



Farm Credit System

Investor Presentation

June 2023

ONE | MANY
MISSION | VOICES

The Farm Credit System at a Glance

Mission

- The Farm Credit System ('System', 'Farm Credit') was created in 1916 to support rural communities and agriculture with reliable, consistent credit and financial services.

Cooperative Structure

- Farm Credit is a network of cooperatives owned by its borrowers (farmers, ranchers, agricultural cooperatives and rural customers).

Broad Loan Diversification

- Farm Credit's loan portfolio is geographically diversified across all 50 states, U.S. territories, and Puerto Rico, supporting approximately **45%**¹ of all U.S. farm business debt.
- The portfolio is also diversified by commodity and loan size.

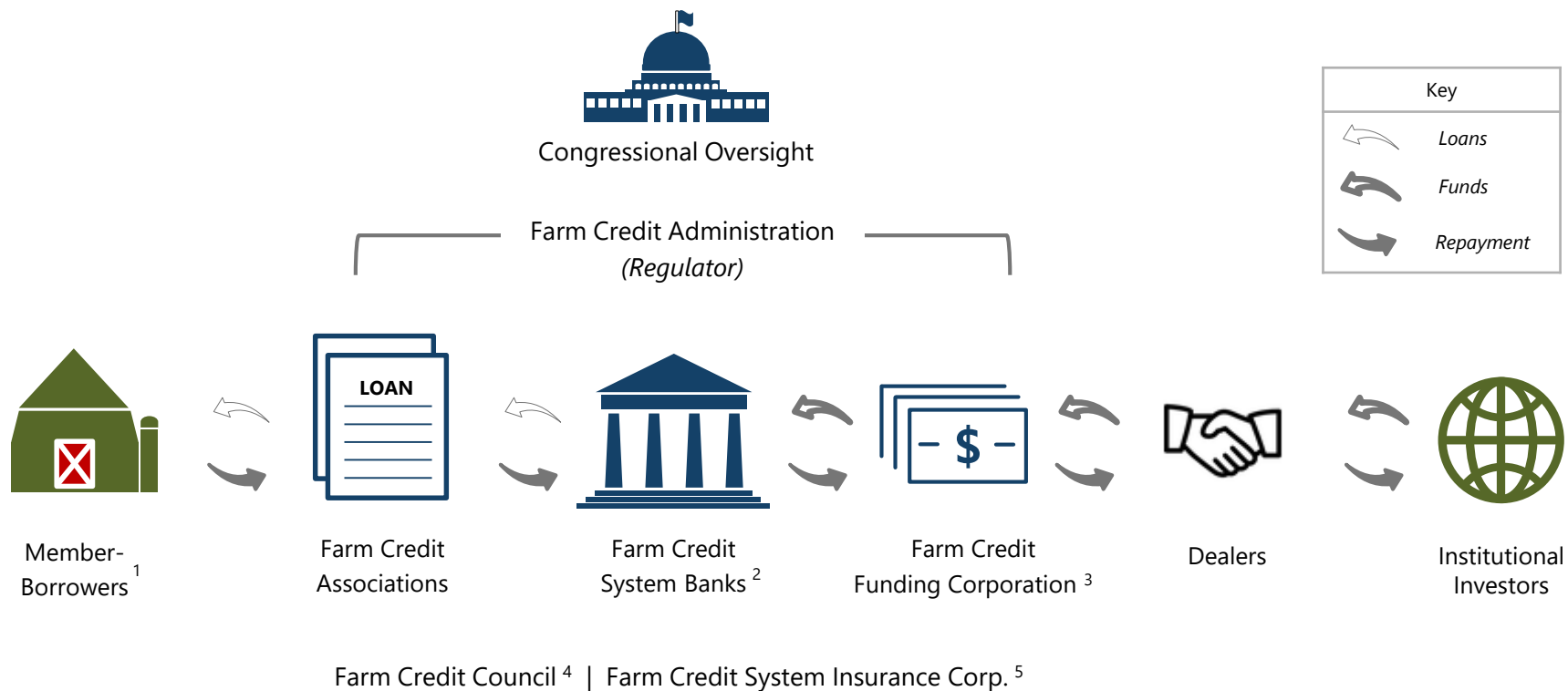
Regulatory and Congressional Oversight

- Farm Credit is regulated and examined by an independent Federal agency, the Farm Credit Administration (FCA).
- The System is under the Jurisdiction of the House and Senate Agriculture Committees.

1. Source: USDA Economic Research Service, Feb, 2023.



Structure and Ownership



1. Farmers, ranchers, rural homeowners, rural utility systems and agribusinesses.
2. AgFirst Farm Credit Bank, AgriBank FCB, Farm Credit Bank of Texas, CoBank ACB. CoBank has lending authority to Associations within its District as well as national lending authorities to agricultural cooperatives, rural utilities and other eligible borrowers.
3. The Farm Credit Funding Corporation is responsible for Systemwide debt issuance and financial disclosure.
4. The Farm Credit Council is the national trade association for the Farm Credit System.
5. The Farm Credit System Insurance Corporation is an independent U.S. Government-controlled corporation which insures the timely payment of principal and interest on debt obligations issued by the Farm Credit Banks.

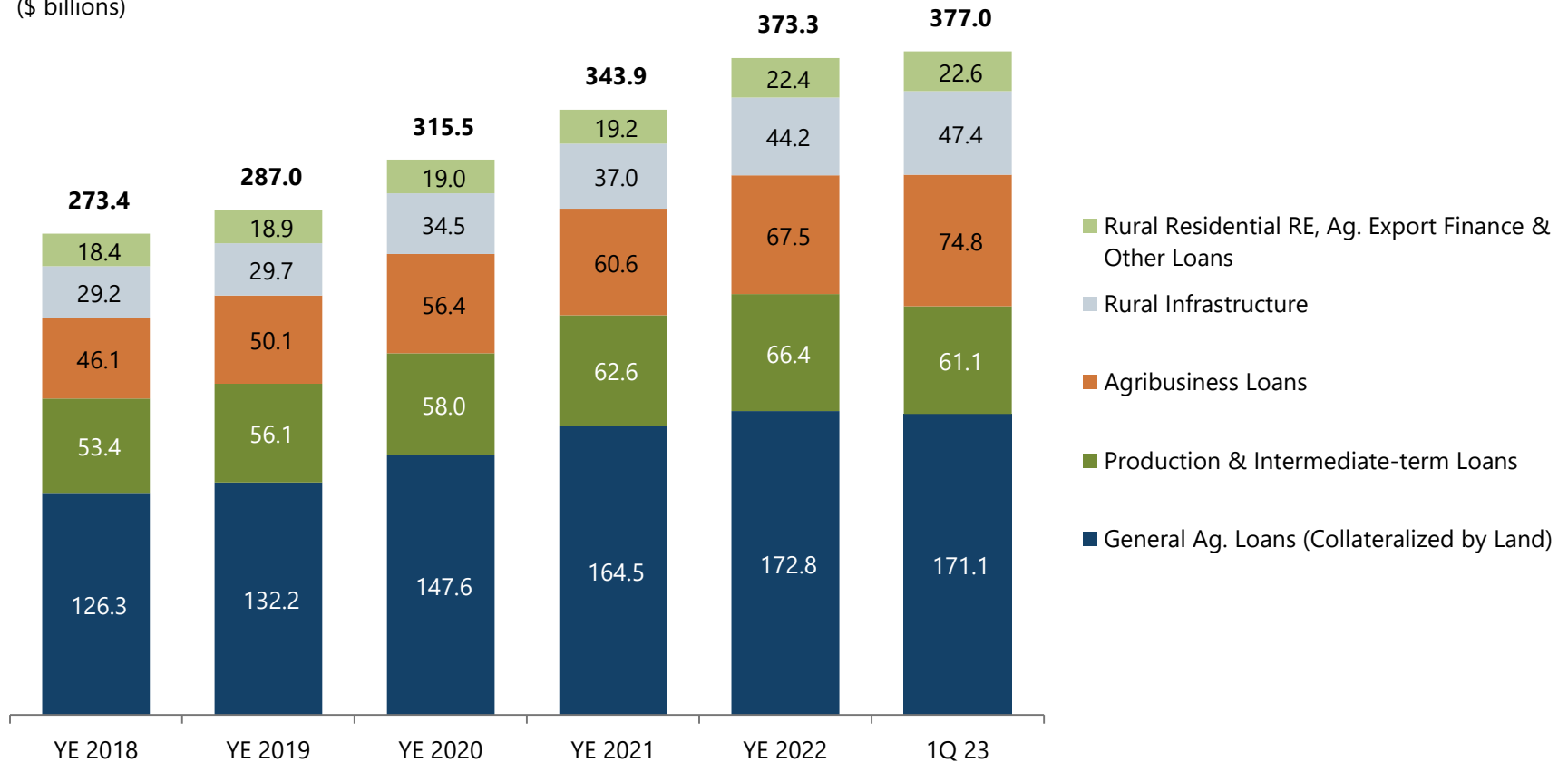


Loan Portfolio - Overview

- A variety of loan types is available to qualified borrowers.
- Underwriting standards are based on credit, repayment capacity/cash flow and collateral.
- Loan volume increased 1.0% since year-end 2022, primarily due to growth in loans to cooperatives, processing and marketing loans and power loans, offset in part by a decrease in real estate mortgage and production and intermediate-term loans.

