Southwest Georgia Farm Credit, ACA

FIRST QUARTER 2016

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CERTIFICATION

The undersigned certify that we have reviewed the March 31, 2016 quarterly report of Southwest Georgia Farm Credit, ACA, that the report has been prepared under the oversight of the Audit Committee of the Board of Directors and in accordance with all applicable statutory or regulatory requirements, and that the information contained herein is true, accurate, and complete to the best of our knowledge and belief.

Richard S. Monson
Richard S. Monson
President/CEO

Ryan G. Burtt
Chief Financial Officer

Kimbley D. Rentz
Chairman of the Board

May 9, 2016

Southwest Georgia Farm Credit, ACA

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 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. This process provides reasonable assurance regarding the reliability of financial reporting information and the preparation of the Consolidated Financial Statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Internal control over financial reporting 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 March 31, 2016. 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 March 31, 2016, 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 March 31, 2016.

Richard S. Monson

Richard S. Monson
Chief Executive Officer

Ryan G. Burtt

Ryan G. Burtt
Chief Financial Officer

May 9, 2016

Southwest Georgia Farm Credit, ACA

Management's Discussion and Analysis of Financial Condition and Results of Operations

(dollars in thousands)

The following commentary reviews the financial condition and results of operations of Southwest Georgia Farm Credit, ACA (Association) for the period ended March 31, 2016. These comments should be read in conjunction with the accompanying consolidated financial statements, notes to the consolidated financial statements and the 2015 Annual Report of the Association. The accompanying consolidated financial statements were prepared under the oversight of the Audit committee of the Board of Directors.

LOAN PORTFOLIO

The Association provides funds to farmers, rural homeowners and farm-related businesses for financing of short and intermediate-term loans and long-term real estate mortgage loans. The Association's loan portfolio is diversified over a range of agricultural commodities in our region, including timber, landlords, poultry, cotton, livestock, peanuts, fruit and nut, vegetables, and dairy. Farm size varies and many of the borrowers in the region have diversified farming operations. These factors, along with the opportunities for non-farm income in the area, reduce the level of dependency on any given commodity.

ASSOCIATION BALANCE SHEET

The gross loan volume of the Association as of March 31, 2016, was $404,164, an increase of $4,868 as compared to $399,296 at December 31, 2015. Net loans outstanding at March 31, 2016, were $400,010 as compared to $395,095 at December 31, 2015. Net loans and investments accounted for 94.06 percent of total assets at March 31, 2016, as compared to 91.75 percent of total assets at December 31, 2015.

Total assets at March 31, 2016 were $440,411 compared to $446,197 at December 31, 2015, a decrease of $5,786 or 1.3 percent. The decrease in total assets is primarily attributed to the final distribution of the accrued 2015 patronage receivable from AgFirst Farm Credit Bank. This receivable is transferred to equity accounts at the beginning of each year after closing the previous year's income accounts.

Investment securities classed as held to maturity as of March 31, 2016 were $14,238, a decrease of $38 as compared to $14,276 at December 31, 2015.

There is an inherent risk in the extension of any type of credit. The current year (2016) continues to show satisfactory credit quality within the Association's Portfolio. Loans classified under the Farm Credit Administration's Uniform Loan Classification System as "acceptable" or "other assets especially mentioned" are 99.45 percent of total loans and accrued interest at March 31, 2016 as compared to 99.39 percent at December 31, 2015.

Nonaccrual loans as of March 31, 2016 were $733, a decrease of $24 as compared to $757 at December 31, 2015. The decrease is primarily the result of several loans which were foreclosed and subsequently held as Other Property Owned.

As of March 31, 2016, the association has five properties classed as Other Property Owned totaling $1,411. The properties consist of real estate in Georgia, and Tennessee and various pieces of chattel. The Association is actively marketing the properties for sale. During the year $241 of foreclosures were taken as Other Property Owned while $213 of sales were reported and $66 valuation write downs were recognized.

The Association maintains an allowance for loan losses at a level considered sufficient to absorb possible losses within the loan portfolio based on current and expected future conditions. The Association increases the allowance by providing a provision for loan losses in the income statement. Loan losses are recorded against and serve to decrease the allowance when management determines that any portion of a loan is uncollectible. Any subsequent recoveries are added to the allowance. The Risk Management Committee (RIMCO), which is comprised of members of the Board of Directors, senior management, and senior lending staff, meets quarterly to evaluate the adequacy of the allowance account. The evaluation considers factors which include, among many other things, loan loss experience, portfolio quality, loan portfolio composition, current agricultural production conditions, and general economic conditions.

After review, RIMCO determined the allowance account was sufficient to absorb any expected losses in the portfolio. The allowance for loan losses at March 31, 2016, was $4,154 compared to $4,201 as of December 31, 2015 a decrease of $47. The association has realized $34 in recoveries and there have been $81 in charge-offs this year netted against the allowance.

RESULTS OF OPERATIONS

For the three months ended March 31, 2016

At March 31, 2016, total interest income was $4,694, an increase of $223 as compared to $4,471 for the same period in 2015. Of the $4,694 in total interest income $190 was from investment securities and $4,504 was from loans. The increase in total interest income primarily resulted from increase in the Association's average loan volume..

Interest expense was $2,253 an increase of $160, as compared to $2,093 for the same period in 2015. This increase is primarily the result of the growth in loan volume which has driven an increase in the average daily balance of the note payable to AgFirst Farm Credit Bank.

Non-interest income for the three months ended March 31, 2016, totaled $1,744, an increase of $182 as compared to $1,562 for the same period in 2015. The increase is primarily related to an increase in patronage income and a gain on sale of a vehicle.

Non-interest expense for the three months ended March 31, 2016 totaled $2,428, an increase of $124 as compared to $2,304 for the same period in 2015. The increase is primarily due to increases of $62 in Salary & Benefits, $27 in Insurance Fund Premiums, and $77 in losses from Sales of Other Property Owned.

Net income for the three months ended March 31, 2016, totaled $1,757, an increase of $121 as compared to $1,636 for the same period in 2015.

