2024 ANNUAL REPORT

TOGETHER WE RISE

American AgCredit

Your future grows here

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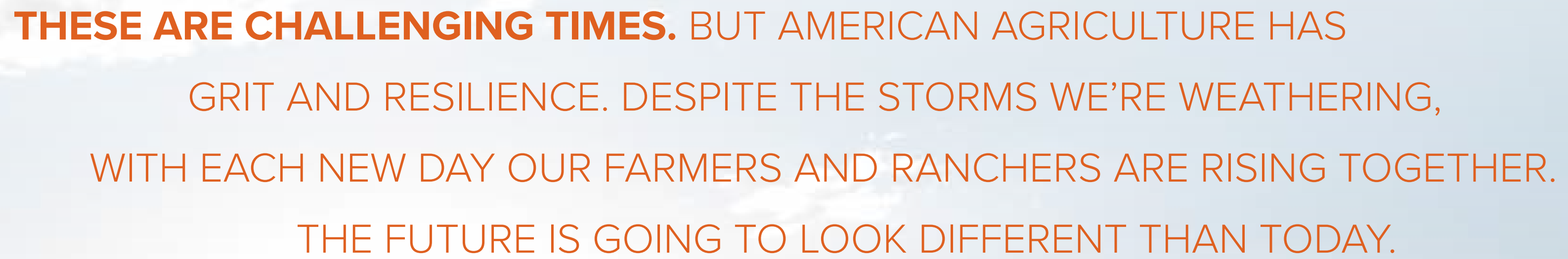


TOGETHER WE RISE

TO OUR SHAREHOLDERS

SCAN TO WATCH CEO CURT HUDNUTT'S MESSAGE.

From cattle to wine, nuts, dairy, fruit, and row crops — farmers and ranchers across all areas of agriculture faced headwinds this year. And just like the farmers and ranchers we serve, American AgCredit worked hard to meet these challenges head on. We successfully controlled costs and continued a path of historic growth, reaching earnings of over $400 million compared to earnings of $200 million just five years ago. This growth is remarkable in this challenging environment and gave us the opportunity to return $237 million in patronage back to our farmer-owners.

Our financial position remains strong, but there's more to the story behind these results.

It's more than money

As a cooperative owned by and serving U.S. farmers and ranchers, our business benefits from close ties to the business of our customers. For generations, their hard work, dedication, and resiliency has fed the world. Our continued success reflects the drive of our customers to not just survive, but thrive. Don't just take our word for it — spend some time with the stories of the farmers and ranchers featured in this report.

Hollandia Dairy in San Marcos, California, has weathered decades of challenges — from rising costs and declining milk prices to changing consumer preferences — to become one of the oldest independent producer and distributor dairies in the state. CEO Patrick Schallberger shares, "Dairy farming is hard work, but people love it, right? So that's what drives us to work in this industry every day."

Colby Frey and his wife, Amber, transitioned their family's Nevada homestead — the first in the region — from row crop and wine grapes to a successful whiskey estate. Colby shared with us the immense fulfillment he gets from growing a crop and creating something to share with people and building his business for future generations.

Agriculture isn't "just a job" for our customers, and helping them be successful isn't just about money at American AgCredit. It's our mission.

JOE ALAMO

CURT HUDNUTT

Embracing change
Something else you'll notice reading the customer stories shared in this report is how the operations transformed challenges into opportunity.

To keep their business healthy, Morris Logging in McKinleyville, California, significantly diversified its business by adding trucking, wood grinding, clean woodchip production and green waste processing.

Facing no water, labor shortages, and volatile markets, Del Bosque Farms in Firebaugh, California, focused on adjustments in growing practices and expanding to new geographies.

Despite highs and lows throughout the years, Gillis Farms in New Mexico has grown steadily over the years, purchasing land and expanding to new services like product storage and customer harvesting. Today, Gillis Farms is a producer of the world-renowned Hatch green chiles.

Investing in the future
This year's industry hurdles aren't the first time our customers faced challenges, and they certainly won't be the last. Our customers meet these challenges with an eye to the future. Tomorrow will look different than today, and we won't get there doing the same thing.

The partners of Blackshirt Feeders relied on their deep industry experience to build a novel approach to cattle feeding that is poised to make a lasting impact on the industry. When all phases are complete, the operation will be one of the biggest and most advanced in the world.

Like our customers, American AgCredit is embracing change and looking to the future. We know how we support our customers today might not be what farmers and ranchers need from us tomorrow. We'll continue to evolve tools that bring our customers value, like online banking and Terrain expert analysis — and work with customers on their specific needs for the future.

Our strong financial position means we're able to invest in the future and continue to fulfill our mission for generations to come.

Joe Alamo
Board Chair

Curt Hudnutt
Chief Executive Officer

KEY FINANCIAL DATA

YEAR ENDED DECEMBER 31 (in thousands)	2024	2023	2022	2021	2020
NET INCOME	**$408,734**	$378,283	$358,689	$351,018	$247,329
PATRONAGE DECLARED	**$237,660**	$213,669	$185,747	$162,855	$141,970
PATRONAGE AS % OF NET INCOME	**58.15%**	56.48%	51.78%	46.40%	57.40%
LOAN VOLUME	**$21,779,107**	$20,499,416	$17,431,808	$15,934,730	$14,170,874
RETURN ON AVERAGE ASSETS	**1.86%**	1.96%	2.05%	2.25%	1.82%
SHAREHOLDERS' EQUITY AS % OF TOTAL ASSETS	**15.75%**	15.96%	15.25%	15.70%	15.70%

SCAN TO LEARN MORE ABOUT OUR 2024 FINANCIAL RESULTS.

MARYAM GHAZI
Chief Financial Officer

"WHILE OUR FINANCIALS REFLECT THE CONTINUED CHALLENGES FACING AGRICULTURE, WE HAVE A STRONG FINANCIAL FOUNDATION TO WEATHER THESE CHALLENGES AND INVEST IN THE FUTURE – AND HELP OUR CUSTOMERS DO THE SAME."

FINANCIAL HIGHLIGHTS

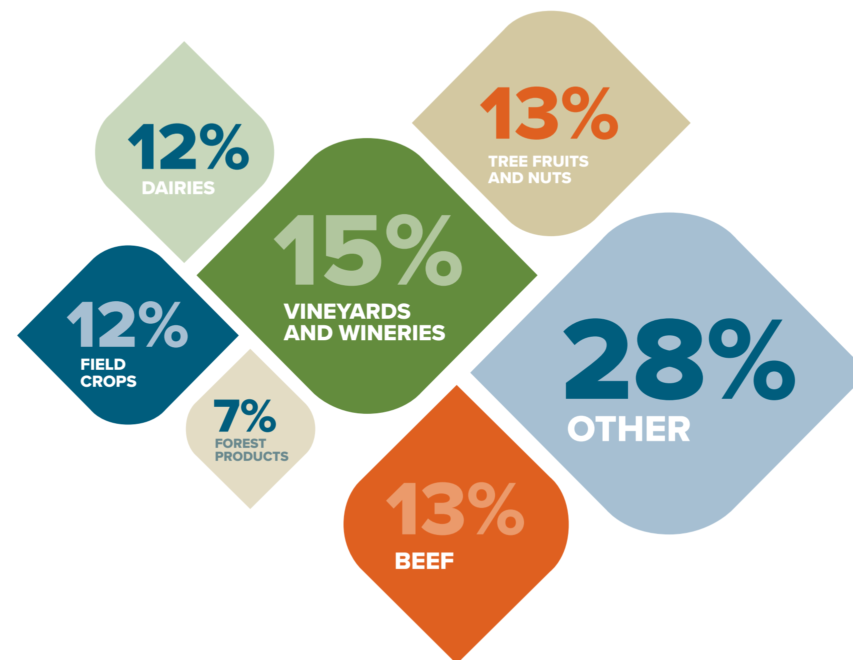
Loan Volume by State

We maintain a healthy loan volume by serving all segments of agriculture. Risks that may be associated with a particular geographic region, such as adverse weather, land pricing or commodity markets, may be offset by stronger performance in our other regions, thereby reducing pressure on the overall portfolio.

(in millions)	2024	2023	2022
CALIFORNIA	$9,981.7	$9,382.4	$8,944.4
KANSAS	$2,044.7	$1,985.6	$1,923.1
COLORADO	$1,688.0	$1,691.9	$1,650.3
NEW MEXICO	$1,377.7	$1,299.0	$153.3
NEVADA	$284.8	$283.4	$267.0
HAWAII	$153.1	$185.2	$152.3
OTHER	$6,249.1	$5,671.9	$4,341.4
TOTAL	$21,779.1	$20,499.4	$17,431.8

Commodities Financed

We maintain a diverse loan portfolio to reduce risks associated with a downturn in any single agricultural commodity. By serving a wide range of commodities and operation types, we are able to mitigate risk and ensure that any material stress on the entire portfolio is minimized.



PATRONAGE REPORT

Ware Family, Clovis, NM

IN 2024, despite the industry and market challenges we faced together as a cooperative, we're pleased that our Board again voted to approve our patronage distribution, giving $237 million back to you, our customer owners.

While patronage is not guaranteed, our mission remains the same: to provide reliable financing to agriculture into the future, especially through the industry's ups and downs.

That's why we're stewarding our cooperative dollars for the continued growth of our association — and ultimately the future growth of our customer owners and American agriculture.

Patronage payments are moving to direct deposit.

2025 will be the last year that customer owners will receive a physical check for their patronage payment. To avoid delays next year, we encourage you to sign up for direct deposit now.

SCAN TO SIGN UP, OR VISIT AGLOAN.COM/EARLY-PATRONAGE

HOLLANDIA DAIRY

SAN MARCOS, CALIFORNIA

HAPPY COWS ARE MVPS AT HISTORIC DAIRY NEAR SAN DIEGO

When you shop for milk at the grocery store, you may be checking the label for an expiration date and clues about how the milk was produced. For Hollandia Dairy in San Marcos, California, the label tells a story about one family's deep roots in dairy farming, from life in Holland to a successful milk operation in California.

The dairy has humble origins. In 1949, Arie de Jong left Holland with his wife and 10 children for a fresh start in a rural area north of San Diego. Just one year later, in 1950, the de Jong family purchased their own dairy farm in Escondido.

Today, Hollandia is widely respected as one of the oldest independent producer and distributor dairies in the state, with milk sold in hundreds of stores across southern California. Patrick Schallberger is CEO at Hollandia Dairy, where he focuses on helping the business grow and evolve while staying true to its local roots.

"We're committed to finding ways to meet our consumers' needs, because the consumers today are different than they were 20 years ago," said Patrick. "In this industry, you have to be really consumer focused, because if you don't listen to the consumer and you don't change, then you're not going to be around."

What sets Hollandia apart from its competition? Patrick said the dairy's milking and processing operations are within 50 miles of each other, meaning that each gallon of milk is locally made and fresh on the shelf, going from cow to consumer in less than 24 hours.

Innovation at a legacy dairy

The dairy industry has weathered decades of economic challenges, especially during the Great Recession and more recently with rising costs and declining milk prices. Despite these headwinds, Hollandia has stayed focused on fundamentals during times of lower milk prices, inflation and shifting consumer preferences.

Jack Rose, the dairy's chief financial officer, said that new tools, including an app for machine operators to share feedback and troubleshoot issues, have also made the operation run more smoothly — and more cost effectively — than ever.

"We track everything in an accounting fashion, and make sure that we're getting our dollars and cents worth of value for all our farmers," said Jack. "I believe our strength is in our ability to digitize the operation and transform our business into numbers that we can use to make improvements."

Gregg Warren is head of corporate lending at American AgCredit, which has partnered with Hollandia Dairy for three decades. He said working with Hollandia Dairy has been a rewarding experience, one that has been built on a sense of trust and a mission to serve agriculture.

"It's a great relationship and it has been fun to watch the company grow and succeed," said Gregg. "To realize the jobs they're creating, the lives that they're changing, and the part of agriculture they continue to serve. The relationship works with trust, integrity and communication, and if there is something that they need as a customer, they know who to contact, and they know the right questions to ask."

Staying true to dairy's local roots

Hollandia Dairy was once part of a community of countless farms and dairies in southern California. Today, they are the last dairy processing plant still running in San Diego County.

"I have a deep love for San Diego County, and to be CEO at the only milk processing plant in the county is like a dream come true," said Patrick. "I never thought I was going to still be able to be involved in the dairy industry, so to be involved in keeping this business successful and working with the family is what motivates me every day."

Local agriculture takes center stage at the San Diego County Fair, which has run every summer since 1880. Hollandia Dairy has become known for hosting a live milking demonstration, which gives kids and adults a detailed look at how cows are

SCAN TO SEE HOW HOLLANDIA DAIRY CONTINUES TO SUCCEED.

milked. It's one way that Hollandia tells their story and educates the public about dairy farming.

"We've done the milking demonstration for the last three or four years at the fair," said Patrick. "People love it, and we see it as a great way to educate and share our story. When you don't share your own message, then others are going to tell the story and often tell it in a different way."

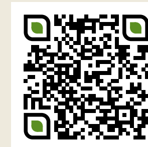
Patrick said the dairy's formula for success has been focusing on happy cows, healthy milk, and products that delight the consumer. That's no easy feat in a large dairy business, but Patrick said the joy of seeing a satisfied customer makes it all worthwhile.

"We make sure the cows are comfortable with fresh water and fresh feed daily," said Patrick. "They need to be milked two or three times a day. All of the [Hollandia] owners are out in the dairies every morning, talking to their workers to see what's going on. Dairy farming is hard work, but people love it, right? So that's what drives us to work in this industry every day."

Over 50% of our customers enjoy the convenience of online banking.

And you could be, too.

From mobile check capture and automatic payments to transferring funds and more, American AgCredit offers secure digital solutions to keep your business running smoothly — on your schedule.



SCAN TO ENROLL, OR VISIT AGLOAN.COM/ONLINE-BANKING

BLACKSHIRT FEEDERS

THE GREAT PLAINS

ROLLING OUT A NEW VISION FOR CATTLE FEEDING

On an early fall morning, a sparsely populated stretch of prairie is already buzzing with activity. Here in the Great Plains, construction crews are putting the finishing touches on what is expected to become one of the largest — and most advanced — cattle feeding operations in the nation.

Blackshirt Feeders broke ground on the company's sprawling facilities near Haigler, Nebraska, in May 2023. Less than a year later, the operation began phase two by installing the pens and processing barns needed to support around 50,000 head of cattle.

When completed, phases three and four of the project are expected to add another 50,000 head of cattle over the next several years. In total, Blackshirt Feeders is targeting 150,000 head of cattle at full capacity, which would easily make it the largest cattle feeding operation in Nebraska and one of the largest in the world.

The ambitious venture has three founding partners: Kee Jim, Calvin Booker, and Eric Behlke. All three founders are veterinarians who grew up in production agriculture and later became managers at Feedlot Health Management Services, a feedlot consulting company based in Alberta, Canada. Dr. Calvin Booker grew up on a farm in rural Saskatchewan, where he came to understand and appreciate the broad set of skills required to run a successful business in agriculture.

"Our goal is to take all the things that we've learned and put them together in one place, giving us the scope and scale to produce a large volume of high-quality, grain-fed beef," said Calvin.

Amy Hodgson, corporate banking officer at American AgCredit, has worked closely with the team at Blackshirt Feeders for about three years as they developed the project. She said the relationship started with a land loan and has since transitioned into construction financing to build out the operation, with multiple parties and a commercial bank involved.

“In our group, we work on these types of projects quite often, but [this project is] unique in that there are so many shareholders who have known each other for a really long time,” said Amy. “The fact that they are coming together for a project of this magnitude is exciting.”

Going beyond sustainability in cattle feeding

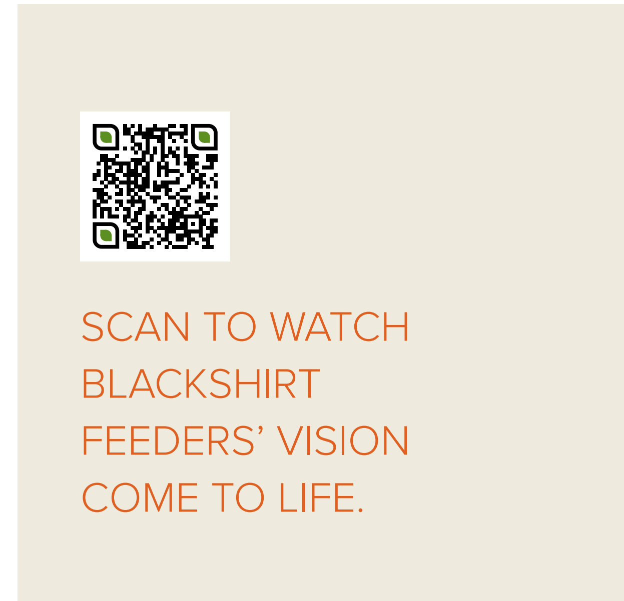
An aerial view of Blackshirt Feeders reveals one aspect of the operation that is both innovative and unusual in the world of cattle feeding — concrete flooring for cattle pens.

“The floors put us in a different category than most other feedlots in the United States,” said Calvin. “In this case, we’re using roller-compacted concrete to create a more stable, environmentally friendly footprint for the pens. While it’s more expensive to set that base or foundation, the costs to maintain an impermeable barrier are substantially lower than they are when we use dirt pens.”

This novel design fits more animals comfortably into a smaller footprint, with about 50% less space needed per animal. It’s also a waste-conscious design that reduces the operation’s impact on downstream water supplies and makes it easier to remove manure in pens without dirt contamination. Animal waste may be collected to fuel a biodigester in the future, which will break down the manure into biogas and digestate fertilizer.

Dr. Eric Behlke is a founding partner who grew up in nearby Benkelman, Nebraska. He said the operation’s sustainability practices go beyond the standard level of planning to consider how the facility will be used by future generations.

“Sustainability is a very common term in agriculture these days,” said Eric. “When you look at our facility, we have built this with generational transfer in mind. This operation might not look like it does now in 50 years. However, we have built the foundation for the next generations to build on, and to me that is the epitome of sustainability.”



Uniting behind a shared vision

Another key figure in cattle ranching and the Blackshirt Feeders project is Doug Price. He and his wife, Helga, founded Rimrock Cattle Company and Echo Sand Ranching in Alberta. Doug said the Blackshirt Feeders model combines his lifelong passion for cattle ranching with the excitement of building out a new team.

"One thing that I really enjoy the most is working with the people and watching the people grow," said Doug. "It doesn't have to just be family; we've got some tremendous people around us, and I'm looking forward to doing the same thing here as we've done in Canada. Our people are excited about their jobs, and they have the opportunity to move up in a growing company."

Blackshirt Feeders expects to employ about 130 people once the feedlot is fully operational. That figure represents a substantial boost to the local economy in Dundy County, which has about 1,500 residents.

Doug's daughter, Kendra Donnelly, is chief financial officer at Rimrock Cattle Company. She said the partnership behind Blackshirt Feeders, which unites several cattle feeding families into a single enterprise, gives her the sense that they are all part of one large, extended family.

"What's unique is that we have brought a multi-generational feel to the ownership group, even though we're not all family," said Kendra. "I think it's because we're all from agriculture. We all saw our grandparents work hard on the farms where they grew up. As the businesses have evolved and created such capital-intensive operations, one family can't do it alone."

With a novel approach and ambitious plans to scale up, Blackshirt Feeders is poised to make a lasting impact on the cattle feeding industry. Calvin said the opportunity for him and his fellow partners to pursue such an innovative project was simply too good to pass up.

"If you think about being able to build something from scratch, and it's something you're passionate about and to which you have dedicated your career — you don't get that opportunity too many times in life."

FREY RANCH

FALLON, NEVADA

NEVADA WHISKEY MAKER DISTILLS NEW SPIRIT ON FAMILY FARM

Many wine drinkers take pride in knowing what goes into their favorite bottles, where the grapes were grown, and how they were processed. For whiskey aficionados, the details are often shrouded in mystery, a carryover from the Prohibition era when smugglers and rum runners moved alcohol from secret distilleries to the drinking public.

A century later, Colby and Ashley Frey are shining new light and changing the public's understanding of whiskey at their farm and distillery in Fallon, Nevada. Frey Ranch is a farm-to-bottle whiskey distillery, growing all the wheat, barley, rye, and corn for each bottle on 1,500 acres.

Colby said his childhood dream of farming met an adult taste for whiskey and, with the help of his wife, Ashley, the idea for Frey Ranch was born.

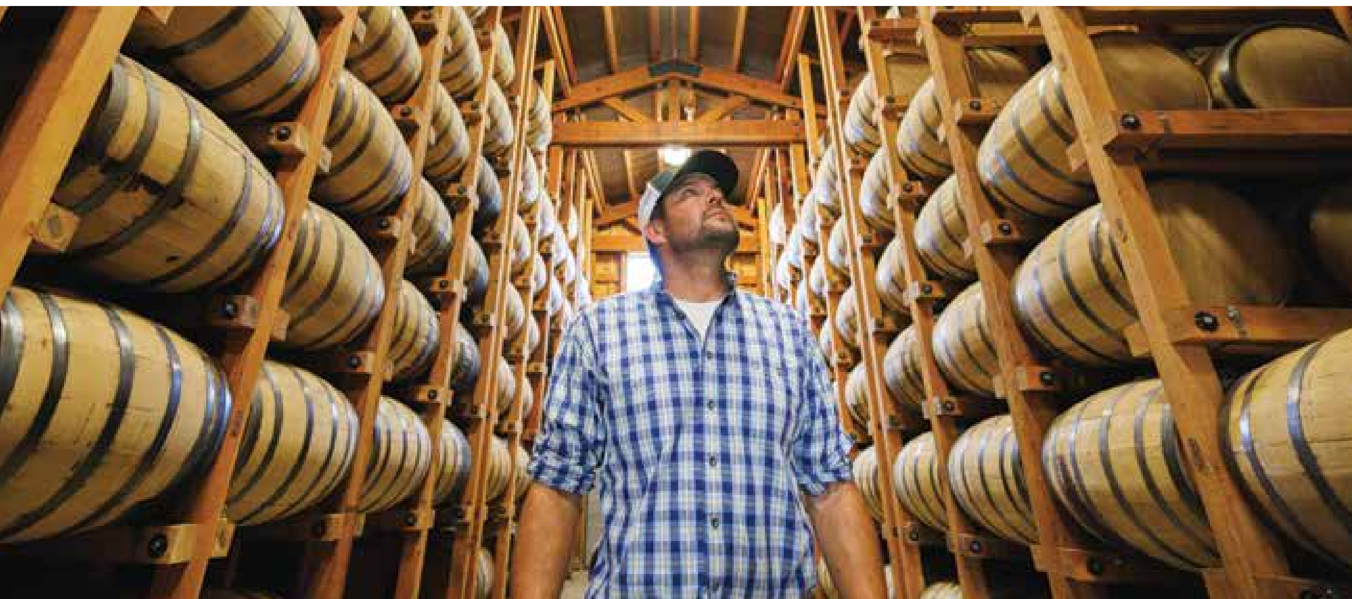
"My wife, Ashley, and I were looking for ways to really showcase the crops that we're growing," he said. "And we thought, 'What better way to do that than to make it into whiskey?' We grow 100% of the grains that are in all our whiskeys right here on the farm."

The concept of estate-grown whiskey may be new, but the Frey family's roots in Nevada agriculture date back to 1854, when Charles Frey built one of the region's first homesteads. The family has ranched and farmed wheat, corn and barley, and later grew wine grapes, before Colby and Ashley began building a whiskey estate in 2006.

"If you think of an estate distillery, we have total control over the entire process," said Colby. "In the wine world, it's very common. But in distilling and whiskey, it's very rare. You know, [in wine] everybody's talking about the grapes, the terroir, and everything else. Nobody does that in the whiskey world. That's what sets us apart and really elevates us in the whiskey world."

Craft whiskey starts on the farm

Making an exceptional bottle of whiskey takes more than just growing quality grains. Frey Ranch



has facilities for every step of the whiskey-making process: malting, milling, mashing, distilling, maturing, and bottling. Led by master distiller Russell Wedlake, Frey Ranch produces bourbon, rye, single-barrel, and "farm-strength" uncut whiskey.

Much like the wine business, launching a whiskey label is an investment that takes long-range planning. Each bottle will be aged in oak barrels for two to four (or more) years before it can be sold and enjoyed with the full-bodied flavor that comes with aging.

"We have five to six years' worth of inventory sitting in barrels, and it's a long process," said Colby. "Once you get the snowball rolling, it will really be worth it. And it's already showing that it's a great investment, and we're happy with where we're at now."

Frey Ranch sells both bourbon and rye whiskey, distinct varieties that have different recipes and aging requirements. Straight bourbon must be aged in new oak barrels for at least two years, according to rules set back in the early 1900s. The barrels must be made from American oak that has been charred, lending bourbon its amber color and distinct flavor.

"As a farmer, it's kind of our dream to do something with the crops that we grow, not just sell them on the open market and be done with it," said Colby. "For me to be able to make [the grains] into whiskey is kind of a dream come true."

Investing in farm-to-glass whiskey

What Colby and Ashley are building at Frey Ranch is both a successful enterprise during their time managing the ranch and a legacy business that their children may carry into the future. Colby said he often thinks about his four previous generations of farmers, hoping to see the ranch stay in the family for generations to come.

"I'm hoping that the distillery will make it worthwhile for my kids to not only want to take over the farm, but for it to be financially smart to take over and continue on the legacy," he said.

SCAN TO GET IN THE SPIRIT WITH FREY RANCH.

Over the years, Colby and Ashley turned to a trusted financial partner to launch and then grow the business. Wade Hofheins, chattel evaluator at American AgCredit, said he has enjoyed working with the Frey family since 2009 to secure financing for new facilities and equipment on the ranch.

“We have been participating with [Colby] to grow this distillery into the amazing business that it is today,” said Wade. “Personally, it’s been a great source of pride because I got to be involved from the ground up. We’ve had the opportunity to provide financing to achieve the goals that Colby has been trying to accomplish over the years.”

On Saturday afternoons, Frey Ranch is open to the public for complimentary tours and whiskey tastings. Colby said he loves to show whiskey fans around the farm and distillery, giving them a taste of what Frey Ranch is all about.

“Taking a seed, growing a crop, and then taking that crop and creating a product that you can share with people is really fulfilling,” said Colby. “And it’s introduced me to people around the world who appreciate whiskey. I’ve got the best job in the world.”

MORRIS LOGGING & CONTRACTING

MCKINLEYVILLE, CALIFORNIA

SUCCESSION UNLOCKS NEW GROWTH FOR NORTH COAST OPERATION

Jake Morris was eight years old when he started riding along with his father to work in Northern California, learning the logging trade under towering canopies of coast redwood, Douglas fir, and tan oak trees.

Growing up on the North Coast, tucked in a valley about 15 miles northeast of Eureka, Jake and his family were steeped in Humboldt County's tradition of logging and lumber work that stretches back to the mid-1800s.

Jake's grandfather worked as a logger in nearby Willow Creek during the logging boom of the 1950s, when hundreds of Humboldt County sawmills powered the local economy. He moved the family up to British Columbia in 1957 and then returned to California to get involved in land deals.

After recruiting his son, Steve, to go into business together, the father-and-son team started Morris Logging in 1974. Nine years later, Steve struck out on his own and launched the current version of Morris Logging & Contracting.

"We started as contractor loggers, and times were tough, and we were just getting started out," said Steve. "We did the best we could and started a family. When my first son was born, I really realized why we were put here, and all my energy went into providing for my family. Logging was the industry that I knew, and so we kept doing that."

Today, his son Jake is president of Morris Logging, while Steve serves as the company's managing partner. Jake represents the family's latest generation in the logging industry, a role that he has embraced with enthusiasm.

"I always try to think of a better way to do what we do," said Jake. "You don't always make the best decision, but sitting here today, I think we've made more right decisions than wrong. Being a diversified operation in our area is huge for the cash flow side of the business and keeping your employees working year-round. We are also very fortunate to have probably the best crew we've ever had."

Building a diversified logging business on the North Coast

While Morris Logging originally focused on logging before transitioning into in-woods chipping for pulp and paper, Jake said the business has diversified substantially over the years. Today, the family's businesses handle logging, trucking, a wholesale landscape materials yard, wood grinding, clean woodchip production, and green waste processing.

Even as the logging and timber industries have consolidated, North Coast family-owned operations like Morris Logging are finding new ways to make a living through ingenuity and careful planning.

The company's grinders process wood waste into hog fuel, a product that is burned for fuel or used as mulch. After processing wood waste into fuel, Morris Logging delivers the biomass to wood-fired power plants in Scotia and Anderson.

Steve Morris gives plenty of credit to his son, Jake, for breathing new life into the business when he came on board. He pointed to Jake's work ethic and outgoing personality, which has led to closer relationships with fellow loggers and leading timber companies on the North Coast.

"With Jake's great personality, he has been able to progress the business to where we are today," said Steve. "He has done a lot of the public relations and getting us involved in organizations like the Redwood Region Logging Conference. We have a good relationship with Green Diamond and Humboldt Redwood Company, which are the two largest landowners here."

Modern logging: precision machines and computer-aided processing

Mention logging to the average American, and it may evoke images of lumberjacks working with saws or mechanized operators cutting through trees like oversized wheat. In reality, a modern operation like Morris Logging is a mechanical marvel, blending advanced mechanical engineering with skilled operators and precision computer systems.

SCAN TO SEE HOW MORRIS LOGGING ADAPTS AS THEIR INDUSTRY CHANGES.

Jake said the company's day-to-day logging operations begin with the feller buncher, which is key in determining how and where the next steps will unfold. "If [the given unit] is not felled correctly, you end up fighting it and it costs you production," said Jake. "It requires quite a bit of leg work to determine where to start. In the thinning operations that we do for Humboldt Redwood, the first tree you cut is the last one that you log because you're working your way to the back and cutting your way back out."

Once a tree is felled, Jake's team uses skidders to move it to a landing. Next, a processor removes branches, cuts the log to length, and sorts them into decks by length and species for a log loader, a large machine with a grapple that loads the logs onto a truck for hauling.

"The processor is probably one of the biggest innovations in our industry," said Jake. "The number of logs that it processes every day is probably equivalent to the work of eight guys with chainsaws on the ground. [The processor] measures the length and the diameter of each cut, while the operator is sitting in the machine with a full-size computer screen in the corner of his cab. The computer gives him the right length of each cut for the mill."

Technology advances in the industry have meant less labor is needed to get the job done, a major efficiency gain for businesses like Morris Logging. At the same time, mechanized logging has made it easier to selectively harvest trees and more carefully mitigate environmental impacts than in the past.

Embracing change is part of the Morris family's approach to keeping the business healthy for the long term. Jake said working closely with his dad built a deep bond and prepared him to launch the next chapter in the family business. Looking ahead, Jake said he hopes to one day pass along the business to his son.

"It's been really rewarding to be able to get up and go to work with my dad every day," said Jake. "I know we had our growing pains, but after 18 years working with him every day, we can really reflect on what we have done together. It gives me something to look forward to with my son coming up. I look at what me and my dad have, and it's kind of a perfect blueprint of what I would like to have with [my son] one day."

DEL BOSQUE FARMS

FIREBAUGH, CALIFORNIA

HOW A MELON GROWER REALIZED HIS FAMILY'S AMERICAN DREAM

When Joe Del Bosque's parents arrived in the San Joaquin Valley near Fresno in the 1930s, they were heading north to harvest melons before returning to work on farms in the Imperial Valley.

California's warm climate and long growing season meant that farm workers could travel around the state working on crops with staggered planting and harvesting cycles.

In the 1950s, Joe's father became a manager at a cantaloupe farm, and the family relocated permanently to the west side of the San Joaquin Valley. Just a few decades later, Joe Del Bosque would start his own farm, growing some of the very same crops that his parents had harvested in years past.

Today, Del Bosque Farms is a family-owned farming operation in Firebaugh, California, located between Fresno and Interstate 5. Joe and his wife, Maria, have steadily grown the operation from about 240 acres in 1985 to more than 2,000 acres of melons and almonds, all while raising their six children.

"Melons have been part of my family for probably 80 or 90 years," said Joe. "So having grown up in melons, it only felt natural that it was a crop that I knew very well."

Del Bosque Farms has become known for growing delicious cantaloupe, watermelon, honeydew and Galia melons, along with the more recent addition of almonds.

Joe said that while almonds have increased in acreage, his employees spend more time focused on harvesting melons, as these crops are more labor-intensive than almonds, which can be machine harvested. Del Bosque Farms hires more than 500 people seasonally to harvest melons, which are then processed and prepared for shipment right in the fields.

Getting fresh cantaloupe from field to table

Even as tree nuts and other melons have increased in popularity, Joe said cantaloupe is still the star of the show at Del Bosque Farms. Joe and his team grow melons in a dry, sunny California climate that is ideal for this fruit.

"Cantaloupe has been our mainstay forever," said Joe. "We've been working in cantaloupe since my father's generation. And it is my favorite melon. It's a type of melon that you can eat every day, and you never get tired of it. We feel that we grow some of the best melons that you can buy in the United States, right here on the west side of the Central Valley."

Cantaloupe seeds are planted in late March, then harvested in a period of months from July to October. When Del Bosque cantaloupes are ripe, they are picked, packed, and prepared for shipment on a moving platform out in the field. This system keeps the melons fresh with minimal handling. Boxes of fresh melons are then loaded onto refrigerated trucks for shipment.

Del Bosque melons can be found at grocery stores across the country, with organic and conventionally grown fruit available. Travelers heading up or down Interstate 5, California's main highway artery, can stop in at the Del Bosque fruit stand off the W. Shields Avenue exit to meet the farmer and pick up some tasty melons. The fruit stand is open June to November.

Growing melons and almonds sustainably with less water

Joe Del Bosque is a lifelong farmer who has been through the highs and lows of farming in the west Central Valley. In recent years, periods of drought have challenged local farms to survive and remain viable while using far less water than in previous decades.

Del Bosque Farms has managed to grow melons with less water through careful planning and precision irrigation. When growing melons and almonds, the farm irrigates only in the crop's root zone. In some fields, Joe said he has buried drip irrigation lines in the soil to minimize evaporation. Joe also advocates for farmers' rights and responsible water management in California.

SCAN TO SEE HOW JOE MADE HIS DREAM A REALITY.

"We've seen some terrific highs and lows recently when we had no water, when we've had labor shortages, when we've had markets going up and down," said Joe. "It's going to take some resilience on our part to get to the future while we're trying to figure out what the future is."

Joe said the farm added organic melons to the crop mix in the mid-2000s and has since introduced low- or no-till farming practices for some crops. To grow organic melons, Joe and his team use cover crops to add organic matter and nutrients to the soil. Del Bosque Farms has also shifted from using synthetic fertilizers to composted plant and animal waste, a move that has reduced the farm's carbon and waste footprints.

All together, these growing practices help produce tasty — and responsibly grown — melons and almonds that reach consumers across the country. As his farm has expanded, Joe has worked with the team at American AgCredit to ensure his operation can continue to grow while maintaining working capital for farm expenses.

Reflecting on his journey to become a farmer, Joe said he is grateful for his parents' hard work and sacrifices to give him better opportunities than they had as migrant farm workers. He pointed to the rising number of Latino agriculture students as a sign that descendants of farm workers are getting a better shot at a broad range of careers in agriculture.

"When I went to school at Fresno State, I was the only Latino in the school of agriculture," said Joe. "Today, there are over a thousand Latinos in the school of agriculture. I think that shows Latinos are embracing agriculture and there will be opportunities for them in the future to come into agriculture, not like their parents who worked in the farms picking crops, but as higher-level professionals, managers, technicians, and so forth. But there will still be opportunities for them to become farmers like I did."

GILLIS FARMS

HATCH, NEW MEXICO

FAMILY FARMING HATCH CHILES AND ONIONS IN NEW MEXICO

Mary Gillis was seven years old when her family purchased a farm in southern New Mexico, determined to carve out a niche growing chile peppers, onions, and other crops on fertile land near the Rio Grande.

Today, she is 87 years old and still farming with the help of her adult children, grandchildren, and more than 100 employees of Gillis Farms. In 1954, Mary and her husband, Dencil, started farming in the Hatch Valley of New Mexico, growing green and red chiles, onions, and squash in an area that is now famous for its unique, flavorful peppers.

Mary said the farm has gone through high and low points over the years, which has kept her humble even as the farm has prospered in recent years. The Gillis family now operates three companies: Gillis Farms, Desert Springs Produce, and Valley Custom Harvesting.

"We went through hard times and nearly had to go bankrupt," said Mary. "I think it does people a good job to learn how it is to be on the bottom and have to work up to the top."

