QUARTERLY REPORT TO STOCKHOLDERS

AMERICAN AGCREDIT

MONEY FOR AGRICULTURE

As of March 31, 2017

American AgCredit, ACA

The shareholders' investment in American AgCredit, ACA is materially affected by the financial condition and results of operations of CoBank. The CoBank quarterly and annual reports are on CoBank's website, www.CoBank.com, or may be obtained at no charge by calling American AgCredit at (800) 800-4865 or visiting the office at 400 Aviation Blvd., Suite 100, Santa Rosa, CA 95403**.**

Dear Stockholder:

Your Association remains financially strong. It seems that the agriculture industry is under constant change and we are currently seeing many commodities face profitability pressures. We know these challenges will pass and we remain committed to weathering the storms by your side. Our recent merger with Farm Credit of Southwest Kansas is reflected in our first quarter 2017 results and has bolstered the strength of our diversified portfolio allowing us to maintain steady returns to our stockholders. We are proud to support farmers and ranchers and play an integral role in this great industry.

Financial Condition and Results of Operations:

Net Income for the three months ended March 31, 2017 was $39.7 million compared to $32.0 million for the same period one year ago, an increase of $7.7 million. The increase was due to a $10.6 million increase in net interest income and a $1.4 million increase in patronage and fee income partially offset by a $6.1 million increase in operating expenses. Additionally, the Association recorded a provision for credit losses of $280 thousand during the first quarter of 2017 compared to a $2.0 million provision for the same period one year ago. The return on average assets for the first quarter was 1.73% compared to 1.66% during the first quarter last year and 1.31% for the full twelve months of 2016.

Total loan volume was $8.625 billion at March 31, 2017 an increase of $616 million from $8.009 billion at December 31, 2016. On a year-over-year basis, loan volume increased $1.379 billion when compared to March 31, 2016, resulting in a year-over-year growth rate of 19.0%. The increase in loan growth was due to strong organic growth in addition to the January 1, 2017 merger with Farm Credit of Southwest Kansas. Credit quality continues to hold up very well despite the challenges currently facing agriculture. Nonaccrual loan volume represented just 0.30% of total loan volume at the end of the first quarter compared to 0.73% at March 31, 2016 and 0.64% at December 31, 2016.

Effective January 1, 2017 the Farm Credit Administration adopted New Capital Regulations relating to regulatory capital requirements for System banks, including CoBank, and Associations. The New Capital Regulations replace existing core surplus and total surplus requirements with common equity tier 1 (CET1), tier 1, and total capital (tier 1 plus tier2) risk-based capital ratio requirements. The Association was in compliance with all capital ratio requirements of the New Capital Regulations at March 31, 2017.

The Association's capital position continues to be very strong. Total members' equity was $2.023 billion at the end of the first quarter, an increase of $249 million from $1.774 billion at December 31, 2016. The increase was due to strong first quarter earnings, a $43 million increase in H Stock, and the impact of the merger with Farm Credit of Southwest Kansas. The Association's strong earnings and capital position support our ability to maintain our cash patronage program … one additional way of thanking you for your continued business.

Charles Talbott Chairman	Byron Enix Chief Executive Officer	Vern Zander Chief Financial Officer

May 9, 2017

FINANCIAL STATEMENTS ($000's)

