Quarterly Report
March 31, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following commentary reviews the consolidated financial condition and consolidated results of operations of Farm Credit Mid-America, ACA and its subsidiaries, Farm Credit Mid-America, FLCA and Farm Credit Mid-America, PCA. This discussion should be read in conjunction with both the unaudited consolidated financial information and related notes included in this Quarterly Report as well as Management's Discussion and Analysis included in our Annual Report for the year ended December 31, 2019 (2019 Annual Report).

Due to the nature of our financial relationship with AgriBank, FCB (AgriBank), the financial condition and results of operations of AgriBank materially impact our members' investment. To request free copies of AgriBank financial reports or additional copies of our report, contact us at:

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FORWARD-LOOKING INFORMATION

Any forward-looking statements in this Quarterly Report are based on current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from expectations due to a number of risks and uncertainties. More information about these risks and uncertainties is contained in our 2019 Annual Report. We undertake no duty to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

AGRICULTURAL AND ECONOMIC CONDITIONS

The United States Department of Agriculture (USDA) forecasts net farm income, a broad measure of profits, to increase $3.1 billion (3.3%) to $96.7 billion in 2020. In inflation-adjusted 2020 dollars, net farm income is forecast to increase $1.4 billion (1.4%) from 2019. Farm sector equity is forecast up by $29.8 billion (1.1%) in nominal terms to $2.7 trillion in 2020. Farm assets are forecast to increase by $39.5 billion (1.3%) to $3.1 trillion in 2020, reflecting an anticipated 1.4% rise in farm sector real estate value. Source: "Highlights From the February 2020 Farm Income Forecast", USDA Economic Research Service (ERS).

On March 11, 2020, the World Health Organization (WHO) declared the coronavirus or COVID-19 a global pandemic. Consumer consumption patterns have changed dramatically with stay-at-home orders enacted in nearly every state, and many agricultural markets are facing pressure from outside markets. Additionally, the U.S. agricultural industry is facing stress from labor shortages and COVID-19 outbreaks at food processing plants, while exports could be challenged by logistics and the volatility of the U.S. dollar. For row crops, corn is experiencing the most pressure from the COVID-19 outbreak. Roughly forty percent of U.S. corn production is processed into ethanol and distiller's dried grain with soluables, the feed byproduct of ethanol production. The lockdown has rapidly reduced automobile traffic and fuel consumption and, in turn, ethanol and corn demand. The drop in fuel demand has resulted in reduced ethanol plant runtimes and plant shutdowns, which have pressured corn prices lower and reduced basis levels in the Corn Belt. Demand for soybeans remains highly questionable. The phase one trade deal between the U.S. and China would theoretically have been very supportive for U.S. soybeans, but the COVID-19 outbreak and reduced Chinese hog herd due to African Swine Fever have called into question if China will reach committed levels.

The livestock and animal agricultural sectors have more rapidly experienced the effects of shifts in consumer food spending. Dine-in restaurant sales have declined nearly 100 percent, while drive-thru only sales at many fast food restaurants have reduced that segment's sales significantly as well. Most animal protein and dairy prices have declined considerably in March and early April as food supply chains rapidly shift away from food service consumption to a high share of grocery store food purchases.

To assist with deteriorating agricultural conditions, nearly $24 billion of aid has already been approved via federal stimulus packages and more aid could be on the way in the future if poor conditions persist; however, at this point, the timing, the level of aid, and the distribution to various agriculture commodities is unknown. Because of all these factors, the outlooks for many commodities have been downgraded on the assumption of unknown government assistance at a level that will likely only partially mitigate losses relative to COVID-19.

In recent years, producers have been adjusting to the normalization of crop prices near the long-run price trends. Optimal input usage, adoption of cost-saving technologies, and effective utilization of hedging and other price risk management strategies are all critical in yielding positive net income for producers. Those who have been most effectively able to realize cost and marketing efficiencies are most likely to weather the current economic environment, but many may still require flexibility from lenders through payment deferrals and other measures to preserve working capital.

LOAN PORTFOLIO

Loan Portfolio

Total loans were $23.8 billion at March 31, 2020, an increase of $300.6 million from December 31, 2019. The increase was primarily due to increased activity related to real estate mortgage and agribusiness loans offset by decreased volume related to production and intermediate-term loans.