Learning to 'love the farm'

The Gillis family has deep roots in New Mexico agriculture, dating back to 1918 when Mary's mother, Rose Riggs, and her family started farming in the Rio Grande Valley. Growing up on the farm taught Mary the value of a hard day's work.

"We have worked with a lot of good people, and that's helped us along the way," said Mary. "You're only as good as your workers. If you can't do what they do, then don't expect them to do it."

Mary relates her success in farming to her childhood experiences in southern New Mexico, where she learned the importance of a strong work ethic and integrity.

“I raised my kids the same way I was raised on the farm,” said Mary. “I taught them how to work hard, appreciate what they were doing, and love the farm.”

Duane and Dale Gillis, two of Mary’s adult sons, are partners in the business and fourth-generation farmers on more than 3,500 acres of crop land in the Hatch Valley. Duane runs the chile operation, while Dale manages the onion side of the business.

“We don’t always agree on things, but we are able to expand because everybody has their niche, ideas and strengths,” said Duane. “So we’re able to put more branches on the tree, grow things, and be more diversified by having more family members involved.”

As Gillis Farms has grown steadily over the years, so has the reputation of New Mexico’s Hatch green chiles. The peppers are now widely regarded in the U.S. for their rich flavor and balance of sweetness and heat.

“Hatch chile is famous all over the world, and it’s great to be part of that,” said Duane. “We love growing it, and we love eating it, too. It’s the warm days and cool evenings that make this such a special place for growing chiles.”

The family operation also includes Desert Springs Produce, a fresh green chile and onion processing, packing, and shipping center that is used by other local growers, and Valley Custom Harvesting, which harvests beardless wheat and silage for local dairies.

Dale has seen the family business grow since he officially came on board in the 1980s. He said the chance to pass on a share of Gillis Farms to his son motivates him to continue working hard and helping the operation succeed.

“I want to leave a legacy for my son so that he’s able to start farming on this land and everything that’s passed down to him,” said Dale. “[For] a lot of the kids that want to come in [to agriculture], it’s impossible for them to even be able to start farming. Being able to pass this down is huge.”

Growing stronger with each generation

Mary and Dencil Gillis first started working with American AgCredit in the 1980s as they looked for options to grow the farm and strengthen its

SCAN TO SEE HOW GILLIS FARMS GROWS STRONGER.

financial footing. Over the years, the relationship has continued as the family purchased land and expanded into new services, such as produce storage and custom harvesting.

Jacob Penn, an American AgCredit relationship manager in New Mexico, has worked closely with the Gillis family since 2007. He said during his time working with the family, their farming operation has grown at an impressive pace while bringing new generations into the business.

“It’s a family-run operation led by a strong matriarch who is a role model to all those around her,” said Jacob. “She raised four amazing children and dozens of grandchildren and great-grandchildren. It’s been great to work with such a well-run, diversified vegetable operation here in southern New Mexico.”

For Mary, her over 80 years living and working on the farm have instilled an appreciation for the family members who came before her. She said that her work on the farm draws inspiration from these past generations while also learning from their mistakes and missteps along the way.

“I think you learn from generation to generation,” said Mary. “You learn their faults, and you learn their success stories. Every generation has something that they can teach you if you’re willing to learn.”

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The Big Shrink

12
10
8
6
4
2
0
1950
2000
2050
2100
9.38 BILLION

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And the impacts will come even sooner than that. How can producers prepare their operations for the not-so-distant future of fewer consumers?

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REPORT OF MANAGEMENT

The Association's consolidated financial statements are prepared by management, which is responsible for their integrity and objectivity, including amounts that must necessarily be based on judgments and estimates. In the opinion of management, the accompanying consolidated financial statements fairly present the financial condition and results of operations of the Association, in conformity with generally accepted accounting principles in the United States of America. Other financial information included in this Annual Report is consistent with that in the financial statements.

To meet its responsibility for reliable financial information, management depends on the Association's accounting and internal control systems, which have been designed to provide reasonable, but not absolute, assurance that assets are safeguarded and transactions are properly authorized and recorded. The systems have been designed to recognize that the cost must be related to the benefits derived. To monitor compliance, the Association's internal auditors perform audits of the accounting records, review accounting systems and internal controls, and recommend improvements as needed. The consolidated financial statements are audited by PricewaterhouseCoopers LLP, independent auditors. Its report is located on page 54. The Association is also examined by the Farm Credit Administration (FCA), regulator of the Farm Credit System.

The Association's Audit Committee of the Board of Directors, which is composed of directors who are not employees, has overall responsibility for the Association's system of internal control over financial reporting. The Audit Committee of the Board of Directors meets periodically with management, FCA, outside consulting firms, internal auditors, and independent external auditors to review the manner in which each of these groups perform their responsibilities and to carry out the Board's oversight role with respect to auditing, internal controls, and financial reporting matters. These internal auditors, independent external auditors, and regulators also have access to the Audit Committee of the Board of Directors and its individual members at any time.

The undersigned certify that they have reviewed the 2024 Annual Report and that it 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 their knowledge and belief.

MARCH 4, 2025

Joe Alamo
Board Chair

Curt Hudnutt
Chief Executive Officer

Maryam Ghazi
Chief Financial Officer

AUDIT COMMITTEE REPORT

The Audit Committee (Committee) is composed of eight members of the Board of Directors. In 2024, seven Committee meetings were held. The Committee oversees the scope of the Association's internal audit program, the independence of the outside auditors, the adequacy of the Association's system of internal controls and procedures, and the adequacy of management's actions with respect to recommendations arising from those auditing activities.

The Committee approved the appointment of PricewaterhouseCoopers LLP (PwC) as the Association's independent auditors for 2024. The Committee's responsibilities are described more fully in the Association's Internal Control Policy and the Audit Committee Charter.

The fees paid for professional services rendered for the Association by its independent auditors, PwC, during 2024 were $788,209 for audit and audit-related services and $50,489 for tax services.

Management is responsible for the Association's internal controls and the preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. PwC is responsible for performing an independent audit of the Association's consolidated financial statements in accordance with auditing standards generally accepted in the United States of America and to issue a report thereon. The Committee's responsibilities include monitoring and overseeing these processes.

In this context, the Committee reviewed and approved the Association's Quarterly Reports and Audited Financial Statements with management for the year ended December 31, 2024 (Audited Financial Statements). The Committee also reviewed with PwC the matters required to be discussed by the Statements on Auditing Standards. Both PwC and the Association's internal auditors directly provided reports on significant matters to the Committee.

The Committee discussed with PwC its independence from the Association. The Committee also reviewed the non-audit services provided by PwC and concluded these services to be compatible with maintaining the independent auditors' independence. The Committee has discussed with management and PwC such other matters and received such assurances from them as the Committee deemed appropriate.

Based on the foregoing review and discussions and relying thereon, the Committee recommended that the Board of Directors include the Audited Financial Statements in the Association's 2024 Annual Report and for filing with the FCA.

MARCH 4, 2025

Tom Drake
Audit Committee Chair

2024 AUDIT COMMITTEE MEMBERS

Berry Bortz
Randall Doll
Tom Drake
Paul McCaffrey
Thomas G. Stegman (retired December 2024)
Thomas Teixeira
Steven Van Houten
Jonathan Vander Dussen

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Association's principal executives and principal financial officers, or persons performing similar functions, are responsible for establishing and maintaining adequate internal control over financial reporting for the Association's consolidated financial statements.

For the purposes of this report, "internal control over financial reporting" is defined as a process designed by, or under the supervision of, the Association's principal executives and principal financial officers, or persons performing similar functions, and effected by its Board of Directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. It includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Association; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial information in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Association; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Association's assets that could have a material effect on its consolidated financial statements.

The Association's management has completed an assessment of the effectiveness of internal control over financial reporting as of December 31, 2024. In making the assessment, management used the framework in "Internal Control - Integrated Framework" (2013), promulgated by the Committee of Sponsoring Organizations of the Treadway Commission, commonly referred to as the COSO criteria.

Based on the assessment performed, the Association's management concluded that as of December 31, 2024, the internal control over financial reporting was effective based upon the COSO criteria. Additionally, based on this assessment, the Association's management determined that there were no material weaknesses in the internal control over financial reporting as of December 31, 2024.

MARCH 4, 2025

Curt Hudnutt
Chief Executive Officer

Maryam Ghazi
Chief Financial Officer

FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA

(UNAUDITED)

December 31 (in thousands)	**2024**	**2023**	**2022**	**2021**	**2020**
CONSOLIDATED STATEMENTS OF CONDITION DATA					
Loans	$21,779,107	$20,499,416	$17,431,808	$15,934,730	$14,170,874
Less: allowance for credit losses on loans	(38,213)	(21,227)	(49,448)	(37,515)	(33,211)
Net loans	**21,740,894**	**20,478,189**	**17,382,360**	**15,897,215**	**14,137,663**
Investment in and receivable from CoBank	690,093	648,947	546,167	554,197	533,452
Accrued interest receivable	269,643	272,057	179,489	119,531	114,735
Other property owned	14,503	–	4,160	4,160	4,160
Assets held for sale	54,417	–	–	–	–
Other assets	404,805	472,621	389,375	393,279	304,130
Total assets	**$23,174,355**	**$21,871,814**	**$18,501,551**	**$16,968,382**	**$15,094,140**
Obligations with maturities of one year or less	$11,394,479	$10,251,940	$8,105,147	$8,052,151	$6,047,560
Obligations with maturities greater than one year	8,618,757	8,130,218	7,575,100	6,252,776	6,677,425
Total liabilities	**19,524,697**	**18,382,158**	**15,680,247**	**14,304,927**	**12,724,985**
Preferred stock	300,000	300,000	300,000	300,000	175,623
Common capital stock and participation certificates	11,687	11,707	10,604	10,495	10,212
Allocated retained surplus	239,507	239,507	7,847	7,847	7,847
Unallocated retained surplus	2,176,398	2,019,621	1,842,539	1,687,124	1,512,405
Additional paid-in capital	935,386	935,386	677,110	677,110	683,656
Accumulated other comprehensive loss	(13,320)	(16,565)	(16,796)	(19,121)	(20,588)
Total shareholders' equity	**3,649,658**	**3,489,656**	**2,821,304**	**2,663,455**	**2,369,155**
Total liabilities and shareholders' equity	**$23,174,355**	**$21,871,814**	**$18,501,551**	**$16,968,382**	**$15,094,140**

Year Ended December 31 (in thousands)	**2024**	**2023**	**2022**	**2021**	**2020**
CONSOLIDATED STATEMENTS OF INCOME DATA					
Net interest income	$586,624	$547,992	$493,694	$445,534	$368,417
Provision for credit losses	(62,544)	(20,577)	(12,317)	(6,832)	(9,435)
Patronage distributions from Farm Credit institutions	163,457	145,677	127,437	112,464	89,299
Non-interest expense, net	(278,801)	(294,796)	(250,106)	(200,146)	(200,950)
Provision for income taxes	(2)	(13)	(19)	(2)	(2)
Net income	**$408,734**	**$378,283**	**$358,689**	**$351,018**	**$247,329**

CONSOLIDATED KEY FINANCIAL RATIOS

(UNAUDITED)

Year Ended December 31	2024	2023	2022	2021	2020
Return on average assets	1.86%	1.96%	2.05%	2.25%	1.82%
Return on average shareholders' equity	11.06%	12.02%	12.68%	13.65%	10.41%
Net interest margin	2.82%	3.00%	2.98%	3.02%	2.87%
Net charge-offs as a percentage of average loans	0.22%	0.12%	0.00%	0.02%	0.01%
As of December 31					
Shareholders' common equity as a percentage of total assets	14.45%	14.58%	13.63%	13.93%	14.53%
Shareholders' total equity as a percentage of total assets	15.75%	15.96%	15.25%	15.70%	15.70%
Debt as a ratio to shareholders' equity	5.35:1	5.27:1	5.56:1	5.37:1	5.37:1
Allowance for credit losses on loans as a percentage of loans	0.18%	0.11%	0.31%	0.26%	0.27%
Allowance for loan losses as a percentage of loans	0.18%	0.10%	0.28%	0.24%	0.23%
Common Equity Tier 1 (CET1) capital	11.53%	11.14%	10.09%	10.69%	11.55%
Tier 1 capital	12.73%	12.41%	11.58%	12.37%	11.55%
Total capital	13.66%	13.37%	12.81%	13.71%	11.79%
Tier 1 leverage	14.56%	14.15%	13.29%	14.10%	13.16%
Unallocated Retained Earnings and URE Equivalents (UREE) leverage	13.14%	12.64%	11.51%	13.36%	13.94%
Permanent capital ratio	13.68%	13.44%	12.82%	13.69%	12.83%
Other Information					
Cash patronage distributions declared (in thousands)	$237,660	$213,669	$185,747	$162,855	$141,970
Preferred stock dividends declared (in thousands)	$15,750	$15,750	$15,750	$8,189	$1,318
Loans serviced for others (in millions)	$11,289	$9,129	$7,796	$6,299	$5,755

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(UNAUDITED)

The following discussion summarizes the financial position and results of operations of American AgCredit, ACA and its subsidiaries American AgCredit, FLCA and American AgCredit, PCA (collectively the Association or American AgCredit) as of December 31, 2024, with comparisons to prior years. This discussion includes significant known trends, commitments, events, or uncertainties that have impacted or are reasonably to impact our financial condition and results of operations. The accompanying consolidated financial statements were prepared under the oversight of the Audit Committee of our Board of Directors. This commentary should be read with the accompanying consolidated financial statements and the related notes appearing in this report.

Our annual and quarterly reports to shareholders are available on our website, www.AgLoan.com, or can be obtained free of charge by calling (800) 800-4865. Annual reports are provided to all stockholders within 90 days after year-end and are available on our website within 75 days after year-end; quarterly reports are available on our website within 40 days after each calendar quarter-end.

BUSINESS OVERVIEW

FARM CREDIT SYSTEM STRUCTURE AND MISSION

American AgCredit is one of 56 associations in the Farm Credit System (System) that was created by Congress in 1916 and has served rural communities and agricultural producers for more than 100 years. The System's mission is to maintain and improve the income and well-being of American farmers, ranchers, producers or harvesters of aquatic products, and farm-related businesses through a member-owned cooperative system. This is done by making loans and providing financial services, such as crop insurance. Through its commitment and dedication to agriculture, the System continues to have the largest portfolio of agricultural loans of any lender in the United States. The FCA is the System's independent safety and soundness federal regulator and was established to supervise, examine, and regulate System institutions.

OUR STRUCTURE AND FOCUS

As a cooperative, voting stock of American AgCredit is owned by the members we serve. The Board of Directors ("Board") is comprised of 22 seats, 18 of which are currently filled by stockholder elected directors plus four directors appointed by the elected directors. All directors are independent from the perspective that no management or staff serve as Board members. However, as a financial services cooperative, our elected directors are required to have a loan relationship with the Association. Among other duties, the Board selects and compensates the Chief Executive Officer, oversees lending operations, establishes the strategic plan, approves the operating budget, and oversees the financial reporting process.

Our territory extends across a diverse agricultural region that includes portions of California, Kansas, Oklahoma, and Colorado, as well as the entire states of Nevada, New Mexico, and Hawaii. The Association makes short- and intermediate-term loans for agricultural production or operating purposes and long-term real estate mortgage loans. To meet the diverse needs of its borrowers, the Association is structured along geographical and business industry lines that allow for specialized transactions that are unique to various types of customers. The Association's success is highly dependent on the customer experience it can provide to its borrowers. Business priorities are to serve the needs of all eligible customers, increase loan volume, improve operating efficiencies, build capital, increase profitability, and invest in the people and technological resources that will ensure future success.

As part of the System, the Association obtains funding from CoBank, ACB (CoBank). CoBank is a cooperative of which the Association is a member. CoBank and its affiliated associations and

AgVantis, Inc. (AgVantis) are collectively referred to as the District.

The Association, along with our borrowers' investment in our Association, is materially affected by CoBank's financial condition and results of operations. The CoBank quarterly and annual reports are available free of charge on CoBank's website, www.CoBank.com, or may also be obtained at no charge by calling (800) 542-8072 or mailing CoBank at 6340 S. Fiddlers Green Circle, Greenwood Village, CO 80111. Annual reports are available within 75 days after year-end and quarterly reports are available within 40 days after the calendar quarter-end.

MERGER ACTIVITY

Effective October 1, 2023, Farm Credit of New Mexico, ACA and its PCA and FLCA subsidiaries (FCNM) completed a merger with and into American AgCredit and its respective PCA and FLCA subsidiaries, whereupon all shareholders of FCNM became shareholders of American AgCredit. The effects of the merger are included in American AgCredit's financial position, results of operations, equity, and related metrics beginning October 1, 2023. Upon the closing of the merger, assets increased by $1.97 billion (including net loans of $1.85 billion), liabilities increased by $1.48 billion, and shareholders' equity increased by $491.1 million. These amounts include adjustments for fair value as required by accounting standards for business combinations. For additional information, refer to Note 1 to the Consolidated Financial Statements.

ECONOMIC OVERVIEW

The United States economy grew strongly in 2024 but experienced persistent inflationary pressures in combination with a strong labor market. In December 2024, the U.S. economy added 256,000 jobs, surpassing expectations and slightly reducing the unemployment rate from 4.2% in November to 4.1% in December. The Consumer Price Index (CPI), not seasonally adjusted and excluding more volatile food and energy prices, rose 0.4% in December, after rising 0.3% consecutively over the past four months. The CPI rate has generally trended downward since the highs seen in 2022, however, the recent strength in the job market suggests the progress towards taming inflation has slowed, if not stalled. The U.S. real gross domestic product (GDP) grew at an annualized rate of 2.3% in the fourth quarter of 2024, a slowdown from the 3.1% growth observed in the third quarter and lower than the prior year rate of 2.5% but still stronger than historical trend. The slight year-over-year deceleration was primarily due to a decline in gross private domestic investment, offset by robust consumer spending, with personal consumption expenditures increasing at a seasonally adjusted annual rate of 4.2%, up from 3.7% in the previous quarter. In the second half of 2024, the Federal Reserve implemented a series of interest rate cuts totaling 1.00%, lowering the range from 5.25% to 5.50% to between 4.25% to 4.50%, the lowest since February 2023. Looking ahead, there will be continued pressure on prices due to a combination of factors, including trade and fiscal policy changes, geopolitical tensions, a tight labor market, and a strong dollar.

The U.S. stock market experienced significant growth in 2024, with the S&P 500 achieving a notable gain of over 23%. This performance marked the second consecutive year of substantial increases, following a 24% rise in 2023. Several key factors contributed to this performance, most notably advancements in technology, continued economic growth, changes in fiscal policy, and positive investor sentiment. The market outlook for 2025 is generally positive, but there may be increased market volatility due to changing fiscal policy, among other things. The 10-year U.S. Treasury experienced significant yield fluctuations, influenced by various economic factors in 2024. At the beginning of the year, the yield was approximately 4.02% and throughout the year, yields generally trended upward, reaching around 4.69% by January 2025. The rise was driven by stronger-than-expected economic growth, persistent inflation, and uncertainty over U.S. fiscal policy. According to Freddie Mac, the average 30-year fixed mortgage rate in the United States remained elevated in 2024, ending December at 6.93%, a slight increase compared to the prior year rate of 6.61%. The elevated interest rates, alongside elevated home prices, continue to pressure home affordability.

In 2024, the United States faced a series of significant natural disasters including droughts, hurricanes, flooding, wildfires, and other extreme weather events. Although drought conditions generally improved in the first half of 2024, leading to satisfactory conditions and water availability for the most recent growing cycle, the broader drought situation within the U.S. generally worsened in the second half of 2024, including portions of the Associations charted territory within Southern CA, Nevada, and New Mexico. Driven by a transition to a La Nina Pattern, much of the Northern half of the U.S. is experiencing colder weather with the Southern half of the U.S. experiencing warmer weather. Although outside of the Association's primary service area, Hurricanes Milton and Helene caused significant damage to homes, the tourism industry, agriculture infrastructure, and crops, disrupting food production and supply chains. In October 2024, Roswell, New Mexico, and the surrounding areas, received nearly a third of its annual rainfall in just a few hours, resulting in devastating flash flooding and loss of life. Southern California experienced severe wildfires, notably the recent fires in Los Angeles County, which burned more than 48,000 acres and 16,000 structures, driven by strong winds and recently elevated drought conditions.

In December 2024, to avoid a government shutdown, Congress passed a continuing resolution that included a one-year extension of the Farm Bill, the Continuing Appropriations and Other Extensions Act of 2025. Included in the bill was a $31 billion disaster and economic relief program for farmers. The payments should help boost farm incomes in 2025. Looking ahead, lawmakers will have another year to pass a new Farm Bill, as the new extension will expire September 30, 2025.

COMMODITY REVIEW AND OUTLOOK

The following is intended to highlight the general status of the most significant agricultural commodity concentrations within the Association's loan portfolio. Loan volume may fluctuate based on the seasonal nature of agriculture, especially with respect to commodities that have a single harvest cycle per year. Major commodities concentration financed by the Association are shown in the table in Note 3 to the consolidated financial statements.

VINEYARDS AND WINERIES

The wine industry in 2024 faced continued challenges, with declining sales volumes, excess inventories, muted consumer demand in certain segments, and some evidence of softening real estate values in certain markets. Direct-to-consumer shipment volume fell 11% in the third quarter versus the same period last year, with a 4% decline in value. This compares with a 7% loss in volume and flat value during 2023. Tasting room visitation also decreased, resulting in weaker tasting room sales and lower club member acquisition rates. Bulk exports continue to be a bright spot for the U.S. wine industry, having accounted for all the growth over the second and third quarters of 2024 and were up 62% by volume for the first nine months of 2024 versus the same period last year. This season's grape crush is expected to be lower than the long-term average of nearly 4 million tons due to soft demand and lower yields in 2024 as fruit was left on the vine or acreage removed, particularly in the California Central Valley. Though sentiment has the potential to improve in 2025, as the underlying market works towards a supply/demand rebalance, looming concern remains with respect to ongoing inflation, along with the potential concern over changes to the U.S. guidelines for safe alcohol consumption, outlined every five years in the nation's dietary guidelines, which could influence consumer behavior on alcohol consumption.

TREE FRUITS AND NUTS

The almond industry ended 2024 in a much improved position, driven by 2023/2024 almond shipments that were at the second-highest level in history at 2.69 billion pounds, trailing only the 2020/2021 shipment record of 2.89 billion pounds. Improved shipments have reduced carryover by about 300 million pounds, bringing inventory levels back to pre-pandemic figures. This more sustainable demand-and-supply balance has positively impacted prices and profit margins for the most recent production year and the outlook for the coming production year. Walnuts have faced significant challenges in recent years, but conditions slightly improved due to a high-quality crop in 2023, along with the USDA acreage report showing a drop in producing acreage in 2024 that would be expected to positively impact near-term prices. The USDA estimated production of 670,000 inshell tons, a nearly 20% drop from last year's crop of about 824,000. U.S. pistachio production surged 70% in 2024 to a record 676,000 tons due to high yields from the on-year of the alternate bearing crop cycle as well as increased bearing acreage. Pistachio prices are expected to remain profitable heading into 2025. Overall, while there is cautious optimism that the improvement in prices for California nut markets will continue this positive trend, there are still significant risks for nut farmers in the Central Valley to navigate, including potential tariff impacts, a continued strong dollar, ongoing liquidity stress, and continued pressure on land values (particularly in areas with lesser water availability and/or poor production history).

BEEF

Despite inflationary headwinds, the cattle market has shown resiliency in 2024, marked by strong consumer demand, reduced feed input prices, and elevated carcass weights resulting in stable to strong cattle profit margins. The combination of low supply and steady demand has pushed prices higher throughout most of the year. In December, cattle prices rallied, pushing the price increase to nearly double the normal fall weather season rally. Seasonal increases pushed carcass weights to record highs and are expected to peak at 918 to 920 pounds, partially offsetting the reductions in slaughter numbers in 2024. The fed cattle supply situation leading into the fourth quarter was bolstered by the large number of beef heifers that ranches placed into feedlots during spring 2024 and record heavy carcass weights. The number of heifers on feed has likely led to further delay in any material expansion of the beef cow herd going into 2025. The USDA forecasts 2025 slaughter steer prices to increase more than 2% year-over-year, while feeder steers are forecast to increase 8%.

Despite challenges like drought conditions, high interest rates, and slow herd rebuilding, the industry remains relatively stable to strong at this time. Several years of strong financial conditions have rebuilt balance sheets and the industry is well positioned heading into 2025. Moving forward, the focus will remain on navigating potential changes to consumer demand and price sensitivity.

DAIRIES

The dairy industry generally experienced a strong 2024 and is entering 2025 with continued optimism surrounding profit margins, due to a tight milk supply coupled with lower feed costs and elevated prices for culls. The all-milk price received by farmers was $24.20 in November, up $2.60 from November 2023 and project to be around $22.60 in December, according to the USDA. The milk to feed price ratio was 2.88 in November, up 0.78 from November 2023. Strong beef markets are still enticing many producers to breed dairy cows to beef bulls to improve the value of their calves, and yet there is still growing demand for dairy heifers for herd expansion to fill new cheese plants as they begin to take-in milk for processing. The USDA's November dairy report indicated that cow numbers in the top 24 producing states had increased by 21,000 compared with October 2023. Although cow numbers have been climbing since July, adding an additional 46,000 head to the total herd, it is anticipated that many more will be needed to meet the demand of the pending increase in processing capacity.

Strong domestic demand paired with declining stocks should be supportive of milk pricing in 2025, but global dairy demand remains mixed and potential headwinds from uncertain fiscal and trade policy changes could develop.

FIELD CROPS

As we enter 2025, the corn and soybean industries are experiencing notable shifts in profitability and performance, with the expectation that profit margins for both will be pressured into 2025 and 2026. Although corn supply/demand dynamics point to pressure in the longer term, it should be noted that the near-term price has improved in the short-term, driven by a USDA reported reduction in 2024/2025 corn production by 60 million bushels and a December's World Agricultural Supply and Demand Estimate report, stocks-to-use has decreased nearly 2% from October's report, the combination of which has positively impacted the near-term prices for those that have not marketed their prior inventories. In 2024, soybean prices were on a downward trend and settled down to levels not seen since 2020. Prices are projected to be $10 per bushel for 2025/2026, down 7% from the 2024/2025 marketing year average price projection and down 30% from two years ago. Soybean farmers are challenged with relatively high break-evens and subdued prices that are unlikely to improve quickly due to high stocks. U.S. wheat production totaled 1.97 billion bushels, an increase of 9% from 2023. Global wheat production remained on a downward slide. Wheat prices have been volatile in 2024, dropping an average of $1.20 per bushel over the period. Major drivers included low-priced wheat out of Russia and sluggish corn prices. Price improvement could occur with European Union and Russia production projected to be down. Finally, as it relates to all field crops, although impact from potential fiscal and trade policy changes are not known at this time, they could represent additional headwinds in the coming year. Most field crop producers received strong payments from the disaster and economic relief passed in December, which should help offset some losses.

FOREST PRODUCTS

Forest product conditions in 2024 remained soft due to market uncertainty, leading to production adjustments. As supplies tightened, prices stabilized towards the end of the year and are expected to gain momentum in 2025. Lumber prices, returning to seasonal patterns, are bringing confidence to producers and homebuilders. However, high mortgage rates continue to pose challenges for new home starts, and changes in tariffs and trade policies under the new administration could further impact the market. November housing starts were down 15% from the previous year and permits were down 1%. Despite the decline from 2021-2022 peaks, housing starts and permits remain near pre-COVID averages. Related forest product prices tied to construction have also fallen from their peaks, however, they also remain above pre-COVID averages. Framing lumber, studs, and western spruce-pine-fir lumber prices are up 14%, 19%, and 34% from 2015-2019 averages. Southern pine lumber prices, down 3% from last year due to excess supply, have recently shown some improvement. Plywood, panel, and oriented strand board prices have stabilized above pre-COVID levels, with significant increases in western fir plywood, structural panel, and southern pine plywood. Pulp-based products like tissue paper and corrugated containers saw strong prices after rebounding in 2024, benefiting the broader forest product industry.

FINANCIAL CONDITION

LOAN PORTFOLIO

The Association's loan portfolio primarily consists of accrual loans and nonaccrual loans. Loans were $21.8 billion as of December 31, 2024, compared to $20.5 billion and $17.4 billion for 2023 and 2022, respectively. The 2024 increase of $1.3 billion resulted in a 6.34% year-over-year growth rate and was due to strong organic loan growth. The following table illustrates the major loan categories from December 31, 2022, to December 31, 2024.

December 31	2024		2023		2022	
(in millions)	Loan Principal	Percent of Total	Loan Principal	Percent of Total	Loan Principal	Percent of Total
Real estate mortgage	$11,011.0	50.6%	$10,799.7	52.7%	$9,716.3	55.8%
Production and intermediate-term	4,949.8	22.7	4,595.8	22.4	3,654.9	21.0
Agribusiness	4,854.0	22.3	4,197.6	20.5	3,474.5	19.9
Rural infrastructure	862.0	3.9	828.0	4.0	526.1	3.0
Other	102.3	0.5	78.3	0.4	60.0	0.3
Total loans	**$21,779.1**	**100.0%**	**$20,499.4**	**100.0%**	**$17,431.8**	**100.0%**

Factors affecting the changes in loan categories are discussed as follows.

Real Estate Mortgage Loans: Real estate mortgage loans increased to $11.0 billion at December 31, 2024, compared to $10.8 billion and $9.7 billion at year-end 2023 and 2022, respectively. The 2024 increase of $211.3 million resulted in a 1.85% annual growth rate. The 2023 increase of $1.1 billion was primarily due to the merger with Farm Credit of New Mexico.

Production and Intermediate-Term Loans: Production and intermediate-term loans increased to $4.9 billion in 2024, compared to $4.6 billion and $3.7 billion at year-end 2023 and 2022, respectively. The $354.0 million increase resulted in a 6.52% annual growth rate. The merger with Farm Credit of New Mexico contributed $442 million to the $940.9 million increase in 2023.

Agribusiness Loans: Agribusiness loans are primarily made to finance the throughput of agricultural goods to the marketplace. These loans consist of long-term mortgages on processing facilities and equipment as well as short- and intermediate-term loans and operating lines of credit. The agribusiness portfolio totaled $4.9 billion at year-end 2024, compared to $4.2 billion for 2023 and $3.5 billion for 2022. Primarily the result of organic loan growth, this segment increased by $656.4 million or 16.67% during 2024. The merger with Farm Credit of New Mexico contributed $256 million to the overall portfolio increase of $723.1 million in 2023.

Rural Infrastructure and Other Loans: These loan portfolios consist of rural infrastructure, agricultural export finance, and loans made for sales contracts and for homes located in rural areas. This portion of the portfolio accounted for 4.43% of the 2024 total loan portfolio and grew at an annual rate of 6.40%.

Small loans (less than $250,000) accounted for 52.88% of the total number of loans and 4.16% of loan volume at December 31, 2024. Credit risk on small loans, in many instances, is reduced by non-farm income sources. Loans greater than $5.0 million account for 4.50% of the total number of loans and 51.11% of the total loan volume.

GEOGRAPHIC CONCENTRATIONS

The Association's territory covers 38 California counties from the Oregon border to the Mexico border, the entire states of Nevada, New Mexico, and Hawaii, and parts of central and southwest Kansas, northern Oklahoma, and western Colorado. The geographical distribution of loan volume as of December 31, 2024, 2023, and 2022, is shown in the following table. The Association originates and services loans in areas outside its chartered territory with the concurrence of the Farm Credit associations where those loans are physically located.

December 31	2024		2023		2022	
(in millions)	Loan Principal	Percent of Total	Loan Principal	Percent of Total	Loan Principal	Percent of Total
California	$9,981.7	45.8%	$9,382.4	45.8%	$8,944.4	51.3%
Kansas	2,044.7	9.4	1,985.6	9.7	1,923.1	11.0
Colorado	1,688.0	7.8	1,691.9	8.2	1,650.3	9.5
New Mexico	1,377.7	6.3	1,299.0	6.3	153.3	0.9
Nevada	284.8	1.3	283.4	1.4	267.0	1.5
Hawaii	153.1	0.7	185.2	0.9	152.3	0.9
Other	6,249.1	28.7	5,671.9	27.7	4,341.4	24.9
Total	**$21,779.1**	**100.0%**	**$20,499.4**	**100.0%**	**$17,431.8**	**100.0%**

We are a party to multiple territorial concurrence agreements with other associations in various states within the System. The agreements are intended to allow for cooperation within the System and align with fulfilling our mission to farmers and ranchers regardless of where they operate. The agreements eliminate territorial restrictions and allow party associations to make loans in each other's territory without needing to obtain consent each time. The agreements can be terminated by the parties under certain circumstances and also when directed by FCA.

The Association routinely sells portions of large loans to other financial institutions to manage portfolio risk. These institutions are geographically dispersed and come from within the Farm Credit System. In addition, the Association has entered into participation agreements with these institutions in which the Association services the entire loan but retains ownership of only a small portion. Participating in or selling loans allows the Association to manage its lending limits and its internal capital requirements, as well as to diversify credit, commodity, geographic, and other risks. Neither the principal nor any unused commitments related to the participated or sold portion of these loans are included on the Association's Consolidated Statements of Condition. Participation and other multi-lender activity is summarized as follows.

December 31 (in millions)	2024	2023	2022
Loans sold to others	$9,197.4	$7,612.7	$6,684.7
Retained interest in sold loans	$3,516.3	$3,056.7	$2,493.4
Loans purchased from others	$5,628.3	$5,069.6	$4,114.5
Syndications serviced for others	$2,091.3	$1,516.4	$1,111.5

To further manage portfolio credit risk, the Association participates in a Federal Agricultural Mortgage Corporation (Farmer Mac) guarantee program. Under this program, the Association pays a guarantee fee to Farmer Mac to assume the balance of predesignated loans if they become delinquent. Management considers these fees to be intrinsic credit enhancement costs that affect the yield on the pool of guaranteed loans. The Association paid $1.2 million, $765 thousand, and $567 thousand in guarantee fees during 2024, 2023, and 2022, respectively. These fees are included in interest expense in the Consolidated Statements of Comprehensive Income. Farmer Mac guaranteed loans at December 31, 2024, 2023, and 2022, were $252.4 million, $273.9 million, and $124.8 million, respectively.

NONACCRUAL LOANS

Nonaccrual loans represent all loans where there is a reasonable doubt as to collection of principal and/or interest. Nonaccrual loan volume increased $188.9 million in 2024 to $445.3 million at December 31, 2024, from $256.4 million at December 31, 2023. The increase in nonaccrual loan volume was primarily due to credit quality decline resulting from persistently sticky inflation and headwinds in the tree fruit and nut sector along with the wine and wine grape industry. While the Association does not accrue interest on loans classified as nonaccrual, 52.50% of the nonaccrual loan volume at December 31, 2024, was current as to principal and interest compared to 58.50% at December 31, 2023, and 85.98% at year-end 2022.

See the "Credit Risk Management" section on page 48 for further information on the Association's credit quality. Given the cyclical nature of agriculture, management anticipates that factors such as product oversupply, volatile commodity prices, water issues, regulatory demands, changing interest rates, and public demand for commodities could adversely impact the Association's loan portfolio over time. Supply and demand dynamics, including the threat or existence of trade tariffs, may negatively impact a number of U.S. agricultural segments. The potential for worsening drought conditions throughout our territory could have a negative impact on our borrowers and the credit quality of our loan portfolio. The Association proactively monitors and addresses portfolio risk.

ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses (ACL) is composed of the allowance for credit losses on loans (ACLL) and the reserve for unfunded commitments. Beginning January 1, 2023, the ACL represents an estimate of current expected credit losses over the remaining estimated life of loans in our portfolio and certain off-balance sheet credit exposures. Management evaluates the appropriate level of allowance for loan losses on a quarterly basis based on periodic evaluation of factors such as loan loss history, portfolio quality, estimated collateral values, current market conditions, and reasonable and supportable macroeconomic forecasts of future conditions.

The ACLL increased $17.0 million to $38.2 million in 2024, from $21.2 million in 2023. The increase was caused by increasing credit risk exposure in our loan portfolio captured primarily with the qualitative reserve component of the ACLL. This elevated risk is also evidenced by the recognition of $45.4 million of net charge off activity for the year. Overall, charge-off activity remains low relative to the size of our loan portfolio, however, it evidences an uptick in credit degradation that is reflective of the general economic conditions and not the Association's strong underwriting standards. Comparative ACL coverage as a percentage of the average daily balance of loans and certain other credit quality indicators as of December 31 is shown in the following table.

