GREENSTONE FCS — 2022 ANNUAL REPORT

*Thankfully,
regardless of what
peaks and valleys
we leave in the
mirror and face
on the road ahead,
we're all moving
forward together...
with stability,
partnership,
and experience.*

A MESSAGE

From the Board Chair and CEO

GREENSTONE PARTNERS –

When you have been around as long as Farm Credit, and as successful and consistent as GreenStone, we wouldn't want to look to the future without also reflecting on the past. The last year held many different perspectives. For some, a record year in the fields; for others, much higher costs outweighed the positives. For all, the year ahead has the potential for similar results.

Thankfully, regardless of what peaks and valleys we leave in the mirror and face on the road ahead, we're all moving forward together…with stability, partnership, and experience.

STABILITY:

GreenStone's cooperative structure means our strength is a result of the success of our members. Our members' financial and risk management goals require a reliable financial partner, and if the results of 2022 say anything, they certainly say we're meeting that need! GreenStone's management team and Board of Directors annually measure our results and stability in three key areas: financial strength, customer satisfaction and employee engagement. We hit the ball out of the park in all three of these areas in 2022.

2022 was another year of record Patronage back to our members as our Board declared a payment of $120 million. This is a result of very strong financial results. Record net income of almost $285 million, loan growth of almost 10%, outstanding credit quality and operating our cooperative in an efficient manner produced results that rank GreenStone as one of the best financial performing Farm Credit associations in the country.

Our overall customer satisfaction score climbed back up to 95% "satisfied and highly satisfied" in 2022. This score was one of our best ever.

Our staff also showed confidence in the Association, reporting strong results through our Employee Engagement scores in 2022. All of the 14 primary categories measured were improved over 2021. We were also recognized in the Detroit Free Press as a Top Workplace in the state of Michigan with GreenStone being ranked number 4 in the Large Top Workplaces category.

We strongly believe that if our organization maintains this balance of our three-legged stool of solid financial results, customer satisfaction and employee engagement, we will be a stable partner for another 100 years.

GreenStone is here to help our members achieve success, and our culture thrives on doing it right, putting our members first and delivering quality. Today, we have a very strong foundation. But that doesn't mean we can ignore our foundation if we want to maintain our stability.

With that in mind, this past year GreenStone completed a multiyear "behind the scenes" technology project, implementing a new system we call Journey+, which completely replaced our relationship management system along with our loan origination platform and more. While it was thousands of hours of work from hundreds of staff, hopefully none of our customers even noticed! These internal systems are a significant part of our foundation that will allow our staff to provide products and services to our customers more efficiently with consistent and streamlined processes. Journey+ was the most significant technology project GreenStone has undertaken in its history – and it was all managed by our in-house technology team. Now it is being rolled out to five other Farm Credit partners with whom we lead a technology collaboration. (You can learn more about Journey+ and the benefits it'll provide on page 17.)

PARTNERSHIP:

While we're moving forward, one thing we won't ever leave behind is our admiration for the partnerships we hold with our members. GreenStone members are served by a team of more than 600 staff all working toward the same mission: To promote the success of our customers and the rural community by being the best at providing credit and financial services.

The thousands of loans closed, miles traveled to connect with customers, phones answered and emails returned, text messages sent and insurance policies secured, income taxes submitted and balance sheets completed, not to mention the smiles shared and handshakes exchanged…to the unknowing eye, these might seem like the same characteristics of workers at any company. But our members know the difference because they experience the little things that take each of these seemingly generic processes and turn them into a special encounter.

Partnership with our members, partnership among our teammates, partnership with our community, partnership with supporting organizations – all of these partnerships are based on trust, shared values, and respect. (Learn all the ways our team supports partnerships outside of GreenStone on page 13.)

EXPERIENCE:

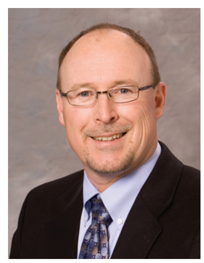
Another significant aspect to successfully move forward is relying on experience – the experience gained from 105+ years of service, 22 of those years as "GreenStone", learning from our members, growing from history, mentoring our newer employees by our staff who have been working with customers for more than 40 years, hands on understanding from actually being in our customers' shoes, being involved in our communities – experience makes a difference! And that's not only true for this cooperative, but it's also part of each member's path as well.

Take the Uhls for example; the experience gained throughout their lifetime is what led them to move forward while returning to their roots. They retired and started a new chapter based on the past, kicking their cattle farm back into business. (Follow their journey on page 8.)

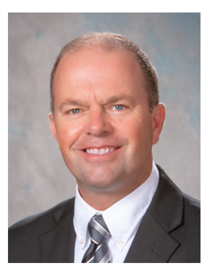
Drew Richard's hands-on experience opened the door to his next chapter, taking stake in the farm he had worked at for so many years and becoming the proud owner of his own acreage and future. (Be inspired by his road to success on page 4.)

There are thousands of other similar stories among our 28,000 members. At GreenStone, our goal is to help positively support each one with an experienced, stable and personally engaged partner… as we move forward together! Thank you for your partnership!

Best wishes for the remainder of 2023,



Edward L. Reed
Chair of the Board



Travis D. Jones
Chief Executive Officer

HARVESTING

A New Generation

For as long as he can remember, Drew Richard has loved the hustle and bustle of working on a farm. His grandpa and uncle have been farmers his entire life, and even from a young age, he would climb up on their laps and ride the fields in a combine.

"When I was little, at just six years old, I wanted to run the equipment," said Drew. "Ever since then, I was really fascinated with large equipment."

In high school, he worked on his friend's dairy farm during the summer where he was able to gain experience driving tractors and running machinery every day.

Even now, that passion hasn't waned.

"That job just got me hooked even more," said Drew. "It just got into my blood and I've never lost interest in it."

For the past decade, Drew has worked at Cremer Farms in Williamston doing everything from planting, harvesting, and working in the office.

Building a Future

In 2020, Drew decided it was time to get a stake in the game and decided to buy 55 acres of Cremer Farms, including a home and some farm buildings.

"This is a good starting point of owning some land and getting involved in the operation more than just as an employee," said Drew.

He worked with GreenStone Financial Services Officer, Stevan Stoutenburg, to make this big step a reality.

"It's a good relationship and Stevan treated me really well and helped me with any issues," said Drew.

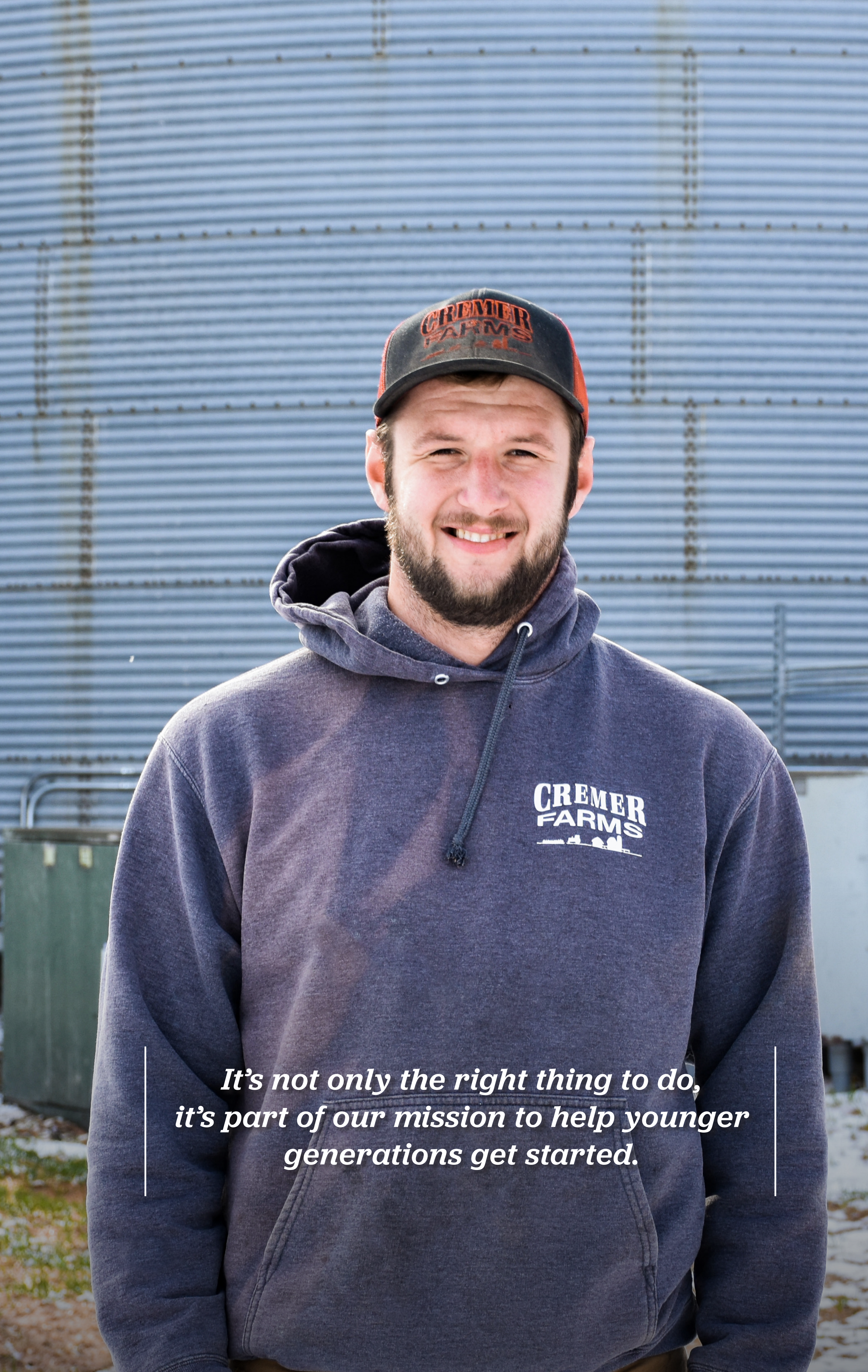
But this wasn't their first time meeting. Stevan met Drew when he was selling fertilizer at a previous job, and he was excited to work with him to secure his land loan at GreenStone.