Portfolio Credit Quality

The credit quality of our portfolio improved from December 31, 2019. Adversely classified loans decreased to 3.3% of the portfolio at March 31, 2020, from 3.5% of the portfolio at December 31, 2019. The improvement is attributable to reasonably strong 2019 farm earnings and a good overall general economy. While overall credit quality remains strong, the impact of the global pandemic disruption to many agriculture industries, and with commodity prices expected to remain at relatively low levels, grower margins will likely be negatively impacted in 2020. These conditions may result in increases to adverse credit quality and related provision for credit losses. Adversely classified loans are loans we have identified as showing some credit weakness outside our credit standards. We have considered portfolio credit quality in assessing the reasonableness of our allowance for loan losses.

Risk Assets

Components of Risk Assets

(dollars in thousands) **As of:**	**March 31, 2020**	December 31, 2019
Loans:		
Non-accrual	**$ 234,792**	$ 265,116
Accruing restructured	**18,137**	19,057
Accruing loans 90 days or more past due	**45,938**	34,213
Total risk loans	**298,867**	318,386
Other property owned	**3,930**	3,514
Total risk assets	**$ 302,797**	$ 321,900
Total risk loans as a percentage of total loans	**1.2%**	1.3%
Non-accrual loans as a percentage of total loans	**1.0%**	1.1%
Current non-accrual loans as a percentage of total non-accrual loans	**66.2%**	67.7%
Total delinquencies as a percentage of total loans	**1.3%**	1.0%

Note: Accruing loans include accrued interest receivable.

Our risk assets have decreased from December 31, 2019, and have remained at acceptable levels. Total risk loans as a percentage of total loans were well within our established risk management parameters.

The decrease in non-accrual loans was primarily due to continued focus on proactively addressing financially challenged accounts leading to timely resolutions. Non-accrual loans remained at an acceptable level at March 31, 2020, and December 31, 2019.

The increase in accruing loans 90 days or more past due and total delinquencies as a percentage of total loans was primarily due to both the additional delinquencies in USDA guaranteed assets, for which we expect full payment, and the increasing stress coming from the COVID-19 outbreak. We have implemented numerous servicing authorities and actions aimed at providing options to customers impacted by the outbreak. Our accounting policy requires loans past due 90 days or more to be transferred into non-accrual status unless adequately secured and a plan is in place to collect past due amounts. Based on our analysis, accruing loans 90 days or more past due were eligible to remain in accruing status.

Other property owned remains at acceptable levels with limited additions over the last 12 months.

We have implemented a borrower relief program related to the COVID-19 global pandemic. The program is generally for borrowers with acceptable credit quality and who have experienced COVID-19 related financial difficulty. The relief comes in a variety of ways, but most predominantly payment deferral for up to 90 days and maturity extensions up to 90 days. To date, there have not been significant actions taken under this program. However, our program may continue to evolve and is dependent on the prolonged nature of the economic disruption. Lastly, we continue to work with each borrower on a case-by-case basis, which may involve loan restructurings outside the COVID-19 relief program.

Allowance for Loan Losses

The allowance for loan losses is an estimate of losses on loans inherent in our portfolio as of the financial statement date. We determine the appropriate level of allowance for loan losses based on periodic evaluation of factors such as loan loss history, estimated probability of default, estimated loss severity, portfolio quality, and current economic and environmental conditions.

Allowance Coverage Ratios

As of:	March 31, 2020	December 31, 2019
Allowance as a percentage of:		
Loans	**0.3%**	0.3%
Non-accrual loans	**33.1%**	29.0%
Total risk loans	**26.0%**	24.2%

In our opinion, the allowance for loan losses was reasonable in relation to the risk in our loan portfolio at March 31, 2020.

RESULTS OF OPERATIONS

Profitability Information

(dollars in thousands)

For the three months ended March 31,	2020	2019
Net income	**$ 99,105**	$ 94,610
Return on average assets	**1.59%**	1.61%
Return on average members' equity	**7.97%**	7.97%

Changes presented in the chart above relate directly to:

- Changes in income discussed in this section
- Changes in assets discussed in the Loan Portfolio section
- Changes in capital discussed in the Funding, Liquidity, and Capital section

Changes in Significant Components of Net Income

(in thousands)

For the three months ended March 31,	2020	2019	Increase (decrease) in net income
Net interest income	**$ 132,217**	$ 126,607	**$ 5,610**
Provision for credit losses	**4,554**	1,752	**(2,802)**
Non-interest income	**43,992**	29,946	**14,046**
Non-interest expense	**69,373**	58,174	**(11,199)**
Provision for income taxes	**3,177**	2,017	**(1,160)**
Net income	**$ 99,105**	$ 94,610	**$ 4,495**

Net Interest Income

Changes in Net Interest Income

(in thousands)

For the three months ended March 31,	2020 vs 2019
Changes in volume	**$ 8,355**
Changes in interest rates	**(2,634)**
Changes in non-accrual income and other	**(111)**
Net change	**$ 5,610**

Provision for Credit Losses

The change in provision for credit losses was related to increased general reserves as a result of increased loan volume and reduced specific reserves on loans during the first quarter of 2019.