December 31	2024	2023	2022
Allowance for credit losses on loans as a percentage of:			
Average loans	0.18%	0.12%	0.30%
Impaired loans	8.57%	8.17%	27.45%

Further discussion of the allowance can be found in Note 3 to the consolidated financial statements.

INVESTMENT IN COBANK

Effective January 1, 2021, the loan base period used for determining the required stock investment in CoBank for affiliated associations was changed to a five-year trailing average from a one-year average. These changes were effective beginning in 2021 for patronage distributions and stock retirements starting in March 2022. As a result of the new capital plans, CoBank retired $21.2 million of the Association's stock investment in March 2022. Effective January 1, 2022, CoBank reduced its target equity levels based on direct note balances for affiliated associations from 4% to 3% and returned the loan base period back to a one-year average. Management and the Board of Directors of CoBank periodically evaluate its capital plans based on financial performance, capital requirements, asset growth, and other considerations.

The investment in CoBank was $581.6 million at December 31, 2024, an increase of $34.5 million when compared to year-end 2023. The increase was due to a $31.2 million additional required stock investment in CoBank in the form of Class A stock, and $3.3 million in CoBank patronage distributions. The investment in CoBank was $547.1 million at December 31, 2023, an increase of $89.4 million compared to year-end 2022. The increase was primarily due to an additional $50.7 million investment due to the merger of Farm Credit of New Mexico, a $35.9 million additional required stock investment in CoBank in the form of Class A stock, and $2.8 million in CoBank patronage distributions.

OTHER ASSETS

Other assets, including assets held for sale which are itemized separately on the Consolidated Statements of Condition, were $373.6 million at December 31, 2024, an increase of $58.2 million when compared to year-end 2023. Other assets primarily consisted of $154.4 million of patronage receivables from Farm Credit institutions, $120.0 million of retirement plan assets, and $99.2 million of other receivables and assets. The change was primarily due to a $54.4 million reclassification of fixed assets to held-for-sale and write down to fair value less costs to sell relating to the anticipated sale of one of the Association's office buildings, land, and related furniture and equipment, a $10.7 million increase in patronage receivables, and an increase in retirement plan assets of $6.0 million. Other assets were $315.4 million at December 31, 2023, an increase of $33.5 million compared to year-end 2022.

OTHER LIABILITIES

Other liabilities were $184.2 million at December 31, 2024, a decrease of $2.5 million when compared to year-end 2023. Other liabilities primarily consisted of $94.4 million of retirement plan liabilities, $45.1 million of short- and long-term incentive compensation payables, $17.2 million of Farm Credit System Insurance Corporation (FCSIC) payable, and $27.5 million of other liabilities. The year-over-year change was primarily due to a $12.0 million increase in retirement plan benefits, a $2.5 million increase in other liabilities, offset by a $11.5 million decrease in FCSIC premiums payable due to a premium rate adjustment from 18 basis points in 2023 to 10 basis points for 2024, and a decrease in short- and long-term incentive compensation payable of $5.5 million as a result of lower overall incentive plan accomplishment levels. Other liabilities were $186.7 million at December 31, 2023, an increase of $17.2 million when compared to year-end 2022.

RESULTS OF OPERATIONS

EARNINGS

The Association produced net income of $408.7 million in 2024, compared to $378.3 million in 2023 and $358.7 million in 2022. The $30.4 million increase in net income from 2023 was primarily due to a $38.6 million increase in net interest income as a result of loan growth, aided by a $24.2 million increase in non-interest income attributable to higher patronage income from other Farm Credit institutions and loan origination fees recognized, offset by an increase in the provision for credit losses attributable to the new qualitative overlay as well as a recalibration of the quantitative reserve in the fourth quarter. Non-interest expense decreased by $32.1 million, largely driven by a decrease in merger-related expenses, a decrease in FCSIC insurance fund premiums, and a decrease in purchased services, offset by an increase in salaries and benefits, and a slight increase in technology expenses.

The Association's 2023 net income of $378.3 million was $19.6 million higher than 2022's net income of $358.7 million. The increase was primarily due to a $54.3 million increase in net interest income as a result of loan growth, largely from the merger with Farm Credit of New Mexico, aided by a $22.4 million increase in non-interest income mainly attributable to higher patronage income from other Farm Credit institutions. Non-interest expense increased by $48.8 million, largely driven by the merger with Farm Credit of New Mexico, which contributed additional head count and an increase in salaries and benefits of $33.2 million, accompanied by an increase in merger-related expenses of $22.5 million, offset by a decrease in purchased services of $7.7 million.

The major components of change in net income over the past two years are summarized as follows.

(in thousands)	2024 vs. 2023	2023 vs. 2022
Net income, prior year	$378,283	$358,689
Increase in interest income	208,883	449,061
Increase in interest expense	(170,251)	(394,763)
Increase in net interest income	38,632	54,298
Increase in provision for credit losses	(41,967)	(8,260)
Increase in non-interest income	24,213	22,397
Decrease/(Increase) in non-interest expense	9,562	(48,847)
Decrease in income tax provision	11	6
Increase in net income	**30,451**	**19,594**
Net income, current year	**$408,734**	**$378,283**

NET INTEREST INCOME

The following table provides an analysis of the individual components of the change in net interest income for 2024 and 2023.

(in thousands)	2024 vs. 2023	2023 vs. 2022
Net interest income, prior year	$547,992	$493,694
Increase/(Decrease) in net interest income due to changes in:		
Net interest margin	(32,909)	3,315
Volume of average earning assets	75,249	50,934
Margin/volume combination	(3,708)	49
Increase in net interest income	**38,632**	**54,298**
Net interest income, current year	**$586,624**	**$547,992**

2024 net interest income was $586.6 million, compared to $548.0 million in 2023 and $493.7 million in 2022. The 2024 increase of $38.6 million represents a 7.05% increase over 2023 and was primarily due to strong growth in loan volume offset by a decrease in the net interest margin. Average earning assets grew by $2.5 billion during 2024, representing an annual growth rate of 13.72%.

Net interest income in 2023 increased 10.31% from $493.7 million in 2022 to $548.0 million. The $54.3 million increase was primarily due to strong growth in loan volume and an increase in the net interest margin. Average earning assets grew by $1.7 billion during 2023, representing an annual growth rate of 10.31%.

	2024	2023	2022
Average rate on earning assets	6.88%	6.68%	4.66%
Average rate on interest-bearing liabilities	4.68%	4.23%	1.93%
Net interest margin	2.82%	3.00%	2.98%

The Association administers its variable-rate loans based on its cost of funds. Adjustments to borrower variable rates have generally followed changes in the prime rate. Management closely monitors interest rate movements and will adjust variable rates to customers to preserve capital for future growth.

The Association has a differential pricing policy for interest rates, which is based on loan size, servicing requirements, and credit risk of a loan. Management's objective is to maintain interest rates that are competitive with other lenders providing similar-type loans.

PROVISION FOR CREDIT LOSSES

At December 31, 2024, the provision for credit losses was $62.5 million, compared to $20.6 million in 2023. This increase was the result of $45.4 million in net charge-offs and a $17.0 million increase in the ACLL, which included approximately $14.5 million for qualitative ACLL component updates and a $2.6 million increase related to the recalibration of the quantitative model and changing macro-economic conditions.

NON-INTEREST INCOME

Non-interest income consists primarily of patronage from other Farm Credit institutions, loan origination and servicing fees, insurance income, and other gains and losses. Total non-interest income was $201.0 million in 2024, compared to $176.8 million in 2023 and $154.4 million in 2022. The $24.2 million increase in non-interest income during 2024 was primarily due to a $12.6 million increase in CoBank direct note patronage due to an increase in the note payable to CoBank, a $9.4 million increase in loan origination fees, a $6.2 million increase due to a FCSIC premium refund, and a $4.2 million increase in participated loan patronage income from other Farm Credit institutions caused by higher participations sold balances, offset by a $6.2 million write down of the Santa Rosa, CA office building and reclassification as assets held for sale, a slight decrease in financially-related services, and a slight decrease in loan servicing and late charges. The $22.4 million increase in non-interest income during 2023 was primarily due to an $11.8 million increase in participated loan patronage income from other Farm Credit institutions caused by higher participations sold balances, a $5.9 million increase in CoBank direct note patronage due to an increase in the note payable to CoBank from the merger with Farm Credit of New Mexico, increased loan volume in the core portfolio, a $2.9 million increase in other gains/losses primarily due to the sale of the St. Helena, California, office building, and an increase in loan servicing fees and late charges of $2.1 million, offset by a decrease in other financially-related services of $0.9 million.

NON-INTEREST EXPENSES

Non-interest expenses consist of salaries and benefits, occupancy and equipment costs, purchased services, technology, insurance fund premiums, supervisory expenses, merger expenses, and other operating costs. Non-interest expenses were $316.3 million in 2024, compared to $325.9 million in 2023 and $277.0 million in 2022. The $9.6 million decrease in non-interest expenses in 2024 was primarily driven by a $22.4 million decrease in merger-related expenses, a $9.2 million decrease in FCSIC insurance fund premiums, and a $1.7 million decrease in purchased services, offset by an $18.7 million increase in salaries and benefits primarily due to the additional headcount from the merger with Farm Credit of New Mexico for the entire year of 2024 as compared to one quarter in 2023, and a $2.4 million increase in technology expenses. The $48.9 million increase in non-interest expenses in 2023 was primarily driven by a $33.2 million increase in salaries and benefits due to additional employee headcount from the merger with Farm Credit of New Mexico, increased incentive compensation accruals, and a $22.2 million increase in merger-related expenses, offset by a decrease in purchased services of $7.7 million.

PROVISION FOR INCOME TAXES

The Association's effective tax rate is primarily affected by the mix of taxable and tax-exempt lending activities. Due to the level of tax-exempt lending activities and the Association's patronage program, the provision for income taxes remains an insignificant component of net income.

ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss (AOCL) arises from the recognition of an unfunded nonqualified defined benefit pension plan liability and is a component of total shareholders' equity. The liability and the associated other comprehensive loss will fluctuate from year to year depending on the plan's performance and underlying actuarial assumptions and obligations. The actual loss or income to be realized as liabilities paid will not be determinable until the liabilities expire. See Note 12 to the consolidated financial statements for further discussion.

LIQUIDITY AND FUNDING

Liquidity is necessary to meet our financial obligations, such as paying our note with CoBank, funding loans and other commitments, and funding operations in a cost-effective manner. Our liquidity policy is intended to manage short-term cash flow, maximize debt reduction, and liquidate nonearning assets. Our direct loan with CoBank, cash on hand, and borrower loan repayments provide adequate liquidity to fund our ongoing operations and other commitments. In June 2021, the Association issued non-cumulative perpetual preferred stock and subordinated debt, which also provided a significant source of funding.

The Association's primary source of funds (excluding capital) and largest liability is its direct loan from CoBank. As further described in Note 7 to the consolidated financial statements, this direct loan is governed by a General Financing Agreement (GFA), is collateralized by a pledge of substantially all the Association's assets and is subject to regulatory borrowing limits. The GFA includes financial and credit metrics that, if not maintained, can result in increases to our funding costs. The GFA also requires compliance with FCA regulations regarding liquidity. To meet this requirement, the Association closely manages its funding activity and is allocated a share of CoBank's liquid assets for liquidity calculation purposes. The Association is currently in compliance with the GFA and does not foresee any issues with obtaining funding or maintaining liquidity. The Association applies substantially all cash received to the direct loan and draws all cash disbursements from it. The Association's ability to incur debt from other sources is subject to statutory and regulatory restrictions. The GFA was renewed on June 1, 2023, and matures on May 31, 2028.

CoBank's primary source of funds is the issuance of Farm Credit System debt securities through the Federal Farm Credit Banks Funding Corporation. The continued liquidity of the Association is therefore directly dependent on the ability of the System to continue to sell debt securities at competitive rates. Historically, this access has provided a dependable source of competitively priced debt that is critical for supporting our mission of providing credit to agriculture and rural America. The Association anticipates continued access to the funding necessary to support its lending and business operations.

The Association primarily utilizes a block-funding methodology for funding. In addition to its blocks of debt, the Association also utilizes a daily revolving line of credit with CoBank for liquidity purposes. The interest rate on the revolving line is periodically adjusted by CoBank based on the terms and conditions of the borrowing.

The Association also has the ability to obtain funding from customer Funds Held accounts, which bear a variable interest rate and are uninsured. From a funding perspective, they provide a cost-effective additional borrowing source compared to our direct loan with CoBank and are offered to customers of the Association as a financial tool for excess operating funds. Restrictions apply to the purpose for which the funds held may be withdrawn and the maximum dollar amount a customer may maintain in Funds Held accounts.

In June 2021, the Association issued $300 million of Series A 5.25% fixed-rate reset perpetual non-cumulative preferred stock and $200 million of 3.375% fixed-to-floating rate subordinated debt due 2036. The Series A preferred stock and subordinated debt may be redeemed at the option of the Association no earlier than June 15, 2026, and June 15, 2031, respectively, subject to conditions. S&P Global has currently assigned the Association a "BBB+" long-term issuer credit rating and assigned the preferred stock and subordinated debt ratings of "BB+" and "BBB," respectively. Further information regarding the subordinated debt and preferred stock may be found in Notes 8 and 9 to the consolidated financial statements, respectively.

ASSET/LIABILITY MANAGEMENT

In the normal course of lending activities, the Association is subject to interest rate risk. The asset/liability management objective is monitored and managed within interest rate risk limits designed to target reasonable stability in net interest income over an intermediate planning horizon and to preserve a relatively stable market value of equity over the long term. Mismatches and exposure in interest rate repricing and indices of assets and liabilities can arise from product structures, customer activity, capital reinvestment, and liability management. While the Association actively manages interest rate risk within the policy limits approved by the Association's Board of Directors through the strategies established by the Market Risk Committee (MRC), there is no assurance that these mismatches and exposures will not adversely impact earnings and capital. The overall objective is to develop competitively priced and structured loan products for customers' benefit and fund these products with an appropriate blend of equity and debt obligations.

The interest rate gap analysis shown in the following table presents a comparison of interest-earning assets and interest-bearing liabilities in defined time segments at December 31, 2024. The analysis shows how the Association is positioned by comparing the amount of assets and liabilities that reprice at various time periods in the future. As the dividend on preferred stock is tied to an interest rate much like a bond's interest payments, it is subject to interest rate risk, and is consistent with reporting to the Asset Liability Committee (ALCO), preferred stock is bucketed with liabilities. The interest rate gap analysis is a static indicator that does not reflect future changes in repricing characteristics and may not necessarily indicate the sensitivity of net interest income in a changing interest rate environment. The value of this analysis can be limited given factors such as the differences between interest rate indices on loans and the underlying funding, the relative changes in the levels of interest rates over time, and optionality included in loans and the respective funding that can impact future earnings and market value.

December 31, 2024 (in thousands)	**1 Month or Less**	**Over 1 Month to 6 Months**	**Over 6 Months to 1 Year**	**Over 1 Year to 5 Years**	**Over 5 Years**	**Total**
Interest-earning assets:						
Floating rate loans	$10,153,926	$2,838,077	$-	$-	$-	$12,992,003
Adjustable rate loans	247	4,447	3,624	2,972	-	11,290
Fixed rate loans, prepayable	142,126	431,184	383,332	3,150,347	2,529,709	6,636,698
Fixed rate loans	36,279	82,422	181,342	1,012,194	466,646	1,778,883
Nonaccrual loans	249,026	24,689	7,021	164,586	-	445,322
Fair market value adjustment	(817)	(4,081)	(5,016)	(34,287)	(40,888)	(85,089)
Total interest-earning assets	**$10,580,787**	**$3,376,738**	**$570,303**	**$4,295,812**	**$2,955,467**	**$21,779,107**
Interest-bearing liabilities:						
Floating rate debt	$9,388,742	$-	$-	$-	$-	$9,388,742
Discount notes	387,607	2,164,171	946,458	-	-	3,498,236
Fixed rate debt, callable	35,115	59,631	130,682	1,105,876	1,125,224	2,456,528
Fixed rate debt	68,847	192,123	209,933	1,846,829	997,353	3,315,085
Funds held	228,148	-	-	-	-	228,148
Subordinated debt	-	-	-	-	198,090	198,090
Preferred stock	-	-	-	300,000	-	300,000
Fair market value adjustment	(1,482)	(7,182)	(8,128)	(43,373)	(17,978)	(78,143)
Total interest-bearing liabilities and preferred stock	**$10,106,977**	**$2,408,743**	**$1,278,945**	**$3,209,332**	**$2,302,689**	**$19,306,686**
Interest rate sensitivity gap	**$473,810**	**$967,995**	**$(708,642)**	**$1,086,480**	**$652,778**	**$2,472,421**
Cumulative gap	**$473,810**	**$1,441,805**	**$773,163**	**$1,819,643**	**$2,472,421**	
Cumulative gap/total interest-earning assets	2.18%	6.62%	3.37%	8.35%	11.35%	

The Association's repricing gap as of December 31, 2024, can be characterized as asset-sensitive, indicating the Association generally has more interest-rate-sensitive assets than interest-rate-sensitive liabilities for particular time periods into the future. Given some of the inherent weaknesses with interest rate gap analysis, simulation models are used to develop additional interest-rate-sensitivity measures and estimates. The assumptions used to produce anticipated results are periodically reviewed and models are tested to help ensure reasonable performance. Various simulations are produced for net interest income and market value of equity. These simulations help to assess interest rate risk and make adjustments as needed to the products and related funding strategies.

The Association's Asset/Liability Management Board policy establishes limits for changes in net interest income and market value of equity sensitivities. These limits are measured and reviewed by ALCO monthly and reported to the MRC and Board at least quarterly. The Board policy limit for net interest income is a negative 10.0% change, and the market value of equity policy limit is a negative 15.0% change, given parallel and instantaneous shocks of interest rates up and down 200 basis points. In instances when the rate on the three-month U.S. Treasury bill is less than 4.0%, FCA guidelines provide that the Regulatory Down Policy shock measure should be used in lieu of the down 200 basis point measure, with that measure equal to one-half of the three-month U.S. Treasury bill rate. The rate on the three-month U.S. Treasury bill was greater than 4.0% as of December 31, 2024, therefore, a shock of down 200 basis points was used. The GFA also uses these simulation results to assess the interest rate risk position and whether corrective action is necessary. The following table shows the percentage impacts to net interest income and market value of equity using parallel and instantaneous interest rate increases of 100 basis points and 200 basis points. In all scenarios, the underlying assumptions and strategies are held constant so that results are comparable from scenario to scenario. However, actual results would differ to the extent changes in strategy were undertaken to mitigate the unfavorable impact of interest rate changes. As of December 31, 2024, all interest rate risk-related measures were within the Board policy limits, GFA requirements, and management guidelines.

December 31, 2024	-2% Shock	-1% Shock	+1% Shock	+2% Shock
Change in net interest income	(3.64)%	(1.75)%	2.00%	3.86%
Change in market value of equity	4.77%	2.87%	(2.58)%	(5.20)%

CREDIT RISK MANAGEMENT

The Association utilizes a portfolio risk management process to evaluate and monitor the risk associated with major commodity groups, credit classifications, unsecured loans, and purchased loans. This process utilizes shock analysis to determine the impact of significant credit deterioration in any one group on the portfolio as a whole. Credit classification trends are identified and monitored as an early warning sign of potential nonperforming assets. The Association employs management personnel to perform the risk management process that the Board of Directors oversees. In addition, the Association conducts internal credit reviews to evaluate the effectiveness of these processes.

Credit risk arises from the potential failure of a borrower to meet repayment obligations that result in a financial loss to the lender. Credit risk exists in the Association's loan portfolio (including letters of credit and unfunded loan commitments) and is actively managed on an individual and portfolio basis through the application of sound lending and underwriting standards, policies, and procedures. Underwriting standards are developed and utilized to determine an applicant's operational, financial, and management resources available for repaying debt within the terms of the note or loan agreement. Underwriting standards include, among other things, an evaluation of the following:

- **Character:** borrower integrity and credit history
- **Capacity:** repayment capacity of the borrower based on cash flows from operations or other sources of income
- **Collateral:** protection of the lender in the event of default and a secondary source of loan repayment
- **Capital:** ability of the operation to survive unanticipated risks
- **Conditions:** intended use of the loan funds, terms, restrictions, etc.

Processes for information gathering, balance sheet and income statement verification, loan analysis, credit approvals, disbursements of proceeds, and subsequent loan servicing actions are established and followed. Underwriting standards vary by industry and are updated periodically to reflect market and industry conditions.

By regulation, the Association cannot have loan commitments to one borrower totaling more than 15.0% of regulatory capital. The Association has set lending limits to manage loan concentrations. These limits are established for individual loan size, commodity, special lending programs, and geographic concentrations. The Association has established internal lending delegations to properly control the loan approval process. Delegations to staff are based on the Association's risk-bearing ability, loan size, complexity, type, and risk, as well as the expertise of the credit staff member. Larger and more complex loans are typically approved by a loan committee with the most experienced and knowledgeable credit staff serving as members.

One method for managing concentration is through the use of participation programs with other System and non-System institutions. Buying and selling loan volume can help reduce concentrations and manage growth and capital positions while allowing for a sharing of credit risk. Concentrations and credit risk are also managed through the utilization of government guarantee programs and Farmer Mac guarantee programs. The Association has further diversified concentrations in agricultural production by developing rural residential, part-time farmer, and agribusiness portfolios. Rural residents and part-time farmers often derive a significant portion of earnings from nonagricultural sources, thus helping diversify repayment risk to sources other than agricultural production income.

The majority of Association lending is first-mortgage real estate lending. Production and intermediate-term lending accounts for most of the remaining volume and is typically secured by either real or personal property. Collateral evaluations are made within FCA and Uniform Standards of Professional Appraisal Practices requirements. All property is appraised at market value. Certain appraisals must be performed by individuals with a state certification or license.

The Association utilizes a Combined System Risk Model (Model) in its loan and portfolio management processes. The Model is a two-dimensional risk rating system that estimates each loan's probability of default and loss given default. The Model uses objective and subjective criteria to identify inherent strengths, weaknesses, and risks in each loan. The Model estimates loan losses with levels of risk granularity, particularly related to acceptable loans. The Model's 14-point scale provides for nine acceptable categories, one other assets especially mentioned (OAEM) category, two substandard categories, one doubtful category, and one loss category. This Model also serves as the basis for future economic capital modeling.

The following table presents selected statistics related to the credit quality of loans including accrued interest at December 31.

December 31	2024	2023	2022
Acceptable and OAEM	95.1%	96.1%	97.1%
Substandard	4.9	3.9	2.9
Total	**100.0%**	**100.0%**	**100.0%**

Despite the recent decline in credit quality, the Association's credit quality remained reasonably strong throughout 2024. Acceptable and OAEM as a percentage of total loans was 95.06%, a decrease from 96.15% during 2023. Credit quality was generally impacted by global economic conditions, persistently elevated interest rates, and other challenges facing agriculture. The Association's Acceptable and OAEM credit quality was 97.10% in 2022. The credit quality of the Association's loan portfolio remains strong due to our geographical and commodity diversification and our continued emphasis on sound underwriting standards. Agriculture remains a cyclical business that is heavily influenced by production, operating costs, commodity prices, and global economic conditions. Each of these can be significantly impacted by uncontrollable events. Credit quality is expected to face continued pressure in 2025 due to commodity price volatility, trade negotiations, input and other price inflation, the uncertain interest rate environment, and other potentially adverse global conditions. In addition, drought conditions will impact water availability where present in our lending territory.

CREDIT COMMITMENTS

The Association may participate in financial instruments with off-balance sheet risk to satisfy the financing needs of its borrowers. These financial instruments include commitments to extend credit. The instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the financial statements. Commitments to extend credit are agreements to lend to a borrower as long as there is not a violation of any condition established in the contract. Commitments and letters of credit generally have fixed expiration dates or other termination clauses and may require payment of a fee by the borrower. The following table summarizes the maturity distribution of unfunded credit commitments on loans at December 31, 2024.

(in thousands)	Due 1 Year or Less	Due After 1 Year Through 3 Years	Due After 4 Years Through 5 Years	Due After 5 Years	Total
Commitments to extend credit	$1,415,172	$2,589,566	$1,458,739	$1,050,398	$6,513,876
Standby letters of credit	76,338	16,504	4,662	4,122	101,627
Total commitments	**$1,491,510**	**$2,606,070**	**$1,463,401**	**$1,054,520**	**$6,615,503**

Because many of these commitments are expected to expire without being drawn upon, the total commitments do not necessarily represent future cash requirements. However, these credit-related financial instruments have off-balance sheet credit risk because their contractual amounts are not reflected on the Consolidated Statements of Condition until funded or drawn upon. The credit risk associated with issuing commitments and letters of credit is substantially the same as that involved in extending loans to borrowers, and the Association applies the same credit policies to these commitments. The amount of collateral obtained, if deemed necessary upon extension of credit, is based on management's credit evaluation of the borrower.

CAPITAL RESOURCES

Capital supports asset growth and provides protection for unexpected credit and operating losses. Capital is also needed for investments in new products and services. We believe a sound capital position is critical to our long-term financial success and our ability to serve our mission. Over the past several years, we have been able to build capital primarily through net income retained after patronage, supplemented with institutional capital through Series A preferred stock and subordinated debt issuances. Shareholders' equity at December 31, 2024, totaled $3.6 billion, compared with $3.5 billion at December 31, 2023, and $2.8 billion at December 31, 2022. The $0.1 billion increase in 2024 was primarily due to net income of $408.7 million, offset by $237.7 million of cash patronage distributions declared to our customers. Our capital position is reflected in the following ratio comparisons.

December 31	2024	2023	2022
Total capital (in millions)	$3,649.7	$3,489.7	$2,821.3
Debt to capital	5.35:1	5.27:1	5.56:1
Capital to net loans	16.79%	17.04%	16.23%
Capital to total assets	15.75%	15.96%	15.25%
Capital to total liabilities	18.69%	18.98%	17.99%

As a prudent business practice, the Association has established a capital adequacy plan that outlines objectives related to maintaining a stable, secure capital base. Common Equity Tier 1 capital, as defined by FCA regulations, is generated from two sources: unallocated retained earnings and common cooperative equities (qualifying capital stock and allocated equity). Unallocated retained earnings represented 85.26%, 84.68%, and 89.31% of total capital at December 31, 2024, 2023, and 2022, respectively. For a description of classes of stock and regulatory capital requirements, as well as a description of the Association's Capital Adequacy Plan, please see Note 9 to the consolidated financial statements. The Board and management consider current capital ratios to be adequate in view of anticipated loan growth, operating performance, and identified risks.

Association bylaws require each borrower to invest in the capital stock of the Association. The Association may require additional capital contributions in accordance with federal regulations. Equities purchased by borrowers, institutional capital issued, and surplus accumulated from earnings provide the capital resources used in the Association's operations.

The Board of Directors has adopted an Obligating Resolution to distribute 2025 patronage-sourced earnings to patrons of the Association, contingent upon the Association achieving certain capital criteria.

CAPITAL PLAN AND REGULATORY REQUIREMENTS

Our Board of Directors establishes a formal capital adequacy plan that addresses capital goals in relation to risks. The capital adequacy plan assesses the capital level necessary for financial viability and to provide for growth. The plan is updated annually and approved by our Board of Directors. FCA regulations require the plan to consider the following factors in determining optimal capital levels, including:

- Regulatory capital requirements
- Asset quality
- Needs of our customer base
- Other risk-oriented activities, such as funding and interest rate risks, contingent and off-balance sheet liabilities, and other conditions warranting additional capital

As shown in the following table, our capital and leverage ratios exceeded regulatory minimums. If these capital standards are not met, the FCA can impose restrictions, including limiting our ability to pay cash patronage distributions, retire equities, pay preferred stock dividends, and pay discretionary senior executive incentive compensation.

	Minimum Requirement With Buffer	As of December 31, 2024	As of December 31, 2023	As of December 31, 2022
Common Equity Tier 1 ratio	7.00%	11.53%	11.14%	10.09%
Tier 1 capital ratio	8.50%	12.73%	12.41%	11.58%
Total capital ratio	10.50%	13.66%	13.37%	12.81%
Tier 1 leverage ratio	5.00%	14.56%	14.15%	13.29%
URE and UREE leverage ratio	1.50%	13.14%	12.64%	11.51%

The increases in the capital ratios that occurred in 2024 primarily reflect the Association's cost curtailment efforts in 2024, along with more modest loan growth than in previous years.

FORWARD-LOOKING INFORMATION

Certain information included in this discussion constitutes forward-looking statements and information that is based on management's belief, as well as certain assumptions made by and with information currently available to management. These statements are not guarantees of future performance. When used in this discussion, words such as "anticipates," "projects," "expects," "believes," "estimates," "could," "should," and similar expressions are intended to identify forward-looking statements. Although management believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations and projections will prove to be correct. Such forward-looking statements are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks materialize, or should such underlying assumptions prove to be incorrect, actual results may vary materially from those anticipated, projected, or expected.

KEY RISK FACTORS THAT MAY HAVE A DIRECT BEARING ON OPERATING RESULTS INCLUDE:

Funding Costs Could Be Negatively Impacted by Downgrades of the Long-Term U.S. Sovereign Credit Rating and the System's Long-Term Debt Rating

As a member of the Farm Credit System (System), the Association has historically benefited from the favorable funding costs and funding flexibility associated with the debt securities issued through the Federal Farm Credits Bank Funding Corporation (the Funding Corporation). The credit ratings of government-sponsored enterprises (GSEs), including the System, are influenced by the sovereign credit rating of the United States.

S&P Global Ratings (S&P) and Moody's Investors Service (Moody's) currently maintain the long-term sovereign credit rating of the United States of AA+ and Aaa, respectively, which continues to drive their AA+ and Aaa long-term debt rating of the System. S&P currently maintains an individual credit rating for American AgCredit of BBB+ as a long-term issuer credit rating and assigned the preferred stock and subordinated debt ratings of BB+ and BBB, respectively.

Downgrades from rating agencies could negatively impact access to debt capital markets, funding flexibility, funding costs, and earnings for American AgCredit, CoBank, and other System institutions.

The Association's Funding Is Dependent Upon the System's Ability to Access the Capital Markets

The primary source of liquidity for the Association and other System institutions is the Systems' ability to issue Systemwide Debt Securities. This access has provided the System with a dependable source of funding. The System's ability to continue to issue Systemwide Debt Securities depends, in part, on the conditions in the capital markets, which are outside the System's control. As a result, the System cannot make any assurances that it will be able to fund itself by issuing Systemwide Debt Securities. Furthermore, the System issues combined financial statements and assurance of adequate disclosure controls and procedures around internal control over financial reporting. Failure by a System institution to provide required information for financial reporting, or to have adequate disclosure controls or procedures over financial reporting may delay the timely publication of the System's financial statements or cause an error in the accuracy or completeness of the financial statements. Failure to timely issue the System's combined financial statements could disrupt the System's ability to access debt capital markets. If the System cannot issue Systemwide Debt Securities or cannot access the capital markets, CoBank's funding would be negatively impacted, creating a negative effect on our financial condition and results of operations, which could be material.

Inflation and Higher Interest Rates Could Negatively Impact Our Results of Operations and Financial Condition

Financial results and cash flows depend to a great extent on the difference between the interest rates earned on interest-earning assets such as loans and the interest rates paid on interest-bearing liabilities such as borrowings. These rates are highly sensitive to many factors that are beyond the Association's control, including general economic conditions and the policies of various governmental and regulatory agencies (in particular, the Federal Reserve). Changes in monetary policy, including changes in interest rates, will influence the origination of loans, the prepayment speed of loans, the purchase of investments, and the rates received on loans and paid on borrowings.

American AgCredit Faces Intense Competition in a Rapidly Changing Financial Services Industry

American AgCredit faces intense competition from commercial banks, thrift institutions, insurance companies, finance companies, mortgage banking companies, private equity investment companies, other GSEs, U.S. agencies, and the U.S. government. Future results may become increasingly sensitive to increased competition. Furthermore, continued expansion of the digital economy, technological advances, and the introduction of disruptive technologies have altered how many financial services get delivered to customers and have introduced new competitors for certain services. There can be no assurance that the Association will be able to continue to successfully compete in the markets we serve or to effectively adapt to technological or other changes impacting the financial services marketplace.

Reforms Impacting Government-Sponsored Enterprises Could Have an Adverse Impact on Business

The System is a Government Sponsored Entity (GSE) and, as a member of the System, American AgCredit benefits from ready access to debt funding and favorable debt-funding costs. The Association's individual credit ratings are also positively impacted by the GSE status of the System. In addition, as provided in the Association's charter, portions of business activities, including loan participation purchases from other System institutions, are exempt from many forms of taxation, including federal income taxes.

As a direct result of the financial difficulties experienced by the housing-related GSEs, GSE status has been and will continue to be a topic of debate and concern among various stakeholders, including the public and Congress. Congressional deliberations over structural reform of housing-related GSEs are likely to continue. The Association and the System are under the jurisdiction of the U.S. Senate Committee on Agriculture, Nutrition, and Forestry, and the House Committee on Agriculture and thus have not been the subject of this specific congressional scrutiny. American AgCredit cannot predict whether or when legislative or regulatory initiatives may commence that, if successful, could negatively affect the status of the System as a GSE. Any changes in the System's status as a GSE or the general perception by investors of GSEs could have a significant adverse impact on the System's ability to issue debt at favorable rates and terms, which could negatively impact the Association's funding costs.

Changes in Tariff and Trade Policy

Unknown trade policy decisions and/or actions from the new administration, as well as changes in tariff and trade policies could significantly impact agriculture by directly affecting export markets, causing fluctuations in commodity prices, impacting farmer income, and potentially altering production patterns. This, combined with the possibility of retaliatory tariffs on domestic agricultural products could lead to substantial losses for producers, and the Association could experience a significant increase in credit losses that would drastically lower net income.

Dependency on the Accuracy and Completeness of Customer and Counterparty Information

American AgCredit relies on information (including financial information) furnished by or on behalf of customers, including our Associations and counterparties. The Association may also rely on representations of those customers and counterparties regarding the accuracy and completeness of that information. If the financial or other information provided to the Association is incorrect, there could be associated credit losses or other consequences.

Cybersecurity Risks That Could Negatively Affect Ability to Conduct and Manage Business

Information security risk at financial institutions has increased in recent years as a result of the proliferation of new technologies and the increased activities of organized crime, hackers, nation-states, and other external parties. American AgCredit and its customers, like many other financial institutions and their customers, have been and will likely continue to be the target of cyber-attacks aimed at committing fraud. Companies across many industries, including financial institutions, have reported being victims of cyber-attacks, resulting in, among other things, compromise of customer or other confidential data, theft of funds or resources, and disruption of services. Cybersecurity and the continued development and enhancement of controls, processes, and systems to protect information systems and data remain a priority for the Association. American AgCredit has not experienced any material losses relating to cyber-attacks. Although the Association believes itself to have robust information security procedure and controls, and information systems, including those of the Association's customers, used to access the Association's services, the Association may become the target of cyberattacks, that could result in material losses. Cybersecurity risk and exposure remain inherently high due to the evolving nature and increased frequency of such attacks on businesses and individuals and being a financial services organization. In particular, nation-state and state-sponsored actors deploy significant resources and employ sophisticated methods to plan and carry out attacks. The risk of these attacks occurring are often escalated during periods of elevated geopolitical tension such as the wars in Ukraine and the Middle East. The Association relies on third-party service providers to conduct various aspects of business operations and therefore faces similar risks relating to those operations. While American AgCredit conducts security reviews on its third-party vendors there is still a risk of cyberattacks that could result in material losses to the Association. The cost and operational consequences of implementing, maintaining, and enhancing system protection measures are significant and they could materially increase to address increasingly complex and sophisticated cyber risks.

Failures of Critical Vendors and Other Third-Party Service Providers Could Disrupt Ability to Conduct and Manage Business

As discussed above, American AgCredit relies on vendors and other third-party service providers to perform certain critical services. A failure in, or an interruption to, one or more of those services provided could negatively affect the Association's customer servicing capabilities and/or business operations. If one or more of these key external parties could not perform their functions at an acceptable service level, business operations could be constrained, disrupted, or otherwise negatively affected.

Risks Arising From Changes to Collaborative Partnerships With Other System Entities

American AgCredit's collaborative partnerships with CoBank and other System entities are key to the Association's financial growth, strength, and stability. These collaborations are rooted in the philosophy that working constructively together optimizes the ability to fulfill the System's collective mission to serve rural America. Notwithstanding the importance of these relationships and collaborations, the Association is exposed to reputation risk, regulatory risk, and inter-related financial risks arising from other System entities. The failure to maintain effective System cooperation in mitigating these exposures could adversely affect financial condition, results of operations, and the ability to meet the needs of our customers.