FUNDING SOURCES

The principal source of funds for the Association is the borrowing relationship established with the Bank through a General Financing Agreement. The General Financing Agreement utilizes the Association's credit and fiscal performance as criteria for establishing a line of credit on which the Association may draw funds. The funds are advanced by the Bank to the Association in the form of notes payable. The notes payable are segmented into variable rate and fixed rate sections. The variable rate note is utilized by the Association to fund variable rate loan advances and operating funds requirements. The fixed rate note is used specifically to fund fixed rate loan advances made by the Association. The total notes payable to the Bank at March 31, 2016, was $357,264, a decrease of $4,405 as compared to $361,669 at December 31, 2015. The decrease is primarily the result of the increase in retained earnings which impacts the Association's loanable funds credit. The Association has no lines of credit with third parties as of March 31, 2016.

CAPITAL RESOURCES

Total members' equity at March 31, 2016, increased $44 to $72,969from the December 31, 2015, total of $72,925. Total capital stock and participation certificates were $1,131 as of March 31, 2016, a decrease of $23 compared to $1,154 at December 31, 2015.

Farm Credit Administration (FCA) regulations require all Farm Credit institutions to maintain minimum permanent capital, total surplus and core surplus ratios. These ratios are calculated by dividing the Association's permanent capital, total surplus and core surplus as defined in FCA regulations, by a risk-adjusted asset base. As of March 31, 2016, the Association's capital and surplus ratios were: permanent capital 16.38 percent, total surplus 16.07 percent and core surplus 14.59 percent. All three ratios were above the minimum regulatory ratios of 7.00 percent for permanent capital and total surplus and 3.50 percent for the core surplus.

REGULATORY MATTERS

On March 10, 2016, the FCA adopted a final regulation to modify the regulatory capital requirements for System banks and associations. The stated objectives of the rule are as follows:

- To modernize capital requirements while ensuring that institutions continue to hold sufficient regulatory capital to fulfill their mission as a government-sponsored enterprise.
- To ensure that the System's capital requirements are comparable to the Basel III framework and the standardized approach that the federal banking regulatory agencies have adopted, but also to ensure that the rules recognize the cooperative structure and the organization of the System.
- To make System regulatory capital requirements more transparent.
- To meet the requirements of section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

On November 30, 2015, the FCA, along with four other federal agencies, published in the Federal Register a final rule to establish capital and margin requirements for covered swap entities as required by the Dodd-Frank Act. See below for further information regarding the Dodd-Frank Act.

On July 25, 2014, the FCA published a proposed rule in the Federal Register to revise the requirements governing the eligibility of investments for System banks and associations. The public comment period ended on October 23, 2014. The FCA expects to issue a final regulation in 2016. The stated objectives of the proposed rule are as follows:

- To strengthen the safety and soundness of System banks and associations.
- To ensure that System banks hold sufficient liquidity to continue operations and pay maturing obligations in the event of market disruption.
- To enhance the ability of the System banks to supply credit to agricultural and aquatic producers.
- To comply with the requirements of section 939A of the Dodd-Frank Act.
- To modernize the investment eligibility criteria for System banks.
- To revise the investment regulation for System associations to improve their investment management practices so they are more resilient to risk.

FINANCIAL REGULATORY REFORM

See discussion of the Dodd-Frank Act in the Financial Regulatory Reform section of the Association's 2015 Annual Report.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Please refer to Note 1, *"Organization, Significant Accounting Policies, and Recently Issued Accounting Pronouncements",* in the Notes to the Financial Statements, and the 2015 Annual Report to Shareholders for recently issued accounting pronouncements.

NOTE: Shareholder investment in the Association is materially affected by the financial condition and results of operations of AgFirst Farm Credit Bank. Copies of AgFirst's annual and quarterly reports are available upon request free of charge by calling 1-800-845-1745, ext. 2832, or writing Susanne Caughman, AgFirst Farm Credit Bank, P.O. Box 1499, Columbia, SC 29202. Information concerning AgFirst Farm Credit Bank can also be obtained at their website, *www.agfirst.com*. Copies of the Association's annual and quarterly reports are also available upon request free of charge by calling 1-229-246-0384 or 1-866-304-3276, writing Belinda H. Robertson, Treasurer, Southwest Georgia Farm Credit, ACA, 305 Colquitt Highway, Bainbridge, Georgia 39817 or accessing the website, *www.swgafarmcredit.com*. The Association prepares a quarterly report within 40 days after the end of each fiscal quarter, except that no report need be prepared for the fiscal quarter that coincides with the end of the fiscal year of the institution.

Southwest Georgia Farm Credit, ACA

Consolidated Balance Sheets

(dollars in thousands)	March 31, 2016	December 31, 2015
	(unaudited)	*(audited)*
Assets		
Cash	**$ 1,411**	$ 3,250
Investment securities:		
Held to maturity (fair value of $14,979 and $14,444, respectively)	**14,238**	14,276
Loans	**404,164**	399,296
Allowance for loan losses	**(4,154)**	(4,201)
Net loans	**400,010**	395,095
Accrued interest receivable	**4,333**	5,775
Investments in other Farm Credit institutions	**12,210**	12,713
Premises and equipment, net	**3,252**	3,271
Other property owned	**1,411**	1,449
Accounts receivable	**1,555**	8,140
Other assets	**1,991**	2,228
Total assets	**$ 440,411**	$ 446,197
Liabilities		
Notes payable to AgFirst Farm Credit Bank	**$ 357,264**	$ 361,669
Accrued interest payable	**776**	772
Patronage refunds payable	**82**	4,028
Accounts payable	**1,377**	1,719
Other liabilities	**7,943**	5,084
Total liabilities	**367,442**	373,272
Commitments and contingencies (Note 7)		
Members' Equity		
Protected borrower stock	**7**	7
Capital stock and participation certificates	**1,124**	1,147
Retained earnings		
Allocated	**17,434**	19,124
Unallocated	**54,404**	52,647
Total members' equity	**72,969**	72,925
Total liabilities and members' equity	**$ 440,411**	$ 446,197

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

Southwest Georgia Farm Credit, ACA

Consolidated Statements of Comprehensive Income

(unaudited)

