IN-
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GREENSTONE FCS
2021 ANNUAL REPORT

"As your lender, we're innovating right along with you because we know the importance you place on us being able to meet you every step of the way.

RE-CAP

MESSAGE FROM THE CEO AND BOARD CHAIR

Our GreenStone customers are innovative every day – you are faced with challenges and find success in the face of adversity.

As your financial cooperative, it's imperative for GreenStone to stay in step and continuously work to be innovative and advance along with our customers to support you and the communities we serve.

To touch on a few of GreenStone's initiatives:

- GreenStone's CultivateGrowth program now provides a broader, expanded foundation to help our customers and neighbors flourish in their agricultural aspirations. Recently expanded, it is uniquely designed to support the diversity of today's young, beginning, and small farmers. The multiple aspects of this program provide funding, networking, education, and financing to serve their unique needs.
- Technology is ever-advancing and your cooperative's customer service offerings provide digital solutions to those who prefer it, while retaining personal connections and relationships regardless of the service method. Our purpose is to provide financial solutions, but we're in a people business, so while we'll continue to be innovative and provide technology-driven solutions for customers, we'll do it while continuing to stand on the foundation of being a "people" business.

From a numbers perspective, the innovation and commitment of our members has put your association in a strong financial position.

- Customer satisfaction continues to be well above 90%, as it has consistently been for 20 years!
- GreenStone's credit quality, which is a measure of risk in the portfolio, was at nearly all-time highs in 2021 (high means low risk) and further supports the overall financial success of our members.
- Loan volume classified as acceptable (meaning few to no credit weaknesses) improved from 91.9% at the end of 2020 to 95.1% at year-end 2021.
- Accrual loan delinquencies remained at an exceptionally low level of 0.17%; and probably most notable, was the successful reversal of $14.1 million of loan loss provisions in 2021 (those customers worked with GreenStone to find innovative solutions – a win win for those customers and our collective cooperative membership).
- All of this resulted in owned and managed accrual loan growth of 8.2% and total net profits of $264.7 million.

Your success, and the success of your fellow cooperative members, bolstered GreenStone's ability to pay another record setting level of Patronage back to you, with $115 million in distributions, nearly 45% of the cooperative's 2021 net earnings, back in members' hands. That cash back equates to an average 1.25% interest rate reduction for members' loans over the last year. Even after 17 years of Patronage, it still feels like a pretty innovative way of providing value to our members – a total of $720 million in value!

We know those numbers don't "just happen." It's because of our members and communities around us. That's why we also prioritize our outreach efforts, partnering with hundreds of nonprofit and mission focused organizations each year with not only dollars to support their important work, but sharing our staff's time and expertise. In total, nearly $625,000 was donated and 3,400 hours were volunteered by our staff – that's equivalent to 425 days of staff getting out and supporting their customers and communities.

Each organization has an important story to tell, but we've picked just a few to showcase their innovation and alignment with our four pillars of focus:

- Agriculture Advocacy, Leadership Development, and Education = Peninsula Pride Farm
- Young, Beginning, and Small Farmers = MI Good Food Fund
- Youth Education and Agriculture Awareness = Project RED MI Farm Bureau
- Rural Community Engagement = Member Grown Outreach program

Your cooperative's success is a direct correlation to our members' success. Your responsibility, ownership and commitment to innovation and day-to-day business dealings, plus your commitment to each other, can't be summarized in any one annual report. But we'd like to share a few stories with you to highlight just a few examples of the thousands of customers who inspire us each day.

- Grotegut Dairy uses sustainable innovations like a methane digester, recycled bedding, and software to benefit the environment.
- Kipp Farm Services innovated by diversifying their farm and services, including custom harvesting, seed and chemical sales, and cattle raising.
- Uncle John's Cider Mill took an innovative pivot during the pandemic to produce products and provide new sales and service options for customers.

Our customers – you – are always innovating to make the best personal and business decisions. As your lender, we're innovating right along with you because we know the importance you place on us being able to meet you every step of the way.

We're dedicated to ensuring we're able to meet your present and future needs, and the financial strength shown throughout this annual report can provide you with the confidence we're well positioned to achieve that goal.

We've been with you for over 100 years, and we plan on being here for that many more. We want to warmly thank you for your partnership, and we look forward to a bright future of more ideas, creativity, financial solutions, and forward progress. Let's see where 2022 takes us!

Edward L. Reed
Chair of the Board

David B. Armstrong
Chief Executive Officer

POWER-UP

GROTEGUT DAIRY FARM –

Farmers are always striving to improve, and at Grotegut Dairy Farm in Newton, Wisconsin, they are using modern technology to make their farm even more sustainable.

In 2008, Grotegut Dairy Farm put in a methane (anaerobic) digester, which decomposes the manure into a gaseous biogas product.

"At that time, we were able to sell that electricity back on the grid, which worked well," said Doug Grotegut, of Grotegut Dairy Farm, Inc. Doug, who farms with his son Kip and nephew Eric, milks about 3,000 cows and grows feed for them on approximately 3,300 acres.

In 2010, they expanded their dairy and put in a second digester, which continued to produce electricity for another five years.

The Groteguts then had the opportunity to partner with DTE Biomass Energy, which is a Detroit-based energy company, and Rev LNG, LLC, which is a pioneer in the liquid natural gas solutions market.

Together, they create renewable natural gas from methane made by cow manure. First, the digester captures methane from the manure. Next, the methane is refined to meet quality standards, and then it's injected into a natural gas transmission line.

"We run the digesters ourselves. They take 100 percent of the dirty gas off the line and run it a half mile up the road to a cleaning site," Doug said. "Then it gets scrubbed, cleaned, compressed, and injected into the main line."

Once injected, it's then monetized by selling the gas along with the low carbon fuel standards (LCFS) credit , and renewable identification number (RIN) credit.

Previously, there was a carbon credit offset when the gas produced from the methane digester was used in a methane engine/generator. The digester was taking methane out of the atmosphere, but it still resulted in an emission in the form of exhaust. The new way is even more sustainable.

By doing it this way, the gas goes into a pipeline, and for instance, that molecule of gas can go all the way to California to fuel vehicles like a compressed natural gas (CNG) semi truck.

"This method is actually pulling a diesel semi off the road in favor of a CNG semi," Doug said. "As a result, the offset is worth about ten times as much as a regular carbon offset - depending on the market - because we're pulling diesel fuel emissions off the road replacing with vehicles running renewable energy."

The process works well for Grotegut Dairy, so they're able to concentrate on their area of expertise, and their partners can work on their area of interest.

"They deal with the brokers and the carbon credits now," Doug said. "I want to milk cows, take care of them, and take great care of the land. We've had good luck with the digesters and the program so far."

Recycled bedding

Before the Groteguts started with their first digester, they were buying manure solids. When they installed their digester, they were able to start making their own recycled bedding.

"The digester heats the manure to 102 degrees for 21 days, and that kills the bugs and pathogens in the manure," Doug said. "We run it through a screw-press, which takes the water out. This takes it down to 70% moisture, and that's what we use for bedding."

Using this method, the manure is recycled for a positive use, and they don't have to purchase a non-renewable resource to bed down their cattle.

"Every stall gets bedded three days a week, and we have cross vent along with some tunnel vent barns, which helps it dry," Doug said. "We've been happy with the results."

Technology

The latest innovation the Groteguts have embraced is using technology to get their cost of feed production down. They did that by investing in technology that helps them determine their exact expenses.

"We are using Granular Insights, which is software that combines GPS and technical information from all of our equipment to calculate cost," he said. "It records fuel usage, how many hours equipment is run, where it goes, and it tracks it all so we get a calculation of how much it costs us to grow an acre of alfalfa or corn."

Since it's difficult to track costs, this is a modern way to get a handle on expenses. It also helps with decision-making on purchasing feed, plus buying or renting land.

"Some years corn prices are high, and you know you could produce it yourself cheaper," he said. "Some years it's low, and you know it would cost more to grow. By having all of this exact information, we can decide what best to do."

In addition to the software, they also use the yield monitor on the choppers, plus every load gets weighed for exact data. The measurement tools make the process less of a guess by being more accurate.

"By weighing every load on the scale, we can get a more exact number," he said. "We can know exactly what goes in and out through the mixer, and we can better calculate our shrink."

Financial services officer Dan Gitter has been with GreenStone for 24 years, and he has been working directly with the Grotegut family for over a decade.

"I've known the family for quite a number of years, and they have a long track record of evaluating opportunities and determining if they're a good fit for their business," Dan said. "They are very capable of making the decision to discontinue something they've been doing if it's no longer a good fit and taking a look at new opportunities to evaluate if it will add to the bottom line."

Dan, also a Wisconsin native and from a dairy farm, appreciates the innovative nature of the Grotegut family.

"It's been excellent working with them," Dan said. "We have open communication, candid discussions about the direction they want to go, and we share insights to try to come up with the best financial solution."

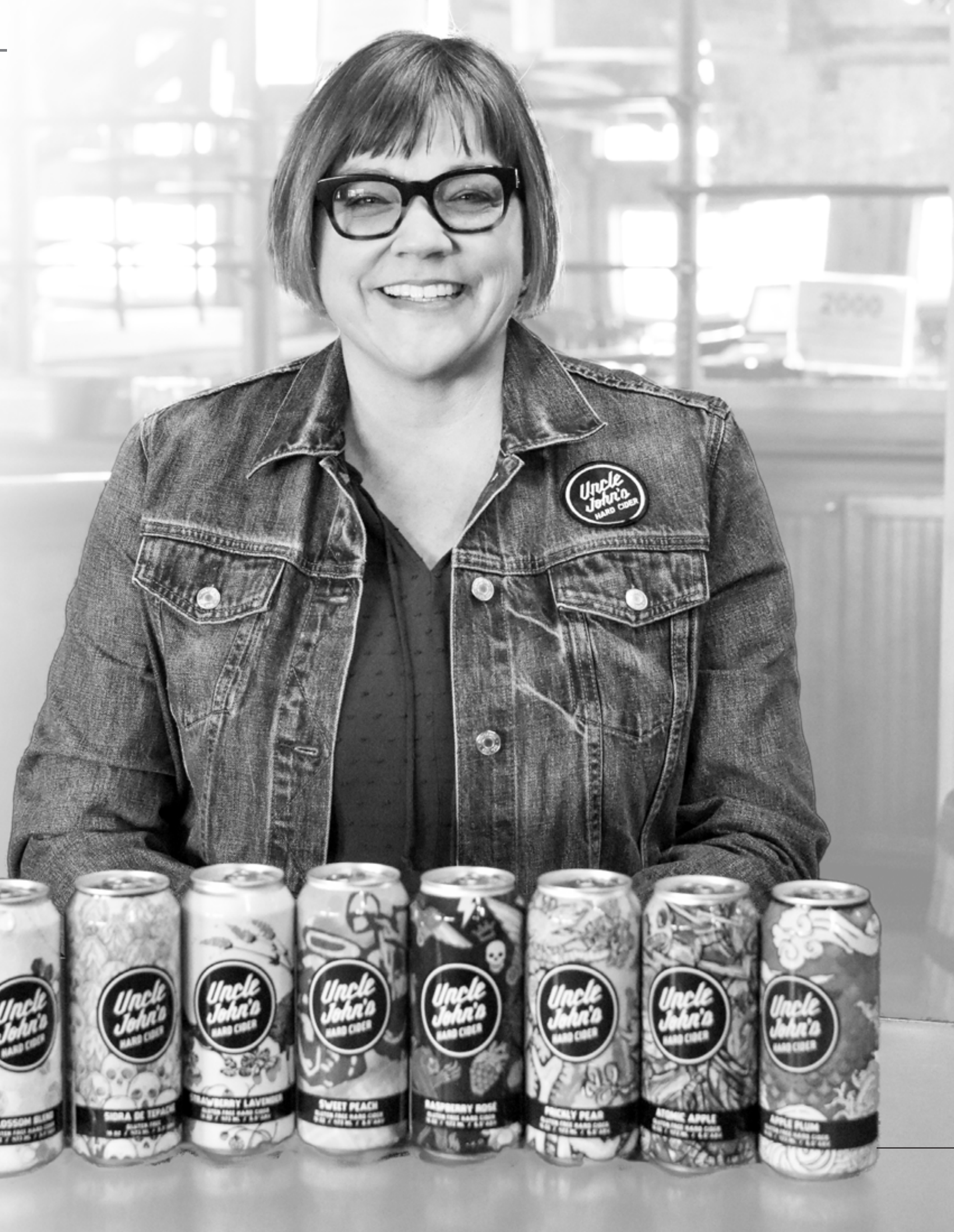
"I want to milk cows, take care of them, and take great care of the land."

QUICK-CHANGE

UNCLE JOHN'S CIDER MILL–

Uncle John's Cider Mill is celebrating their 50th anniversary this year, and their willingness to be innovative has helped them not only survive, but thrive.

John and Carolyn Beck bought the farm from John's parents in the 1970s, and they originally ran it as a fruit and vegetable farm. When the market made that difficult to turn a profit, they converted the barn into a cider mill and sold cider and donuts. Over the decades, they've expanded their offerings by adding a bakery, gift shop, and taproom. They embraced agritainment, and their 50,000 visitors on busy fall weekends are a mark of success.



The Becks have four children, and two of them are in the business – Mike and Kathy. Mike and his wife Dede are owners, as well as Kathy and her husband John. Together with their parents, they've been operating a flourishing business.

When COVID shutdowns hit in 2020, they knew they had to make a change.

"At that moment," Dede said, "we thought – we've done a lot of hard things. We've been through a 100% crop loss. We purchased the business right before a recession. We got this."

As a result, Dede said they approached the situation perhaps a little differently than people who hadn't dealt with making operational changes in the past.

Selling their hard cider off the premises became tricky, because many businesses were shut down or had limited hours. They weren't comfortable asking their sales staff to call on accounts, and draft sales were almost non-existent.

The taproom already had four flavors of hard cider that they canned, but they had not canned any of their specialty draft flavors. Dede saw an opportunity.

"By canning our draft flavors, it was a way for us to release specialty flavors and provide people with something new and exciting," Dede said. "It was a fresh and fun way to sell our product."

They released a new flavor every month, with flavors like blossom blend, strawberry lavender, and prickly pear. They also released glassware to match. It was incredibly popular.

However, they also had to consider how they were going to get packaging materials, because aluminum was in short supply. They needed a better way to get their cans into people's hands.

"In the industry, we called it the candemic," Dede said. "But, we had an old semi-load of aluminum cans sitting here from an earlier rebranding. We were just saving them for a rainy day, because they had no recyclable value."

Dede drew on other small businesses to make their new way of packaging work.

"We found a family business in Illinois to do the shrink wrapping," she said. "We sent our cans down, they put the wraps on, and this way we could repurpose our cans. We also worked with a small business to print the sleeves, and another to do shipping. It felt so good to be able to repurpose these cans."

Dede also employed local art teacher Jared Fromson to do the custom art for each can and glassware release.

"It was great for us, and good for him because he wasn't able to be in the classroom, and it was somewhere different to focus on," said Dede. "The entire experience for us was refreshing…and fun."

Dede appreciated many people volunteering their time to help, like local businessman Chuck DeSander of Chuckie D's, a close friend, and the Beck and Heysteck children.

They also made other innovative changes in their sales strategy, including the way they served customers.

"It was so cool, because it was during the time we were normally closed, and so many people came."

"They implemented online ordering and curbside ordering, which I thought was great," said their Financial Services Officer Courtney Ross. "I took advantage of it myself."

Courtney Ross has been working with Uncle John's Cider Mill since 2017, and she admires the way they run their business.

"They're always trying to change to meet the needs of their customers," she said. "Not only that, but they're fun to work with, and they're always super welcoming and accommodating when I'm on the farm."

Dede explains that the online and curbside service happened as a happy accident.

"It was a sunny, beautiful day, and we offered it – and we were so busy," she said. "It was so cool, because it was during the time we were normally closed, and so many people came – and it just gave us all hope – like we're going to be okay. We were making people happy, and we're still making them happy."

Since people still felt comfortable outside, they also decided to expand their outdoor offerings.

"More than ever, families are spending time together here on the farm. Every demographic is represented, and when I look around and see everyone together, I can see we've done our job."

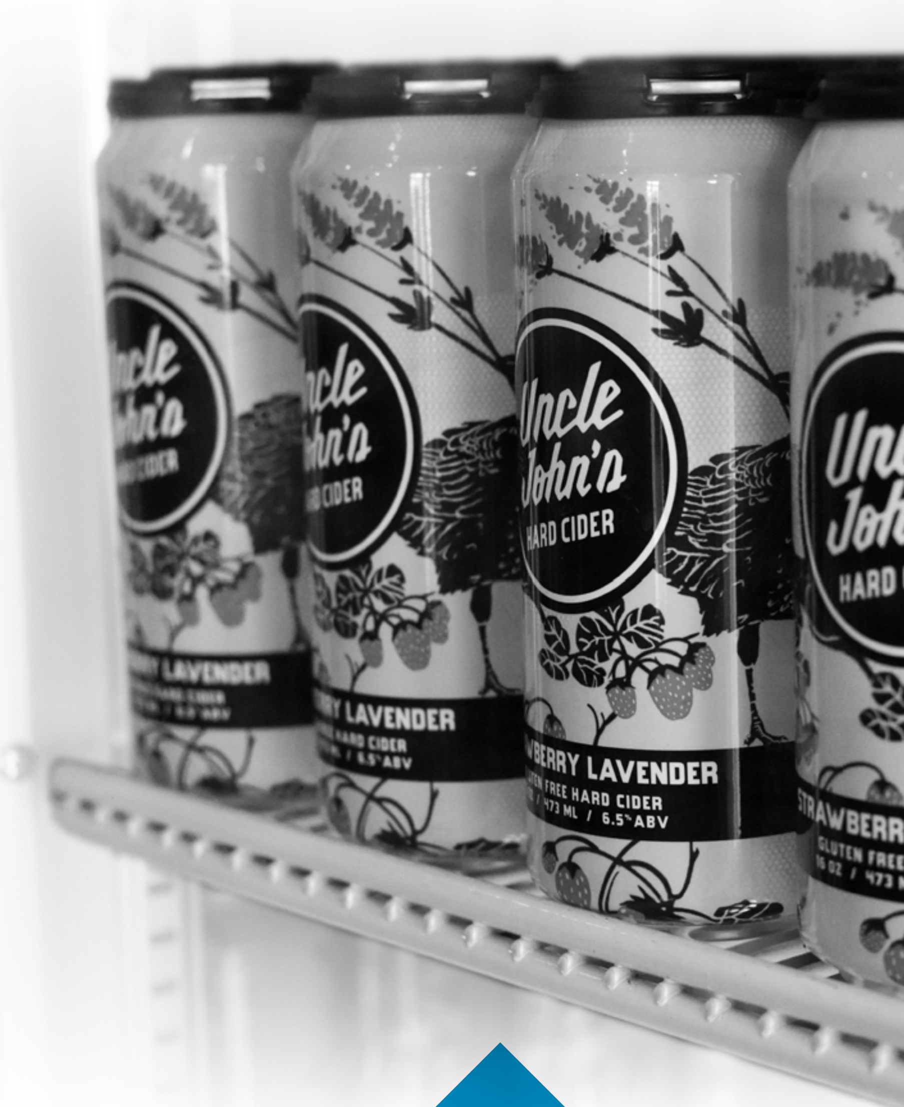
"So many people don't like change, but we knew we had to change," Dede said. "We turned an old garden shed into a bar, set up tables, firepits, and added to our live music schedule."

Co-owner John Heysteck said the new outside offerings are going to stay.

"People wanted to be outside," he said. "We had an area that would be good for a stage, and the building trade students in St Johns needed a project, so they built it. We added food trucks, and now this is a permanent entertainment area."

With all their changes, they continue to plan ahead and are actively seeking other opportunities. They're looking to host a music festival in the summer, expand the taproom with more music and food truck options, and add a second stage as a permanent fixture. They're also throwing a 50th anniversary party.

"When we were forced to go back to basics, we did," Dede said. "More than ever, families are spending time together here on the farm. Every demographic is represented, and when I look around and see everyone together, I can see we've done our job."



$12.0

Billion in Total Assets (owned and managed)

$264.7

Net Income in Millions

8.2%

Total Loan Growth (owned and managed)

Achieving strong earnings should be welcome news to all our members. Earnings allow your association to build capital for future adversity while keeping our financial foundation sound to remain a dependable, competitive, and responsible lender for today and future generations.

OUT-REACH

COMMUNITY SUPPORT –

Our commitment to our customers extends beyond providing reliable financial services. Like our members, our roots run deep and we take pride in giving back by providing ongoing support to the local communities where we work, play and live. Two of GreenStone's Four Core Values include Get Involved and Doing the Right Thing, something our employees take pride in upholding. Through our local branches and association-wide efforts, we contribute time and resources to a variety of organizations aligned with our four target focus areas: Agriculture Advocacy; Young, Beginning and Small Farmers; Youth Education; and Rural Community Engagement.

Peruse these pages to learn just a few ways we supported our local communities and the agriculture industry throughout 2021.

AGRICULTURE ADVOCACY: WISCONSIN PENINSULA PRIDE FARMS

What began as a collaboration of a few local farmers and businesses with a similar goal of improving the water quality in Kewaunee and southern Door County in Wisconsin, is now a promise to the community to better protect and care for the environment - also known as Peninsula Pride Farms.