CONSOLIDATED STATEMENTS OF CONDITION	Mar. 31		Dec. 31	
	2017	2016	2016	2015
	Unaudited	Unaudited	Audited	Audited
ASSETS				
Loans	**$8,625,188**	$7,246,265	$8,008,875	$7,291,557
Less: allowance for loan losses	**(17,920)**	(9,917)	(19,241)	(8,754)
Net loans	**8,607,268**	7,236,348	7,989,634	7,282,803
Investment in CoBank	**289,520**	257,834	261,711	255,966
Accrued interest receivable	**61,263**	49,095	61,531	51,083
Premises and equipment, net	**133,808**	120,767	127,819	110,311
Other property owned	**-**	-	-	2,521
Other assets	**58,749**	50,380	108,286	95,511
Total assets	**$9,150,608**	$7,714,424	$8,548,981	$7,798,195
LIABILITIES				
Note payable to CoBank	**$6,950,641**	$5,725,920	$6,561,500	$5,824,914
Funds held accounts	**79,969**	59,844	67,562	56,906
Accrued interest payable	**6,459**	7,824	6,527	5,674
Dividends payable	**6,076**	5,196	50,194	43,485
Other liabilities	**84,071**	71,380	89,553	82,954
Total liabilities	**$7,127,216**	$5,870,164	$6,775,336	$6,013,933
MEMBERS' EQUITY				
Preferred stock	**$171,396**	$224,258	$128,620	$196,515
Common capital stock and participation certificates	**8,774**	7,678	7,805	7,680
Additional paid in capital	**656,723**	490,564	490,564	490,564
Unallocated retained surplus	**1,186,499**	1,121,760	1,146,656	1,089,503
Total members' equity	**2,023,392**	1,844,260	1,773,645	1,784,262
Total liabilities and members' equity	**$9,150,608**	$7,714,424	$8,548,981	$7,798,195

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	For the Three Months Ended Mar. 31	
Unaudited	**2017**	2016
Interest income	**$91,406**	$75,364
Interest expense	**(28,751)**	(23,314)
Net interest income	**62,655**	52,050
CoBank patronage dividend	**7,876**	6,439
Other income	**6,914**	6,846
Provision for credit losses	**(280)**	(2,027)
Operating and other expenses	**(37,419)**	(31,319)
Income before income taxes	**39,746**	31,989
(Provision) Benefit for income taxes	**1**	(4)
Net income	**39,747**	31,985
Comprehensive Income:		
Change in retirement obligation	**339**	459
Total comprehensive income	**$40,086**	$32,444

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

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY ($000's)

For the Three Months Ended March 31, 2016 and 2017

	Capital Stock	Preferred Stock	Additional Paid in Capital	Unallocated Retained Earnings	Other Comprehensive Income (Loss)	Total Members' Equity
Balance at Dec. 31, 2015	$7,680	$196,515	$490,564	$1,099,399	($9,896)	$1,784,262
Comprehensive income				31,985	459	32,444
Stock issued	163	103,503				103,666
Stock retired	(165)	(75,760)				(75,925)
Preferred stock dividends paid						-
Preferred stock dividends accrued				(187)		(187)
Reversal of prior period patronage accrual						-
Balance at Mar. 31, 2016	**$7,678**	**$224,258**	**$490,564**	**$1,131,197**	**($9,437)**	**$1,844,260**
Balance at Dec. 31, 2016	$7,805	$128,620	$490,564	$1,154,462	($7,806)	$1,773,645
Comprehensive income				39,747	339	40,086
Stock issued	233	83,489				83,722
Stock retired	(226)	(40,951)				(41,177)
Merger Adjustments	962		166,159			167,121
Preferred stock dividends paid		238				238
Preferred stock dividends accrued				(243)		(243)
Reversal of prior period patronage accrual						-
Balance at Mar. 31, 2017	**$8,774**	**$171,396**	**$656,723**	**$1,193,966**	**($7,467)**	**$2,023,392**

The accompanying notes are an integral part of these 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, 2016 are contained in the 2016 Annual Report to Stockholders (2016 Annual Report) for American AgCredit, ACA. The financial statements were prepared under the oversight of the audit committee of the board of directors.

Effective January 1, 2017, American AgCredit, ACA acquired Farm Credit of Southwest Kansas, ACA in a stock-for-stock exchange. The merger successfully united two associations into a financial institution of greater capital, capacity, and human resources to better serve agriculture within the associations' territories. The effects of the stock exchange/merger are included in American AgCredit's results of operation, balance sheet and related metrics beginning January 1, 2017.

The accompanying unaudited first quarter 2017 financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) for interim financial information. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements and should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2016 as contained in the 2016 Annual Report.

