



***The Farm Credit System:  
Financial Strength Benefiting Rural America***

**The Farm Credit System's financial strength means that U.S. farmers, ranchers, agricultural cooperatives, farm businesses and rural communities continue to have access to a competitive source of credit to meet their needs. Despite the turmoil on Wall Street, Farm Credit continues to tap the nation's debt markets to efficiently bring capital to agriculture.**

- Farm Credit remains **FINANCIALLY STRONG**.
  - ü Net income through September 30, 2008 increased to \$2.370 billion as compared with \$2.021 billion during the first nine months of 2007. Net income for all of 2007 was a record at just over \$2.7 billion.
  - ü Total loans equaled \$158.063 billion at September 30, 2008, \$15.157 billion more than December 31, 2007.
  - ü Credit quality remains generally favorable with nonperforming loans representing 0.65% of the System's outstanding loans as of September 30, 2008.
  - ü Farm Credit's capital position remains favorable. As of September 30, 2008, Farm Credit had more than \$27.9 billion in capital – up from \$26.4 billion at December 31, 2007. Farm Credit's capital as a percentage of assets was 13.4% at September 30, 2008.
  
- Farm Credit's **MISSION COMES FIRST**.
  - ü Farm Credit is unwavering from its mission to provide credit and related services to agriculture and rural America.
  - ü Because the farmers, ranchers and agricultural cooperatives that use Farm Credit institutions also own and govern them, mission focus is guaranteed.
  - ü As cooperatives, Farm Credit institutions do not issue publicly traded stock and therefore avoid the conflict with mission that has troubled other GSEs.
  - ü Farm Credit's cooperative structure ensures that profits are either returned to customers through patronage distribution or used to capitalize additional mission-related activity.
  
- Farm Credit's financial reporting is **TRANSPARENT**.
  - ü The Federal Farm Credit Banks Funding Corporation prepares and distributes quarterly and annual financial disclosure information providing detailed information about the performance and financial condition of Farm Credit.
  - ü This detailed information is available on the Funding Corporation's website at [www.farmcredit-ffcb.com](http://www.farmcredit-ffcb.com).
  
- Farm Credit is subject to **STRONG, INDEPENDENT REGULATORY OVERSIGHT**.
  - ü The Farm Credit Administration (FCA) is the independent Federal regulatory agency overseeing the safety and soundness of the Farm Credit System.
  - ü FCA has the full range of regulatory and enforcement authorities similar to other Federal banking regulators, including the authority to issue cease and desist orders and to set capital standards.
  - ü FCA's experienced, professional staff regularly examine the operations of Farm Credit institutions to ensure compliance with regulations and law.
  
- Farm Credit's unique, self-funded **INSURANCE FUND PROVIDES PROTECTION**
  - ü Farm Credit is the only GSE with a self-funded insurance fund.
  - ü Farm Credit institutions pay premiums into an insurance fund that protects to the extent available investors in Systemwide debt securities.
  - ü This fund is controlled by the Farm Credit System Insurance Corporation, an independent U.S. government-controlled entity. At September 30, 2008, the insurance fund held some \$2.8 billion.
  - ü Farm Credit receives no direct funding from the Federal government and has no direct line of credit with the U.S. Treasury. Farm Credit debt securities are not guaranteed by the Federal government.