One of Peninsula Pride Farms' more recent focus areas is the Sustainability Project, an effort to measure on-farm sustainability by gathering quantifiable conservation performance efforts in eight sustainability areas of impact. Aggregate results will help determine future actions as well as to communicate the environmental benefits of the group's efforts in the local community. Farmers are stewards of the land, and initiatives like those of Peninsula Pride Farms provide the collaborative, science-based initiatives to continue those efforts. GreenStone supports these voluntary efforts and is proud to help Peninsula Pride Farmers and its members positively impact the future!

YOUNG, BEGINNING AND SMALL FARMER: MICHIGAN GOOD FOOD FUND

Aligning with our ongoing mission of supporting the next generation of agriculture, GreenStone is proud to continue its partnership with Michigan Good Food Fund to connect urban, young, beginning, and small farmers with valuable resources and funding to help them overcome their challenges. Focused on equipping food entrepreneurs and producers with tools necessary to fulfill their goals of providing healthy food options for the local community, in 2021 GreenStone and Michigan Good Food Fund teamed up to offer a free, four-month webinar series tailored to small businesses. Of note was a Loan Preparation for New and Beginning Farmers webinar hosted by GreenStone, providing details on the lending process, how to achieve sustainable growth and an opportunity to connect with lenders.

Through partnerships like this, GreenStone looks forward to assisting more producers and food entrepreneurs through its new CultivateGrowth program directed to the diverse needs of young, beginning and small farmers!

YOUTH EDUCATION AND AGRICULTURE AWARENESS: PROJECT R.E.D - RURAL EDUCATION DAYS

Focused on inspiring future generations about the importance of agriculture to help develop industry leaders and bring greater appreciation to our agricultural community, GreenStone focuses on supporting educational programs, volunteer efforts, and organizations with like-minded missions, such as Farm Bureau's Project R.E.D. (Rural Education Days). Once again during this past year's Project R.E.D., fourth-grade students were able to learn hands-on the importance of the agriculture industry and the valuable role it plays right from local farmers. GreenStone is proud to help students understand agriculture topics in a fun-filled, hands-on, learning environment. From livestock such as cattle, pigs and dairy, even rabbits and bees, to crops like sugar beets, wheat, corn, and soybeans, students learn the diverse aspects of farming practices and food production!

RURAL COMMUNITY ENGAGEMENT: MEMBER GROWN OUTREACH

Committed to our local rural communities and the 27,000 members we serve, GreenStone engages both members and employees in the cooperative's outreach and engagement efforts. Among those is the annual Member Grown Outreach program where local organizations making positive impacts in their communities receive a total of $20,000 in support from GreenStone based on members' votes during Patronage Week.

In 2021, the Father Fred Foundation, located in Traverse City, Michigan, earned $10,000 toward their mission of striving to bring hope to and enrich the lives of the community members seeking help, from food and clothing to home essentials and utilities. The F.R.E.S.H Project, serving northeast Wisconsin, was awarded $6,000 to contribute to their goal of bringing nutritional and fresh produce to their local communities while supporting their local farmers. The remaining $4,000 was given to the Macomb Charitable Foundation to help them fulfill their mission of serving children who are living at or below the poverty level in Macomb County, Michigan, by providing goods, services and support.

3,395
Total Volunteer Hours

$624,065
Total Dollars Donated

612
Total Organizations and Events Benefited

Pillars of Support

Agriculture Advocacy, Customer and Industry Relations, and Producer Leadership Development and Education:

- -550 hours volunteered
- -$114,700 donated
- -129 organizations and events benefited

Young, Beginning, and Small Farmers, Women and Minorities:

- -130 hours volunteered
- -$100,975 donated
- -25 organizations and events benefited

Youth Education and Agriculture Awareness:

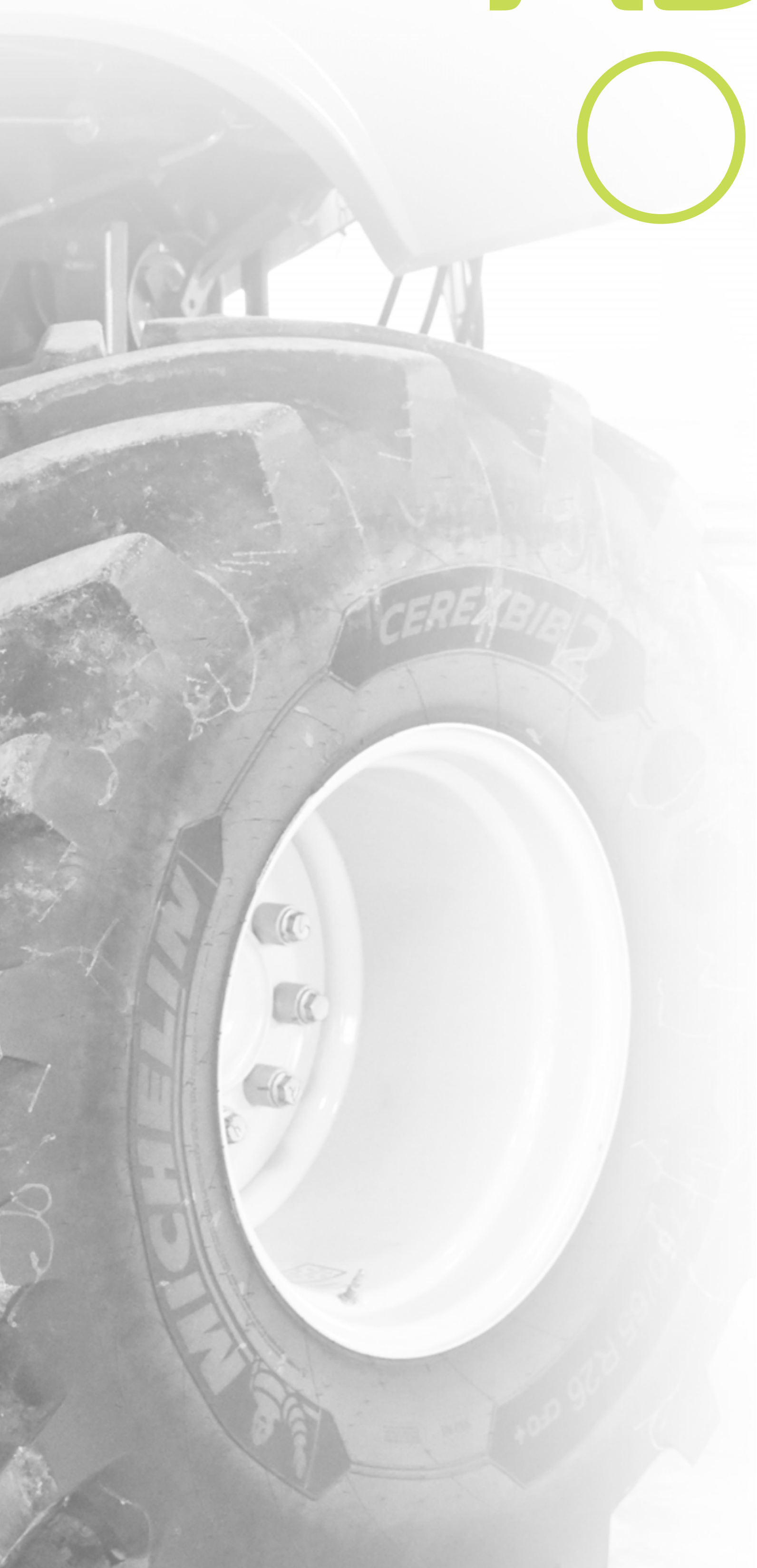
- -1,270 hours volunteered
- -$273,550 donated
- -190 organizations and events benefited

Rural Community Engagement:

- -1,445 hours volunteered
- -$134,840 donated
- -268 organizations and events benefited


Columbia

ADDING-ON



KIPP FARM SERVICES –

Kalvin and Stephanie Kipp, through their business Kipp Farm Services, provide a variety of farm-related services to farmers in Montcalm and Mecosta County. In their diverse operation, they continue to innovate by growing their services.

“My friend’s dad, John Ryan, was especially influential,” Kalvin said. “He gave me the opportunity to operate equipment and was someone I could talk to about farming and the future. My dad Doug, also from a very young age, instilled a strong work ethic into me.”

Kalvin put himself through the ag tech program at Michigan State University by working on a neighboring farm every weekend, and that’s also where he met his wife Stephanie, who was majoring in crop and soil science.

Kalvin knew he wanted to start his own business; in 2014, the first step he took was to sell Pioneer Seed in Edmore, Michigan. He continued to focus on his goals for the future, and six months later he bought a detasseling machine to offer that service the following July. To enhance their offerings, they also built a destroyer machine to take down the male rows. Currently, they run the male row destroyer plus two detasseling machines.

The Kipps then added a cow calf operation to their business.

“We raise a registered Simmental herd, and we concentrate on genetics to raise high quality cattle,” he said. “We wean and sell our feeders before fall so we can move on to the harvest.”

"We saw the need for an independent ag retailer that has the flexibility to give customers what they need – and plenty of options."

Kalvin began to see the value of adding a custom harvesting business to his offerings. To make sure it was something he wanted to do, he rented a setup before investing in a purchase. He started by working with loyal customers, and in 2018, he launched his custom harvesting service. He now custom harvests corn, soybeans, and wheat around Edmore and Lakeview.

"When we work with growers, we do more than drop off stuff and collect a check," he said. "We're extremely involved with our farmers, because we want them to be successful and profitable."

Now, based on their interactions with farmers, Kalvin saw another service opportunity that would meet the needs of their current customers.

"One of the biggest things we've added diversity-wise is the sales of our chemicals and crop protection products," he said. "We saw the need for an independent ag retailer that has the flexibility to give customers what they need - and plenty of options. My goal from day one was to be diverse, and we will keep growing."

The Kipps started selling chemicals out of their existing barn, but after six months of good sales, they needed more room.

Financial Services Officer Mark Oberlin has been working with the Kipps for several years, and Kalvin enjoys working with him.

"I look at Mark as a partner – not just some banker," Kalvin said. "When we knew we needed another barn, I talked to Mark, and like he always does, he said, let's see how we can make this happen. He proposed the barn leasing option to us, and I think it's been great. He understands our position, and he knows how the market works, so we don't have to explain much to him."

"For me, that's what's enjoyable about this role," Mark said. "You have those conversations with people, you have that trust, and you get to know their operation and their families. It's rewarding."

Mark admires the Kipps for both their work on the farm and in their community.

"Kalvin and Stephanie are young, energetic, involved in the community, and they have figured out the best way to build a service company that meets the needs of their customers," Mark said. "They're willing to look at the market and try things, and if that doesn't work, move on and try something else."

Stephanie grew up in the potato industry, working on her family's farm until 2019, when she decided to work full-time with Kipp Farm Services.

With her potato and educational background, she became involved in offering more options for scouting, data management, and making recommendations to farmers.

Currently, Stephanie serves as chair for the Michigan Potato Research Committee, and she was just recognized as an industry leader from the Fruit Growers/Vegetable News as one of their '40 Under 40.' She and Kalvin also have two children, Beau (5), and Tess (2).

"I also can't say enough about Stephanie," Mark said. "She's super smart, very talented, and they can work together, and I think that's important to them."

Having the family all together is part of what makes the full-service farm operation meaningful to the Kipps. Especially with the custom harvest sector of the business, their kids are extremely involved.

"Making the transition to work with my husband has been a great one," Stephanie said. "I'm able to better understand his challenges and triumphs within the business. It's not just a business to us, it is our passion that we share together and now we are sharing that with our children. I'm so excited to watch them grow up in this environment and to see where that takes them in life."

Kalvin shares the same opinion.

"When we're harvesting, our kids work with us every day," Kalvin said. "It's harder when you're selling seed and chemicals, but when we're in the fields, they can be right there with us. I mean, I keep saying I don't want to send them to school – can't they just job shadow me for the next 18 years?"

He finished, "A big reason we are so diverse is that my ultimate goal is to give my kids the opportunity I didn't have, which is to work in our family business. We're not done adding services, but we're not going to go in a million different directions. We'll just keep moving forward."

$720

Million Paid
to Members
Since 2006

2021 FINANCIALS

GreenStone Farm Credit Services, ACA

Consolidated Five-Year Summary of Selected Financial Data

GREENSTONE FARM CREDIT SERVICES, ACA
(dollars in thousands)

	2021	2020	2019	2018	2017
CONDENSED STATEMENT OF CONDITION DATA					
Loans	$11,492,173	$10,589,927	$9,398,125	$8,619,585	$8,212,256
Allowance for loan losses	55,056	75,574	95,454	84,064	72,640
Net loans	11,437,117	10,514,353	9,302,671	8,535,521	8,139,616
Investment in AgriBank, FCB	284,770	257,760	222,432	196,566	164,805
Investment securities	2,992	5,404	9,046	7,715	12,414
Other assets	202,599	189,717	194,114	179,508	166,020
Total assets	$11,927,478	$10,967,234	$9,728,263	$8,919,310	$8,482,855
Obligations with maturities of one year or less	$212,872	$195,385	$200,945	$174,260	$131,112
Obligations with maturities greater than one year	9,619,904	8,827,305	7,748,606	7,072,973	6,783,097
Total liabilities	9,832,776	9,022,690	7,949,551	7,247,233	6,914,209
Protected members' equity	1	1	1	1	1
Capital stock and participation certificates	25,498	24,553	23,019	22,400	22,141
Unallocated surplus	2,072,939	1,923,172	1,757,944	1,651,528	1,548,350
Accumulated other comprehensive loss	(3,736)	(3,182)	(2,252)	(1,852)	(1,846)
Total members' equity	2,094,702	1,944,544	1,778,712	1,672,077	1,568,646
Total liabilities and members' equity	$11,927,478	$10,967,234	$9,728,263	$8,919,310	$8,482,855
CONDENSED STATEMENT OF INCOME DATA					
Net interest income	$255,402	$249,931	$234,647	$222,009	$209,387
Reversal of (provision for) credit losses	14,145	18,050	(13,793)	(17,324)	(22,120)
Patronage income	61,926	59,934	51,531	45,423	41,391
Financially related services income	13,707	11,766	10,584	9,812	10,263
Fee income	34,335	37,285	20,740	14,949	14,682
Other non-interest income	1,023	3,329	3,568	7,388	2,119
Non-interest expense	(112,501)	(106,732)	(99,140)	(95,948)	(95,075)
Provision for income taxes	(3,334)	(3,350)	(1,737)	(1,148)	(8,952)
Net income	$264,703	$270,213	$206,400	$185,161	$151,695
KEY FINANCIAL RATIOS					
For the Year					
Return on average assets	2.4%	2.6%	2.2%	2.1%	1.8%
Return on average members' equity	13.1%	14.5%	11.9%	11.3%	9.9%
Net interest income as a percentage of average earning assets	2.4%	2.5%	2.6%	2.6%	2.6%
Net charge-offs as a percentage of average loans	0.1%	—	—	—	—
At Year End					
Members' equity as a percentage of total assets	17.6%	17.7%	18.3%	18.7%	18.5%
Allowance for loan losses as a percentage of loans	0.5%	0.7%	1.0%	1.0%	0.9%
Common equity tier 1 ratio	15.8%	15.9%	16.7%	16.4%	16.4%
Tier 1 capital ratio	15.8%	15.9%	16.7%	16.4%	16.4%
Total regulatory capital ratio	16.4%	16.7%	17.6%	17.3%	17.0%
Permanent capital ratio	15.9%	16.0%	16.9%	16.6%	16.5%
Tier 1 leverage ratio	16.7%	16.6%	17.7%	17.6%	17.5%
OTHER					
Patronage distribution payable to members	$115,000	$105,000	$100,000	$82,000	$50,000

The patronage distribution to members accrued for the year ended December 31, 2021, will be distributed in cash during the first quarter of 2022. The patronage distributions accrued for the years ended December 31, 2020, 2019, 2018, and 2017 were distributed in cash during the first quarter of each subsequent year. No income was distributed to members in the form of dividends, stock, or allocated surplus during these periods.

Management's Discussion and Analysis

GREENSTONE FARM CREDIT SERVICES, ACA

The following commentary reviews the consolidated financial condition and consolidated results of operations of GreenStone Farm Credit Services, ACA (the Association) and its subsidiaries, GreenStone Farm Credit Services, FLCA and GreenStone Farm Credit Services, PCA and provides additional specific information. The accompanying Consolidated Financial Statements and Notes to the Consolidated Financial Statements also contain important information about our financial condition and results of operations.

The Farm Credit System (System) is a federally chartered network of borrower-owned lending institutions comprised of cooperatives and related service organizations, established by Congress to meet the credit needs of American agriculture. As of January 1, 2022, the System consisted of three Farm Credit Banks, one Agricultural Credit Bank, and 65 borrower-owned cooperative lending institutions (associations). The System serves all 50 states, Washington D.C., and Puerto Rico. This network of financial cooperatives is owned and governed by the rural customers the System serves.

AgriBank, FCB (AgriBank), a System Farm Credit Bank, and its District associations are collectively referred to as the AgriBank Farm Credit District (AgriBank District or the District). We are an association in the District.

The Farm Credit Administration (FCA) is authorized by Congress to regulate the System. The Farm Credit System Insurance Corporation (FCSIC) administers the Farm Credit Insurance Fund (Insurance Fund). The Insurance Fund is used to ensure the timely payment of principal and interest on Systemwide debt obligations, to ensure the retirement of protected borrower capital at par or stated value, and for other specified purposes.

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

GreenStone Farm Credit Services, ACA	AgriBank, FCB
3515 West Road	30 East 7th Street, Suite 1600
East Lansing, MI 48823	St. Paul, MN 55101
(800) 968-0061	(651) 282-8800
www.greenstonefcs.com	*www.AgriBank.com*
Travis.Jones@greenstonefcs.com	*FinancialReporting@AgriBank.com*

Our Annual Report is available on our website no later than 75 days after the end of the calendar year and members are provided a copy of such report no later than 90 days after the end of the calendar year. The Quarterly Reports are available on our website no later than 40 days after the end of each calendar quarter. To request free copies of our Annual or Quarterly Reports, contact us as stated above.

Forward-Looking Information

This Annual Report includes forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict. Words such as "anticipate", "believe", "estimate", "may", "expect", "intend", "outlook", "could", "should", "will", and similar expressions are used to identify such forward-looking statements. These statements reflect our current views with respect to future events. However, actual results may differ materially from our expectations due to a number of risks and uncertainties which may be beyond our control. The information in this report is based on current knowledge and is subject to many risks and uncertainties including, but not limited to:

- Political (including trade policies, environmental policies, and civil unrest), legal, regulatory, financial markets, and economic conditions, or other conditions and developments in the United States (U.S.) and abroad
- Length and severity of an epidemic or pandemic
- Economic fluctuations in the agricultural, international, rural, and farm-related business sectors
- Weather-related, disease, and other adverse climatic or biological conditions that periodically occur and can impact agricultural productivity and income
- Changes in U.S. government support of the agricultural industry (including government support payments) and the System as a government-sponsored enterprise, as well as investor and rating agency reactions to events involving the U.S. government, other government-sponsored enterprises, and other financial institutions
- Actions taken by the Federal Reserve System in implementing monetary policy
- Cybersecurity risks, including a failure or breach of our operational or security systems or infrastructure, or those of our third-party vendors or other service providers
- Credit, interest rate, and liquidity risks inherent in our lending activities
- Disruptive technologies impacting the banking and financial services industries or implemented by our competitors which negatively impact our ability to compete in the marketplace
- Changes in our assumptions for determining the allowance for loan losses, other-than-temporary impairment, and fair value measurements
- Industry outlooks for agricultural conditions
- Changes in interest rate indices utilized in our lending

COVID-19 Pandemic

As domestic public health measures have been implemented to limit the spread of COVID-19, including the availability of vaccines, many restrictions have been lifted across the U.S. While the emergence of COVID-19 variants may negatively impact economic conditions, the overall economy continues to recover, and the outlook is positive for many sectors, including agriculture.

The extent to which the COVID-19 pandemic continues to impact the Association will depend on future developments that are highly uncertain and cannot be predicted. However, we have weathered the significant challenges presented to date. Our business continuity response has allowed us to continue to serve our mission. All of our office buildings are open and employees are working in our offices on a full-time or hybrid work arrangement basis. We have not had any significant changes to internal controls over financial reporting due to working remotely.

Agricultural and Economic Conditions

The U.S. economic recovery was strong throughout 2021 after coming out of the COVID-induced recession of 2020. According to the U.S. Bureau of Economic Analysis, the 2021 fourth quarter gross domestic product (GDP) grew at an annual rate of 6.9%, after GDP increased 2.1% in the third quarter. These increases in GDP came after growth of 6.3% and 6.7% in the first and second quarters, respectively. GDP increased 5.7% annually in 2021, compared to an increase of 3.4% in 2020. The increase in 2021 reflected increases in personal consumption expenditures, nonresidential fixed investment, exports, residential fixed investment, and private inventory investment.

The U.S. labor market consistently added jobs during 2021. The December report from the Labor Department reported the economy added 199 thousand jobs in the month and the unemployment rate fell to 3.9%. While job openings decreased by 529 thousand during December, they remain high at 10.6 million jobs, which is 51% higher than it was prior to the pandemic. The low unemployment rate and high number of job openings sent some employers scrambling to find workers or adjusting their business strategies to deal with persistent labor shortages.