In the opinion of management, the unaudited financial information is complete and reflects all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of results for the interim periods. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year ending December 31, 2017. Descriptions of the significant accounting policies are included in the 2016 Annual Report. In the opinion of management, these policies and the presentation of the interim financial condition and results of operations conform with GAAP and prevailing practices within the banking industry.

In August 2016, the Financial Accounting Standards Board (FASB) issued guidance entitled "Classification of Certain Cash Receipts and Cash Payments." The guidance addresses specific cash flow issues with the objective of reducing the diversity in the classification of these cash flows. Included in the cash flow issues are debt prepayment or debt extinguishment costs and settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing. This guidance becomes effective for interim and annual periods beginning after December 15, 2017. The adoption of this guidance is not expected to impact the Association's financial condition or its results of operations but could change the classification of certain items in the statement of cash flows.

In June 2016, the FASB issued guidance entitled "Measurement of Credit Losses on Financial Instruments." The guidance replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to form credit loss estimates. Credit losses relating to available-for-sale securities would also be recorded through an allowance for credit losses. For public business entities that are not U.S. Securities and Exchange Commission filers this guidance becomes effective for interim and annual periods beginning after December 15, 2020, with early application permitted. The Association is currently evaluating the impact of adoption on its financial condition and results of operations.

In February 2016, the FASB issued guidance entitled "Leases." The guidance requires the recognition by lessees of lease assets and lease liabilities on the balance sheet for the rights and obligations created by those leases. Leases with lease terms of more than 12 months are impacted by this guidance. This guidance becomes effective for interim and annual periods beginning after December 15, 2018, with early application permitted. The Association is currently evaluating the impact of adoption on its financial condition and results of operations.

In January 2016, the FASB issued guidance entitled "Recognition and Measurement of Financial Assets and Liabilities." The guidance affects, among other things, the presentation and disclosure requirements for financial instruments. For public entities, the guidance eliminates the requirement to disclose the methods and significant assumptions used to estimate the fair value of financial instruments carried at amortized cost. This guidance becomes effective for interim and annual periods beginning after December 15, 2017. The adoption of this guidance is not expected to impact the Association's financial condition or its results of operations.

In May 2014, the FASB issued guidance entitled, "Revenue from Contracts with Customers." The guidance governs revenue recognition from contracts with customers and requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Financial instruments and other contractual rights within the scope of other guidance issued by the FASB are excluded from the scope of this new revenue recognition guidance. In this regard, a majority of our contracts would be excluded from the scope of this new guidance. In August 2015, the FASB issued an update that defers this guidance by one year, which results in the new revenue standard becoming effective for interim and annual reporting periods beginning after December 15, 2017. The Association is in the process of reviewing contracts to determine the effect, if any, on the Association's financial condition or its results of operations.

Certain amounts in the prior period's financial statements have been reclassified to conform to the current period's financial statement presentation.

NOTE 2 – Loans and Allowance for Loan Losses

Components of loans in the Consolidated Statements of Condition are as follows:

	Mar. 31, 2017	Dec. 31, 2016
Real estate mortgage	**$4,883,800**	$4,498,055
Production and intermediate-term	**1,558,123**	1,502,995
Agribusiness	**1,897,918**	1740584
Rural infrastructure	**257,807**	243,706
Rural residential real estate	**4,474**	4,565
Agricultural export finance	**23,066**	18,970
Total loans	**$8,625,188**	$8,008,875

The Association, in the normal course of business, purchases and sells participation interests with other parties in order to diversify risk, manage loan volume, and comply with Farm Credit Administration regulations. All loans sold to others are sold without recourse.