Unfavorable Changes in Reputation From Environmental, Social, and Governance (ESG) Activities Could Adversely Affect Business and Financial Results

The growing impact of environmental, social, and governance (ESG) trends in the financial services industry globally, including policies directed toward measuring the carbon impact from lending activities and efforts focused on reducing the impact of climate change, such as the legislation passed by the State of California, exposes businesses to increasing public scrutiny. The public holds diverse and often conflicting views on ESG topics. Large financial institutions have multiple stakeholders, including customers, employees, regulators, and the communities in which they operate. These stakeholders will often have differing priorities and expectations regarding ESG issues. If the Association takes action in conflict with one or another of our stakeholders' expectations, the Association could experience an increase in customer complaints, a loss of business, or reputational harm. Furthermore, adverse incidents with respect to ESG activities caused by negative public opinion could adversely affect the ability to meet our customers' lending needs or obtain financing, impede our ability to hire and retain qualified personnel, hinder business prospects, impact relationships with other System institutions, or expose the Association to greater regulatory scrutiny or adverse regulatory or legislative changes.

Exposure to the Risks From Changes in Climate

Climate change poses both short- and long-term risks globally, including to the agricultural and financial sectors. Climate change arises from physical risk (acute or chronic risks to the physical effects of climate change) and transition risk (related to societal risks, including regulatory, legal, or market changes). Overall, climate change risks may result in increased compliance costs, lower profitability, and fewer customers. Additionally, climate change impacts could negatively affect the credit quality of the Association's loan portfolio. Physical risk such as adverse weather conditions, particularly during the planting and growing season, can significantly affect agricultural production, with the timing and quantity of rainfall being two of the most important factors in agricultural production. Insufficient levels of rain prevent farmers from planting new crops and may cause growing crops to die or result in lower yields. Excessive rain or flooding can prevent planting from occurring at optimal times and may cause crop loss through increased disease or mold growth. Temperatures outside normal ranges can also cause decreased yields, crop failure, or quality issues for crops. Livestock and dairy production can be negatively impacted by weather extremes as well, due to impact on feed and other input costs or reduced production.

Unforeseen Public Health Crises, Such as the COVID-19 Pandemic, Could Materially Adversely Impact Business, Financial Condition, Liquidity, and Results of Operations

Pandemics, epidemics, disease outbreaks, and other public health crises, such as the COVID-19 pandemic, could disrupt the global economy and may, in the future, disrupt the economy and the Association's business. The COVID-19 pandemic and preventative measures taken to contain or mitigate its spread negatively affected business activity and financial transactions and caused supply chain disruptions (including for agricultural products), labor difficulties and shortages, and commodity inflation. The economic conditions resulting from similar health crises in the future could adversely impact the Association's business, results of operations, and financial condition. It could also deteriorate credit quality of the Association's loan portfolio, which could result in an increase in nonperforming assets and the allowance for credit losses, reduce regulatory capital and liquidity ratios, and impact other regulatory requirements. Any new public health crisis, including a resurgence of the COVID-19 pandemic, that results in unfavorable economic conditions could materially and adversely impact business, financial condition, liquidity, and results of operations.

REGULATORY MATTERS

As of December 31, 2024, no enforcement actions were in effect and FCA took no enforcement actions on the Association during the year.

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of American AgCredit, ACA

OPINION

We have audited the accompanying consolidated financial statements of American AgCredit, ACA and its subsidiaries (the "Association"), which comprise the consolidated statements of condition as of December 31, 2024, 2023, and 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2024, 2023, and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

EMPHASIS OF MATTER

As discussed in Note 2 to the consolidated financial statements, the Association changed the manner in which it accounts for the allowance for credit consolidated losses in 2023. Our opinion is not modified with respect to this matter.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

OTHER INFORMATION

Management is responsible for the other information included in the annual report. The other information comprises the information included in the 2024 Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

PricewaterhouseCoopers LLP

DENVER, COLORADO

MARCH 4, 2025

CONSOLIDATED
STATEMENTS OF CONDITION

December 31 (in thousands)	**2024**	**2023**	**2022**
ASSETS			
Loans	$21,779,107	$20,499,416	$17,431,808
Less: allowance for credit losses on loans	(38,213)	(21,227)	(49,448)
Net loans	**21,740,894**	**20,478,189**	**17,382,360**
Cash	98,450	106,756	58,269
Accrued interest receivable	269,643	272,057	179,489
Investment in CoBank	581,570	547,062	457,636
Investment in AgDirect	35,741	29,744	26,521
Premises and equipment, net	59,942	122,643	111,254
Other property owned	14,503	–	4,160
Assets held for sale	54,417	–	–
Other assets	319,195	315,363	281,862
Total assets	**$23,174,355**	**$21,871,814**	**$18,501,551**
LIABILITIES			
Notes payable to CoBank	$18,580,448	$17,436,357	$14,769,000
Subordinated notes	198,090	197,923	197,757
Funds Held accounts	228,148	244,314	296,137
Accrued interest payable	95,028	100,413	58,201
Cash patronage and preferred stock dividends payable	237,660	215,426	185,747
Reserve for unfunded commitments	1,159	1,036	3,900
Other liabilities	184,164	186,689	169,505
Total liabilities	**19,524,697**	**18,382,158**	**15,680,247**
Commitments and contingencies (Note 15)			
SHAREHOLDERS' EQUITY			
Preferred stock	300,000	300,000	300,000
Common stock and participation certificates	11,687	11,707	10,604
Additional paid-in capital	935,386	935,386	677,110
Allocated retained surplus	239,507	239,507	7,846
Unallocated retained surplus	2,176,398	2,019,621	1,842,540
Accumulated other comprehensive loss	(13,320)	(16,565)	(16,796)
Total shareholders' equity	**3,649,658**	**3,489,656**	**2,821,304**
Total liabilities and shareholders' equity	**$23,174,355**	**$21,871,814**	**$18,501,551**

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

CONSOLIDATED
STATEMENTS OF COMPREHENSIVE INCOME

For the Year Ended December 31 (in thousands)	2024	2023	2022
INTEREST INCOME			
Loans	$1,431,085	$1,222,202	$773,141
Total interest income	**1,431,085**	**1,222,202**	**773,141**
INTEREST EXPENSE			
Notes payable to CoBank	826,895	657,305	267,388
Subordinated notes	6,916	6,916	6,916
Funds Held and other interest	10,650	9,989	5,143
Total interest expense	**844,461**	**674,210**	**279,447**
Net interest income	**586,624**	**547,992**	**493,694**
Provision for credit losses	(62,544)	(20,577)	(12,317)
Net interest income after provision for credit losses	**524,080**	**527,415**	**481,377**
NON-INTEREST INCOME			
Patronage income from CoBank	108,523	95,946	90,009
Patronage income from other Farm Credit institutions	50,291	46,110	34,317
Patronage income from AgDirect	4,643	3,621	3,111
Loan origination fees	18,361	8,919	8,824
Servicing fees and late charges	5,897	5,995	3,958
Financially-related services	6,760	7,065	7,946
Other (losses)/gains, net	(4,157)	3,625	734
Miscellaneous	10,668	5,492	5,477
Total non-interest income	**200,986**	**176,773**	**154,376**

For the Year Ended December 31 (in thousands)	2024	2023	2022
NON-INTEREST EXPENSES			
Salaries and employee benefits	211,134	192,407	159,200
Occupancy and equipment expense	10,794	11,322	11,624
Insurance fund premiums	17,501	26,733	26,751
Supervisory and examination expense	3,822	3,909	3,118
Purchased services	13,657	15,317	23,042
Technology	25,699	23,349	23,488
Merger expenses	157	22,533	361
Other operating expenses	33,566	30,322	29,461
Total non-interest expenses	**316,330**	**325,892**	**277,045**
Net income before income taxes	**408,736**	**378,296**	**358,708**
Provision for income taxes	(2)	(13)	(19)
Net income	**$408,734**	**$378,283**	**$358,689**
COMPREHENSIVE INCOME			
Actuarial gain in retirement obligation	3,245	231	2,325
Total comprehensive income	**$411,979**	**$378,514**	**$361,014**

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

CONSOLIDATED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands)	Common Stock and Participation Certificates	Preferred Stock	Additional Paid-in Capital	Allocated Retained Surplus	Unallocated Retained Surplus	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
BALANCE AT DECEMBER 31, 2021	**$10,495**	**$300,000**	**$677,110**	**$7,846**	**$1,687,125**	**$(19,121)**	**$2,663,455**
Comprehensive income					358,689	2,325	361,014
Stock/participation certificates issued	995						995
Stock/participation certificates retired	(886)						(886)
Preferred stock dividends					(15,750)		(15,750)
Patronage distribution declared					(185,747)		(185,747)
Adjustment to prior-period patronage accrual					(1,777)		(1,777)
BALANCE AT DECEMBER 31, 2022	**$10,604**	**$300,000**	**$677,110**	**$7,846**	**$1,842,540**	**$(16,796)**	**$2,821,304**
Comprehensive income					378,283	231	378,514
Stock/participation certificates issued	742						742
Stock/participation certificates retired	(820)						(820)
Preferred stock dividends					(15,750)		(15,750)
Patronage distribution declared					(213,669)		(213,669)
Adjustment to prior-period patronage accrual					(3,430)		(3,430)
Cumulative effect adjustment of CECL adoption					31,647		31,647
Equity issued or re-characterized upon merger	1,181		258,276	231,661			491,118
BALANCE AT DECEMBER 31, 2023	**$11,707**	**$300,000**	**$935,386**	**$239,507**	**$2,019,621**	**$(16,565)**	**$3,489,656**
Comprehensive income					408,734	3,245	411,979
Stock/participation certificates issued	807						807
Stock/participation certificates retired	(827)						(827)
Preferred stock dividends					(15,750)		(15,750)
Patronage distribution declared					(237,660)		(237,660)
Adjustment to prior-period patronage accrual					1,453		1,453
BALANCE AT DECEMBER 31, 2024	**$11,687**	**$300,000**	**$935,386**	**$239,507**	**$2,176,398**	**$(13,320)**	**$3,649,658**

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

CONSOLIDATED **STATEMENTS OF CASH FLOWS**

For the Year Ended December 31 (in thousands)	**2024**	**2023**	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$408,734	$378,283	$358,689
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for credit losses	62,544	20,577	12,317
Depreciation and amortization	7,905	8,127	6,989
Accretion of loans and notes payable acquired in merger	(2,818)	(1,382)	–
Gain on early extinguishment of debt	–	(256)	–
Other property owned carrying value adjustments	90	–	–
Loss on sale of other property owned, net	–	364	–
Gain on sale of other assets	(1,967)	(3,719)	(734)
Asset carrying value adjustment	6,215	–	–
Stock patronage from CoBank	(3,263)	(2,779)	(2,688)
Change in operating assets and liabilities:			
Decrease/(Increase) in accrued interest receivable	2,414	(54,924)	(59,958)
Increase in other assets	(23,129)	(20,885)	(29,808)
(Decrease)/Increase in accrued interest payable	(5,385)	36,585	35,357
Increase in other liabilities	2,817	4,146	35,219
Net cash provided by operating activities	**$454,157**	**$364,137**	**$355,383**
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in loans, net	$(1,355,981)	$(1,241,083)	$(1,422,996)
Recovery of loans charged-off	6,435	4,801	2,205
Acquisition of premises and equipment, net	(5,390)	(430)	–
Proceeds from sale of premises and equipment	2,698	4,558	1,319
Proceeds from sale of other property owned, net of expenses	–	3,796	–
Proceeds from paydowns on other property owned	12,853	–	–
Purchase of CoBank stock, net	(31,245)	(35,898)	(969)
Retirement of CoBank stock	–	–	21,194
Contributions to AgDirect, LLP	(5,997)	(3,223)	(3,431)
Contributions to mission-related investments	(2,334)	(2,637)	(3,079)
Return of capital on mission-related investments	700	–	–
Cash acquired in mergers and acquisitions	–	2,617	–
Net cash used in investing activities	**$(1,378,261)**	**$(1,267,499)**	**$(1,405,757)**

CONSOLIDATED **STATEMENTS OF CASH FLOWS**

For the Year Ended December 31 (in thousands)	**2024**	**2023**	**2022**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net draws on note payable to CoBank	$1,164,604	$1,250,304	$1,197,790
(Decrease)/Increase in Funds Held accounts	(16,166)	(75,751)	84,212
Payments on lease liabilities	(2,897)	(2,456)	(1,031)
Cash patronage distributions paid	(213,973)	(204,420)	(164,633)
Issuances of common stock and participation certificates	807	742	995
Retirement of common stock and participation certificates	(827)	(820)	(886)
Dividends paid on Series A preferred stock	(15,750)	(15,750)	(15,750)
Net cash provided by financing activities	**$915,798**	**$951,849**	**$1,100,697**
Net (decrease)/increase in cash	$(8,306)	$48,487	$50,323
Cash at beginning of year	106,756	58,269	7,946
Cash at end of year	**$98,450**	**$106,756**	**$58,269**
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash paid for interest	$829,167	$619,851	$243,924
Cash paid for income taxes	$2	$13	$19

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES **For the Year Ended December 31** (in thousands)	**2024**	**2023**	**2022**
Patronage and preferred stock dividends declared	$237,660	$213,669	$185,747
Cumulative effect adjustment due to CECL adoption	$–	$31,647	$–
Loan charge-offs	$51,870	$27,361	$2,881
Other property owned in settlement of loans	$27,446	$–	$–
Patronage accrual adjustment to prior year	$1,453	$–	$(1,777)
Reclass of fixed assets to held-for-sale	$56,100	$–	$–
Right-of-use assets exchanged for lease liabilities	$800	$4,268	$3,333
IMPACT OF MERGER AND ACQUISITION TRANSACTIONS			
Assets acquired	$–	$1,972,792	$–
Liabilities assumed	$–	$1,481,674	$–
Equity issued	$–	$491,118	$–

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(dollars in thousands, except as noted)

NOTE 1 – ORGANIZATION AND OPERATIONS

A. ORGANIZATION: American AgCredit, ACA, including its subsidiaries, American AgCredit, PCA, and American AgCredit, FLCA (collectively, the Association), is a member-owned cooperative that provides credit and credit-related services to and for the benefit of eligible borrowers/stockholders for qualified agricultural purposes in the states of Nevada, Hawaii, and New Mexico. In California, the Association serves the counties of Alameda, Alpine, Amador, Calaveras, Contra Costa, Del Norte, El Dorado, Humboldt, Lake, Lassen, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Plumas, Riverside, Sacramento, San Benito, San Bernardino, San Diego, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Sierra, Siskiyou, Sonoma, Stanislaus, Tuolumne, and portions of Fresno, Los Angeles, Orange, and Trinity. In Kansas, the Association serves the counties of Barber, Barton, Butler, Chautauqua, Clark, Cloud, Comanche, Cowley, Edwards, Elk, Ellis, Ellsworth, Finney, Ford, Graham, Grant, Gray, Greeley, Greenwood, Hamilton, Harper, Harvey, Haskell, Jewell, Kearny, Kingman, Kiowa, Lane, Lincoln, McPherson, Meade, Mitchell, Morton, Norton, Osborne, Ottawa, Pawnee, Phillips, Pratt, Reno, Republic, Rice, Rooks, Rush, Russell, Saline, Scott, Sedgwick, Seward, Smith, Stafford, Stanton, Stevens, Sumner, Trego, and Wichita. In Oklahoma, the Association serves the counties of Kay, Noble, and Osage. In Colorado, the Association serves the counties of Adams, Arapahoe, Archuleta, Boulder, Broomfield, Clear Creek, Delta, Denver, Dolores, Douglas, Eagle, part of Elbert, Garfield, Gilpin, Grand, Gunnison, part of Hinsdale, Jackson, Jefferson, La Plata, Larimer, Mesa, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Blanco, Routt, San Juan, San Miguel, part of Saquache, Summit, and Weld.

The Association is a lending institution of the Farm Credit System (System), a nationwide system of cooperatively owned banks and associations, that was established by Acts of Congress to meet the credit needs of American agriculture and is subject to the provisions of the Farm Credit Act of 1971, as amended (Farm Credit Act).

At December 31, 2024, the System was comprised of three Farm Credit Banks (FCBs), one Agricultural Credit Bank (ACB), and 55 associations. Each FCB and the ACB serve Federal Land Credit Associations (FLCAs) that originate and service long-term real estate mortgage loans, and/or Production Credit Associations (PCAs) that may originate and service short-term and intermediate-term loans. Agricultural Credit Associations (ACAs), FLCAs, and PCAs are collectively referred to as associations.

CoBank, its related associations, and AgVantis Inc. (AgVantis) are collectively referred to as "the District." CoBank provides the funding to associations within the District and is responsible for supervising certain activities of the District associations. AgVantis, which is owned by the entities it serves, provides technology and other operational services to certain associations. As of December 31, 2024, the District consisted of CoBank, 16 ACAs, which each have two wholly owned subsidiaries (an FLCA and a PCA), and AgVantis.

ACA parent companies provide financing and related services through their FLCA and PCA subsidiaries. Generally, the FLCA makes secured long-term agricultural real estate and rural home mortgage loans. The PCA makes short- and intermediate-term loans for agricultural production or operating purposes. The Association also has a wholly owned subsidiary, AgCredit Holding Company, LLC, whose sole purpose is to hold, manage, and liquidate foreclosed property.

Congress has delegated authority to the Farm Credit Administration (FCA) to regulate the System banks and associations. The FCA examines the activities of System institutions to ensure their compliance with the Farm Credit Act, FCA regulations, and safe and sound banking practices.

The Farm Credit Act established the Farm Credit System Insurance Corporation (FCSIC) to administer the Farm Credit Insurance Fund (Insurance Fund). The Insurance Fund is required to be used to insure the timely payment of principal and interest on System-wide debt obligations (insured debt) and ensure the retirement of protected borrower capital at par or stated value, and for other specified purposes. The Insurance Fund is also available for discretionary uses by the FCSIC to provide assistance to certain troubled System institutions and to cover the operating expenses of the FCSIC. Each System bank has been required to pay premiums, which may be passed on to the Association, into the Insurance Fund, based on its annual average adjusted outstanding insured debt until the monies in the Insurance Fund reach the "secure base amount," which is defined in the Farm Credit Act as 2.0% of the aggregate insured obligations (adjusted to reflect the reduced risk on loans or investments guaranteed by federal or state governments) or such other percentage of the aggregate obligations as the FCSIC, in its sole discretion, determines to be actuarially sound. When the amount in the Insurance Fund exceeds the secure base

amount, the FCSIC is required to reduce premiums, as necessary to maintain the Insurance Fund at the 2.0% level. As required by the Farm Credit Act, as amended, the FCSIC may return excess funds above the secure base amount to System institutions.

B. OPERATIONS: The Farm Credit Act sets forth the types of authorized lending activity, persons eligible to borrow from the Association, and financial services that can be offered by the Association. The Association is authorized to provide, either directly or in participation with other lenders, credit, credit commitments, and related services to eligible borrowers. Eligible borrowers include farmers, ranchers, producers or harvesters of aquatic products, rural residents, and farm-related businesses. The Association also serves as an intermediary in offering credit life insurance and multi-peril crop insurance.

C. MERGER ACCOUNTING: Effective October 1, 2023, Farm Credit of New Mexico, ACA, and its PCA and FLCA subsidiaries (FCNM) completed a merger with and into American AgCredit and its respective PCA and FLCA subsidiaries, whereupon all shareholders of FCNM became shareholders of American AgCredit. American AgCredit acquired 100% of the assets and assumed 100% of the liabilities of FCNM. The primary reason for the merger was to strategically position the Association to best serve members' needs with enhanced marketplace stability, increased funding capacity, and additional capital. The effects of the merger are included in American AgCredit's financial position, results of operations, equity, and related metrics beginning October 1, 2023.

The acquisition method of accounting as required under FASB ASC Topic 805, Business Combinations, requires the financial statement presentation of combined balances as of the date of merger, but not for previous periods. The Consolidated Statements of Condition reflect the merged balances as of December 31, 2024 and 2023. The Consolidated Statements of Comprehensive Income, Changes in Shareholders' Equity, and Cash Flows reflect the results of American AgCredit prior to October 1, 2023 and the merged Association after October 1, 2023. Information in the Notes to the Consolidated Financial Statements for 2023 reflects balances of the merged Association as of December 31, or in the case of transactional activity, reflects American AgCredit to October 1 and the merged Association for the period October 1 to December 31.

As cooperative organizations, Farm Credit associations operate for the mutual benefit of their members and other customers and not for the benefit of equity investors. As such, capital stock provides no significant interest in corporate earnings or growth. Specifically, due to restrictions in applicable regulations and the bylaws, the associations can issue stock only at its par value of $5 per share, the stock is not tradable, and the stock can be retired only for the lesser of par value or book value. The shares of FCNM stock were converted into shares of American AgCredit, with identical rights and attributes. For this reason, the conversion of FCNM stock pursuant to the merger occurred at a one-for-one exchange ratio (i.e., each FCNM share was converted into one share of American AgCredit stock with an equal par value).

Management believes that because the stock in each association is fixed in value (although subject to impairment), the American AgCredit stock issued in the merger provided no basis for estimating the fair value of the consideration transferred pursuant to the merger. In the absence of a purchase price determination, American AgCredit undertook a process to estimate the acquisition-date fair value of FCNM assets and liabilities instead of the acquisition-date fair value of American AgCredit's equity interests transferred as consideration. The fair value of the assets acquired and liabilities assumed from FCNM were measured based on various estimates using assumptions that management believes are reasonable and using information available as of the merger date. Use of different estimates and judgments could yield materially different results.

The fair value of the net identifiable assets acquired of $1.9 billion was substantially equal to the fair value of the equity interest exchanged in the merger. In addition, no material amounts of intangible assets were acquired, therefore, no goodwill was recorded. A net increase of $491.1 million was recorded in shareholders' equity related to the merger.

The following condensed statement of net assets acquired reflects the fair value assigned to FCNM net assets as of the acquisition date. There were no subsequent changes to the initial fair value measurements since the merger.

(in thousands)	October 1, 2023
ASSETS	
Cash	$2,617
Net loans	1,849,666
Accrued interest receivable	37,644
Investment in CoBank	50,749
Premises and equipment, net	15,281
Other assets	16,835
Total assets	**$1,972,792**
LIABILITIES	
Note payable to CoBank	$1,423,663
Funds Held accounts	23,928
Accrued interest payable	5,627
Patronage payable	17,000
Other liabilities	11,456
Total liabilities	**$1,481,674**
Fair value of net assets acquired	**$491,118**

Business combination adjustments to FCNM's assets included a $110.3 million net business combination discount to gross loans. With the adoption of CECL, loans acquired in a business combination that have experienced more-than-insignificant deterioration in credit quality since origination are considered purchased with credit deterioration (PCD). At the acquisition date, an estimate of expected credit losses was made for PCD loans of $2.5 million. This initial allowance for credit losses (ACL) is allocated to individual PCD loans and added to the acquisition date fair values to establish the initial amortized cost basis of the PCD loans. As the initial ACL is added to the fair values, there is no provision for credit losses recognized upon acquisition of a PCD loan. For acquired loans not deemed PCD at acquisition, the differences between the initial fair value and the unpaid principal balance are recognized as interest income over the lives of the related loans. An ACL is estimated and $4.6 million was recorded as a provision for credit losses for non-PCD assets post-merger. Fair value adjustments to FCNM's liabilities included a $105.0 million net business combination discount to note payable to CoBank to reflect changes in interest rates and other market conditions since the time these instruments were issued. These differences are being amortized into interest expense over the remaining lives of the debt instruments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Association conform to accounting principles generally accepted in the United States of America (GAAP) and prevailing practices within the banking industry. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Significant estimates are discussed in these notes, as applicable. Actual results may differ from these estimates.

The consolidated financial statements include the accounts of American AgCredit, PCA and American AgCredit, FLCA. All significant intercompany transactions have been eliminated in consolidation.

A. RECENTLY ISSUED OR ADOPTED ACCOUNTING PRONOUNCEMENTS:

Segment Reporting: In November 2023, the FASB issued Accounting Standards Update (ASU) 2023-07 - Segment Reporting: Improvements to Reportable Segment Disclosures. The amendments in this ASU improve reportable segment disclosure but do not change the definition of segment, method of determining a segment, or the criteria for aggregating operating segments. The standard requires a public entity to disclose, on an annual and interim basis, the following:

- Significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within each reported measure of segment profit or loss
- Composition and aggregate amount of other segment items, which represent the difference between profit or loss and segment revenues less significant segment expenses
- The title and position of the CODM, and
- An explanation of how the CODM uses the reported segment measures in assessing segment performance and deciding how to allocate resources

Even if a public entity has a single reportable segment, it is required to provide all disclosures set forth in the standard and all existing segment disclosures. The amendments in the standard are to be applied retrospectively to all prior periods presented and are effective for fiscal years beginning after December 31, 2023, and interim periods within fiscal years beginning after December 15, 2024. The adoption of this guidance did not have an impact on our financial condition or results of operations or cash flows but required additional segment disclosures.

Income Taxes: In December 2023, the Financial Accounting Standards Board (FASB) issued ASU 2023-09 Income Taxes: Improvements to Income Tax Disclosures. The amendments in this standard require more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The enhanced rate reconciliation requires tabular reporting by amount and percentage for specifically defined reconciling items as well as additional information for reconciling items that meet a quantitative threshold of greater than 5% of the amount computed by multiplying pre-tax income by the applicable statutory income tax rate. Income taxes paid will require disaggregated disclosure by federal, state, and foreign jurisdictions for amounts exceeding a quantitative threshold of greater than 5% of total income taxes paid. The guidance will also eliminate the requirement to disclose an estimate of the range of the reasonably possible change in the unrecognized tax benefits balances in the next 12 months. The amendments in this guidance are effective for public business entities for annual periods beginning after December 15, 2024, and should be applied on a prospective basis, although retrospective application is permitted. Early adoption is also permitted for annual financial statements that have not yet been issued or made available for issuance. The adoption of this guidance is not expected to have a material impact on the Association's financial condition, results of operations, or cash flows, but will impact the income tax disclosures.

In November 2024, the FASB issued ASU 2024-03 Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses. The amendments in this ASU apply to all public business entities, and require disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The amendments require that at each interim and annual reporting period an entity:

- Disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization (DD&A) recognized as part of oil and gas-producing activities (or other amounts of depletion expense) included in each relevant expense caption. A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations that contains any of the expense categories listed in (a)–(e).
- Include certain amounts that are already required to be disclosed under current generally accepted accounting principles (GAAP) in the same disclosure as the other disaggregation requirements.
- Disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively.
- Disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses.

The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to any or all prior periods presented in the financial statements. Management is currently assessing the potential impact of this standard on its disclosures.

B. LOANS AND ALLOWANCE FOR CREDIT LOSSES: Long-term real estate mortgage loans generally have maturities ranging from five to 40 years. Substantially all short- and intermediate-term loans for agricultural production or operating purposes have maturities of 10 years or less.

Loans are carried at their principal amount outstanding adjusted for charge-offs and deferred loan fees or costs. Loan origination fees and certain direct origination costs for mortgage loans and commercial loans with terms greater than one year are capitalized and the net fee or cost is amortized over the life of the related loan as an adjustment of the yield of the related loan. Interest on loans is accrued and credited to interest income based on the daily principal amount outstanding.

The Association purchases loan and lease participations from other System entities to generate additional earnings and diversify risk related to existing commodities financed and the geographic area served. Additionally, the Association sells a portion of certain large loans to other System entities to reduce risk and comply with established lending limits. When loans are sold, the sale terms comply with requirements under ASC Topic 860, "Transfers and Servicing."

Nonaccrual Loans

Nonaccrual loans are loans for which there is reasonable doubt that all principal and interest will not be collected according to the original contractual terms and are generally considered substandard or doubtful, which is in accordance with the loan rating model, as described below. A loan is considered contractually past due when any principal repayment or interest payment required by the loan contract is not received on or before the due date. A loan shall remain contractually past due until it is modified or until the entire amount past due, including principal, accrued interest, and penalty interest incurred, is collected or otherwise discharged in full.

Consistent with prior practice, loans are generally placed in nonaccrual status when principal or interest is delinquent for 90 days or more (unless adequately collateralized and in the process of collection), when circumstances indicate that collection of principal and interest is in doubt, or legal action, including foreclosure or other forms of collateral conveyance, has been initiated to collect the outstanding principal and interest. At the time a loan is placed in nonaccrual status, accrued interest deemed uncollectible is reversed. Loans are charged off at the time they are deemed to be uncollectible.

When loans are in nonaccrual status, interest payments received in cash are generally recognized as interest income if the collectability of the loan principal is fully expected and certain other criteria are met. Otherwise, payments received on nonaccrual loans are applied against the recorded investment in the loan asset. Nonaccrual loans may, at times, be maintained on a cash basis. Generally, cash basis refers to the recognition of interest income from cash payments received on certain nonaccrual loans for which the collectability of the recorded investment in the loan is no longer in doubt and the loan does not have a remaining unrecovered charge-off associated with it. Nonaccrual loans are returned to accrual status if all contractual principal and interest is current, the borrower is fully expected to fulfill the contractual repayment terms, and after remaining current as to principal and interest for a sustained period or have a recent repayment pattern demonstrating future repayment capacity to make on-time payments. If previously unrecognized interest income exists at the time the loan is transferred to accrual status, cash received at the time of or subsequent to the transfer should first be recorded as interest income until such time as the recorded balance equals the contractual indebtedness of the borrower.

Accrued Interest Receivable

The Association elected to continue classifying accrued interest on loans in accrued interest receivable and not as part of loans on the Consolidated Statements of Condition. The Association also elected to not estimate an allowance for losses on interest receivable balances because the nonaccrual policies in place provide for the accrual of interest to cease on a timely basis when all contractual amounts are not expected.

Loan Modifications to Borrowers Experiencing Financial Difficulty

Loan modifications may be granted to borrowers experiencing financial difficulty. Modifications can be in the form of one or a combination of principal forgiveness, interest rate reduction, other-than-insignificant payment delay, or a term extension. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions.

Interest rate modifications are a reduction of the weighted average contractual interest rate. Such modifications are inclusive of the impact from any applicable default on the related loan, specifically that which resulted in an interim increase from the stated interest rate to that of the contractual default rate, generally 2–5% above the interest rate otherwise applicable. Subject to the mitigating terms and other considerations provided by the customer as part of the final negotiated modification, the applicable interest rate can revert to the pre-default level, or some level between that of the original stated rate and the default rate, upon formal documentation of the modification.

Collateral-Dependent Loans

Collateral-dependent loans are loans secured by collateral, including but not limited to agricultural real estate, crop inventory, equipment, and livestock. The Current Expected Credit Losses ("CECL") guidance requires an entity to measure the expected credit losses based on fair value of the collateral at the reporting date when the entity determines that foreclosure is probable. Additionally, CECL allows a fair value practical expedient as a measurement approach for loans when the repayment is expected to be provided substantially through the operation or sale of the collateral when the borrower is experiencing financial difficulties. Under the practical expedient measurement approach, the expected credit losses are based on the difference between the fair value of the collateral less estimated costs to sell and the amortized cost basis of the loan.

Purchased Credit Deteriorated Loans (PCD)

Purchased loans are recorded at their fair value at the acquisition date. Any loans that have experienced a more-than insignificant deterioration in credit quality since origination are identified as PCD loans and the Association is required to estimate and record an ACL for these loans. This allowance is then added to the purchase price of the PCD loans to establish the initial amortized cost basis, rather than being reported as a provision for credit losses. Any subsequent changes in expected credit losses are recorded through the income statement with a provision for credit losses. An ACL is recorded on non-PCD loans through a provision for credit losses.

Allowance For Credit Losses

Effective January 1, 2023, the Association adopted ASU 2016-13 "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" and other subsequently issued ASUs related to credit losses. This ASU replaced the incurred loss impairment methodology with a single allowance framework that estimates the current expected credit losses over the remaining estimated life of financial assets measured at amortized cost and certain off-balance sheet credit exposures. As a result of adoption of this guidance on January 1, 2023, the balance sheet impact was a decrease to the allowance for credit losses on loans of $28.4 million, an increase to the reserve for unfunded commitments of $3.2 million and an increase to unallocated retained surplus, net of tax of $31.6 million.

The CECL framework requires management to consider in its estimate of the Allowance for Credit Losses (ACL) relevant information about past events, current conditions, and reasonable and supportable macroeconomic forecasts of future conditions. The contractual term excludes expected extensions, renewals, and modifications unless the extension or renewal options are not unconditionally cancellable. The ACL comprises the allowance for credit losses on loans (ACLL) and the reserve for unfunded commitments, which are presented on the balance sheet in other liabilities.

Determining the appropriateness of the allowance is complex and requires judgment by management about the effect of matters that are inherently uncertain. Subsequent evaluations of the loan portfolio, considering macroeconomic conditions, forecasts, and other factors prevailing at the time, may result in significant changes in the ACL in those future periods.

The methodology for the ACLL represents management's estimate of credit losses over the remaining expected life of loans.

The Association employs a disciplined process and methodology to establish its ACLL that has two basic components: first, an asset-specific component involving individual loans that do not share risk characteristics with other loans and the measurement of expected credit losses for such individual loans; and second, a pooled component for estimated expected credit losses for pools of loans that share similar risk characteristics. The Association utilizes the loan's accrual status to bifurcate loans into these two categories.

For nonaccrual loans, the collateral-dependent practical expedient is used, which is defined as fair value of the collateral less selling costs. The reserve is calculated as the amount the net receivable value (NRV) is less than the exposure at default.

In estimating the component of the ACLL that shares common risk characteristics, loans are segregated into six industry groups and evaluated with models specific to each industry. The models include macro-economic variables as well as loan-level variables, such as internal risk ratings. The allowance is determined by modeling an undiscounted cash flow method. Using this approach, contractual features of the loans combined with loan prepayment, loan probability of default, and loan recovery given default models are used to project future principal and interest cash flows over the life of the loan given forecasted interest rates and economic variables. For each individual loan record, the pooled allowance is then calculated as the amount of lifetime defaults less lifetime recoveries.

The Association uses three probability-weighted deterministic scenarios from Oxford Economics over a reasonable and supportable forecast period of two years. The economic forecasts incorporate macroeconomic variables, including Treasury rates and corporate bond spreads, as well as net farm income and agricultural commodity prices, along with other economic factors that have been shown to influence loan performance. Also considered are loan and borrower characteristics, such as internal risk ratings, vintage, size, and history of late payments, among others. Subsequent to the forecast period, the Association reverts the macro-economic variables to long-term values using a mean reversion analysis to inform the cash flows for the remaining contractual life of the loan portfolio.

In addition to the quantitative calculation, the Association considers the imprecision inherent in the process and methodology, emerging risk assessments, and other subjective factors that may lead to a qualitative adjustment to the modeled ACLL results. This component of the ACLL also considers factors for each loan pool to adjust for differences between the historical period used to calculate historical default and loss severity rates and expected conditions over the remaining lives of the loans in the portfolio related to:

- National, regional, and local economic business conditions and developments that affect the collectability of the portfolio, including the condition of various markets and/or commodities
- The quality of the loan review and process
- The existence and effect of any concentrations of credit, including large loan concentrations, and changes in the level of such concentrations
- The effect of external factors such as competition and legal and regulatory requirements on the level of estimated credit losses in the existing portfolio

Prior to January 1, 2023, the allowance for credit losses was maintained at a level considered adequate to provide for probable losses existing in and inherent in the Association's loan portfolio. The allowance was based on a periodic evaluation of the loan portfolio in which numerous factors were considered, including economic and environmental conditions, collateral values, borrowers' financial conditions, loan portfolio composition, portfolio quality, current production conditions, and prior loan loss experience. The allowance for credit losses encompassed various judgments, evaluations, and appraisals with respect to the loans and their underlying collateral that, by their nature, contain elements of uncertainty, imprecision, and variability. Changes in the overall global economy, agricultural economy, and environment, and their impact on borrower repayment capacity, would cause various judgments, evaluations, and appraisals to change over time. Management considered the following macro-economic factors in determining and supporting the level of allowance for credit losses: the concentration of lending in agriculture combined with uncertainties associated with farmland values, commodity prices, exports, government assistance programs, regional economic effects, and weather-related influences.

Reserve For Unfunded Commitments

The Association evaluates the need for a reserve for credit losses on unfunded commitments under CECL and, if required, an amount is recognized and included in liabilities on the Consolidated Statements of Condition. The amount of expected losses is determined by assuming a full utilization on the commitment and then applying the same undiscounted cash flow approach used for the pooled loans. No reserve for credit losses is recorded for commitments that are unconditionally cancellable.