The Consumer Price Index (CPI) increased 7.0% on a yearly basis in 2021, the strongest annual increase since 1982. Price growth moderated slightly on a monthly basis during December as the CPI advanced 0.5%, compared to a 0.8% increase in November. The Omicron variant did not appear to have a significant impact on the travel sector, as lodging and airline fares also posted gains. The inflation consumers experienced is partially due to constraints in the manufacturing sector. For much of the past two years, problems sourcing input materials and finding qualified workers have weighed heavily on the sector. The CPI food index increased at a rate of 3.9% for 2021. Further, the CPI for beef increased 9.3%, pork 8.6%, poultry 5.1%, eggs 4.5% and dairy products 1.4% in 2021.

The Federal Reserve maintained its accommodative monetary policy throughout 2021 in order to support the U.S. economy's recovery and promote the Federal Reserve's two goals of maximum employment and price stability. Specifically, the Federal Open Market Committee (FOMC) kept the target range for the federal funds rate at 0.00% to 0.25% and completed asset purchases of $120 billion per month throughout much of the year, consisting of $80 billion per month of Treasury securities and $40 billion per month of agency mortgage-backed securities (MBS). In a statement from the January 2022 meeting, the FOMC said "with inflation well above 2% and a strong labor market, the Committee expects it will soon be appropriate to raise the target rate for the federal funds rate." Chairman Jerome Powell went on to say, "The committee is of a mind to raise the federal funds rate at the March meeting assuming that the conditions are appropriate to do so." He also said that subsequent interest rate increases and an eventual reduction in the Fed's asset holdings would follow as needed. The pace of subsequent rate hikes and how quickly officials will let its balance sheet decline is not yet clear. However, it appears the Fed plans to steadily restrict credit and end the extraordinary support it has provided to the U.S. economy during the pandemic.

The U.S. housing market experienced a surge in prices in 2021 with the S&P Case-Shiller National Home Price Index projecting a 15.6% increase in home prices for the year. The primary drivers for the price appreciation have been strong demand, particularly from millennial homebuyers, and a shortage of both new and existing homes for sale. Housing activity remained solid to end the year with single-family homes rising 11.9% in the month of December, which was the fastest pace since March 2021. For the year as a whole, the median price of a new home was $392 thousand, which was up more than 15.0% over the past year. Sales of homes priced over $500 thousand accounted for 28.0% of new home sales in 2021, up from 18.0% the prior year. While homebuilders are benefitting from the strong demand, they are contending with supply logjams and labor shortages which may lead to extended project timelines and will most likely keep them busy in 2022 and beyond.

The Institute of Supply Management's Purchasing Managers Index (PMI) reported the nineteenth consecutive month of growth in the manufacturing sector as the December 2021 PMI registered at 58.8%, indicating strong sector expansion and U.S. economic growth. A reading above 50% indicates that the manufacturing economy is generally expanding; below 50% indicates that it is generally contracting. During 2021, the PMI registered consistently strong results, with an amount reported each month in the range between 58.7% to 64.7% each month. Survey respondents reported that meeting the high level of demand has been challenging due to shortages of raw materials, difficulty transporting products and lack of labor.

Brent crude oil prices rose considerably throughout 2021 as a result of steady drawdowns on global oil inventories and the decision by the Organization of The Petroleum Exporting Countries (OPEC)+ to keep its production targets unchanged. The U.S. Energy Information Administration (EIA) reports Brent crude oil prices averaged $71 per barrel in 2021 and projects prices will average $75 per barrel in 2022 and $68 per barrel in 2023. Supply uncertainty in the forecast stems from uncertainty about OPEC+ production decisions and the rate at which U.S. oil and natural gas producers will increase drilling. U.S. regular gasoline retail prices averaged $3.02 per gallon (gal) in 2021, compared to an average of $2.18 per gal. in 2020. EIA forecasts gasoline prices will average $3.06 per gal. in 2022 and $2.81 per gal. in 2023. U.S. diesel fuel prices averaged $3.29 per gal. in 2021, compared to $2.56 per gal. in 2020 and is forecast at $3.33 per gal. in 2022 and $3.27 in 2023.

The United States Department of Agriculture (USDA) is forecasting a record level of U.S. agricultural exports in fiscal year (FY) 2022. The forecast for total agricultural exports is $175.5 billion, a 1.9% increase over the previous record set in FY 2021. Exports of livestock, poultry, and dairy products are forecast to grow by $1.9 billion to $38.7 billion, with gains across all major commodities except pork. Corn exports are forecast to decline by 2.7% while soybean and soybean products exports are projected to rise by 2.8% due to increased demand from China. However, these products could face challenges from the expectation of a large Brazilian harvest in early 2022. China is anticipated to remain the largest export market for U.S. agricultural products, with $36.0 billion of projected gross exports, which will be a record if realized.

The U.S. dairy industry endured both milk price volatility and rising feed costs throughout 2021. Milk prices showed more stability in the second half of the year but the dairy industry was challenged by higher input costs from elevated feed prices along with rising labor and energy costs. Compared to 2020, the milking herd increased by 0.6% to 9.5 million cows in 2021 and the milk per cow also increased by 0.6%. This resulted in total milk production increasing by 1.3%, to 226.2 billion pounds in 2021. The USDA is forecasting milk production in 2022 to increase to 227.7 billion pounds, which is the product of more milk per cow but a smaller milking herd. The all-milk price was $18.65 per hundredweight (cwt) for 2021. Looking forward, the USDA is projecting the all-milk price to increase to $22.60 per cwt in 2022 due to increased demand from both domestic and export markets.

U.S. pork production totaled 27.7 billion pounds in 2021, a 2.2% decrease from 2020. This reduction is due to lower dressed weights and lower hog slaughter numbers, driven by a decline in processor demand for hogs. The reduced demand from hog processors is attributed to constraints on slaughter capacity due to ongoing labor shortages as well as court-imposed restrictions of line speeds at several processing plants. U.S. pork exports declined by 2.6% this year to 7.1 billion pounds, largely because of lower shipments to China. Average hog prices for 2021 were $67.29 per cwt, 55.8% higher than 2020. However, prices peaked in the second quarter at $80.92 per cwt, and have been on a declining trend since then as the fourth quarter price was $56.36 per cwt.

Annual broiler production totaled 44.9 billion pounds in 2021, a 0.7% increase over last year. Prices are up considerably with average annual wholesale bird prices at $1.01 per pound, a 38.3% increase over last year. Strong prices were created by high demand for a broad range of items including boneless-skinless breasts, wings, and tenders. Notably, one significant driver of strong consumer demand for chicken products has been the "chicken sandwich wars" at a number of competing U.S. restaurants.

Wholesale egg prices averaged $1.19 per dozen in 2021, which is 5.6% higher than the 2020 annual average. Total U.S. egg production in 2021 was 8.1 billion dozen, a 0.1% increase over last year. Producers are still working through the COVID-impacted flock reductions from 2020, as the table layer flock did not achieve year-over-year growth until July 2021. Despite the smaller flock size, total egg production still increased in 2021 as younger layer flocks are more productive. Foreign demand for U.S. egg exports was solid in 2021, with total egg exports increasing by 2.8%, driven by large increases in shipments to South Korea, Japan, Hong Kong, and Canada.

Whole frozen turkey prices averaged $1.23 per pound in 2021, a 15.3% increase over 2020. For the second year in a row, average prices have increased in each quarter leading to strong growth in the average annual price. Total U.S. turkey production in 2021 declined by 2.6% to 5.6 billion pounds, primarily due to decreased turkey placements and slightly lower average weights. Turkey exports fell by 3.7% in 2021, which is following a 10.6% reduction in 2020 due to lower shipments to Mexico, the largest export market for U.S. turkeys.

According to the USDA, net farm income, the broadest measure of profits, is forecast to total $116.8 billion in 2021, a 23.2% increase compared to 2020. The projected increase in farm income is driven by growth in receipts for both crop and animal/animal product sectors, which will outpace the growth in production expenses. Price improvements, rather than quantity changes, account for the vast majority of growth in cash receipts across both livestock and crop commodities. If the forecasted level of net farm income is realized, it would be its highest level since 2013.

The USDA forecasted production expenses to increase by $29.8 billion in 2021 to $387.6 billion. Some of the largest increases were in the categories of feed, fuel, and fertilizer expenses. Feed expenses, the largest single expense category, are forecast to increase 13.4% in 2021, to $64.4 billion due to higher prices for feed commodities. Fuel and oil expenses are projected to increase 32.2%, to $15.8 billion in 2021. Fertilizer expenses are forecast to increase 12.5%, to $27.5 billion in 2021. Fertilizer prices have increased significantly for the 2022 crop, and concerns regarding availability have grown as the price farmers are reporting for fertilizer in some areas is up more than 300% and delivery times are anyone's best guess. This is similar to the fertilizer market in 2008. These issues are primarily due to strong domestic and global demand, low fertilizer inventories, the inability of the U.S. fertilizer industry to adjust production levels, and distribution or supply chain disruptions.

Farm sector equity is forecast to total $2.81 trillion in 2021, which equates to a 2.8% year-over-year increase. Farm assets are expected to increase to $3.26 trillion, or 2.8%, which is primarily driven by increases in the value of farm real estate. Total farm sector debt is forecast to increase by 2.9% to $454.1 billion in nominal terms, but when adjusted for inflation will be reduced by 0.8%. The increased debt level is the result of higher levels of real estate debt, while non-real estate debt is essentially unchanged. Due to these dynamics, the farm sector's debt-to-asset level will remain fairly flat while working capital is forecast to increase by 9.6% in 2021.

Michigan's farm real estate average value was $5,300 per acre in 2021, up 7.1% from 2020. Wisconsin's farm real estate average value was $5,190 per acre in 2021, up 7.0% from 2020.

Loan Portfolio

Total loans were $11.5 billion at December 31, 2021, an increase of $902.2 million from December 31, 2020.

Components of Loans
(in thousands)

As of December 31	2021	2020	2019
Accrual loans:			
Real estate mortgage	$6,635,092	$6,263,505	$5,576,865
Production and intermediate-term	2,034,177	1,987,917	1,969,256
Agribusiness	2,078,287	1,640,183	1,270,733
Other	696,348	656,946	508,310
Nonaccrual loans	48,269	41,376	72,961
Total loans	$11,492,173	$10,589,927	$9,398,125

The other category is primarily composed of rural infrastructure and rural residential real estate related loans.

As part of the AgriBank Asset Pool program (managed loans), we have sold participation interests in real estate loans to AgriBank. Our total participation interests in this program were $77.9 million, $100.3 million, and $126.1 million at December 31, 2021, 2020, and 2019, respectively.

Our growth in owned and managed loans for 2021 was 8.2%. The level of growth was lower than the 12.2% growth rate experienced in 2020. Growth was positively impacted by continued historically low interest rates in both 2021 and 2020. Owned and managed mortgage volume increased 9.7% over December 2020. The year-end commercial loan volume increased by 3.1% when compared to December 2020. We experienced loan growth in all market segments as our three major segments each showed positive growth. Our Traditional Farm segment, including our large commercial loans, grew 3.4% in 2021, compared to 7.0% in 2020. Our Capital Markets segment experienced a 16.4% growth rate in 2021 compared to a 20.7% growth rate in 2020. Our Country Living segment growth rate was 13.2% in 2021 compared to 19.5% in 2020. This growth is partially reflective of the improving economic conditions in our marketplace where more lenders are expanding their lending.

The outlook for overall portfolio growth for 2022 will have similar challenges to our experience in 2021. Increased competitive pressure is expected to create challenges to our growth in the Capital Markets segment. New entrants into the agricultural lending market will continue to put pressure on our growth level and returns in this segment. We expect moderate demand for expansion capital in dairy and some animal protein sectors during 2022. The level of this demand will depend on the expected profit margins in these segments, which look challenged today due to feed costs. We are also seeing land values in our regions staying fairly flat, especially in a higher interest rate environment. Growth in our Traditional Farm segment, including our large commercial loans, is expected to be in the 2020 and 2021 growth range. The general non-farm economy will be challenged as a result of COVID-19. A higher interest rate environment will challenge the Country Living segment, which also is experiencing high levels of competition with regard to pricing and new competitors continuing to reach the rural segment. Overall, we expect all market segments to show positive growth in 2022, with the Capital Market segments providing the highest growth rate. However, we also expect to see continuing loan pricing pressure within all market segments.

The Paycheck Protection Program (PPP) is a guaranteed loan program administered by the U.S. Small Business Administration (SBA) created in response to the COVID-19 pandemic. We obtained approval from the SBA in 2020 to participate as a lender in the PPP. The PPP provides for payment deferral, and under certain circumstances, loan forgiveness. Since inception of the program in 2020, we have successfully processed $231.1 million in PPP loans for customers with primarily production and intermediate-term type loans. As of December 31, 2021, $5.3 million of loans under this program were outstanding.

We offer variable, fixed, capped, indexed, and adjustable interest rate loan programs to our borrowers. We also offer fixed interest rate lease programs through Farm Credit Leasing Services Corporation. We determine interest margins charged on each lending program based on cost of funds, market conditions, and the need to generate sufficient earnings.

PORTFOLIO DISTRIBUTION

We are chartered to operate throughout Michigan and in certain counties in Wisconsin. Our portfolio volume is fairly evenly distributed among the territory with no material concentrations in any one county. This is evidenced by there being no individual county representing greater than 5.0% of our total loan volume at December 31, 2021.

Agricultural Concentrations

As of December 31	2021	2020	2019
Dairy	20.8%	21.9%	23.2%
Cash crops	18.6	18.8	19.4
Country home living	18.5	17.9	16.9
Agribusiness	8.3	7.8	7.3
Timber	4.1	4.4	4.4
Fruit	3.6	3.6	3.6
Livestock	2.9	2.7	2.9
Poultry	2.1	2.2	2.5
Hogs	2.1	2.5	2.8
Broilers	1.9	2.0	1.4
Vegetables	1.8	1.7	1.7
Potatoes	1.7	1.9	1.8
Landlords	1.6	1.7	1.5
Grain and field beans	1.5	1.3	1.2
Sugar beets	1.4	1.4	1.7
Greenhouse and nursery	0.9	1.1	1.3
Government guarantee	0.2	0.2	0.3
Other	8.0	6.9	6.1
Total	100.0%	100.0%	100.0%

Commodities are based on the borrower's primary intended commodity at the time of loan origination and may change due to borrower business decisions as a result of changes in weather, prices, input costs, and other circumstances.

Our level of portfolio diversification has not changed materially over the last year and continues to be one of our portfolio strengths. Due mainly to our diversity in commodities and the varied operating cycles that those commodities experience, our commercial volume levels do not show significant levels of seasonality.

PORTFOLIO CREDIT QUALITY

The credit quality of our loan portfolio improved slightly throughout 2021. Adversely classified owned assets decreased from 2.7% at December 31, 2020, to 2.1% at December 31, 2021. Adversely classified assets are assets that we identified as showing some credit weakness according to normal credit standards. The credit quality of our core market of traditional production farm loans improved and remained at satisfactory levels. Weaker borrowers in our dairy and cash crop portfolios continued to be challenged financially during 2021. We also experienced noticeable increased adverse assets in our poultry portfolio in 2021, while adverse assets within our pork portfolio decreased. We have considered portfolio credit quality in assessing the reasonableness of our allowance for loan losses.

The resulting level of credit quality, when combined with our earnings and addition to capital surplus, resulted in an adverse asset to risk funds ratio of 13.4% at December 31, 2021. This ratio has decreased 2.9% since December 31, 2020, and remains below our goal of maintaining this ratio at or below 25.0%. This ratio is a good measure of our risk-bearing ability.

In certain circumstances, the Federal Agricultural Mortgage Corporation (Farmer Mac) and other government agency guarantee programs are used to reduce the risk of loss. At December 31, 2021, $424.4 million of our loans were substantially guaranteed under these programs. The guaranteed loan volume decreased from $481.3 million at December 31, 2020. The decrease was primarily due to PPP loans that were forgiven during 2021.

RISK ASSETS

Components of Risk Assets
(dollars in thousands)

As of December 31	2021	2020	2019
Loans:			
Nonaccrual	$48,269	$41,376	$72,961
Accruing restructured	2,720	3,078	3,364
Accruing loans 90 days or more past due	—	30	—
Total risk loans	50,989	44,484	76,325
Acquired property	1,750	811	1,577
Total risk assets	$52,739	$45,295	$77,902
Total risk loans as a percentage of total loans	0.4%	0.4%	0.8%
Nonaccrual loans as a percentage of total loans	0.4%	0.4%	0.8%
Current nonaccrual loans as a percentage of total nonaccrual loans	57.6%	54.5%	53.5%
Total delinquencies as a percentage of total loans	0.3%	0.3%	0.5%

Note: Accruing loans include accrued interest receivable.

Our risk assets remained at acceptable levels during 2021. Total risk loans as a percentage of total loans remains well within our established risk management guidelines.

Nonaccrual volume increased $6.9 million from December 31, 2020, to $48.3 million at December 31, 2021. This increase was primarily due to a commercial dairy relationship that transferred to nonaccrual in 2021, which was partially offset by a commercial dairy relationship that was sold in 2021. As of December 31, 2021, 69.1% of the nonaccrual loan portfolio was comprised of dairy loans.

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 the 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 December 31	2021	2020	2019
Allowance as a percentage of:			
Loans	0.5%	0.7%	1.0%
Nonaccrual loans	114.1%	182.7%	130.8%
Total risk loans	108.0%	169.9%	125.1%
Net charge-offs as a percentage of average loans	0.1%	—	—
Adverse assets to capital and allowance for loan losses	11.6%	14.2%	17.8%

The allowance for loan losses decreased $20.5 million from December 31, 2020, to $55.1 million at December 31, 2021. This was mostly due to a reversal of provision for loan losses of $14.6 million along with $5.9 million of net charge-offs recorded in 2021. Included in our allowance is additional industry reserves for our dairy portfolio due to low milk prices during past several years. While prices have improved recently, higher grain prices have put pressure on feed costs. We previously had an additional industry reserve for our grain portfolio, but this was removed in 2021 as higher grain prices have eliminated the need for additional industry reserves for this segment of our portfolio. The additional industry reserves decreased $26.4 million from December 31, 2020, to $19.9 million at December 31, 2021. The $5.9 million of net charge-offs were primarily due to a $7.3 million charge-off on a commercial dairy relationship. In our opinion, the allowance for loan losses was reasonable in relation to the risk in our loan portfolio at December 31, 2021.

Additional loan information is included in Notes 3, 11, 12, and 13 to the accompanying Consolidated Financial Statements.

Investment Securities

In addition to loans, we held investment securities. Investment securities totaled $3.0 million, $5.4 million, and $9.0 million at December 31, 2021, 2020, and 2019, respectively. Our investment securities consisted of securities backed by pools of loans fully guaranteed by the SBA. The securities have been classified as held-to-maturity.

The investment portfolio is evaluated for other-than-temporary impairment. For the years ended December 31, 2021, 2020, and 2019, we have not recognized any impairment on our investment portfolio.

Additional investment securities information is included in Note 5 to the accompanying Consolidated Financial Statements.

Results of Operations

Profitability Information
(dollars in thousands)

For the year ended December 31	2021	2020	2019
Net income	$264,703	$270,213	$206,400
Return on average assets	2.4%	2.6%	2.2%
Return on average members' equity	13.1%	14.5%	11.9%

Changes presented in the profitability information chart relate directly to:

- Changes in income discussed in this section
- Changes in assets discussed in the Loan Portfolio and Investment Securities sections
- Changes in capital discussed in the Capital Adequacy section

Changes in Significant Components of Net Income
(in thousands)

For the year ended December 31	2021	2020	2019
Net interest income	$255,402	$249,931	$234,647
Reversal of (provision for) credit losses	14,145	18,050	(13,793)
Patronage income	61,926	59,934	51,531
Financially related services income	13,707	11,766	10,584
Fee income	34,335	37,285	20,740
Other non-interest income	1,023	3,329	3,568
Non-interest expense	(112,501)	(106,732)	(99,140)
Provision for income taxes	(3,334)	(3,350)	(1,737)
Net income	$264,703	$270,213	$206,400

Changes in Significant Components of Net Income
(in thousands)

Increase (decrease) in net income	2021 vs 2020	2020 vs 2019
Net interest income	$5,471	$15,284
Reversal of (provision for) credit losses	(3,905)	31,843
Patronage income	1,992	8,403
Financially related services income	1,941	1,182
Fee income	(2,950)	16,545
Other non-interest income	(2,306)	(239)
Non-interest expense	(5,769)	(7,592)
Provision for income taxes	16	(1,613)
Net income	$(5,510)	$63,813

NET INTEREST INCOME
Changes in Net Interest Income
(in thousands)

	2021 vs 2020	2020 vs 2019
Changes in volume	$19,453	$28,687
Changes in interest rates	(11,689)	(14,692)
Changes in nonaccrual income and other	(2,293)	1,289
Net change	$5,471	$15,284

Net interest income included income on nonaccrual loans that totaled $2.2 million, $4.4 million, and $2.7 million in 2021, 2020, and 2019, respectively. Nonaccrual income is recognized when received in cash, collection of the recorded investment is fully expected, and prior charge-offs have been recovered.

Net interest margin (net interest income as a percentage of average earning assets) was 2.4% in 2021, down from 2.5% in 2020, and 2.6% in 2019. We expect margins to remain stable in the near future.