Non-Interest Income

The change in non-interest income was primarily due to increased patronage income and fee income.

Patronage Income: We may receive patronage from AgriBank and other Farm Credit Institutions. Patronage distributions from AgriBank and other Farm Credit Institutions are declared solely at the discretion of each institution’s Board of Directors.

Patronage Income

(in thousands) **For the three months ended March 31,**		**2020**		2019
Wholesale patronage	**$**	**25,146**	$	15,543
Pool program patronage		**878**		1,232
AgDirect partnership distribution		**1,547**		1,228
Other Farm Credit Institution patronage		**--**		318
Total patronage income	**$**	**27,571**	$	18,321
Form of patronage distributions:				
Cash	**$**	**27,571**	$	18,321
Stock		**--**		--
Total patronage income	**$**	**27,571**	$	18,321

The increase in patronage income was primarily due to an increase in wholesale patronage, which is largely a result of a higher patronage rate for the first three months of 2020 compared to the same period of 2019.

Fee Income: The increase in fee income was primarily due to more loan conversion opportunities in this low rate environment.

Non-Interest Expense

The change in non-interest expense was primarily related to the increase in salaries and employee benefits related to increased staffing levels and operating expenses due to association initiatives.

Provision for Income Taxes

The change in provision for income taxes was primarily related to higher income for our taxable entity.

FUNDING, LIQUIDITY, AND CAPITAL

We borrow from AgriBank, under a note payable, in the form of a line of credit. Our note payable is scheduled to mature on April 30, 2022. The note payable will be renegotiated no later than the maturity date. The repricing attributes of our line of credit generally correspond to the repricing attributes of our loan portfolio, which significantly reduces our market interest rate risk. Due to the cooperative structure of the Farm Credit System and as we are a stockholder of AgriBank, we expect this borrowing relationship to continue into the foreseeable future. Our other source of lendable funds is from equity. During recent market volatility and access, certain adjustments to the cost of our funding of intermediate and longer term loans was negatively impacted. We expect as market volatility and access stabilizes, cost of funding adjustments will no longer be necessary.

The components of cost of funds associated with our note payable include:

- A marginal cost of debt component
- A spread component, which includes cost of servicing, cost of liquidity, and bank profit
- A risk premium component, if applicable

We were not subject to a risk premium at March 31, 2020, or December 31, 2019.

Total members' equity increased $47.7 million from December 31, 2019, primarily due to net income for the period and an increase in capital stock and participation certificates, partially offset by patronage distribution accruals**.** The change in accumulated other comprehensive loss is the amortization impact of prior service cost and unamortized gain/loss related to the Pension Restoration Plan. Refer to Note 10 in our 2019 Annual Report for more information on the Pension Restoration Plan.

The Farm Credit Administration (FCA) Regulations require us to maintain minimums for our common equity tier 1, tier 1 capital, total capital, and permanent capital risk-based capital ratios. In addition, the FCA requires us to maintain minimums for our non-risk-adjusted ratios of tier 1 leverage and unallocated retained earnings and equivalents leverage. Refer to Note 8 in our 2019 Annual Report for a more complete description of these ratios.

Regulatory Capital Requirements and Ratios

As of:	March 31, 2020	December 31, 2019	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:					
Common equity tier 1 ratio	**20.0%**	20.8%	4.5%	2.5%	7.0%
Tier 1 capital ratio	**20.0%**	20.8%	6.0%	2.5%	8.5%
Total capital ratio	**20.4%**	21.2%	8.0%	2.5%	10.5%
Permanent capital ratio	**20.1%**	20.9%	7.0%	N/A	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	**18.3%**	19.1%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	**18.5%**	19.3%	1.5%	N/A	1.5%

Capital ratios are directly impacted by the changes in capital, as more fully explained in this section, the changes in assets, as discussed in the Loan Portfolio section, and off-balance sheet commitments.