The following table presents information regarding participations purchased and sold at March 31, 2017:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	$102,462	$1,118,043	$3,415	$0	$105,877	$1,118,043
Production and intermediate-term	319,887	547,387	-	-	319,887	547,387
Agribusiness	923,615	1,447,233	3,641	-	927,256	1,447,233
Rural infrastructure	267,600	9,793	-	-	267,600	9,793
Rural residential real estate	-	-	-	-	-	-
Agricultural export finance	23,066	-	-	-	23,066	-
Total	$1,636,630	$3,122,456	$7,056	$0	$1,643,686	$3,122,456

	Mar. 31, 2017	Mar. 31, 2016	Mar. 31, 2015
Loans purchased from others	**$1,643,686**	$1,399,799	$1,223,454
Loans sold to others	**$3,122,456**	$2,651,939	$2,412,244
Retained interest in sold loans	**$1,143,071**	$872,760	$779,493
Syndications serviced for others	**$1,299,158**	$1,488,627	$1,544,563

Impaired assets (including related accrued interest) are as follows:

	Mar. 31, 2017	Dec. 31, 2016
Nonaccrual loans:		
Real estate mortgage	**$18,041**	$21,377
Production and intermediate-term	**7,507**	5,972
Agribusiness	**20**	22
Rural residential real estate	**35**	38
Total nonaccrual loans	**25,603**	27,409
Accruing restructured loans:		
Real estate mortgage	**8,459**	8,626
Total accruing restructured loans	**8,459**	8,626
Accruing > 90 days past due:		
Real estate mortgage	**-**	1,300
Total accruing > 90 days past due	**-**	1,300
Total impaired loans	**34,062**	37,335
Other property owned	**-**	-
Total impaired assets	**$34,062**	$37,335

The following tables provide an age analysis of past due loans (including accrued interest):

Mar. 31, 2017	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less than 30 Days Past Due	Total Loans	Recorded Investment >90 Days and Accruing
Real estate mortgage	$9,004	$10,251	$19,255	$4,905,610	$4,924,865	$0
Production and Intermediate-term	12,999	1,919	14,918	1,556,413	1,571,331	-
Agribusiness	7	-	7	1,904,760	1,904,767	-
Rural infrastructure	-	-	-	258,063	258,063	-
Rural residential real estate	-	-	-	4,490	4,490	-
Agricultural export finance	-	-	-	23,099	23,099	-
Total loan principal and interest	$22,010	$12,170	$34,180	$8,652,435	$8,686,615	$0
Less accrued loan interest					(61,427)	
Net loan principal					$8,625,188	

Note: The recorded investment in the receivable is the face amount increased or decreased by applicable accrued interest and unamortized premium, discount, finance charges, or acquisition costs and may reflect a previous direct write-down of the investment.

Dec. 31, 2016	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or Less than 30 Days Past Due	Total Loans	Recorded Investment >90 Days and Accruing
Real estate mortgage	$6,956	$13,203	$20,159	$4,520,846	$4,541,005	$1,300
Production and Intermediate-term	9,444	4,140	13,584	1,500,050	1,513,634	-
Agribusiness	4,107	-	4,107	1,744,271	1,748,378	-
Rural infrastructure	-	-	-	243,989	243,989	-
Rural residential real estate	103	-	103	4,478	4,581	-
Agricultural export finance	-	-	-	18,995	18,995	-
Total loan principal and interest	$20,610	$17,343	$37,953	$8,032,629	$8,070,582	$1,300
Less accrued loan interest					(61,707)	
Net loan principal					$8,008,875	

One credit quality indicator utilized by the Association is the Farm Credit Administration Uniform Loan Classification System that categorizes loans into five categories. The categories are defined as follows:

- **Acceptable:** Assets are expected to be fully collectible and represent the highest quality,
- **Other assets especially mentioned (OAEM):** Assets are currently collectible but exhibit some potential weakness,
- **Substandard:** Assets exhibit some serious weakness in repayment capacity, equity, and/or collateral pledged on the loan,
- **Doubtful**: Assets exhibit similar weaknesses to substandard assets; however, doubtful assets have additional weaknesses in existing factors, conditions and values that make collection in full highly questionable, and
- **Loss:** Assets are considered uncollectible.

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, 2017, the allowance for loan losses is adequate based on information currently available.