"It's really fun working with a young guy that wants to grow and that's extremely passionate about agriculture," said Stevan.

Drew was able to take advantage of GreenStone's CultivateGrowth program, which is set up to help simplify the financing process through relaxed requirements for young, beginning and small farmers who may not have the capital normally needed to start farming.

Stevan was happy to walk Drew through these benefits – things like the CultivateGrowth mentorship and grant program and other educational resources.

"We are happy to help them get their foot in the door. If we don't do it, who is going to help them? It's not only the right thing to do, it's part of our mission to help younger generations get started,"



It's not only the right thing to do, it's part of our mission to help younger generations get started.

said Stevan. "The future is young farmers!"

For the past two harvests, Drew has had his own corn, soybean, and winter wheat crops.

"He's one of those guys that can run the farm and can operate the equipment. He's hands-on, cleaning the combine, he's calling the seed representatives," said Stevan. "He's not just calling the shots in a managerial position. He's very smart."

Leaning on a Community

In order to navigate the world of agriculture as a young farmer, you need support. Aside from his family and coworkers, Drew has found a community of other young farmers in Michigan.

"He's friends with a lot of the younger and older farmers in the area," said Stevan.

He uses social media to connect with other young farmers who may be experiencing similar things.

"Every young guy has their own set of ideas that they may want to change or do different," said Drew. "I'm in a Snapchat group with the next generation of upcoming farmers in the area. I'm also on Twitter a lot where I'm able to network with farmers my age about the same battles."

Drew said he is able to have conversations with farmers in these groups about what has and has not worked on their farms.

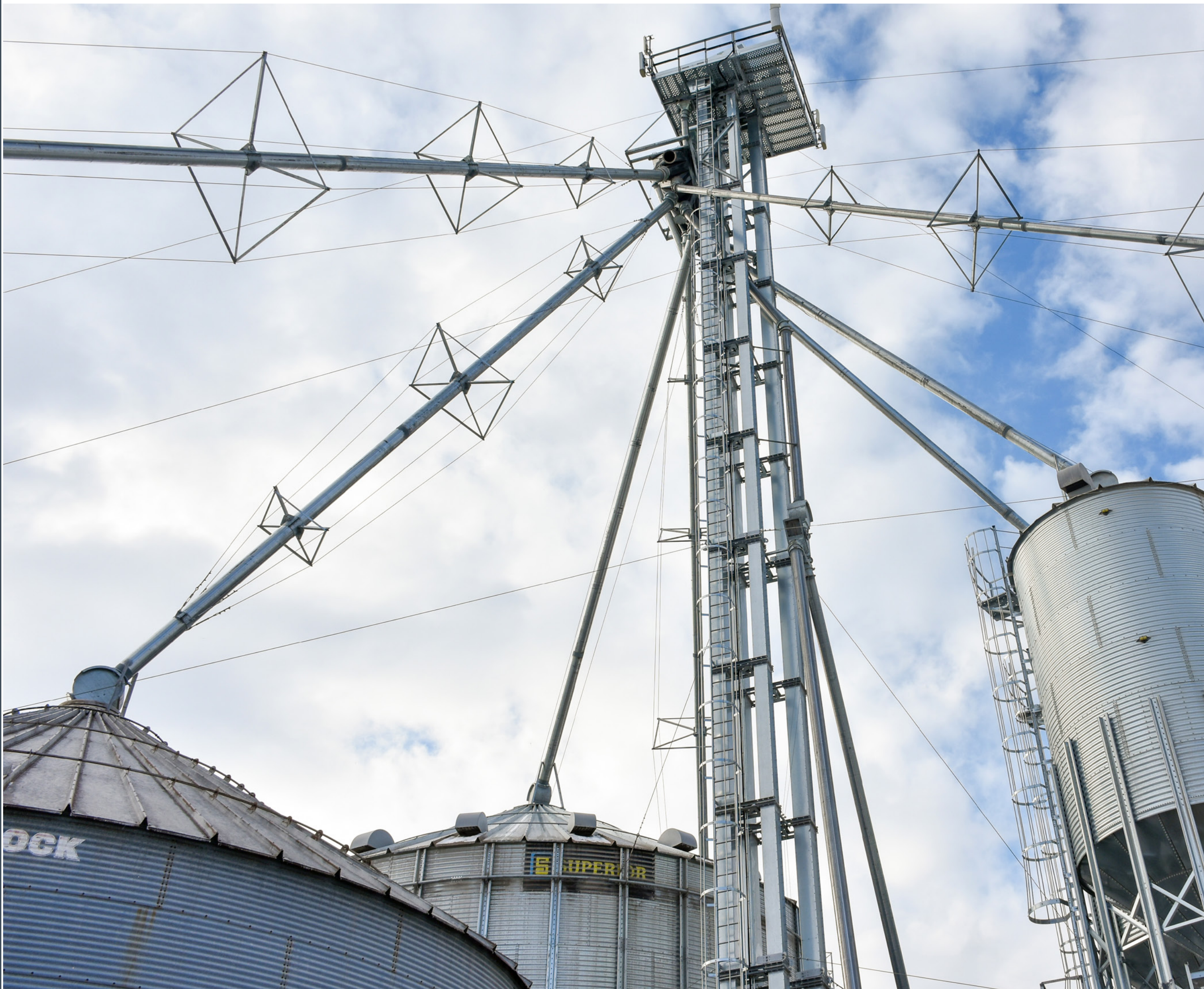
Looking Ahead

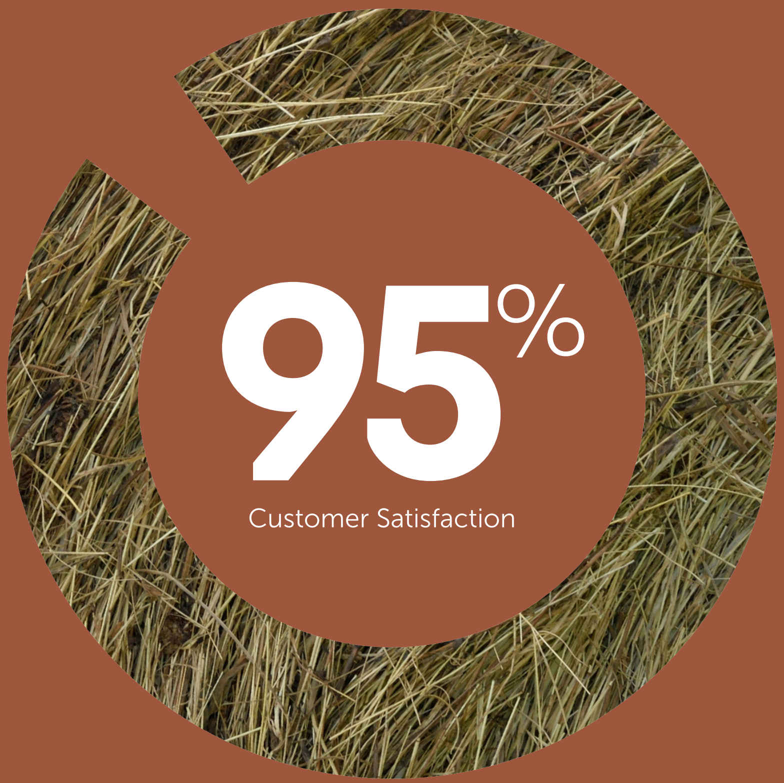
Drew is future-focused and plans on purchasing more land from the farm as the generational transition evolves. He also hopes to upgrade some technology on the farm and keep improving efficiency.

"My big picture plan is to keep the farm whole as it is," said Drew. "I'd like to think that over the ten years I've been here, I've helped build the farm as it is. My hope is to keep the farm thriving."

GreenStone is ready to continue helping Drew make his farming dreams come true.

"It's really fun to work with a guy who wants to grow," said Stevan.





GreenStone's culture of putting our customers first, delivering quality, doing the right thing, and getting involved is the result of a century of collaborative focus. The cooperative's high performing team is committed to living these values to best support our customers and their personal and business dreams today and as we move forward!

MOVING

To the Next Chapter

Oftentimes when you think about retirement, there's a lot of relaxation in the mix, but for David and Joanna Uhl of Dundee, Michigan, it's a whole new chapter of keeping busy.

The couple is enjoying this new stage of life in their beautiful home on their new cattle farm.

David and Joanna are no strangers to the trials and tribulations of raising cattle, though. They have been in the farm business since 1990.

Since then, they have traveled to different cattle shows, they have bred cows, and their two sons grew up raising cattle for 4-H.

When they retired, they decided it was the perfect time to kick their cattle business into high gear. To do so, they needed a bigger property to accommodate their dreams.

In 2021, they began pursuing a large piece of land just around the corner from their home.

"We had a family meeting and decided we wanted to grow. I had always been looking at this piece of property around the corner," said David. "I knew the gentleman that owned it. I think he just got tired of me bugging him and decided to sell it to me."