Gross Loans

(\$ billions)

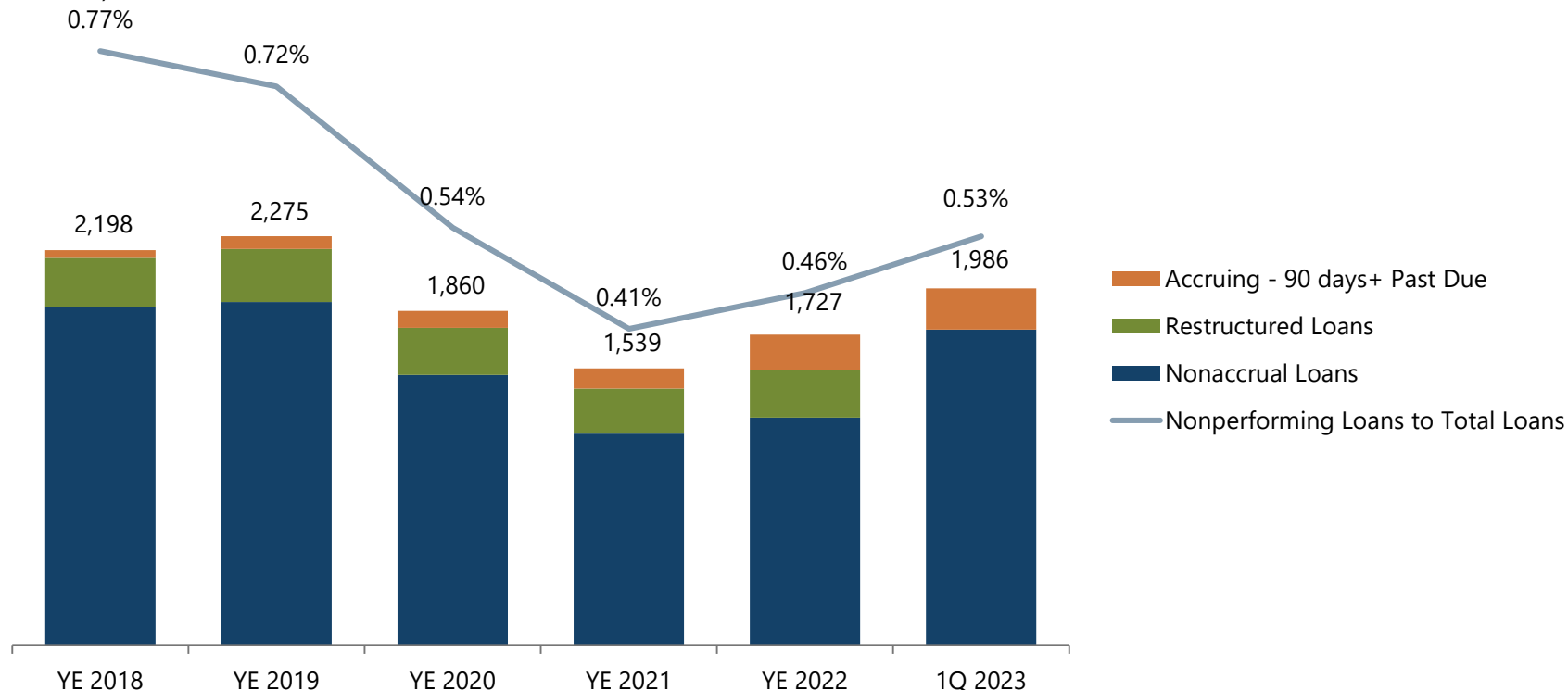


Loan Portfolio - Credit Quality

- Credit quality remains strong with loans classified¹ as Acceptable and Other Assets Especially Mentioned (OAEM) at 98.3% at March 31, 2023, compared to 98.4% at December 31, 2022.
- Nonaccrual loans as a percentage of total loans outstanding was 0.47% at March 31, 2023 and 0.34% at December 31, 2022.
- Credit risk of certain loans is reduced by off-farm income sources and crop insurance.
- 69.6% of nonaccrual loans were current as to principal and interest at March 31, 2023, as compared with 63.6% at December 31, 2022.

Nonperforming Loans²

(\$ millions)



1. Farm Credit Administration's Uniform Loan Classification System.

2. Prior to the adoption of CECL on January 1, 2023, nonperforming loans included restructured loans and were presented with accrued interest.

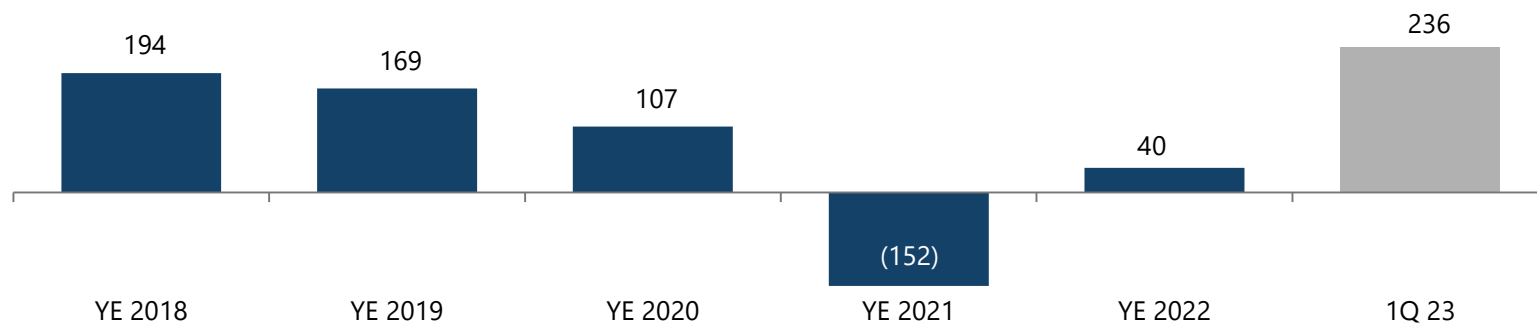


Loan Portfolio - Credit Quality (cont'd)

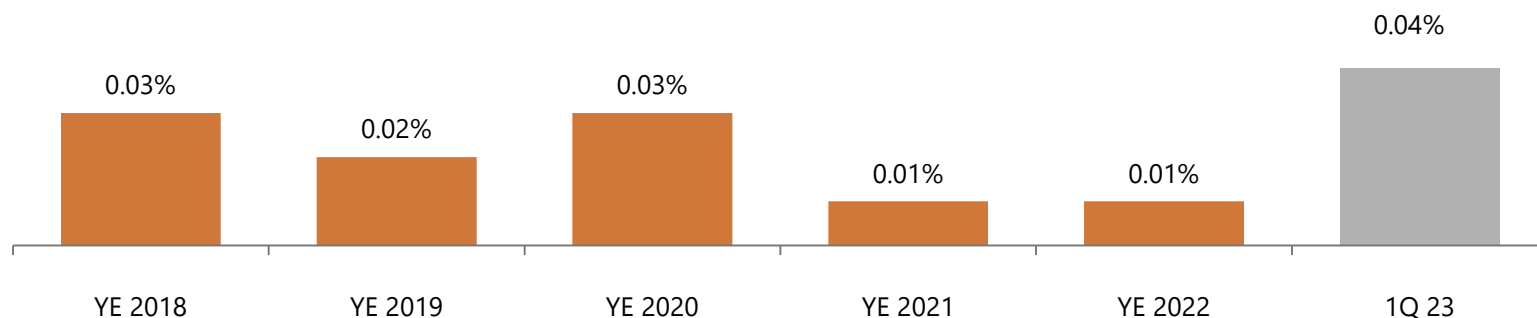
- The System recognized a provision for credit losses of \$236 million for the first quarter of 2023, as compared with a credit loss reversal of \$5 million for the first quarter of 2022.
- Net loan charge-offs of \$39 million were recorded during the first quarter of 2023, as compared with net loan recoveries of \$5 million for the same period of the prior year.

Provision for Credit Losses

(\$ millions)