(dollars in thousands)	For the three months ended March 31, 2016	2015
Interest Income		
Loans	**$ 4,504**	$ 4,277
Investments	**190**	194
Total interest income	**4,694**	4,471
Interest Expense		
Notes payable to AgFirst Farm Credit Bank	**2,253**	2,093
Net interest income	**2,441**	2,378
Provision for loan losses	**—**	—
Net interest income after provision for loan losses	**2,441**	2,378
Noninterest Income		
Loan fees	**181**	222
Patronage refunds from other Farm Credit institutions	**1,522**	1,307
Gains (losses) on sales of premises and equipment, net	**18**	16
Other noninterest income	**23**	17
Total noninterest income	**1,744**	1,562
Noninterest Expense		
Salaries and employee benefits	**1,444**	1,382
Occupancy and equipment	**143**	149
Insurance Fund premiums	**123**	96
(Gains) losses on other property owned, net	**93**	16
Other operating expenses	**625**	661
Total noninterest expense	**2,428**	2,304
Net income	**1,757**	1,636
Other comprehensive income	**—**	—
Comprehensive income	**$ 1,757**	$ 1,636

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

Southwest Georgia Farm Credit, ACA

Consolidated Statements of Changes in Members' Equity

(unaudited)

(dollars in thousands)	Protected Borrower Stock	Capital Stock and Participation Certificates	Retained Earnings Allocated	Retained Earnings Unallocated	Total Members' Equity
Balance at December 31, 2014	$ 11	$ 1,080	$ 22,631	$ 47,750	$ 71,472
Comprehensive income				1,636	1,636
Capital stock/participation certificates issued/(retired), net		6			6
Retained earnings retired			(3,498)		(3,498)
Patronage distribution adjustment			2		2
Balance at March 31, 2015	$ 11	$ 1,086	$ 19,135	$ 49,386	$ 69,618
Balance at December 31, 2015	$ 7	$ 1,147	$ 19,124	$ 52,647	$ 72,925
Comprehensive income				**1,757**	**1,757**
Capital stock/participation certificates issued/(retired), net		**(23)**			**(23)**
Retained earnings retired			**(1,690)**		**(1,690)**
Balance at March 31, 2016	**$ 7**	**$ 1,124**	**$ 17,434**	**$ 54,404**	**$ 72,969**

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

Southwest Georgia Farm Credit, ACA

Notes to the Consolidated Financial Statements

(dollars in thousands, except as noted)
(unaudited)

Note 1 — Organization, Significant Accounting Policies, and Recently Issued Accounting Pronouncements

Organization
The accompanying financial statements include the accounts of Southwest Georgia Farm Credit, ACA and its Production Credit Association (PCA) and Federal Land Credit Association (FLCA) subsidiaries (collectively, the Association). A description of the organization and operations, the significant accounting policies followed, and the financial condition and results of operations for the Association as of and for the year ended December 31, 2015, are contained in the 2015 Annual Report to Shareholders. These unaudited interim consolidated financial statements should be read in conjunction with the latest Annual Report to Shareholders.

Basis of Presentation
In the opinion of management, the accompanying consolidated financial statements contain all adjustments necessary for a fair statement of results for the periods presented. These adjustments are of a normal recurring nature, unless otherwise disclosed.

Certain amounts in the prior period's consolidated financial statements have been reclassified to conform to the current period presentation. Such reclassifications had no effect on the prior period net income or total capital as previously reported.

The results of any interim period are not necessarily indicative of those to be expected for a full year.

Significant Accounting Policies
The Association's accounting and reporting policies conform with U.S. generally accepted accounting principles (GAAP) and practices in the financial services industry. To prepare the financial statements in conformity with GAAP, management must make estimates based on assumptions about future economic and market conditions (for example, unemployment, market liquidity, real estate prices, etc.) that affect the reported amounts of assets and liabilities at the date of the financial statements, income and expenses during the reporting period, and the related disclosures. Although these estimates contemplate current conditions and expectations of change in the future, it is reasonably possible that actual conditions may be different than anticipated, which could materially affect results of operations and financial condition.

Management has made significant estimates in several areas, including loans and allowance for loan losses (Note 2, *Loans and Allowance for Loan Losses*), investment securities and other-than-temporary impairment (Note 3, *Investments*), and financial instruments (Note 5, *Fair Value Measurement*). Actual results could differ from those estimates.

For further details of significant accounting policies, see Note 2, *Summary of Significant Accounting Policies*, from the latest Annual Report.

Accounting Standards Updates (ASUs) Issued During the Period
The following ASU was issued by the Financial Accounting Standards Board (FASB) since the most recent Annual Report:

- In March, 2016, the FASB issued ASU 2016-07 Investments Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting. To simplify the accounting for equity method investments, the amendments in the Update eliminate the requirement that an entity retroactively adopt the equity method of accounting if an investment qualifies for use of the equity method as a result of an increase in the level of ownership or degree of influence. The amendments require that the equity method investor add the cost of acquiring the additional interest in the investee to the current basis of the investor's previously held interest and adopt the equity method of accounting as of the date the investment becomes qualified for equity method accounting. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. Earlier application is permitted. The amendments should be applied prospectively upon their effective date to increases in the level of ownership interest or degree of influence that result in the adoption of the equity method.

ASUs Pending Effective Date
For a detailed description of the ASUs below, see the latest Annual Report.

Potential effects of ASUs issued in previous periods:

- 2016-02 Leases (Topic 842): In February, 2016, the FASB issued an update that requires organizations that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. The Association is in the process of evaluating what effects the guidance may have on the statements of financial condition and results of operations.

- 2016-01 Financial Instruments – Overall (Subtopic 825-10) Recognition and Measurement of Financial Assets and Financial Liabilities: In January, 2016, the FASB issued an update that is intended to improve the recognition and measurement of financial instruments. The Association is in the process of evaluating what effects the guidance may have on the statements of financial condition and results of operations.

- 2015-14 Revenue from Contracts with Customers (Topic 606) – Deferral of the Effective Date: In August, 2015, the FASB issued an update that defers by one year the effective date of ASU 2014-09, Revenue from Contracts with Customers. The new ASU reflects decisions reached by the FASB at its meeting on July 9, 2015. The Association is in the process of evaluating what effects the guidance may have on the statements of financial condition and results of operations.