Developing a Plan

From that point on, they began drawing up a plan to include a custom home and two large barns.

To make it happen, they reached out to GreenStone and began working with Financial Services Officer, Stephanie Lundy. Because of COVID-19 protocols, their first meeting was by video chat, but that didn't stop an important relationship from blossoming.

"Our first meeting had to be on Zoom, and still, her warmth and her ability to communicate clearly regardless of the setting set us at ease immediately and we have enjoyed working with her from that moment on," said Joanna. "She's accessible and knowledgeable."

"They were really great people to talk with and their project was cool. I was really excited about it," said Stephanie.

That cool project included heated barns with enough space to accommodate about 80 cattle, a room for family parties in one of the barns, and a large barnyard for the cattle to roam.

After the property was complete and COVID-19 settled down, Stephanie was able to visit the farm and see that plan come to life.

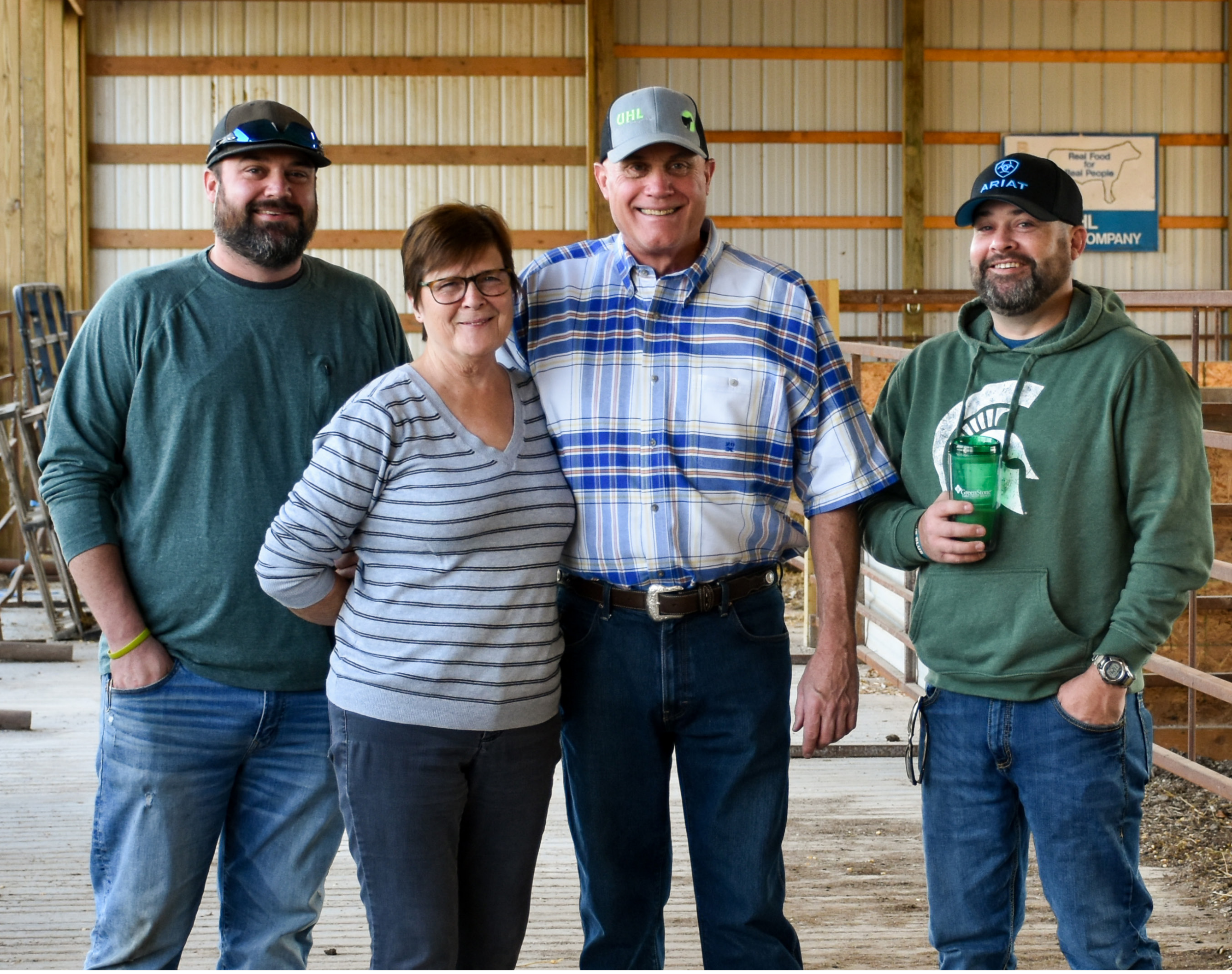
"I've never had anyone actually come out to any place we've bought," said David. "She visits our farm and she has made it clear to us that GreenStone is in it for the long haul. She wants us to be successful."

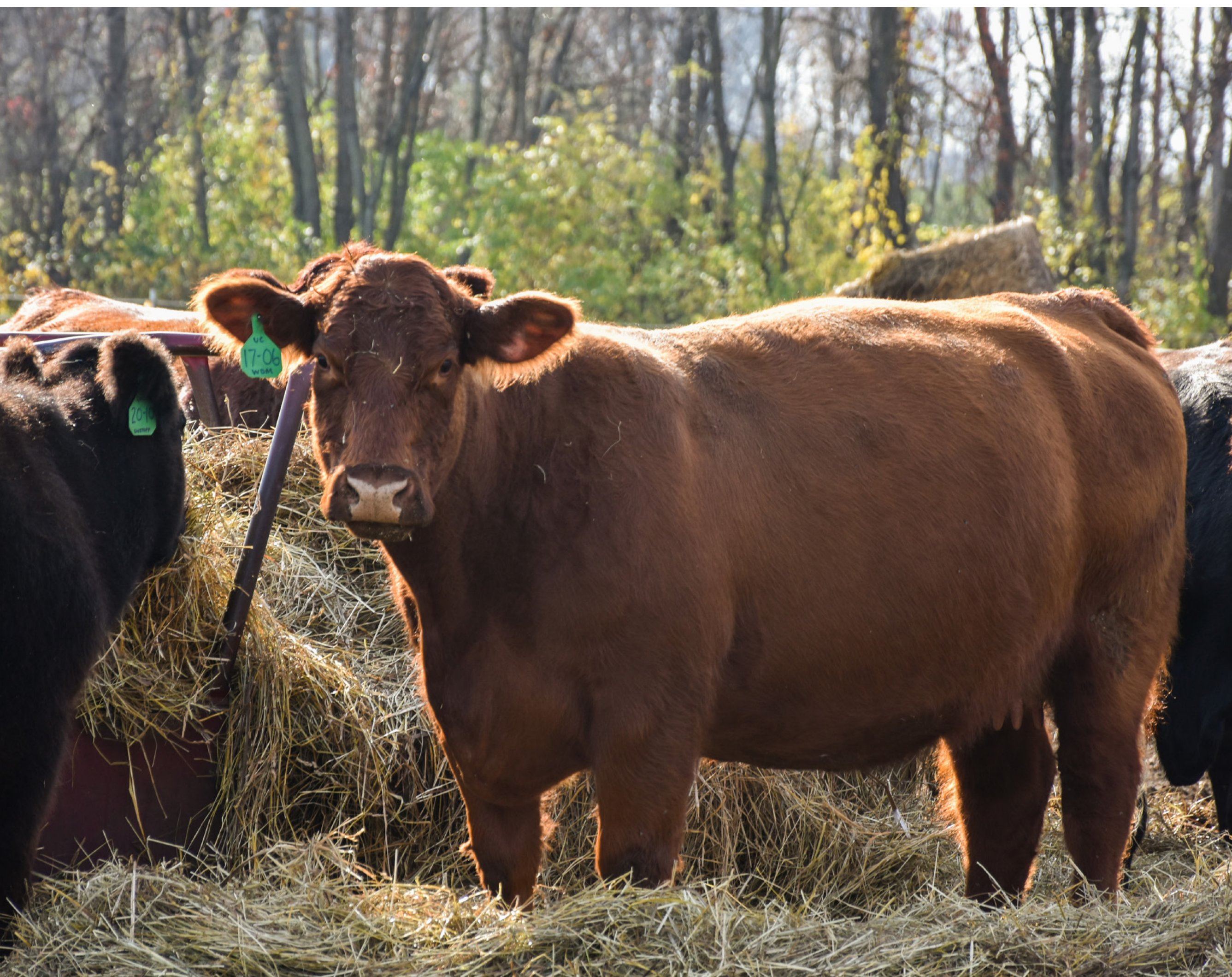
Giving Back to the Community

As if a retirement filled with wrangling cattle isn't enough, David and Joanna are committed to working in public service.

David is the Economic Development and Public Safety Director for Frenchtown Charter Township. Public safety is in his blood after his 35 years with the Monroe County Sheriff's Department. He also started a police force from scratch for the Village of Dundee where he worked as police chief for four years.

"I've been in public service my


UHL
ARIAT
Real Food
for
Real People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whole life. My wife has too. We are very committed to our communities and giving back to our communities, and we think it's very important to be in the position where we can help," said David.

Joanna is on her 22nd year as the Dundee Township Supervisor, which is only half as long as her nearly 40-year career in teaching at Plymouth Canton schools.

As a longtime teacher, she knows the best way to keep children in line is to give them something to do. Raising her two boys is a big reason they went into farming in the first place.

"Since the boys were young, we thought it was a great way to instill responsibility and keep the boys busy and it has worked out really well," said Joanna. "They are very hardworking individuals."