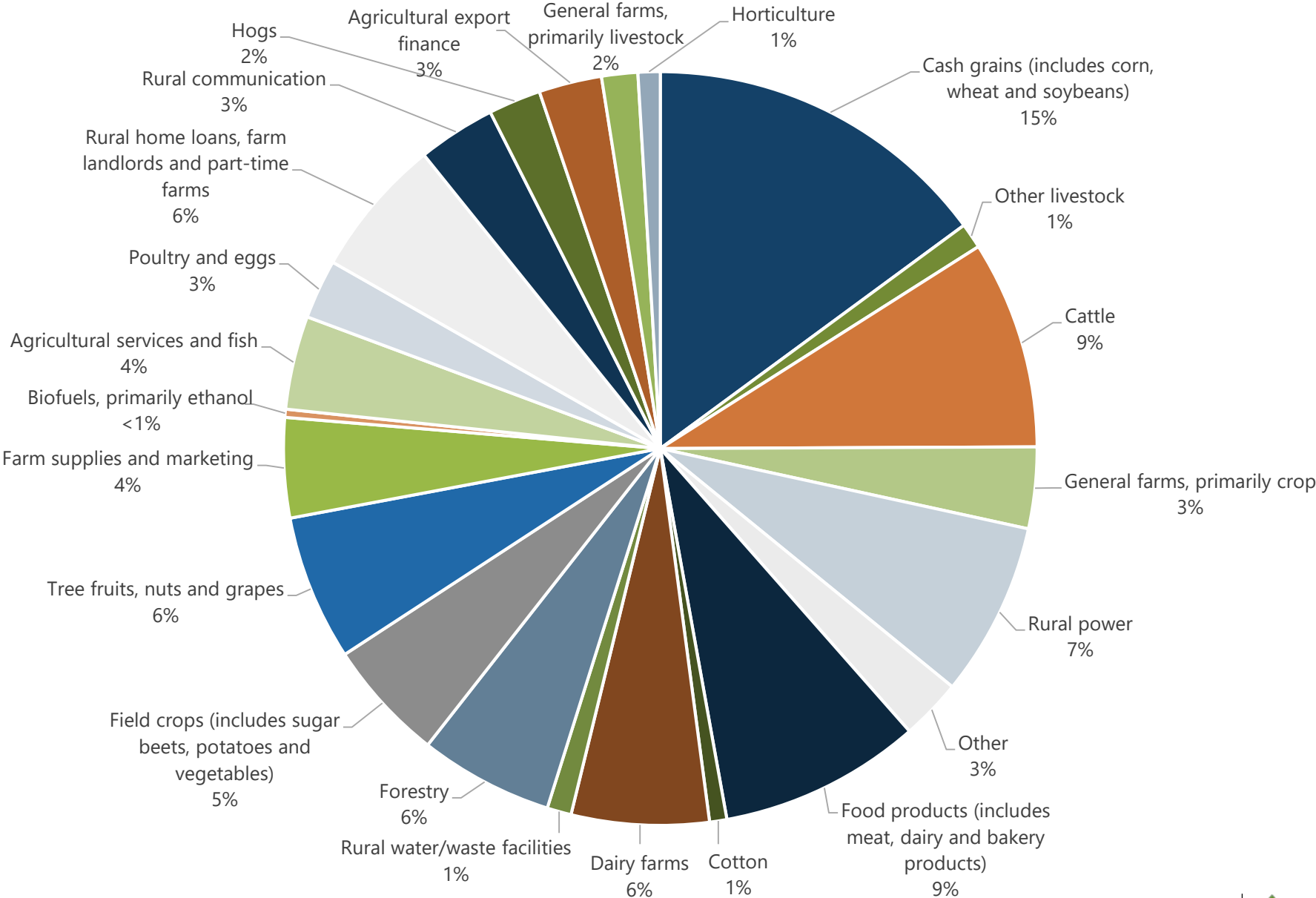
Net Charge-offs to Average Loans ¹



1. Annualized ratio of net charge-offs during the period to average loans outstanding during the period.



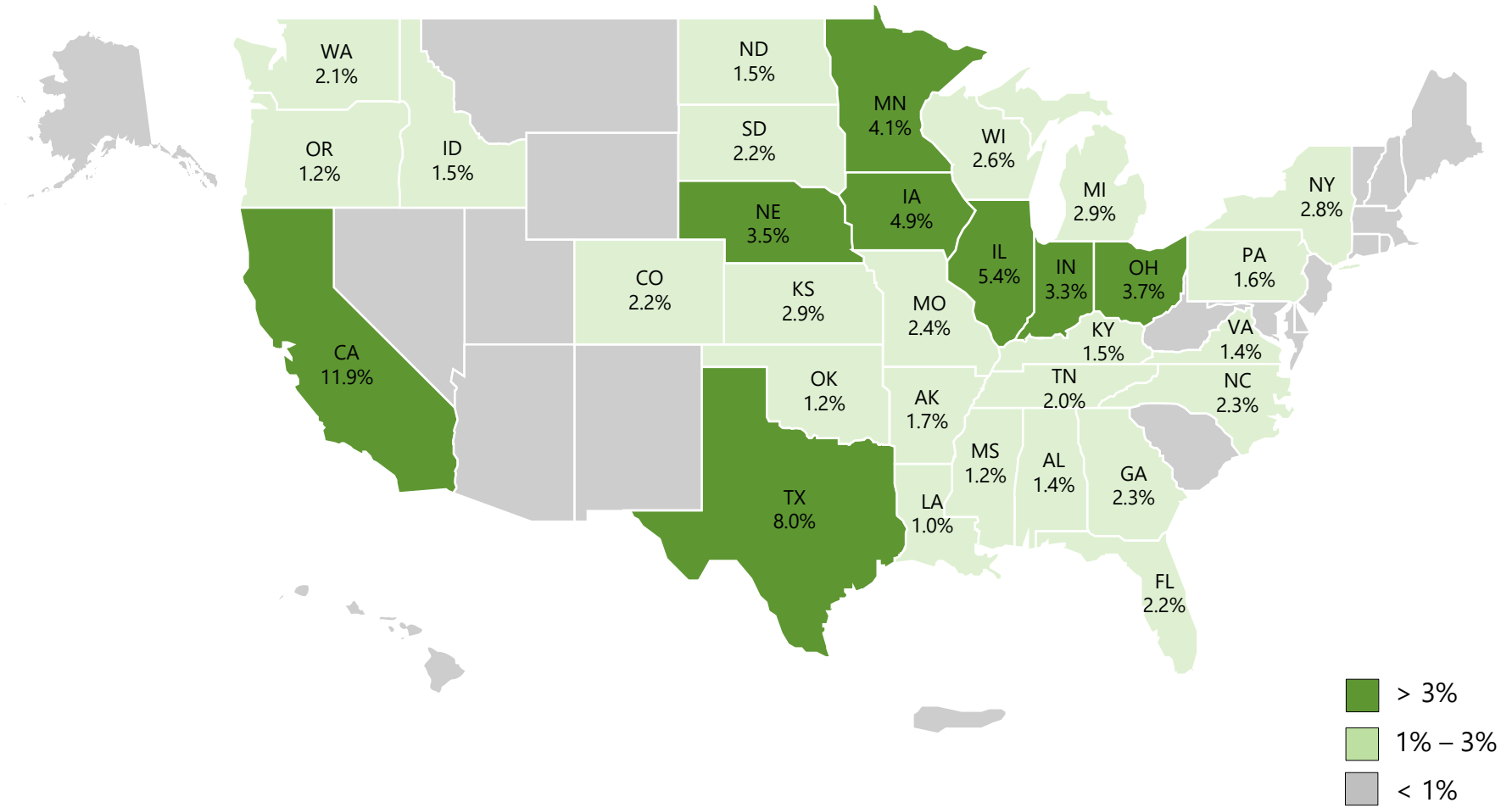
Loan Portfolio - Product and Sector Diversification



Data at December 31, 2022.

Loan Portfolio - Geographical Diversification

- Farm Credit System lends in all 50 states, the Commonwealth of Puerto Rico and U.S. territories.
- Geographic diversification supports the System's strong credit performance.



Note: Percentage of total loan volume.
Data at December 31, 2022.



Loan Portfolio - Size Diversification

- Farm Credit lends to qualified borrowers of all sizes, from Young, Beginning and Small farmers and ranchers to large agribusinesses.
- Large loan exposures are consistently reviewed and monitored.

Range (\$ thousands)	Amount Outstanding (\$ millions)	% of Portfolio	# of Borrowers	% of Portfolio (# of borrowers)
\$1 – \$249	32,599	9	431,758	72
\$250 – \$499	27,900	8	79,666	13
\$500 – \$999	31,277	8	44,865	7
\$1,000 – \$4,999	75,301	20	38,072	6
\$5,000 – \$24,999	55,233	15	5,706	<1
\$25,000 – \$99,999	52,916	14	1,102	<1
\$100,000 – \$249,999	40,993	11	268	<1
Over \$250,000	57,047	15	130	<1
Total	373,266	100	601,567	100

85% of customers borrow
between \$1,000 and \$499,000.

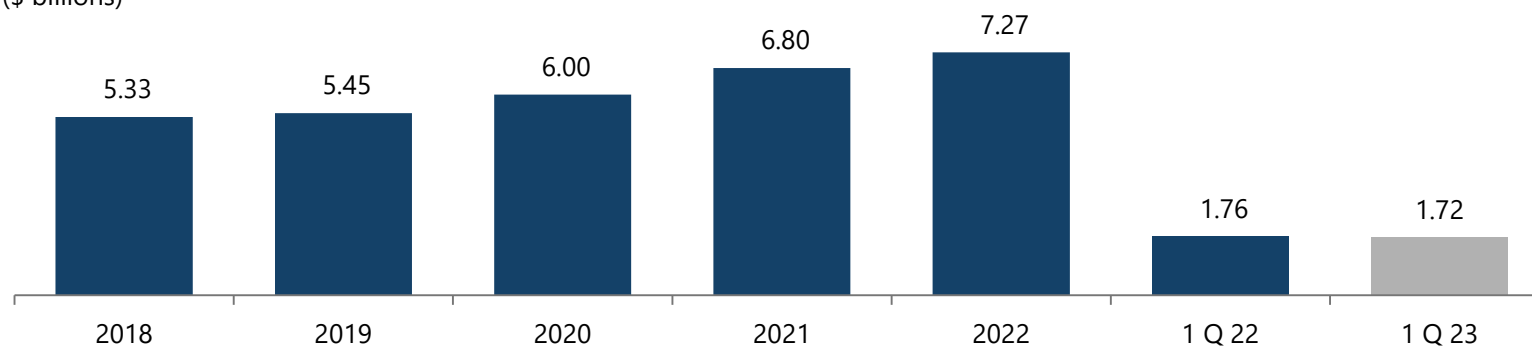


Financial Performance - Earnings

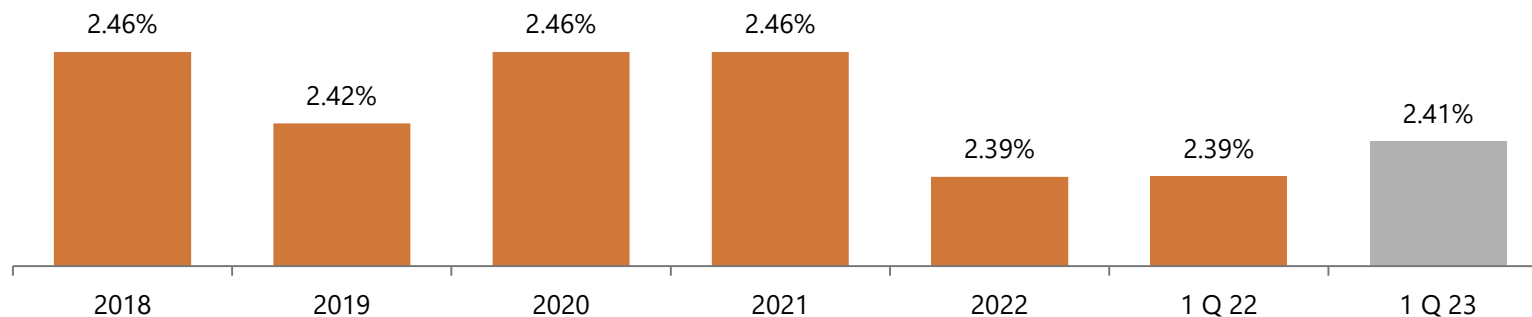
- Net income decreased 2.0% for the first three months of 2023, as compared with the first three months of 2022.
- Net interest margin increased 2 basis points to 2.41% for the quarter ended March 31, 2023, as compared with 2.39% for the same period of the prior year. Net interest spread decreased 29 basis points to 1.98% for the quarter ended March 31, 2023, as compared with the same quarter in 2022, which was primarily due to high debt costs in the rising interest rate environment and higher levels of liquidity investments.