Accounting Standards Effective During the Period

There were no changes in the accounting principles applied from the latest Annual Report, other than any discussed below.

No recently adopted accounting guidance issued by the FASB had a significant effect on the current period reporting. See the most recent Annual Report for a detailed description of each of the standards below:

- 2015-07 Fair Value Measurement (Topic 820): Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) – The amendment was adopted prospectively. There were no changes to the Association's statements of financial condition or results of operations as a result of this guidance. See Note 5, *Fair Value Measurement*, for the disclosures required by this guidance.

- 2015-01 Income Statement – Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items – The amendment was adopted retrospectively. There were no changes to the Association's statements of financial condition or results of operations as a result of this guidance.

- 2014-15 Income Statement – Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern: This amendment is effective for the annual reporting period ended December 31, 2016 and, interim and annual periods thereafter. It may require additional disclosures but will not have a material impact on the Association's financial condition or results of operations.

Note 2 — Loans and Allowance for Loan Losses

The Association maintains an allowance for loan losses at a level considered adequate by management to provide for probable and estimable losses inherent in the loan portfolio as of the report date. The allowance for loan losses is increased through provisions for loan losses and loan recoveries and is decreased through loan charge-offs and allowance reversals. A review of individual loans in each respective portfolio is performed periodically to determine the appropriateness of risk ratings and to ensure loss exposure to the Association has been identified. See Note 3, *Loans and Allowance for Loan Losses*, from the latest Annual Report for further discussion.

Credit risk arises from the failure of an obligor to meet the repayment obligation. The Association manages credit risk associated with lending activities through an assessment of the credit risk profile of an individual obligor. The Association sets its own underwriting standards and lending policies that provide direction to loan officers and are approved by the board of directors.

A summary of loans outstanding at period end follows:

	March 31, 2016	December 31, 2015
Real estate mortgage	$ 243,736	$ 242,579
Production and intermediate-term	92,840	88,900
Processing and marketing	43,216	42,406
Farm-related business	17,391	18,141
Communication	3,719	3,721
Energy and water/waste disposal	925	932
Rural residential real estate	1,619	1,813
Lease receivables	718	804
Total Loans	$ 404,164	$ 399,296

A substantial portion of the Association's lending activities is collateralized, and exposure to credit loss associated with lending activities is reduced accordingly.

The Association may purchase or sell participation interests with other parties in order to diversify risk, manage loan volume, and comply with Farm Credit Administration (FCA) regulations. The following tables present the principal balance of participation loans at periods ended:

	March 31, 2016							
	Within AgFirst District		Within Farm Credit System		Outside Farm Credit System		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	$ 16,188	$ 117,942	$ –	$ –	$ 2,026	$ –	$ 18,214	$ 117,942
Production and intermediate-term	12,648	58,532	–	–	–	–	12,648	58,532
Processing and marketing	25,731	87,464	902	871	–	–	26,633	88,335
Farm-related business	3,200	10,938	–	431	–	–	3,200	11,369
Communication	3,724	–	–	–	–	–	3,724	–
Energy and water/waste disposal	930	–	–	–	–	–	930	–
Lease receivables	–	–	718	–	–	–	718	–
Total	$ 62,421	$ 274,876	$ 1,620	$ 1,302	$ 2,026	$ –	$ 66,067	$ 276,178

	December 31, 2015							
	Within AgFirst District		Within Farm Credit System		Outside Farm Credit System		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	$ 13,930	$ 123,313	$ –	$ –	$ 2,026	$ –	$ 15,956	$ 123,313
Production and intermediate-term	9,652	61,233	–	444	–	–	9,652	61,677
Processing and marketing	27,786	27,687	419	900	–	–	28,205	28,587
Farm-related business	3,234	12,304	–	–	–	–	3,234	12,304
Communication	3,726	–	–	–	–	–	3,726	–
Energy and water/waste disposal	937	–	–	–	–	–	937	–
Lease receivables	–	–	804	–	–	–	804	–
Total	$ 59,265	$ 224,537	$ 1,223	$ 1,344	$ 2,026	$ –	$ 62,514	$ 225,881

A significant source of liquidity for the Association is the repayments of loans. The following table presents the contractual maturity distribution of loans by loan type at the latest period end:

	March 31, 2016			
	Due less than 1 year	Due 1 Through 5 years	Due after 5 years	Total
Real estate mortgage	$ 4,640	$ 31,505	$ 207,591	$ 243,736
Production and intermediate-term	28,341	52,999	11,500	92,840
Processing and marketing	1,361	22,608	19,247	43,216
Farm-related business	963	5,151	11,277	17,391
Communication	–	3,719	–	3,719
Energy and water/waste disposal	–	–	925	925
Rural residential real estate	6	165	1,448	1,619
Lease receivables	84	634	–	718
Total Loans	$ 35,395	$ 116,781	$ 251,988	$ 404,164
Percentage	8.76%	28.89%	62.35%	100.00%

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

The following table shows the recorded investment of loans, classified under the FCA Uniform Loan Classification System, as a percentage of the recorded investment of total loans by loan type as of:

	March 31, 2016	December 31, 2015
Real estate mortgage:		
Acceptable	99.29%	99.45%
OAEM	0.40	0.23
Substandard/doubtful/loss	0.31	0.32
	100.00%	100.00%
Production and intermediate-term:		
Acceptable	98.09%	96.40%
OAEM	0.94	2.38
Substandard/doubtful/loss	0.97	1.22
	100.00%	100.00%
Processing and marketing:		
Acceptable	100.00%	100.00%
OAEM	–	–
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Farm-related business:		
Acceptable	86.01%	86.27%
OAEM	13.99	13.73
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Communication		
Acceptable	100.00%	100.00%
OAEM	–	–
Substandard/doubtful/loss	–	–
	100.00%	100.00%