OTHER MATTERS

Relationships with Other Farm Credit Institutions

SunStream Business Services: SunStream Business Services (SunStream) was previously a division of AgriBank. Effective April 1, 2020, SunStream is a System service corporation and we will be a partial owner and continue to purchase services from SunStream. We purchase various services from SunStream, which include financial and retail systems, tax reporting services, technology services, and insurance services. As of April 1, 2020, our investment in SunStream was $5.6 million. The entire investment was called on April 1, 2020, at which time $3.1 million was paid in cash and the remainder is due in January 2021.

COVID-19

The spread of COVID-19 has created a global public-health crisis that has stifled the world-wide economy, decreased liquidity in fixed income and equity markets, significantly increased unemployment levels and disrupted global supply and demand chains. Unprecedented actions are being taken by governments, businesses and individuals to slow or contain the spread of COVID-19, including quarantines, stay-at-home orders, school closings and travel bans that have substantially restricted daily activities and forced many businesses to curtail or cease operations. The impact of COVID-19 on companies is evolving rapidly and its future effects are uncertain.

The extent to which the COVID-19 pandemic impacts the Association will depend on future developments that are highly uncertain and cannot be predicted such as the duration, extent and severity of the pandemic, the continued response by the U.S. government and how quickly “normal” daily activities resume.

Despite volatility and uncertainty in the market, we have weathered the significant initial challenges presented by current operating environment and operations of our Association are fully functioning. Our business continuity response has allowed us to continue to serve our mission and the remote work environment has allowed us to continue to maintain the health of our employees and operate without loss of key functions due to illness. We have not had any significant changes to internal controls over financial reporting due to working remotely or due to limited staff.

This outbreak puts the economy and agriculture sector in uncharted territory. The overall impact of COVID-19 on U.S. agriculture will depend on the severity and duration of the outbreak, including a potential reoccurrence later in the year. Overall, agriculture will adjust, providing an “essential service” to the U.S. and global consumer.

CERTIFICATION

The undersigned have reviewed the March 31, 2020, Quarterly Report of Farm Credit Mid-America, ACA, which has been prepared under the oversight of the Audit Committee and in accordance with all applicable statutory or regulatory requirements. The information contained herein is true, accurate, and complete to the best of our knowledge and belief.

Andrew Wilson
Chair of the Board
Farm Credit Mid-America, ACA

William L. Johnson
President and Chief Executive Officer
Farm Credit Mid-America, ACA

Steve Zagar
Senior Vice President and Chief Financial Officer
Farm Credit Mid-America, ACA

May 8, 2020

CONSOLIDATED STATEMENTS OF CONDITION

Farm Credit Mid-America, ACA
(in thousands)
(Unaudited)

As of:	March 31, 2020	December 31, 2019
ASSETS		
Loans	**$ 23,784,320**	$ 23,483,766
Allowance for loan losses	**77,618**	76,898
Net loans	**23,706,702**	23,406,868
Investment in AgriBank, FCB	**524,865**	517,435
Investment securities	**508,934**	476,728
Accrued interest receivable	**194,996**	207,924
Assets held for lease, net	**87,235**	95,017
Other assets	**310,131**	299,311
Total assets	**$ 25,332,863**	$ 25,003,283
LIABILITIES		
Note payable to AgriBank, FCB	**$ 20,050,522**	$ 19,634,081
Accrued interest payable	**127,022**	128,990
Deferred tax liabilities, net	**16,165**	17,974
Patronage distribution payable	**53,865**	186,600
Other liabilities	**95,058**	93,080
Total liabilities	**20,342,632**	20,060,725
Contingencies and commitments (Note 5)		
MEMBERS' EQUITY		
Capital stock and participation certificates	**74,873**	74,791
Unallocated surplus	**4,916,319**	4,868,756
Accumulated other comprehensive loss	**(961)**	(989)
Total members' equity	**4,990,231**	4,942,558
Total liabilities and members' equity	**$ 25,332,863**	$ 25,003,283

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Farm Credit Mid-America, ACA
(in thousands)
(Unaudited)

	Three Months Ended	
For the period ended March 31,	**2020**	2019
Interest income	**$ 259,266**	$ 255,483
Interest expense	**127,049**	128,876
Net interest income	**132,217**	126,607
Provision for credit losses	**4,554**	1,752
Net interest income after provision for credit losses	**127,663**	124,855
Non-interest income		
Patronage income	**27,571**	18,321
Financially related services income	**682**	521
Fee income	**9,737**	5,821
Operating lease income	**1,348**	1,056
Other property owned losses, net	**(239)**	(988)
Allocated Insurance Reserve Accounts distribution	**4,631**	4,922
Other non-interest income	**262**	293
Total non-interest income	**43,992**	29,946
Non-interest expense		
Salaries and employee benefits	**41,828**	36,762
Other operating expense	**27,230**	21,410
Other non-interest expense	**315**	2
Total non-interest expense	**69,373**	58,174
Income before income taxes	**102,282**	96,627
Provision for income taxes	**3,177**	2,017
Net income	**$ 99,105**	$ 94,610
Other comprehensive income		
Employee benefit plans activity	**$ 28**	$ 25
Total other comprehensive income	**28**	25
Comprehensive income	**$ 99,133**	$ 94,635