(REVERSAL OF) PROVISION FOR CREDIT LOSSES
During 2021, a reversal of provision for loan losses of $14.6 million was recorded, which was partially offset by $421 thousand of provision for credit losses recorded on unfunded loan commitments. This resulted in a net reversal of provision for credit losses of $14.1 million for 2021, which was primarily due to the reduction in our additional industry reserves along with a reduction in specific reserves. These reversals were partially offset by an increase in our general reserve in addition to net charge-offs recorded. Additional information is included in Note 3 to the accompanying Consolidated Financial Statements.

NON-INTEREST INCOME

The decrease in fee income was primarily due to a decrease in loan conversion fees, which was partially offset by more fees collected from the SBA for PPP loans originated along with other loan fees that increased from 2020 to 2021. In 2021, there were loan conversion fees of $3.6 million compared to $14.6 million in 2020. We recorded $8.3 million in net loan fees from SBA for PPP loans in 2021 compared to $5.3 million in net loan fees in 2020 from SBA for PPP loans.

NON-INTEREST EXPENSE

Components of Non-Interest Expense

(dollars in thousands)

For the year ended December 31	2021	2020	2019
Salaries and employee benefits	$76,624	$75,744	$67,452
Purchased and vendor services	5,347	5,307	4,627
Communications	1,934	1,857	1,662
Occupancy and equipment	12,024	11,642	10,374
Advertising and promotion	3,064	2,724	4,102
FCA examination	2,335	2,243	2,213
Farm Credit System insurance	14,022	7,999	6,718
Miscellaneous expense	4,462	5,790	7,195
Expense reimbursements	(7,677)	(6,939)	(5,203)
Other non-interest expense	366	365	—
Total non-interest expense	$112,501	$106,732	$99,140
Operating rate	1.0%	1.1%	1.1%

The Farm Credit System insurance expense increased in 2021 primarily due to a higher premium rate charged by FCSIC on accrual loans. The premium rate, which is primarily impacted by System growth, was 16 basis points for all of 2021, compared to a premium rate of 8 basis points for the first half of 2020 and 11 basis points for the second half of 2020. The FCSIC has announced premiums will be 16 basis points for 2022. The FCSIC Board meets periodically throughout the year to review premium rates and has the ability to change these rates at any time.

Funding and Liquidity

We borrow from AgriBank, under a note payable, in the form of a line of credit, as described in Note 7 to the accompanying Consolidated Financial Statements. This line of credit is our primary source of liquidity and is used to fund operations and meet current obligations. At December 31, 2021, we had $1.4 billion available under our line of credit. We generally apply excess cash to this line of credit. 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.

Note Payable Information

(dollars in thousands)

For the year ended December 31	2021	2020	2019
Average balance	$9,002,221	$8,394,944	$7,309,096
Average interest rate	1.4%	1.8%	2.8%

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. However, we maintain some exposure to interest rates, including London Inter-bank Offer Rate (LIBOR), primarily from loans to customers which may not have a component of our line of credit with an exact repricing attribute.

In 2017, the United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced its intention to stop persuading or compelling the group of major banks that sustains LIBOR to submit rate quotations after 2021. ICE Benchmark Administration (the entity responsible for calculating LIBOR) ceased the publication of the one-week and two-month USD LIBOR settings immediately following the LIBOR publication on December 31, 2021, and has announced it intends to cease publication of the remaining USD LIBOR settings immediately following the LIBOR publication on June 30, 2023. It is widely anticipated that the Secured Overnight Financing Rate (SOFR) will become the benchmark to replace LIBOR.

The Farm Credit System has established a LIBOR transition workgroup to provide leadership in addressing the LIBOR phase-out across System entities. In coordination with this group, we have developed a comprehensive project plan to address the issues surrounding a transition away from LIBOR. This plan is consistent with regulatory guidance from the FCA, and it incorporates actions to address risk identification and reporting, mitigation strategies, development or adoption of products utilizing alternative reference rates, operational and system impacts, a process for monitoring regulatory and industry developments, as well as communication to stakeholders. While many factors can impact our net interest income, we do not expect a significant impact due to the LIBOR transition at this time.

As AgriBank has shifted their funding, with no remaining LIBOR-indexed bonds as of December 31, 2021, we may see an increase to our basis risk. With limited exceptions in accordance with FCA guidance, we have ceased issuing new loans indexed to LIBOR, somewhat mitigating this basis risk.

We have entered into a Standby Commitment to Purchase Agreement with Farmer Mac, a System institution, to help manage credit risk. If a loan covered by the agreement goes into default, subject to certain conditions, we have the right to sell the loan to Farmer Mac. This agreement remains in place until the loan is paid in full. The guaranteed volume of loans subject to the purchase agreement was $2.7 million, $4.5 million, and $5.5 million at December 31, 2021, 2020, and 2019, respectively. We paid Farmer Mac commitment fees totaling $17 thousand, $26 thousand, and $31 thousand in 2021, 2020, and 2019, respectively. These amounts are included in "Other operating expense" in the Consolidated Statements of Comprehensive Income. As of December 31, 2021, no loans have been sold to Farmer Mac under this agreement.

Capital Adequacy

Total members' equity was $2.1 billion, $1.9 billion, and $1.8 billion at December 31, 2021, 2020, and 2019, respectively. Total members' equity increased $150.2 million from December 31, 2020, primarily due to net income for the year, which was partially offset by patronage distribution accruals.

The FCA Regulations require us to maintain minimums for our common equity tier 1, tier 1 capital, total regulatory 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.

Regulatory Capital Requirements and Ratios As of December 31	2021	2020	2019	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:						
Common equity tier 1 ratio	15.8%	15.9%	16.7%	4.5%	2.5%	7.0%
Tier 1 capital ratio	15.8%	15.9%	16.7%	6.0%	2.5%	8.5%
Total regulatory capital ratio	16.4%	16.7%	17.6%	8.0%	2.5%	10.5%
Permanent capital ratio	15.9%	16.0%	16.9%	7.0%	N/A	7.0%
Non-risk-adjusted:						
Tier 1 leverage ratio	16.7%	16.6%	17.7%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	18.1%	17.9%	18.8%	1.5%	N/A	1.5%

Our capital plan is designed to maintain an adequate amount of surplus and allowance for loan losses which represents our reserve for adversity prior to impairment of stock. We manage our capital to allow us to meet member needs and protect member interests, both now and in the future.

Capital ratios are directly impacted by changes in capital, assets, and off-balance sheet commitments. Refer to the Loan Portfolio and the Investment Securities sections for further discussion of the changes in assets. Additional information on regulatory ratios and members' equity information is included in Note 8 to the accompanying Consolidated Financial Statements and off-balance sheet commitments are discussed in Note 12 to the accompanying Consolidated Financial Statements.

In addition to these regulatory requirements, we establish an optimum total regulatory capital target range. This target allows us to maintain a capital base adequate for future growth and investment in new products and services. The target range is subject to revision as circumstances change. Our optimum total regulatory capital target range was 13.5% to 18.5%, as of December 31, 2021.

If the capital ratios fall below the total requirements, including the buffer amounts, capital distributions (equity redemptions, dividends, and patronage) and discretionary senior executive bonuses are restricted or prohibited without prior FCA approval. We do not foresee any events that would result in this prohibition in 2022.

Relationship with AgriBank

BORROWING

We borrow from AgriBank to fund our lending operations in accordance with the Farm Credit Act. Approval from AgriBank is required for us to borrow elsewhere. A General Financing Agreement (GFA), as discussed in Note 7 to the accompanying Consolidated Financial Statements, governs this lending relationship.

The components of cost of funds under the GFA 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

In the periods presented, we were not subject to the risk premium component. Certain factors may impact our cost of funds, which primarily include market interest rate changes impacting marginal cost of debt as well as changes to pricing methodologies impacting the spread components described above.

The marginal cost of debt approach simulates matching the cost of underlying debt with similar terms as the anticipated terms of our loans to borrowers. This approach substantially protects us from market interest rate risk. We may occasionally engage in funding strategies that result in limited interest rate risk with approval by AgriBank's Asset/Liability Committee.

INVESTMENT

We are required to invest in AgriBank capital stock as a condition of borrowing. This investment may be in the form of purchased stock or stock representing distributed AgriBank surplus. As of December 31, 2021, we were required by AgriBank to maintain an investment equal to 2.5% of the average quarterly balance of our note payable, with an additional amount required on association growth in excess of a targeted growth rate, if the District is also growing above a targeted growth rate. As of March 31, 2022, the required investment is increasing to 2.55%.

We are also required to hold additional investment in AgriBank based on contractual agreements under pool programs.

As an AgDirect, LLP partnering association, we are required to purchase stock in AgDirect, which purchases an equivalent amount of stock in AgriBank.

PATRONAGE

AgriBank's capital plan is intended to provide for adequate capital at AgriBank under capital regulations as well as to create a path to long-term capital optimization within the AgriBank District. The plan optimizes capital at AgriBank; distributing available AgriBank earnings in the form of patronage, either cash or AgriBank stock, which is at the sole discretion of the AgriBank Board of Directors. The plan is designed to maintain capital adequacy such that sufficient earnings will be retained in the form of unallocated retained earnings and allocated stock to meet the leverage ratio target and other regulatory or policy constraints prior to any cash patronage distributions.

PURCHASED SERVICES

As of December 31, 2021, we purchased certain business services from AgriBank. Until the formation of SunStream Business Services (SunStream) on April 1, 2020, we also purchased financial and retail information technology, collateral, tax reporting, and insurance services from AgriBank. These services are now purchased from SunStream. For further discussion on our relationship with SunStream see the Other Relationships and Programs section. Additional related party information is included in Note 11 to the accompanying Consolidated Financial Statements.

IMPACT ON MEMBERS' INVESTMENT

Due to the nature of our financial relationship with AgriBank, the financial condition and results of operations of AgriBank materially impact our members' investment.

Other Relationships and Programs

RELATIONSHIPS WITH OTHER FARM CREDIT INSTITUTIONS

ProPartners Financial: We participate in ProPartners Financial (ProPartners) with certain Farm Credit System institutions to provide producer financing through agribusinesses that sell crop inputs. ProPartners is directed by representatives from participating associations. We sell to AgriBank our entire interest in the loans associated with ProPartners. As part of this program we receive patronage income at the sole discretion of the AgriBank Board of Directors.

Federal Agricultural Mortgage Corporation: We have entered into a Standby Commitment to Purchase Agreement with Farmer Mac. This agreement allows us to sell loans identified under the agreement to Farmer Mac. Refer to the Funding and Liquidity section for further discussion of this agreement.

CentRic Technology Collaboration: We participate in CentRic Technology Collaboration (CTC) with certain other AgriBank District associations. The CTC facilitates the development and maintenance of certain retail technology systems essential to providing credit and other services to our members. The CTC operations are governed by representatives of each participating association. The expenses of CTC are allocated to each of the participating associations based on an agreed upon formula. The systems developed are owned by each of the participating associations.

As the facilitating association for CTC, we are compensated to provide various support functions. This includes support for technology, human resources, accounting, payroll, reporting, and other finance functions.

Farm Credit Leasing Services Corporation: We have an agreement with Farm Credit Leasing Services Corporation (FCL), a System service corporation, which specializes in leasing products and provides industry expertise. Leases are originated and serviced by FCL and we purchase a participation interest in the cash flows of the transaction. This arrangement provides our members with a broad selection of product offerings and enhanced lease expertise.

CoBank, ACB: We have a relationship with CoBank, ACB (CoBank), a System bank, which involves purchasing and selling participation interests in loans. As part of this relationship, our equity investment in CoBank was \$505 thousand, \$392 thousand, and \$290 thousand at December 31, 2021, 2020, and 2019, respectively.

SunStream Business Services: We have a relationship with SunStream, which involves purchasing financial and retail information technology, collateral, tax reporting, and insurance services. SunStream was a division of AgriBank prior to April 1, 2020, when SunStream formed a separate System service corporation, of which we are a partial owner. As of December 31, 2021, and 2020, our investment in SunStream was \$1.9 million. Additional related party information is included in Note 11 to the accompanying Consolidated Financial Statements. We also guarantee the amounts borrowed by SunStream on their line of credit with AgriBank, up to \$40.0 million. Refer to Note 12 to the accompanying Consolidated Financial Statements for further disclosure.

Farm Credit Foundations: We have a relationship with Farm Credit Foundations (Foundations), a System service corporation, which involves purchasing human resource, benefit, payroll, and workforce management services. As of December 31, 2021, 2020, and 2019, our investment in Foundations was \$59 thousand. Additional related party information is included in Note 11 to the accompanying Consolidated Financial Statements.

UNINCORPORATED BUSINESS ENTITIES (UBES)

In certain circumstances we may establish separate entities to acquire and manage complex collateral, primarily for legal liability purposes.

AgDirect, LLP: We participate in the AgDirect trade credit financing program, which includes origination and refinancing of agriculture equipment loans through independent equipment dealers. The program is facilitated by another AgriBank District association through a limited liability partnership in which we are a partial owner. Our investment in AgDirect, LLP, was \$23.1 million, \$17.5 million, and \$16.6 million at December 31, 2021, 2020, and 2019, respectively.

PROGRAMS

We are involved in a number of programs designed to improve our credit delivery, related services, and marketplace presence.

AgDirect, LLP: We participate in the AgDirect trade credit financing program. Refer to the UBEs section for further discussion on this program.

Farm Cash Management: We offer Farm Cash Management to our members. Farm Cash Management links members' revolving lines of credit with an AgriBank investment bond to optimize members' use of funds.

Report of Management

GREENSTONE FARM CREDIT SERVICES, ACA

We prepare the Consolidated Financial Statements of GreenStone Farm Credit Services, ACA (the Association) and are responsible for their integrity and objectivity, including amounts that must necessarily be based on judgments and estimates. The Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Consolidated Financial Statements, in our opinion, fairly present the financial condition of the Association. Other financial information included in the Annual Report is consistent with that in the Consolidated Financial Statements.

To meet our responsibility for reliable financial information, we depend on accounting and internal control systems designed to provide reasonable, but not absolute assurance that assets are safeguarded and transactions are properly authorized and recorded. Costs must be reasonable in relation to the benefits derived when designing accounting and internal control systems. Financial operations audits are performed to monitor compliance. PricewaterhouseCoopers LLP, our independent auditors, audit the Consolidated Financial Statements. They also consider internal controls to the extent necessary to design audit procedures that comply with auditing standards generally accepted in the United States of America. The Farm Credit Administration also performs examinations for safety and soundness as well as compliance with applicable laws and regulations.

The Board of Directors has overall responsibility for our system of internal control and financial reporting. The Board of Directors and its Audit Committee consults regularly with us and meets periodically with the independent auditors and other auditors to review the scope and results of their work. The independent auditors have direct access to the Board of Directors, which is composed solely of directors who are not officers or employees of the Association.

The undersigned certify we have reviewed the Association's Annual Report, which has been prepared 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.

Edward L. Reed
Chair of the Board
GreenStone Farm Credit Services, ACA

David B. Armstrong
Chief Executive Officer
GreenStone Farm Credit Services, ACA

Travis D. Jones
Executive Vice President – Chief Financial Officer
GreenStone Farm Credit Services, ACA

March 4, 2022

Report on Internal Control Over Financial Reporting

GREENSTONE FARM CREDIT SERVICES, ACA

The GreenStone Farm Credit Services, ACA (the Association) principal executives and principal financial officers, or persons performing similar functions, are responsible for establishing and maintaining effective 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, to provide 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 and 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 and correction, of unauthorized acquisition, use, or disposition of the Association's assets that could have a material effect on its Consolidated Financial Statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Association's management has completed an assessment of the effectiveness of internal control over financial reporting as of December 31, 2021. In making the assessment, management used the 2013 framework in Internal Control — Integrated Framework, 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 concluded that as of December 31, 2021, the internal control over financial reporting was effective based upon the COSO criteria. Additionally, based on this assessment, the Association determined that there were no material weaknesses in the internal control over financial reporting as of December 31, 2021.

David B. Armstrong

David B. Armstrong
Chief Executive Officer
GreenStone Farm Credit Services, ACA

Travis D. Jones

Travis D. Jones
Executive Vice President – Chief Financial Officer
GreenStone Farm Credit Services, ACA

March 4, 2022

Report of Audit Committee

GREENSTONE FARM CREDIT SERVICES, ACA

The Consolidated Financial Statements were prepared under the oversight of the Audit Committee. The Audit Committee is composed of a subset of the Board of Directors of GreenStone Farm Credit Services, ACA (the Association). The Audit Committee oversees the scope of the Association's internal audit program, the approval, and independence of PricewaterhouseCoopers LLP (PwC) as independent auditors, the adequacy of the Association's system of internal controls and procedures, and the adequacy of management's actions with respect to recommendations arising from those auditing activities. The Audit Committee's responsibilities are described more fully in the Internal Control Policy and the Audit Committee Charter.

Management is responsible for internal controls and the preparation of the Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States of America. PwC is responsible for performing an independent audit of the Consolidated Financial Statements in accordance with auditing standards generally accepted in the United States of America and to issue their report based on their audit. The Audit Committee's responsibilities include monitoring and overseeing these processes.

In this context, the Audit Committee reviewed and discussed the audited Consolidated Financial Statements for the year ended December 31, 2021, with management. The Audit Committee also reviewed with PwC the matters required to be discussed by Statement on Auditing Standards AU-C 260, The Auditor's Communication with Those Charged with Governance, and both PwC and the internal auditor directly provided reports on any significant matters to the Audit Committee.

The Audit Committee had discussions with and received written disclosures from PwC confirming its independence. The Audit Committee also reviewed the non-audit services provided by PwC, if any, and concluded these services were not incompatible with maintaining PwC's independence. The Audit Committee discussed with management and PwC any other matters and received any assurances from them as the Audit Committee deemed appropriate.

Based on the foregoing review and discussions, and relying thereon, the Audit Committee recommended that the Board of Directors include the audited Consolidated Financial Statements in the Annual Report for the year ended December 31, 2021.

Eugene B. College
Chair of the Audit Committee
GreenStone Farm Credit Services, ACA

Ronald W. Lucas, David J. McConnachie, and Michael R. Timmer
Members of the Audit Committee

March 4, 2022

pwc

Report of Independent Auditors

To the Board of Directors of GreenStone Farm Credit Services, ACA,

Opinion

We have audited the accompanying consolidated financial statements of GreenStone Farm Credit Services, ACA, and its subsidiaries (the "Association"), which comprise the consolidated statements of condition as of December 31, 2021, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in members' equity and cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2021, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the information included in the 2021 Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

PricewaterhouseCoopers LLP

Minneapolis, Minnesota
March 4, 2022

PricewaterhouseCoopers LLP, 45 South Seventh Street, Suite 3400, Minneapolis, MN 55402
T: (612) 596 6000, F:(612) 373 7160, www.pwc.com

Consolidated Statements of Condition

GREENSTONE FARM CREDIT SERVICES, ACA
(In thousands)

As of December 31	2021	2020	2019
ASSETS			
Loans	$11,492,173	$10,589,927	$9,398,125
Allowance for loan losses	55,056	75,574	95,454
Net loans	11,437,117	10,514,353	9,302,671
Investment in AgriBank, FCB	284,770	257,760	222,432
Investment securities	2,992	5,404	9,046
Accrued interest receivable	60,120	62,836	73,629
Premises and equipment, net	48,083	47,395	50,033
Deferred tax assets, net	—	2,444	4,419
Other assets	94,396	77,042	66,033
Total assets	$11,927,478	$10,967,234	$9,728,263
LIABILITIES			
Note payable to AgriBank, FCB	$9,619,904	$8,827,305	$7,748,606
Accrued interest payable	31,570	30,933	49,800
Patronage distribution payable	115,000	105,000	100,000
Deferred tax liabilities, net	182	—	—
Other liabilities	66,120	59,452	51,145
Total liabilities	9,832,776	9,022,690	7,949,551
Contingencies and commitments (Note 12)			
MEMBERS' EQUITY			
Protected members' equity	1	1	1
Capital stock and participation certificates	25,498	24,553	23,019
Unallocated surplus	2,072,939	1,923,172	1,757,944
Accumulated other comprehensive loss	(3,736)	(3,182)	(2,252)
Total members' equity	2,094,702	1,944,544	1,778,712
Total liabilities and members' equity	$11,927,478	$10,967,234	$9,728,263

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

Consolidated Statements of Comprehensive Income

GREENSTONE FARM CREDIT SERVICES, ACA
(In thousands)

For the year ended December 31	2021	2020	2019
Interest income	$379,327	$403,413	$439,256
Interest expense	123,925	153,482	204,609
NET INTEREST INCOME	255,402	249,931	234,647
(Reversal of) provision for credit losses	(14,145)	(18,050)	13,793
NET INTEREST INCOME AFTER (REVERSAL OF) PROVISION FOR CREDIT LOSSES	269,547	267,981	220,854
Non-interest income			
Patronage income	61,926	59,934	51,531
Financially related services income	13,707	11,766	10,584
Fee income	34,335	37,285	20,740
Other non-interest income	1,023	3,329	3,568
TOTAL NON-INTEREST INCOME	110,991	112,314	86,423
Non-interest expense			
Salaries and employee benefits	76,624	75,744	67,452
Other operating expense	35,511	30,623	31,688
Other non-interest expense	366	365	—
TOTAL NON-INTEREST EXPENSE	112,501	106,732	99,140
INCOME BEFORE INCOME TAXES	268,037	273,563	208,137
Provision for income taxes	3,334	3,350	1,737
NET INCOME	$264,703	$270,213	$206,400
Other comprehensive loss			
Employee benefit plans activity	$(554)	$(930)	$(400)
Total other comprehensive loss	(554)	(930)	(400)
Comprehensive income	$264,149	$269,283	$206,000