	March 31, 2016	December 31, 2015
Energy and water/waste disposal:		
Acceptable	100.00%	100.00%
OAEM	–	–
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Rural residential real estate:		
Acceptable	78.01%	80.17%
OAEM	11.07	10.01
Substandard/doubtful/loss	10.92	9.82
	100.00%	100.00%
Lease receivables:		
Acceptable	100.00%	100.00%
OAEM	–	–
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Total Loans:		
Acceptable	98.44%	98.16%
OAEM	1.11	1.33
Substandard/doubtful/loss	0.45	0.51
	100.00%	100.00%

The following tables provide an age analysis of the recorded investment of past due loans as of:

March 31, 2016	30 Through 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	Recorded Investment 90 Days or More Past Due and Accruing Interest
Real estate mortgage	$ 877	$ –	$ 877	$ 245,610	$ 246,487	$ –
Production and intermediate-term	770	482	1,252	92,633	93,885	–
Processing and marketing	–	–	–	43,357	43,357	–
Farm-related business	–	–	–	17,559	17,559	–
Communication	–	–	–	3,719	3,719	–
Energy and water/waste disposal	–	–	–	925	925	–
Rural residential real estate	176	–	176	1,450	1,626	–
Lease receivables	–	–	–	720	720	–
Total	$ 1,823	$ 482	$ 2,305	$ 405,973	$ 408,278	$ –

December 31, 2015	30 Through 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	Recorded Investment 90 Days or More Past Due and Accruing Interest
Real estate mortgage	$ 440	$ –	$ 440	$ 245,996	$ 246,436	$ –
Production and intermediate-term	308	315	623	89,619	90,242	–
Processing and marketing	–	–	–	42,744	42,744	–
Farm-related business	–	–	–	18,267	18,267	–
Communication	–	–	–	3,721	3,721	–
Energy and water/waste disposal	–	–	–	932	932	–
Rural residential real estate	176	–	176	1,645	1,821	–
Lease receivables	–	–	–	806	806	–
Total	$ 924	$ 315	$ 1,239	$ 403,730	$ 404,969	$ –

Nonperforming assets (including the recorded investment for loans) and related credit quality statistics at period end were as follows:

	March 31, 2016	December 31, 2015
Nonaccrual loans:		
Real estate mortgage	$ 199	$ 199
Production and intermediate-term	534	558
Total	$ 733	$ 757
Accruing restructured loans:		
Real estate mortgage	$ 1,509	$ 1,492
Production and intermediate-term	45	46
Total	$ 1,554	$ 1,538
Accruing loans 90 days or more past due:		
Total	$ –	$ –
Total nonperforming loans	$ 2,287	$ 2,295
Other property owned	1,411	1,449
Total nonperforming assets	$ 3,698	$ 3,744
Nonaccrual loans as a percentage of total loans	0.18%	0.19%
Nonperforming assets as a percentage of total loans and other property owned	0.91%	0.93%
Nonperforming assets as a percentage of capital	5.07%	5.13%

The following table presents information related to the recorded investment of impaired loans at period end. Impaired loans are loans for which it is probable that all principal and interest will not be collected according to the contractual terms of the loan.

	March 31, 2016	December 31, 2015
Impaired nonaccrual loans:		
Current as to principal and interest	$ 199	$ 271
Past due	534	486
Total	733	757
Impaired accrual loans:		
Restructured	1,554	1,538
90 days or more past due	–	–
Total	1,554	1,538
Total impaired loans	$ 2,287	$ 2,295
Additional commitments to lend	$ –	$ –

The following tables present additional impaired loan information at period end. Unpaid principal balance represents the contractual principal balance of the loan.

	March 31, 2016			Quarter Ended March 31, 2016	
Impaired loans:	**Recorded Investment**	**Unpaid Principal Balance**	**Related Allowance**	**Average Impaired Loans**	**Interest Income Recognized on Impaired Loans**
With a related allowance for credit losses:					
Real estate mortgage	$ 1,372	$ 1,337	$ 33	$ 1,400	$ 1
Production and intermediate-term	212	237	20	216	–
Total	$ 1,584	$ 1,574	$ 53	$ 1,616	$ 1
With no related allowance for credit losses:					
Real estate mortgage	$ 336	$ 407	$ –	$ 343	$ 1
Production and intermediate-term	367	363	–	375	–
Total	$ 703	$ 770	$ –	$ 718	$ 1
Total:					
Real estate mortgage	$ 1,708	$ 1,744	$ 33	$ 1,743	$ 2
Production and intermediate-term	579	600	20	591	–
Total	$ 2,287	$ 2,344	$ 53	$ 2,334	$ 2

Impaired loans:	December 31, 2015 Recorded Investment	 Unpaid Principal Balance	 Related Allowance	Year Ended December 31, 2015 Average Impaired Loans	 Interest Income Recognized on Impaired Loans
With a related allowance for credit losses:					
Real estate mortgage	$ 1,351	$ 1,337	$ 33	$ 1,550	$ 17
Production and intermediate-term	238	262	55	273	3
Total	$ 1,589	$ 1,599	$ 88	$ 1,823	$ 20
With no related allowance for credit losses:					
Real estate mortgage	$ 340	$ 410	$ –	$ 390	$ 4
Production and intermediate-term	366	414	–	420	5
Total	$ 706	$ 824	$ –	810	$ 9
Total:					
Real estate mortgage	$ 1,691	$ 1,747	$ 33	$ 1,940	$ 21
Production and intermediate-term	604	676	55	693	8
Total	$ 2,295	$ 2,423	$ 88	$ 2,633	$ 29

A summary of changes in the allowance for loan losses and recorded investment in loans for each reporting period follows. Prior to issuance of the Association's 2015 Annual Report, management identified errors in classification of the loan portfolio among the various FCA loan type categories that are used to report disaggregated loan information in footnote disclosures. As discussed in Note 3, Loans and Allowance for Loan Losses, of the Bank's 2015 Annual Report, FCA loan type classifications prior to December 31, 2015 have been revised as necessary to reflect these loan type classifications, as adjusted. In the table below, activity for the quarter ended March 31, 2015 is presented as revised.