The accompanying notes are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Farm Credit Mid-America, ACA
(in thousands)
(Unaudited)

	Capital Stock and Participation Certificates	Unallocated Surplus	Accumulated Other Comprehensive Loss	Total Members' Equity
Balance at December 31, 2018	$ 78,260	$ 4,630,441	$ (898)	$ 4,707,803
Net income	--	94,610	--	94,610
Other comprehensive income	--	--	25	25
Unallocated surplus designated for patronage distributions	--	(32,542)	--	(32,542)
Cumulative effect of change in accounting principle	--	(8)	--	(8)
Capital stock and participation certificates issued	799	--	--	799
Capital stock and participation certificates retired	(1,497)	--	--	(1,497)
Balance at March 31, 2019	$ 77,562	$ 4,692,501	$ (873)	$ 4,769,190
Balance at December 31, 2019	$ 74,791	$ 4,868,756	$ (989)	$ 4,942,558
Net income	**--**	**99,105**	**--**	**99,105**
Other comprehensive income	**--**	**--**	**28**	**28**
Unallocated surplus designated for patronage distributions	**--**	**(51,542)**	**--**	**(51,542)**
Capital stock and participation certificates issued	**1,631**	**--**	**--**	**1,631**
Capital stock and participation certificates retired	**(1,549)**	**--**	**--**	**(1,549)**
Balance at March 31, 2020	**$ 74,873**	**$ 4,916,319**	**$ (961)**	**$ 4,990,231**

The accompanying notes are an integral part of these Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements contain all adjustments necessary for a fair presentation of the interim Consolidated Statements of Condition and Consolidated Statements of Comprehensive Income. Our accounting and reporting policies conform to accounting principles generally accepted in the United States of America (GAAP) and the prevailing practices within the financial services industry. This interim Quarterly Report is prepared based upon statutory and regulatory requirements and in accordance with GAAP. However, certain disclosures required by GAAP are omitted. The results of the three months ended March 31, 2020, are not necessarily indicative of the results to be expected for the year ending December 31, 2020. The interim financial statements and the related notes in this Quarterly Report should be read in conjunction with the Consolidated Financial Statements and related notes included in our Annual Report for the year ended December 31, 2019 (2019 Annual Report).

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

The Consolidated Financial Statements present the consolidated financial results of Farm Credit Mid-America, ACA and its subsidiaries Farm Credit Mid-America, FLCA and Farm Credit Mid-America, PCA. All material intercompany transactions and balances have been eliminated in consolidation.

Recently Issued or Adopted Accounting Pronouncements

We have assessed the potential impact of accounting standards that have been issued by the Financial Accounting Standards Board (FASB) and have determined the following standards to be applicable to our business. While we are a nonpublic entity, our financial results are closely related to the performance of the combined Farm Credit System. Therefore, we typically adopt accounting pronouncements in alignment with other System institutions.

Standard and effective date	Description	Adoption status and financial statement impact
In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13 "Financial Instruments - Credit Losses." The guidance was originally effective for non-U.S. Securities Exchange Commission filers for our first quarter of 2021. In November 2019, the FASB issued ASU 2019-10 which amends the mandatory effective date for this guidance for certain institutions. We have determined we qualify for the deferral of the mandatory effective date. As a result of the change, the standard is effective for our first quarter of 2023 and early adoption is permitted.	The guidance replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Credit losses relating to available-for-sale securities would also be recorded through an allowance for credit losses.	We are evaluating the deferral and have not yet determined if we will early adopt the standard. We have reviewed the accounting standard, selected and completed development and testing of our system, and are in the process of drafting disclosures. Implementation matters yet to be addressed include drafting of accounting policies and designing processes and controls. We are currently unable to estimate the impact on our financial statements.