The following table shows loans and related accrued interest as a percentage of total loans and related accrued interest receivable by loan type as of:

	Mar. 31, 2017	Dec. 31, 2016
Real estate mortgage		
Acceptable	96.46%	97.56%
OAEM	2.30	1.24
Substandard/Doubtful	1.24	1.20
	100.00%	100.00%
Production and intermediate-term		
Acceptable	91.69%	94.05%
OAEM	6.38	4.44
Substandard/Doubtful	1.93	1.51
	100.00%	100.00%
Agribusiness		
Acceptable	97.53%	96.92%
OAEM	0.06	0.41
Substandard/Doubtful	2.41	2.67
	100.00%	100.00%
Rural infrastructure		
Acceptable	98.81%	98.49%
OAEM	1.19	1.51
Substandard/Doubtful	-	-
	100.00%	100.00%
Rural residential real estate		
Acceptable	87.97%	92.03%
OAEM	6.34	6.31
Substandard/Doubtful	5.69	1.66
	100.00%	100.00%
Agricultural export finance		
Acceptable	100.00%	100.00%
OAEM	-	-
Substandard/Doubtful	-	-
	100.00%	100.00%
Total loans		
Acceptable	95.90%	96.79%
OAEM	2.51	1.67
Substandard/Doubtful	1.59	1.54
	100.00%	100.00%

Additional impaired loan information is as follows:

	At Mar. 31, 2017			At Dec. 31, 2016		
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Recorded Investment	Unpaid Principal Balance	Related Allowance
Impaired loans with a related allowance for credit losses:						
Real estate mortgage	$496	$704	$82	$504	$707	$84
Production and intermediate-term	5,630	9,753	960	4,128	6,721	663
Total	$6,126	$10,457	$1,042	$4,632	$7,428	$747
Impaired loans with no related allowance for credit losses:						
Real estate mortgage	$26,004	$37,927	$0	$30,799	$41,887	$0
Production and intermediate-term	1,877	5,412	-	1,844	3,022	-
Agribusiness	20	2,003	-	22	44	-
Rural residential real estate	35	44	-	38	46	-
Total	$27,936	$45,386	$0	$32,703	$44,999	$0
Total impaired loans:						
Real estate mortgage	$26,500	$38,631	$82	$31,303	$42,594	$84
Production and intermediate-term	7,507	15,165	960	5,972	9,743	663
Agribusiness	20	2,003	-	22	44	-
Rural residential real estate	35	44	-	38	46	-
Total	$34,062	$55,843	$1,042	$37,335	$52,427	$747

	For the Quarter Ended Mar. 31, 2017		For the Year Ended Dec. 31, 2016	
	Average Impaired Loans	Interest Income Recognized	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for credit losses:				
Real estate mortgage	$381	$0	$323	$0
Production and intermediate-term	3,194	-	1,278	-
Total	$3,575	$0	$1,601	$0
Impaired loans with no related allowance for credit losses:				
Real estate mortgage	$28,233	$179	$39,513	$5,236
Production and intermediate-term	1,359	5	3,441	598
Agribusiness	16	1	20	5
Rural residential real estate	28	-	34	-
Total	$29,636	$185	$43,008	$5,839
Total impaired loans:				
Real estate mortgage	$28,614	$179	$39,836	$5,236
Production and intermediate-term	4,553	5	4,719	598
Agribusiness	16	1	20	5
Rural residential real estate	28	-	34	-
Total	$33,211	$185	$44,609	$5,839

A summary of changes in period end allowance for loan loss and recorded investment in loans is as follows:

	Allowance for Loan Losses				Recorded Investments in Loans Outstanding			
	Balance at Mar. 31, 2017	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Loans Acquired with Deteriorated Credit Quality	**Balance at Mar. 31, 2017**	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Loans Acquired with Deteriorated Credit Quality
Real estate mortgage	$3,433	$82	$3,351	$0	$4,924,865	$26,500	$4,898,365	$2,244
Production and intermediate-term	5,999	960	5,039	-	1,571,331	7,507	1,563,824	3,428
Agribusiness	7,701	-	7,701	-	1,904,767	20	1,904,747	-
Rural infrastructure	760	-	760	-	258,063	-	258,063	-
Rural residential real estate	4	-	4	-	4,490	35	4,455	-
Agricultural export finance	23	-	23	-	23,099	-	23,099	-
Total	$17,920	$1,042	$16,878	$0	$8,686,615	$34,062	$8,652,553	$5,672