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

Consolidated Statements of Changes In Members' Equity

GREENSTONE FARM CREDIT SERVICES, ACA
(In thousands)

	Protected Members' Equity	Capital Stock and Participation Certificates	Unallocated Surplus	Accumulated Other Comprehensive Loss	Total Members' Equity
Balance as of December 31, 2018	$1	$22,400	$1,651,528	$(1,852)	$1,672,077
Net income	—	—	206,400	—	206,400
Other comprehensive loss	—	—	—	(400)	(400)
Unallocated surplus designated for patronage distributions	—	—	(99,977)	—	(99,977)
Cumulative effect of change in accounting principle	—	—	(7)	—	(7)
Capital stock and participation certificates issued	—	2,250	—	—	2,250
Capital stock and participation certificates retired	—	(1,631)	—	—	(1,631)
Balance as of December 31, 2019	1	23,019	1,757,944	(2,252)	1,778,712
Net income	—	—	270,213	—	270,213
Other comprehensive loss	—	—	—	(930)	(930)
Unallocated surplus designated for patronage distributions	—	—	(104,985)	—	(104,985)
Capital stock and participation certificates issued	—	3,391	—	—	3,391
Capital stock and participation certificates retired	—	(1,857)	—	—	(1,857)
Balance as of December 31, 2020	1	24,553	1,923,172	(3,182)	1,944,544
Net income	—	—	264,703	—	264,703
Other comprehensive loss	—	—	—	(554)	(554)
Unallocated surplus designated for patronage distributions	—	—	(114,936)	—	(114,936)
Capital stock and participation certificates issued	—	3,253	—	—	3,253
Capital stock and participation certificates retired	—	(2,308)	—	—	(2,308)
Balance as of December 31, 2021	$1	$25,498	$2,072,939	$(3,736)	$2,094,702

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

Consolidated Statements of Cash Flows

GREENSTONE FARM CREDIT SERVICES, ACA
(In thousands)

For the year ended December 31	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$264,703	$270,213	$206,400
Depreciation on premises and equipment	2,981	3,444	3,426
Gain on sale of premises and equipment, net	—	(69)	—
Amortization of (discounts) premiums on loans and investment securities, net	(59)	(5)	193
(Reversal of) provision for credit losses	(14,145)	(18,050)	13,793
Stock patronage received from Farm Credit Institutions	(7,744)	(102)	(19,255)
(Gain) loss on acquired property, net	(40)	(344)	253
Changes in operating assets and liabilities:			
Increase in accrued interest receivable	(12,941)	(10,549)	(23,617)
Increase in other assets	(8,193)	(6,957)	(2,905)
Increase (decrease) in accrued interest payable	637	(18,867)	1,398
Increase in other liabilities	6,296	6,544	6,887
Net cash provided by operating activities	231,495	225,258	186,573
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in loans, net	(892,523)	(1,171,086)	(765,972)
Purchases of investment in AgriBank, FCB, net	(19,379)	(35,328)	(6,675)
Purchases of investment in other Farm Credit Institutions, net	(5,665)	(1,908)	(199)
Purchase of investment securities	—	—	(5,412)
Proceeds from maturing investment securities	2,322	3,552	3,991
Decrease in acquired property, net	225	1,880	1,374
Purchases of premises and equipment, net	(3,670)	(737)	(6,880)
Net cash used in investing activities	(918,690)	(1,203,627)	(779,773)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in note payable to AgriBank, FCB, net	792,599	1,078,699	675,633
Patronage distributions paid	(104,936)	(99,985)	(81,977)
Capital stock and participation certificates retired, net	(469)	(345)	(456)
Net cash provided by financing activities	687,194	978,369	593,200
Net change in cash	(1)	—	—
Cash at beginning of year	7	7	7
Cash at end of year	$6	$7	$7
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES			
Interest transferred to loans	$15,649	$21,331	$15,429
SUPPLEMENTAL INFORMATION			
Interest paid	$123,288	$172,349	$203,211
Taxes paid, net	4,595	1,462	2,117

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

Notes to Consolidated Financial Statements

GREENSTONE FARM CREDIT SERVICES, ACA

NOTE 1: ORGANIZATION AND OPERATIONS

FARM CREDIT SYSTEM AND DISTRICT

The Farm Credit System (System) is a federally chartered network of borrower-owned lending institutions comprised of cooperatives and related service organizations, established by Congress to meet the credit needs of American agriculture. As of January 1, 2022, the System consisted of three Farm Credit Banks, one Agricultural Credit Bank, and 65 borrower-owned cooperative lending institutions (associations). AgriBank, FCB (AgriBank), a System Farm Credit Bank, and its District associations are collectively referred to as the AgriBank Farm Credit District (AgriBank District or the District). At January 1, 2022, the District consisted of 13 Agricultural Credit Associations (ACA) that each have wholly-owned Federal Land Credit Association (FLCA) and Production Credit Association (PCA) subsidiaries.

FLCAs are authorized to originate long-term real estate mortgage loans. PCAs are authorized to originate short-term and intermediate-term loans. ACAs are authorized to originate long-term real estate mortgage loans and short-term and intermediate-term loans either directly or through their subsidiaries. Associations are authorized to provide lease financing options for agricultural purposes and are also authorized to purchase and hold certain types of investments. AgriBank provides funding to all associations chartered within the District.

Associations are authorized to provide, either directly or in participation with other lenders, credit and related services to eligible borrowers. Eligible borrowers may include farmers, ranchers, producers or harvesters of aquatic products, rural residents, and farm-related service businesses. In addition, associations can participate with other lenders in loans to similar entities. Similar entities are parties that are not eligible for a loan from a System lending institution, but have operations that are functionally similar to the activities of eligible borrowers.

The Farm Credit Administration (FCA) is authorized by Congress to regulate the System banks and associations. We are examined by the FCA and certain association actions are subject to the prior approval of the FCA and/or AgriBank.

The Farm Credit System Insurance Corporation (FCSIC) administers the Farm Credit Insurance Fund (Insurance Fund). The Insurance Fund is used to ensure the timely payment of principal and interest on Farm Credit Systemwide debt obligations, to ensure the retirement of protected borrower capital at par or stated value, and for other specified purposes.

At the discretion of the FCSIC, the Insurance Fund is also available to provide assistance to certain troubled System institutions and for the operating expenses of the FCSIC. Each System bank is required to pay premiums into the Insurance Fund until the assets in the Insurance Fund equal 2.0% of the aggregated insured obligations adjusted to reflect the reduced risk on loans or investments guaranteed by federal or state governments. This percentage of aggregate obligations can be changed by the FCSIC, at its sole discretion, to a percentage it determines to be actuarially sound. The basis for assessing premiums is debt outstanding with adjustments made for nonaccrual loans and impaired investment securities which are assessed a surcharge while guaranteed loans and investment securities are deductions from the premium base. AgriBank, in turn, assesses premiums to District associations each year based on similar factors.

ASSOCIATION

GreenStone Farm Credit Services, ACA (the Association) and its subsidiaries, GreenStone Farm Credit Services, FLCA and GreenStone Farm Credit Services, PCA (subsidiaries) are lending institutions of the System. We are a borrower-owned cooperative providing credit and credit related services to, or for the benefit of, eligible members for qualified agricultural purposes in the state of Michigan and the counties of Brown, Door, Florence, Kewaunee, Manitowoc, Marinette, Menominee, Oconto, Outagamie, Shawano, and Waupaca in the state of Wisconsin.

We borrow from AgriBank and provide financing and related services to our members. Our ACA holds all the stock of the FLCA and PCA subsidiaries. The FLCA makes secured long-term agricultural real estate and rural home mortgage loans and provides lease financing options. The ACA and PCA make short-term and intermediate-term loans and provide lease financing options for agricultural production or operating purposes. At this time, the ACA holds all short-term and intermediate-term loans and the PCA has no assets.

We offer credit life, term life, credit disability, crop hail, multi-peril crop, and livestock insurance to borrowers and those eligible to borrow. We also offer farm records, fee appraisals, and income tax planning and preparation services to our members.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING PRINCIPLES AND REPORTING POLICIES

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. Preparing financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

PRINCIPLES OF CONSOLIDATION

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

SIGNIFICANT ACCOUNTING POLICIES

Loans: Loans are carried at their principal amount outstanding net of any unearned income, cumulative charge-offs, unamortized deferred fees and costs on originated loans, and unamortized premiums or discounts on purchased loans. Loan interest is accrued and credited to interest income based upon the daily principal amount outstanding. Material loan fees, net of related costs, are deferred and recognized over the life of the loan as an adjustment to net interest income. The net amount of loan fees and related origination costs are not material to the Consolidated Financial Statements taken as a whole.

Generally we place loans in nonaccrual status when principal or interest is delinquent for 90 days or more (unless the loan is adequately secured and in the process of collection) or circumstances indicate that full collection is not expected.

When a loan is placed in nonaccrual status and the interest is determined to be both uncollectible and the loss is known, we reverse current year accrued interest to the extent principal plus accrued interest before the transfer exceeds the net realizable value of the collateral. Any unpaid interest accrued in a prior year should be charged-off against the allowance for loan losses. Any cash received on nonaccrual loans is applied to reduce the recorded investment in the loan, except in those cases where the collection of the recorded investment is fully expected and certain other criteria are met. In these circumstances interest is credited to income when cash is received. Loans are charged-off at the time they are determined to be uncollectible. Nonaccrual loans may be returned to accrual status when principal and interest are current, the customer's ability to fulfill the contractual payment terms is fully expected, and, if the loan was past due when placed in nonaccrual status, the loan has evidence of sustained performance in making on-time contractual payments.

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 formally restructured loan for regulatory purposes. 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 troubled debt restructurings are considered risk loans (as defined below). There may be modifications made in the normal course of business that would not be considered troubled debt restructurings (TDRs).

Loans that are sold as participations are transferred as entire financial assets, groups of entire financial assets, or participating interests in the loans. The transfers of such assets or participating interests are structured such that control over the transferred assets, or participating interests have been surrendered and that all of the conditions have been met to be accounted for as a sale.

Allowance for Loan Losses: The allowance for loan losses is our best estimate of the amount of losses on loans inherent in our portfolio as of the date of the financial statements. 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.

Loans in our portfolio that are considered impaired are assessed individually to establish a specific allowance. A loan is impaired when it is probable that all amounts due will not be collected according to the contractual terms of the loan agreement. We generally measure impairment based on the net realizable value of the collateral. Risk loans include nonaccrual loans, accruing restructured loans, and accruing loans 90 days or more past due. All risk loans are considered to be impaired loans.

We record a specific allowance to reduce the carrying amount of the risk loan by the amount the recorded investment exceeds the net realizable value of collateral. When we deem a loan to be uncollectible, we charge the loan principal and prior year(s) accrued interest against the allowance for loan losses. Subsequent recoveries, if any, are added to the allowance for loan losses.

We determine the amount of allowance that is required by assessing risk loans individually and all other loans by combining them into groups of loans sharing similar risk characteristics. For loans that are not individually assessed for impairment, an allowance is recorded for probable and estimable credit losses as of the financial statement date, using a two-dimensional loan risk rating model that incorporates a 14-point rating scale to identify and track the probability of borrower default and a separate 6-point scale addressing the loss severity. The combination of estimated default probability and loss severity is the primary basis for recognition and measurement of loan collectability of these pools of loans. These estimated losses may be adjusted for relevant current environmental factors.

Changes in the allowance for loan losses consist of provision activity, recorded in "(Reversal of) provision for credit losses" in the Consolidated Statements of Comprehensive Income, and recoveries and charge-offs.

Investment in AgriBank: Our stock investment in AgriBank is on a cost plus allocated equities basis.

Investment Securities: We are authorized to purchase and hold certain types of investments. As we have the positive intent and ability to hold these investments to maturity, they have been classified as held-to-maturity and are carried at cost adjusted for the amortization of premiums and accretion of discounts. If an investment is determined to be other-than-temporarily impaired, the carrying value of the security is written down to fair value. The impairment loss is separated into credit related and non-credit related components. The credit related component is expensed through Net income in the Consolidated Statements of Comprehensive Income in the period of impairment. The non-credit related component is recognized in other comprehensive income. Purchased premiums and discounts are amortized or accreted using the interest method over the terms of the respective securities. Realized gains and losses are determined using specific identification method and are recognized in current operations.

Acquired Property: Acquired property, consisting of real and personal property acquired through foreclosure or deed in lieu of foreclosure, is recorded at the fair value less estimated selling costs upon acquisition and is included in "Other assets" in the Consolidated Statements of Condition. Any initial reduction in the carrying amount of a loan to the fair value of the collateral received is charged to the allowance for loan losses. Revised estimates to the fair value less costs to sell are reported as adjustments to the carrying amount of the asset, provided that such adjusted value is not in excess of the carrying amount at acquisition. Related income, expenses, and gains or losses from operations and carrying value adjustments are included in "Other non-interest income" in the Consolidated Statements of Comprehensive Income.

Premises and Equipment: The carrying amount of premises and equipment is at cost, less accumulated depreciation. Calculation of depreciation is generally on the straight line method over the estimated useful lives of the assets. Gains or losses on disposition are included in "Other non-interest income" or "Other non-interest expense" in the Consolidated Statements of Comprehensive Income. Depreciation, maintenance, and repairs are included in "Other operating expense" in the Consolidated Statements of Comprehensive Income and improvements are capitalized.

Post-Employment Benefit Plans: The District has various post-employment benefit plans in which our employees participate. Expenses related to these plans, except for the AgriBank District Pension Restoration Plan, are included in "Salaries and employee benefits" in the Consolidated Statements of Comprehensive Income.

The defined contribution plan allows eligible employees to save for their retirement either pre-tax, post-tax, or both, with an employer match on a percentage of the employee's contributions. We provide benefits under this plan for all employees in the form of a fixed percentage of salary contribution in addition to the employer match. Employer contributions are expensed when incurred.

Certain employees also participate in the Nonqualified Deferred Compensation Plan. Eligible participants must meet one of the following criteria: certain salary thresholds as determined by the Internal Revenue Service (IRS), are either a Chief Executive Officer or President of a participating employer, or have previously elected pre-tax deferrals in 2006 under predecessor nonqualified deferred compensation plans. Under this plan the employee may defer a portion of his/her salary, bonus, and other compensation. Additionally, the plan provides for supplemental employer matching contributions related to any compensation deferred by the employee that would have been eligible for a matching contribution under the retirement savings plan if it were not for certain IRS limitations.

Certain employees participate in the AgriBank District Retirement Plan. The plan is comprised of two benefit formulas. At their option, employees hired prior to October 1, 2001, are on the cash balance formula or on the final average pay formula. Benefits eligible employees hired between October 1, 2001, and December 31, 2006, are on the cash balance formula. Effective January 1, 2007, the AgriBank District Retirement Plan was closed to new employees. The AgriBank District Retirement Plan utilizes the "Projected Unit Credit" actuarial method for financial reporting and funding purposes.

Certain employees also participate in the AgriBank District Pension Restoration Plan. This plan restores retirement benefits to certain highly compensated eligible employees that would have been provided under the qualified plan if such benefits were not above certain Internal Revenue Code limits. The pension liability attributable to the Pension Restoration Plan at the Association and the related accumulated other comprehensive loss are included in the Consolidated Statements of Condition. The components of the net periodic cost other than the service cost component, are included in "Other operating expense" on the Consolidated Statements of Comprehensive Income. Service costs are included in "Salaries and employee benefits" on the Consolidated Statements of Comprehensive Income.

We also provide certain health insurance benefits to eligible retired employees according to the terms of those benefit plans. The anticipated cost of these benefits is accrued during the employees' active service period.

Income Taxes: The ACA and PCA accrue federal and state income taxes. Deferred tax assets and liabilities are recognized for future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities. Deferred tax assets are recorded if the deferred tax asset is more likely than not to be realized. If the realization test cannot be met, the deferred tax asset is reduced by a valuation allowance. The expected future tax consequences of uncertain income tax positions are accrued.

The FLCA is exempt from federal and other taxes to the extent provided in the Farm Credit Act.

Patronage Program: We accrue patronage distributions according to a prescribed formula approved by the Board of Directors. We pay the accrued patronage during the first quarter after year end.

Off-Balance Sheet Credit Exposures: Commitments to extend credit are agreements to lend to a borrower as long as there is not a violation of any condition established in the loan contract. The commitments to extend credit generally have fixed expiration dates or other termination clauses. Standby letters of credit are agreements to pay a beneficiary if there is a default on a contractual arrangement. Any reserve for unfunded lending commitments and unexercised letters of credit is based on management's best estimate of losses inherent in these instruments, but the commitments have not yet disbursed. Factors such as likelihood of disbursal and likelihood of losses given disbursement are utilized in determining a reserve, if needed. Based on our assessment, any reserve is recorded in "Other liabilities" in the Consolidated Statements of Condition and a corresponding loss is recorded in "(Reversal of) provision for credit losses" in the Consolidated Statements of Comprehensive Income.

Cash: For purposes of reporting cash flow, cash includes cash on hand.

Fair Value Measurement: The accounting guidance describes three levels of inputs that may be used to measure fair value.

Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 — Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active so that they are traded less frequently than exchange-traded instruments, quoted prices that are not current, or principal market information that is not released publicly
- Inputs that are observable such as interest rates and yield curves, prepayment speeds, credit risks, and default rates
- Inputs derived principally from or corroborated by observable market data by correlation or other means

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

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

In March 2020, the FASB issued Accounting Standards Update (ASU) 2020-04 "Reference Rate Reform, Topic 848." In January 2021, the FASB issued ASU 2021-01 further amending Topic 848. This guidance may be elected and applied prospectively over time from March 12, 2020, through December 31, 2022, as reference rate reform activities occur.

Description

The guidance provides optional expedients and exceptions for applying GAAP to contracts and other transactions affected by reference rate reform. The guidance simplifies the accounting evaluation of contract modifications that replace a reference rate affected by reference rate reform and contemporaneous modifications of other contract terms related to the replacement of the reference rate.

Adoption status and financial statement impact

During March 2021, we adopted this standard. To date, the adoption of this standard has not had a material impact on our financial condition, results of operations, cash flows, and financial statement disclosures.

Standard and effective date

In June 2016, the FASB issued 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 amended 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.

Description

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.

Adoption status and financial statement impact

We expect to adopt the standard as of January 1, 2023. The development and validation of our model to estimate credit losses for our loan portfolio is substantially complete. Processes and internal controls related to the model and the estimation of credit losses for loans are currently being designed. We are also evaluating the impact of the standard as it relates to our investment portfolio. We are in the process of drafting disclosures and accounting policies. The extent of the impact on our financial statements will depend on economic conditions, forecasts and the composition of our loan and investment portfolios at the time of adoption.

NOTE 3: LOANS AND ALLOWANCE FOR LOAN LOSSES

Loans by Type
(dollars in thousands)

	2021		2020		2019	
As of December 31	Amount	Percentage	Amount	Percentage	Amount	Percentage
Real estate mortgage	$6,662,615	57.9%	$6,292,857	59.4%	$5,618,576	59.8%
Production and intermediate-term	2,053,528	17.9	1,998,160	18.9	1,989,227	21.2
Agribusiness	2,078,287	18.1	1,640,282	15.5	1,280,579	13.6
Other	697,743	6.1	658,628	6.2	509,743	5.4
Total	$11,492,173	100.0%	$10,589,927	100.0%	$9,398,125	100.0%

The other category is primarily composed of rural infrastructure and rural residential real estate related loans.

PORTFOLIO CONCENTRATIONS

Concentrations exist when there are amounts loaned to multiple borrowers engaged in similar activities, which could cause them to be similarly impacted by economic conditions. We lend primarily within agricultural industries.

As of December 31, 2021, volume plus commitments to our ten largest borrowers totaled an amount equal to 4.3% of total loans and commitments.

Total loans plus any unfunded commitments represent the maximum potential credit risk. However, the vast majority of our lending activities are collateralized. Accordingly, the credit risk associated with lending activities is less than the recorded loan principal. The amount of collateral obtained, if deemed necessary upon extension of credit, is based on management's credit evaluation of the borrower. Collateral held varies, but may include real estate, equipment, inventory, livestock, and income-producing property. Long-term real estate loans are secured by the first liens on the underlying real property.

PARTICIPATIONS

We may purchase or sell participation interests with other parties in order to diversify risk, manage loan volume, or comply with the limitations of the FCA Regulations or General Financing Agreement (GFA) with AgriBank.