Looking to the Future

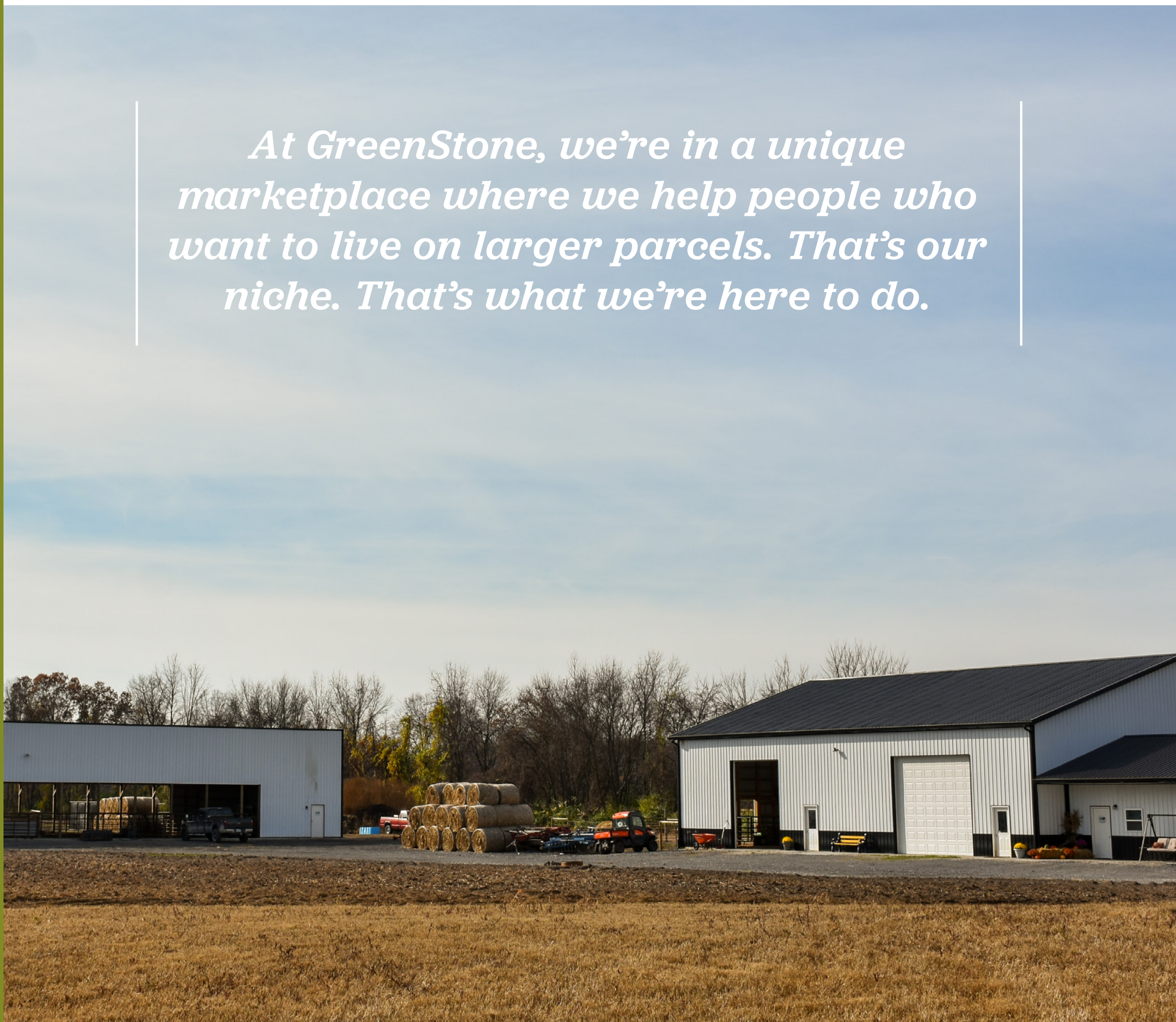
And with the help of those two hardworking sons, they hope to expand even more. Right now, David and Joanna have about thirty cattle, but they're ready to welcome more soon.

Eventually, they hope to open a shop on their land.

"We'd also like to put up a little building on our property where people could come and buy local produce and our meat," said David. "People tell us they can't afford to buy an entire cow, but they want to buy pieces of it, so we want to move in that direction."

And they're leaning on GreenStone to make all future expansions happen – that's something that Stephanie is excited about.

"At GreenStone, we're in a unique marketplace where we help people who want to live on larger parcels. That's our niche. That's what we're here to do."



At GreenStone, we're in a unique marketplace where we help people who want to live on larger parcels. That's our niche. That's what we're here to do.

$13.2 billion
In Total Assets

$284.6 million
Net Income

10%
Total Loan Growth

A solid financial foundation is one of the three stool legs critical to the future growth and stability of the cooperative. A strong asset base of $13.2 billion, record net income of $284.6 million, loan growth of 10%, outstanding credit quality, and operating our cooperative in an efficient manner produced results in 2022 that rank GreenStone as one of the best financial performing Farm Credit associations in the country.

GIVE

SUPPORTING THE FUTURE OF RURAL AMERICA

SUPPORT

Beyond the Basics

Our future begins today, and the outcome of that future is largely dependent on our decisions of yesterday. For GreenStone, making the choice to strengthen communities through compassion and generosity, supporting youth by investing in education and empowering future generations with the tools to be successful are all simple choices. Each decision GreenStone makes as a leader in the agriculture industry, as a fellow rural community neighbor and as a member-owned cooperative, are all made with the future in mind.

This future-focused mindset extends to our dedicated team of staff members who are continuously supporting local communities. Through our 35 branches and association-wide efforts, we contribute time and resources to a variety of organizations aligning with our focus of building a stronger tomorrow. Last year, 4,510 hours and $718,800 were dedicated to the community through local events, time spent with youth, helping at county fairs, giving back to veterans, supporting dairy programs, and more, all dedicated to creating a brighter future!

In addition to the numerous year-round activities, GreenStone donated to the American Red Cross through the local Mid-Michigan Region and Northeast Wisconsin Chapter through the cooperative's Member Grown Outreach program. In partnership with American Red Cross, GreenStone held a blood drive to amplify their support and receive donations to help save nearly 50 lives.

Beyond community giving, GreenStone knows investing in education of future leaders is essential in sustaining agriculture's long-term success. Supporting young people interested in pursuing a career in agriculture is pivotal and in 2022 GreenStone awarded $40,000 in scholarships to students pursuing a career in the industry, bringing the cooperative's total scholarship commitments since 2010 to over $375,000. The cooperative also provides personal development opportunities through continuous internship opportunities to dozens of students.

Supporting urban producers is critical in advancing equity and maintaining sustainability for future

4,510
Total Volunteer Hours

$718,800
In Community Donations

658
Organizations & Events

generations. In addition to traditional internships and scholarships, GreenStone again partnered with the Friendship & Alliance Scholarship Program, a collaborative program between Detroit, the Bahama's and Florida A & M, providing education, internships and laptops to help prepare students for school at Florida A & M, a Historically Black College/ University. Each student is also invited to experience agriculture through farm tours and work experiences. GreenStone coordinated internship opportunities for each student either with GreenStone or at other agri-businesses in Michigan.

GreenStone's commitment to expanding urban agriculture extends beyond youth and college students. One way GreenStone is helping ensure minorities and urban producers have the tools and resources to succeed, GreenStone has actively partnered with Michigan State University Extension Beginning Farmer Program on a variety of resources such as the 2022 webinar series, Farm Business Record Keeping for the Global Majority, a virtual course for farmers of color to learn about business financials and barriers in farming.

Beyond these individual partnerships, GreenStone's dedication to future generations is rooted in our understanding that it's our responsibility as a leader in agriculture to provide resources, opportunities and power through knowledge. With this in mind, we are committed to helping farmers of color, veterans, women, minorities, and young, beginning or small farmers overcome common challenges by connecting them to valuable resources and partnering with organizations with a similar goal. In 2022 alone, GreenStone contributed more than $80,000 in support to organizations to continue providing farmers with the tools to be successful. This support is in addition to GreenStone's annual commitment of $40,000 in grant funding through the cooperative's CultivateGrowth programming.

Decisions made today will be reflected in the future of our local communities, in today's youth, and through the next generation of farmers. GreenStone is proud to continue building and moving forward to a promising tomorrow by giving back and choosing to partner with organizations that support agriculture and rural communities.

$40,000

Awarded in scholarships to students pursuing a career in the agricultural industry

$146,500

In support to educational opportunities, mentorships and resources supporting the growth and success of young, beginning and small farmers

Each decision GreenStone makes as a leader in the agriculture industry, as a fellow rural community neighbor and as a member-owned cooperative, are all made with the future in mind.


Journey

THE JOURNEY

To a Better Customer Experience

GreenStone is always working to make sure the cooperative is providing the best service experience possible for customers. Part of that is keeping the equipment and systems up-to-date and easy to use.

In October 2022, GreenStone launched Journey+, a new state-of-the-art customer relationship management system. The system is internal, and made for our employees to better serve our customers. The road to this launch started long before that morning in October and took the dedication and hard work of dozens of GreenStone employees.

The Road to Journey+

Efficiency is important, and based on feedback from employees, it was time to upgrade the fifteen-year-old system used to process loans, run credit checks, and communicate with customers. Brett Dutcher, VP of Enterprise Architecture for GreenStone, led the drive to improve efficiency and service.

"We wanted to move a lot quicker and be way more efficient to improve our customer's experience," said Brett.

