PRESS RELEASE

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American AgCredit Merges with Kansas-Based Lender Farm Credit of the Heartland

~ National agricultural lender merges with Kansas association

October, 2009 (Santa Rosa, CA) -- American AgCredit has announced the merger with Farm Credit of the Heartland (Heartland), based in Wichita, Kansas, effective November 30, 2009. The merger will make the joint Association the 7th largest Farm Credit cooperative in the U.S., totaling $4.8 billion in assets, and creating a combined customer base of 6,430 members.

The boards of directors of both organizations released the following statement supporting the merger.

"We believe the combined organization will be financially and operationally stronger than either Association individually. Combined, they will be better positioned to deliver competitively priced credit and related services, continue a cash dividend, and provide a well-capitalized Association that can withstand cyclical downturns, adverse weather conditions, or other factors that depress the profits of our members."

This is the fourth merger since 2000 for the California-based lender American AgCredit, which has continued to grow its capital and loan portfolio despite the financial challenges in the lending marketplace.

"It is our fundamental goal to ensure that the Association remains a safe, well-diversified organization that can meet the needs of a marketplace that is constantly changing. The merger with Heartland will diversify our risk and at the same time strengthens our core structure, allowing us to respond to regulatory and competitive demands more efficiently," said American AgCredit CEO Ron Carli.

In disclosure documents released to the shareholders of both Associations, the lenders identified the key benefits of the merger that both Associations' stockholders will benefit from. These include:

- A reduction in operating costs from economies of scale.
- Improved risk management from increased commodity and borrower diversification.
- Improved earnings from a larger capital base that facilitates making and holding larger loans.

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Merger Benefits

Joining two distinct territories provides greater diversification in commodities and geography, two areas that can create portfolio risk in agricultural financing. The two companies identified strong compatibility in credit and operating philosophies and anticipate a smooth transition to combined operations.

American AgCredit's Board Chairman Thomas Teixeira re-affirmed the importance of both customer and commodity diversity.

"We recognize the benefits of a broader agricultural, commodity and customer base," Teixeira said. "The merger will make our organization more cost efficient and profitable, increasing the likelihood of continued cash dividends and reduced funding costs to benefit local farmers and ranchers. The organization as a whole stands to gain many benefits from the merger."

About American AgCredit and Farm Credit of the Heartland

Founded in 1916, the cooperative nationwide Farm Credit System provides lending and other financial services to farmers, ranchers, agribusinesses and rural homeowners. Together, American AgCredit and Farm Credit of the Heartland are the 7^{th} largest Farm Credit cooperative. The organization specializes in providing financial services to agriculture and rural customers throughout California, Nevada, central Kansas and northern Oklahoma as well as to capital markets customers in 30 states across the nation.

Financial services 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 for a listing of offices by region.

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Summary Fact Sheet

Key advantages of the merger between American AgCredit and Farm Credit of the Heartland

Diversification

The merger will provide greater geographic, commodity and borrower diversification. Heartland's loan portfolio is heavily concentrated in small grain and field crops (48%) and livestock (31%). American AgCredit's portfolio is spread across a number of industries, commodities and specialty crops that Heartland does not finance, such as wine grapes, vegetables, tree fruit and nuts, timber and dairy. The merger will reduce Heartland's two highest commodity concentrations by more than 50%.

Following the merger, the largest industry/commodity concentration will be in wine grapes, but that concentration will be lower than 20% of the total portfolio. The significant concentrations in the vineyard/winery and dairy industries will be diluted, thereby mitigating risk exposure in these specific commodities.

The key benefit of broader diversification is that it better positions the organization to withstand credit adversity. Specifically, by bringing together two portfolios with little overlapping commodity exposures, a downturn in the credit quality of one area or commodity, whether caused by adverse weather patterns or market conditions, is less likely to place significant financial distress on the merged association.

More than 90% of Heartland's individual loan balances are less than $250,000. The addition of these loans to American AgCredit's portfolio will reduce the overall average loan size and help to minimize a material adverse impact to the Association from any one individual borrower or group of borrowers.

Cost and Overhead Reduction

The merger will provide both Associations with a larger asset base over which fixed costs and overhead can be spread. Due to its larger size, American AgCredit can spread costs over a larger asset base and thus operate more efficiently. Following the merger, cost reductions in the range of $1.0 to $1.5 million annually are expected.

Farm Credit System costs and U.S. AgBank District allocations (such as regulatory charges and insurance premiums) have large fixed cost components that will be spread over a greater volume of assets. In the area of technology, a minimum savings of $0.5 million per year will be achieved by converting Heartland to American AgCredit's technology platform. A key cost savings opportunity is in the area of technology and professional services. By being able to access American AgCredit's in-house legal, marketing and accounting staffs, Heartland will save the fees paid to external providers of these professional services.

Salaries and employee benefits are expected to decrease by approximately $1 million annually from the pre-merger state as redundant positions are consolidated over a period of two to three years.

In addition, increased purchasing power should result in savings in areas such as information technology, telephone systems, fleet vehicles and advertising as volume discounts are applied on a larger scale. The merger should not substantially increase any category of annual operating expenses, apart from a modest increase in certain expenses caused by the expansion in territory (such as travel expenses).

Products Delivery Systems and Services

Heartland's size has not offered the economies of scale to provide the most efficient point of sale and product delivery systems and services. Rather, it has been necessary for it to join with other Farm Credit entities in contracting these services from a common vendor. With the merger, Heartland borrowers will have access to American AgCredit's superior systems and services.

From a service standpoint, American AgCredit will provide a more efficient customer relationship management tool that can better track customer needs and match those needs with Association personnel best equipped to answer their questions, a superior management reporting system to better position resources for customer needs, and a more seamless system that reduces processing and product delivery time. Also, although both Associations have similar loan products, American AgCredit provides a broader array of related service products.

Funding Costs

As a result of the merger, the funding cost of Heartland's loan portfolio will become eligible for a discount under the current pricing program of U.S. AgBank, the primary funding source for the new Association. That discount is available to an association when its borrowings exceed a specified level. American AgCredit is currently eligible for this discount, while Heartland is not.

New Income Sources
The merger will give American AgCredit's new sources of non-interest income. Specifically, Heartland offers an established source of non-interest income from crop insurance sales. Also, Heartland has the right to receive cash dividend distributions of mineral rights income from U.S. AgBank. These sources of income should reduce American AgCredit's exposure to fluctuations in the interest rate markets.

Improved Capital Position
The merger will improve capital position and regulatory capital ratios. This will provide increased equity funding to sustain loan growth in the future and offering a stronger foundation to weather future economic or credit downturns. In addition, the larger absolute capital level will increase lending limits, enabling the joint Association to take bigger positions in loans consistent with prudent underwriting standards.