Net Income

(\$ billions)



Net Interest Margin¹



1. Net Interest Margin is net interest income divided by average earning assets.



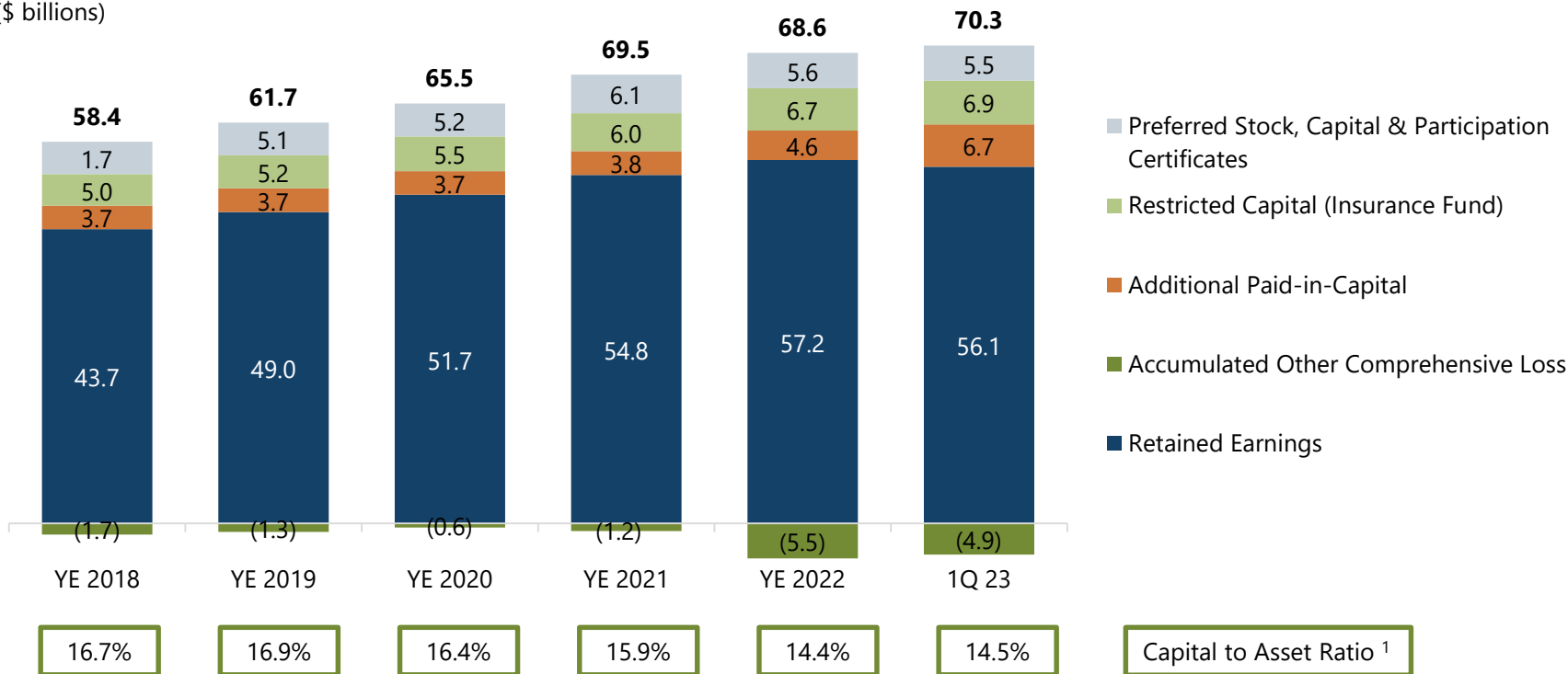
System Capital

- All Farm Credit Banks and Associations exceed the Farm Credit Administration's regulatory requirements.

Regulatory Capital Requirements

	CET 1 Capital	Tier 1 Capital	Total Capital	Tier 1 Leverage
Minimum Requirement	4.5%	6.0%	8.0%	4.0%
Minimum Requirement w/ Conservation Buffer	7.0%	8.5%	10.5%	5.0%

Capital (\$ billions)



1. Includes restricted assets and capital (Insurance Fund).



Farm Credit System Insurance Corporation

- Created in 1988 through an amendment to the Farm Credit Act.
- Primary responsibility is managing the Farm Credit Insurance Fund.
- Secured a \$10B liquidity line to be used in exigent market circumstances that threaten the Banks' ability to pay maturing obligations.

Insurance Fund

- Primarily to insure the timely payment of principal and interest on Systemwide Debt Securities (provides additional protection for investors).
- Funded by premiums assessed on System Banks, which may be passed on to the Associations.
- Insurance Fund target is 2% of aggregate outstanding insured debt (primarily Systemwide Debt Securities outstanding).
- Insurance Fund invested only in U.S. Government guaranteed securities.
- Assets of \$6.9 billion in the Insurance Fund at March 31, 2023.
- Insurance Fund has never been used for the payment of principal or interest on Systemwide Debt Securities.

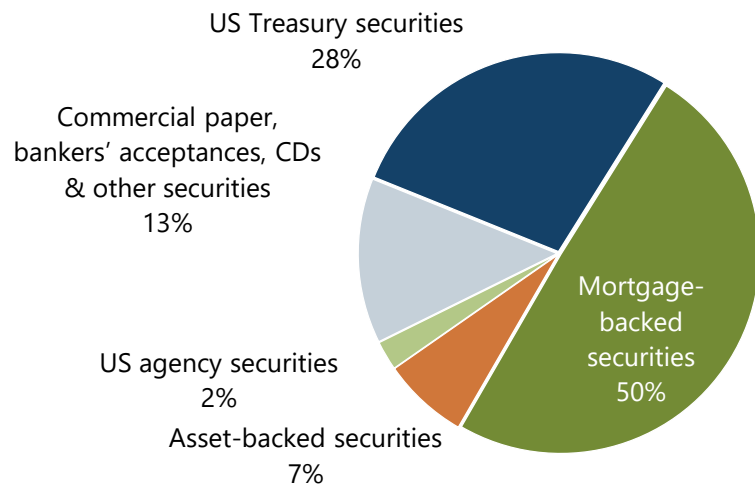


Liquidity Management

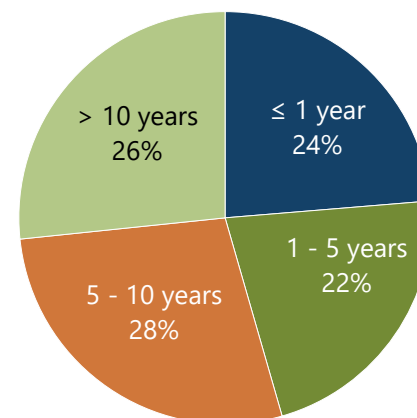
- The System primarily relies on debt markets for funding.
- In addition, System Banks hold highly-rated investments (limited to less than 35% of the Bank's average loans outstanding for the quarter).
- Approximately 99% of investment securities are rated double-A or higher.¹
- System Banks are required to maintain a three-tiered liquidity reserve, with an overall minimum of 90 days liquidity.

System Banks' Available for Sale Investments at Fair Value: \$68.8bn ²

Investment Type ^{2,3}



Maturity ²



1. Highest credit rating from at least one rating organization.

2. At March 31, 2023, based on fair value.

3. Mortgage-backed securities comprised of 93% Agency collateralized, 7% Agency whole-loan pass through and <1% Private label-FHA/VA.

Debt Issuance



- The Farm Credit System is the second-largest GSE, based on outstanding debt.
- Debt securities are issued on behalf of the four System Banks on a joint and several basis.



- Active issuer of highly-rated securities (AAA/Aaa/AA+).
- Bank for International Settlements (BIS) risk-weighting of 20%.



- Debt securities are issued across a range of sizes and maturities.
- Offers investors exposure to the U.S. agriculture and rural infrastructure sector.



- Primary distribution and secondary market supported by 34 investment firms (Dealer Group), including 9 LEAD (Leveraging Equality And Diversity) dealers.
- Broad and diverse investor base.



- Interest on debt securities is generally exempt from state, local and municipal tax.¹

The Farm Credit Funding Corporation maintains a flexible debt issuance program driven by System Bank needs, but designed to meet investor demands.

1. Please consult your tax advisor for specific information.



Dealer Group

Academy Securities, Inc.

BNY Mellon Capital Markets, LLC

Barclays Capital Inc.

Blaylock Van, LLC

BofA Securities, Inc.

Cantor Fitzgerald & Co

CastleOak Securities, L.P.

