

## PRESS RELEASE



### *For Immediate Release*

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## American AgCredit pays California/Nevada Farmers and Ranchers More Than \$14.7 Million in Cash Dividends

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*~ Agricultural lender gives cash back to borrowers*

Santa Rosa (February, 2009) -- American AgCredit, the nation's 7th largest Farm Credit cooperative, has announced the distribution of \$14.7 million in net income to its members. This brings the amount that has been disbursed to its members to more than \$64 million in the past four years.

Dividends allow the cooperatively-owned Association to return a portion of its net income to member shareholders, who are its borrowing customers. Individual dividend amounts are based upon the average daily balance of the borrower's loan(s) as a percentage of the total loan balances held in the Association.

According to Ron Carli, American AgCredit's President and CEO, dividends are just one factor that make locally-run agricultural cooperatives more attractive to farmers and ranchers than multinational banks.

"Considering the economic climate we're in, the ability for us to return profits to our customers is a direct reflection of our strength and stability," he said. "This strength allows us to distribute cash dividends back to the very people who make our success possible – our members."

Chris Call, American AgCredit's CFO added, "Despite the present turmoil in the financial markets, the Association produced strong earnings this past year. As a result, we're able to return a portion of that income to our members, allowing them to share in the financial success of their Association and achieve a lower effective interest rate on their loans. Cash dividends are just one more benefit doing business with American AgCredit."

### *Record Income for 2008*

2008 results for the Association showed continued growth and record earnings. Although the continued decline in interest rates did affect interest earnings on the portfolio of loans, overall net income for the years was more than \$60.3 million, *reflecting a third straight year of record income.*

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Executives credit a substantial capital base and strong credit quality, as well as a diversity of new loans, for the year's success. Loan volume grew 17% for the year, adding \$1.2 billion to the loan portfolio, reflecting assets that will continue to produce solid interest income in the long-term.

Carli points to American AgCredit's track record of managed, conservative growth and solid earnings history as the reasons for the Dividend Program, saying, "Our capital strength has allowed us to continue to offer low rates on our mortgage loans and operating lines of credit, as well as the Dividend Program, which effectively reduces the interest rate on our members' loans by one-half of one percent in most cases."

### *About American AgCredit*

Founded in 1916, American AgCredit is part of the cooperative nationwide Farm Credit System, and is the nation's 7th largest Farm Credit cooperative. American AgCredit specializes in providing financial services to agriculture and rural customers throughout California and Nevada as well as to capital markets customers in 27 states across the nation.

Financial services provided by American AgCredit include production and mortgage financing, equipment and vehicle leasing, lines of credit, and the Young, Beginning and Small farmer program. In addition, the Association provides interest-free loans for qualifying 4-H and FFA AgYouth programs, as well as college scholarships to young people interested in agriculture.

For more information about American AgCredit's financial services, call 800-800-4865 or visit the website at [www.agloan.com](http://www.agloan.com) for a listing of offices by region.

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