NOTE 2: LOANS AND ALLOWANCE FOR LOAN LOSSES

Loans by Type

(dollars in thousands)

As of:	**March 31, 2020**		December 31, 2019	
	Amount	%	Amount	%
Real estate mortgage	**$ 15,155,921**	**63.7%**	$ 14,927,079	63.6%
Production and intermediate-term	**3,920,490**	**16.5%**	4,071,670	17.3%
Agribusiness	**2,346,780**	**9.9%**	2,088,621	8.9%
Rural residential real estate	**933,308**	**3.9%**	919,607	3.9%
Finance leases and other	**1,427,821**	**6.0%**	1,476,789	6.3%
Total	**$ 23,784,320**	**100.0%**	$ 23,483,766	100.0%

The finance leases and other category is primarily composed of certain assets originated under the mission related investment authority and rural infrastructure related loans, as well as lease receivables.

Delinquency

Aging Analysis of Loans

(in thousands) **As of March 31, 2020**	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	Accruing Loans 90 Days or More Past Due
Real estate mortgage	**$ 61,653**	**$ 33,348**	**$ 95,001**	**$ 15,179,602**	**$ 15,274,603**	**$ 73**
Production and intermediate-term	**26,718**	**20,850**	**47,568**	**3,924,366**	**3,971,934**	**438**
Agribusiness	**1,538**	**79**	**1,617**	**2,354,847**	**2,356,464**	**--**
Rural residential real estate	**48,605**	**2,765**	**51,370**	**884,884**	**936,254**	**--**
Finance leases and other	**71,876**	**45,617**	**117,493**	**1,318,356**	**1,435,849**	**45,427**
Total	**$ 210,390**	**$ 102,659**	**$ 313,049**	**$ 23,662,055**	**$ 23,975,104**	**$ 45,938**

As of December 31, 2019	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	Accruing Loans 90 Days or More Past Due
Real estate mortgage	$ 45,496	$ 33,638	$ 79,134	$ 14,978,614	$ 15,057,748	$ 267
Production and intermediate-term	14,506	22,033	36,539	4,086,963	4,123,502	77
Agribusiness	333	1,413	1,746	2,097,148	2,098,894	--
Rural residential real estate	34,827	2,783	37,610	884,854	922,464	--
Finance leases and other	56,170	34,058	90,228	1,394,672	1,484,900	33,869
Total	$ 151,332	$ 93,925	$ 245,257	$ 23,442,251	$ 23,687,508	$ 34,213

Note: Accruing loans include accrued interest receivable.

Risk Loans

Risk loans are loans for which it is probable that all principal and interest will not be collected according to the contractual terms.

Risk Loan Information

(in thousands) **As of:**	**March 31, 2020**	December 31, 2019
Volume with specific allowance	**$ 20,612**	$ 23,444
Volume without specific allowance	**278,255**	294,942
Total risk loans	**$ 298,867**	$ 318,386
Total specific allowance	**$ 11,209**	$ 10,627
For the three months ended March 31,	**2020**	2019
Income on accrual risk loans	**$ 728**	$ 386
Income on non-accrual loans	**3,914**	4,026
Total income on risk loans	**$ 4,642**	$ 4,412
Average risk loans	**$ 307,588**	$ 309,514

Note: Accruing loans include accrued interest receivable.

We had no material commitments to lend additional money to borrowers whose loans were classified as risk loans at March 31, 2020.

Troubled Debt Restructurings (TDRs)

In situations where, for economic or legal reasons related to the borrower's financial difficulties, we grant a concession for other than an insignificant period of time to the borrower that we would not otherwise consider, the related loan is classified as a troubled debt restructuring, also known as a restructured loan. A concession is generally granted in order to minimize economic loss and avoid foreclosure. Concessions vary by program and borrower and may include interest rate reductions, term extensions, payment deferrals, or an acceptance of additional collateral in lieu of payments. In limited circumstances, principal may be forgiven. Loans classified as TDRs are considered risk loans. All risk loans are analyzed within our allowance for loan losses. We record a specific allowance to reduce the carrying amount of the restructured loan to the lower of book value or net realizable value of collateral.

TDR Activity

(in thousands) **Three months ended March 31,**	**2020** Pre-modification	**2020** Post-modification	2019 Pre-modification	2019 Post-modification
Real estate mortgage	**$ 410**	**$ 410**	$ 2,028	$ 2,028
Production and intermediate-term	**198**	**198**	1,650	1,650
Rural residential real estate	**43**	**43**	--	--
Total	**$ 651**	**$ 651**	$ 3,678	$ 3,678

Pre-modification represents the outstanding recorded investment of the loan just prior to restructuring and post-modification represents the outstanding recorded investment of the loan immediately following the restructuring. The recorded investment in the loan is the unpaid principal amount of the receivable increased or decreased by applicable accrued interest and unamortized premium, discount, finance charges, and acquisition costs and may also reflect a previous direct charge-off of the investment.