Citigroup Global Markets Inc.

Daiwa Capital Markets America Inc

Deutsche Bank Securities Inc.

First Horizon Bank

InspereX LLC

J.P. Morgan Securities LLC

Jefferies, LLC

Loop Capital Markets LLC

Mesirow Financial, Inc.

Mischler Financial Group, Inc.

Mizuho Securities USA LLC

Morgan Stanley & Co., LLC

Multi-Bank Securities, Inc.

NatWest Markets Securities Inc

Nomura Securities International Inc

Piper Sandler & Co.

R. Seelaus & Co., LLC

RBC Capital Markets, LLC

Raymond James & Associates

Robert W. Baird & Co. Incorporated

Samuel A. Ramirez & Co., Inc.

Siebert Williams Shank & Co., LLC

Stifel, Nicolaus & Company Incorporated

StoneX Financial Inc.

TD Securities (USA) LLC

UBS Securities, LLC

Wells Fargo Securities, LLC

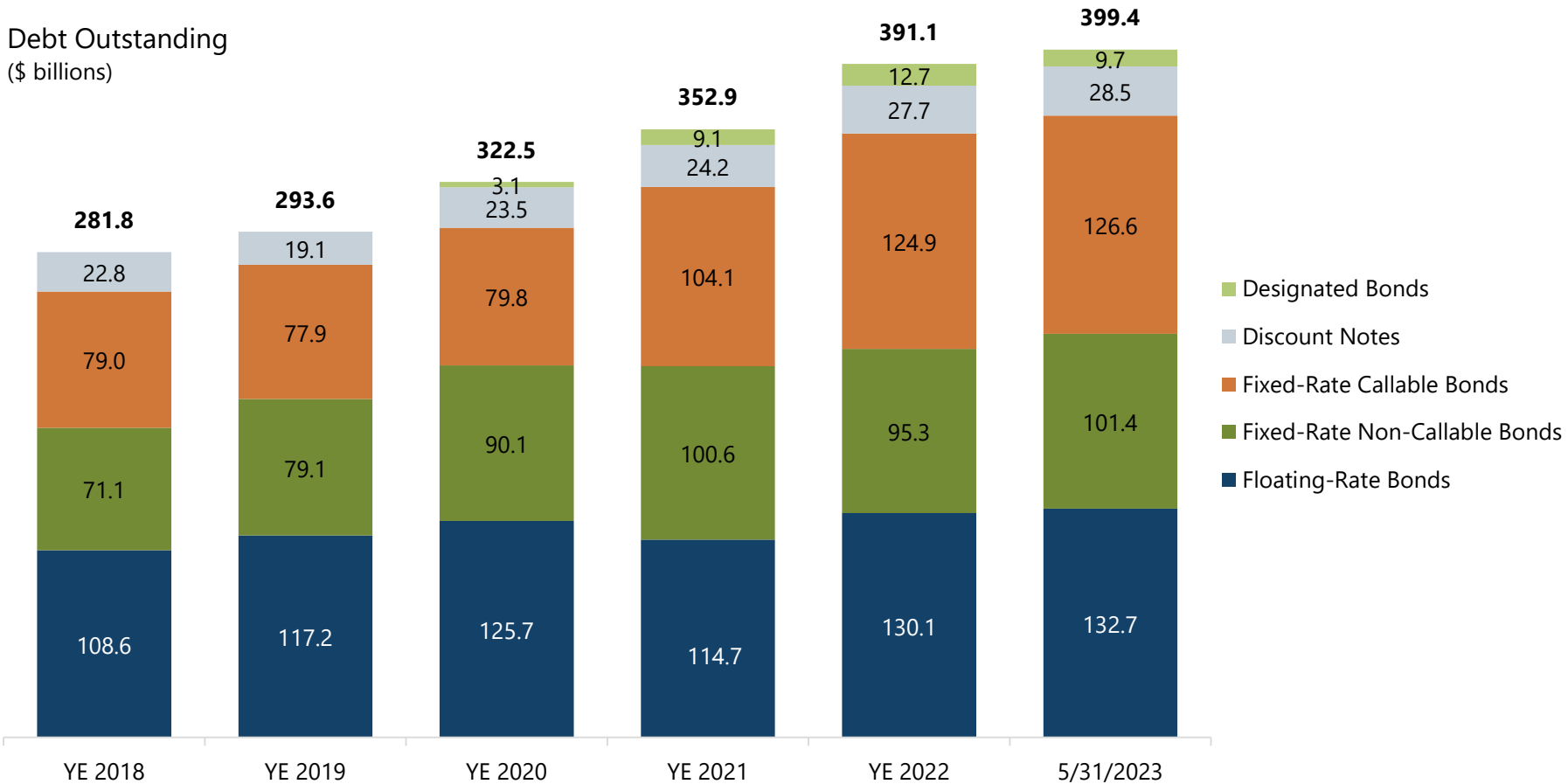


Debt Profile

Farm Credit System Debt Ratings¹

	FitchRatings	MOODY'S	S&P Global
Long-term	AAA	Aaa	AA+
Short-term	F1+	P-1	A-1+

Debt Outstanding (\$ billions)



Numbers may not sum due to rounding, and exclusion of Linked Deposit and Retail Bonds.

1. At May 31, 2023.



Debt Activity

(\$ millions)	Discount Notes	Designated Bonds	Fixed Rate Bonds		Floating Rate Bonds			Total
			Callable	Non-Callable	LIBOR	SOFR	Other Indexes	
Outstanding 12/31/2022	27,717	12,700	124,924	95,259	966	99,548	29,590	391,138
Gross Issuance	57,376	0	6,915	18,538	0	27,600	5,475	115,985
Maturities ¹	(56,569)	(3,000)	(3,250)	(12,382)	(85)	(17,524)	(9,020)	(101,888)
Calls ¹	-	-	(1,975)	-	-	(3,570)	-	(5,545)
Other ^{1,2}	-	-	-	(2)	-	(270)	-	(272)
Net Issuance ¹	807	(3,000)	1,690	6,155	(85)	6,236	(3,545)	8,280
Outstanding 5/31/2023	28,524	9,700	126,614	101,414	881	105,784	26,045	399,418

Numbers may not sum to total due to rounding, and exclusion of Linked Deposit and Retail Bonds.

1. YTD at May 31, 2023.
2. Includes Puts and Buybacks.



Discount Notes

Characteristics

- Flexible short-term investments.
- Mature in 365 days or less.

Issuance Program

- Sizes and maturities posted to the window at 4PM EST and priced the following morning. (FFCB <go>)
- Investor order-based program.
- Open to reverse inquiries.

Distribution

- Distributed through 10 Core and 9 LEAD² Dealers, available to entire Dealer Group with re-allowance.

Issuance Activity		
	2023 (YTD ¹)	2022
Total	\$57.4bn	\$239.2bn
Excluding overnight (O/N) maturities	\$41.5bn	\$101.5bn
WAM	61 days	39 days

Maturity (days)		
	2023 (YTD ¹)	2022
0 – 30	58%	73%
31 – 60	19%	13%
> 60	24%	14%
O/N	28%	58%

Core Dealers	LEAD ² Dealers
Barclays Capital Inc.	Academy Securities, Inc.
Citigroup Global Markets Inc.	Blaylock Van, LLC
Daiwa Capital Markets America Inc	CastleOak Securities, L.P.
First Horizon Bank	Loop Capital Markets LLC
J.P. Morgan Securities LLC	Mischler Financial Group, Inc.
Jefferies LLC	Multi-Bank Securities, Inc.
Mizuho Securities USA LLC	R. Seelaus & Co., LLC
Nomura Securities International Inc	Samuel A. Ramirez & Co., Inc.
TD Securities (USA) LLC	Siebert Williams Shank & Co., LLC
Wells Fargo Securities, LLC	

1. YTD at May 31, 2023.
 2. Leveraging Equality and Diversity dealers.



Floating Rate Bonds

Characteristics

- Typical maturities of two years and less.
- Largest GSE issuer of alternative indexes: Prime, T-Bills and Fed Funds.

Issuance Program

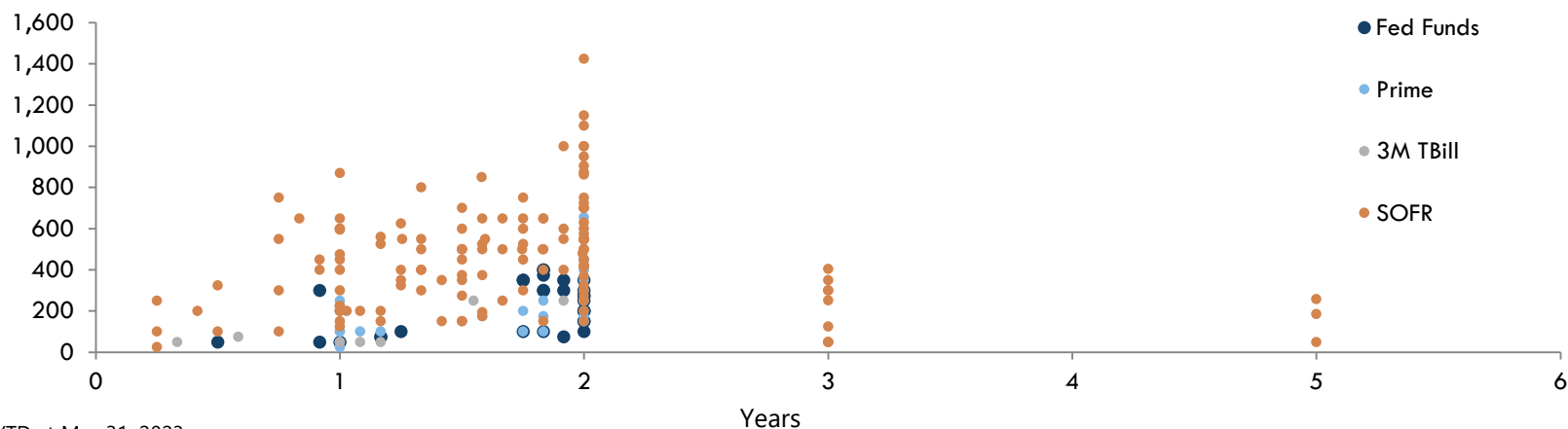
- Preliminary par amounts and structures are announced at 4PM EST for auction or posting the following business day. (FFCB <go>)
- Maturities of less than two years are typically auctioned.
- Maturities two years and beyond are typically posted.
- Issuance practices are responsive to market conditions.