C. CASH: Cash, as included in the consolidated financial statements, represents cash on hand and on deposit at financial institutions. At times, cash deposits may be in excess of federally insured limits.

D. INVESTMENT IN COBANK: The Association's required investment in CoBank is in the form of Class A stock. The minimum required investment is 3.0% of the prior one-year average direct loan volume. The investment in CoBank is composed of patronage-based stock and purchased stock. The requirement for capitalizing patronage-based participation loans sold to CoBank is 7.0% of the prior 10-year average of such participations sold to CoBank. The Association has elected the alternative to measure its investment in CoBank at cost, as no

readily determinable fair value is available.

E. OTHER PROPERTY OWNED: Other property owned, consisting of real and personal property acquired through foreclosure or deed in lieu of foreclosure, is recorded at fair value less estimated selling costs upon acquisition. Any initial reduction in the carrying amount of a loan to the fair value of the collateral received is charged to the allowance for loan losses. On at least an annual basis, revised estimates to the fair value are reported as adjustments to the carrying amount of the asset, provided that such adjusted value is not in excess of the carrying amount at acquisition. Income and expenses from operations and carrying value adjustments are included in losses on other property owned, net in the Consolidated Statements of Comprehensive Income.

F. PREMISES AND EQUIPMENT: Land is carried at cost. Premises and equipment are carried at cost less accumulated depreciation and amortization computed by the straight-line method over the estimated useful lives of the assets. Useful lives for buildings are 39 years and range from four to seven years for furniture, equipment, and automobiles. Progress payments for assets under construction or development are held in construction in progress and do not begin depreciation until the asset is designated as complete and placed in service by the Association. Gains and losses on dispositions are reflected in current operating results. Maintenance and repairs are expensed, and improvements above certain thresholds are capitalized. Long-lived assets are reviewed for impairment whenever events or circumstances indicate the carrying amount of an asset group may not be recoverable.

The balance sheet effect of operating leases for office space, and finance leases for vehicles, are included in premises and equipment and other liabilities on the balance sheet. Right-of-use assets represent the Association's right to use an underlying asset for the lease term and lease liabilities represent the Association's obligation to make lease payments arising from the lease.

The Association purchases, as well as internally develops and customizes, certain software to enhance or perform internal business functions. Software development costs, as well as costs for software that are part of a cloud computing arrangement incurred in the preliminary and post-implementation project stages, are charged to non-interest expense. Costs associated with designing software configuration, installation, coding programs, and testing systems are capitalized and amortized using the straight-line method over three years.

G. ASSETS HELD FOR SALE: The Association classifies assets (disposal groups) to be sold as held for sale in the period in which all of the following criteria are met: management, having the authority to approve the action, commits to a plan to sell the disposal group; the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such disposal groups; an active program to locate a buyer and other actions required to complete the plan to sell the disposal group have been initiated; the sale of the disposal group is probable, and transfer of the disposal group is expected to qualify for recognition as a completed sale within one year, except if events or circumstances beyond the Association's control extend the period of time required to sell the disposal group beyond one year; the disposal group is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The Association initially measures a disposal group that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized on the sale of a disposal group until the date of sale. The Association assesses the fair value of a disposal group, less any costs to sell, each reporting period it remains classified as held for sale and recognizes any subsequent changes as an adjustment to the carrying value of the disposal group, as long as the new carrying value does not exceed the carrying value of the disposal group at the time it was initially classified as held for sale.

H. OTHER ASSETS AND OTHER LIABILITIES: Other assets are composed primarily of patronage receivables from other Farm Credit institutions and pension plan assets. Significant components of other liabilities primarily include short- and long-term incentive compensation payables, pension plan liabilities, and Farm Credit System Insurance Corporation (FCSIC) premiums payable.

I. FUNDS HELD ACCOUNTS: The Association is authorized under the Farm Credit Act to accept advance payments from borrowers. To the extent the borrower's access to such funds held is restricted, the funds held are netted against the borrower's related loan balance. Unrestricted Funds Held are included in liabilities in the Consolidated Statements of Condition. Restricted Funds Held are primarily associated with mortgage loans, while unrestricted Funds Held are primarily related to production and intermediate-term loans and insurance proceeds on mortgage loans. Funds held are not insured. Interest is generally paid by the Association on Funds Held accounts.

J. EMPLOYEE BENEFIT PLANS: Certain employees of the Association participate in either the Ninth Farm Credit District Pension Plan (Ninth Plan) or the Eleventh Farm Credit District Employee's Retirement Plan (Eleventh Plan) (together Ninth and Eleventh Retirement Plans or Pension Plans) and/or the Farm Credit Foundations' Defined Contribution/401(k) Plan (Defined Contribution Plan). The Ninth and Eleventh Retirement Plans are noncontributory defined benefit plans. Benefits are based on compensation and years of service. The Association recognizes its proportional share of expense and contributes its proportional share of funding. The Ninth Plan was closed to employees beginning January 1, 2007. The Eleventh Plan was closed to employees hired after December 31, 1997.

The Defined Contribution Plan has two components. Employees who do not participate in the Ninth Plan may receive benefits through the employer contribution portion of the Defined Contribution Plan. In this portion of the plan, the Association provides a contribution based on a defined percentage of the employee's salary. Employees may also participate in the employee contribution portion of the Defined Contribution Plan governed by Section 401(k) of the Internal Revenue Code (401(k)). The Association matches a certain percentage of employee contributions to the 401(k). Employees hired on or after January 1, 1998, are eligible to participate only in the Defined Contribution Plan. All defined contribution costs are expensed in the same period that participants earn employer contributions.

The Association also participates in the Former Ninth and Eleventh District Employers Restoration Plan (Restoration Plan). This plan provides retirement benefits above the Internal Revenue Code compensation limit to certain highly compensated eligible employees. Benefits payable under the plans are offset by the benefits payable from the Pension Plans.

Certain eligible employees may also participate in a nonqualified deferred compensation plan, which is included in other assets and other liabilities in the Consolidated Statements of Condition, where they are able to defer a portion of their compensation. The Association matches a certain percentage of employee contributions to the plan.

The Association also provides certain health and life insurance benefits to eligible current and retired employees through the Farm Credit Foundations Retiree Medical Plan and Retiree Life Plan. Substantially all employees may become eligible for those benefits if they reach normal retirement age while working for the Association. The anticipated costs of these benefits are accrued during the period of the employee's active service. Accounting standards require the accrual of the expected cost of providing postretirement benefits during the years that the employee renders service necessary to become eligible for these benefits.

K. INCOME TAXES: As previously described, the ACA holding company conducts its business activities through two wholly owned subsidiaries. Long-term mortgage lending activities are operated through a wholly owned FLCA subsidiary, which is exempt from federal and state income tax. Short- and intermediate-term lending activities are operated through a wholly owned PCA subsidiary. The ACA, which is the holding company, and the PCA subsidiary are subject to income taxes. The Association accounts for income taxes under the liability method. Accordingly, deferred taxes are recognized for estimated taxes ultimately payable or recoverable based on federal, state, or local laws. Operating expenses are allocated to each subsidiary based on estimated relative service. All significant transactions between the subsidiaries and the parent company have been eliminated in consolidation.

The Association elects to operate as a cooperative that qualifies for tax treatment under Subchapter T of the Internal Revenue Code. Accordingly, under specified conditions, the Association can exclude from taxable income amounts distributed as qualified patronage refunds in the form of cash, stock, or allocated surplus. Provisions for income taxes are made only on those taxable earnings that will not be distributed as qualified patronage refunds. Deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the carrying amounts reflected in the financial statements and tax bases of assets and liabilities. In addition, a valuation allowance is provided against deferred tax assets to the extent that it is more likely than not (over 50% probability), based on management's estimate, that the deferred tax assets will not be realized. The consideration of valuation allowances involves various estimates and assumptions as to future taxable earnings.

At December 31, 2024, deferred income taxes have not been provided on approximately $78.7 million of patronage refunds received from the Bank before January 1, 1993, the adoption date of accounting guidance on income taxes. Such refunds, distributed in the form of stock, are subject to tax only upon conversion to cash. Management's intent is to permanently invest these undistributed earnings in CoBank, thereby indefinitely postponing their conversion to cash.

The Association has not provided deferred income taxes on amounts allocated to the Association that relate to the Bank's post-1992 earnings to the extent that such earnings will be passed through to the Association's borrowers through qualified patronage allocations. Additionally, deferred income taxes have not been provided on the Bank's post-1992 unallocated earnings. CoBank currently has no plans to distribute unallocated CoBank earnings and does not contemplate circumstances that, if distributions were made, would result in taxes being paid at the Association level.

For state tax purposes, the Association can exclude from taxable income all patronage-sourced income. Therefore, the provision for state income taxes is made only on non-patronage-sourced taxable earnings.

L. PATRONAGE INCOME FROM FARM CREDIT INSTITUTIONS: Patronage income from Farm Credit institutions is accrued by the Association in the year earned.

M. OTHER COMPREHENSIVE INCOME/LOSS: Other comprehensive income/loss refers to revenue, expenses, gains, and losses that under generally accepted accounting principles are recorded as an element of shareholders' equity and comprehensive income but are excluded from net income. Accumulated other comprehensive income/loss refers to the balance of these transactions. The Association records other comprehensive income/loss associated with the liability under the Restoration Plan.

N. FAIR VALUE MEASUREMENT: Accounting guidance defines fair value, establishes a framework for measuring fair value, and specifies disclosures about fair value measurements. It describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets include assets held in trust funds that relate to the Association's nonqualified deferred compensation plan. The trust funds include investments that are actively traded and have quoted net asset values that are observable in the marketplace.

Level 2: Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. Level 2 inputs include the following: (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in markets that are not active so that they are traded less frequently than exchange-traded instruments, the prices are not current, or principal market information is not released publicly; (c) inputs other than quoted prices that are observable, such as interest rates and yield curves, prepayment speeds, credit risks, and default rates; and (d) inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the determination of the fair value of the assets or liabilities. These unobservable inputs reflect the reporting entity's own assumptions that market participants would use in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. Level 3 assets include impaired loans and other property owned.

The fair value disclosures are presented in Note 16.

O. OFF-BALANCE SHEET CREDIT EXPOSURES: Commitments to extend credit are agreements to lend to customers, generally having fixed expiration dates or other termination clauses that may require payment of a fee. Commercial letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. These letters of credit are issued to facilitate commerce and typically result in the commitment being funded when the underlying transaction is consummated between the customer and third party. The credit risk associated with commitments to extend credit and commercial letters of credit is essentially the same as that involved with extending loans to customers and is subject to normal credit policies. Collateral may be obtained based on management's assessment of the customer's creditworthiness.

Other off-balance sheet liabilities include Risk Participation Agreements held with CoBank.

Risk Participation Agreements are agreements with CoBank where the Association shares 50% of the risk of swap transactions customers have entered into with CoBank. Risk Participation Agreements are recorded at their fair value on the consolidated balance sheets. Changes in the fair value are recorded in current period earnings.

P. ACQUISITION ACCOUNTING: Accounting guidance on business combinations applies to all transactions in which an entity obtains control of one or more businesses and requires the acquirer to use the acquisition method of accounting and recognize assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at the acquisition date, measured at their fair values as of that date. For the Association, because the stock is fixed in value, the stock issued pursuant to a merger provides no basis for estimating the fair value of the consideration transferred pursuant to the merger. In the absence of a purchase price determination, the acquiring Association would identify and estimate the acquisition date fair value of the equity interests (net assets) of the acquired Association instead of the acquisition date fair value of the equity interests transferred as consideration. The fair value of the assets acquired, including specific intangible assets and liabilities assumed, are measured based on various estimates using assumptions that management believes are reasonable utilizing information currently available. The excess value received by the acquiring Association from the acquired Association over the par value of capital stock and participation certificates issued in the merger is considered to be additional paid-in capital.

NOTE 3 – LOANS AND ALLOWANCE FOR CREDIT LOSSES

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

December 31	2024	2023	2022
Real estate mortgage	$11,010,982	$10,799,663	$9,716,259
Production and intermediate-term	4,949,831	4,595,789	3,654,915
Agribusiness	4,854,001	4,197,597	3,474,462
Rural infrastructure	861,991	828,029	526,095
Agricultural export finance	100,492	76,324	58,585
Rural residential real estate	1,810	2,014	1,492
Total	**$21,779,107**	**$20,499,416**	**$17,431,808**

Participation Interests

The Association, in the normal course of business, purchases and sells participation interests with other parties to diversify risk, manage loan volume, and comply with FCA regulations. All loans sold to others are sold without recourse. The Association had no participations purchased from or sold to non-Farm Credit institutions at December 31, 2023 and 2022. The following tables present information regarding participations purchased from and sold to other Farm Credit institutions as of December 31, 2024, 2023, and 2022.

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
December 31, 2024	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	$754,102	$2,120,037	$–	$–	$754,102	$2,120,037
Production and intermediate-term	1,123,389	1,807,721	17,685	–	1,141,074	1,807,721
Agribusiness	2,799,508	5,081,139	–	26,364	2,799,508	5,107,503
Rural infrastructure	833,111	162,114	–	–	833,111	162,114
Agricultural export finance	100,491	–	–	–	100,491	–
Total	**$5,610,601**	**$9,171,011**	**$17,685**	**$26,364**	**$5,628,286**	**$9,197,375**

	Other Farm Credit Institutions	
December 31, 2023	Participations Purchased	Participations Sold
Real estate mortgage	$704,900	$2,358,952
Production and intermediate-term	1,139,442	1,522,770
Agribusiness	2,349,997	3,569,202
Rural infrastructure	798,941	161,812
Agricultural export finance	76,324	–
Total	**$5,069,604**	**$7,612,736**

	Other Farm Credit Institutions	
December 31, 2022	Participations Purchased	Participations Sold
Real estate mortgage	$690,312	$2,194,178
Production and intermediate-term	845,957	1,149,143
Agribusiness	2,023,662	3,180,519
Rural infrastructure	495,989	160,884
Agricultural export finance	58,585	–
Total	**$4,114,505**	**$6,684,724**

Collateral

The Association's concentration of credit risk in various agricultural commodities is shown in the following table. While the amounts represent the Association's maximum potential credit risk as it relates to recorded loan principal, a substantial portion of the Association's lending activities is collateralized and the exposure to credit loss associated with lending activities is reduced accordingly. An estimate of the Association's credit risk exposure is considered in the determination of the allowance for loan losses.

December 31	2024		2023		2022	
Vineyards and wineries	$3,270,506	15%	$3,026,453	15%	$2,842,082	16%
Tree fruits and nuts	2,831,439	13	2,817,929	14	2,464,158	14
Beef	2,821,930	13	2,457,148	12	1,788,061	10
Dairies	2,685,536	12	2,611,464	13	2,070,768	12
Field crops	2,576,524	12	2,590,207	12	2,306,134	13
Forest products	1,567,226	7	1,489,094	7	1,326,988	8
Other	6,025,946	28	5,507,121	27	4,633,617	27
Total	**$21,779,107**	**100%**	**$20,499,416**	**100%**	**$17,431,808**	**100%**

The amount of collateral obtained, if deemed necessary upon extension of credit, is based on management's credit evaluation of the borrower. Collateral held varies but typically includes farmland and income-producing property, such as crops and livestock, as well as receivables. Long-term real estate loans are secured by first liens on the underlying real property. Federal regulations state that long-term real estate loans are not to exceed 85% (97% if guaranteed by a government agency) of the property's appraised value. However, a decline in a property's market value after loan origination or advances, or other actions necessary to protect the financial interest of the Association in the collateral, may result in loan-to-value ratios in excess of the regulatory maximum.

A loan is considered collateral dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. The collateral-dependent loans are primarily real estate mortgage and rural residential real estate loans. The extent to which collateral secures certain loans is primarily based on the calculated loan-to-value ratio.

Credit Quality

Credit risk arises from the potential inability of an obligor to meet its payment obligation and exists in our outstanding loans, letters of credit, and unfunded loan commitments. The Association manages credit risk associated with its lending activities on an individual and portfolio basis through the application of sound lending and underwriting standards and policies, approved by its Board of Directors. The credit risk management process begins with an analysis of the borrower's credit history, repayment capacity, financial position, and collateral, which includes an analysis of credit scores for smaller loans. Repayment capacity focuses on the borrower's ability to repay the loan based on cash flows from operations or other sources of income, including off-farm income. Real estate mortgage loans must be secured by first liens on the real estate (collateral). As required by Farm Credit Administration regulations, each institution that makes loans on a secured basis must have collateral evaluation policies and procedures. Real estate mortgage loans may be made only in amounts up to 85% of the original appraised value of the property taken as security or up to 97% of the appraised value if guaranteed by a state, federal, or other governmental agency. The actual loan-to-appraised value when loans are made is generally lower than the statutory maximum percentage. Loans other than real estate mortgage may be made on a secured or unsecured basis.

The Association uses a two-dimensional risk rating model based on an internally generated combined System risk rating guidance and actual Association loss history that incorporates a 14-point probability of default rating scale to identify and track the probability of borrower default and a separate scale addressing loss given default. Probability of default is the probability that a borrower will experience a default during the life of the loan. The loss given default is management's estimate as to the anticipated principal loss on a specific loan assuming default occurs over the next 12 months. A default is considered to have occurred if the lender believes the borrower will not be able to pay its obligation in full or the borrower or the loan is classified nonaccrual. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses, and risks in a particular relationship. The institution reviews, at least on an annual basis, or when a credit action is taken, the probability of default category.

Each of the probability of default categories carries a distinct percentage of default probability. The probability of default rate between one and nine of the acceptable categories is very narrow and would reflect almost no default to a minimal default percentage. The probability of default rate grows more rapidly as a loan moves from acceptable to other assets especially mentioned and grows significantly as a loan moves to a substandard (viable) level. A substandard (non-viable) rating indicates that the probability of default is almost certain. These 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.

Loss: Assets are considered uncollectible.

The following table presents year-to-date 2024 gross charge-offs by year of origination as well as credit quality indicators by loan type and the related principal balance by year of origination:

	Term Loans Amortized Cost by Origination Year						Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term Loans Amortized Cost Basis	Total
	2024	2023	2022	2021	2020	Prior			
Real estate mortgage:									
Acceptable	$1,079,410	$867,697	$1,338,671	$1,530,516	$1,233,023	$3,158,710	$632,777	$78,777	$9,919,581
OAEM	6,738	26,300	89,192	70,612	70,056	131,332	25,860	8,602	428,692
Substandard/Doubtful	16,851	66,963	83,535	81,370	111,900	249,413	45,557	7,120	662,709
Total	**1,102,999**	**960,960**	**1,511,398**	**1,682,498**	**1,414,979**	**3,539,455**	**704,194**	**94,499**	**11,010,982**
Current period gross charge-offs	–	238	5,177	134	184	6,188	89	–	12,010
Production and intermediate-term:									
Acceptable	579,519	342,219	274,962	187,825	152,444	203,156	2,735,418	7,917	4,483,460
OAEM	7,096	6,798	25,719	16,363	10,518	950	147,483	1,436	216,363
Substandard/Doubtful	30,366	19,416	19,389	14,827	2,855	14,578	141,683	6,894	250,008
Total	**616,981**	**368,433**	**320,070**	**219,015**	**165,817**	**218,684**	**3,024,584**	**16,247**	**4,949,831**
Current period gross charge-offs	4,466	2,107	3,146	941	937	456	3,599	675	16,327
Agribusiness:									
Acceptable	938,262	957,290	851,450	523,772	262,967	400,797	519,256	20,804	4,474,598
OAEM	26,602	58,238	45,075	102	5,329	26,161	36,182	–	197,689
Substandard/Doubtful	15,532	24,612	8,546	49,369	54,013	9,069	20,573	–	181,714
Total	**980,396**	**1,040,140**	**905,071**	**573,243**	**322,309**	**436,027**	**576,011**	**20,804**	**4,854,001**
Current period gross charge-offs	–	11,774	–	475	3,492	(178)	(487)	8,457	23,533
Rural infrastructure:									
Acceptable	212,579	305,071	124,019	132,217	18,743	32,876	13,983	–	839,488
OAEM	3,563	–	1,337	–	15,847	1,756	–	–	22,503
Total	**216,142**	**305,071**	**125,356**	**132,217**	**34,590**	**34,632**	**13,983**	–	**861,991**
Rural residential real estate:									
Acceptable	359	–	–	203	231	983	–	–	1,776
Substandard/Doubtful	–	–	–	–	–	34	–	–	34
Total	**359**	–	–	**203**	**231**	**1,017**	–	–	**1,810**
Agricultural export finance:									
Acceptable	17,994	29,999	–	12,057	–	15,001	6,052	19,389	100,492
Total	**17,994**	**29,999**	–	**12,057**	–	**15,001**	**6,052**	**19,389**	**100,492**
Total loans:									
Acceptable	2,828,123	2,502,276	2,589,102	2,386,590	1,667,408	3,811,523	3,907,486	126,887	19,819,395
OAEM	43,999	91,336	161,323	87,077	101,750	160,199	209,525	10,038	865,247
Substandard/Doubtful	62,749	110,991	111,470	145,566	168,768	273,094	207,813	14,014	1,094,465
Total loans	**$2,934,871**	**$2,704,603**	**$2,861,895**	**$2,619,233**	**$1,937,926**	**$4,244,816**	**$4,324,824**	**$150,939**	**$21,779,107**
Total current period gross charge-offs:	**$4,466**	**$14,119**	**$8,323**	**$1,550**	**$4,613**	**$6,466**	**$3,201**	**$9,132**	**$51,870**

The following table presents year-to-date 2023 gross charge-offs by year of origination as well as credit quality indicators by loan type and the related principal balance by year of origination:

	Term Loans Amortized Cost by Origination Year						Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term Loan Amortized Cost Basis	Total
	2023	2022	2021	2020	2019	Prior			
Real estate mortgage:									
Acceptable	$972,609	$1,529,047	$1,706,076	$1,375,339	$995,121	$2,786,628	$552,567	$76,126	$9,993,513
OAEM	14,454	46,158	41,079	77,301	29,305	112,319	29,716	6,786	357,118
Substandard/Doubtful	11,857	93,167	51,529	62,736	89,022	121,671	18,676	374	449,032
Total	**998,920**	**1,668,372**	**1,798,684**	**1,515,376**	**1,113,448**	**3,020,618**	**600,959**	**83,286**	**10,799,663**
Current period gross charge-offs	–	–	–	76	(3)	–	–	–	73
Production and intermediate-term:									
Acceptable	530,420	376,693	278,988	269,071	114,276	175,695	2,435,362	6,962	4,187,467
OAEM	12,160	20,794	11,135	11,683	27,699	296	136,588	143	220,498
Substandard/Doubtful	13,702	54,671	15,036	8,050	27,277	6,455	52,858	9,775	187,824
Total	**556,282**	**452,158**	**305,159**	**288,804**	**169,252**	**182,446**	**2,624,808**	**16,880**	**4,595,789**
Current period gross charge-offs	2,492	1,580	304	660	10,468	116	1,344	41	17,005
Agribusiness:									
Acceptable	1,003,167	945,667	621,039	325,354	169,533	385,602	527,522	24,372	4,002,256
OAEM	4,738	6,919	9,120	3,539	–	478	7,959	–	32,753
Substandard/Doubtful	41,719	844	17,191	63,132	6,780	11,672	14,680	6,570	162,588
Total	**1,049,624**	**953,430**	**647,350**	**392,025**	**176,313**	**397,752**	**550,161**	**30,942**	**4,197,597**
Current period gross charge-offs	3,590	–	1,569	1,143	7	179	3,796	–	10,284
Rural infrastructure:									
Acceptable	343,335	158,306	176,214	58,726	25,051	31,535	6,842	–	800,009
OAEM	–	6,562	–	15,842	–	5,530	86	–	28,020
Total	**343,335**	**164,868**	**176,214**	**74,568**	**25,051**	**37,065**	**6,928**	**–**	**828,029**
Rural residential real estate:									
Acceptable	–	–	227	253	41	1,434	–	–	1,955
Substandard/Doubtful	–	–	–	–	–	59	–	–	59
Total	**–**	**–**	**227**	**253**	**41**	**1,493**	**–**	**–**	**2,014**
Agricultural export finance:									
Acceptable	29,988	–	12,022	–	–	15,001	–	19,313	76,324
Total	**29,988**	**–**	**12,022**	**–**	**–**	**15,001**	**–**	**19,313**	**76,324**
Total loans:									
Acceptable	2,879,519	3,009,713	2,794,566	2,028,743	1,304,022	3,395,895	3,522,293	126,773	19,061,524
OAEM	31,352	80,433	61,334	108,365	57,004	118,623	174,349	6,929	638,389
Substandard/Doubtful	67,278	148,682	83,756	133,918	123,079	139,857	86,214	16,719	799,503
Total loans	**$2,978,149**	**$3,238,828**	**$2,939,656**	**$2,271,026**	**$1,484,105**	**$3,654,375**	**$3,782,856**	**$150,421**	**$20,499,416**
Total gross charge-offs for the year ended December 31, 2023:	**$6,082**	**$1,580**	**$1,873**	**$1,879**	**$10,472**	**$295**	**$5,140**	**$41**	**$27,362**

The following table shows loans at amortized cost under the Farm Credit Administration Uniform Loan Classification System as a percentage of total loans by loan type:

December 31	2024	2023	2022[1]
Real estate mortgage:			
Acceptable	90.15%	92.55%	96.16%
OAEM	3.88	3.32	1.58
Substandard/Doubtful	5.97	4.13	2.26
	100.00%	**100.00%**	**100.00%**
Production and intermediate-term:			
Acceptable	90.63%	91.21%	94.38%
OAEM	4.35	4.80	2.07
Substandard/Doubtful	5.02	3.99	3.55
	100.00%	**100.00%**	**100.00%**
Agribusiness:			
Acceptable	92.45%	95.34%	93.75%
OAEM	4.08	0.79	1.99
Substandard/Doubtful	3.47	3.87	4.26
	100.00%	**100.00%**	**100.00%**
Rural infrastructure:			
Acceptable	97.39%	96.62%	100.00%
OAEM	2.61	3.38	–
	100.00%	**100.00%**	**100.00%**
Rural residential real estate:			
Acceptable	98.14%	97.11%	95.48%
Substandard/Doubtful	1.86	2.89	4.52
	100.00%	**100.00%**	**100.00%**
Agricultural export finance:			
Acceptable	100.00%	100.00%	100.00%
	100.00%	**100.00%**	**100.00%**
Total loans:			
Acceptable	91.10%	93.01%	95.44%
OAEM	3.96	3.13	1.71
Substandard/Doubtful	4.94	3.86	2.85
	100.00%	**100.00%**	**100.00%**

[1] Prior to the adoption of CECL on January 1, 2023, loans were presented with accrued interest receivables.

Nonperforming Assets

The following table reflects nonperforming assets on an amortized cost basis, which consist of nonaccrual loans, accruing loans 90 days or more past due, and other property owned and related credit quality statistics:

December 31	2024	2023
Nonaccrual loans:		
Real estate mortgage	$284,132	$145,493
Production and intermediate-term	77,689	65,806
Agribusiness	83,467	45,053
Rural residential real estate	34	59
Total nonaccrual loans	**445,322**	**256,411**
Accruing loans 90 days or more past due:		
Real estate mortgage	260	–
Production and intermediate-term	–	1,034
Total accruing loans 90 days or more past due	**260**	**1,034**
Total nonperforming loans	**$445,582**	**$257,445**
Other property owned	14,503	–
Total nonperforming assets	**$460,085**	**$257,445**

December 31	2024	2023
Nonaccrual loans as a percentage of total loans	2.05%	1.25%
Nonperforming assets as a percentage of total loans and other property owned	2.11%	1.26%
Nonperforming assets as a percentage of capital	12.61%	7.38%

Impaired assets (including related accrued interest) prior to the adoption of CECL on January 1, 2023, are as follows:

December 31	2022
Nonaccrual loans:	
Real estate mortgage	$85,239
Production and intermediate-term	34,208
Agribusiness	52,651
Rural residential real estate	68
Total nonaccrual loans	**172,166**
Accruing restructured loans:	
Real estate mortgage	6,199
Production and intermediate-term	14
Agribusiness	1,786
Total accruing restructured loans	**7,999**
Total impaired loans	**$180,165**
Other property owned	4,160
Total impaired assets	**$184,325**

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

The following table provides the amortized cost for nonaccrual loans with and without a related allowance for loan losses, as well as interest income recognized on nonaccrual loans during the period:

	At December 31, 2024			For the Year Ended December 31, 2024
	Amortized Cost With Allowance	Amortized Cost Without Allowance	Total	Interest Income Recognized
Nonaccrual loans:				
Real estate mortgage	$28,744	$255,388	$284,132	$4,999
Production and intermediate-term	4,583	73,107	77,690	4,087
Agribusiness	7,394	76,072	83,466	73
Rural residential real estate	–	34	34	1
Total nonaccrual loans	**$40,721**	**$404,601**	**$445,322**	**$9,160**

	At December 31, 2023			For the Year Ended December 31, 2023
	Amortized Cost With Allowance	Amortized Cost Without Allowance	Total	Interest Income Recognized
Nonaccrual loans:				
Real estate mortgage	$1,608	$143,886	$145,494	$3,107
Production and intermediate-term	5,943	59,862	65,805	3,628
Agribusiness	12,065	32,988	45,053	495
Rural residential real estate	–	59	59	–
Total nonaccrual loans	**$19,616**	**$236,795**	**$256,411**	**$7,230**

Accrued interest receivable on loans of $269.6 million at December 31, 2024, and $272.0 million at December 31, 2023, have been excluded from the amortized cost of loans and reported separately in the Consolidated Statements of Condition. The Association reversed $15.5 million of accrued interest receivable against Loans interest income in the Statements of Comprehensive Income during 2024.

Delinquency

The following tables provide an age analysis of past due loans at amortized cost by portfolio segment as of December 31, 2024 and 2023:

December 31, 2024	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	Accruing Loans 90 Days or More Past Due
Real estate mortgage	$20,031	$116,482	$136,513	$10,874,469	$11,010,982	$260
Production and intermediate-term	34,052	17,793	51,845	4,897,986	4,949,831	–
Agribusiness	10,224	34,683	44,907	4,809,094	4,854,001	–
Rural infrastructure	–	–	–	861,991	861,991	–
Rural residential real estate	–	–	–	1,810	1,810	–
Agricultural export finance	–	–	–	100,492	100,492	–
Total	**$64,307**	**$168,958**	**$233,265**	**$21,545,842**	**$21,779,107**	**$260**

December 31, 2023	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	Accruing Loans 90 Days or More Past Due
Real estate mortgage	$8,510	$31,491	$40,001	$10,759,662	$10,799,663	$–
Production and intermediate-term	44,816	14,725	59,541	4,536,248	4,595,789	1,034
Agribusiness	5,250	34,290	39,540	4,158,057	4,197,597	–
Rural infrastructure	–	–	–	828,029	828,029	–
Rural residential real estate	1	6	7	2,007	2,014	–
Agricultural export finance	–	–	–	76,324	76,324	–
Total	**$58,577**	**$80,512**	**$139,089**	**$20,360,327**	**$20,499,416**	**$1,034**

The following table provides an age analysis of past due loans (including accrued interest) as of December 31, 2022:

December 31, 2022	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
Real estate mortgage	$19,560	$6,956	$26,516	$9,815,825	$9,842,341
Production and intermediate-term	16,820	2,123	18,943	3,670,464	3,689,407
Agribusiness	1,133	–	1,133	3,490,859	3,491,992
Rural infrastructure	11,810	–	11,810	515,103	526,913
Rural residential real estate	–	–	–	1,509	1,509
Agricultural export finance	–	–	–	59,135	59,135
Total	**$49,323**	**$9,079**	**$58,402**	**$17,552,895**	**$17,611,297**

As part of the merger on October 1, 2023, as further discussed in Note 1, American AgCredit purchased assets at acquisition for which there was evidence of more than insignificant deterioration in credit quality since origination. The carrying amount of the PCD loans acquired by the entity was as follows:

	October 1, 2023
Purchase price of loans at acquisition	$66,435
Allowance for credit losses at acquisition	2,546
Non-credit discount at acquisition	3,600
Carrying value of acquired loans at acquisition	**$72,581**

Loan Modifications to Borrowers Experiencing Financial Difficulties

Upon the adoption of the guidance, Financial Instruments – Credit Losses, Troubled Debt Restructurings and Vintage Disclosure, creditors are required to disclose specific modifications with borrowers who are experiencing financial difficulty. Qualifying disclosable modifications are one or a combination of principal forgiveness, interest rate reduction, forbearance, or term extension. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions. Also included in the following disclosures are other-than-insignificant payment deferrals that may provide the borrower with a temporary payment deferral, which has been defined as cumulative or individual forbearance or payment delay greater than or equal to six months. These deferred payments may be capitalized into the principal balance of the loan and amortized with no extension of maturity or with the deferred payment due at the time of original maturity.

The following tables show the amortized cost basis at the end of the reporting period for loan modifications granted to borrowers experiencing financial difficulty during 2024 and 2023, disaggregated by loan type and type of modification granted.

For The Year Ended December 31, 2024								
	Interest Rate Reduction	Term Extension	Payment Deferral	Combination – Interest Rate Reduction & Term Extension	Combination – Interest Rate Reduction & Payment Deferral	Combination – Term Extension & Payment Deferral	Total	Percentage of Total by Loan Type
Real estate mortgage	$25,395	$391	$152,002	$–	$22,464	$–	$200,252	1.82%
Production and intermediate-term	1,471	36,844	23,439	14,054	10,670	6,938	93,416	1.89%
Agribusiness	12,070	750	556	–	–	–	13,376	0.28%
Rural infrastructure	35	–	–	–	–	–	35	0.00%
Total	**$38,971**	**$37,985**	**$175,997**	**$14,054**	**$33,134**	**$6,938**	**$307,079**	**1.41%**

For The Year Ended December 31, 2023								
	Interest Rate Reduction	Term Extension	Payment Deferral	Combination – Interest Rate Reduction & Term Extension	Combination – Interest Rate Reduction & Payment Deferral	Combination – Term Extension & Payment Deferral	Total	Percentage of Total by Loan Type
Real estate mortgage	$50,460	$–	$29,207	$2	$17,339	$2,378	$99,386	0.92%
Production and intermediate-term	15,296	25,623	6,503	7,160	1,418	14,068	70,068	1.52%
Agribusiness	1,451	–	35,178	–	–	6,570	43,199	1.03%
Total	**$67,207**	**$25,623**	**$70,888**	**$7,162**	**$18,757**	**$23,016**	**$212,653**	**1.04%**

Accrued interest receivable related to loan modifications granted to borrowers experiencing financial difficulty during 2024 and 2023 was $5.5 million and $7.8 million.