The primary types of modification included interest rate reduction below market and forgiveness of principal.

TDRs that Occurred Within the Previous 12 Months that Subsequently Defaulted During the Three Months Ended March 31,

(in thousands)	**2020**	2019
Real estate mortgage	**$ 251**	$ 66
Production and intermediate-term	**91**	--
Rural residential real estate	**43**	--
Total	**$ 385**	$ 66

TDRs Outstanding

(in thousands) **As of:**	**March 31, 2020**	December 31, 2019
Accrual status:		
Real estate mortgage	**$ 14,880**	$ 15,100
Production and intermediate-term	**1,862**	2,533
Rural residential real estate	**1,395**	1,424
Total TDRs in accrual status	**$ 18,137**	$ 19,057
Non-accrual status:		
Real estate mortgage	**$ 14,128**	$ 15,470
Production and intermediate-term	**4,100**	3,626
Rural residential real estate	**828**	796
Total TDRs in non-accrual status	**$ 19,056**	$ 19,892
Total TDRs:		
Real estate mortgage	**$ 29,008**	$ 30,570
Production and intermediate-term	**5,962**	6,159
Rural residential real estate	**2,223**	2,220
Total TDRs	**$ 37,193**	$ 38,949

There were no material commitments to lend to borrowers whose loans have been modified in a TDR at March 31, 2020.

Allowance for Loan Losses

Changes in Allowance for Loan Losses

(in thousands) **Three months ended March 31,**	**2020**	2019
Balance at beginning of period	**$ 76,898**	$ 103,549
Provision for loan losses	**4,021**	860
Loan recoveries	**839**	633
Loan charge-offs	**(4,140)**	(2,016)
Balance at end of period	**$ 77,618**	$ 103,026

The “Provision for credit losses” in the Consolidated Statements of Comprehensive Income includes a provision for loan losses as presented in the previous chart, as well as a provision for credit losses on unfunded commitments. The accrued credit losses on unfunded commitments are recorded in “Other liabilities” in the Consolidated Statements of Condition.

Credit Loss Information on Unfunded Commitments

(in thousands) **For the three months ended March 31,**	**2020**	2019
Provision for credit losses	**$ 533**	$ 892
As of:	**March 31, 2020**	December 31, 2019
Accrued credit losses	**$ 7,473**	$ 6,940

NOTE 3: INVESTMENT SECURITIES

We held investment securities of $508.9 million at March 31, 2020, and $476.7 million at December 31, 2019. Our investment securities consisted of pools of loans guaranteed by the Small Business Administration (SBA), except for $6.6 million at March 31, 2020, and $6.7 million at December 31, 2019, of which were not guaranteed.

The investment securities have been classified as held-to-maturity. The investment portfolio is evaluated for other-than-temporary impairment. No investments within the portfolio were impaired at March 31, 2020, or December 31, 2019. Our investments are not held for liquidity, but rather as a portfolio diversification tool. Our portfolio is substantially guaranteed by the U.S. government. No investments are anticipated to be other than temporarily impaired at this time.

Our investments are either mortgage-backed securities (MBS), which are generally longer-term investments, or asset-backed securities (ABS), which are generally shorter-term investments. SBA guaranteed investments may be composed of either MBS or ABS.

Additional Investment Securities Information

(dollars in thousands) **As of March 31, 2020**	Weighted Average Yield	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
MBS	**2.7%**	**$ 287,890**	**$ 7,022**	**$ 214**	**$ 294,698**
ABS	**2.3%**	**221,044**	**1,676**	**151**	**222,569**
Total	**2.5%**	**$ 508,934**	**$ 8,698**	**$ 365**	**$ 517,267**
As of December 31, 2019	Weighted Average Yield	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
MBS	3.3%	$ 301,497	$ 4,574	$ 499	$ 305,572
ABS	2.9%	175,231	297	460	175,068
Total	3.1%	$ 476,728	$ 4,871	$ 959	$ 480,640

Investment income is recorded in “Interest income” in the Consolidated Statements of Comprehensive Income and totaled $3.0 million and $2.3 million for the three months ended March 31, 2020, and 2019, respectively.