Distribution

- Distributed through 34-member Dealer Group.

Issuance (June 1, 2022 – May 31, 2023)

(\$ millions)



1. YTD at May 31, 2023.

Issuance Activity ¹				
Total			Avg. Size	
\$33.1bn			\$375.9m	
Indexes (bn)	SOFR	T-Bills	Prime	Fed Funds
	\$27.6	\$0.7	\$1.8	\$3
Recent Issuance (April)				
Structure	Trade Date	Size (\$ MM)	Index	Coupon (Spread)
1.8-year	5/2/2023	300	Fed Funds	12.00
1Y NC 6M	5/4/2023	650	SOFR	7.00
3-year	5/8/2023	50	SOFR	24.00
6-month	5/12/2023	325	SOFR	3.25
1-year	5/12/2023	125	SOFR	5.00
1.9-year	5/18/2023	600	SOFR	14.00
2-year	5/18/2023	300	Prime	-302.00
1.5-year	5/23/2023	500	SOFR	14.00
2Y NC 18M	5/23/2023	832	SOFR	17.00
2-year	5/24/2023	300	Fed Funds	17.50



Fixed Rate Callable Bonds

Characteristics

- Typical maturities between one and ten years.
- Predominantly American call options, may include Bermudan and European.

Issuance Program

- Preliminary par amounts and structures are announced at 4PM EST for auction the following business day. (FFCB <go>)

Distribution

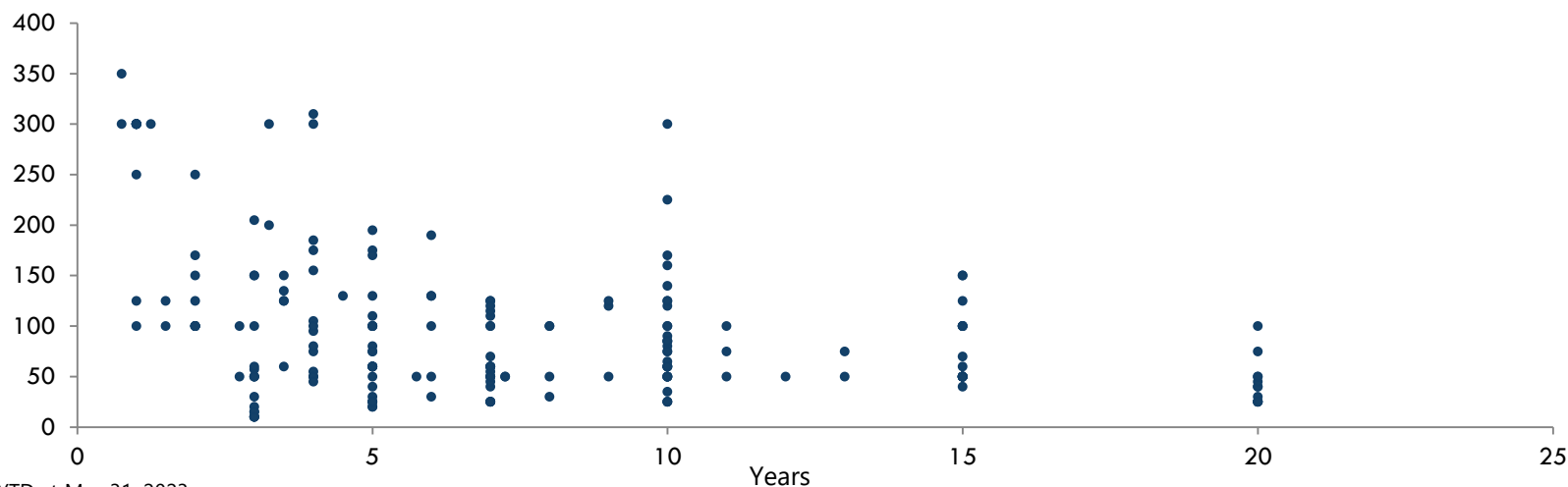
- Distributed through 34-member Dealer Group.

Issuance Activity ¹		
Total	Avg. Size	Total Redemptions
\$6.9bn	\$75.2m	\$1.48bn

Recent Issuance (April)			
Structure	Trade Date	Size (\$ MM)	Coupon (%)
5Y NC 1Y	5/3/2023	50	5.020
15Y NC 3Y	5/10/2023	50	5.180
2Y NC 3M	5/12/2023	100	5.280
3Y NC 3M	5/17/2023	100	5.360
15Y NC 3M	5/18/2023	100	6.230
3.5Y NC 3M	5/22/2023	75	5.540
5Y NC 2Y	5/23/2023	100	4.670
7Y NC 3M	5/24/2023	100	5.950
10Y NC 3Y	5/24/2023	100	5.120
20Y NC 1Y	5/24/2023	25	6.000

Issuance (June 1, 2022 – May 31, 2023)

(\$ millions)



1. YTD at May 31, 2023



Fixed Rate Non-Callable Bonds (Bullets)

Characteristics

- Offerings vary in size, structure and maturity.
- Typical maturities between one and five years.

Issuance Program

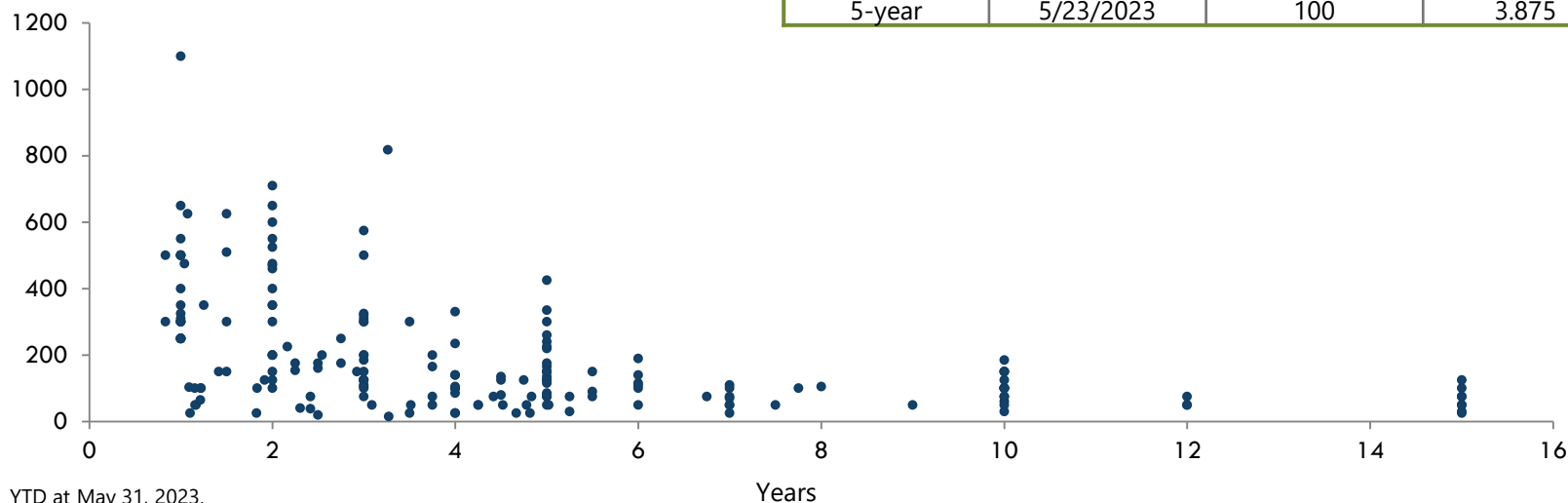
- Preliminary par amounts and structures are announced at 4PM EST for Dutch auction the following business day. (FFCB <go>)
- Outstanding issues may be re-opened based on Farm Credit Banks funding needs.

Distribution

- Distributed through 34-member Dealer Group.

Issuance (June 1, 2022 - May 31, 2023)

(\$ millions)



1. YTD at May 31, 2023.

Issuance Activity ¹	
Total	Avg. Size
\$18.5bn	\$174.9m

Recent Issuance (April)			
Structure	Trade Date	Size (\$ MM)	Coupon (%)
2-year	5/3/2023	100	4.000
6-year	5/4/2023	50	3.625
4-year	5/5/2023	140	3.625
2.25-year	5/12/2023	154	4.000
7-year	5/17/2023	25	3.875
3.5-year	5/18/2023	25	3.875
5.25-year	5/18/2023	75	3.750
3-year	5/19/2023	105	4.000
2.75-year	5/23/2023	175	4.125
5-year	5/23/2023	100	3.875



Designated Bonds

Characteristics

- Benchmark-size issuance.
- Fixed rate, non-callable bonds.
- Typical maturities between two and five years.

Issuance Program

- Offered through a syndicate of dealers.
- Issued as needed.

