we all take the time to recognize this accomplishment, examine what went well and also identify what we could do better if, or when, we're faced with the next crisis of this magnitude."

Now, as our organizations determine how best to manage their businesses as state economies begin to open up and allow a return to office operations, FCC Services thought it an opportune time to explore how four Farm Credit organizations pivoted in the face of COVID-19, the positive outcomes and the next steps in this ongoing situation: CoBank, Compeer Financial, MidAtlantic Farm Credit and the Farm Credit Council.

### CoBank

"Extremely fast, extremely smooth and extremely successful" is CoBank President and CEO Tom Halverson's characterization of the bank's pivot to remote operations, which went from normal operations to 97% remote work at the flip of a switch.

CoBank's immediate and successful response was predicated on the organization's years of investment in infrastructure to enable all employees to work remotely, as well as Tom's experience living through the SARS outbreak while working in Hong Kong in the early 2000s.

"When news of COVID-19 first started showing up, I knew we had to pay attention, so we started talking about our response in early January," says Tom. "We reviewed and modified our crisis management plan for the specifics of COVID-19 so we were well prepared for the shift to remote operations in March, and our operations have continued uninterrupted."

One early decision was increasing the bank's cash position by a factor of ten – from about \$1 billion pre-crisis to more than \$10 billion – so it had ample liquidity to meet the anticipated borrowing needs of its customers. Since then, CoBank has focused on supporting and strengthening customer relationships. Tom has used social media to post weekly videos to customers focused on COVID-19's impact on the economy, and Tom and other executive leaders have held dozens of phone conversations with customer CEOs. Every customer has been contacted by their relationship manager to let them know that the bank is prepared to support their financial needs, share expert advice or help them take advantage of an opportunity. One opportunity has been the Paycheck Protection Program – CoBank stood up an entire team, established processes and secured SBA lending approval within eight days, and before PPP funds ran out had supported more than 250 customers in accessing \$250 million.

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“We’re operationalizing our desire to dramatically differentiate ourselves in this time of stress so that when our customers look back on this time, they’ll remember that we were there for them with everything we have to offer,” says Tom. “This is a challenge no one wants, but it is an opportunity for Farm Credit to position ourselves to fulfill our mission even more successfully and more comprehensively in the future.”

In the meantime, one key concern is maintaining employee engagement and continuing to access the intellectual and innovative contributions that derive from a strong and trusting team environment, when those teams are now working apart physically. CoBank has responded with a dramatic increase in internal communications, starting with daily email updates back in March, and continuing with weekly videos from Tom along with a live virtual town hall held via WebEx in May that was attended by more than 1,000 employees. Individual divisions, teams and working groups have been encouraged to initiate other means to stay connected, from virtual happy hours and scavenger hunts to photo contests.

“Our people have had an overwhelmingly positive response to the steps we’ve taken, and the dramatic increase in communication about those steps,” says Tom.

And while he says that CoBank can continue remote operations indefinitely if it had to, that certainly isn’t the goal, and he foresees a long road to returning to normal operations. “Until there’s a vaccine, COVID-19 will be floating around in the population, so we won’t be able to return to working the way we did before. We need to find the right ways to mitigate risks to a reasonable degree, and believe that the return to office operations will a process rather than an event.”

### **Compeer Financial**

Compeer Financial’s leadership started examining the potential impacts of COVID-19 on business operations in early March, quickly forming a task force to explore the pandemic’s implications. Having clients and team members in three states - Illinois, Minnesota and Wisconsin – that were impacted at slightly different times was an additional complication.

By mid-March, the decision was made: St. Patrick’s Day would be the last in the office, and Compeer’s IT team had 48 hours to make the work-from-home scenario work for the organization’s 1,200 team members.

“The pivot to remote operations went better than any of us anticipated or hoped,” says Paul Kohls, Chief Lending Operations Officer and General Counsel for Compeer. “Our technology team did an amazing job over those two days to help individual team members obtain needed equipment or find solutions to unreliable internet access because of their rural locations.”

Since then, Compeer has been able to deliver its services remotely, virtually uninterrupted, and has closed as many short-term and real estate loans and loan conversions as is typical for this time of year. Designated team members have gone into each office daily to get mail and complete other critical tasks including signing loan packages that need to be printed. The organization also pivoted quickly to support its clients in accessing the Paycheck Protection Program, in just the first round of the program completing nearly 1,300 loans totaling more than \$126 million for its clients. One challenge has been the requirement for notarized signatures on certain real estate loan documents, and Compeer is researching a solution to provide remote, online notary services.

“We’ll be pursuing this remote service moving forward because, regardless of whether we’re in a remote environment or not, it will offer additional convenience for our clients when it’s really unnecessary for us to be face-to-face, making the loan signing process more efficient operationally,” says Paul.

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Going into the pandemic, Compeer had a very robust business continuity plan that was tested regularly, but had never simulated a pandemic. Already, teams in every business unit are evaluating what changes should be made to their plans and to operations overall in light of the learnings from the current situation.

One thing Compeer has learned is that its clients are also resilient and adaptable. Client use of online banking tools has increased significantly, with more becoming comfortable with moving money electronically rather than sending checks or seeking drafts on their operating lines. These behaviors are likely to continue, delivering convenience to clients and efficiencies to Compeer moving forward.