Participations Purchased and Sold
(in thousands)

	AgriBank Participations		Other Farm Credit Institutions Participations		Non-Farm Credit Institutions Participations		Total Participations	
As of December 31, 2021	Purchased	Sold	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$ —	$(90,772)	$ 258,531	$(379,376)	$498,935	$ —	$ 757,466	$(470,148)
Production and intermediate-term	—	(263,892)	331,717	(180,550)	5,894	—	337,611	(444,442)
Agribusiness	—	(41,058)	857,234	(91,979)	85,709	—	942,943	(133,037)
Other	—	(3,566)	398,992	—	—	—	398,992	(3,566)
Total	$ —	$(399,288)	$1,846,474	$(651,905)	$590,538	$ —	$2,437,012	$(1,051,193)
As of December 31, 2020								
Real estate mortgage	$ —	$(113,426)	$357,054	$(316,487)	$ 475,424	$ —	$832,478	$(429,913)
Production and intermediate-term	—	(239,996)	309,212	(133,032)	11,007	—	320,219	(373,028)
Agribusiness	—	(48,666)	601,794	(91,895)	37,248	—	639,042	(140,561)
Other	—	(4,431)	382,616	—	—	—	382,616	(4,431)
Total	$ —	$(406,519)	$1,650,676	$(541,414)	$523,679	$ —	$2,174,355	$(947,933)
As of December 31, 2019								
Real estate mortgage	$ —	$(149,011)	$297,809	$(307,583)	$368,035	$ —	$665,844	$(456,594)
Production and intermediate-term	—	(195,715)	285,673	(129,076)	6,301	(1,791)	291,974	(326,582)
Agribusiness	—	(14,403)	443,806	(25,632)	48,793	—	492,599	(40,035)
Other	—	(5,133)	281,338	—	—	—	281,338	(5,133)
Total	$ —	$(364,262)	$1,308,626	$(462,291)	$423,129	$(1,791)	$1,731,755	$(828,344)

Information in the preceding chart excludes loans characterized as mission related investments.

CREDIT QUALITY AND DELINQUENCY

We utilize the FCA Uniform Classification System to categorize loans into five credit quality categories. The categories are:

- Acceptable – loans are non-criticized loans representing the highest quality. They are expected to be fully collectible. This category is further differentiated into various probabilities of default.
- Other assets especially mentioned (Special Mention) – loans are currently collectible but exhibit some potential weakness. These loans involve increased credit risk, but not to the point of justifying a substandard classification.
- Substandard – loans exhibit some serious weakness in repayment capacity, equity, and/or collateral pledged on the loan.
- Doubtful – loans exhibit similar weaknesses as substandard loans. Doubtful loans have additional weaknesses in existing factors, conditions, and values that make collection in full highly questionable.
- Loss – loans are considered uncollectible.

We had no loans categorized as loss at December 31, 2021, 2020, or 2019.

Credit Quality of Loans
(dollars in thousands)

	Acceptable		Special Mention		Substandard/ Doubtful		Total
As of December 31, 2021	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount
Real estate mortgage	$6,363,948	94.9%	$199,454	3.0%	$140,890	2.1%	$6,704,292
Production and intermediate-term	1,965,145	95.1	39,880	1.9	61,515	3.0	2,066,540
Agribusiness	1,966,953	94.4	72,389	3.5	43,418	2.1	2,082,760
Other	693,697	99.3	2,715	0.4	2,280	0.3	698,692
Total	$10,989,743	95.1%	$314,438	2.8%	$248,103	2.1%	$11,552,284
As of December 31, 2020							
Real estate mortgage	$5,780,650	91.2%	$359,578	5.7%	$194,948	3.1%	$6,335,176
Production and intermediate-term	1,782,088	88.5	148,923	7.4	83,044	4.1	2,014,055
Agribusiness	1,573,896	95.8	65,991	4.0	4,028	0.2	1,643,915
Other	650,372	98.6	5,418	0.8	3,810	0.6	659,600
Total	$9,787,006	91.9%	$579,910	5.4%	$285,830	2.7%	$10,652,746
As of December 31, 2019							
Real estate mortgage	$5,158,474	91.0%	$303,981	5.4%	$202,329	3.6%	$5,664,784
Production and intermediate-term	1,752,098	87.1	160,033	8.0	99,103	4.9	2,011,234
Agribusiness	1,241,647	96.6	16,344	1.3	26,669	2.1	1,284,660
Other	503,588	98.6	3,320	0.7	3,750	0.7	510,658
Total	$8,655,807	91.4%	$483,678	5.1%	$331,851	3.5%	$9,471,336

Note: Accruing loans include accrued interest receivable.

Aging Analysis of Loans
(in thousands)

As of December 31, 2021	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	$26,029	$1,288	$27,317	$6,676,975	$6,704,292	$ —
Production and intermediate-term	10,170	1,174	11,344	2,055,196	2,066,540	—
Agribusiness	131	—	131	2,082,629	2,082,760	—
Other	1,212	317	1,529	697,163	698,692	—
Total	$37,542	$2,779	$40,321	$11,511,963	$11,552,284	$ —
As of December 31, 2020						
Real estate mortgage	$8,965	$11,568	$20,533	$6,314,643	$6,335,176	$—
Production and intermediate-term	2,584	5,422	8,006	2,006,049	2,014,055	30
Agribusiness	—	95	95	1,643,820	1,643,915	—
Other	4,341	248	4,589	655,011	659,600	—
Total	$15,890	$17,333	$33,223	$10,619,523	$10,652,746	$30
As of December 31, 2019						
Real estate mortgage	$12,770	$22,081	$34,851	$5,629,933	$5,664,784	$—
Production and intermediate-term	5,348	9,262	14,610	1,996,624	2,011,234	—
Agribusiness	90	107	197	1,284,463	1,284,660	—
Other	2,269	50	2,319	508,339	510,658	—
Total	$20,477	$31,500	$51,977	$9,419,359	$9,471,336	$—

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. Interest income recognized and cash payments received on nonaccrual risk loans are applied as described in Note 2.

Risk Loan Information
(in thousands)

As of December 31	2021	2020	2019
Nonaccrual loans:			
Current as to principal and interest	$27,785	$22,560	$39,017
Past due	20,484	18,816	33,944
Total nonaccrual loans	48,269	41,376	72,961
Accruing restructured loans	2,720	3,078	3,364
Accruing loans 90 days or more past due	—	30	—
Total risk loans	$50,989	$44,484	$76,325
Volume with specific allowance	$35,972	$24,145	$48,942
Volume without specific allowance	15,017	20,339	27,383
Total risk loans	$50,989	$44,484	$76,325
Total specific allowance	$5,423	$8,966	$20,584
For the year ended December 31	**2021**	**2020**	**2019**
Income on accrual risk loans	$141	$157	$203
Income on nonaccrual loans	2,193	4,350	2,721
Total income on risk loans	$2,334	$4,507	$2,924
Average risk loans	$48,901	$67,905	$90,053

Note: Accruing loans include accrued interest receivable.

Nonaccrual Loans by Loan Type
(in thousands)

As of December 31	2021	2020	2019
Real estate mortgage	$27,522	$29,353	$41,710
Production and intermediate-term	19,351	10,243	19,971
Agribusiness	—	99	9,847
Other	1,396	1,681	1,433
Total	$48,269	$41,376	$72,961

Additional Impaired Loan Information by Loan Type
(in thousands)

	As of December 31, 2021			For the year ended December 31, 2021	
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for loan losses:					
Real estate mortgage	$17,374	$18,151	$2,321	$17,392	$—
Production and intermediate-term	18,392	27,704	3,054	18,094	—
Agribusiness	—	—	—	3	—
Other	206	315	48	304	—
Total	$35,972	$46,170	$5,423	$35,793	$—
Impaired loans with no related allowance for loan losses:					
Real estate mortgage	$12,230	$16,640	$ —	$11,038	$1,599
Production and intermediate-term	1,277	9,327	—	431	463
Agribusiness	—	—	—	40	26
Other	1,510	3,023	—	1,599	246
Total	$15,017	$28,990	$—	$13,108	$2,334
Total impaired loans:					
Real estate mortgage	$29,604	$34,791	$2,321	$28,430	$1,599
Production and intermediate-term	19,669	37,031	3,054	18,525	463
Agribusiness	—	—	—	43	26
Other	1,716	3,338	48	1,903	246
Total	$50,989	$75,160	$5,423	$48,901	$2,334

	As of December 31, 2020			For the year ended December 31, 2020	
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for loan losses:					
Real estate mortgage	$16,263	$20,716	$5,420	$18,271	$ —
Production and intermediate-term	7,481	10,262	3,451	11,539	—
Agribusiness	4	98	4	7,262	—
Other	397	588	91	501	—
Total	$24,145	$31,664	$8,966	$37,573	$ —
Impaired loans with no related allowance for loan losses:					
Real estate mortgage	$15,579	$19,467	$ —	$24,668	$3,581
Production and intermediate-term	3,154	11,165	—	4,089	806
Agribusiness	95	108	—	147	19
Other	1,511	3,414	—	1,428	101
Total	$20,339	$34,154	$ —	$30,332	$4,507
Total impaired loans:					
Real estate mortgage	$31,842	$40,183	$5,420	$42,939	$3,581
Production and intermediate-term	10,635	21,427	3,451	15,628	806
Agribusiness	99	206	4	7,409	19
Other	1,908	4,002	91	1,929	101
Total	$44,484	$65,818	$8,966	$67,905	$4,507

	As of December 31, 2019			For the year ended December 31, 2019	
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for loan losses:					
Real estate mortgage	$21,950	$23,197	$8,134	$25,524	$ —
Production and intermediate-term	16,584	19,338	7,165	20,650	—
Agribusiness	9,740	11,098	5,135	10,655	—
Other	668	904	150	810	—
Total	$48,942	$54,537	$20,584	$57,639	$ —
Impaired loans with no related allowance for loan losses:					
Real estate mortgage	$22,488	$26,529	$ —	$26,150	$2,047
Production and intermediate-term	3,792	12,508	—	4,722	738
Agribusiness	107	209	—	298	—
Other	996	3,046	—	1,244	139
Total	$27,383	$42,292	$ —	$32,414	$2,924
Total impaired loans:					
Real estate mortgage	$44,438	$49,726	$8,134	$51,674	$2,047
Production and intermediate-term	20,376	31,846	7,165	25,372	738
Agribusiness	9,847	11,307	5,135	10,953	—
Other	1,664	3,950	150	2,054	139
Total	$76,325	$96,829	$20,584	$90,053	$2,924

The recorded investment 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.

Unpaid principal balance represents the contractual principal balance of the loan.

We had $5.3 million of commitments to lend additional money to borrowers whose loans were classified as risk loans at December 31, 2021.

TROUBLED DEBT RESTRUCTURINGS (TDRS)

Included within our loans are TDRs. These loans have been modified by granting a concession in order to maximize the collection of amounts due when a borrower is experiencing financial difficulties. All risk loans, including TDRs, are analyzed within our allowance for loan losses.

TDR Activity
(in thousands)

For the year ended December 31	2021		2020		2019	
	Pre-modification	Post-modification	Pre-modification	Post-modification	Pre-modification	Post-modification
Real estate mortgage	$195	$193	$ —	$ —	$4,245	$4,245
Production and intermediate-term	67	67	250	250	3,557	3,557
Other	—	—	—	—	13	15
Total	$262	$260	$250	$250	$7,815	$7,817

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 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 in the periods presented included deferral of principal, extension of maturity, principal compromise, and interest compromise.

There were no TDRs that defaulted during the years ended December 31, 2021, 2020, or 2019, in which the modification was within twelve months of the respective reporting period.

TDRs Outstanding
(in thousands):

As of December 31	2021	2020	2019
Accrual status:			
Real estate mortgage	$2,082	$2,489	$2,726
Production and intermediate-term	318	362	405
Agribusiness	—	—	—
Other	320	227	233
Total TDRs in accrual status	$2,720	$3,078	$3,364
Nonaccrual status:			
Real estate mortgage	$773	$436	$4,369
Production and intermediate-term	307	258	3,349
Agribusiness	—	—	8,928
Other	8	163	199
Total TDRs in nonaccrual status	$1,088	$857	$16,845
Total TDRs:			
Real estate mortgage	$2,855	$2,925	$7,095
Production and intermediate-term	625	620	3,754
Agribusiness	—	—	8,928
Other	328	390	432
Total TDRs	$3,808	$3,935	$20,209

There were no commitments to lend to borrowers whose loans have been modified in a TDR at December 31, 2021.

ALLOWANCE FOR LOAN LOSSES

Changes in Allowance for Loan Losses
(in thousands)

For the year ended December 31	2021	2020	2019
Balance at beginning of year	$75,574	$95,454	$84,064
(Reversal of) provision for loan losses	(14,566)	(15,496)	12,514
Loan recoveries	2,992	473	434
Loan charge-offs	(8,944)	(4,857)	(1,558)
Balance at end of year	$55,056	$75,574	$95,454

The “(Reversal of) provision for credit losses” in the Consolidated Statements of Comprehensive Income includes a (reversal of) provision for loan losses as presented in the previous chart, as well as a provision for (reversal of) credit losses on unfunded commitments. The accrued credit losses on unfunded commitments are recorded in “Other liabilities” in the Consolidated Statements of Condition. Typically, accrued credit losses are relieved and replaced with an allowance for loan loss as the related commitments are funded.

Credit Loss Information on Unfunded Commitments
(in thousands)

For the year ended December 31	2021	2020	2019
Provision for (reversal of) credit losses	$421	$(2,554)	$1,279

As of December 31	2021	2020	2019
Accrued credit losses	$3,315	$2,894	$5,448

Changes in Allowance for Loan Losses and Year End Recorded Investments by Loan Type
(in thousands)

	Real Estate Mortgage	Production and Intermediate-Term	Agribusiness	Other	Total
Allowance for loan losses:					
Balance as of December 31, 2020	$48,229	$19,952	$6,271	$1,122	$75,574
(Reversal of) provision for loan losses	(22,130)	(124)	7,730	(42)	(14,566)
Loan recoveries	133	344	2,366	149	2,992
Loan charge-offs	(395)	(8,526)	—	(23)	(8,944)
Balance as of December 31, 2021	$25,837	$11,646	$16,367	$1,206	$55,056
Ending balance: individually evaluated for impairment	$2,321	$3,054	$—	$48	$5,423
Ending balance: collectively evaluated for impairment	$23,516	$8,592	$16,367	$1,158	$49,633
Recorded investments in loans outstanding:					
Ending balance as of December 31, 2021	$6,704,292	$2,066,540	$2,082,760	$698,692	$11,552,284
Ending balance: individually evaluated for impairment	$29,604	$19,669	$—	$1,716	$50,989
Ending balance: collectively evaluated for impairment	$6,674,688	$2,046,871	$2,082,760	$696,976	$11,501,295

	Real Estate Mortgage	Production and Intermediate-Term	Agribusiness	Other	Total
Allowance for loan losses:					
Balance as of December 31, 2019	$52,744	$26,702	$15,027	$981	$95,454
(Reversal of) provision for loan losses	(1,727)	(5,116)	(8,759)	106	(15,496)
Loan recoveries	275	145	3	50	473
Loan charge-offs	(3,063)	(1,779)	—	(15)	(4,857)
Balance as of December 31, 2020	$48,229	$19,952	$ 6,271	$1,122	$75,574
Ending balance: individually evaluated for impairment	$5,420	$3,451	$4	$91	$8,966
Ending balance: collectively evaluated for impairment	$42,809	$16,501	$6,267	$1,031	$66,608
Recorded investments in loans outstanding:					
Ending balance as of December 31, 2020	$6,335,176	$2,014,055	$1,643,915	$659,600	$10,652,746
Ending balance: individually evaluated for impairment	$31,842	$10,635	$99	$1,908	$44,484
Ending balance: collectively evaluated for impairment	$6,303,334	$2,003,420	$1,643,816	$657,692	$10,608,262

	Real Estate Mortgage	Production and Intermediate-Term	Agribusiness	Other	Total
Allowance for loan losses:					
Balance as of December 31, 2018	$49,190	$25,676	$8,149	$1,049	$84,064
Provision for (reversal of) loan losses	3,676	2,067	6,913	(142)	12,514
Loan recoveries	212	90	—	132	434
Loan charge-offs	(334)	(1,131)	(35)	(58)	(1,558)
Balance as of December 31, 2019	$52,744	$26,702	$15,027	$981	$95,454
Ending balance: individually evaluated for impairment	$8,134	$7,165	$5,135	$150	$20,584
Ending balance: collectively evaluated for impairment	$44,610	$19,537	$9,892	$831	$74,870
Recorded investments in loans outstanding:					
Ending balance as of December 31, 2019	$5,664,784	$2,011,234	$1,284,660	$510,658	$9,471,336
Ending balance: individually evaluated for impairment	$44,438	$20,376	$9,847	$1,664	$76,325
Ending balance: collectively evaluated for impairment	$5,620,346	$1,990,858	$1,274,813	$508,994	$9,395,011

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.

NOTE 4: INVESTMENT IN AGRIBANK

As of December 31, 2021, we were required by AgriBank to maintain an investment equal to 2.5% of the average quarterly balance of our note payable, with an additional amount required on association growth in excess of a targeted growth rate, if the District is also growing above a targeted growth rate. As of March 31, 2022, the required investment is increasing to 2.55%.

We are also required to hold AgriBank stock related to our participation in pool programs. The required investment amount varies by pool program and is generally a percentage of the loan balance in the pool.

AgriBank's capital plan provides for annual retirement of AgriBank stock and optimizes capital at the Bank by distributing all available Bank earnings in the form of patronage, either in cash or stock. The plan is designed to maintain capital adequacy such that sufficient earnings will be retained in the form of allocated retained earnings and allocated stock to meet the leverage ratio target and other regulatory or policy constraints prior to any cash patronage distributions.

NOTE 5: INVESTMENT SECURITIES

We held investment securities of $3.0 million, $5.4 million, and $9.0 million at December 31, 2021, 2020, and 2019, respectively. Our investment securities consisted of securities backed by pools of loans guaranteed by the Small Business Administration (SBA).

The investment securities have been classified as held-to-maturity. The investment portfolio is evaluated for other-than-temporary impairment. For the years ended December 31, 2021, 2020, and 2019, we have not recognized any impairment on our investment portfolio. Premiums paid to purchase the investments are not guaranteed and are amortized as a reduction of interest income.

Additional Investment Securities Information
(dollars in thousands)

As of December 31	2021	2020	2019
Amortized cost	$2,992	$5,404	$9,046
Unrealized gains	3	20	82
Unrealized losses	(35)	(47)	(19)
Fair value	$2,960	$5,377	$9,109
Weighted average yield	1.2%	2.9%	5.1%

Investment income is recorded in "Interest income" in the Consolidated Statements of Comprehensive Income and totaled $55 thousand, $218 thousand, and $569 thousand in 2021, 2020, and 2019, respectively.

NOTE 6: PREMISES AND EQUIPMENT, NET

Premises and Equipment
(in thousands)

As of December 31	2021	2020	2019
Land, buildings, and improvements	$60,797	$60,802	$61,007
Furniture and equipment	26,518	22,890	22,180
Subtotal	87,315	83,692	83,187
Less: accumulated depreciation	39,232	36,297	33,154
Premises and equipment, net	$48,083	$47,395	$50,033

NOTE 7: NOTE PAYABLE TO AGRIBANK

Our note payable to AgriBank represents borrowings, in the form of a line of credit, to fund our loan portfolio. The line of credit is governed by a General Financing Agreement (GFA) and substantially all of our assets serve as collateral.

Note Payable Information
(dollars in thousands)

As of December 31	2021	2020	2019
Line of credit	$11,000,000	$9,250,000	$9,250,000
Outstanding principal under the line of credit	9,619,904	8,827,305	7,748,606
Interest rate	1.3%	1.4%	2.6%

Our note payable is scheduled to mature on December 31, 2023. We intend to renegotiate the note payable no later than the maturity date.

The GFA provides for limitations on our ability to borrow funds based on specified factors or formulas relating primarily to outstanding balances, credit quality, and financial condition. Additionally, we have requirements to maintain an effective program of internal controls over financial reporting. At December 31, 2021, and throughout the year, we were not declared in default under any GFA covenants or provisions.

NOTE 8: MEMBERS' EQUITY

CAPITALIZATION REQUIREMENTS

In accordance with the Farm Credit Act, each borrower is required to invest in us as a condition of obtaining a loan. As authorized by the Agricultural Credit Act and our capital bylaws, the Board of Directors has adopted a capital plan that establishes a stock purchase requirement for obtaining a loan of 2.0% of the customer's total loan(s) or one thousand dollars, whichever is less. The purchase of one participation certificate is required of all non-stockholder customers who purchase financial services. The Board of Directors may increase the amount of required investment to the extent authorized in the capital bylaws. The borrower acquires ownership of the capital stock at the time the loan is made. The aggregate par value of the stock is added to the principal amount of the related obligation. We retain a first lien on the stock or participation certificates owned by customers.

PROTECTION MECHANISMS

Under the Farm Credit Act, certain borrower equity is protected. We are required to retire protected borrower equity at par or stated value regardless of its book value. Protected borrower equity includes capital stock and participation certificates that were outstanding as of January 6, 1988, or were issued prior to October 6, 1988, as a requirement for obtaining a loan. If we were to be unable to retire protected borrower equity at par value or stated value, the FCSIC would provide the amounts needed to retire this equity.