Activity ¹						
Total					Avg. Size	
\$3.7bn					\$1.23bn	
Issuance (bn)	Coupon (%)	Term	Issue Date	Maturity Date	Managers	Co-Managers
\$1.7	4.500	2-yr	11/18/2022	11/18/2024	<ul style="list-style-type: none"> • Daiwa Capital Markets America Inc. • Wells Fargo Securities, LLC 	<ul style="list-style-type: none"> • Academy Securities, Inc. • Loop Capital Markets LLC
\$1.0	4.250	2-yr	9/26/2022	9/26/2024	<ul style="list-style-type: none"> • Morgan Stanley & Co., LLC • Nomura Securities International Inc. 	<ul style="list-style-type: none"> • Academy Securities, Inc. • CastleOak Securities, L.P.
\$1.0	3.375	2-yr	8/26/2022	8/26/2024	<ul style="list-style-type: none"> • TD Securities (USA) LLC • Wells Fargo Securities, LLC 	<ul style="list-style-type: none"> • Loop Capital Markets LLC • Multi-Bank Securities, Inc.

1. June 1, 2022 – May 31, 2023.



A stylized graphic of a green leaf with white veins, positioned on the left side of the slide. The leaf is composed of several rounded, overlapping segments that radiate from a central point.

Farm Credit In Your Community



HEALTHCARE

Partner with programs that improve the **MENTAL HEALTH** and **WELL-BEING** of rural residents



CORPORATE GIVING

GENEROUS donations, **DISASTER RELIEF**, **VOLUNTEER** work and fundraising efforts each year



VETERANS

Support **HOMEGROWN BY HEROES** and programs that assist **U.S. Veterans** interested in agricultural careers



FOOD SYSTEMS

Foster the creation and maintenance of **LOCAL FOOD BANKS** nationwide and partner with social ventures that **BREAK the CYCLE** of hunger and poverty



SCHOLARSHIPS

Champion the **NEXT GENERATION** of rural community and agriculture business **LEADERS**



YBS PROGRAM

Support the success of **YOUNG**, **BEGINNING** and **SMALL** producers



PATRONAGE

Distributed **\$3.0bn** to **602,000 OWNER BORROWERS** in 2022



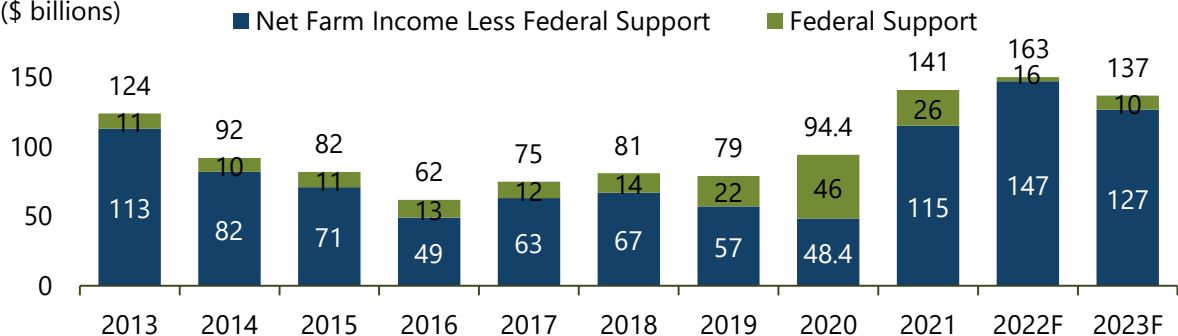


Appendix

Appendix - Farm Sector Finances

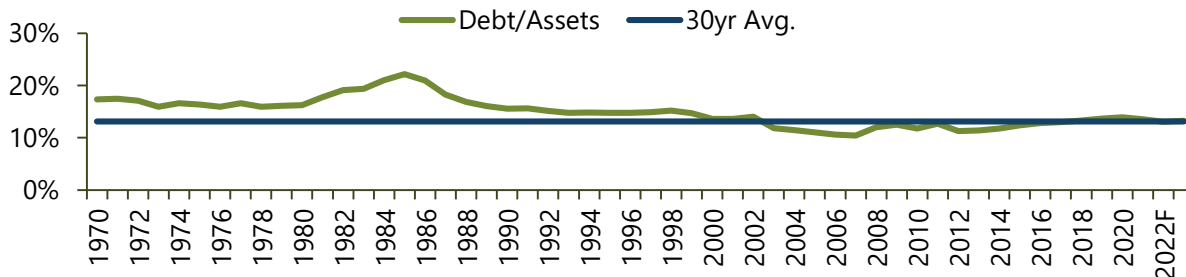
Net Farm Income

(\$ billions)

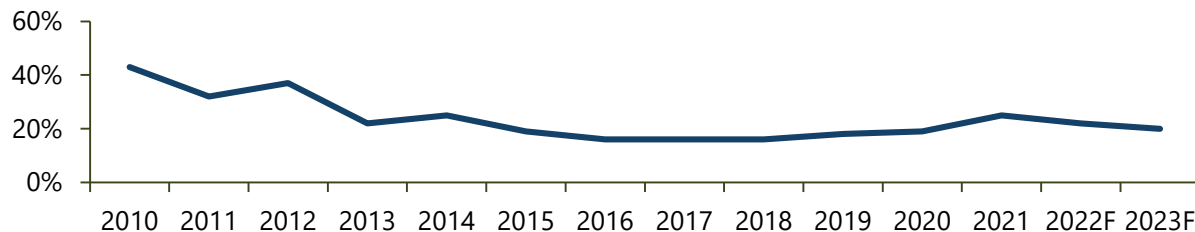


- Farmer's Net Farm Income is forecasted to decrease ~16% in 2023 after two years of strong growth, primarily due to lower receipts in commodities across the board.
- Debt-to-Asset ratio remains near the long term average. Expected to decrease slightly from 2022.

Debt-to-Asset Ratio



Working Capital to Gross Revenues Ratio



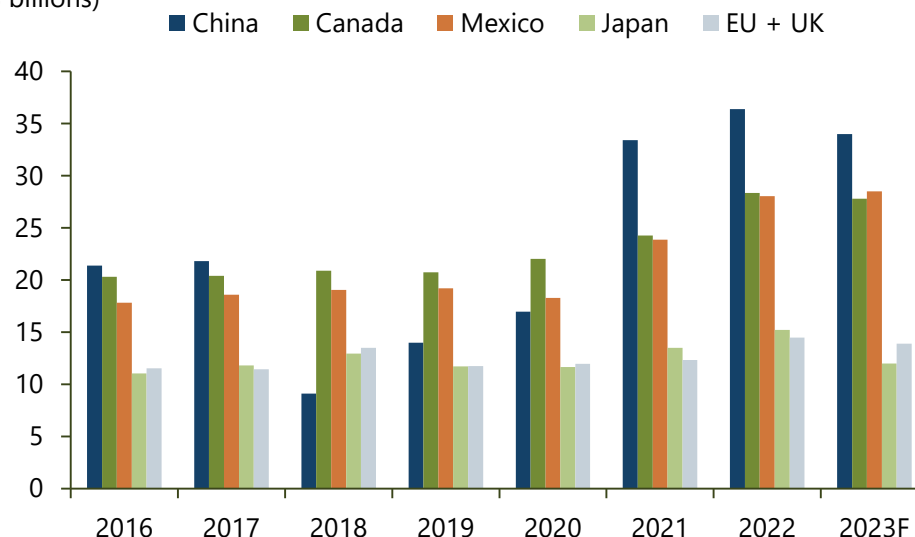
Source: USDA Economic Research Service - U.S. Farm Income and Wealth Statistics; Feb. 2023.

Appendix – Agricultural Trade

- Approximately 20%¹ of the total volume of U.S. agricultural production is exported.
- Ag trade balance is forecasted to remain negative in 2023, driven by lower exports across the board. The largest decreases in exports are projected for grain, feed, livestock, and dairy.

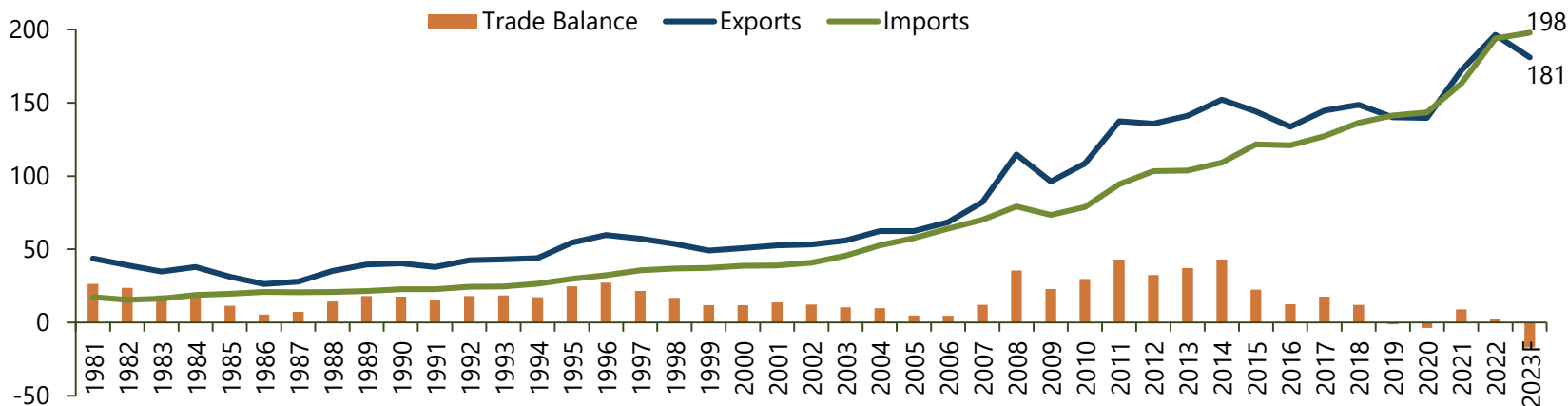
U.S. Agriculture Export Destinations

(\$ billions)