The following tables describe the financial effect of the modifications made to borrowers experiencing financial difficulty during 2024 and 2023:

As of December 31, 2024	Interest Rate Reduction
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 10.92% to 8.14%
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 15.10% to 10.13%
Agribusiness	Reduced weighted average contractual interest rate on loans from 9.78% to 9.35%
Rural residential real estate	Reduced weighted average contractual interest rate on loans from 13.78% to 8.78%
	Term Extension
Real estate mortgage	Increased weighted average maturities on loans by 8.7 years
Production and intermediate-term	Increased weighted average maturities on loans by 1.2 years
Production and intermediate-term	Increased weighted average maturities on loans by 273 days
	Payment Deferral
Real estate mortgage	Provided a weighted average 1.8 years payment deferral
Production and intermediate-term	Provided a weighted average 362 days payment deferral
Agribusiness	Provided a weighted average 1.7 years payment deferral
	Principal Forgiveness
Real estate mortgage	$45 thousand
Production and intermediate-term	$500 thousand
	Combination – Interest Rate Reduction and Term Extension
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 9.19% to 8.43%
Production and intermediate-term	Increased weighted average maturities on loans by 346 days
	Combination – Interest Rate Reduction and Payment Deferral
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 10.57% to 6.08%
Real estate mortgage	Provided a weighted average 1.0 years payment deferral
	Combination – Interest Rate Reduction, Term Extension, and Payment Deferral
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 9.17% to 7.87%
Production and intermediate-term	Increased weighted average maturities on loans by 2.3 years
Production and intermediate-term	Provided a weighted average 2.5 years payment deferral
	Combination – Term Extension and Payment Deferral
Production and intermediate-term	Increased weighted average maturities on loans by 1.1 years
Production and intermediate-term	Provided a weighted average 1.8 years payment deferral
Agribusiness	Increased weighted average maturities on loans by 349 days
Agribusiness	Provided a weighted average 4.6 years payment deferral

As of December 31, 2023	Interest Rate Reduction
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 11.21% to 7.55%
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 11.74% to 9.5%
Agribusiness	Reduced weighted average contractual interest rate on loans from 12.08% to 10.08%
	Term Extension
Production and intermediate-term	Increased weighted average maturities on loans by 1.4 years
	Payment Deferral
Real estate mortgage	Provided a weighted average 1.2 years payment deferral
Production and intermediate-term	Provided a weighted average 1.8 years payment deferral
Agribusiness	Provided a weighted average 1.3 years payment deferral
	Principal Forgiveness
Production and intermediate-term	$232 thousand
	Combination – Interest Rate Reduction and Term Extension
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 5.75% to 0%
Real estate mortgage	Increased weighted average maturities on loans by 5.9 years
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 9.35% to 8%
Production and intermediate-term	Increased weighted average maturities on loans by 341 days
	Combination – Interest Rate Reduction and Payment Deferral
Real estate mortgage	Reduced weighted average contractual interest rate on loans from 13.04% to 8.04%
Real estate mortgage	Provided a weighted average 340 days payment deferral
	Combination – Interest Rate Reduction, Term Extension, and Payment Deferral
Production and intermediate-term	Reduced weighted average contractual interest rate on loans from 10.14% to 8.53%
Production and intermediate-term	Increased weighted average maturities on loans by 2.2 years
Production and intermediate-term	Provided a weighted average 1.3 years payment deferral
	Combination – Term Extension and Payment Deferral
Real estate mortgage	Increased weighted average maturities on loans by 214 days
Real estate mortgage	Provided a weighted average 1.6 years payment deferral
Production and intermediate-term	Increased weighted average maturities on loans by 1.2 years
Production and intermediate-term	Provided a weighted average 2.0 years payment deferral
Agribusiness	Increased weighted average maturities on loans by 181 days
Agribusiness	Provided a weighted average 1.4 years payment deferral

The following table sets forth the amortized cost of loans to borrowers experiencing financial difficulty who received a modification during 2024 and defaulted in the period presented:

Modified Loans That Subsequently Defaulted						
	Interest Rate Reduction	Term Extension	Payment Deferral	Combination – Interest Rate Reduction & Term Extension	Combination – Interest Rate Reduction & Payment Deferral	Combination - Term Extension & Payment Deferral
Real estate mortgage	$3,739	$–	$52,105	$–	$4,528	$–
Production and intermediate-term	–	1,777	857	381	100	824
Agribusiness	–	–	363	–	–	–
Rural residential real estate	35	–	–	–	–	–
Total	**$3,774**	**$1,777**	**$53,325**	**$381**	**$4,628**	**$824**

The following table sets forth the amortized cost of loans to borrowers experiencing financial difficulty who received a modification during 2023 and defaulted in the period presented:

Modified Loans That Subsequently Defaulted					
	Interest Rate Reduction	Term Extension	Payment Deferral	Combination – Interest Rate Reduction & Payment Deferral	Combination – Term Extension & Payment Deferral
Real estate mortgage	$2,287	$–	$6,379	$9,961	$–
Production and intermediate-term	325	8,346	502	–	–
Agribusiness	–	–	23,730	–	6,570
Total	**$2,612**	**$8,346**	**$30,611**	**$9,961**	**$6,570**

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified on or after January 1, 2024 through December 31, 2024:

	Payment Status of Loans Modified in the Past 12 Months		
	Current	30-89 Days Past Due	90 Days or More Past Due
Real estate mortgage	$144,473	$2,462	$53,318
Production and intermediate-term	65,936	22,755	4,724
Agribusiness	4,657	8,419	300
Rural residential real estate	35	–	–
Total	**$215,101**	**$33,636**	**$58,342**

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified were $13.6 million at December 31, 2024.

The following table sets forth an aging analysis of loans to borrowers experiencing financial difficulty that were modified on or after January 1, 2023, the date of the adoption of the guidance noted above, through December 31, 2023:

	Payment Status of Loans Modified in the Past 12 Months		
	Current	30-89 Days Past Due	90 Days or More Past Due
Real estate mortgage	$88,850	$1,434	$9,102
Production and intermediate-term	53,692	8,303	8,073
Agribusiness	12,899	–	30,300
Total	**$155,441**	**$9,737**	**$47,475**

Additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified were $34.6 million at December 31, 2023.

Troubled Debt Restructurings

Prior to January 1, 2023, the adoption date of updated FASB guidance on loan modifications, a restructuring of a loan constituted a troubled debt restructuring (TDR), also known as formally restructured, if the creditor for economic or legal reasons related to the borrower's financial difficulties granted a concession to the borrower that it would not otherwise consider. Concessions varied by program and were borrower-specific and could include interest rate reductions, term extensions, payment deferrals, or the acceptance of additional collateral in lieu of payments. In limited circumstances, principal may have been forgiven. When a restructured loan constituted a troubled debt restructuring, these loans were included within impaired loans under nonaccrual or accruing restructured loans.

The following tables present additional information regarding TDRs, whether accrual or nonaccrual, that occurred during the year ended December 31, 2022:

Year Ended December 31, 2022	Pre-Modification Outstanding Recorded Investment*	Post-Modification Outstanding Recorded Investment*
Real estate mortgage	$867	$867
Production and intermediate-term	351	351
Total	**$1,218**	**$1,218**

* Pre-modification represents the recorded investment prior to restructuring and post-modification represents the recorded investment immediately following the restructuring. The recorded investment is the face amount of the loan receivable, increased or decreased by applicable accrued interest and unamortized premium, discount, finance charges, or acquisition costs, and may also reflect a previous direct write-down of the investment.

The following table presents information regarding TDRs that occurred within the previous 12 months of that year and for which there was a payment default during the period.

Year Ended December 31, 2022	Recorded Investment
Production and intermediate-term	$1.6
Total	**$1.6**

At December 31, 2022, the Association had no additional commitments to lend to borrowers whose loans had been modified in TDRs.

The following table provides information on the outstanding principal balance of loans restructured in TDR at period-end. These loans are included as impaired loans in the impaired loan table on page 71.

December 31	2022
Loans modified as TDRs:	
Real estate mortgage	$7,972
Production and intermediate-term	13
Total	**$7,985**
TDRs in nonaccrual status:	
Real estate mortgage	$1,294
Production and intermediate-term	639
Total	**$1,933**

Credit Quality Prior to CECL Adoption

Additional impaired loan information is as follows:

	At December 31, 2022			For the Year Ended December 31, 2022	
	Recorded Investment	Unpaid Principal Balance[a]	Related Allowance	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for credit losses:					
Real estate mortgage	$299	$299	$45	$439	$–
Production and intermediate-term	6,450	6,645	2,181	2,274	4
Agribusiness	45,807	46,582	9,805	8,165	–
Total	**$52,556**	**$53,526**	**$12,031**	**$10,878**	**$4**
Impaired loans with no related allowance for credit losses:					
Real estate mortgage	$91,139	$96,853	$–	$67,283	$3,027
Production and intermediate-term	27,772	44,970	–	18,746	581
Agribusiness	8,630	11,222	–	7,254	78
Rural residential real estate	68	99	–	65	4
Total	**$127,609**	**$153,144**	**$–**	**$93,348**	**$3,690**
Total impaired loans:					
Real estate mortgage	$91,438	$97,152	$45	$67,722	$3,027
Production and intermediate–term	34,222	51,615	2,181	21,020	585
Agribusiness	54,437	57,804	9,805	15,419	78
Rural residential real estate	68	99	–	65	4
Total	**$180,165**	**$206,670**	**$12,031**	**$104,226**	**$3,694**

[a] Unpaid principal balance represents the recorded principal balance of the loan.

There were no material commitments to lend additional funds to debtors whose loans were classified as impaired at December 31, 2022.

Interest income on nonaccrual and accruing restructured loans that would have been recognized under the original terms of the loans are shown in the following table.

For the Year Ended December 31	2022
Interest income that would have been recognized under the original loan terms	$12,188
Less: interest income recognized	(3,694)
Foregone interest income	**$8,494**

To mitigate the risk of loan losses, the Association may enter into Long-Term Standby Commitment to Purchase agreements with Federal Agricultural Mortgage Corporation (Farmer Mac). The agreements, which are effectively credit guarantees that will remain in place until the loans are paid in full, give the Association the right to sell the loans identified in the agreements to Farmer Mac in the event a delinquency of four months occurs, subject to certain conditions. The balance of the loans under the Long-Term Standby Commitment to Purchase agreements was $252.4 million, $273.9 million, and $124.8 million at December 31, 2024, 2023, and 2022, respectively. Fees paid to Farmer Mac for such commitments totaled $1.2 million, $765 thousand, and $567 thousand for the years ended December 31, 2024, 2023, and 2022, respectively. These amounts are classified as interest expense in the Consolidated Statements of Comprehensive Income. Farmer Mac has not purchased any loans under this agreement.

Allowance for Credit Losses

The credit risk rating methodology is a key component of the allowance for credit losses evaluation and is incorporated into loan underwriting standards and internal lending limits. In addition, borrower and commodity concentration lending and leasing limits have been established to manage credit exposure. The regulatory limit to a single borrower or lessee is 15% of the Association's lending and leasing limit base but the Board of Directors has established more restrictive lending limits. This limit applies to Associations with long-term and short- and intermediate-term lending authorities, and to the Banks' (other than CoBank) loan participations.

A summary of changes in the allowance for credit losses by portfolio segment are as follows:

	Real Estate Mortgage	Production and Intermediate-term	Agribusiness	Rural Infrastructure	Agricultural Export Finance	Total
Allowance for loan losses:						
Balance at December 31, 2023	$5,599	$7,841	$7,786	$1	$–	$21,227
Charge-offs	(12,010)	(16,327)	(23,533)	–	–	(51,870)
Recoveries	62	2,829	3,544	–	–	6,435
Provision for loan losses	26,798	13,085	21,775	651	112	62,421
Balance at December 31, 2024	**$20,449**	**$7,428**	**$9,572**	**$652**	**$112**	**$38,213**
Allowance for unfunded commitments:						
Balance at December 31, 2023	$136	$396	$504	$–	$–	$1,036
Provision for unfunded commitments	111	(80)	84	8	–	123
Balance at December 31, 2024	**$247**	**$316**	**$588**	**$8**	**$–**	**$1,159**
Total allowance for credit losses	**$20,696**	**$7,744**	**$10,160**	**$660**	**$112**	**$39,372**

Discussion of Changes in Allowance for Credit Losses

The ACL increased $17.1 million to $39.4 million at December 31, 2024, as compared to $22.3 million at December 31, 2023. This is largely due to the stresses in certain commodities such as Tree Fruits and Nuts and Vineyards and Wineries, as well as new and updated qualitative overlays and a recalibration of the quantitative reserve.

The Association's CECL framework is significantly shaped by the internally assigned risk rating of each loan. By integrating the risk profile for each individual credit within the Association's portfolio, along with the key macroeconomic variables (MEVs) listed in the following table, the Association's CECL framework provides an estimate of expected losses. This estimate is grounded in both the characteristics of each individual loan and broader economic factors. The following table provides the forecast variables for the first three years of the 10-year forecast period for the two most influential MEVs for the Association's five largest commodities within the CECL industry segments, which represent 65% of the portfolio at December 31, 2024.

		Forecast Period		
Industry	**Significant Macroeconomic Variable**	**Year 1**	**Year 2**	**Year 3**
Beef	Boneless beef, price % quarter-over-quarter	-1.45%	0.83%	0.96%
	World food price % quarter-over-quarter	0.67%	0.70%	0.72%
Dairies	Exchange rate, effective real % year-over-year	1.68%	-0.75%	-0.19%
	Total livestock crop cash receipts % quarter-over-quarter	0.17%	1.01%	0.84%
Field crops	Corn price parity	0.19	0.21	0.17
	Net farm income % year-over-year	2.33%	1.51%	2.91%
Tree fruits and nuts	Exchange rate, effective real % year-over-year	1.68%	-0.75%	-0.19%
	Fruit and tree nut price received index % quarter-over-quarter	1.47%	1.34%	1.21%
Vineyards and wineries	Interest rate, long-term government bond yields	4.19%	4.11%	3.98%
	U.S. export value of wine	5.89	6.02	6.02

Allowance for Credit Losses – Prior to CECL Adoption

A summary of changes in the allowance for loan losses and period-end recorded investment in loans, prior to the adoption of CECL, is as follows:

	Allowance for Loan Losses		Recorded Investments in Loans Outstanding	
Ending Balance at December 31, 2022	**Individually Evaluated for Impairment**	**Collectively Evaluated for Impairment**	**Individually Evaluated for Impairment**	**Collectively Evaluated for Impairment**
Real estate mortgage	$45	$11,070	$91,438	$9,750,903
Production and intermediate-term	2,181	13,490	34,222	3,655,185
Agribusiness	9,805	12,318	54,437	3,437,555
Rural infrastructure	–	457	–	526,913
Rural residential real estate	–	–	68	1,441
Agricultural export finance	–	82	–	59,135
Total	**$12,031**	**$37,417**	**$180,165**	**$17,431,132**

	Balance at December 31, 2022	Charge-offs	Recoveries	Provision for Loan Losses/(Loan Loss Reversals)	Balance at December 31, 2022
Real estate mortgage	$11,390	$112	$35	$(423)	$11,114
Production and intermediate-term	15,955	(2,142)	1,391	468	15,672
Agribusiness	9,543	(851)	779	12,652	22,123
Rural infrastructure	526	–	–	(69)	457
Rural residential real estate	1	–	–	(1)	–
Agricultural export finance	100	–	–	(18)	82
Total	**$37,515**	**$(2,881)**	**$2,205**	**$12,609**	**$49,448**

The Association maintains a separate reserve for unfunded commitments, which is included in liabilities on the Consolidated Statements of Condition. The related provision for the reserve for unfunded commitments is included as part of the provision for credit losses on the Consolidated Statements of Comprehensive Income, along with the provision for loan losses.

A summary of the changes in the reserve for unfunded lending commitments is shown in the following table:

Year Ended December 31	2022
Balance at the beginning of the year	$4,192
Reversal of unfunded lending commitments	(292)
Balance at end of the year	**$3,900**

NOTE 4 – INVESTMENT IN COBANK

At December 31, 2024, the Association's investment in CoBank is in the form of Class A stock with a par value of $100 per share. The Association is required to own stock in CoBank to capitalize its direct loan balance and participation loans sold to CoBank. The current requirement for capitalizing its direct loan from CoBank is 3.0% of the Association's prior one-year average direct loan balance. The 2024 requirement for capitalizing patronage-based participation loans sold to CoBank is 7.0% of the Association's prior 10-year average balance of such participations sold to CoBank. Under the current CoBank capital plan applicable to such participations sold, patronage from CoBank related to these participations sold is paid 75.0% cash and 25.0% Class A stock. The capital plan is evaluated annually by CoBank's Board of Directors and management and is subject to change.

CoBank may require the holders of its equities to subscribe for such additional capital as may be needed to meet its capital requirements or its joint and several liability under the Act and regulations. In making such a capital call, CoBank shall consider the financial condition of each such holder and such other considerations, as it deems appropriate.

The Association owned approximately 13.5% of the outstanding common stock of CoBank at December 31, 2024. CoBank retired $21.2 million of the Association's stock investment on March 15, 2022, due to changes in its capital requirements.

NOTE 5 – PREMISES AND EQUIPMENT

Premises and equipment consist of the following:

December 31	2024	2023	2022
Buildings and improvements	$63,023	$132,499	$122,374
Furniture and equipment	11,030	18,498	18,479
Land	8,446	15,894	13,226
Construction in progress	3,718	1,121	101
Vehicles	548	851	2,029
Premises and equipment at cost	86,765	168,863	156,209
Less: accumulated depreciation	(31,862)	(53,539)	(50,904)
Premises and equipment, net	**$54,903**	**$115,324**	**$105,305**

On February 28, 2024, the Association entered into a lease-option agreement with a third party on its Santa Rosa office building. The lease term commenced on August 28, 2024, with a term of seven years and an option to purchase the property for $56.1 million during the first three years of the lease term. In December 2024, the tenant signed a purchase agreement indicating their intent to exercise the purchase option in 2025. At that time, it was determined that the Santa Rosa building met all criteria to be classified as assets held for sale with the expectation of a transaction to be completed within 12 months. Therefore, American AgCredit reclassified its former Santa Rosa headquarters building and land, along with other furniture and equipment, as assets held for sale with a net book value of $60.6 million in December 2024. The carrying amount of the building was $53.1 million of the total net book value. These assets were written down to the purchase price of $56.1 million less costs to sell of $1.68 million and are reflected in the Association's Statements of Condition as Assets Held for Sale. The carrying value write-down of $6.2 million is included in Other Operating Expenses in the Statements of Comprehensive Income.

Future minimum lease payments under non-cancellable leases as of December 31, 2024, were as follows:

	Operating Leases	Finance Leases	Total
2024	$863	$2,786	$3,649
2025	644	2,253	2,897
2026	412	634	1,046
2027	186	136	322
2028	177	–	177
Thereafter	1,195	–	1,195
Total lease payments	**3,477**	**5,809**	**9,286**
Less: interest	–	(972)	(972)
Total	**$3,477**	**$4,837**	**$8,314**

Right-of-use assets, net of accumulated amortization, amounted to $5.0 million at December 31, 2024, $7.3 million at December 31, 2023, and $5.9 million at December 31, 2022. These amounts are included with premises and equipment, net on the Consolidated Statements of Condition.

NOTE 6 – OTHER PROPERTY OWNED

Gains and losses on other property owned, as reflected in other gains/losses, net on the Consolidated Statements of Income, consisted of the following:

December 31	2024	2023	2022
Losses on sale, net	$–	$351	$–
Carrying value adjustments	(90)	–	–
Operating expense, net	442	13	49
Losses on other property owned, net	**$352**	**$364**	**$49**

NOTE 7 – NOTES PAYABLE TO COBANK

The Association's indebtedness to CoBank represents borrowings by the Association to fund its loan portfolio. This indebtedness is collateralized by a pledge of substantially all of the Association's assets to CoBank and is governed by a General Financing Agreement (GFA). The GFA is subject to renewal periodically in accordance with normal business practices and requires the Association to comply with certain covenants. The GFA matures on May 31, 2028. Management expects renewal of the GFA at that time. The Association's debt is primarily block-funded through a direct note with CoBank. The weighted average interest rate is determined based on the terms and conditions of the Association's borrowing. The weighted average interest rate was 3.92% at December 31, 2024, compared with 4.29% at December 31, 2023, and 3.27% at December 31, 2022.

Through the note payable, the Association was liable for the following (excluding the fair value adjustment for acquired liabilities during the merger with FCNM of $78.1 million, net of accumulated amortization of $26.9 million):

December 31	2024	2023	2022
Fixed rate debt	$5,771,613	$6,474,962	$6,041,761
Floating rate debt	8,044,610	7,526,681	4,896,177
Discount notes	3,498,236	2,460,814	3,113,182
Daily revolving line of credit	1,344,132	1,072,556	717,880
Total	**$18,658,591**	**$17,535,013**	**$14,769,000**

Fixed rate debt typically has original maturities ranging from one to 30 years, and at December 31, 2024, included callable debt of $2.5 billion, with a range of call dates between January 2025 and February 2031. Floating rate notes generally have maturities ranging from one year to five years. Discount notes have maturities from one day to 365 days. The daily revolving line of credit is renewed annually and is priced at the 30-day discount note rate.

The maturities of debt within the note payable to CoBank as of December 31, 2024, are as follows:

Year of Maturity	Amount	Weighted Average Interest Rate
2025	$10,057,345	4.34%
2026	3,987,545	4.08
2027	731,785	2.95
2028	676,849	2.86
2029	982,469	2.64
Subsequent years	2,222,598	2.90
Total	**$18,658,591**	**3.92%**

Under the Farm Credit Act, the Association is obligated to borrow from CoBank, unless CoBank gives approval to borrow elsewhere.

NOTE 8 – SUBORDINATED DEBT

In June 2021, the Association issued subordinated debt with an overall principal balance of $200.0 million, due in 2036, which may be redeemed all or in part at the option of the Association on any interest payment date on or after June 2031. The subordinated debt bears a fixed interest rate of 3.375% per annum, payable semi-annually until June 15, 2031, at which point the rate changes to a floating rate equal to the benchmark rate, expected to be three-month term SOFR, plus a spread of 212 basis points through maturity date or the date of earlier redemption. The subordinated debt is subordinate to all other creditor debt, including general creditors, and senior to all classes of stock. The subordinated debt is not considered System debt and is not an obligation of, nor guaranteed by any System entity. Further, payments on the subordinated debt are not insured by the FCSIC. The subordinated debt is presented net of unamortized issuance costs of approximately $1.9 million on the Consolidated Statements of Condition.

NOTE 9 – SHAREHOLDERS' EQUITY

A description of the Association's capitalization requirements, capital protection mechanisms, regulatory capitalization requirements and restrictions, and equities is provided in the following.

A. COMMON STOCK AND PARTICIPATION CERTIFICATES

In accordance with the Farm Credit Act and the Association's capitalization bylaws, each borrower is required to invest in common stock (for agricultural loans) or participation certificates (for rural home and farm-related business loans) in the Association as a condition of borrowing. In accordance with the Association's capitalization bylaws, the required investment is currently the lesser of $1,000 or 2.0% of the total borrower's commitment.

The borrower acquires ownership of the common stock or participation certificates at the time the loan is made, but usually does not make a cash investment. The aggregate par value is added to the principal amount of the related loan obligation. The Association retains a first lien on the stock or participation certificates owned by borrowers. At the discretion of the Board of Directors, retirement of such equities will generally be at the lower of par or book value, and repayment of a loan does not automatically result in retirement of the corresponding stock or participation certificates.

B. ADDITIONAL PAID-IN CAPITAL

Additional paid-in capital represents the excess value received over the par value of capital stock and participation certificates issued in connection with mergers and acquisitions. Additional paid-in capital also includes a reduction for capital stock issuance costs incurred.

C. REGULATORY CAPITALIZATION REQUIREMENTS AND RESTRICTIONS

The Farm Credit Administration sets minimum regulatory capital requirements for banks and associations. The following table presents the regulatory capital ratio requirements and ratios at December 31:

Ratio	Primary Components of Numerator	Denominator	Ratios as of December 31, 2024	Ratios as of December 31, 2023	Ratios as of December 31, 2022	Minimum With Buffer	Minimum Requirement
Common Equity Tier 1 (CET1) capital	URE and common cooperative equities (qualifying capital stock and allocated equity)[1]	Risk-weighted assets	11.53%	11.14%	10.09%	7.00%	4.50%
Tier 1 capital	CET1 capital and non-cumulative perpetual preferred stock	Risk-weighted assets	12.73%	12.41%	11.58%	8.50%	6.00%
Total capital	Tier 1 capital, allowance for loan losses[2], other common cooperative equities[3], and term preferred stock and subordinated debt[4]	Risk-weighted assets	13.66%	13.37%	12.81%	10.50%	8.00%
Tier 1 leverage	Tier 1 capital (at least 1.5% must be URE and URE equivalents)	Total assets	14.56%	14.15%	13.29%	5.00%	4.00%
URE and URE equivalents (UREE) leverage	URE and URE equivalents	Total assets	13.14%	12.64%	11.51%	–	1.50%
Permanent capital	Retained earnings, common stock, non-cumulative perpetual preferred stock and subordinated debt, subject to certain limits	Risk-weighted assets	13.68%	13.44%	12.82%	–	7.00%

1. Equities subject to a minimum redemption or revolvement period of 7 or more years
2. Capped at 1.25% of risk-weighted assets and inclusive of the reserve for unfunded commitments
3. Equities subject to a minimum redemption or revolvement period of 5 or more years, but less than 7 years
4. Equities subject to a minimum redemption or revolvement period of 5 or more years

If the capital ratios fall below the total requirements, including the buffer amounts, capital distributions (equity redemptions, dividends, and cash patronage) and discretionary senior executive bonuses are restricted or prohibited without prior FCA approval.

D. DESCRIPTION OF EQUITIES

Class A Common Stock: (nonvoting, at-risk, no shares outstanding, $5 par value) Class A common stock may be issued as a patronage distribution or in exchange for a like number of shares of Class C common stock when the holder has fully retired their loan or loans with the Association and has not had a borrowing relationship with the Association for two years. Class A common stock may be converted to Class C common stock if the holder becomes a borrower eligible to own Class C common stock, and to Class F participation certificates if the holder becomes a borrower eligible to own Class F participation certificates.

Class C Common Stock: (voting, at-risk, 2,284,283 shares outstanding, $5 par value) Each owner of Class C common stock is entitled to a single vote. Other classes of borrower equities do not provide voting rights to their owners. Voting stock may not be transferred to another person unless such person is eligible to hold voting stock.

Class D Common Stock: (nonvoting, at-risk, no shares outstanding, $1,000 par value) Class D common stock may be issued to CoBank or to any person through direct sale.

Class F Participation Certificates: (nonvoting, at-risk, 53,221 shares outstanding, $5 par value) Class F participation certificates may be issued or transferred to rural residents, persons furnishing farm-related services, or to other persons eligible to borrow for the purpose of qualifying for services offered by the Association who are not eligible to hold Class C common stock.

Class H Preferred Stock: (limited voting, at-risk, no shares outstanding, $1 par value) Class H preferred stock may be issued to, and may be acquired by, members and equity holders who, at the time of such issuance or acquisition, hold any class of common stock or participation certificates. Class H preferred stock is transferable only to another holder of Class H preferred stock, and then only after the transferor provides written notice to the Association in a form prescribed by the Association's Board. The holders of H stock are limited to voting on matters that would affect any preference accorded to the H stock and any amendments that would authorize a new class of preferred stock. Each holder of H stock is entitled to receive dividends in an amount equal to a specified percentage (dividend rate) as declared by the Board of Directors. The dividend rate is a per annum rate that may change monthly at the discretion of the Board but is limited to 8.0% per annum. Dividends accrue daily and will accumulate until declared and paid in the form of additional shares of H stock. H stock is redeemable at par plus cumulative unpaid dividends. Retirement of the stock is at the discretion of the Board. Effective March 31, 2021, the Board approved the redemption and retirement of all outstanding shares of H Stock.

Series A Non-Cumulative Perpetual Preferred Stock: (limited voting, at-risk, 300,000 shares outstanding, $1,000 par value) The issuance carries an annual dividend rate of 5.25% payable quarterly beginning September 15, 2021, until the First Reset Date of June 15, 2026, thereafter, the amount equal to the sum of the Five-Year Treasury Rate as of the most recent Reset Dividend Determination Date plus 4.50%. The issuance will be callable June 15, 2026, and quarterly thereafter. Issuance costs of approximately $6.5 million are included in additional paid-in capital on the Consolidated Statements of Condition.

The Association has the authority to issue other classes of stock, no shares of which are outstanding. The voting rights, duties, and liabilities of such classes of stock are similar to those discussed above. Separately from Class H preferred stock, the Association is authorized to issue other preferred stock with an aggregate par value of up to $900 million outstanding at any one time.

The Series A preferred stock is junior to any subordinated debt, existing and future debt obligations, and to any series of preferred stock the Association may issue in the future with priority rights. Series A preferred stock is senior to outstanding common classes of equity, Class F participation certificates, and patronage equities. The Series A preferred stock has a preference as to dividends and on liquidation or dissolution over all other classes of equities. After the retirement of stock, any remaining assets will be distributed to holders of allocated surplus as evidenced by nonqualified written notices of allocation. Any assets remaining after such distribution will be shared pro rata on a patronage basis by all common stock and certificate holders of record immediately before the liquidation distribution.

E. PATRONAGE DISTRIBUTIONS

The Association's bylaws provide for the payment of patronage distributions. All patronage distributions to a borrower shall be on a proportionate patronage basis as may be approved by the Association's Board of Directors, consistent with the requirement of Subchapter T of the Internal Revenue Code.

The Association's Board of Directors adopted a resolution establishing the distribution of 2024 patronage-sourced net earnings. The resolution established the cash patronage in the amount of 1.0% of the Association's borrowers' average daily loan balances and 0.85% on purchased participations. Cash patronage of $237.7 million will be distributed to qualified patrons in 2025. This amount was recognized as a liability on the Association's Consolidated Statements of Condition at December 31, 2024.

In December 2024, the Association's Board of Directors adopted an Obligating Resolution to distribute 2025 patronage-sourced earnings to patrons of the Association, contingent upon the Association maintaining certain capital criteria.

Cash patronage of $213.7 million and $185.7 million was declared on the Association's patronage-sourced earnings for 2023 and 2022, respectively. These amounts were recognized as a liability on the Association's balance sheet at December 31 in the year they were declared and paid in the first quarter of the following year. Cash patronage represented 1.0% of the Association's borrowers' average daily loan balances and 0.85% on purchased participations for both 2023 and 2022.

F. ALLOCATED AND UNALLOCATED RETAINED SURPLUS

Net income can be distributed annually in the form of cash or allocated retained earnings; it may also be retained as unallocated retained earnings. Thus, unallocated retained earnings include patronage-sourced net income that is retained each year. The Association maintains a separate allocated surplus account consisting of undistributed patronage earnings allocated to borrowers. The Board of Directors considers this allocated surplus to be permanently invested in the Association. As such, there is no current plan to revolve or redeem these amounts. No express or implied right to have such capital retired or revolved at any time is granted. The Board of Directors must approve any use of unallocated retained earnings.

G. ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)

The Association reports accumulated other comprehensive income/(loss) in its Consolidated Statements of Condition and Consolidated Statements of Changes in Shareholders' Equity. As more fully described in Note 12, other comprehensive income/(loss) results from the recognition of the Restoration Plan's net unamortized gains and (losses) and prior service costs or credits of $3.2 million, $231 thousand, and $2.3 million in 2024, 2023, and 2022, respectively. There were no other items affecting comprehensive income or loss.

NOTE 10 – PATRONAGE INCOME FROM SYSTEM INSTITUTIONS

Patronage income recognized from Farm Credit institutions to the Association is presented in the following table:

Year Ended December 31	2024	2023	2022
CoBank	$108,523	$90,009	$79,023
AgDirect, LLP	4,643	3,111	2,140
Other Farm Credit institutions	49,624	33,806	30,957
FCS Insurance Exchange	195	511	344
Agri-Access®	472	–	–
Total	**$163,457**	**$127,437**	**$112,464**

Patronage distributed from CoBank is received in cash and stock. All other patronage is received in cash.

NOTE 11 – INCOME TAXES

The provision for income taxes is as follows:

Year Ended December 31	2024	2023	2022
Current federal tax provision	$–	$4	$14
Current state tax provision	2	9	5
Total provision for income taxes	**$2**	**$13**	**$19**

The following table quantifies the differences between the provision for income taxes and the amount of income tax determined by applying the applicable U.S. statutory federal income tax rate to pretax income of the Association.

Year Ended December 31	2024	2023	2022
Federal tax at statutory rate	$85,835	$79,442	$75,329
State tax, net	2	9	5
Tax-exempt FLCA income	(61,021)	(57,792)	(62,961)
Cash patronage distributions paid	(25,526)	(23,989)	(13,828)
Change in deferred tax valuation allowance	694	(816)	1,453
Cumulative effect of change in accounting principle	–	3,139	–
Other	18	20	21
Provision for income taxes	**$2**	**$13**	**$19**

Deferred tax assets and liabilities result from the following:

Year Ended December 31	2024	2023	2022
Gross deferred tax assets:			
Allowance for credit losses on loans	$2,396	$3,057	$5,858
Deferred loan fees	3,229	1,931	1,808
Nonaccrual loan interest	4,721	4,095	1,657
Gross deferred tax asset	10,346	9,083	9,323
Gross deferred tax liabilities:			
Mineral depletion	(52)	(52)	(51)
Accrued CoBank patronage	(6,213)	(5,644)	(5,069)
Net deferred tax asset before valuation allowance	4,081	3,387	4,203
Deferred tax asset valuation allowance	(4,081)	(3,387)	(4,203)
Net deferred tax asset	**$–**	**$–**	**$–**

The calculation of deferred tax assets and liabilities involves various management estimates and assumptions as to future taxable earnings, including the amount of non-patronage income and patronage income retained. The expected future tax rates are based on enacted tax laws.

The Association had a valuation allowance of $4.1 million in 2024, $3.4 million in 2023, and $4.2 million in 2022. The Association will continue to evaluate the likely realization of deferred tax assets and adjust the valuation allowance accordingly.

The Association had no uncertain tax positions to be recognized as of December 31, 2024, 2023, or 2022.

The Association recognizes interest and penalties related to unrecognized tax benefits as an adjustment to income tax expense. There were no interest or penalties recognized in 2024, 2023, or 2022. The tax years that remain open for federal and major state income tax jurisdictions are 2020 and forward.

NOTE 12 – EMPLOYEE BENEFIT PLANS

Certain employees participate in the Ninth and Eleventh Retirement Plans, which are multi-employer defined benefit retirement plans. The Department of Labor has determined the plans to be governmental plans; therefore, the plans are not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). As the plans are not subject to ERISA, the plans' benefits are not insured by the Pension Benefit Guaranty Corporation. Accordingly, the amount of accumulated benefits that participants would receive in the event of the plans' termination is contingent on the sufficiency of the plans' net assets to provide benefits at that time. The plans are noncontributory and cover eligible employees. The assets, liabilities, and costs of the plans are not segregated by participating entities. As such, plan assets are available for any of the participating employers' retirees at any point in time. Additionally, if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. Further, if the Association chooses to stop participating in the plan, it may be required to pay an amount based on the underfunded status of the plan, referred to as a withdrawal liability. Because of the multi-employer nature of the plan, any individual employer is not able to unilaterally change the provisions of the plan. If an employee moves to another employer within the same plan, the employee benefits under the plan transfer. Benefits are based on salary and years of service. There is no collective bargaining agreement in place as part of these plans.

The defined benefit pension plans reflect a funded asset totaling $26.2 million for the Ninth Plan and $9.0 million for the Eleventh Plan at December 31, 2024. The pension benefits funding status reflects the net of the fair value of the plan assets and the projected benefit obligation at the date of these consolidated financial statements. The projected benefit obligation is the actuarial present value of all benefits attributed by the pension benefit formula to employee service rendered prior to the measurement date, based on assumed future compensation levels.

The projected benefit obligation and fair value of the multi-employer plan assets at December 31 are as follows:

December 31 (in millions)	**2024**	**2023**	**2022**
Projected benefit obligation:			
Ninth Plan	$248.0	$282.2	$271.9
Eleventh Plan	$212.4	$243.7	$238.6
Fair value of plan assets:			
Ninth Plan	$274.2	$298.4	$281.5
Eleventh Plan	$221.4	$243.3	$236.8

The amount of the pension benefits funding status is subject to many variables, including performance of plan assets and interest rate levels. Therefore, changes in assumptions could significantly affect these estimates.

Costs are determined for each individual employer based on costs directly related to their current employees as well as an allocation of the remaining costs based proportionately on the estimated projected liability of the employer under this plan. The Association recognizes its proportional share of expense and contributes a proportional share of funding.

Costs and contributions for the multi-employer plans at December 31 are as follows:

December 31 (in millions)	**2024**	**2023**	**2022**
Total plan expenses for all participating employers:			
Ninth Plan	$6.1	$11.6	$8.1
Eleventh Plan	$3.8	$4.7	$(1.5)
The Association's allocated share of plan expenses included in salaries and benefits:			
Ninth Plan	$1.7	$3.3	$2.2
Eleventh Plan	$1.5	$1.9	$(0.5)
Total plan contributions for all participating employers:			
Ninth Plan	$2.2	$4.0	$30.0
Eleventh Plan	$1.1	$1.5	$23.0
The Association's allocated share of plan contributions:			
Ninth Plan	$0.3	$7.3	$8.7
Eleventh Plan	$0.4	$0.6	$9.1

While the plans are governmental plans and are not subject to minimum funding requirements, the employers contribute amounts necessary on an actuarial basis to provide the plans with sufficient assets to meet the benefits to be paid to participants. The amount of the total employer contributions expected to be paid into the Pension Plans during 2025 is $0.3 million. The Association's allocated share of these pension contributions is expected to be $0. The amount ultimately to be contributed and the amount ultimately recognized as expense, as well as the timing of those contributions and expenses, are subject to many variables, including performance of plan assets and interest rate levels. These variables could result in actual contributions and expenses being greater than or less than anticipated.

Postretirement benefits other than pensions are provided through the Farm Credit Foundations Retiree Medical Plan to eligible current and retired employees of the Association. Benefits provided are determined on a graduated scale based on years of service. The anticipated costs of these benefits were accrued during the period of the employee's active service. Postretirement benefits (primarily health care benefits) included in salaries and employee benefits were $32 thousand for 2024, $3 thousand for 2023, and $42 thousand for 2022. These expenses are equal to the Association's cash contributions for each year.