	Real Estate Mortgage	Production and Intermediate-term	Agribusiness*	Communication	Energy and Water/Waste Disposal	Rural Residential Real Estate	Lease Receivables	Total
Activity related to the allowance for credit losses:								
Balance at December 31, 2015	$ 2,521	$ 976	$ 623	$ 38	$ 10	$ 25	$ 8	$ 4,201
Charge-offs	–	(81)	–	–	–	–	–	(81)
Recoveries	–	34	–	–	–	–	–	34
Provision for loan losses	(17)	36	(9)	–	(1)	(8)	(1)	–
Balance at March 31, 2016	$ 2,504	$ 965	$ 614	$ 38	$ 9	$ 17	$ 7	$ 4,154
Balance at December 31, 2014	$ 2,677	$ 1,062	$ 558	$ 38	$ 11	$ 26	$ 16	$ 4,388
Charge-offs	–	(19)	–	–	–	–	–	(19)
Recoveries	–	8	–	–	–	–	–	8
Provision for loan losses	3	10	(14)	4	–	(2)	(1)	–
Balance at March 31, 2015	$ 2,680	$ 1,061	$ 544	$ 42	$ 11	$ 24	$ 15	$ 4,377
Allowance on loans evaluated for impairment:								
Individually	$ 33	$ 20	$ –	$ –	$ –	$ –	$ –	$ 53
Collectively	2,471	945	614	38	9	17	7	4,101
Balance at March 31, 2016	$ 2,504	$ 965	$ 614	$ 38	$ 9	$ 17	$ 7	$ 4,154
Individually	$ 33	$ 55	$ –	$ –	$ –	$ –	$ –	$ 88
Collectively	2,488	921	623	38	10	25	8	4,113
Balance at December 31, 2015	$ 2,521	$ 976	$ 623	$ 38	$ 10	$ 25	$ 8	$ 4,201
Recorded investment in loans evaluated for impairment:								
Individually	$ 1,708	$ 579	$ –	$ –	$ –	$ –	$ –	$ 2,287
Collectively	244,779	93,306	60,916	3,719	925	1,626	720	405,991
Balance at March 31, 2016	$ 246,487	$ 93,885	$ 60,916	$ 3,719	$ 925	$ 1,626	$ 720	$ 408,278
Individually	$ 1,691	$ 604	$ –	$ –	$ –	$ –	$ –	$ 2,295
Collectively	244,745	89,638	61,011	3,721	932	1,821	806	402,674
Balance at December 31, 2015	$ 246,436	$ 90,242	$ 61,011	$ 3,721	$ 932	$ 1,821	$ 806	$ 404,969

**Includes the loan types; Loans to cooperatives, Processing and marketing, and Farm-related business.*

A restructuring of a debt constitutes a troubled debt restructuring (TDR) if the creditor for economic or legal reasons related to the debtor's financial difficulties grants a concession to the debtor that it would not otherwise consider. There were no new TDRs that occurred during the periods presented.

Interest concessions may include interest forgiveness and interest deferment. Principal concessions may include principal forgiveness, principal deferment, and maturity extension. Other concessions may include additional compensation received which might be in the form of cash or other assets.

There were no TDRs that occurred during the previous twelve months and for which there was a subsequent payment default during the periods presented. Payment default is defined as a payment that was thirty days or more past due.

The following table provides information at period end on outstanding loans restructured in troubled debt restructurings. These loans are included as impaired loans in the impaired loan table:

	Total TDRs		Nonaccrual TDRs	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Real estate mortgage	$ 1,509	$ 1,492	$ –	$ –
Production and intermediate-term	47	48	2	2
Total Loans	$ 1,556	$ 1,540	$ 2	$ 2
Additional commitments to lend	$ –	$ –		

The following table presents information as of period end:

	March 31, 2016	December 31, 2015
Carrying amount of foreclosed residential real estate properties held as a result of obtaining physical possession	$ –	$ –
Recorded investment of consumer mortgage loans secured by residential real estate for which formal foreclosure proceedings are in process	$ –	$ –

Note 3 — Investments

Investment Securities

The Association's investments consist primarily of Rural America Bonds (RABs), which are private placement securities purchased under the Mission Related Investment program approved by the FCA. In its Conditions of Approval for the program, the FCA considers a RAB ineligible if its investment rating, based on the internal 14-point risk rating scale used to also grade loans, falls below 9 and requires System institutions to provide notification to FCA when a security becomes ineligible. At March 31, 2016, the Association held $871 in RABs whose credit quality has deteriorated beyond the program limits.

A summary of the amortized cost and fair value of investment securities held-to-maturity follows:

March 31, 2016	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Yield
RABs	$14,238	$ 768	$ (27)	$14,979	5.32%

December 31, 2015	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Yield
RABs	$14,276	$ 469	$ (301)	$14,444	5.32%

A summary of contractual maturity, amortized cost, and estimated fair value of investment securities held-to-maturity follows:

March 31, 2016	Amortized Cost	Fair Value	Weighted Average Yield
In one year or less	$ –	$ –	–%
After one year through five years	1,989	2,046	5.47
After five years through ten years	–	–	–
After ten years	12,249	12,933	5.30
Total	$ 14,238	$ 14,979	5.32%

A portion of these investments have contractual maturities in excess of ten years. However, expected maturities for these types of securities can differ from contractual maturities because borrowers may have the right to prepay obligations with or without prepayment penalties.

An investment is considered impaired if its fair value is less than its cost. The following table shows the fair value and gross unrealized losses for investments that were in a continuous unrealized loss position aggregated by investment category at each reporting period. A continuous unrealized loss position for an investment is measured from the date the impairment was first identified.

March 31, 2016	Less than 12 Months		12 Months or Greater	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
RABs	$ 771	$ (27)	$ –	$ –

December 31, 2015	Less than 12 Months		12 Months or Greater	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
RABs	$ 8,691	$ (301)	$ –	$ –

The recording of an impairment is predicated on: (1) whether or not management intends to sell the security, (2) whether it is more likely than not that management would be required to sell the security before recovering its costs, and (3) whether management expects to recover the security's entire amortized cost basis (even if there is no intention to sell). If the Association intends to sell the security or it is more likely than not that it would be required to sell the security, the impairment loss equals the full difference between amortized cost and fair value of the security. When the Association does not intend to sell securities in an unrealized loss position and it is not more likely than not that it would be required to sell the securities, other-than-temporary impairment loss is separated into credit loss and non-credit loss. Credit loss is defined as the shortfall of the present value of the cash flows expected to be collected in relation to the amortized cost basis.