	Allowance for Loan Losses Reconciliation				
	Balance at Dec. 31, 2016	Charge-Offs	Recoveries	Provision for Loan Losses/(Loan Loss Reversals)	**Balance at Mar. 31, 2017**
Real estate mortgage	$3,854	$0	$52	($473)	$3,433
Production and intermediate-term	6,349	(2,079)	-	1,729	5,999
Agribusiness	8,285	-	-	(584)	7,701
Rural infrastructure	730	-	-	30	760
Rural residential real estate	4	-	-	-	4
Agricultural export finance	19	-	-	4	23
Total	$19,241	($2,079)	$52	$706	$17,920

	Allowance for Loan Losses				Recorded Investments in Loans Outstanding			
	Balance at Mar. 31, 2016	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Loans Acquired with Deteriorated Credit Quality	**Balance at Mar. 31, 2016**	Individually Evaluated for Impairment	Collectively Evaluated for Impairment	Loans Acquired with Deteriorated Credit Quality
Real estate mortgage	$2,752	$73	$2,679	$0	$4,058,002	$41,034	$4,016,968	$9,536
Production and intermediate-term	2,660	16	2,644	-	1,213,567	5,456	1,208,111	189
Agribusiness	3,591	-	3,591	-	1,743,975	28	1,743,947	-
Rural infrastructure	893	-	893	-	255,934	-	255,934	-
Rural residential real estate	3	-	3	-	5,011	45	4,966	-
Agricultural export finance	18	-	18	-	18,988	-	18,988	-
Total	$9,917	$89	$9,828	$0	$7,295,477	$46,563	$7,248,914	$9,725

	Allowance for Loan Losses Reconciliation				
	Balance at Dec. 31, 2015	Charge-Offs	Recoveries	Provision for Loan Losses/(Loan Loss Reversals)	**Balance at Mar. 31, 2016**
Real estate mortgage	$2,886	($318)	$51	$133	$2,752
Production and intermediate-term	2,216	(55)	-	499	2,660
Agribusiness	2,747	(2)	1	845	3,591
Rural infrastructure	883	-	-	10	893
Rural residential real estate	4	-	-	(1)	3
Agricultural export finance	18	-	-	-	18
Total	$8,754	($375)	$52	$1,486	$9,917

A restructuring of debt constitutes a troubled debt restructuring (TDR) if the creditor for economic reasons related to the debtor's financial difficulties grants a concession to the debtor that it would not otherwise consider.

In the allowance for loan loss analysis, TDR loans are individually evaluated and a specific allowance is established based on the likelihood the current events will result in an anticipated loss on the individual loans.

The Association had no TDRs during the three months ended March 31, 2016 and 2017.

The following table provides information on outstanding principal balance of loans restructured in troubled debt restructurings at period end. These loans are included as impaired loans in the impaired loan table at March 31, 2017:

	TDR in Nonaccrual Status		TDRs in Accrual Status	
	Mar. 31, 2017	Dec. 31, 2016	Mar. 31, 2017	Dec. 31, 2016
Real estate mortgage	$1,126	$3,105	$8,454	$11,731
Production and intermediate-term	1,205	257	-	256
Total	$2,331	$3,362	$8,454	$11,987

There were no additional commitments to lend to borrowers whose loans have been modified in TDRs at March 31, 2017.

There were no troubled debt restructures within the previous 12 months for which there was a payment default during the reporting periods.

NOTE 3 – Members' Equity

On March 10, 2016, the FCA adopted final rules relating to regulatory capital requirements for the system banks, including CoBank and Associations. The new Capital Regulations took effect January 1, 2017. The table below shows the association's tier 1, total regulatory capital and permanent capital as of March 31, 2017. The Association's regulatory capital ratio was 15.34%, which exceeds the minimum of 10.50% required by our regulator, the Farm Credit Administration.