Contractual Maturities of Investment Securities

(in thousands) **As of March 31, 2020**	Amortized Cost
Less than one year	**$ 200**
One to five years	**5,617**
Five to ten years	**164,443**
More than ten years	**338,674**
Total	**$ 508,934**

A summary of investments in an unrealized loss position presented by the length of time the investments have been in continuous unrealized loss position follows:

(in thousands)	Less than 12 months		Greater than 12 months	
As of March 31, 2020	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
MBS	**$ 11,732**	**$ 24**	**$ 20,418**	**$ 190**
ABS	**8,089**	**104**	**9,642**	**47**
Total	**$ 19,821**	**$ 128**	**$ 30,060**	**$ 237**

As of December 31, 2019	Less than 12 months				Greater than 12 months			
		Fair Value		Unrealized Losses		Fair Value		Unrealized Losses
MBS	$	5,863	$	159	$	36,668	$	340
ABS		95,690		439		8,958		21
Total	$	101,553	$	598	$	45,626	$	361

Unrealized losses associated with investment securities are not considered to be other-than-temporary due to the 100% guarantee of the principal by the U.S. government. However, the premiums paid to purchase the investment are not guaranteed and are amortized over the weighted average maturity of each loan as a reduction of interest income. Repayment of principal is assessed at least quarterly, and any remaining unamortized premium is taken as a reduction to interest income if principal repayment is unlikely, or when a demand for payment is made for the guarantee. At March 31, 2020, the majority of the $365 thousand unrealized loss represents unamortized premium.

NOTE 4: OTHER INVESTMENTS

We and other Farm Credit Institutions are among the limited partners for Rural Business Investment Companies (RBICs). Our total commitment is $62.5 million with varying commitment end dates through December 2029. Certain commitments may have an option to extend under certain circumstances. Our investment in the RBICs are recorded in “Other assets” in the Consolidated Statements of Condition, and totaled $18.3 million at March 31, 2020, and $17.8 million at December 31, 2019.

These investments were evaluated for impairment. No investments were impaired at March 31, 2020, or December 31, 2019.

NOTE 5: CONTINGENCIES AND COMMITMENTS

In the normal course of business, we have various contingent liabilities and commitments outstanding, primarily commitments to extend credit, which may not be reflected in the Consolidated Financial Statements. We do not anticipate any material losses because of these contingencies or commitments.

We may be named as a defendant in certain lawsuits or legal actions in the normal course of business. At the date of these Consolidated Financial Statements, our management team was not aware of any material actions. However, management cannot ensure that such actions or other contingencies will not arise in the future.

NOTE 6: FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for the asset or liability. Accounting guidance also establishes a fair value hierarchy, with three input levels that may be used to measure fair value. Refer to Note 2 in our 2019 Annual Report for a more complete description of the three input levels.

We did not have any assets or liabilities measured at fair value on a recurring basis at March 31, 2020, or December 31, 2019.

Non-Recurring

We may be required, from time to time, to measure certain assets at fair value on a non-recurring basis.

Assets Measured at Fair Value on a Non-recurring Basis

(in thousands)

As of March 31, 2020	Fair Value Measurement Using							
		Level 1		Level 2		Level 3		Total Fair Value
Impaired loans	**$**	**--**	**$**	**--**	**$**	**9,873**	**$**	**9,873**
Other property owned		**--**		**--**		**4,166**		**4,166**

As of December 31, 2019	Fair Value Measurement Using							
		Level 1		Level 2		Level 3		Total Fair Value
Impaired loans	$	--	$	--	$	13,458	$	13,458
Other property owned		--		--		3,725		3,725

Valuation Techniques

Impaired loans: Represents the carrying amount of loans which were evaluated for individual impairment based on the appraised value of the underlying collateral. When the value of the collateral, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established. Costs to sell represent transaction costs and are not included as a component of the asset’s fair value. If the process uses observable market-based information, they are classified as Level 2. If the process requires significant input based on management’s knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters, they are classified as Level 3.

Other property owned: Represents the fair value of foreclosed assets measured based on the collateral value, which is generally determined using appraisals, or other indications based on sales of similar properties. Costs to sell represent transaction costs and are not included as a component of the asset's fair value. If the process uses observable market-based information, they are classified as Level 2. If the process requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the property and other matters, they are classified as Level 3.

NOTE 7: SUBSEQUENT EVENTS

We have evaluated subsequent events through May 8, 2020, which is the date the Consolidated Financial Statements were available to be issued. On May 1, 2020, we sold to AgriBank a participation interest in certain consumer loans under the AgriBank Asset Pool program totaling approximately $2.0 billion. These participations were added to the participation pool originally established by AgriBank in 2008. There have been no other material subsequent events that would require recognition in our Quarterly Report or disclosure in the Notes to Consolidated Financial Statements.