REGULATORY CAPITALIZATION REQUIREMENTS

Regulatory Capital Requirements and Ratios

As of December 31	2021	2020	2019	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:						
Common equity tier 1 ratio	15.8%	15.9%	16.7%	4.5%	2.5%	7.0%
Tier 1 capital ratio	15.8%	15.9%	16.7%	6.0%	2.5%	8.5%
Total regulatory capital ratio	16.4%	16.7%	17.6%	8.0%	2.5%	10.5%
Permanent capital ratio	15.9%	16.0%	16.9%	7.0%	N/A	7.0%
Non-risk-adjusted:						
Tier 1 leverage ratio	16.7%	16.6%	17.7%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	18.1%	17.9%	18.8%	1.5%	N/A	1.5%

Risk-adjusted assets have been defined by the FCA Regulations as the Statement of Condition assets and off-balance-sheet commitments adjusted by various percentages, depending on the level of risk inherent in the various types of assets.

Risk-adjusted assets is calculated differently for the permanent capital ratio (referred herein as PCR risk-adjusted assets) compared to the other risk-based capital ratios. The primary difference is the inclusion of the allowance for loan losses as a deduction to risk-adjusted assets for the permanent capital ratio.

These ratios are based on a three-month average daily balance in accordance with the FCA Regulations and are calculated as follows (not all items below may be applicable to our Association):

- Common equity tier 1 ratio is statutory minimum purchased member stock, other required member stock held for a minimum of 7 years, allocated equities held for a minimum of 7 years or not subject to retirement, unallocated retained earnings as regulatorily prescribed, paid-in capital, less certain regulatory required deductions including the amount of allocated investments in other System institutions, and the amount of purchased investments in other System institutions under the corresponding deduction approach, divided by average risk-adjusted assets.
- Tier 1 capital ratio is common equity tier 1 plus non-cumulative perpetual preferred stock, divided by average risk-adjusted assets.
- Total regulatory capital is tier 1 capital plus other required member stock held for a minimum of 5 years, allocated equities held for a minimum of 5 years, subordinated debt, and limited-life preferred stock greater than 5 years to maturity at issuance subject to certain limitations, allowance for loan losses and reserve for credit losses subject to certain limitations, less certain investments in other System institutions under the corresponding deduction approach, divided by average risk-adjusted assets.
- Permanent capital ratio is all at-risk borrower stock, any allocated excess stock, unallocated retained earnings as regulatorily prescribed, paid-in capital, subordinated debt, and preferred stock subject to certain limitations, less certain allocated and purchased investments in other System institutions divided by PCR risk-adjusted assets.
- Tier 1 leverage ratio is tier 1 capital, including regulatory deductions, divided by average assets less regulatory deductions subject to tier 1 capital.

- Unallocated retained earnings and equivalents leverage ratio is unallocated retained earnings as regulatorily prescribed, paid-in capital, allocated surplus not subject to retirement less certain regulatory required deductions including the amount of allocated investments in other System institutions divided by average assets less regulatory deductions subject to tier 1 capital.

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

DESCRIPTION OF EQUITIES

The following represents information regarding classes and number of shares of stock and participation certificates outstanding. All shares and participation certificates are stated at a $5.00 par value.

	Number of Shares		
As of December 31	2021	2020	2019
Class A common stock (protected)	—	1	1
Class B common stock (at-risk)	4,534,632	4,369,241	4,119,368
Class E participation certificates (at-risk)	565,043	541,486	484,545
Class F participation certificates (protected)	153	153	153

Under our bylaws, we are also authorized to issue Class C and Class D common stock. Each of these classes of common stock is at-risk and nonvoting with a $5.00 par value per share. Currently, no stock of these classes has been issued.

Only holders of Class B common stock have voting rights. Our bylaws do not prohibit us from paying dividends on any classes of stock. However, no dividends have been declared to date.

Our bylaws generally permit stock and participation certificates to be retired at the discretion of our Board of Directors and in accordance with our capitalization plans, provided prescribed capital standards have been met. At December 31, 2021, we exceeded the prescribed standards. We do not anticipate any significant changes in capital that would affect the normal retirement of stock.

In the event of our liquidation or dissolution, according to our bylaws, any remaining assets after payment or retirement of all liabilities will be distributed pro rata to all holders of stock and participation certificates.

In the event of stock impairment, losses will be absorbed by concurrent impairment of all classes of stock and participation certificates. However, protected borrower equity will be retired at par value regardless of impairment.

All classes of stock, except Class A common stock and Class F participation certificates, are transferable to other customers who are eligible to hold such class as long as we meet the regulatory minimum capital requirements.

PATRONAGE DISTRIBUTIONS

We accrued patronage distributions of $115.0 million, $105.0 million, and $100.0 million at December 31, 2021, 2020, and 2019, respectively. The patronage distributions are paid in cash during the first quarter after year end. The Board of Directors may authorize a distribution of earnings provided we meet all statutory and regulatory requirements.

NOTE 9: INCOME TAXES

Provision for Income Taxes
(dollars in thousands)

For the year ended December 31	2021	2020	2019
Current:			
Federal	$669	$1,095	$1,049
State	39	281	297
Total current	$708	$1,376	$1,346
Deferred:			
Federal	$2,504	$1,882	$367
State	122	92	24
Total deferred	2,626	1,974	391
Provision for income taxes	$3,334	$3,350	$1,737
Effective tax rate	1.2%	1.2%	0.8%

Reconciliation of Taxes at Federal Statutory Rate to Provision for Income Taxes
(in thousands)

For the year ended December 31	2021	2020	2019
Federal tax at statutory rates	$56,288	$57,448	$43,709
State tax, net	430	480	403
Patronage distributions	(4,200)	(4,200)	(3,360)
Effect of non-taxable entity	(48,278)	(48,318)	(37,545)
Other	(906)	(2,060)	(1,470)
Provision for income taxes	$3,334	$3,350	$1,737

DEFERRED INCOME TAXES

Tax laws require certain items to be included in our tax returns at different times than the items are reflected on our Consolidated Statements of Comprehensive Income. Some of these items are temporary differences that will reverse over time. We record the tax effect of temporary differences as deferred tax assets and liabilities netted on our Consolidated Statements of Condition.

Deferred Tax Assets and Liabilities
(in thousands)

As of December 31	2021	2020	2019
Allowance for loan losses	$3,577	$5,405	$7,283
Postretirement benefit accrual	524	536	550
Accrued incentive	1,013	1,027	740
Accrued patronage income not received	(1,038)	(796)	(746)
AgriBank 2002 allocated stock	(1,017)	(1,017)	(1,017)
Accrued pension asset	(3,515)	(2,936)	(2,508)
Depreciation	216	196	151
Other assets	367	364	321
Other liabilities	(309)	(335)	(355)
Deferred tax (liabilities) assets, net	$(182)	$2,444	$4,419
Gross deferred tax assets	$5,697	$7,528	$9,045
Gross deferred tax liabilities	$(5,879)	$(5,084)	$(4,626)

A valuation allowance for the deferred tax assets was not necessary at December 31, 2021, 2020, or 2019.

We have not provided for deferred income taxes on patronage allocations received from AgriBank prior to 1993. Such allocations, distributed in the form of stock, are subject to tax only upon conversion to cash. Our intent is to permanently maintain this investment in AgriBank. Our total permanent investment in AgriBank is $46.0 million. Additionally, we have not provided deferred income taxes on accumulated FLCA earnings of $2.0 billion as it is our intent to permanently maintain this equity in the FLCA or to distribute the earnings to members in a manner that results in no additional tax liability to us.

Our income tax returns are subject to review by various United States taxing authorities. We record accruals for items that we believe may be challenged by these taxing authorities. However, we had no uncertain income tax positions at December 31, 2021. In addition, we believe we are no longer subject to income tax examinations for years prior to 2018.

NOTE 10: EMPLOYEE BENEFIT PLANS

PENSION AND POST-EMPLOYMENT BENEFIT PLANS

Complete financial information for the pension and post-employment benefit plans may be found in the AgriBank 2021 Annual Report.

The Farm Credit Foundations Plan Sponsor and Trust Committees provide oversight of the benefit plans. These governance committees are comprised of elected or appointed representatives (senior leadership and/or Board of Director members) from the participating organizations. The Plan Sponsor Committee is responsible for employer decisions regarding all benefit plans including retirement benefits. These decisions could include plan design changes, vendor changes, determination of employer subsidies (if any), and termination of specific benefit plans. Any action to change or terminate the retirement plan can only occur at the direction of the AgriBank District participating employers. The Trust Committee is responsible for fiduciary and plan administrative functions.

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

AgriBank District Retirement Plan Information
(in thousands)

As of December 31	2021	2020	2019
Unfunded liability	$46,421	$169,640	$220,794
Projected benefit obligation	1,500,238	1,563,421	1,421,126
Fair value of plan assets	1,453,817	1,393,781	1,200,332
Accumulated benefit obligation	1,384,554	1,426,270	1,298,942

For the year ended December 31	2021	2020	2019
Total plan expense	$28,048	$42,785	$36,636
Our allocated share of plan expenses	2,340	3,961	3,503
Contributions by participating employers	90,000	90,000	90,000
Our allocated share of contributions	8,151	8,464	8,654

The unfunded liability reflects the net of the fair value of the plan assets and the projected benefit obligation at December 31. The projected benefit obligation is the actuarial present value of all benefits attributed by the pension benefit formula to employee service rendered prior to the measurement date based on assumed future compensation levels. The accumulated benefit obligation is the actuarial present value of the benefits attributed to employee service rendered before the measurement date and based on current employee service and compensation. The funding status is subject to many variables including performance of plan assets and interest rate levels. Therefore, changes in assumptions could significantly affect these estimates.

Costs are determined for each individual employer based on costs directly related to their current employees as well as an allocation of the remaining costs based proportionately on the estimated projected liability of the employer under this plan. We recognize our proportional share of expense and contribute a proportional share of funding. Our allocated share of plan expenses is included in "Salaries and employee benefits" in the Consolidated Statements of Comprehensive Income. Effective March 2021, a change in accounting policy was elected to use the fair value method for calculating the market-related value of assets for the fixed-income pension assets, directly impacting pension costs. The change in accounting principle did not have a material impact on the financial statements.

Benefits paid to participants in the District were $88.6 million in 2021. While the plan is a governmental plan and is not subject to minimum funding requirements, the employers contribute amounts necessary on an actuarial basis to provide the plan with sufficient assets to meet the benefits to be paid to participants. The amount of the total District employer contributions expected to be paid into the pension plan during 2022 is $90.0 million. Our allocated share of these pension contributions is expected to be $8.2 million. The amount ultimately to be contributed and the amount ultimately recognized as expense as well as the timing of those contributions and expenses, are subject to many variables including performance of plan assets and interest rate levels. These variables could result in actual contributions and expenses being greater than or less than the amounts reflected in the District financial statements.

Nonqualified Retirement Plan: We also participate in the District-wide nonqualified defined benefit Pension Restoration Plan. This plan restores retirement benefits to certain highly compensated eligible employees that would have been provided under the qualified plan if such benefits were not above certain Internal Revenue Code limits.

Pension Restoration Plan Information
(in thousands)

As of December 31	2021	2020	2019
Our unfunded liability	$8,500	$7,196	$5,611

For the year ended December 31	2021	2020	2019
Our allocated share of plan expenses	$750	$654	$620
Our cash contributions	—	—	11

The nonqualified plan is funded as the benefits are paid; therefore, there are no assets in the plan and the unfunded liability is equal to the projected benefit obligation. The amount of the pension benefits funding status is subject to many variables including interest rate levels. Therefore, changes in assumptions could significantly affect these estimates.

Costs are determined for each individual employer based on costs directly related to their participants in the plan. Our allocated share of the components of net periodic benefit cost other than the service cost component, are included in "Other operating expense" in the Consolidated Statements of Comprehensive Income. Service costs related to the plan are included in "Salaries and employee benefits" in the Consolidated Statements of Comprehensive Income. The Pension Restoration Plan is unfunded and we make annual contributions to fund benefits paid to our retirees covered by the plan. Our cash contributions are equal to the benefits paid. There were no benefits paid under the Pension Restoration Plan to our senior officers who were actively employed during the year.

Retiree Medical Plans: District employers also provide certain health insurance benefits to eligible retired employees according to the terms of the benefit plans. The anticipated costs of these benefits are accrued during the period of the employee's active status. Net periodic benefit cost is included in "Salaries and employee benefits" in the Consolidated Statements of Comprehensive Income. Postretirement benefit costs related to the retiree medical plans were not considered material for any of the years presented. Our cash contributions were equal to the benefits paid.

DEFINED CONTRIBUTION PLANS

We participate in a District-wide defined contribution plan. For employees hired before January 1, 2007, employee contributions are matched dollar for dollar up to 2.0% and 50 cents on the dollar on the next 4.0% on both pre-tax and post-tax contributions. The maximum employer match is 4.0%. For employees hired after December 31, 2006, we contribute 3.0% of the employee's compensation and will match employee contributions dollar for dollar up to a maximum of 6.0% on both pre-tax and post-tax contributions. The maximum employer contribution is 9.0%.

We also participate in a District-wide Nonqualified Deferred Compensation Plan. Eligible participants must meet one of the following criteria: certain salary thresholds as determined by the IRS, are either a Chief Executive Officer or President of a participating employer, or have previously elected pre-tax deferrals in 2006 under predecessor nonqualified deferred compensation plans. Under this plan the employee may defer a portion of his/her salary, bonus, and other compensation. Additionally, the plan provides for supplemental employer matching contributions related to any compensation deferred by the employee that would have been eligible for a matching contribution under the defined contribution plan if it were not for certain IRS limitations.

Employer contribution expenses for the defined contribution plan, included in "Salaries and employee benefits" in the Consolidated Statements of Comprehensive Income, were $4.0 million, $3.7 million, and $3.2 million in 2021, 2020, and 2019, respectively. These expenses were equal to our cash contributions for each year.

NOTE 11: RELATED PARTY TRANSACTIONS

In the ordinary course of business, we may enter into loan transactions with our officers, directors, their immediate family members, and other organizations with which such persons may be associated. Such transactions may be subject to special approval requirements contained in the FCA Regulations and are made on the same terms, including interest rates, amortization schedules, and collateral, as those prevailing at the time for comparable transactions with other persons. In our opinion, none of these loans outstanding at December 31, 2021, involved more than a normal risk of collectability.

Related Party Loans Information
(in thousands)

As of December 31	2021	2020	2019
Total related party loans	$27,985	$32,194	$36,180
For the year ended December 31	**2021**	**2020**	**2019**
Advances to related parties	$15,598	$15,678	$15,521
Repayments by related parties	14,611	20,336	28,229

The related parties can be different each year end primarily due to changes in the composition of the Board of Directors and the mix of organizations with which such persons may be associated. Advances and repayments on loans in the preceding chart are related to those considered related parties at each respective year end.

As discussed in Note 7, we borrow from AgriBank, in the form of a line of credit, to fund our loan portfolio. All interest expense as shown on the Consolidated Statements of Comprehensive Income was paid to AgriBank.

Total patronage from AgriBank, which includes a partnership distribution from AgDirect, LLP, was $61.5 million, $59.4 million, and $51.4 million in 2021, 2020, and 2019, respectively. Patronage income for 2021 and 2019 was paid in cash and AgriBank stock. Patronage income for 2020 was paid in cash.

In addition, we received compensation from AgriBank for servicing loans of $286 thousand, $316 thousand, and $276 thousand in 2021, 2020, and 2019, respectively.

Refer to Note 3 for information on participations sold to AgriBank and Note 4 for stock investment in AgriBank information.

As of December 31, 2021, we purchased certain business services from AgriBank. Until the formation of SunStream Business Services (SunStream) on April 1, 2020, we also purchased financial and retail information technology, collateral, tax reporting, and insurance services from AgriBank. These services are now purchased from SunStream. We also purchase human resource, benefit, payroll, and workforce management services from Farm Credit Foundations (Foundations). SunStream and Foundations are both System service corporations within the AgriBank District. In addition to the services we purchase from AgriBank, SunStream, and Foundations we also hold an investment in each of these institutions.

Additional Related Party Information
(in thousands)

As of December 31	2021	2020	2019
Investment in AgriBank	$284,770	$257,760	$222,432
Investment in AgDirect, LLP	23,127	17,461	16,595
Investment in SunStream	1,875	1,875	—
Investment in Foundations	59	59	59
For the year ended December 31	**2021**	**2020**	**2019**
AgriBank District purchased services	$3,328	$2,957	$2,528

NOTE 12: CONTINGENCIES AND COMMITMENTS

In the normal course of business, we have various contingent liabilities and commitments outstanding, 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.

We have commitments to extend credit and letters of credit to satisfy the financing needs of our borrowers. These financial instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized on the financial statements. Commitments to extend credit are agreements to lend to a borrower as long as there is not a violation of any condition established in the loan contract. Standby letters of credit are agreements to pay a beneficiary if there is a default on a contractual arrangement. At December 31, 2021, we had commitments to extend credit and unexercised commitments related to standby letters of credit of $3.0 billion. Additionally, we had $38.0 million of issued standby letters of credit as of December 31, 2021.

Commitments to extend credit and letters of credit generally have fixed expiration dates or other termination clauses and we may require payment of a fee. If commitments to extend credit and letters of credit remain unfulfilled or have not expired, they may have credit risk not recognized in the financial statements. Many of the commitments to extend credit and letters of credit will expire without being fully drawn upon. Therefore, the total commitments do not necessarily represent future cash requirements. Certain letters of credit may have recourse provisions that would enable us to recover from third parties amounts paid under guarantees, thereby limiting our maximum potential exposure. The credit risk involved in issuing these financial instruments is essentially the same as that involved in extending loans to borrowers and we apply the same credit policies. The amount of collateral obtained, if deemed necessary by us upon extension of credit, is based on management's credit evaluation of the borrower.

In June 2021, we signed an agreement guaranteeing the amounts borrowed by SunStream on their line of credit with AgriBank, up to $40.0 million. The term of the line of credit is 36 months and may be extended. The guarantee is in effect until any outstanding balance is paid in full. While we are primarily liable for our pro-rata portion of SunStream's indebtedness to AgriBank, we are jointly and severally liable with certain other owners of SunStream. In the event of default by SunStream, we are responsible for the prompt and full payment of amounts outstanding. However, we may seek reimbursement from the remaining owners of SunStream subject to the guarantee agreement. There was no outstanding balance on the SunStream line of credit at December 31, 2021. At this time we believe it is unlikely that we will be required to make payment under this guarantee.

NOTE 13: 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 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 December 31, 2021, 2020, or 2019.

NON-RECURRING BASIS

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 December 31, 2021	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Impaired loans	$ —	$ —	$32,076	$32,076
Acquired property	—	—	4,585	4,585

As of December 31, 2020	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Impaired loans	$ —	$ —	$15,938	$15,938
Acquired property	—	—	3,324	3,324

As of December 31, 2019	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Impaired loans	$ —	$ —	$29,776	$29,776
Acquired property	—	—	4,699	4,699

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.

Acquired Property: 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 14: SUBSEQUENT EVENTS

We have evaluated subsequent events through March 4, 2022, which is the date the Consolidated Financial Statements were available to be issued. There have been no material subsequent events that would require recognition in our 2021 Consolidated Financial Statements or disclosure in the Notes to Consolidated Financial Statements.

Disclosure Information Required By Regulations

GREENSTONE FARM CREDIT SERVICES, ACA
(Unaudited)

DESCRIPTION OF BUSINESS
General information regarding the business is incorporated herein by reference from Note 1 to the Consolidated Financial Statements in this Annual Report.

The description of significant business developments, if any, is incorporated herein by reference from the Management's Discussion and Analysis section of this Annual Report.

DESCRIPTION OF PROPERTY

Property Information

Location	Description	Usage
Adrian, MI	Owned	Branch Office
Allegan, MI	Owned	Branch Office
Alma, MI	Owned	Branch Office
Alpena, MI	Owned	Branch Office
Ann Arbor, MI	Owned	Branch Office
Bad Axe, MI	Owned	Branch Office
Bay City, MI	Owned	Branch Office
Berrien Springs, MI	Owned	Branch Office
Cadillac, MI	Owned	Branch Office
Caro, MI	Owned	Branch Office
Charlotte, MI	Leased	Branch Office
Clintonville, WI	Owned	Branch Office
Coleman, WI	Owned	Branch Office
Concord, MI	Owned	Branch Office
Corunna, MI	Owned	Branch Office
East Lansing, MI	Owned	Branch/Corporate Office
Escanaba, MI	Leased	Branch Office
Grand Rapids, MI	Owned	Branch Office
Hart, MI	Leased	Branch Office
Hastings, MI	Owned	Branch Office
Howell, MI	Leased	Branch Office
Ionia, MI	Owned	Branch Office
Jonesville, MI	Owned	Branch Office
Lakeview, MI	Owned	Branch Office
Lapeer, MI	Owned	Branch Office
Little Chute, WI	Owned	Branch Office
Manitowoc, WI	Leased	Branch Office
Monroe, MI	Owned	Branch Office
Mt. Pleasant, MI	Owned	Branch Office
Saginaw, MI	Owned	Branch Office
Sandusky, MI	Owned	Branch Office
Schoolcraft, MI	Owned	Branch Office
St. Johns, MI	Owned	Branch Office
Sturgeon Bay, WI	Leased	Branch Office
Traverse City, MI	Owned	Branch Office

LEGAL PROCEEDINGS
Information regarding legal proceedings is discussed in Note 12 to the Consolidated Financial Statements in this Annual Report. We were not subject to any enforcement actions as of December 31, 2021.

DESCRIPTION OF CAPITAL STRUCTURE
Information regarding our capital structure is discussed in Note 8 to the Consolidated Financial Statements in this Annual Report.