The Association performs periodic credit reviews, including other-than-temporary impairment analyses, on its investment securities portfolio. The objective is to quantify future possible loss of principal or interest due on securities in the portfolio. Factors considered in determining whether an impairment is other-than-temporary include among others: (1) the length of time and the extent to which the fair value is less than cost, (2) adverse conditions specifically related to the industry, (3) geographic area and the condition of the underlying collateral, (4) payment structure of the security, (5) ratings by rating agencies, (6) the credit worthiness of bond insurers, and (7) volatility of the fair value changes.

The Association uses the present value of cash flows expected to be collected from each debt security to determine the amount of credit loss. This technique requires assumptions related to the underlying collateral, including default rates, amount and timing of prepayments, and loss severity. Assumptions can vary widely from security to security and are influenced by such factors as loan interest rate, geographical location of the borrower, borrower characteristics, and collateral type.

Significant inputs used to estimate the amount of credit loss include, but are not limited to, performance indicators of the underlying assets in the security (including default rates, delinquency rates, and percentage of nonperforming assets), loan-to-collateral value ratios, third-party guarantees, current levels of subordination, vintage, geographic concentration, and credit ratings. The Association may obtain assumptions for the default rate, prepayment rate, and loss severity rate from an independent third party, or generate the assumptions internally.

The Association has not recognized any credit losses as any impairments were deemed temporary and resulted from non-credit related factors. The Association has the ability and intent to hold these temporarily impaired investments until a recovery of unrealized losses occurs, which may be at maturity, and at this time expects to collect the full principal amount and interest due on these securities, especially after considering credit enhancements.

Investments in other Farm Credit Institutions
The Association is required to maintain ownership in AgFirst Farm Credit Bank (AgFirst or the Bank) of Class B and Class C stock as determined by the Bank. The Bank may require additional capital contributions to maintain its capital requirements. The Association owned 4.22 percent of the issued stock of the Bank as of March 31, 2016 net of any reciprocal investment. As of that date, the Bank's assets totaled $31.0 billion and shareholders' equity totaled $2.3 billion. The Bank's earnings were $72 million for the first three months of 2016. In addition, the Association had an investment of $1,383 related to other Farm Credit institutions.

Note 4 — Debt

Notes Payable to AgFirst Farm Credit Bank
The Association's indebtedness to the Bank represents borrowings by the Association to fund its earning assets. This indebtedness is collateralized by a pledge of substantially all of the Association's assets. The contractual terms of the revolving line of credit are contained in the General Financing Agreement (GFA). The GFA also defines Association performance criteria for borrowing from the Bank, which includes borrowing base margin, earnings and capital covenants, among others.

Note 5 — Fair Value Measurement

Fair value is defined 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.

Accounting guidance establishes a hierarchy for disclosure of fair value measurements to maximize the use of observable inputs, that is, inputs that reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from sources independent of the reporting entity. The hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the hierarchy tiers is based upon the lowest level of input that is significant to the fair value measurement.

The classifications within the fair value hierarchy are as follows:

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 inputs include quoted prices for similar assets and liabilities in active markets; quoted prices in markets that are not active; and inputs that are observable, or can be corroborated, for substantially the full term of the asset or liability.

Level 3 inputs are unobservable and supported by little or no market activity. Valuation is determined using pricing models, discounted cash flow methodologies, or similar techniques, and could include significant management judgment or estimation. Level 3 assets and liabilities also could include instruments whose price has been adjusted based on dealer quoted pricing that is different than the third-party valuation or internal model pricing.

For a complete discussion of the inputs and other assumptions considered in assigning various assets and liabilities to the fair value hierarchy levels, see the latest Annual Report to Shareholders.

There were no Level 3 assets or liabilities measured at fair value on a recurring basis for the periods presented. The Association had no transfers of assets or liabilities into or out of Level 1 or Level 2 during the periods presented.

Fair values are estimated at each period end date for assets and liabilities measured at fair value on a recurring basis. Fair values are estimated at least annually, or when information suggests a significant change in value, for assets measured at fair value on a nonrecurring basis. Other Financial Instruments are not measured at fair value in the statement of financial position, but their fair values are estimated as of each period end date. The following tables summarize the carrying amounts of these assets and liabilities at period end, and their related fair values.

	At or for the Three Months Ended March 31, 2016					
	Total Carrying Amount	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**	**Fair Value Effects On Earnings**
Recurring Measurements						
Assets:						
Recurring Assets	$ –	$ –	$ –	$ –	$ –	
Liabilities:						
Recurring Liabilities	$ –	$ –	$ –	$ –	$ –	
Nonrecurring Measurements						
Assets:						
Impaired loans	$ 2,234	$ –	$ –	$ 2,234	$ 2,234	$ (13)
Other property owned	1,411	–	–	1,625	1,625	(67)
Nonrecurring Assets	$ 3,645	$ –	$ –	$ 3,859	$ 3,859	$ (80)
Other Financial Instruments						
Assets:						
Cash	$ 1,411	$ 1,411	$ –	$ –	$ 1,411	
Investment securities, held-to-maturity	14,238	–	–	14,979	14,979	
Loans	397,776	–	–	392,722	392,722	
Other Financial Assets	$ 413,425	$ 1,411	$ –	$ 407,701	$ 409,112	
Liabilities:						
Notes payable to AgFirst Farm Credit Bank	$ 357,264	$ –	$ –	$ 356,880	$ 356,880	
Other Financial Liabilities	$ 357,264	$ –	$ –	$ 356,880	$ 356,880	