The search for a vendor started in 2020, and by March 2021, a system was chosen, and the project began. These project meetings weren't held around a big table in a conference room, though. We were launching a large project in the middle of a pandemic — so staying communicative with one another was more important than ever.

"Building a process for communications and project management was vital," said Brett. "We were well into COVID-19 and working remotely. Trying to do an initiative that large while remote was not easy. Making sure everyone was aware of what was happening was crucial."

Crucial – because the team was large. More than 100 team members at GreenStone worked on this initiative over the one-and-a-half years and were instrumental in its launch. It was important to have staff members from every part of the company to make sure this new system worked correctly and efficiently for every job role and customer service need.

"We had people from all different segments of the business working several days, months, and even years on this initiative," said Melissa Humphrey, Senior VP of Regional Sales. "It was really cool to see people set aside their own preferences when it was necessary to make sure the program worked for everyone."

Melissa led a team of sales staff to provide feedback and make decisions about what that team needed from the new system. The biggest focus was working towards automation and efficiency to simplify the manual work for staff in order to create consistency and speed for the customer.

Prior to Journey+, a financial services officer had to key in information from a customer into one system, a customer service representative would take that information and key it into another system, and so on and so forth. The goal was a one-stop shop to make serving customers quicker, more accurate, and seamless — and that's exactly what was delivered with Journey+.

"Now, as the loan officer, they start the process, and if they type

> ***The culture at GreenStone allows everyone to roll up their sleeves and get things done regardless of their job title.***

in good information on the front end, their teammates can use that information throughout the process without having to re-enter that information," said Melissa.

Journey+ isn't just helping loan officers be more efficient at their desks, but also in the field – allowing all staff to better assist customers wherever they are.

"The launch of Journey+ also brought on a mobile app," said Melissa. "Staff have access to information on the go. If they're out in the field meeting with customers and need to look up a customer address or phone number, or check on loan details for the customer, or any sort of customer-centric information, they can do that from their cell phones."

Another person thrilled to see more automation is Eric Smith, who throughout this project, served in his previous role as Assistant VP of Credit Operations. Eric has since been promoted to VP of Loan Syndications.

Eric served as one of the liaisons for GreenStone's credit team to make sure they got the most out of this system, as well. Like Melissa, he's excited to know that the efficiency of this one-stop-shop system is going to allow the team to assist customers much more quickly than in the past – especially through the loan credit approval process.

"It's all flowing in from one place. It's a more seamless pass-through of information," said Eric. "It's going to help GreenStone serve its customers more efficiently and it's only going to get better."

And getting better is the goal.

The Journey Forward

For weeks, staff trained on the new system to make sure they were ready to use Journey+ to effectively serve customers. When the switch was flipped on that Saturday morning in October, it was go-time and a new chapter at GreenStone began.

"The launch went far better than how I could have expected. It was something people were nervous about because it was a huge change and we didn't want our internal system and process improvements to result in any delay or complication in our service to the customer – we wanted their experience to be seamless," said Melissa. "To be able to walk away from the project and see the launch going better than expected, it's awesome. The staff caught on quick and have been eager to take advantage of the enhancements."

"We hit insurmountable milestones throughout the project," said Brett. "It's not one person, it's a team. Such a large team put in the effort to make this happen!"

From day one GreenStone staff saw a smoother and quicker customer journey through the loan and service process, and that customer experience is only expected to get better.

"I think we hit the name exactly right. It's a journey – both for staff and for the customer," said Eric. "There are a lot of things that we really enjoy, and there are improvements to be made. The great thing about Journey+ is that we can work together, push the envelope of what we think is possible and make it better."

Making loan processing, crop insurance, and tax and accounting services as seamless as possible is important to GreenStone. As the team continues to learn the ins and outs of Journey+, customers and staff alike can be confident this new chapter will be the best one yet.

GreenStone is true to its values – getting involved, doing what's right, putting the customer first, and delivering quality. The team stood by those values throughout this project and is putting in the work so you don't have to.

"The culture at GreenStone allows everyone to roll up their sleeves and get things done regardless of their job title," said Eric. It's a culture unmatched by any organization and truly appreciated by GreenStone's team.

And in the words of Brett —

"It's only going to get better!"

$840 MILLION

Returned to GreenStone
members over 18 years

Partnership pays, and we're celebrating with our members a record $120 million going right back in our members hands through Patronage checks! Altogether, that brings the cumulative total to $840 million that has been returned to members over the 18 years of GreenStone's Patronage program! The record-level of Patronage is a direct result of the success of our members and their trust in GreenStone. This partnership reflects our commitment to do all we can to assist our members through unprecedented times, seasons of profit and cycles of challenges... today and always.

2022 FINANCIALS

GreenStone Farm Credit Services, ACA

Consolidated Five-Year Summary of Selected Financial Data

GREENSTONE FARM CREDIT SERVICES, ACA
(dollars in thousands)

	2022	2021	2020	2019	2018
CONDENSED STATEMENT OF CONDITION DATA					
Loans	$12,669,524	$11,492,173	$10,589,927	$9,398,125	$8,619,585
Allowance for loan losses	40,889	55,056	75,574	95,454	84,064
Net loans	12,628,635	11,437,117	10,514,353	9,302,671	8,535,521
Investment in AgriBank, FCB	350,696	284,770	257,760	222,432	196,566
Investment securities	1,284	2,992	5,404	9,046	7,715
Other assets	223,366	202,599	189,717	194,114	179,508
Total assets	$13,203,981	$11,927,478	$10,967,234	$9,728,263	$8,919,310
Obligations with maturities of one year or less	$265,465	$212,872	$195,385	$200,945	$174,260
Obligations with maturities greater than one year	10,678,542	9,619,904	8,827,305	7,748,606	7,072,973
Total liabilities	10,944,007	9,832,776	9,022,690	7,949,551	7,247,233
Protected members' equity	1	1	1	1	1
Capital stock and participation certificates	25,891	25,498	24,553	23,019	22,400
Unallocated surplus	2,237,685	2,072,939	1,923,172	1,757,944	1,651,528
Accumulated other comprehensive loss	(3,603)	(3,736)	(3,182)	(2,252)	(1,852)
Total members' equity	2,259,974	2,094,702	1,944,544	1,778,712	1,672,077
Total liabilities and members' equity	$13,203,981	$11,927,478	$10,967,234	$9,728,263	$8,919,310
CONDENSED STATEMENT OF INCOME DATA					
Net interest income	$296,163	$255,402	$249,931	$234,647	$222,009
Reversal of (provision for) credit losses	21,500	14,145	18,050	(13,793)	(17,324)
Patronage income	63,965	61,926	59,934	51,531	45,423
Financially related services income	15,040	13,707	11,766	10,584	9,812
Fee income	21,524	34,335	37,285	20,740	14,949
Other non-interest income	1,324	1,023	3,329	3,568	7,388
Non-interest expense	(128,990)	(112,501)	(106,732)	(99,140)	(95,948)
Provision for income taxes	(5,886)	(3,334)	(3,350)	(1,737)	(1,148)
Net income	$284,640	$264,703	$270,213	$206,400	$185,161
KEY FINANCIAL RATIOS					
For the Year					
Return on average assets	2.3%	2.4%	2.6%	2.2%	2.1%
Return on average members' equity	13.0%	13.1%	14.5%	11.9%	11.3%
Net interest income as a percentage of average earning assets	2.5%	2.4%	2.5%	2.6%	2.6%
Net (recoveries) charge-offs as a percentage of average loans	(0.1%)	0.1%	—	—	—
At Year End					
Members' equity as a percentage of total assets	17.1%	17.6%	17.7%	18.3%	18.7%
Allowance for loan losses as a percentage of loans	0.3%	0.5%	0.7%	1.0%	1.0%
Common equity tier 1 ratio	15.1%	15.8%	15.9%	16.7%	16.4%
Tier 1 capital ratio	15.1%	15.8%	15.9%	16.7%	16.4%
Total regulatory capital ratio	15.4%	16.4%	16.7%	17.6%	17.3%
Permanent capital ratio	15.1%	15.9%	16.0%	16.9%	16.6%
Tier 1 leverage ratio	16.0%	16.7%	16.6%	17.7%	17.6%
OTHER					
Patronage distributions payable to members	$120,000	$115,000	$105,000	$100,000	$82,000

The patronage distribution to members accrued for the year ended December 31, 2022, will be distributed in cash during the first quarter of 2023. The patronage distributions accrued for the years ended December 31, 2021, 2020, 2019, and 2018 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, 2023, the System consisted of three Farm Credit Banks, one Agricultural Credit Bank, and 61 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*
Kim.Brunner@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 credit losses and fair value measurements
- Industry outlooks for agricultural conditions
- Changes in interest rate indices utilized in our lending

Agricultural and Economic Conditions

According to the U.S. Bureau of Economic Analysis, gross domestic product (GDP) grew by a 2.9% annualized rate in the fourth quarter and 3.2% in the third quarter of 2022. These increases followed two consecutive quarters of negative GDP growth, which decreased 0.6% and 1.6% in the second and first quarters of 2022, respectively. GDP increased 2.1% annually in 2022 compared to an increase of 5.9% in 2021. The increase in 2022 reflected increases in consumer spending, exports, private inventory investment, and nonresidential fixed investment. These increases were partially offset by decreases in residential fixed investment and federal government spending.

The December jobs report showed the economy continues to make progress in easing labor market tightness. The pace of job growth was firm at 223,000 jobs but has moderated, and wage growth continued to run at a more modest pace of 0.3% month-over-month. Private sector job gains were broad-based with the manufacturing, professional services, and health care sectors showing the strongest growth. The unemployment rate was 3.5% in December, primarily due to the combination of job openings remaining stable and continued progress on job gains. A more balanced labor market could help dampen some wage-related inflationary pressures.

