

Message to Stockholders

Dear Stockholder:

With the first full quarter of the merged Association behind us, we are pleased to report that the synergies anticipated before the merger between American AgCredit and Farm Credit of the Heartland are in fact coming to fruition. Management has been actively engaged in creating the organizational structure and technological platform to sustain the combined operations and prepare for continued growth. Our employees are adapting well to the changes brought about by the merger and are providing a team effort to streamline our credit delivery processes to all our customers, regardless of which state they may be located in. We are enthusiastic about future prospects for the Association with the winning combination of a talented and dedicated staff combined with strong capitalization and healthy financial performance.

Please note that the financial information presented for the 1st quarter of 2009 and for year-end 2008 includes only the results of operations and financial condition of American AgCredit. Financial information for the former Farm Credit of the Heartland is excluded from pre-merger information in accordance with generally accepted accounting standards as they relate to the acquisition method of accounting.

Financial Condition and Results of Operations: First quarter income totaled \$26.4 million. This represents a return on average assets for the quarter of 2.2%. Net interest income increased from \$24.2 million in 2009 to \$34.4 million in 2010 as a result of increased loan volume and improved interest rate margins since last year. Operating costs were \$18.8 million, representing 37% of total income generated. Net income for the quarter benefited from the receipt of \$4.0 million in U.S. AgBank patronage dividends, \$4.7 million in CoBank patronage dividends and a \$5.0 million rebate in Farm Credit System Insurance Fund premiums paid in prior years. The economic conditions prevailing in the U.S. have adversely affected some of our borrowers and credit quality has declined slightly from year-end 2009. The loan loss provision for the 1st quarter was \$6.7 million.

Accrual loan volume reached \$4.5 billion at March 31, 2010, down 2.7% from December 31, 2009. Non-accrual loans stand at \$70.6 million, an increase of \$1.3 million from the fourth quarter of last year. Nonaccrual loans represent 1.5% of total loan volume.

The financial condition and the results of operations of U.S. AgBank materially affect your investment in the Association. To obtain a copy of the Bank's quarterly report to shareholders, free of charge, please contact the Bank at P.O. Box 2940, Wichita, KS 67201-2940 or call (800) 322-9880.

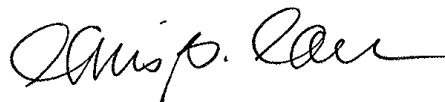
The undersigned certify that the 2010 1st Quarter Shareholder Report has been prepared in accordance with all applicable statutory or regulatory requirements and that the information contained herein is true, accurate, and complete to the best of our knowledge and belief.



Dave Santos
Chairman



Ron Carli
Chief Executive Officer



Chris B. Call
Chief Financial Officer

April 21, 2010

FINANCIAL STATEMENTS

(Unaudited and in \$000s)

STATEMENT OF CONDITION	March 31		Dec. 31	
	2010	2009	2009	2008
ASSETS				
Loans	\$4,620,379	\$3,703,187	\$4,747,370	\$3,783,018
Less: allowance for loan losses	(17,542)	(17,974)	(12,293)	(8,843)
Net Loans	4,602,837	3,685,213	4,735,077	3,774,175
Investment in the U.S. AgBank	119,327	99,143	119,327	99,143
Investment in CoBank	13,598	11,527	11,622	10,005
Accrued interest receivable	41,188	27,292	44,792	31,303
Premises and equipment	30,242	22,426	27,829	22,150
Other Property Owned	5,753	162	4,626	162
Other Assets	26,716	13,863	39,901	13,587
Total Assets	\$4,839,661	\$3,859,626	\$4,983,174	\$3,950,525
LIABILITIES				
Note payable to U.S. AgBank	\$3,766,465	\$3,076,380	\$3,925,037	\$3,158,343
Funds Held Accounts	10,008	10,680	7,001	5,000
Accrued interest payable	14,163	6,972	17,598	8,461
Other liabilities	42,486	16,618	58,640	37,538
Total Liabilities	3,833,122	3,110,650	4,008,276	\$3,209,342
MEMBERS' EQUITY				
Common stock and participation certificates	6,645	3,215	6,722	3,234
Preferred stock	121,601	126,884	116,286	125,422
Additional Paid in Capital	206,226	-	206,226	-
Unallocated retained earnings	672,067	618,877	645,664	612,527
Total Members' Equity	1,006,539	748,976	974,898	741,183
Total Liabilities and Members' Equity	\$4,839,661	\$3,859,626	\$4,983,174	\$3,950,525

STATEMENT OF INCOMEFor the three months
ended March. 31

	2010	2009
Interest income	\$60,596	\$45,610
Interest expense	(26,197)	(21,374)
Net interest income	34,399	24,236
Other income	16,859	5,890
Loan Loss Provision	(6,704)	(9,129)
Operating and other expenses	(18,859)	(15,405)
Income before taxes	25,695	5,592
Benefit /(Provision) for income taxes	709	898
Net income	\$26,404	\$6,490

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN MEMBERS' EQUITY

For the three months ended March 31, 2009 and 2010

	Capital Stock	Preferred Stock	Additional Paid in Capital	Unallocated Retained Earnings	Total Members' Equity
Balance at December 31, 2008	\$3,234	\$125,422		\$612,527	\$741,183
Comprehensive Income					
Net income				6,490	6,490
Amortization of costs included in net periodic benefit cost				26	26
Total Comprehensive Income					6,516
Stock issued	58	78,942			79,000
Stock retired	(77)	(77,734)			(77,811)
Preferred stock dividends paid		254		(254)	-
Adjustment to patronage declared				88	88
Balance at March 31, 2009	\$3,215	\$126,884	-	\$618,877	\$748,976
Balance at December 31, 2009	\$6,722	\$116,286	\$206,226	\$645,664	\$974,898
Comprehensive Income					
Net income				26,404	26,404
Amortization of costs included in net periodic benefit cost				20	20
Total Comprehensive Income					26,424
Stock issued	80	39,796			39,876
Stock retired	(157)	(34,638)			(34,795)
Preferred stock dividends paid		157		(157)	-
Adjustment to patronage declared				136	136
Balance at March 31, 2010	\$6,645	\$121,601	\$206,226	\$672,067	\$1,006,539