	At or for the Year ended December 31, 2015					
	Total Carrying Amount	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**	**Fair Value Effects On Earnings**
Recurring Measurements						
Assets:						
Recurring Assets	$ –	$ –	$ –	$ –	$ –	
Liabilities:						
Recurring Liabilities	$ –	$ –	$ –	$ –	$ –	
Nonrecurring Measurements						
Assets:						
Impaired loans	$ 2,207	$ –	$ –	$ 2,207	$ 2,207	$ (58)
Other property owned	1,449	–	–	1,689	1,689	(222)
Other investments	–	–	–	–	–	(91)
Nonrecurring Assets	$ 3,656	$ –	$ –	$ 3,896	$ 3,896	$ (371)
Other Financial Instruments						
Assets:						
Cash	$ 3,250	$ 3,250	$ –	$ –	$ 3,250	
Investment securities, held-to-maturity	14,276	–	–	14,444	14,444	
Loans	392,888	–	–	390,100	390,100	
Other Financial Assets	$ 410,414	$ 3,250	$ –	$ 404,544	$ 407,794	
Liabilities:						
Notes payable to AgFirst Farm Credit Bank	$ 361,669	$ –	$ –	$ 360,449	$ 360,449	
Other Financial Liabilities	$ 361,669	$ –	$ –	$ 360,449	$ 360,449	

SENSITIVITY TO CHANGES IN SIGNIFICANT UNOBSERVABLE INPUTS

Discounted cash flow or similar modeling techniques are generally used to determine the recurring fair value measurements for Level 3 assets and liabilities. Use of these techniques requires determination of relevant inputs and assumptions, some of which represent significant unobservable inputs as indicated in the tables that follow. Accordingly, changes in these unobservable inputs may have a significant impact on fair value.

Certain of these unobservable inputs will (in isolation) have a directionally consistent impact on the fair value of the instrument for a given change in that input. Alternatively, the fair value of the instrument may move in an opposite direction for a given change in another input. Where multiple inputs are used within the valuation technique of an asset or liability, a change in one input in a certain direction may be offset by an opposite change in another input having a potentially muted impact to the overall fair value of that particular instrument. Additionally, a change in one unobservable input may result in a change to another unobservable input (that is, changes in certain inputs are interrelated with one another), which may counteract or magnify the fair value impact.

Investment Securities

The fair values of predominantly all Level 3 investment securities have consistent inputs, valuation techniques and correlation to changes in underlying inputs. The models used to determine fair value for these instruments use certain significant unobservable inputs within a discounted cash flow or market comparable pricing valuation technique. Such inputs generally include discount rate components including risk premiums, prepayment estimates, default estimates and loss severities.

These Level 3 assets would decrease (increase) in value based upon an increase (decrease) in discount rates, defaults, or loss severities. Conversely, the fair value of these assets would generally increase (decrease) in value if the prepayment input were to increase (decrease).

Generally, a change in the assumption used for defaults is accompanied by a directionally similar change in the risk premium component of the discount rate (specifically, the portion related to credit risk) and a directionally opposite change in the assumption used for prepayments. Unobservable inputs for loss severities do not normally increase or decrease based on movements in the other significant unobservable inputs for these Level 3 assets.

Inputs to Valuation Techniques

Management determines the Association's valuation policies and procedures. The Bank performs the majority of the Association's valuations, and its valuation processes are calibrated annually by an independent consultant. The fair value measurements are analyzed on a quarterly basis. For other valuations, documentation is obtained for third party information, such as pricing, and periodically evaluated alongside internal information and pricing that is available.

Quoted market prices are generally not available for the instruments presented below. 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.

Quantitative Information about Recurring and Nonrecurring Level 3 Fair Value Measurements

	Fair Value	Valuation Technique(s)	Unobservable Input	Range
Impaired loans and other property owned	$ 3,859	Appraisal	Income and expense	*
			Comparable sales	*
			Replacement cost	*
			Comparability adjustments	*
Other investments - RBIC	$ –	Third party evaluation	Income, expense, capital	Not applicable

** Ranges for this type of input are not useful because each collateral property is unique.*

Information about Other Financial Instrument Fair Value Measurements

	Valuation Technique(s)	Input
Cash	Carrying Value	Par/Principal and appropriate interest yield
Loans	Discounted cash flow	Prepayment forecasts
		Probability of default
		Loss severity
Investment securities, held-to-maturity	Discounted cash flow	Prepayment rates
		Risk adjusted discount rate
Notes payable to AgFirst Farm Credit Bank	Discounted cash flow	Prepayment forecasts
		Probability of default
		Loss severity

Note 6 — Employee Benefit Plans

The following is a table of retirement and other postretirement benefit expenses for the Association:

	For the three months ended March 31, 2016	2015
Pension	$ 252	$ 251
401(k)	80	76
Other postretirement benefits	57	69
Total	$ 389	$ 396

The following is a table of retirement and other postretirement benefit contributions for the Association:

	Actual YTD Through 3/31/16	Projected Contributions For Remainder of 2016	Projected Total Contributions 2016
Pension	$ –	$ 546	$ 546
Other postretirement benefits	26	80	106
Total	$ 26	$ 626	$ 652

Contributions in the above table include allocated estimates of funding for multi-employer plans in which the Association participates. These amounts may change when a total funding amount and allocation is determined by the respective Plan's Sponsor Committee. Also, market conditions could impact discount rates and return on plan assets which could change contributions necessary before the next plan measurement date of December 31, 2016.

Further details regarding employee benefit plans are contained in the 2015 Annual Report to Shareholders, including a discussion of benefit plan changes related to the termination of the AgFirst Farm Credit Cash Balance Retirement Plan.

Note 7 — Commitments and Contingent Liabilities

From time to time, legal actions are pending against the Association in which claims for money damages are asserted. On at least a quarterly basis, the Association assesses its liabilities and contingencies in connection with outstanding legal proceedings utilizing the latest information available. While the outcome of legal proceedings is inherently uncertain, on the basis of information presently available, management, after consultation with legal counsel, is of the opinion that the ultimate liability, if any, from these actions, would not be material in relation to the financial position of the Association. Because it is not probable that the Association will incur a loss or the loss is not estimable, no liability has been recorded for any claims that may be pending.

Note 8 — Subsequent Events

The Association evaluated subsequent events and determined there were none requiring disclosure through May 9, 2016, which was the date the financial statements were issued.