The Association participates in a nonqualified defined benefit Restoration Plan that is unfunded. The plan provides retirement benefits above the Internal Revenue Code compensation limit to certain highly compensated eligible employees. Benefits payable under the Restoration Plan

are offset by the benefits payable from the Pension Plans. Restoration Plan expenses included in salaries and employee benefits were $8.6 million for 2024, $8.0 million for 2023, and $5.3 million for 2022. The Restoration Plan experienced a current year net actuarial loss due to increases in the discount rates utilized and other factors such as employee salaries and retirement rates.

The funded status and the amounts recognized in other liabilities in the Consolidated Statements of Condition for the Association's Restoration Plan are as follows:

Nonqualified Restoration Plan	2024	2023	2022
Change in benefit obligation:			
Benefit obligation at beginning of the period	$47,607	$41,192	$40,445
Benefit obligation acquired in merger	–	577	–
Service cost	754	593	318
Interest cost	2,375	1,873	736
Net actuarial (gain)/loss	2,266	5,272	1,881
Benefits paid	(1,905)	(1,900)	(2,188)
Benefit obligation at December 31	**$51,097**	**$47,607**	**$41,192**
Amounts recognized in other liabilities in the Consolidated Statements of Condition consist of:			
Projected benefit obligation	$51,097	$47,607	$41,192

The following table represents the amounts included in accumulated other comprehensive income (AOCI)/loss for the Restoration Plan:

December 31	2024	2023	2022
Net actuarial loss	$13,320	$16,565	$16,796
Total amount recognized in AOCI/loss	**$13,320**	**$16,565**	**$16,796**

Information for pension plans with an accumulated benefit obligation in excess of plan assets for the Restoration Plan at December 31 was as follows:

December 31	2024	2023	2022
Accumulated benefit obligation	$51,086	$45,697	$38,305
Fair value of plan assets	N/A	N/A	N/A

Information for pension plans with a projected benefit obligation in excess of plan assets for the Restoration Plan at December 31 was as follows:

December 31	2024	2023	2022
Projected benefit obligation	$51,097	$47,607	$41,192
Fair value of plan assets	N/A	N/A	N/A

The net periodic pension expense for the Restoration Plan included in salaries and benefits in the Consolidated Statements of Income is composed of the following at December 31:

Nonqualified Restoration Plan	2024	2023	2022
Components of net periodic benefit cost:			
Service cost	$754	$593	$318
Interest cost	2,375	1,873	736
Net amortization and deferral	5,511	5,503	4,206
Net periodic cost	**$8,640**	**$7,969**	**$5,260**

Changes in benefit obligation recognized in accumulated other comprehensive income are included in the following table.

December 31	2024	2023	2022
Current year net actuarial loss	$2,266	$5,272	$1,881
Amortization of net actuarial gain	(5,511)	(5,503)	(4,206)
Total recognized in other comprehensive (income)/loss	**$(3,245)**	**$(231)**	**$(2,325)**

Weighted average assumptions used to determine benefit obligations at December 31 were as follows:

Nonqualified Restoration Plan	2024	2023	2022
Discount rate – Ninth Plan	4.90%	4.99%	4.57%
Discount rate – Eleventh Plan	4.79%	5.09%	4.66%
Rate of compensation increase – Ninth Plan	7.10%	7.10%	7.10%
Rate of compensation increase – Eleventh Plan	6.70%	6.70%	6.70%
Interest crediting rate – Ninth Plan	5.00%	5.00%	5.00%
Interest crediting rate – Eleventh Plan	N/A	N/A	N/A

Weighted average assumptions used to determine net periodic benefit cost for the years ended December 31 were as follows:

Nonqualified Restoration Plan	2024	2023	2022
Discount rate – Ninth Plan	4.99%	4.57%	2.14%
Discount rate – Eleventh Plan	5.09%	4.66%	1.54%
Rate of compensation increase – Ninth Plan	7.10%	7.10%	5.40%
Rate of compensation increase – Eleventh Plan	6.70%	6.70%	4.60%
Interest crediting rate – Ninth Plan	5.00%	5.00%	5.00%
Interest crediting rate – Eleventh Plan	N/A	N/A	N/A

The Association estimates it will contribute $0.3 million to the Restoration Plan in 2025.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	2025	2026	2027	2028	2029	2030-2034
Pension Restoration Benefits	$337	$7,136	$12,838	$12,839	$6,962	$20,757

The Association participates in the Farm Credit Foundations Defined Contribution/401(k) Plan. The plan has two components. Employees who do not participate in the Ninth Plan may receive benefits through the employer contribution portion of the Defined Contribution Plan. The Association provides a contribution based on a defined percentage of the employee's salary. Employees may also participate in the employee contribution portion of the Defined Contribution Plan governed by Section 401(k) of the Internal Revenue Code. The Association matches a certain percentage of employee contributions to the 401(k). Employer contributions to the Defined Contribution Plan included in salaries and employee benefits were $13.0 million in 2024, $12.8 million in 2023, and $10.2 million in 2022.

NOTE 13 – RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Association enters into loan transactions with directors of the Association, their immediate families, and other organizations with which such persons may be associated. These loans are subject to special approval requirements contained in the FCA regulations and are made on the same terms, including interest rates, amortization schedules, and collateral, as those prevailing at the time for comparable transactions with unrelated borrowers.

The Association has a policy that loans to directors must be maintained at an acceptable or other assets especially mentioned (OAEM) credit classification. If the loan becomes adversely classified, the director's service is terminated at the end of the 15th calendar day thereafter, unless grounds for an exception exist and a written request for an exception is granted.

Loan information to related parties for the years ended December 31 is shown in the following table:

December 31	2024	2023	2022
Beginning balance	$256,356	$171,727	$153,388
New loans	376,225	272,639	178,184
Repayments	(307,123)	(207,999)	(159,268)
Loans no longer related parties	(21,367)	(5,001)	(577)
Loans acquired in merger	–	24,990	–
Ending balance	**$304,091**	**$256,356**	**$171,727**

In the opinion of management, none of these loans outstanding at December 31, 2024, involved more than a normal risk of collectability.

The Association also has business relationships with certain other System entities:

Farm Credit Leasing Services Corporation: American AgCredit partners with Farm Credit Leasing Services Corporation (FCL), a leasing subsidiary wholly owned by CoBank, which specializes in lease financing and related services for a broad range of equipment, machinery, vehicles, and facilities to agricultural producers, Association partners, and rural infrastructure companies. American AgCredit purchases 50% of certain leases from FCL which are included in Loans in the Consolidated Statements of Condition.

Agri-Access®: As a component of the Association's growing partnership and alliance efforts, agreements have been formed with certain financial institutions to provide correspondent lending programs under the trade name Agri-Access®, which operates as a unit of Compeer Financial. Agri-Access focuses primarily on purchasing participations in agricultural real estate loans and leases. Agri-Access also services loan portfolios for other institutional investors. These financial services firms are dispersed throughout the United States. The Association receives income from lease originations, which are reflected in loan origination fees in the Consolidated Statements of Comprehensive Income and patronage income which is included in total patronage income from other Farm Credit institutions in the Consolidated Statements of Comprehensive Income. As of December 31, 2024, the Association recorded $441 thousand in lease origination fees and $472 thousand in patronage income and is reflected in the Consolidated Statements of Comprehensive Income.

Rural 1st®: American AgCredit entered into a Territorial Concurrence Agreement, after the merger with Farm Credit of New Mexico on October 1, 2023, in which Farm Credit of Mid-America, ACA (FCMA) provides consumer loans under the Rural 1st® program in the state of New Mexico. FCMA compensates American AgCredit annually for access to American AgCredit's territory, as granted by American AgCredit in the agreement. Income in the amount of $273 thousand was recorded under loan origination fees in the Consolidated Statements of Comprehensive Income as of December 31, 2024.

Farm Credit Foundations: The Association purchases human resources services from Farm Credit Foundations (Foundations). The Association paid $677 thousand in 2024, $702 thousand in 2023, and $584 thousand in 2022 to Foundations.

Farm Credit System Association Captive Insurance Company: The Farm Credit System Association Captive Insurance Company (the Captive) is a reciprocal insurer that provides insurance services such as directors and officers liability, fiduciary liability and a bankers bond to System organizations. The Association paid $2.4 million in 2024, $2.1 million in 2023, and $1.7 million in 2022 to the Captive.

The Association's business relationships include those with the following unincorporated business entities (UBEs):

AgCredit Holdings, LLC: The Association had 100% equity ownership in AgCredit Holdings, LLC as of December 31, 2024. This unincorporated business entity was formed for the purpose of acquiring and managing unusual or complex collateral associated with loans. This entity acquired one property during the year ended December 31, 2024.

AgDirect, LLP: American AgCredit participates in AgDirect, LLP (AgDirect), a trade credit financing program that includes origination and refinancing of agricultural equipment loans through independent equipment dealers. AgDirect is an entity created by Farm Credit Services of America (FCSA), which is responsible for the marketing, operation, and implementation of the program. FCSA serves as the master servicer for the program assets and provides periodic reporting to investor associations. At December 31, 2024, the Association's investment in AgDirect was $35.7 million, representing a 6.6% ownership in the partnership. Income recorded related to AgDirect was $4.6 million in 2024, $3.6 million in 2023, and $3.1 million in 2022.

PW PropCo Holdings, LLC: As of December 31, 2024, the Association held a minority non-controlling interest in PW PropCo Holdings, LLC, a limited liability company formed by another System association and established for the purpose of acquiring and selling collateral acquired through the loan collection process, primarily for legal liability purposes. At December 31, 2024, the Association's investment in PW PropCo Holdings, LLC was $3.98 million, representing a 6.76% ownership.

NOTE 14 – REGULATORY ENFORCEMENT MATTERS

There are no regulatory enforcement actions in effect for the Association.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

The Association has various commitments outstanding and contingent liabilities. Regarding contingent liabilities, there are no actions pending against the Association in which claims for monetary damages are asserted.

The Association may participate in financial instruments with off-balance sheet risk to satisfy the financing needs of its borrowers and to manage their exposure to interest rate risk. These financial instruments include commitments to extend credit. The instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the consolidated financial statements. Commitments to extend credit are agreements to lend to a borrower as long as there is not a violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee by the borrower. At December 31, 2024, $6.5 billion of commitments to extend credit were outstanding.

Since many of these commitments and letters of credit are expected to expire without being drawn upon, the total commitments do not necessarily represent future cash requirements. However, these credit-related financial instruments have off-balance sheet credit risk because their amounts are not reflected on the Consolidated Statements of Condition until funded or drawn upon. The credit risk associated with issuing commitments is substantially the same as that involved in extending loans to borrowers, and management applies the same credit policies to these commitments. Upon fully funding a commitment, the credit risk amounts are equal to the contract amounts, assuming that borrowers fail completely to meet their obligations and the collateral or other security is of no value. The amount of collateral obtained, if deemed necessary upon extension of credit, is based on management's credit evaluation of the borrower.

The Association also participates in standby letters of credit to satisfy the financing needs of its borrowers. These letters of credit are irrevocable agreements to guarantee payments of specified financial obligations. At December 31, 2024, $101.6 million of standby letters of credit were outstanding with a nominal fair value. Outstanding standby letters of credit have expiration dates ranging from 2024 to 2042. The maximum potential amount of future payments the Association is required to make under the guarantees is $101.6 million.

The Association maintains a reserve for unfunded commitments, which reflects management's best estimate of losses inherent in lending commitments made to customers but not yet disbursed on. The reserve totaled $1.2 million, $1.0 million, and $3.9 million at December 31, 2024, 2023, and 2022, respectively.

NOTE 16 – FAIR VALUE MEASUREMENTS

Accounting guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. The fair value measurement is not an indication of liquidity. See Note 2 for additional information.

Quoted market prices are generally not available for certain financial instruments, as described in the following. Accordingly, fair values are based on judgments regarding anticipated cash flows, future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates involve uncertainties and matters of judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Assets measured at fair value on a non-recurring basis at December 31 for each of the fair value hierarchy values are summarized in the following table. During the years presented, there were no assets measured at fair value on a non-recurring basis categorized as Level 1 or Level 2.

December 31	Hierarchy Level 3	Total Fair Value
2024:		
Loans	$32,176	$32,176
Other property owned	$14,503	$14,503
2023:		
Loans	$43,799	$43,799
2022:		
Loans	$40,525	$40,525
Other property owned	$4,330	$4,330

With regard to impaired loans and other property owned, it is not practicable to provide specific information on inputs as each collateral property is unique. The Association utilizes appraisals to value these loans and other property owned and takes into account unobservable inputs such as income and expense, comparable sales, replacement cost, and comparability adjustments.

Assets measured at fair value on a recurring basis at December 31 for each of the fair value hierarchy values are summarized in the following table. During the years presented, there were no assets measured at fair value on a recurring basis categorized as Level 2 or Level 3.

December 31	Hierarchy Level 1	Total Fair Value
Assets held in nonqualified benefits trusts:		
2024	$43,307	$43,307
2023	$34,795	$34,795
2022	$26,778	$26,778

During the three years 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.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The following tables present the carrying amounts, estimated fair values, and the level within the fair value hierarchy of the Association's financial instruments not carried at fair value, where loan assets are net of allowance and are recorded at amortized cost. Receivables and payables due in one year or less, equity securities without readily determinable fair values, and other financial assets or liabilities with no defined or contractual maturities are excluded. There were no significant changes in the valuation techniques during the period ending December 31, 2024.

December 31, 2024	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial assets:			
Loans, net of allowance (recorded at amortized cost)	$21,740,894	$21,013,200	Level 3
Cash	$98,450	$98,450	Level 1
Financial liabilities (recorded at amortized cost):			
Notes payable to CoBank	$18,580,448	$18,222,648	Level 3
Subordinated debt	$198,090	$166,872	Level 3

December 31, 2023	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial assets:			
Loans, net of allowance (recorded at amortized cost)	$20,478,189	$19,913,870	Level 3
Cash	$106,756	$106,756	Level 1
Financial liabilities (recorded at amortized cost):			
Notes payable to CoBank	$17,436,357	$17,083,175	Level 3
Subordinated debt	$197,923	$166,730	Level 3

VALUATION TECHNIQUES

As more fully discussed in Note 2, 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. Fair values of financial instruments represent the estimated amount to be received to sell an asset or paid to transfer or extinguish a liability in active markets among willing participants at the reporting date. Due to the uncertainty of expected cash flows resulting from financial instruments, the use of different assumptions and valuation methodologies could significantly affect the estimated fair value amounts. Accordingly, certain of the estimated fair values may not be indicative of the amounts for which the financial instruments could be exchanged in a current or future market transaction. The following presents a brief summary of the valuation techniques used by the Association for assets and liabilities subject to fair value measurement:

A. Loans: Fair value is estimated by discounting the expected future principal and interest cash flows to present value. The discount rate is a spread over an applicable yield curve, based on interest rates at which similar loans would be made to borrowers with similar credit risk regarding recent loan origination rates and management's estimates of credit risk. Management has no basis to determine whether the estimated fair values presented would be indicative of the assumptions and adjustments that a purchaser of the Association's loans would seek in an actual sale.

Fair value of loans in nonaccrual status is estimated as described above, but cash flows are principal only, meaning no interest cash flows occur, and the maturity date is adjusted to assume resolution occurs within two to three years.

For certain loans evaluated for impairment under FASB impairment guidance, the fair value is based on the underlying real estate collateral as the loans are collateral dependent. The fair value measurement process uses 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, these fair value measurements fall within Level 3 of the 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.

B. Assets Held in Nonqualified Benefits Trusts: Assets held in trust funds related to deferred compensation 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. Assets held in nonqualified benefits trusts are included in other assets in the Consolidated Statements of Condition.

C. 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 appraisals or other market-based information. As a result, these fair value measurements fall within Level 3 of the hierarchy. Costs to sell represent transaction costs and are not included as a component of the asset's fair value.

D. Cash: Fair value of cash approximates carrying value.

E. Notes Payable to CoBank: Fair value is estimated by discounting the future expected principal and interest cash flows to present value. The discount rate is a spread over an applicable yield curve based on current market rates of similar securities with similar maturities and characteristics. The current market rates used were obtained from the Federal Farm Credit Banks Funding Corporation.

F. Subordinated Debt: Fair value is estimated by discounting the future expected principal and interest cash flows to present value. This discount rate is a spread over an applicable yield curve based on expected market rates of similar securities. The expected market rates are derived from current market interest rates and the change in applicable corporate BBB finance spread obtained from an independent third party since the trade date. Management has no basis to determine whether the estimated fair value presented would be indicative of the assumptions and adjustments that a purchaser of the subordinated debt would seek in an actual sale.

NOTE 17 – SEGMENT REPORTING

The Association is engaged in a single line of business which, by regulation, provides, either directly or in participation with other lenders, credit, credit commitments and related services to eligible borrowers. Eligible borrowers include farmers, ranchers, producers or harvesters of aquatic products, rural residents and farm-related businesses. The chief operating decision maker (CODM) is the Chief Executive Officer (CEO), who uses net interest income and net income, provision for credit losses, salaries and benefits, purchased services and technology expenses along with regulatory capital ratios reported in the accompanying Financial Statements, to evaluate the Association's performance, and make operational decisions such as whether to reinvest profits. The Association's operations constitute a single operating segment and therefore, a single reportable segment, as the CODM manages the business activities using information of the Association as a whole.

The accounting policies of the segment, including those used to measure the profit and loss of the segment, are the same as those disclosed in Note 2 – Summary of Significant Accounting Policies. The measure of segment assets is reported on the Statements of Condition as Total Assets. There is no separate segment financial information as the entity has only one segment.

NOTE 18 – SUBSEQUENT EVENTS

The Association has evaluated subsequent events through March 4, 2025, which is the date the financial statements were available to be issued, and no material subsequent events were identified.

OTHER REGULATORY DISCLOSURE INFORMATION

(UNAUDITED)

FINANCIAL STATEMENTS

The Association will post the annual report and quarterly reports to shareholders on the Association's website, www.AgLoan.com, approximately 40 days after the end of each calendar quarter for the quarterly reports and 75 days after year-end for the annual report. Copies of these reports may be obtained free of charge by contacting American AgCredit at P.O. Box 1120, Santa Rosa, CA 95402, or by calling (800) 800-4865.

DESCRIPTION OF PROPERTY

American AgCredit is headquartered in Santa Rosa, California. The Association owns and leases various facilities throughout the territory, which are described in this annual report.

LEGAL PROCEEDINGS AND ENFORCEMENT ACTIONS

Other than ordinary routine litigation incidental to the business, there are no material legal proceedings pending to which the Association is a party, of which any of its property is the subject, or that involve claims that the Association may be required to satisfy. There are no enforcement actions in effect against the Association.

RELATIONSHIP WITH INDEPENDENT EXTERNAL AUDITORS

There has been no change in independent external auditors and no material disagreements on any matters of accounting principles or financial statement disclosures during the period.

BORROWER PRIVACY

As a customer-owner of this institution, your privacy and the security of your personal information are vital to our continued ability to serve your ongoing credit needs. FCA regulations require that borrower information be held in confidence by Farm Credit institutions, their directors, officers, and employees. FCA regulations specifically restrict Farm Credit institution directors and employees from disclosing information not normally contained in published reports or press releases about the institution or its borrowers or members. These regulations also provide Farm Credit institutions clear guidelines for protecting their borrowers' nonpublic information.

BOARD OVERSIGHT

The Board of Directors ("Board") is comprised of 23 seats, 22 of which are currently filled by 18 stockholder elected directors and four directors appointed by the elected directors. One seat is unoccupied following a director resignation in December 2024. The Board represents the interests of stockholders and is organized into the following committees to carry out Board responsibilities:

AUDIT COMMITTEE

The Audit Committee assists the Board with fulfilling its fiduciary responsibilities. The Committee monitors the Association's financial reporting process and systems of internal controls, and the integrity of the Association's financial statements. The Audit Committee oversees the adequacy of the Association's internal control systems, the scope of the internal audit program, the independence of external auditors, and the process for monitoring compliance with Standards of Conduct.

HUMAN RESOURCES AND COMPENSATION COMMITTEE

The Human Resources and Compensation Committee assists the Board with fulfilling its role to oversee compensation programs and provide comprehensive review and disclosures for those programs. The Committee oversees compensation practices to ensure alignment with long-term performance and provides direction and recommendations for compensation, benefits, and human resource performance management programs.

GOVERNANCE COMMITTEE

The Governance Committee assists the Board with its oversight and evaluation of matters of corporate governance and structure, including the director nomination and election process, Board composition and qualifications, skills and other expertise desired for directors, as well as the evaluation and development of Board performance and processes, director orientation and continuing education, and the independence of directors.

STRATEGY AND RISK COMMITTEE

The Strategy and Risk Committee assists the Board with fulfilling its oversight responsibilities for strategic planning and the enterprise-wide risk management framework of the Association. The Committee collaborates with management on the Association's overall strategy, business objectives, and strategic initiatives and makes recommendations to the Board related to the Association's mission, vision, and risk appetite, reviews ongoing risk assessments of current and emerging risks, and monitors the risk oversight activities of the chartered Board committees.

DIRECTOR INDEPENDENCE

All directors must exercise sound judgment in deciding matters in the Association's interest. All directors are independent from the perspective that no management or staff serves as a Board member. However, as a financial services cooperative, the Association is required by the Farm Credit Act and FCA regulations to have elected directors that have a loan relationship with the Association.

The elected directors, as borrowers, have a vested interest in ensuring the Association remains strong and successful. However, the borrowing relationship could be viewed as having the potential to compromise the independence of an elected director. For this reason, the Board has established independence criteria to ensure that a loan relationship does not compromise the independence of the Board. Annually, in conjunction with the independence analysis and reporting on loans to directors, each director provides financial information and any other documentation and/or assertions needed for the Board to determine the independence of each Board member.

ASSOCIATION DIRECTORS

The following lists the Board of Directors, including each director's business experience during the last five years, as well as current committee assignments.

Danita Agar, Director
Term Expires: 2026
Committee(s): Governance

Ms. Agar joined the American AgCredit Board as a result of the merger with Farm Credit of New Mexico, ACA, where she served since 2017. Ms. Agar and her husband operate a commercial cow/calf operation in Santa Rosa, New Mexico. She also owns and operates Agar Insurance Agency and is an officer for KDGS Family LLC, a beef cattle operation. Ms. Agar is actively involved in local and state fairs and serves on several community boards including the Guadalupe County Tax Protest Board and the City of Santa Rosa Lodgers Tax Board, and she is a member of the New Mexico Cattle Growers Association.

Joe Alamo, Vice Chair
Term Expires: 2026
Committee(s): Executive, Strategy and Risk

Mr. Alamo has been a partner in Alamo Dairy and Alamo Farms since 1997. He currently operates a dairy and farming operation, growing corn, winter forage, alfalfa, sudan, and almonds. He is a board member for the Turlock Irrigation District and the California Farm Water Coalition.

Berry Bortz, Director
Term Expires: 2027
Committee(s): Audit

Mr. Bortz farms in partnership with his family in eastern Pratt, southwest Reno, and southern Wichita counties in Kansas, producing corn, wheat, soybeans, alfalfa, cotton, cattle feed, and cattle. The family has a commercial and registered cow herd and feedlot. He is a partner in CB Farms Family Partnership and BAD Lands, LLC. He is also a partner in Next Gineration, Inc. and Central Kansas Cotton Producers, and Vice Chair of Next Gineration, Inc. which gins cotton for producers in south central Kansas.

Cyril Chappellet, Director
Term Expires: 2025
Committee(s): Governance

Mr. Chappellet is the President, CEO and Chair of Chappellet Vineyard and Winery, a family-owned and operated winemaking and vineyard operation established in 1967. Mr. Chappellet oversees every aspect of the operation from farming and winemaking to finance, personnel, and sales. He also manages a 2,500-acre ranch adjacent to the vineyard property, which is used as a cattle operation.

Doug DeGroot, Director
Term Ended: 2024
Committee(s): Human Resources and Compensation

Mr. DeGroot joined the American AgCredit Board as a result of the merger with Farm Credit of New Mexico, ACA, where he served since 2020. Mr. DeGroot is the manager/partner of Arroyo Dairy and Roswell Vegetable Farms, Inc. in Roswell, New Mexico, where he and his wife, Melissa, live. In addition to the dairy operation, they raise replacement heifers and farm corn, barley, and pecans. Mr. DeGroot resigned from the board in November 2024.

Randall Doll, Director
Term Expires: 2029
Committee(s): Audit

Mr. Doll is a lifelong resident of Kansas, and owns Walnut River Ranch, located in the Flint Hills tallgrass prairie region, which contracts row crop, cattle, and native bluestem hay production. He has extended family ranch and farming operations located in Barton, Finney, and Gray counties in Kansas. He is the President and CEO of Capital Partners Group LLC, a training and development firm. He is also President of Doll Real Estate Services LLC, a land development and management firm. Mr. Doll also serves on the board of Farm Credit Council Services.

Tom Drake, Appointed Director
Term Expires: 2028
Committee(s): Audit

Mr. Drake joined the American AgCredit Board as a result of the merger with Farm Credit of New Mexico, ACA, where he served as an appointed director since 2002. Mr. Drake is a part-time employee of Glenco, a steel fabrication business. He served in a consultant role for Clovis Community College. He is also owner of Tom Drake and Associates, a real estate appraisal company. Mr. Drake resides in Clovis, New Mexico. Mr. Drake has commercial banking experience and was a certified real estate appraiser for 36 years.

James Duffey, Director
Term Expires: 2025
Committee(s): Governance

Mr. Duffey joined the American AgCredit Board resulting from the merger with Farm Credit of New Mexico, ACA, where he served since 2015. Mr. Duffey and his family reside in Roswell, New Mexico, where they produce alfalfa, cotton, pecans, and small grains. They also have a custom farming and chemical sales business, and have a cattle and sheep production operation. Mr. Duffey serves on several community boards, including the Eastern New Mexico State Fair Board, the New Mexico Wool Growers Association, and the New Mexico Sheep and Goat Council.

Carolyn Dunn, Director
Term Expires: 2026
Committee(s): Governance

Ms. Dunn partners with her husband in their farming operation in St. John, Kansas, consisting of wheat, corn, alfalfa hay, milo, and cattle ranching. She is the President of the Port Authority of Stafford County and Strategic Projects Director for Stafford County Economic Development. Both organizations promote economic and agricultural opportunity as well as population growth throughout Stafford County in Kansas.

Marshall Ernst, Director
Term Expires: 2029
Committee(s): Executive, Human Resources and Compensation

Mr. Ernst and his spouse own and operate a hay farming operation in Weld County Colorado. Prior to that, Mr. Ernst spent 30 years in executive positions in the food industry for several nationally branded food companies. He also served as Senior Director of Livestock Operations for the National Western Stock show in Denver after retirement from the food industry.

Gary Harshberger, Chair
Term Ended: 2024
Committee(s): Executive

Mr. Harshberger is a farmer with an operation consisting of dryland and irrigated wheat, corn, milo, and soybeans. He operates Harshberger Enterprises, is president of Double H Farms, Inc., and is a member of Harshberger Land, LLC, and 3J2C Farms, LLC, which are involved in farm commodity production. He is Chair of the Trustees of Dodge City Community College. Mr. Harshberger resigned from the board in December 2024.

Kimberly Clauss Jorritsma, Director
Term Expires: 2025
Committee(s): Executive, Governance

Ms. Jorritsma is a third-generation dairy farmer and key member of Clauss Dairy Farms and Sunwest Jersey Dairy management teams in Hilmar, California. Clauss and Sunwest Jersey Dairy Farms are registered Jersey dairies and farming operations that employ over 50 people. She is a co-owner of Hilmar Cheese Company, Inc., and serves on its board of directors. Ms. Jorritsma was the first female chairperson of the National Dairy Board.

Kirvin Knox, PhD, Appointed Director
Term Expired: 2024
Committee(s): Human Resources and Compensation

Dr. Knox resides in Fort Collins, Colorado. He is a retired academic, formerly Dean, College of Agricultural Sciences and Vice Provost for University Outreach at Colorado State University. His business experience is in energy, production agriculture, academic administration, and agriculture research. Dr. Knox retired from the Board of Directors on December 31, 2024.

Janet Konkel, Director
Term Expired: 2025
Committee(s): Human Resources and Compensation

Ms. Konkel and her husband Mike have owned a commercial cattle breeding operation since 2022. From 2019 to 2021, they grew alfalfa hay and small grains. She served for eight years as the Weld County Fair Coordinator in Greeley, Colorado, retiring from that position in 2019.

Paul McCaffrey, Outside Appointed Director
Term Expires: 2028
Committee(s): Audit

Mr. McCaffrey serves as the Board's designated financial expert. He is a Certified Public Accountant, Certified Internal Auditor, Associate in Risk Management, Associate in Reinsurance, and a Chartered Property Casualty Underwriter. Mr. McCaffrey currently serves as the Chief Financial Officer of High Definition Vehicle Insurance. Prior to that, he was CFO of American Share Insurance, and CFO of Nationwide Commercial Lines. Mr. McCaffrey owns Canyon Trail LLC, which provides management consulting and advisory services.

Kristin McMenomey, Director
Term Expires: 2027
Committee(s): Human Resources and Compensation and Strategy and Risk

Ms. McMenomey resides in Potter Valley, California. She and her husband, John, farm 200 acres of vineyard property in Potter Valley consisting of chardonnay, sauvignon blanc, merlot, pinot noir, and pinot gris. She is an administrator at Adventist Health Ukiah Valley and has over two decades of government experience in purchasing, information technology, and risk management. Ms. McMenomey serves as a Director and Plan Sponsor Committee member for the Farm Credit Foundations Board and serves on the Nominating Committee for CoBank.

Jason Ochs, Director
Term Expires: 2027
Committee(s): Governance

Mr. Ochs is a member of Plum Creek Farms GP and LLC in Syracuse, Kansas, agricultural entities that produce dryland grain and corn, and provide custom farming, including harvesting, tillage, planting, spraying and conservation reserve program (CRP) management. Mr. Ochs is the Chair of the Kansas Wheat Commission, and a member of the Hamilton County Historical Society.

Teresa Reimer, Director
Term Expires: 2029
Committee(s): Human Resources and Compensation

Ms. Reimer resides on a ranch near Kalvesta, Kansas, and is a fifth-generation farmer and rancher. Her cattle operation consists of cow-calf, backgrounding, and finishing, complemented by a dryland farm producing wheat, sorghum, and forages.

Thomas G. Stegman, Appointed Director
Term Expired: 2024
Committee(s): Executive, Audit

Mr. Stegman is retired. He previously served as President and CEO of AgVantis. Prior to that, he served in various information technology management positions at Farm Credit Bank of Wichita, Kansas. Mr. Stegman was raised on a family farm in southwestern Kansas. Mr. Stegman retired from the Board of Directors on December 31, 2024.

Michael Stonebarger, Director
Term Expires: 2027
Committee(s): Governance

Mr. Stonebarger serves as an executive manager for Ghiggeri and Stonebarger Farms, LLC, directing the production and sale of sweet corn, tomato, and cherry operations. He also manages an arm of his family's business G&J Marketing, a sales firm that has fostered close relationships with large grocery distribution partners and represents sales for fresh market sweet corn throughout the West Coast annually.

Charles Talbott, Director
Term Expires: 2026
Committee(s): Governance, Strategy and Risk

Mr. Talbott resides in Palisade, Colorado. He is President and CEO of Talbott Farms, Inc., which grows, packs, processes, markets, and ships tree fruits, wine grapes, fresh and hard apple ciders, and wines. He is a limited partner in both Talbott Land & Property LLLP and Talbott's Mountain Gold LLLP, a grower, packer, processor, and marketer of tree fruits, wine grapes, and fresh ciders.

Thomas Teixeira, Director
Term Expires: 2028
Committee(s): Audit, Strategy and Risk

Mr. Teixeira is partner-owner of Teixeira and Sons, LLC, producing alfalfa, almonds, cantaloupes, honeydew melons, corn, cotton, fresh-market tomatoes, processing tomatoes, parsley, garlic, onions, and wheat. The company operates a tomato transplant greenhouse facility and is part owner in Thornton Almonds LLC, Pacific Ginning LLC, Eagle Valley Ginning LLC, Agritree LLC, and 360 Agri LLC. Pacific Ginning and Valley Ginning are cotton ginning operations and 360 is a custom cotton harvesting company.

Jonathan Vander Dussen, Director
Term Expires: 2025
Committee(s): Audit

Mr. Vander Dussen joined the American AgCredit Board following the merger with Farm Credit of New Mexico, ACA, where he served since 2017. Mr. Vander Dussen and his family own and operate multiple dairies in Clovis, New Mexico. Other business interests of Mr. Vander Dussen include membership in the following LLCs: JJ Housing LLC, single-family rental properties; Pacific Property Investments LLC, multifamily investments; Dussen Investments LLC, real estate investments; Bada Bing LLC, real estate investments; RSJ Equipment LLC. purchased vehicles; and Shally Capital Funds I, III and IV, LLC, real estate investments. He serves as chairman of Premiere Source Cooperative, which collects and markets colostrum. He also serves on the board of Select Milk Producers.

Steven Van Houten, Director
Term Expires: 2029
Committee(s): Audit

Mr. Van Houten was elected to the Board in 2024. He is Chief Executive Officer of the Rancon Group and its Europa Village Winery and Resort in Temecula, California, which includes vineyards, wine production, tasting rooms, restaurants, hotels, and event facilities. Mr. Van Houten serves on the board and leads the finance committee of First Tee, a charitable organization for disadvantaged youth.

COMPENSATION OF DIRECTORS

(UNAUDITED)

It is the Association's policy to reimburse directors for mileage as well as documented business expenses while serving in an official capacity. A copy of the Association's reimbursement policies is available to shareholders upon request.

For 2024, directors were compensated for their services based on annual retainers as follows:

Chair	$105,250
Vice Chair	$99,700
Audit Committee Chair	$94,150
Human Resources and Compensation Committee Chair	$91,400
Governance Committee Chair	$91,400
Committee Vice Chair	$85,850
Director	$83,100

Retainer amounts are adjusted for meeting absences or attendance at meetings in excess of scheduled Board meetings. Directors are also reimbursed for reasonable expenses incurred while serving in an official capacity and are paid a per diem of $500 per calculated travel day. The aggregate amount of compensation and reimbursements for travel, subsistence, and other related expenses for all directors was $3.5 million for 2024, $2.8 million for 2023, and $2.8 million for 2022.

Compensation information for each director who served in 2024 is shown in the following table:

Director	Number of Days Served		Additional Compensation Paid for Service on a Second Board Committee[1]	Name of Second Committee	Total Compensation Paid in 2024[2]
	Board Meeting Days	Other Official Activity Days			
Danita Agar	8	2.5			$87,600
Joe Alamo, Chair	8	12			$111,916
Berry Bortz	8	5.5			$87,100
Cyril Chappellet	7	2.5			$87,100
Doug DeGroot	5.5	1.5			$76,616
Randall Doll	7.5	6			$89,100
Tom Drake	7.5	5			$92,763
James Duffey	8	2.5			$86,600
Carolyn Dunn	8	2.5			$89,865
Marshall Ernst	8	4			$95,400
Gary Harshberger	8	11	$3,831	Strategy and Risk Committee	$103,216
Kimberly Clauss Jorritsma	8	3.5			$97,960
Kirvin Knox	8	3.5			$87,600
Janet Konkel	7.5	3.5			$88,600
Paul McCaffrey	8	6			$93,608
Kristin McMenomey	8	6	$8,325	Strategy and Risk Committee	$100,175
Jason Ochs, Vice Chair	8	3			$100,837
Teresa Reimer	8	3.5			$87,600
Thomas Stegman	8	6.5			$94,987
Michael Stonebarger	8	4			$90,764
Charles Talbott	8	7.5	$11,100	Strategy and Risk Committee	$100,700
Thomas Teixeira	7	9	$11,100	Strategy and Risk Committee	$96,700
Jonathan Vander Dussen	8	5			$87,100
Steven Van Houten[3]	4.5	3			$36,921
Total					**$2,170,828**

[1]Service on one Board Committee is included in annual honorarium. Additional compensation is paid for service on a second chartered committee.

[2]Total compensation includes honorarium and all per diems paid in 2024.

[3]Term began August 6, 2024.

SENIOR OFFICERS

The following lists the senior officers, including each officer's business experience during the last five years.