Common Equity - Tier 1	Total Regulatory Capital	Permanent Capital
15.12%	15.34%	16.85%

Association shareholders have approved a class of preferred stock known as H Stock. At March 31, 2017, 500 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, 2017, there were 171,396,681 shares of H Stock issued and outstanding. The dividend rate at March 31, 2017 was 0.60%.

The following tables present the activity in the accumulated other comprehensive income (loss), net of tax by component:

Balance at Dec. 31, 2016	Pension and Other Benefit Plans	Accumulated Other Comprehensive Income
Other comprehensive income before reclassifications	($7,806)	($7,806)
Amounts reclassified from accumulated other comprehensive income	339	339
Net current period other comprehensive income	339	339
Balance at Mar. 31, 2017	($7,467)	($7,467)

Balance at Dec. 31, 2015	Pension and Other Benefit Plans	Accumulated Other Comprehensive Income
Other comprehensive income before reclassifications	($9,896)	($9,896)
Amounts reclassified from accumulated other comprehensive income	459	459
Net current period other comprehensive income	459	459
Balance at Mar. 31, 2016	($9,437)	($9,437)

The following table represents reclassifications out of accumulated other comprehensive income (loss):

	For the Three Months Ended		Location of Gain/(Loss) Recognized in Statement of Income
	Mar. 31, 2017	Mar. 31, 2016	
Pension and other benefit plans:			
Net actuarial gain/(loss)	$339	$459	Salaries & Benefits
Total amounts reclassified	$339	$459	

NOTE 4 – Fair Value Measurements

SFAS No. 157 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 2016 Annual Report.

Assets measured at fair value on a recurring basis for each of the fair value hierarchy values are summarized below:

Assets Held in Nonqualified Benefits Trusts	**Hierarchy Level 1**	**Total Fair Value**
Mar. 31, 2017	$16,240	$16,240
Dec. 31, 2016	$15,524	$15,524

Assets and liabilities measured at fair value on a non-recurring basis at March 31, 2017 for each of the fair value hierarchy values are summarized below:

Asset:	**Hierarchy Level 3**	**Fair Value Measurement Using Total Fair Value**	**Total Gains/(Losses)**
Loans	$5,325	$5,325	($1,966)
Loans acquired in Mountain Plains merger	$81,871	$81,871	($596)
Loans acquired in SW Kansas merger	$570,137	$570,137	($487)
Liabilities:			
Debt acquired in Mountain Plains merger	$82,325	$82,325	$750
Debt acquired in SW Kansas merger	$493,687	$493,687	$672

During the reporting periods presented, the Association recorded no transfers in or out of Levels 1, 2, or 3. The Association has no liabilities measured at fair value on a recurring basis for the periods presented.

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.

Loans Evaluated for Impairment
For certain loans evaluated for impairment under FASB impairment guidance, the fair value is based upon the underlying real estate collateral since the loans were collateral-dependent. The fair value measurement process uses independent appraisals and other market-based information, but in many cases it also requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters. As a result, a majority of these loans have fair value measurements that fall within Level 3 of the fair value hierarchy. When the value of the real estate, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established. The fair value of these loans would fall under Level 2 of the hierarchy if the process uses independent appraisals and other market-based information.

Loans and Debt Acquired in Merger
At the merger of American AgCredit and Farm Credit Services of the Mountain Plains on January 1, 2012, and the merger with Farm Credit of Southwest Kansas on January 1, 2017 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, 2017.

Other Property Owned
Other property owned is generally classified as Level 3 of the fair value hierarchy. The process for measuring the fair value of other property owned involves the use of independent appraisals or other market-based information. Costs to sell represent transaction costs and are not included as a component of the asset's fair value.

Assets Held in Nonqualified Benefits Trusts
Assets held in trust funds related to deferred compensation and supplemental retirement plans are classified within Level 1. The trust funds include investments that are actively traded and have quoted net asset values that are observable in the marketplace.

NOTE 5 - Subsequent Events

The Association has evaluated subsequent events through May 9, 2017, which is the date the financial statements were issued, and no material subsequent events were identified.