The Consumer Price Index (CPI) rose 6.5% from December 2021 to December 2022 as inflation is a significant concern. Food prices increased 10.4%, with food at home increasing 11.8% and food away from home increasing 8.3%. Energy prices moderated from their peak levels earlier in the year but still increased 7.3% from the previous year, with utility (piped) gas increasing 19.3% and electricity increasing 14.3%, but gasoline decreased 1.5% in 2022 after increasing 49.6% in 2021. Transportation services increased 14.6%, primarily due to airline fares increasing 28.5%. Inflation ran hot in the beginning of 2022 before slowing down towards the year end, as CPI only increased 0.1% in November 2022 from the previous month, and then decreased 0.1% in December 2022.

Persistent inflationary pressures have caused the Federal Reserve to accelerate its policy rate hiking trajectory. On February 1, 2023, the Federal Open Market Committee (the Committee) announced a 0.25% increase in the federal funds rate to a targeted range of 4.50% to 4.75%. The Committee anticipated that ongoing increases in the target range will be appropriate in order to attain a stance of monetary policy that is sufficiently restrictive to return inflation to its 2% target over time. In addition, the Committee will continue reducing its holdings of Treasury securities, agency debt, and agency mortgage-backed securities. Strong job growth and excess demand for labor suggests a soft landing is still possible. In determining the pace of future increases in the target range, the Committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments.

The United States Department of Agriculture (USDA) forecasts total farm cash receipts to increase 21.2%, to $525.3 billion in 2022. Total crop receipts are forecast to increase by 15.3%, with a 30.6% increase in soybean receipts, a 16.7% increase in corn receipts, and a 33.7% increase in wheat receipts. Total animal product receipts are expected to increase by 28.3%, with increases in receipts for all commodity categories. Direct government farm payments are forecast at $13.0 billion in 2022, down 49.7% from the prior year. Most of the decline was due to lower supplemental and ad hoc disaster assistance related to the COVID-19 pandemic that was paid in 2021 and not in 2022.

Total production expenses are forecast to increase by 17.8%, to $437.3 billion in 2022. All categories of expenses are forecast to be higher in 2022, with feed and fertilizer purchases expected to see the largest dollar increases. Farm sector equity is expected to increase by 10.4% to $3.34 trillion in 2022. Farm sector assets are forecast to increase 9.7% in 2022 to $3.84 trillion driven by increases in the value of farm real estate. Farm sector debt is forecast to increase 4.6% in 2022 with debt-to-asset levels improving slightly to 12.9% in 2022 from 13.6% in 2021. Working capital is forecast to fall by 2.6% in 2022.

The USDA's all-milk price forecasts for 2022 and 2023 were lowered in the January 2023 Livestock, Dairy, and Poultry Outlook due to downward trends in domestic and international prices along with weaker demand than expected in the domestic market. The all-milk price forecast for 2022 was $25.55 per hundredweight (cwt) while the all-milk price forecast for 2023 was $21.60 per cwt. The milk production forecast for 2022 was lowered due to lower expected milk per cow. The expected number of cows for the fourth quarter of 2022 was 9.420 million head and the yield per cow estimate was 5,965 pounds for the quarter. The total milk production estimate for 2022 is 226.8 billion pounds. Based on expectations of lower milk prices, and steady to higher feed costs, the number of milk cows projected was lowered by 15,000 head to 9.405 million head. The average yield per cow projection for 2023 is unchanged from 2022 at 24,370 pounds per cow. The total milk production forecast for 2023 is 229.2 billion pounds.

The Quarterly Hogs and Pigs report issued by USDA in December, showed that pork production was down 2.5% in 2022 compared to 2021, while prices averaged $71.21 in 2022 compared to $67.29 in 2021. Hog producers are facing a number of risk factors including persistent swine disease, volatile national and international macroeconomic conditions, and the expected ruling in *National Pork Producers Council vs Ross* by the Supreme Court in late Spring of 2023. The National Pork Producers Council and the American Farm Bureau Federation filed a suit in the U.S. Ninth Circuit Court of Appeals, attempting to strike down a California sales ban on pork from animals raised under conditions not compliant with California law. Many non-compliant production conditions are widely employed by American pork producers in other States. The case was dismissed in July 2021. However, in March 2022, the Supreme Court announced it would review the challenge. The Court heard oral arguments on October 11, 2022. A decision is expected in the second half of 2023. Hog prices are projected to average $68.00 per cwt in 2023, which if realized, would be 5.0% lower than 2022. Pork production is projected to increase 1.8% in 2023 from 2022 levels.

Highly Pathogenic Avian Influenza (HPAI) caused significant challenges for egg production in 2022. There were 43.3 million egg layers lost in 2022 to HPAI, with the majority of the losses occurring in the first and fourth quarters of 2022, and 3.9 million losses in December alone. December 2022 wholesale egg prices were the highest ever recorded, with an average price of $5.03 per dozen. The daily average price peaked at $5.40 per dozen during the week leading to Christmas. Since then, prices have been declining, with the price on January 11, 2023, being $4.12 per dozen. Wholesale egg prices averaged $2.82 per dozen in 2022 and are projected to average $2.05 per dozen in 2023.

Annual broiler production totaled 46.2 billion pounds in 2022, a 3.0% increase over 2021. Production is projected to increase slightly in 2023 to 46.9 billion pounds. Prices were up considerably with average annual wholesale bird prices at $1.41 per pound in 2022, which peaked in May 2022 at $1.70 per pound as a combination of limited supply and strong demand led to the runup. The 2022 prices were up from an average of $1.01 per pound in 2021, and $0.73 in 2020. More product is expected to be available domestically as production increases and exports are expected to stay at similar levels in 2023, which is reflective in projecting the average price to decrease to $1.29 per pound.

Turkey production was 5.22 billion pounds in 2022, a decrease of 6.0% from 2021. Forecast production in 2023 is 5.56 billion pounds, which would be in line with 2021 production. HPAI has also caused significant challenges for turkey producers, with just over 1.0 million depopulations in turkey meat birds in the month of December 2022. Mexico is the largest destination for U.S. turkey exports and is enforcing bans on all poultry products from multiple U.S. States and counties. According to the Food Safety and Inspection Service Import Export Library as of December 22, 2022, these restrictions included the entire state of California, Colorado, Idaho, and Illinois. Some of the counties with restrictions included 20 counties in Minnesota, four in Wisconsin, and one in Michigan. The wholesale turkey price averaged $1.55 per pound in 2022, up 25.8% from 2021. The price is expected to remain elevated in the first half of 2023 but then fall below 2022 levels in the second half of 2023, with the forecasted average price for 2023 being $1.60 per pound, 5 cents more than 2022.

The United States farm real estate value, a measurement of the value of all land and buildings on farms, averaged $3,800 per acre for 2022, up 12.4% from 2021. The United States cropland value averaged $5,050 per acre, an increase of 14.3% from the previous year. The United States pasture value averaged $1,650 per acre, an increase of 11.5% from 2021. Michigan's farm real estate average value was $5,850 per acre in 2022, up 10.4% from 2021. Wisconsin's farm real estate average value was $5,700, up 9.8% from 2021.

Loan Portfolio

Total loans were $12.7 billion at December 31, 2022, an increase of $1.2 billion from December 31, 2021.

Components of Loans
(in thousands)

As of December 31	2022	2021	2020
Accrual loans:			
Real estate mortgage	$6,849,353	$6,635,092	$6,263,505
Production and intermediate-term	2,222,263	2,034,177	1,987,917
Agribusiness	2,712,043	2,078,287	1,640,183
Other	857,255	696,348	656,946
Nonaccrual loans	28,610	48,269	41,376
Total loans	$12,669,524	$11,492,173	$10,589,927

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), prior to December 1, 2022, we sold participation interests in real estate loans to AgriBank. Effective December 1, 2022, we purchased back all the remaining participation interests of $66.1 million. Our total participation interests in this program were $77.9 million and $100.3 million at December 31, 2021, and 2020, respectively.

Our growth in owned and managed loans for 2022 was 9.5%. The level of growth was greater than the 8.2% growth rate experienced in 2021. While loan growth remained strong in 2022, rapidly increasing interest rates during the last nine months of 2022 resulted in a slow-down in growth by the end of the year. Owned and managed mortgage volume increased 11.4% over December 2021. The year-end short and intermediate term loan volume increased by 2.5% when compared to December 2021. We experienced loan growth in all market segments as our three major segments each showed positive growth. Our Traditional Farm segment, including our large agribusiness loans, grew 3.1% in 2022, compared to 3.4% in 2021. Our Capital Markets segment drove overall loan growth with a 29.8% growth rate in 2022 compared to a 16.4% growth rate in 2021. Our Country Living segment growth rate was 6.5% in 2022 compared to 13.2% in 2021. The Country Living segment was most negatively impacted by the rapidly rising interest rates in 2022.

The outlook for overall portfolio growth for 2023 will be challenged given the ongoing rising interest rate environment as the Federal Open Market Committee continues to raise the federal funds rate in order to return inflation to their 2% objective. 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 2023. 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 seeing increases in land values in our regions. However, there is limited inventory available to purchase, as well as ongoing purchase activity by investors. Growth in our Traditional Farm segment, including our large agribusiness loans, is expected to be in the 2022 and 2021 growth range. The general farm economy is strong, but headwinds from rising input costs and narrowing margins are expected to add some challenges in 2023. The higher interest rate environment will continue to 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 2023, with the Capital Market segments providing the highest growth rate. However, we also expect to see continuing loan pricing pressure within all market segments.