Ag. Trade Balance

(\$ billions)



Source: USDA Outlook for U.S. Agricultural Trade; May 2023

1. U.S. exports 70% of cotton, 70% of tree nuts, 50% of wheat, 50% of rice and 50% of soybeans.

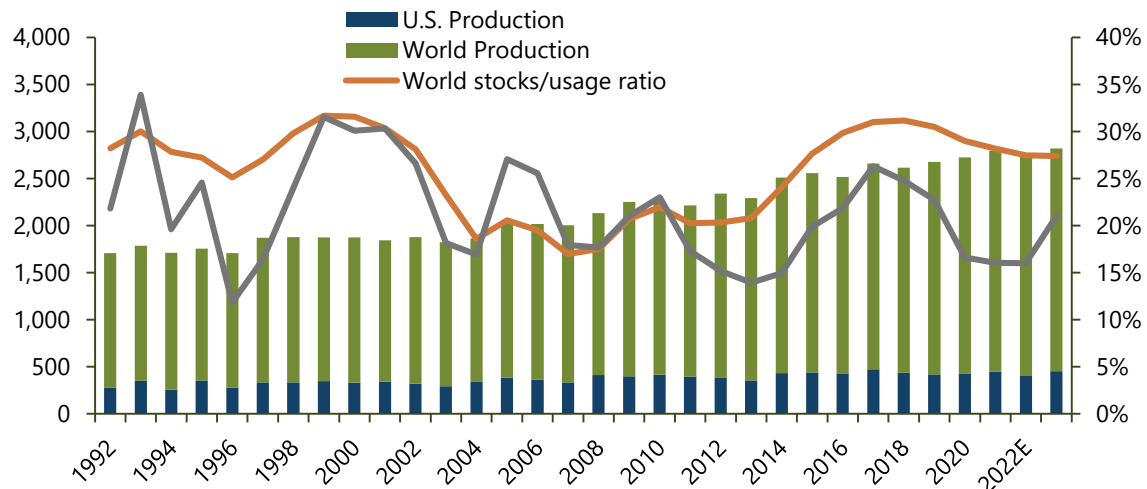


Appendix - Commodities

- Small reductions in projected domestic use of corn and soybeans increased ending stocks for both grains for 2023/23, slightly increasing their stocks-to-use ratios.
- Corn and soybean prices are expected to fall, largely due to forecasted robust production that domestic and export demand cannot keep up with. U.S. wheat is expecting slightly reduced supply, thus the cost is not forecasted to fall as much.

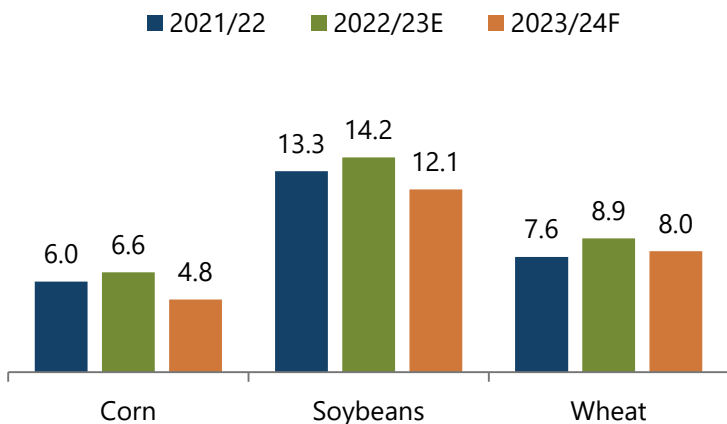
Grain Production and Use

(Metric tons millions)



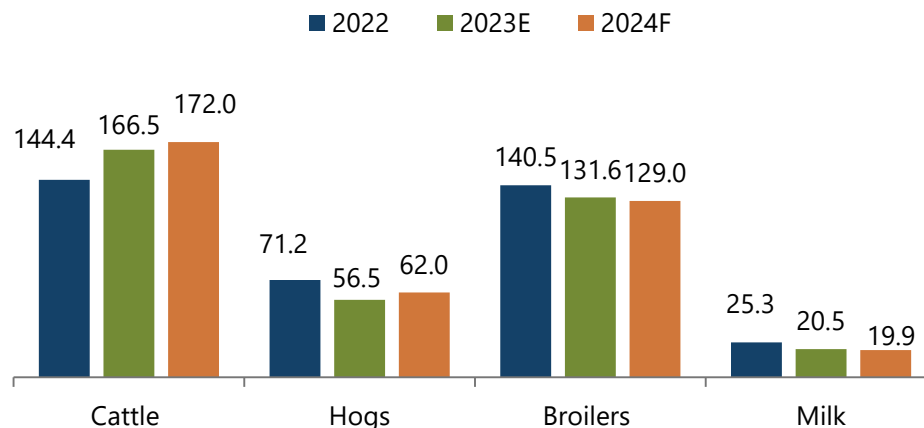
Grain Prices

(\$ per bushel)



Protein Prices

(Cattle, Hogs and Milk in \$ per cwt; Broilers in cents per lb)



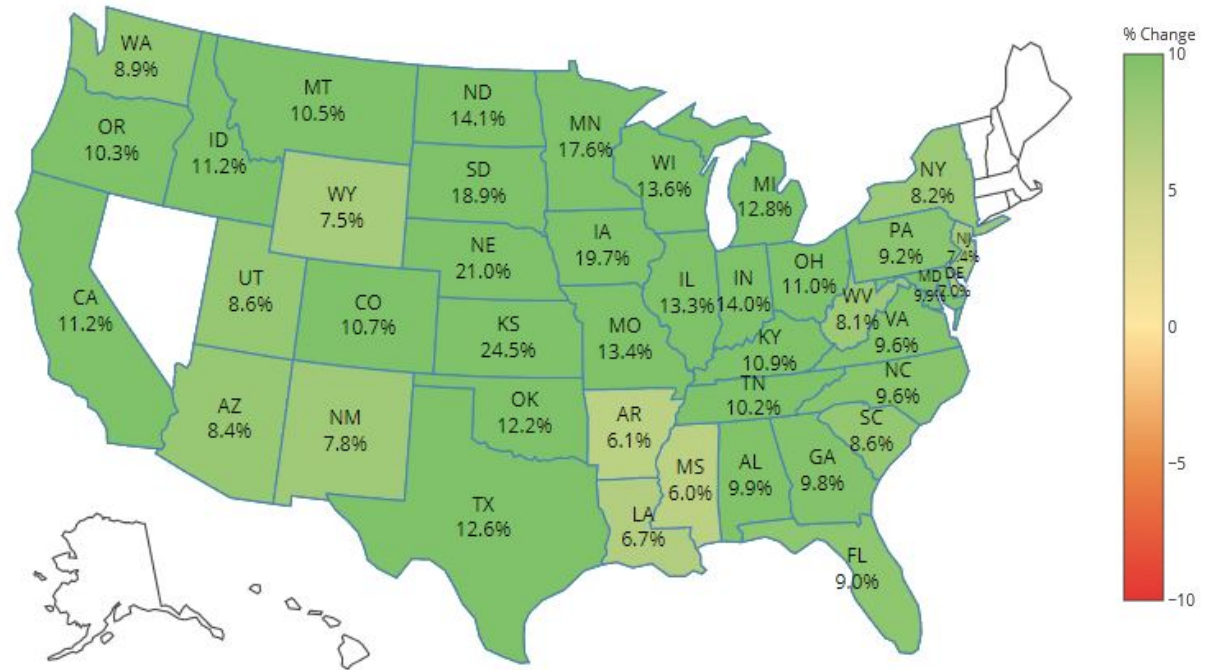
Sources: Prices- USDA National Agricultural Statistics Service; Production and Use - USDA World Agricultural Supply and Demand Estimates (May 2023)



Appendix - Real Estate

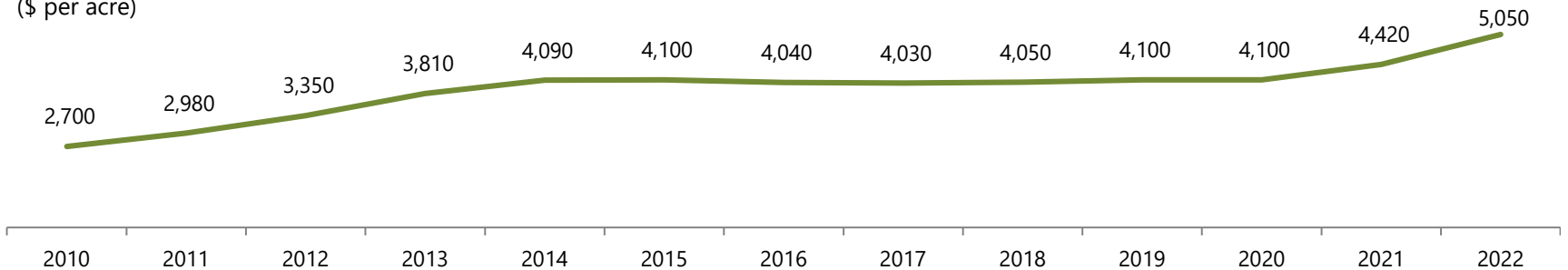
Change in Cropland Value (2021/2022)

- Cropland values vary widely across the U.S.
- Farm Credit generally uses benchmarking to evaluate loans (not sale price).
- Cropland values have increased across the board (2022 vs. 2021) predicated on an increase in commodity prices, low interest rates on farm loans and further improvement in financing conditions.



Average U.S. Cropland Value

(\$ per acre)



Source: USDA National Agricultural Statistics Service; Aug. 5, 2022.



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