DESCRIPTION OF LIABILITIES
Information regarding liabilities is discussed in Notes 7, 8, 9, 10, and 12 to the Consolidated Financial Statements in this Annual Report. All debt and other liabilities in the financial statements are uninsured.

SELECTED FINANCIAL DATA
The Consolidated Five-Year Summary of Selected Financial Data is presented at the beginning of this Annual Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Information regarding any material aspects of our financial condition, changes in financial condition, and results of operations are discussed in the Management's Discussion and Analysis section of this Annual Report.

BOARD OF DIRECTORS

Board of Directors as of December 31, 2021, including business experience during the last five years

Name	Principal Occupation and Other Affiliations
Edward L. Reed (Age 59) Board Chair Executive Committee, Chair Compensation Committee Board Service Began: June 2008 Current Term Expires: 2022	**Principal Occupation:** Self-employed livestock and grain farmer Member-Manager: Reed Family Farms LLC Member-Manager: Reed Family Properties, LLC Member-Manager: CEA Landholdings **Other Affiliations:** Board Member: Michigan Pork Producers Association Board Chair: Three Rivers Health Foundation Board Member: Farm Credit Foundations
Bruce E. Lewis (Age 56) Board Vice Chair Executive Committee, Vice Chair Compensation Committee, Chair Board Service Began: June 2011 Current Term Expires: 2025	**Principal Occupation:** Self-employed dairy and grain farmer **Other Affiliations:** Board Member: Michigan Milk Producers Association Board Member: Hillsdale County Farm Bureau
Laura A. Braun (Age 62) Legislative/Public Policy Committee, Chair Board Service Began: June 2012 Current Term Expires: 2023	**Principal Occupation:** Self-employed grain farmer Partner: Golden Maple Farms L.L.C. Independent Sales Agent: Stine Seeds **Other Affiliations:** Board Chair: AgriBank District Farm Credit Council Board Member: Great Lakes Leadership Academy Leadership Development Program Director: Clinton County Farm Bureau Board of Directors Member: Farm Credit Council Committee: Michigan Farm Bureau AgriPAC Chair: Clinton County Farm Bureau, Policy Development Committee
Eugene B. College (Age 76) Appointed Director Audit Committee, Chair Board Service Began: June 2009 Current Term Expires: 2022*	**Principal Occupation:** Retired Senior Vice President and Chief Financial Officer of Farm Credit Services of America, ACA *Reappointed in 2021 to a four-year term expiring in 2026
Michael J. Feight (Age 65) Finance Committee Board Service Began: June 2021 Current Term Expires: 2025	**Principal Occupation:** Self-employed grain farmer Member: Fred Feight & Sons, LLC **Other Affiliations:** Trustee: Tecumseh Township Board Committee Member: Lenawee County Farm Service Agency
Terri J. Hawbaker (Age 41) Finance Committee, Chair Board Service Began: June 2015 Current Term Expires: 2023	**Principal Occupation:** Self-employed dairy farmer Owner/Operator: Grazeway Dairy Farms
Ronald W. Lucas (Age 65) Audit Committee Board Service Began: June 2013 Current Term Expires: 2024	**Principal Occupation:** Self-employed dairy farmer Member-Manager: Lucas Dairy Farms LLC **Other Affiliations:** Supervisor: Wellington Township President and Treasurer: Michigan Milk Producers Association Hillman Local Advisory Board: Michigan Milk Producers Association Delegate: Genex Board

Name	Principal Occupation and Other Affiliations
Peter C. Maxwell (Age 37) Executive Committee Compensation Committee, Vice Chair Board Service Began: June 2016 Current Term Expires: 2024	**Principal Occupation:** Self-employed grain farmer Independent Sales Agent: ACH Seeds Employee: Maxwell Seed Farms raising cash crops **Other Affiliations:** Vice Chair: Michigan Sugar Company West District
David J. McConnachie (Age 64) Audit Committee Board Service Began: June 2020 Current Term Expires: 2024	**Principal Occupation:** Self-employed grain farmer Member-Manager: Dave's Dirt, LLC
Dennis C. Muchmore (Age 75) Appointed Director Legislative/Public Policy Committee Board Service Began: June 2002 Current Term Expires: 2025	**Principal Occupation:** Government Relations and Regulatory Advisor: Honigman LLP **Other Affiliations:** Board of Trustees: Oakland University Board of Directors: Metropolitan Affairs Council of Michigan
Scott A. Roggenbuck (Age 59) Executive Committee Compensation Committee Board Service Began: June 2007 Current Term Expires: 2024	**Principal Occupation:** Agronomy Consultant: Star of the West Milling Company Former self-employed grain farmer Director: Cedar Pond Farms, Inc. President: Cedar Pond Holdings, LLC Director: Cedar Pond Ag Services Inc.
Troy J. Sellen (Age 37) Finance Committee, Vice Chair Board Service Began: June 2019 Current Term Expires: 2023	**Principal Occupation:** Self-employed dairy farmer Managing Member: Valley Line Dairy LLC Managing Member: Valley Line Properties, LLC
Michael R. Timmer (Age 53) Audit Committee, Vice Chair Board Service Began: June 2018 Current Term Expires: 2022	**Principal Occupation:** Self-employed grain and livestock farmer Member-Manager: Timmer Family Farms, LLC
Dale L. Wagner (Age 62) Legislative/Public Policy Committee Board Service Began: June 2012 Current Term Expires: 2023	**Principal Occupation:** Self-employed dairy and grain farmer, and custom harvester Member-Manager: Twin Elm Family Farm, LLC Member-Manager: Union 151, LLC **Other Affiliations:** Vice Chair: Wisconsin Farm Credit Legislative Committee (GreenStone representative) Board Member: AgriBank District Farm Credit Council
Jed Welder (Age 53) Legislative/Public Policy Committee, Vice Chair Board Service Began: June 2018 Current Term Expires: 2022	**Principal Occupation:** Self-employed grain farmer Owner/Operator: Trinity Farms **Other Affiliations:** Director: Montcalm Conservation District Board Member: Farmer Veteran Coalition Trustee: Sidney Township Board

During 2021, the Board Chair and Chair of the Audit Committee each received annual retainer fees of $36 thousand. The Board Vice Chair received $34 thousand and the remaining board members received $32 thousand. Additionally, all board members received an annual $600 computer allowance. The retainer fees are paid quarterly. In 2021, the board members did not receive compensation for individual board or regular committee meetings attended. Per diem is paid only for attendance at ad hoc committee meetings at the rate of $300 per day.

Information regarding compensation paid to each director who served during 2021 follows:

	Number of Days Served			
	Board Meetings	Other Official Activities	Name of Committee	Total Compensation Paid in 2021
Laura A. Braun	8	17	Legislative/Public Policy	$32,750
William "Hank" Choate[2]	2	5	Legislative/Public Policy	14,454
Eugene B. College	8	13	Audit	36,600
Michael J. Feight[1]	6	4	Finance	18,146
Terri J. Hawbaker	8	7	Finance	32,600
Bruce E. Lewis	8	6	Executive/Compensation	34,600
Ronald W. Lucas	8	12	Audit	32,600
Peter C. Maxwell	8	10	Executive/Compensation	32,600
David J. McConnachie	8	11	Audit	32,600
Dennis C. Muchmore	8	9	Legislative/Public Policy	32,600
Edward L. Reed	8	7	Executive/Compensation	36,600
Scott A. Roggenbuck	7	7	Executive/Compensation	32,600
Troy J. Sellen	8	6	Finance	32,600
Aaron "Andy" Snider[3]	6	9	Executive/Compensation	30,009
Michael R. Timmer	8	10	Audit	32,600
Dale L. Wagner	8	21	Legislative/Public Policy	33,950
Jed Welder	8	8	Legislative/Public Policy	32,600
				$530,509

[1]Newly elected director
[2]Not re-elected
[3]Resigned in November 2021

SENIOR OFFICERS

The senior officers include:

David B. Armstrong
Chief Executive Officer

Paul E. Anderson
Executive Vice President – Chief Credit Officer

Bethany L. Barker
Executive Vice President – Chief Human Resources Officer

Travis D. Jones, CPA
Executive Vice President – Chief Financial Officer

Stephen A. Junglas
Executive Vice President – Chief Information Officer and Chief Information Security Officer

Peter L. Lemmer
Executive Vice President – Chief Legal Counsel

Ian G. McGonigal
Executive Vice President – Chief Regional Sales Officer

Melissa A. Stolicker, CPA, CIA
Executive Vice President – Chief Internal Auditor

David B. Armstrong was promoted to Chief Executive Officer (CEO) in 2009. He has announced his plans to retire from GreenStone on approximately July 31, 2022. Paul E. Anderson was promoted to Chief Credit Officer in 2009. Bethany L. Barker has been in her position as Chief Human Resources Officer since 1998. Travis D. Jones was hired as Chief Financial Officer in 2007. Stephen A. Junglas was promoted to Chief Information Officer in 2012. Peter L. Lemmer was hired as Chief Legal Counsel in 2008. Ian G. McGonigal was promoted as Chief Regional Sales Officer in March 2021, prior to that he served as Senior Vice President of Regional Sales since 2014. Melissa A. Stolicker has been in her position as Chief Internal Auditor since 2004.

Other business interests where a senior officer served as a board of director or senior officer include:

David B. Armstrong serves as a board member and Treasurer for the Michigan Livestock Exhibition (non-profit to generate funding for youth scholarships through annual livestock shows and auctions). He also serves as a board member of SunStream Business Services (a Farm Credit service entity providing financial and technology services to Farm Credit institutions) and as a board member for Crystal Flash Energy Company (provides fuels and lubes to residential and commercial customers throughout primarily the state of Michigan).

Paul E. Anderson is a managing member of E&E Anderson Legacy Farm, LLC (land holding company, family farm).

Bethany L. Barker serves as secretary for the Capital Area Real Money Investment Club (501c organization for personal stock investing).

Travis D. Jones serves as a board member for Michigan Finance Authority (offers effective low-cost financing to public and private agencies providing essential services to the citizens of Michigan). He also serves as a board member of Michigan FFA Association (dedicated to making a positive difference in the lives of young people by developing their potential for premium leadership, personal growth, and career success through agricultural education).

Ian G. McGonigal serves as a board member for ProPartners Financial (provides producer financing through agribusinesses that sell crop inputs).

Melissa A. Stolicker serves as a member of the Board of Trustees and audit committee for Oakland University (major public university in Michigan offering bachelor's and graduate degrees). She also serves as a board member and an audit committee member of both Delta Dental of Michigan (dental insurance plan administrator) and Renaissance Health Services Corporation (dental insurance plan administrator).

Information related to compensation paid to senior officers is provided in our Annual Meeting Information Statement (AMIS). The AMIS is available for public inspection at our office.

TRANSACTIONS WITH SENIOR OFFICERS AND DIRECTORS

Information regarding related party transactions is discussed in Note 11 to the Consolidated Financial Statements in this Annual Report.

TRAVEL, SUBSISTENCE, AND OTHER RELATED EXPENSES

Directors and senior officers are reimbursed for reasonable travel, subsistence, and other related expenses associated with business functions. A copy of our policy for reimbursing these costs is available by contacting us at:

3515 West Road
East Lansing, MI 48823
(800) 968-0061
www.greenstonefcs.com
Travis.Jones@greenstonefcs.com

The total directors' travel, subsistence, and other related expenses were $108 thousand, $98 thousand, and $156 thousand in 2021, 2020, and 2019, respectively.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

No events occurred during the past five years that are material to evaluating the ability or integrity of any person who served as a director or senior officer on January 1, 2022, or at any time during 2021.

MEMBER PRIVACY

The FCA Regulations protect members' nonpublic personal financial information. Our directors and employees are restricted from disclosing information about our Association or our members not normally contained in published reports or press releases.

RELATIONSHIP WITH QUALIFIED PUBLIC ACCOUNTANT

There were no changes in the independent auditors since the last Annual Report to members and we are in agreement with the opinion expressed by the independent auditors. The total financial statement audit fees paid during 2021 were $100 thousand. Our engagement letter commits to reimbursing the external auditor for reasonable out-of-pocket expenses as incurred for travel. In addition, we incurred $6 thousand for tax services.

FINANCIAL STATEMENTS

The Report of Management, Report on Internal Control over Financial Reporting, Report of Audit Committee, Report of Independent Auditors, Consolidated Financial Statements, and Notes to Consolidated Financial Statements are presented prior to this portion of the Consolidated Financial Statements in this Annual Report.

YOUNG, BEGINNING, AND SMALL FARMERS AND RANCHERS

Information regarding credit and services to young, beginning, and small farmers and ranchers, and producers or harvesters of aquatic products is discussed in an addendum to this Annual Report.

Young, Beginning, and Small Farmers and Ranchers

GREENSTONE FARM CREDIT SERVICES, ACA
(Unaudited)

We have specific programs in place to serve the credit and related needs of young, beginning, and small farmers and ranchers (YBS) in our territory. The definitions of YBS as developed by the Farm Credit Administration (FCA) follow:

- Young: A farmer, rancher, or producer or harvester of aquatic products who was age 35 or younger as of the date the loan was originally made,
- Beginning: A farmer, rancher, or producer or harvester of aquatic products who has 10 years or less of experience at farming, ranching, or producing or harvesting aquatic products as of the date the loan was originally made, and
- Small: A farmer, rancher, or producer or harvester of aquatic products who normally generated less than $250,000 in annual gross sales of agricultural or aquatic products at the time the loan was originally made.

YOUNG, BEGINNING, AND SMALL FARMER DEMOGRAPHICS

The local service area of the Association includes the entire state of Michigan and 11 counties in the northeastern part of the state of Wisconsin. Results from the 2017 Census of Agriculture became available in April 2019 and were studied to try and determine the numbers of YBS farmers within our territory.

This most recent Agricultural Census represents the best demographic information available in our territory. Results of this study show the following:

Category	Number	Percent
Number of Farmers 35 and Younger	6,981	12.5%
Number of Farmers on Current Farm 10 Years or Less	15,108	27.1%
Number of Farmers with Less Than $250,000 Farm Sales	49,209	88.2%
Total Number of YBS Farmers	55,821	

DESCRIPTION AND STATUS REPORT ON THE YOUNG, BEGINNING, AND SMALL FARMER PROGRAM

The mission statement of the program is as follows:

"GreenStone Farm Credit Services recognizes the importance of young, beginning, and small farmers to the future of agriculture. The Association shall serve the unique needs of this market segment through special lending programs that extend credit in a safe and sound manner for both the individual member and the Association. GreenStone also believes in the value of education to prepare these producers to successfully compete in a highly competitive global marketplace and shall support educational opportunities for them that balance the cost of delivery with overall stockholder value."

The Association implemented a board approved YBS lending program comprised of separate components for YBS farmers. Relaxed underwriting standards and loan terms have been approved for farm operating loans, farm equipment and intermediate-term loans, and for real estate loans. These standards and terms are customized for young farmers and beginning farmers.

Quantitative targets based upon reasonably reliable demographic data have been established by board policy for YBS farmers. Targets have also been established for the YBS program in an aggregate. The targets are as follows:

Quantitative Targets	Measure	At 12/31/2021
1. Young farmers in portfolio equal to or greater than percentage of young farmers in the census	12.5%	24.7%
2. Young farmer loans at least 50% of the young farmers in census	50.0%	97.5%
3. Young farmers at least 10% total outstanding loan volume	10.0%	15.5%
4. Young farmers at least 10% of all new loans (number)	10.0%	21.9%
5. Beginning farmers at least 10% total number of loans outstanding	10.0%	40.8%
6. Beginning farmers at least 10% of total outstanding loan volume	10.0%	20.8%
7. Beginning farmers at least 10% of all new loans (number)	10.0%	30.5%
8. Small farmers at least 40% of total number of loans outstanding	40.0%	62.3%
9. Small farmers at least 20% of total outstanding loan volume	20.0%	22.6%
10. Small farmers at least 40% of all new loans (number)	40.0%	59.5%
11. Maintain at least 50% of total loan numbers to YBS farmers	50.0%	72.0%
12. Maintain at least 30% of the total outstanding loan volume to YBS farmers	30.0%	34.4%

The Association has also established certain qualitative goals addressing its efforts to implement effective outreach programs to attract YBS farmers. These goals are as follows:

Qualitative Goals	Measure	At 12/31/2021
1. Related services will be offered to YBS farmers in the territory.		
Goals: Book sales of at least one Association offered related service to at least 5% of YBS farmers in the Association portfolio.	5% Young 5% Beginning 5% Small	4.7% 4.6% 9.0%
2. Credit services and financially related services to YBS farmers will be coordinated with governmental and private sources of credit.		
Goals: Coordinate with the United States Department of Agriculture (USDA) Farm Service Agency (FSA) to enhance credit services to young and beginning farmers by obtaining guarantees on at least 7.5% of loans (by number) and to take advantage of the FSA young farmer financing program utilizing private second mortgage financing or other alternative financing options whenever possible.	7.5% Young 7.5% Beg.	7.7% 4.2%
3. We will implement effective outreach programs to attract YBS farmers.		
Goals: (a) Participate in or sponsor annually at least 10 YBS farmer leadership and educational programs offered in either Michigan or Wisconsin.	10 Programs	22 Programs sponsored
(b) Offer at least five individual scholarships to deserving YBS farmers (or potential YBS farmers) to Michigan and/or Wisconsin Universities or Colleges.	5 Scholarships	20 Scholarships offered

All of the Association's quantitative goals were met in 2021. The small farmer related services and young farmer coordination qualitative goals were also met. However, the related services goal for young and beginning farmers and the coordination qualitative goal for beginning farmers were not met in 2021. There were fewer related services utilized by our YBS farmers during 2021 and the strength of the financial position of our YBS borrowers has negated the need for FSA guarantees.

The Association employs the following methods and strategies to ensure that credit and services offered to YBS farmers are provided in a safe and sound manner and within risk-bearing capacity:

- Board policy includes a specific section discussing program safety and soundness under its operating parameters;
- Board policy includes a maximum level of risk for YBS adverse volume originated under the program;
- The Association's internal audit plan requires periodic auditing of the YBS program, which is done annually in conjunction with the internal credit review; and
- The Association's internal audit and loan review plan will annually include a selection of YBS loans within its normal selection criteria and assess individual loan credit administration, coding, and loan quality.

Funds Held Program

GREENSTONE FARM CREDIT SERVICES, ACA
(Unaudited)

The Association offers a Funds Held Program ("Funds Held") that provides funds for customers to make advance payments on designated real estate, operating, and intermediate-term loans, pay insurance premiums, taxes, or any other eligible purpose.

PAYMENT APPLICATION: Loan payments received by the Association before the loan has been billed will normally be placed into Funds Held and applied against the next installment due.

ACCOUNT MAXIMUM: The amount in Funds Held may not exceed the unpaid principal balance of the loan.

INTEREST RATE: Interest will accrue on Funds Held at a simple rate of interest that may be changed by the Association from time to time. The interest rate may never exceed the interest rate charged on the related loan.

Funds Held on real estate loans, operating loans, and intermediate-term loans are paid at a rate of interest equal to 3% (300 basis points) less than the loan rate.

WITHDRAWALS: Money in Funds Held may be withdrawn for the following items: customers with real estate loans, operating loans, and intermediate-term loans may use funds for future installments, insurance premiums, or real estate taxes on collateral for the respective loan. Customers may make withdrawals for other approved purposes in lieu of increasing the loan amount for any eligible loan purpose.

ASSOCIATION OPTIONS: In the event of default on any loan, if Funds Held exceeds the maximum limit as established above or if the Association discontinues their Funds Held program, the Association may apply funds in the account to the unpaid loan balance and other amounts due and shall return any excess funds to the customer.

UNINSURED ACCOUNT: Funds Held is not a depository account and is not insured. In the event of the Association's liquidation, customers having balances in Funds Held shall be notified according to the FCA Regulations.

Office Locations

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East Lansing / 517-318-4100
3515 West Rd., East Lansing, MI 48823

Michigan

Adrian / 517-263-9798
5285 W. US 223, Adrian, MI 49221

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1517 Lincoln Rd., Allegan, MI 49010

Alma / 989-463-3146
2942 W. Monroe Rd., Alma, MI 48801

Alpena / 989-354-4343
2200 M-32 West, Alpena, MI 49707

Ann Arbor / 734-769-2411
7530 Jackson Rd., Ann Arbor, MI 48103

Bad Axe / 989-269-6532
749 S. Van Dyke Rd., Bad Axe, MI 48413

Bay City / 989-686-5100
3949 S. Three Mile Rd., Bay City, MI 48706

Berrien Springs / 269-471-9329
8302 Edgewood Rd.,
Berrien Springs, MI 49103

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100 Spring St., Concord, MI 49237

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333 W. State St., Hastings MI, 49058

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1962 S. State Rd., Ionia, MI 48846

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500 Olds St., Jonesville, MI 49250

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8897 W. Tamarack Rd., Lakeview, MI 48850

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455 Lake Nepessing Rd., Lapeer, MI 48446

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15615 S. Telegraph Rd.,
Monroe, MI 48161

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1075 N. Mission St., Mt. Pleasant, MI 48858

Saginaw / 989-781-4251
11020 Gratiot Rd., Saginaw, MI 48609

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225 W. Lyon St., Schoolcraft, MI 49087

St. Johns / 989-224-9321
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280 S. Main St., Clintonville, WI 54929

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202 Sado Ln., Coleman, WI 54112

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