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, 2022.

Agricultural Concentrations

As of December 31	2022	2021	2020
Dairy	18.4%	20.8%	21.9%
Country home living	17.6	18.5	17.9
Cash crops	17.5	18.6	18.8
Agribusiness	10.4	8.3	7.8
Timber	4.4	4.1	4.4
Fruit	3.8	3.6	3.6
Livestock	2.9	2.9	2.7
Broilers	2.2	1.9	2.0
Vegetables	1.9	1.8	1.7
Hogs	1.9	2.1	2.5
Poultry	1.8	2.1	2.2
Grain and field beans	1.6	1.5	1.3
Potatoes	1.6	1.7	1.9
Sugar beets	1.5	1.4	1.4
Landlords	1.5	1.6	1.7
Greenhouse and nursery	0.9	0.9	1.1
Government guarantee	0.1	0.2	0.2
Other	10.0	8.0	6.9
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 short and intermediate term volume levels do not show significant levels of seasonality.

PORTFOLIO CREDIT QUALITY

The credit quality of our loan portfolio improved slightly throughout 2022. Adversely classified owned assets decreased from 2.1% at December 31, 2021, to 1.5% at December 31, 2022. 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 cash crop, dairy, and poultry portfolios continued to be challenged financially during 2022. We have considered portfolio credit quality in assessing the reasonableness of our allowance for loan losses. Additional credit quality information is included in Note 3 to the accompanying Consolidated Financial Statements.

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 9.6% at December 31, 2022. This ratio has decreased 3.8% since December 31, 2021, and remains well 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, 2022, $400.6 million of our loans were substantially guaranteed under these programs. The guaranteed loan volume decreased from $424.4 million at December 31, 2021.

RISK ASSETS

Components of Risk Assets
(dollars in thousands)

As of December 31	2022	2021	2020
Loans:			
Nonaccrual	$28,610	$48,269	$41,376
Accruing restructured	2,790	2,720	3,078
Accruing loans 90 days or more past due	—	—	30
Total risk loans	31,400	50,989	44,484
Acquired property	1,709	1,750	811
Total risk assets	$33,109	$52,739	$45,295
Total risk loans as a percentage of total loans	0.2%	0.4%	0.4%
Nonaccrual loans as a percentage of total loans	0.2%	0.4%	0.4%
Current nonaccrual loans as a percentage of total nonaccrual loans	83.3%	57.6%	54.5%
Total delinquencies as a percentage of total loans	0.2%	0.3%	0.3%

Note: Accruing loans include accrued interest receivable.

Our risk assets remained at acceptable levels during 2022. Total risk loans as a percentage of total loans remains well within our established risk management guidelines.

Nonaccrual volume decreased $19.7 million from December 31, 2021, to $28.6 million at December 31, 2022. This decrease was primarily due to the payoff of all loan obligations by a large dairy in March 2022, which was partially offset by a capital markets purchased participation that went nonaccrual in August 2022. As of December 31, 2022, 44.1% of the nonaccrual loan portfolio was due to the previously mentioned capital markets purchased participation, 14.2% was comprised of greenhouse loans, and 11.1% was comprised of cash crop 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	2022	2021	2020
Allowance as a percentage of:			
Loans	0.3%	0.5%	0.7%
Nonaccrual loans	142.9%	114.1%	182.7%
Total risk loans	130.2%	108.0%	169.9%
Net (recoveries) charge-offs as a percentage of average loans	(0.1%)	0.1%	—
Adverse assets to capital and allowance for loan losses	8.2%	11.6%	14.2%

The allowance for loan losses decreased $14.2 million from December 31, 2021, to $40.9 million at December 31, 2022. This was mostly due to a reversal of provision for loan losses of $22.0 million along with $7.8 million of net recoveries recorded in 2022. We had additional industry reserves for our dairy portfolio which were removed in 2022. Higher commodity prices and improved credit quality within this segment made the additional industry reserves no longer necessary. We had no additional industry reserves at December 31, 2022, and additional general industry reserves were $19.9 million and $26.4 million at December 31, 2021, and 2020, respectively. In our opinion, the allowance for loan losses was reasonable in relation to the risk in our loan portfolio at December 31, 2022.

Effective January 1, 2023, we adopted Accounting Standards Update (ASU) 2016-13 "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" (CECL). This guidance established a single allowance framework for all financial assets measured at amortized cost and certain off-balance sheet credit exposures, and replaced the incurred loss guidance. This framework requires that management's estimate reflects credit losses over the asset's remaining expected life and considers expected future changes in macroeconomic conditions. The allowance for credit losses comprises the allowance for credit losses on loans, the allowance for unfunded commitments, and the allowance for credit losses on investment securities.

After adoption of this guidance, the allowance for credit losses takes into consideration relevant information about past events, current conditions, and macroeconomic forecasts of future conditions. An economic scenario is considered over a reasonable and supportable forecast period, after which, the framework incorporates historical loss experience. Final loss estimates also consider factors affecting credit losses not reflected in the scenario, due to the unique aspects of current conditions and expectations. These factors may include, but are not limited to, lending policies, portfolio concentrations, regulatory guidance, and/or lags in economic forecast information.

As a result of adoption of this guidance, the allowance for loan losses decreased by $8.1 million and the reserve for unfunded commitments increased by $4.8 million. The decrease in the allowance for loan losses is largely due to the requirement of the standard to estimate losses to the assets' contractual maturities, resulting in a decrease of allowances attributable to our short-term portfolios. Partially offsetting the decline are modest increases in allowance attributable to our long-term real estate portfolios. Additional information related to the adoption of this new guidance is included in Note 2 to the accompanying Consolidated Financial Statements.

Additional loan information is included in Notes 3, 10, 11, and 12 to the accompanying Consolidated Financial Statements.

Results of Operations

Profitability Information
(dollars in thousands)

For the year ended December 31	2022	2021	2020
Net income	$284,640	$264,703	$270,213
Return on average assets	2.3%	2.4%	2.6%
Return on average members' equity	13.0%	13.1%	14.5%

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 section
- Changes in capital discussed in the Capital Adequacy section

Changes in Significant Components of Net Income
(in thousands)

For the year ended December 31	2022	2021	2020
Net interest income	$296,163	$255,402	$249,931
Reversal of provision for credit losses	21,500	14,145	18,050
Patronage income	63,965	61,926	59,934
Financially related services income	15,040	13,707	11,766
Fee income	21,524	34,335	37,285
Other non-interest income	1,324	1,023	3,329
Non-interest expense	(128,990)	(112,501)	(106,732)
Provision for income taxes	(5,886)	(3,334)	(3,350)
Net income	$284,640	$264,703	$270,213

Changes in Significant Components of Net Income
(in thousands)

Increase (decrease) in net income	2022 vs 2021	2021 vs 2020
Net interest income	$40,761	$5,471
Reversal of provision for credit losses	7,355	(3,905)
Patronage income	2,039	1,992
Financially related services income	1,333	1,941
Fee income	(12,811)	(2,950)
Other non-interest income	301	(2,306)
Non-interest expense	(16,489)	(5,769)
Provision for income taxes	(2,552)	16
Net income	$19,937	$(5,510)

NET INTEREST INCOME

Changes in Net Interest Income
(in thousands)

For the year ended December 31	2022 vs 2021	2021 vs 2020
Changes in volume	$24,902	$19,453
Changes in interest rates	9,783	(11,689)
Changes in nonaccrual income and other	6,076	(2,293)
Net change	$40,761	$5,471

Net interest income included income on nonaccrual loans that totaled $8.2 million, $2.2 million, and $4.4 million in 2022, 2021, and 2020, respectively. Nonaccrual interest 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 2.5% in 2022, compared to 2.4% in 2021, and 2.5% in 2020. We expect margins to remain stable in the near future.

REVERSAL OF PROVISION FOR CREDIT LOSSES

During 2022, a reversal of provision for loan losses of $22.0 million was recorded, which was partially offset by $511 thousand of provision for credit losses recorded on unfunded loan commitments. This resulted in a net reversal of provision for credit losses of $21.5 million for 2022, which was primarily due to the reduction in our additional industry reserves along with net recoveries recorded. These reversals were partially offset by an increase in our specific reserves. Additional information is included in Note 3 to the accompanying Consolidated Financial Statements.

FEE INCOME

The decrease in fee income was primarily due to no fees collected from the Small Business Administration for Paycheck Protection Program loans in 2022 compared to $8.3 million in 2021. In addition, loan conversion fees were significantly less in 2022 compared to 2021 due to the higher interest rate environment.

NON-INTEREST EXPENSE

Components of Non-Interest Expense

(dollars in thousands)

For the year ended December 31	2022	2021	2020
Salaries and employee benefits	$83,278	$76,624	$75,744
Purchased and vendor services	7,616	5,347	5,307
Communications	1,907	1,934	1,857
Occupancy and equipment	13,437	12,024	11,642
Advertising and promotion	3,677	3,064	2,724
FCA examination	2,504	2,335	2,243
Farm Credit System insurance	19,461	14,022	7,999
Miscellaneous expense	5,461	4,462	5,790
Expense reimbursements	(8,756)	(7,677)	(6,939)
Other non-interest expense	405	366	365
Total non-interest expense	$128,990	$112,501	$106,732
Operating rate	1.1%	1.0%	1.1%

The most significant percentage increases in components of non-interest expense were purchased and vendor services, along with Farm Credit System insurance expenses.