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

(Unaudited)

NOTE 1 - Organization and Significant Accounting Policies

A description of the organization and operations of the American AgCredit, ACA (Association), the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2009 are contained in the 2009 Annual Report to Stockholders (2009 Annual Report) for American AgCredit, ACA. These unaudited first quarter 2010 financial statements of the Association should be read in conjunction with the 2009 Annual Report. The financial statements were prepared under the oversight of the audit committee of the board of directors. The financial statements contain all adjustments necessary for a fair presentation of the interim financial condition and results of operations and conform to generally accepted accounting principles. The results of operations for the three-month period ended March 31, 2010 are not necessarily indicative of results to be expected for the full year.

The Association merged with Farm Credit of the Heartlands, ACA on November 30, 2009. The merger was accounted for under the acquisition method of accounting. As a result, financial statement information for periods preceding November 30, 2009 include only the results and balances of American AgCredit as they existed before the merger. Financial information subsequent to that date incorporate the combined balances of the merged associations. More information on the merger accounting can be found in the 2009 Annual Report.

NOTE 2 – Capital

At March 31, 2010, the Association's regulatory capital ratio was 17.34% which exceeds the minimum of 7.0% required by our regulators, the Farm Credit Administration.

Association shareholders have approved a class of preferred stock known as H Stock. At March 31, 2010, 200 million shares of the stock are authorized at \$1.00 par value. H stock ownership is limited to existing common stockholders of the Association and is considered "at-risk". The stock bears a dividend rate that is set by the Board of Directors. Retirement of the stock is at the discretion of the Board. At March 31, 2010 there were 121,600,959 shares of H stock issued and outstanding. The dividend rate at March 31, 2010 was .50%.

NOTE 3 - Allowance for Loan Losses

A summary of activity in the allowance for loan losses follows (in 000s):

For the three months ended March 31:

	2010	2009
Beginning balance - Jan. 1	\$12,293	\$8,843
Recoveries	1	1
Loss provision adjustment	6,704	9,130
Loans charged off	(1,456)	
Ending balance – March 31	\$17,542	\$17,974

The determination of the allowance for loan losses is based on estimates that are susceptible to changes in the economic environment and market conditions, and is based on the Association's past loss experience, known and inherent risks in the portfolio, the estimated value of the underlying collateral, and current economic conditions. Management believes that as of March 31, 2010, the allowance for loan losses is adequate based on information currently available.

The following table presents information concerning impaired loans as of March 31, (in 000s)

	2010	2009
Impaired loans with related allowance	\$36,984	\$19,381
Impaired loans with no related allowance	\$34,115	\$36,372
Total impaired loans	\$71,099	\$55,753
Allowance on impaired loans	\$5,381	\$10,449

Impaired loan information for the quarter ended March 31, is summarized as follows, (in 000s):

	<u>2010</u>	<u>2009</u>
Average impaired loans	\$70,868	\$34,478
Interest income recognized on impaired loans	\$87	\$(25)

NOTE 4 - Purchased and Sold Loans

The Association, in the normal course of business, regularly purchases and sells loans in whole or in part. All loans sold to others are sold without recourse. The following table summarizes these loans (in millions):

	<u>Mar. 31, 2010</u>	<u>Mar. 31, 2009</u>	<u>Dec. 31, 2009</u>
Loans purchased from others	\$564.4	\$244.1	\$553.2
Loans sold to others	\$2,656.1	\$2,733.8	\$2,689.6
Retained interest in sold loans	\$674.5	\$705.6	\$699.7
Syndications serviced for others	\$1,620.7	\$1,726.9	\$1,067.8
Loans sold to and serviced for Farmer Mac	\$0.4	\$0.5	\$0.4

NOTE 5 – Fair Value Measurements

Generally accepted accounting principles defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability. See Note 2 to the 2009 Annual Report to Stockholders.

Assets and liabilities measured at fair value on a non-recurring basis at March 31, 2010 for each of the fair value hierarchy values are summarized below, (in 000s):

	Fair Value Measurement Using Level 3	Total Fair Value
Assets:		
Impaired Loans	\$37,052	\$37,052
Loans acquired in merger	\$743,959	\$743,959
Other property owned	\$5,857	\$5,857
Liabilities:		
Debt acquired in merger	\$573,717	\$573,717

Valuation Techniques

Accounting guidance establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following represent a brief summary of the valuation techniques used for the Associations' assets and liabilities.

Impaired Loans

For certain loans evaluated for impairment, the fair value is based upon the underlying collateral since the loans were collateral dependent loans for which real estate is the collateral. These loans are generally classified as Level 3.

Loans and Debt acquired in merger

At the merger of American AgCredit and Farm Credit of the Heartlands on November 30, 2009, the Association acquired loans receivable and related notes payable. These assets and liabilities were recorded at their fair market value, as determined by discounting the expected future cash flows using current interest rates at which similar loans would be made to borrowers with similar credit risk, on the date of merger. The fair market value has been amortized consistent with generally accepted accounting principles. The values shown in the table above represent the unamortized fair values of the assets and liabilities as of March 31, 2010.

Other Property Owned

Other property owned is generally classified as Level 3. The fair value is based upon the collateral value. Costs to sell represent transaction costs and are not included as a component of the assets' fair value.