Curt Hudnutt, Chief Executive Officer

Mr. Hudnutt was hired as Chief Executive Officer on October 19, 2020. He was previously Executive Vice President – Head of Rural Banking for Rabobank, North America. Mr. Hudnutt has over 20 years of agricultural banking experience and has served in a variety of leadership roles, including operations, business development, underwriting, and risk management.

Greg Somerhalder, President and Chief Operating Officer

Mr. Somerhalder served as Chief Operating Officer since March 1, 2014. He previously served as Chief Corporate Strategist. He has over 40 years of experience with Farm Credit in many areas of banking, including lending, credit, risk, and strategy. Mr. Somerhalder served as the Chair of the board of Farm Credit System Associations Captive Insurance Company. He also serves on the board of the Laham Family Foundation. Mr. Somerhalder retired from American AgCredit on December 31, 2024.

Rachel Angress, General Counsel

Ms. Angress was promoted to General Counsel in September 2013 after serving as Deputy General Counsel since 2012. She has over 30 years of legal experience, including years of civil and bankruptcy litigation and general legal representation for many Bay Area financial institutions.

Mike Banks, Chief Credit & Risk Officer

Mr. Banks assumed the role of Chief Credit & Risk Officer on January 1, 2024. He previously served as Chief Credit Officer, and Senior Vice President for American AgCredit, leading the Association's Credit Management Department. He has over 30 years of service with the Farm Credit System, primarily focused in various lending and credit functions. Mr. Banks is a senior officer of Banks Customer Detailing, LLC, a family-held entity which is engaged in the detailing of vehicles and large equipment.

Maryam Ghazi, Chief Financial Officer

Ms. Ghazi assumed the role of Chief Financial Officer on May 1, 2024, after the retirement of Jerry Rose, Chief Strategy and Financial Officer. She previously served as Deputy, CFO, Chief Innovation Officer, and Executive Head of Credit Resolution and Evaluation Services. She has more than 30 years of banking and financial consulting experience, with more than 10 years with PricewaterhouseCoopers and FTI Consulting. She has held interim CFO and leadership roles supporting companies in transition and served as a financial advisor and expert to both distressed companies and private equity firms.

Rich Hollis, Chief People Experience Officer

Mr. Hollis joined American AgCredit as Chief People Experience Officer on March 1, 2021. He brings over 25 years of executive leadership in the agricultural industry. Most recently, Mr. Hollis served as a member of the executive team for The Maschhoffs, the fifth largest pork production company in the U.S., leading the people strategies, environmental and sustainability initiatives, and generational transfer programs. Prior to that, Mr. Hollis led Rabobank's people strategies. Mr. Hollis serves on the boards of Monroe County Electric Coop and Columbia Fire District.

Dave Hoyt, Chief Transformation Officer

Mr. Hoyt joined American AgCredit as Chief Transformation Officer on September 30, 2024. He has more than 30 years of experience as a strategic advisor and consultant to leaders across multiple industries and most recently served as Chief Strategy Officer and Corporate Vice President for solution delivery at Daugherty Business Solutions, focused on driving transformation in innovation and technology.

Avery Hudson, Chief Audit Executive

Ms. Hudson joined American AgCredit as the Chief Audit Executive on July 12, 2021. She has worked in accounting, internal and external audit, and risk roles for more than 30 years. Most recently, Ms. Hudson was the North America Head of Audit with Rabobank, and before that, Senior Vice President, Head of Audit and Credit Review, also at Rabobank.

Matt Jacobs, Chief Delivery Officer

Mr. Jacobs joined the executive team as Chief Delivery Officer on October 16, 2024. He joined American AgCredit in 2021 and has led multiple centralized functional teams to support effective delivery of organizational initiatives as Executive Head of Business Operations, including enterprise technology; business architecture; data management; and program, change, and business process management. Prior to joining American AgCredit, Mr. Jacobs was EVP Rural Strategy & Change at Rabo AgriFinance.

Sarah Kolell, Chief Brand Officer

Ms. Kolell joined American AgCredit on March 22, 2021, as Chief Brand Officer, leading the communications, legislative affairs, marketing, and storytelling functions that connect American AgCredit and our employees with our customers and communities. Prior to joining American AgCredit, she led marketing, communications, and sustainability in senior vice president positions at Rabo AgriFinance.

Mike Lancaster, Chief Customer Value Officer

Mr. Lancaster joined the executive team as Chief Customer Value Officer on September 1, 2024. He focuses on continuing to center American AgCredit's business on its customers, fulfilling their mission by delivering value beyond basic funding, such as via solutions, expertise, and partnerships. Mr. Lancaster's career in Farm Credit has spanned managing regional banking teams and relationships, business transformation, and, most recently, serving as Chief of Staff.

Luke Massey, Chief Business Technology Officer

Mr. Massey joined the executive team as Chief Business Technology Officer effective October 16, 2024. Mr. Massey has served as American AgCredit's Executive Head of Business Technology since 2021 and has a strong track record in guiding teams to develop complex technology solutions, integrating technology and process through partnership and collaboration with business leaders to deliver excellent results. He not only understands our business inside and out, but he also has a career of Farm Credit System experience.

Sean O'Day, Chief Lending Officer

Mr. O'Day assumed the role of Chief Lending Officer in September 2021. He previously served as Chief Banking Officer for corporate banking. Agribusiness lending and Capital Markets operate under the Corporate Banking umbrella. Prior to assuming the position of Chief Banking Officer, Mr. O'Day served as Senior Vice President-Capital Markets. For over 30 years, he focuses on corporate finance and loan syndications, and he has nearly 45 years of Farm Credit System service. Mr. O'Day retired from American AgCredit on March 31, 2024.

Paula Olufs, Chief Customer Officer

Ms. Olufs served as the Chief Customer Officer since February 2020. She led the centers of excellence for customer experience, business transformation, and product development, uniting the Association around a common vision and strategy for customer experience from the customer's perspective. Previously, she served as Chief Innovation Officer. Ms. Olufs has nearly 40 years of Farm Credit experience. She retired from American AgCredit in January 2025.

Jerry Rose, Chief Strategy and Financial Officer

Mr. Rose was named the Chief Strategy and Financial Officer on January 9, 2023. He previously served as the Association's Chief Strategy Officer and Chief Risk Officer. He held risk and financial management roles for more than 35 years in the Farm Credit System. He also served as a member of the Farm Credit Foundations Trust Committee. Mr. Rose retired from American AgCredit on May 31, 2024.

Lynn Scherler, Chief Banking Officer

Mr. Scherler assumed the role of Chief Banking Officer Elect on October 1, 2024, and Chief Banking Officer on January 1, 2025. He previously served as the Association's Chief Alliance Officer and as Chief Lending Officer. Prior to joining American AgCredit, he served as President – Strategic Relationship Division for CoBank; as Interim President and CEO of Farm Credit of Southwest Kansas; and he held a number of other relationship and leadership roles at CoBank. Mr. Scherler has over 25 years of banking and Farm Credit System experience. Mr. Scherler is a board member of Sand Creek, Inc., a family-owned grain company.

Gary Van Schuyver, Chief Banking Officer

Mr. Van Schuyver was named Chief Banking Officer on September 1, 2021. He previously served as Senior Vice President – Corporate Banking. He has over 40 years of service with the Farm Credit System, primarily focused on corporate finance, loan syndications, and agribusiness lending. Mr. Van Schuyver retired from American AgCredit in January 2025.

SENIOR OFFICERS' COMPENSATION

(UNAUDITED)

The Human Resources and Compensation Committee of the Board of Directors (HR & Compensation Committee) follows a comprehensive compensation philosophy where the objectives of the Compensation Plans (Plans) are to:

- Provide market-based compensation through base salary and annual and long-term incentive components that will allow the Association to attract, motivate, and retain superior executive talent
- Place a portion of total compensation for the executives at risk and contingent upon the Association remaining financially sound and meeting established performance goals
- Ensure that long-term financial stability of the Association is emphasized over short-term results and decisions

The Plans are designed to:

- Reward successful business year results through annual Incentive Compensation Plans (ICP)
- Foster long-term financial stability through the Executive Long-Term Incentive Plan (ELTIP)
- Significantly contribute to the retention of the Chief Executive Officer (CEO) and other Senior Officers.

The Association maintains the ICP for Senior Officers and employees that rewards performance based on objective criteria. The HR & Compensation Committee annually reviews market information related to the level and mix of salaries, benefits, and incentive plans for the CEO and other Senior Officers. Certain Senior Officers participated in the ICP and ELTIP. Due to the cooperative business structure of the Association, the Plans do not contain stock-based compensation components. The ICP is administered by the CEO, except that the HR & Compensation Committee shall be the Plan Administrator as to administration of the CEO's participation in this program.

Select Senior Officers may also participate in a supplemental incentive compensation plan. Supplemental incentive compensation plans are administered by the HR & Compensation Committee and include specialized earnings goals.

Certain Senior Officers participate in the Ninth Farm Credit District Pension Plan or the Eleventh Farm Credit District Employee's Retirement Plan (Pension Plans). These plans have been closed to new participants for many years.

SUMMARY COMPENSATION

Compensation earned by the CEO and aggregate compensation of other Senior Officers and highly compensated employees for the years ended December 31, 2024, 2023, and 2022 is disclosed in the following table. Our current Board policy regarding reimbursements for travel, subsistence, and other related expenses states that all employees, including Senior Officers, shall be reimbursed for actual reasonable travel and related expenses that are necessary and that support our business interests. A copy of our travel policy is available to shareholders upon request.

SUMMARY COMPENSATION TABLE[1] (in thousands)

Name of Individual or Number in Group[2]	Year	Salary	Annual Incentive Compensation[3]	Executive Long-Term Incentive Compensation[3]	Change in Pension Value	Deferred/ Perquisites[4]	Other[5]	Total
President and CEO:								
	2024	$714	$804	$493	N/A	$282	$412	$2,705
Curt Hudnutt	2023	$656	$985	$881	N/A	$166	$650	$3,338
	2022	$625	$826	$449	N/A	$172	$250	$2,322
Aggregate number of Senior Officers and highly compensated employees (excluding CEO):								
15[6]	2024	$5,165	$6,330	$1,631	$5,981	$1,499	$2,573	$23,179
12	2023	$4,233	$6,781	$2,555	$6,157	$2,645	$2,995	$25,366
12	2022	$4,389	$5,715	$2,133	$2,186	$1,271	$100	$15,794

1. Disclosure of the total compensation paid to any designated senior officer or highly compensated employee is available to our shareholders upon request. Compensation amounts do not include earnings on nonqualified deferred compensation, as such earnings are not considered above-market or preferential.
2. The Senior Officers and highly compensated employees included in the table are those officers defined by FCA regulations Section 619.9310 and Section 620.6.
3. Annual incentive compensation represents amounts earned in the reported fiscal year, which are paid in February of the subsequent year. The annual incentive compensation amounts are calculated based on relevant performance factors for the reported fiscal year. The ELTIP amounts are estimated based on the relevant performance factors included in this plan for the current fiscal year. For 2024, the amounts reflect estimated earned ELTIP as part of the 2022 Plan Term (third year), the 2023 Plan Term (second year) and the 2024 Plan Term (first year) to be finalized and paid out following the end of each Plan Term. The 2022 Plan Term has been paid out as of February 2025. Each Plan Term consists of three full years.
4. Represents company contributions to a 401(k) retirement savings plan and nonqualified deferred compensation plan, as well as payment for certain other expenses, such as relocation, certain travel-related costs, wellness benefits, and life insurance benefits.
5. Represents amounts paid pursuant to plans in connection with retirement, severance payments, retirement gratuity, sign on, retention, or discretionary cash bonus payments.
6. One senior officer left the company in January 2023 and one changed positions and was no longer considered a senior officer. During 2024, five new senior officers were added. Three senior officers retired during 2024 and are included in the 2024 numbers.

The Salary, Annual Incentive Compensation, and Executive Long-Term Incentive Compensation columns of the Summary Compensation Table include all amounts earned during 2024, 2023, and 2022 regardless of whether a portion of such compensation has been deferred by the CEO or other Senior Officers' elections pursuant to the Farm Credit Foundations Defined Contribution/401(k) Plan (Defined Contribution Plan) and/or the Farm Credit Foundations Nonqualified Deferred Compensation Plan (NQDC Plan). Individual compensation for any Senior Officer included here in the aggregate is available to shareholders upon written request.

In addition to base salary, substantially all eligible employees and executives could earn additional compensation under the annual incentive plans, which are plans tied to the overall business performance and to the employee's performance. The annual incentive plans were based on the fiscal year and were designed to motivate employees and executives to exceed annual performance targets established by the Board of Directors. In 2024, executive metrics included: return on common equity, accrual loan growth, net income, cost to income, thematic goal, and best business partner framework.

The Executive Long-Term Incentive Plan provides targeted long-term awards for Senior Officers if the long-term performance objectives of the Association are met. For each Senior Officer, a long-term incentive award percentage was established and communicated at the beginning of the plan term. The payout of the ELTIP award is three years after the plan commences and is conditioned upon satisfactory performance of the Senior Officer and the Association exceeding certain minimum thresholds related to the CIPA score and income as determined in the plan.

The Deferred/Perquisites Compensation column of the Summary Compensation Table is primarily comprised of company contributions to benefit plans, taxable group term life insurance premiums, and long-term disability premiums. In 2024, the Association's employer matching contribution to Curt Hudnutt's account in the Defined Contribution Plan was $20,797 and its contribution to Curt Hudnutt's account in the NQDC Plan to restore the employer match that was limited due to restrictions in the Internal Revenue Code and compensation deferred was $248,606. For 2024, the Association's employer matching and non-elective contributions for the other Senior Officers' accounts in the Defined Contribution Plan were $395,187 and contributions to their accounts in the NQDC Plan were equal to $904,528.

PENSION BENEFITS

The following table shows certain pension benefit information by plan for the CEO and the Senior Officer group, including highly compensated employees, as of December 31, 2024. Curt Hudnutt, CEO, is not eligible to participate in the Pension Plans.

Retirement Plan Table (dollars in thousands)

Name of Individual or Number in Group[1]	Plan Name	Number of Years of Credited Service[2]	Actuarial Present Value of Accumulated Benefits	Payments During Last Fiscal Year[3]
Aggregate number of senior officers and highly compensated employees[4] (excluding the CEO):				
Three	Ninth Farm Credit District Pension Plan or Eleventh Farm Credit District Employees' Retirement Plan	39	$9,279	$–
Three	Former Ninth and Eleventh District Employers Restoration Plan	39	$19,229	$–
Total			**$28,508**	**$–**

1. The Senior Officers and the highly compensated employees included in the pension benefits disclosure are those defined by FCA regulations Section 619.9310 and Section 620.6.
2. For the Pension Plans and the Restoration Plan, this represents an average for the aggregate senior officer and highly compensated employee group.
3. Represents post-retirement benefit payments made during the last fiscal year.
4. Three of the 16 Senior Officers and Highly Compensated Employees defined by FCA regulations Section 619.9310 and Section 620.6, are participants in the Pension Plans.

RETIREMENT PLAN OVERVIEW: Certain Senior Officers participate in two defined benefit retirement plans: (1) the Ninth Farm Credit District Pension Plan (Ninth Plan) or the Eleventh Farm Credit District Employees' Retirement Plan (Eleventh Plan), which are qualified defined benefit plans (Pension Plans); and (2) the Former Ninth and Eleventh District Employers Restoration Plan (Restoration Plan), which is a nonqualified retirement plan. Additionally, substantially all employees are eligible to participate in the Farm Credit Foundations Defined Contribution/401(k) Plan (Defined Contribution Plan), which has an employer matching contribution. Certain eligible employees participate in the Farm Credit Foundations Nonqualified Deferred Compensation Plan (NQDC Plan), which allows individuals to defer compensation, and which restores the benefits limited in the Defined Contribution Plan by restrictions in the Internal Revenue Code.

QUALIFIED PENSION PLANS: In general, the Ninth Plan provides participants with a 50% joint-and-survivor annuity benefit at normal retirement that is equal to 1.50% of average monthly compensation during the 60 consecutive months in which an individual receives their highest compensation (High 60) multiplied by their years of benefit service, plus 0.25% of the amount by which the High 60 exceeds covered compensation multiplied by years of benefit service. The benefit is actuarially adjusted if the individual chooses a different form of distribution than a 50% joint-and-survivor annuity, such as a lump sum distribution. The pension valuation was determined using a blended approach assuming half of the benefits would be paid as a lump sum and half as an annuity at the participants earliest unreduced retirement age.

In general, the Eleventh Plan provides participants with a single life annuity benefit at normal retirement that is equal to 1.95% of average monthly compensation during the 60 consecutive months in which an individual receives their highest compensation (High 60) multiplied by years of benefit service. The benefit is actuarially adjusted if the individual chooses a different form of distribution than a single life annuity. The pension valuation was determined using a blended approach assuming 30% of the benefits would be paid as a lump sum and 70% as an annuity at the participants earliest unreduced retirement age.

The Pension Plans pay benefits up to the applicable limits under the Internal Revenue Code.

NONQUALIFIED PENSION RESTORATION PLAN: The Restoration Plan is unfunded and not qualified for tax purposes. Benefits payable under this plan are equal to the excess of the amount that would be payable under the terms of the Pension Plans disregarding the limitations imposed under Internal Revenue Code Sections 401(a)(17) and 415, over the pension actually payable under the Pension Plans. The Restoration Plan also restores any benefits attributable to nonqualified deferred compensation excluded from the benefit determined under the Pension Plans. The Restoration Plan valuation was determined using an assumption that benefits would be paid as a lump sum at the participant's earliest unreduced retirement age.

NONQUALIFIED SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN: As of January 1, 2024, the Association implemented a supplemental plan for the CEO and certain Senior Officers for post-retirement health care costs. The plan is unfunded and not qualified for tax purposes. Participants in good standing receive an accrued benefit for each month of executive-level service from January 1, 2024, up to a maximum of 60 months, which will be paid out upon the one-year anniversary of the retirement date, permanent disability, or death.

YOUNG, BEGINNING, AND SMALL
FARMERS AND RANCHERS PROGRAM (UNAUDITED)

American AgCredit offers Young, Beginning, and Small (YBS) farmers and ranchers opportunities to invest in, build, and support their agribusinesses. Through specific, tailored programs designed to meet the credit and related needs of YBS customers and potential customers in our chartered territory, we provide various layers of support throughout this market.

Per FCA regulations, qualified YBS programs serve farmers and ranchers by one or more of the following categories:

Young: A farmer, rancher, or producer or harvester of aquatic products who is age 35 or younger as of the date the loan is originally made.

Beginning: A farmer, rancher, or producer or harvester of aquatic products who has 10 years or less farming, ranching, or aquatic experience as of the date the loan is originally made.

Small: A farmer, rancher, or producer or harvester of aquatic products who normally generates less than $250,000 in annual gross cash farm income of agricultural or aquatic products.

OUR YBS MISSION

The mission of American AgCredit's Young, Beginning, Small Farmers, Ranchers and Harvesters of Aquatic Products program is to make concerted and cooperative efforts to help this essential group of borrowers enter and become successful in the agricultural industry. The program is intended to invest in this special group of producers by offering competitive rates, flexible loan terms, promoting the use of products & services that are beneficial to this group, and encouraging the use of government guarantees.

To fulfill the mission tailored to the specific needs of the YBS market via the following:

- Support of AgYouth Programs: Interest-free financing to young people for 4-H and Future Farmers of America (FFA) projects
- Host training focused on legacy and business continuity planning for generations of farmers and ranchers: Training provided free of charge for customers
- Support of youth programs in the community: Outreach and sponsorship of ag-related educational activities, such as ag training, exhibits, and other outreach
- Promote YBS program information, including web pages, brochures, and ad slicks: Awareness of programs to support new businesses and encourage young people to get involved in agriculture
- Provide scholarships to college students interested in working in or studying courses related to agriculture
- Offer paid internships: Professional training and paid work experience provided to young professionals interested in learning about opportunities in the agricultural industry, including financing, marketing, and communication

To facilitate credit offerings to this specialized customer base, we support financing programs and use government-guaranteed loan programs. We are actively involved in developing and sponsoring educational opportunities, leadership training, business financial training, and insurance services for YBS farmers and ranchers.

DEMOGRAPHICS

To ensure that these groups are adequately serviced, demographic research known as AgCensus is completed by the U.S. Department of Agriculture every five years, and those demographics are compared to our borrower base. Part of adequately serving these segments is understanding how farming is changing within the Association's lending territory.

The latest data available is from the 2017 AgCensus (released in April 2019). It shows the number of farms within our chartered territory has declined more than 3.2% from 117,380 to 113,656. At the same time, overall farm size (acreage) has increased, marking a trend toward fewer but larger farms. Nationally, the number of young farmers, both primary and co-operators, increased from 2012. In our territory, young farmers comprise about 8.0% of total farm operators. Beginning farm operators comprise 28.0% of the market in our territory, while small farm operators comprise 85.0% of the farms in the market. A few significant changes over the last five years include the following:

- The number of young farm operators did increase, but at the same time the average operator age increased. Farmers older than 65 now outnumber farmers younger than 35 by a 6:1 ratio.
- The number of beginning farmers increased, but the average age of a beginning farmer in 2017 was just over 46.
- The number of small farms increased from 2012. Many of the small farms reported being involved in commodities such as fruits, vegetables, and small livestock.

EXCEPTION PROGRAM

The Association's YBS Exception Program is tailored for those ag businesses that do not meet all underwriting criteria and exhibit higher-than-normal risk factors. The Exception Program offers unique financing criteria and additional benefits. This includes additional business support, education, training, and other incentives, allowing them to strengthen and prosper and, in the process, to develop avenues for the Association to fulfill its mission and serve all fields and levels of agriculture.

YBS ANNUAL QUANTITATIVE TARGETS

As part of our 2023 Marketing Plan, we projected a conservative goal of increasing our new (or refinanced) loans to YBS farmers and ranchers. We attribute our results to the ongoing national trend of increased age of farmers as well as small farmers moving above the gross annual income definition of $250,000. Additionally, the overall economic conditions have led to the total number of new loans, not just YBS new loans being down from the prior year. The Association continues to streamline its new loan origination platform and continued outreach efforts.

	Young Farmer	Beginning Farmer	Small Farmer
AAC YBS results	636	1,493	1,894
AAC YBS goals	708	1,656	1,873

Note: Due to regulatory definitions, a farmer may be included in multiple categories as the customer would be included in each category in which the definition was met.

The following table outlines the percentage of loans in the loan portfolio (by number) to young and beginning farmers as of December 31, 2024, compared to the total number of loans in the portfolio.

Category (dollars in thousands)	Number of Loans	Percent of Total Loans	Volume Outstanding	Percent of Total Volume
Total loans and commitments outstanding at year-end	21,105	100.0%	$28,395	100.0%
Young farmers and ranchers	2,704	12.8%	$1,394	4.9%
Beginning farmers and ranchers	6,719	31.8%	$6,177	21.8%

The following table provides a breakdown of small-farmer and rancher loans by size as of December 31, 2024.

Number/Volume Outstanding (in thousands)	$0 - $50.0	$50.1 - $100.0	$100.1 - $250.0	$250.1 and Greater
Total number of loans and commitments outstanding at year-end	3,505	2,468	4,421	10,711
Total number of loans to small farmers and ranchers	1,796	1,280	1,896	2,148
Percent of loans to small farmers and ranchers	51.24%	51.86%	42.89%	20.05%
Total loan volume outstanding at year-end	$81,207	$188,185	$761,193	$27,364,022
Total loan volume to small farmers and ranchers	$45,935	$98,122	$320,527	$2,177,043
Percent of loan volume to small farmers and ranchers	56.57%	52.14%	42.11%	7.96%

YBS QUALITATIVE GOALS

- Support our customers and other producers through robust mission programs and engagement at the regional and the local level.
- Partner with government agencies, Farm Credit institutions, nonprofits, and private companies that share our mission.
- Showcase the expertise that we have relating to agricultural markets, the broader economy, and specific services available to producers, with the ultimate goal of strengthening their operations.

YBS PROGRAM FUNDING OUTREACH

We believe that all of agriculture benefits by supporting the full spectrum of agricultural efforts. American AgCredit, on its own and through alliance partnership with other Farm Credit associations, sponsors many events and activities to promote Farm Credit and the services offered by the System, and to inform and educate young, beginning, and small farmers. They include a sampling of the following:

Grow Your Future Forum: In March 2024, American AgCredit co-hosted a Grow Your Future Forum, a two-day workshop that offered young, beginning, and small (YBS) farmers tools and opportunities for success through financial education and support. The forum included producers from California to Oklahoma, giving YBS farmers the opportunity to learn, network, and collaborate with others within the Farm Credit System.

Rural Roots Endowment: American AgCredit designed the $10 million Rural Roots Endowment to provide grants and direct funds to New Mexico agricultural organizations that support underserved populations of producers and the next generation of farmers and ranchers – like FFA, 4-H, junior livestock, and scholarships – as well as protect New Mexico agriculture, fight hunger in New Mexico, and continue ag education in New Mexico. During 2024 $204,000 was awarded to 23 organizations.

California FFA Foundation: American AgCredit partners with CoBank and other Farm Credit Associations in California to support agricultural education by providing rural, urban, and suburban students real-world experiences both inside and outside of the classroom. Events supported in 2024 from a joint contribution of nearly $70,000 included the State Leadership Conference, Sacramento Leadership Experience, Supervised Agricultural Experience (SAE) Awards Program, and integrated leadership development conferences to meet the ever-diversifying student population (more than 48,000 of the 103,000 members are Latino). American AgCredit provides leadership to the California FFA Foundation with an American AgCredit employee serving on its board of directors.

Young Farmers & Ranchers Leadership Conference: In support of the California Farm Bureau's Young Farmers & Ranchers Program (YF&R), American AgCredit joined with CoBank, Ag-West Farm Credit, Fresno Madera Farm Credit, and Colusa-Glenn Farm Credit to sponsor its Annual Leadership Conference. In 2024, the conference was held in person and attended by approximately 200 YF&Rs from across California and neighboring states. Our 2024 sponsorship totaled $10,000.

California State University, Stanislaus Ag Business Class Mentorship: American AgCredit provides staff mentors to students enrolled in an ag business class. Mentorship is provided on a class capstone business plan project and guidance on finance principles and the professional workplace. The class culminates to a presentation hosted at an American AgCredit office where a $2,500 cash prize is donated to the winning business plan owner.

California Foundation for Ag in the Classroom: American AgCredit partnered with CoBank, Ag-West Farm Credit, Fresno Madera Farm Credit, and Yosemite Farm Credit to sponsor this not-for-profit organization dedicated to educating youth throughout California about the importance of agriculture in their daily lives. Contributions totaled $15,000 in 2024.

Center for Land Based Learning (CLBL): Separately and partnering with CoBank and other Farm Credit associations in California, American AgCredit committed to a multi-year contribution totaling $246,000 to help fund program capital improvements and programs such as the California Farm Academy (CFA) and Apprenticeship Program. Its youth programs (FARMS, SLEWS, CFW) also demonstrate a racial diversity of over 75%. Additional contributions of $15,000 allowed CLBL to return its FARMS (Farming, Agriculture, Resources Management for Sustainability) program to high school students across the state back to in-person field days. Separately, American AgCredit provided an additional $10,000 to support the CFA and Apprenticeship Program to increase beginning farmers' credit readiness to support business acumen and growth. This program aims to provide a career pathway for aspiring farm managers through on-the-job training and agricultural education. The CFA Apprenticeship is a registered apprenticeship approved by the State of California that provides a journey worker credential at the end of two years in the occupation of a Beginning Farm Manager. The CFA Apprenticeship program average age is 30. Of the total enrolled, 61% are male and 39% are female, while 54% are BIPOC and 22% are veterans.

The Sonoma County Grape Growers Foundation: The Sonoma County Grape Growers Foundation (FUNDACIÓN DE LA VOZ DE LOS VIÑEDOS) Leadership Academy hosted its third class of vineyard employees in 2024. The academy is a multi-month commitment focusing on professional development for vineyard employees with a goal of being promoted into leadership roles within their organization or as an enhancement to their current leadership skills and responsibilities. Seventeen academy participants traveled to Washington DC and joined the 2024 Congressional Wine Caucus reception hosted by Representative Mike Thompson. The Leadership Academy class concludes every year with a graduation ceremony that honors each participant's achievement. American AgCredit contributed $20,000 to provide each program graduate with a $1,000 stipend.

Starlight Elementary School – Culinary Garden and Teaching Kitchen: American AgCredit's $5,000 donation in December 2024 supported 2025 efforts to educate youth about sustainable agriculture and the many career opportunities in the agriculture industry.

Colorado Farm Bureau (CFB) YF&R Program: This important program gives American AgCredit the opportunity to network with young farmers and ranchers across Colorado. With our support of CFB YF&R, American AgCredit attends and presents an economic update at the annual event. Supporting Colorado Young Farmers and Ranchers is important to our team and the future of agriculture in Colorado.

Colorado FFA Foundation: Through a comprehensive agricultural education program, the Colorado FFA teaches its members premier leadership skills, personal growth, and career success. American AgCredit partners closely with Colorado FFA, giving $47,000 in 2024 to the Colorado FFA Foundation. Our staff is equally committed to supporting the growth and development of youth in agriculture. American AgCredit also offers leadership to the Colorado FFA Foundation with an employee serving on the Colorado FFA Foundation board of directors. We are proud to have continued our support in 2024 with Colorado FFA.

Nevada Junior Livestock Show: The The Nevada Junior Livestock Show (NJLS) provides an opportunity for Nevada youth to exhibit their livestock projects. NJLS encourages the growth of sportsmanship, leadership, citizenship, and responsibility in each of the youth exhibitors competing. In 2024, American AgCredit provided $4,500 in scholarships and awards to NJLS.

Nevada FFA Foundation: The Nevada FFA Foundation promotes agriculture education and career and technical education in the state of Nevada, while providing financial resources for agriculture education programs that support students to develop leadership, personal growth, and career success. In 2024, American AgCredit supported Nevada FFA through a $1,000 student scholarship, as well as sponsorship of the Greenhand Leadership Conference, the Nevada State FFA Convention, Sporting Clay Shoot Stations, an Agricultural Education Student Teacher Scholarship, Nevada Ag Teachers Association awards, and four "Give the Gift of Blue" FFA jackets for students in need. Total support for the Nevada FFA Foundation in 2024 was $25,000. American AgCredit also offers leadership to the Nevada FFA Foundation with an American AgCredit employee serving on the Nevada FFA Foundation board of directors.

Veterans to Farmers: Veterans to Farmers exists to provide resources for men and women in uniform after they return home. Beginning farmer-veterans are trained in agricultural food systems, technologies, and business acumen, with the ultimate goal of leading a sustainable and fulfilling lifestyle. American AgCredit partnered with the Colorado-based Veterans to Farmers in 2022 to jumpstart a grant program providing necessary capital and business training for graduating veterans who aspire to start a farming operation. Once again in 2024, through the American AgCredit grant program, Veterans to Farmers was able to give $30,000 in grants to veterans who participated in our Business Planning Class at Denver Botanic Gardens. The veterans worked hard to lay the groundwork for bringing their dreams to life, and with American AgCredit's support they have the funding they need to get started. This year's grant recipients are from across the country, all focusing on different types of agriculture. They are working on bettering food access in their communities and taking up the opportunity to serve their country again in a meaningful way.

Leadership Foundation of Hawaii: The Leadership Foundation of Hawaii (LFH) offers several programs to support the next generation in agriculture. Of particular interest is its focus on youth programs like 4-H and FFA, providing training and scholarship opportunities. A portion of American AgCredit's $15,000 contribution to LFH helped fund virtual career and mentorship programs.

GoFarm Hawaii: American AgCredit and CoBank have pledged $2 million to support GoFarm Hawaii, a University of Hawaii program that provides business technical assistance, educational opportunities, and access to a suite of resources designed to remove barriers to farming and agribusinesses. In addition, it operates five beginning farmer training sites across four islands and an agricultural technician training program at the Waiawa Correctional Facility. In 2022, American AgCredit pledged an additional $1 million over five years to create a matching grant program to support young, beginning, and small farmers in growing their business operations.

Hawaii Annual Scholarship: Each year, American AgCredit donates $2,000 in scholarship(s) to high school seniors in Hawaii who are proceeding to an agricultural field of study in college. This scholarship continued in 2024.

Kansas Farm Bureau YF&R Leaders Conference: American AgCredit, as a part of the Farm Credit Associations of Kansas, sponsors the Kansas Farm Bureau YF&R Leaders Conference. The event was held in February 2024 in Manhattan, Kansas, and provided a pivotal opportunity to network with approximately 500 young farmers and ranchers from across the state. This important partnership gives our alliance the opportunity to give comments and present a keynote speaker at the conference.

Kansas FFA Foundation: Serving over 10,000 members in more than 225 high school agriculture education departments in 216 unified school districts across the state, the Kansas FFA Foundation creates a new generation of agriculturists via student experiences in ag education classes. American AgCredit joins the Farm Credit Associations of Kansas in financial support of $15,000. Separately, American AgCredit made a year-end contribution of $35,000 to the Kansas FFA Foundation, bringing our total support to $40,000.

Kansas 4-H Foundation: Serving more than 17,000 members across Kansas, 4-H is focused on youth having fun and learning with their friends to help develop highly effective citizens and leaders within our rural communities. American AgCredit, as a part of the Farm Credit Associations of Kansas, provided financial support amounting to $15,000 in 2024.

Garden City Community College: As a part of Garden City Community College's Title III Hispanic Serving Institution STEM Grant, a new Crop Production Technology program launched in the fall 2023 semester. American AgCredit gave a two-year commitment of $25,000 each year to support the Buster Gardens' STEM project focusing efforts on early stages of hiring instructors, purchasing equipment and supplies, and beginning curriculum development. Three new STEM-based programs will be included in this effort; American AgCredit's support will be focused on the Crop Production Technology program. The purchase of the greenhouse structure will take place during this time. In fall 2022, the Crop Production Technology program was fully implemented with the goal of at least 12 students enrolled in the program. This program will allow year-round, hands-on experiences for students outside of the traditional classroom setting. Students will learn how crops are grown, maintained, and evaluated throughout the growing period – setting a strong foundation for the next generation to enter the agriculture workforce or production agriculture industry.

North American Intercollegiate Dairy Challenge: In partnership with CoBank and AgWest, the Association sponsored this organization, which develops tomorrow's dairy leaders and enhances progress of the dairy industry by providing education, communication, and networking among students, producers, and agribusiness and university personnel. In 2024, a total of $5,000 was provided.

YBS PROGRAM SAFETY AND SOUNDNESS

American AgCredit offers diverse and accessible financing options for qualified farmers and ranchers within our territory. The YBS program provides alternate financing and guarantee options for farmers and ranchers who are just getting started, as well as small or part-time operations. To better serve YBS customers, special lending qualifications and requirements allow young, beginning, and small farmers and ranchers access to financing, leasing, and other services for which they might not otherwise qualify.

Procedures have been established to streamline the delivery of these unique and other small loans utilizing credit scoring through our retail channel delivery system. Loans will continue to be made on a sound basis, with proper emphasis on the fundamentals of sound credit. Loans made under this program meet all our requirements for eligibility and scope of financing, interest rates, and length of term. Co-makers and guarantors (financially responsible family members or other individuals) and secondary collateral are utilized when available and appropriate to minimize risk. Excessively ambitious growth plans are restricted, and loans are closely monitored on a regular basis.

OFFICE LOCATIONS

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CALIFORNIA

Alturas
403 E. Highway 395
Alturas, CA 96101
(800) 800-4865
Appointment Only

Eureka
5560 S. Broadway Street
Eureka, CA 95503
(800) 800-4865
Appointment Only

Merced
711 W. 19th Street
Merced, CA 95340
(800) 800-4865

Napa
1434 1st Street
Napa, CA 94559
(800) 800-4865

Oakdale
700 N. Yosemite Avenue
Oakdale, CA 95361
(800) 800-4865

Palm Desert
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Salinas
924 E. Blanco Road
Salinas, CA 93901
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Santa Rosa
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Stockton
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Stockton, CA 95206
(800) 800-4865

Temecula
42429 Winchester Road
Temecula, CA 92590
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Turlock
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Turlock, CA 95380
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Yreka
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COLORADO

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Honolulu
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KANSAS

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Garden City
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Great Bend
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Great Bend, KS 67530
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Hutchinson
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Hutchinson, KS 67502
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Pratt, KS 67124
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Salina
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Salina, KS 67401
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Scott City
1422 S. Main Street
Scott City, KS 67871
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Wichita
4105 N. Ridge Road
Wichita, KS 67205
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NEVADA

Elko
978 Commercial Street
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Tucumcari
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Tucumcari, NM 88401
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All owned office buildings and land are pledged to CoBank as collateral for the note payable.

American AgCredit

Your future grows here