“The world of work is likely to be impacted long-term by this experience, and the ways we interact with our clients and even team members, as some may want to explore continuing to work remotely, will continue to evolve,” says Paul. “One thing that won’t change is that we’re a relationship lender, so we’ll remain diligent in building deep, meaningful relationships with our clients.”

### MidAtlantic Farm Credit

With operations across five states, MidAtlantic Farm Credit (MAFC) took a cautious approach to the pandemic and closed all 17 of its offices with the first state stay-at-home order. A few employees – what MAFC calls its Farm Credit National Guard – continue to work at each branch location to conduct critical business and provide drive-through services.

In making the pivot to the remote environment, MAFC’s immediate focus was on ensuring that all staff members had all the tools they needed to deliver uninterrupted service to customers, delivering keyboards, printers or other needed equipment to employees. In addition to normal loan operations, MAFC quickly responded to multiple, and differing, state orders while also obtaining approval to process Paycheck Protection Program loans for its customers. Board meetings transitioned smoothly to a remote platform, ensuring continued, effective governance.

“Our association quickly became very agile, and we’ve continued to be adaptable and productive, keeping our employees engaged and maintaining our relationships with our customers,” says Jenny Kreisher, Director of Communications and Creative Services for MAFC.

Communication is critical in times of crisis, both internally and externally, and MAFC has ramped up its efforts on numerous fronts.

Externally, MAFC considers every customer message through the lens of empathy and authority, rather than selling, providing certainty that Farm Credit remains available as a strong financial partner. Regular CEO emails to members have been supplemented with two landing pages on MAFC’s website dedicated to the organization’s response to COVID-19 and identifying all available funding and relief options, including the PPP ([www.mafc.com/update](http://www.mafc.com/update); [www.mafc.com/funding](http://www.mafc.com/funding)). MAFC also partnered with a local farm to create an 8-week video series for children, a helpful resource for customers now at home with their children.

“It’s more important than ever that we are consistent in our messaging and clearly convey our commitment to supporting our customers in good times and in bad,” says Jenny. “And it seems to be working - we’ve heard a lot of positive feedback from our customers who have appreciated our transparency, our responsiveness and our resources.”

Internally, MAFC’S employee-only Facebook group is the most active it’s ever been, with employees sharing personal photos, anecdotes and encouragement. The organization’s intranet is updated regularly, keeping employees informed of relief information down to the state and county level. CEO Tom Truitt sends regular

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email updates to employees, and initiated an outreach program to call small groups of employees at every level to make personal connections and ensure them that they are valued.

This, too, seems to be working, with employees actively engaged and even stepping up in unexpected areas: the marketing and corporate services teams, for example, are helping process PPP loan applications. The message has been, and will continue to be, focused on individual and family wellness. As MAFC plans for a return to office operations – which is likely to be a cautious, phased approach through the end of the year – it is committed to flexibility to individual situations, even as it is committed firmly to excellent customer support.

### **The Farm Credit Council**

As with other Farm Credit organizations, the Farm Credit Council has capitalized on technology to continue its business operations and its efforts to educate legislators and other stakeholders, a key part of its mission. The Council team responded immediately to the stay-at-home orders, a process eased by having its staff already set up with laptops and other technology to work remotely.

Despite the remote work environment, Council staff has continued government affairs outreach and delivered important credit briefings to Capitol Hill members, Hill staff and the media – with three Farm Credit CEOs contributing from their locations. They have also held several virtual Farm Credit customer panels to discuss COVID-19 related challenges effecting specific industries.

“As well as communicating to external audiences on Capitol Hill, the Administration, the media and other stakeholder groups, a significant part of the Council’s role is to communicate internally within the Farm Credit System updating on legislative and regulatory issues and what they mean for our own institutions and for our customers,” says Debbie Wing, Executive Vice President of Communications for the Council. “We’ve been able to continue that role unabated, both gathering critical information and insight and disseminating it quickly and effectively.”

The Council has also leaned on technology for governance, conducting remote board meetings for the first time. Debbie says the board pivoted extremely smoothly to the remote meeting environment. “Everyone rose to the challenge and worked to set up quickly with the technology, and they remained very engaged throughout the meeting,” says Debbie. “Because of the remote environment, we did streamline the meeting, and we’re planning to hold the June board meeting virtually as well.”

Given the importance of customer and employee communication in a time of crisis and its role in coordinating System-wide communications, the Council also created a COVID-19 resource page for Farm Credit System communicators and legislative officers, and increased its normally biweekly communicators conference calls to weekly events for the first month of the pandemic, facilitating the efficient sharing of information, advice, ideas and best practices for COVID-19 communications.

“We’ve had a lot of traffic to the COVID-19 resource page, which tells us that communicators out in the Farm Credit System are both sharing their resources and taking advantage of what others have posted,” says Debbie.

One of the biggest challenges facing the Council, as with all other organizations that plan and host in-person events, is determining which events need to be cancelled or postponed, and then finding dates and venues for any rescheduling. In light of these cancellations, though, Debbie says, “This is a great opportunity to strengthen and even form relationships. This takes a more proactive approach than usual, but people seem to have more bandwidth and availability, so we should all take advantage of that.”

FCC Services thanks CoBank, Compeer, Farm Credit Council, and MidAtlantic Farm Credit for participating in this article.