Purchased and Vendor Services: The increase in purchased and vendor service was primarily due to higher charges from SunStream Business Services along with more contractor and recruiting expenses in 2022 compared to 2021.

Farm Credit System Insurance: The Farm Credit System insurance expense increased significantly in 2022 compared to 2021 primarily due to an increase in the Insurance Fund premium rate on Systemwide adjusted insured debt. The premium rate, which is primarily impacted by System growth, was 20 basis points for 2022, compared to 16 basis points for 2021. The FCSIC has announced premiums will be 18 basis points for 2023. The FCSIC Board meets periodically throughout the year to review premium rates and has the ability to change these rates at any time. See Note 1 for additional information on the Insurance Fund.

PROVISION FOR INCOME TAXES

The variance in provision for income taxes was primarily due to more income in our ACA taxable entity. Patronage distributions to members reduced our tax liability in 2022, 2021, and 2020. Additional disclosure is included in Note 8 to the accompanying Consolidated Financial Statements.

Funding and Liquidity

We borrow from AgriBank, under a note payable, in the form of a line of credit, as described in Note 6 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, 2022, we had $2.7 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	2022	2021	2020
Average balance	$9,980,197	$9,002,221	$8,394,944
Average interest rate	2.0%	1.4%	1.8%

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 the 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. With limited exceptions in accordance with FCA guidance, we have ceased issuing new loans indexed to LIBOR and all remaining loans indexed to LIBOR have appropriate fallback language.

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) published by the CME group will generally be the fallback to 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.

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 $2.0 million, $2.7 million, and $4.5 million at December 31, 2022, 2021, and 2020, respectively. We paid Farmer Mac commitment fees totaling $11 thousand, $17 thousand, and $26 thousand in 2022, 2021, and 2020, respectively. These amounts are included in "Other operating expense" in the Consolidated Statements of Comprehensive Income. No loans were sold to Farmer Mac under this agreement during 2022, 2021, or 2020.

Capital Adequacy

Total members' equity was $2.3 billon, $2.1 billion, and $1.9 billion at December 31, 2022, 2021, and 2020, respectively. Total members' equity increased $165.3 million from December 31, 2021, primarily due to net income for the year, partially offset by patronage distribution accruals. Effective January 1, 2023, we adopted the CECL accounting guidance. The adoption of this guidance resulted in a cumulative effect adjustment to equity at January 1, 2023. Refer to Note 2 for additional information regarding the CECL adoption and cumulative effect adjustment to equity.

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. Effective January 1, 2022, the FCA Regulations slightly modified the calculation of the unallocated retained earnings and equivalents leverage ratio to include certain additional deductions. The modification did not have a material impact on this ratio.

Regulatory Capital Requirements and Ratios As of December 31	2022	2021	2020	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:						
Common equity tier 1 ratio	15.1%	15.8%	15.9%	4.5%	2.5%	7.0%
Tier 1 capital ratio	15.1%	15.8%	15.9%	6.0%	2.5%	8.5%
Total regulatory capital ratio	15.4%	16.4%	16.7%	8.0%	2.5%	10.5%
Permanent capital ratio	15.1%	15.9%	16.0%	7.0%	N/A	7.0%
Non-risk-adjusted:						
Tier 1 leverage ratio	16.0%	16.7%	16.6%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	15.8%	18.1%	17.9%	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 section for further discussion of the changes in assets. Additional information on regulatory ratios and members' equity information is included in Note 7 to the accompanying Consolidated Financial Statements and information on off-balance sheet commitments is included in Note 11 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, 2022.

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 2023.

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 described in Note 6 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, 2022, we were required by AgriBank to maintain an investment equal to 2.55% of the average quarterly balance of our note payable. The required investment increased to 3.0% for 2023.

We are also required to hold additional investment in AgriBank based on contractual agreements under loan 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, 2022, 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 10 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 $641 thousand, $505 thousand, and $392 thousand at December 31, 2022, 2021, and 2020, 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, 2022, 2021, and 2020, our investment in SunStream was $1.9 million. Additional related party information is included in Note 10 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 11 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, 2022, 2021, and 2020, our investment in Foundations was $59 thousand. Additional related party information is included in Note 10 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 $29.7 million, $23.1 million, and $17.5 million at December 31, 2022, 2021, and 2020, respectively. We also receive a partnership distribution resulting from our participation in the program, which is included in "Patronage income" in the Consolidated Statements of Comprehensive Income.

PROGRAMS

We are involved in the following 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

Travis D. Jones
Chief Executive Officer
GreenStone Farm Credit Services, ACA

Kimberly S. Brunner
Executive Vice President – Chief Financial Officer
GreenStone Farm Credit Services, ACA

March 9, 2023

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, 2022. 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, 2022, 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, 2022.

Travis D. Jones
Chief Executive Officer
GreenStone Farm Credit Services, ACA

Kimberly S. Brunner
Executive Vice President – Chief Financial Officer
GreenStone Farm Credit Services, ACA

March 9, 2023

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, 2022, 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 the audited Consolidated Financial Statements be included in the Annual Report for the year ended December 31, 2022.

Eugene B. College

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

Bruce E. Lewis, Ronald W. Lucas, and Scott A. Roggenbuck
Members of the Audit Committee

March 9, 2023

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, 2022, 2021 and 2020, 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, 2022, 2021 and 2020, 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 2022 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 9, 2023

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	2022	2021	2020
ASSETS			
Loans	$12,669,524	$11,492,173	$10,589,927
Allowance for loan losses	40,889	55,056	75,574
Net loans	12,628,635	11,437,117	10,514,353
Investment in AgriBank, FCB	350,696	284,770	257,760
Investment securities	1,284	2,992	5,404
Accrued interest receivable	83,869	60,120	62,836
Premises and equipment, net	52,423	48,083	47,395
Deferred tax assets, net	—	—	2,444
Other assets	87,074	94,396	77,042
Total assets	$13,203,981	$11,927,478	$10,967,234
LIABILITIES			
Note payable to AgriBank, FCB	$10,678,542	$9,619,904	$8,827,305
Accrued interest payable	73,861	31,570	30,933
Patronage distribution payable	120,000	115,000	105,000
Deferred tax liabilities, net	1,073	182	—
Other liabilities	70,531	66,120	59,452
Total liabilities	10,944,007	9,832,776	9,022,690
Contingencies and commitments (Note 11)			
MEMBERS' EQUITY			
Protected members' equity	1	1	1
Capital stock and participation certificates	25,891	25,498	24,553
Unallocated surplus	2,237,685	2,072,939	1,923,172
Accumulated other comprehensive loss	(3,603)	(3,736)	(3,182)
Total members' equity	2,259,974	2,094,702	1,944,544
Total liabilities and members' equity	$13,203,981	$11,927,478	$10,967,234

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	2022	2021	2020
Interest income	$496,725	$379,327	$403,413
Interest expense	200,562	123,925	153,482
NET INTEREST INCOME	296,163	255,402	249,931
Reversal of provision for credit losses	(21,500)	(14,145)	(18,050)
NET INTEREST INCOME AFTER REVERSAL OF PROVISION FOR CREDIT LOSSES	317,663	269,547	267,981
Non-interest income			
Patronage income	63,965	61,926	59,934
Financially related services income	15,040	13,707	11,766
Fee income	21,524	34,335	37,285
Other non-interest income	1,324	1,023	3,329
TOTAL NON-INTEREST INCOME	101,853	110,991	112,314
Non-interest expense			
Salaries and employee benefits	83,278	76,624	75,744
Other operating expense	45,307	35,511	30,623
Other non-interest expense	405	366	365
TOTAL NON-INTEREST EXPENSE	128,990	112,501	106,732
INCOME BEFORE INCOME TAXES	290,526	268,037	273,563
Provision for income taxes	5,886	3,334	3,350
NET INCOME	$284,640	$264,703	$270,213
Other comprehensive income (loss)			
Employee benefit plans activity	$133	$(554)	$(930)
Total other comprehensive income (loss)	133	(554)	(930)
Comprehensive income	$284,773	$264,149	$269,283

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, 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
Net income	—	—	284,640	—	284,640
Other comprehensive income	—	—	—	133	133
Unallocated surplus designated for patronage distributions	—	—	(119,894)	—	(119,894)
Capital stock and participation certificates issued	—	2,319	—	—	2,319
Capital stock and participation certificates retired	—	(1,926)	—	—	(1,926)
Balance as of December 31, 2022	$1	$25,891	$2,237,685	$(3,603)	$2,259,974

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	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$284,640	$264,703	$270,213
Depreciation on premises and equipment	2,814	2,981	3,444
Gain on sale of premises and equipment, net	—	—	(69)
Net amortization of premiums and discounts on loans and investment securities	(34)	(59)	(5)
Reversal of provision for credit losses	(21,500)	(14,145)	(18,050)
Stock patronage received from Farm Credit institutions	(39,592)	(7,744)	(102)
Gain on acquired property, net	(160)	(40)	(344)
Changes in operating assets and liabilities:			
Increase in accrued interest receivable	(40,102)	(12,941)	(10,549)
Decrease (increase) in other assets	13,975	(8,193)	(6,957)
Increase (decrease) in accrued interest payable	42,291	637	(18,867)
Increase in other liabilities	5,435	6,296	6,544
Net cash provided by operating activities	247,767	231,495	225,258
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in loans, net	(1,153,752)	(892,523)	(1,171,086)
Purchases of investment in AgriBank, FCB, net	(26,470)	(19,379)	(35,328)
Purchases of investment in other Farm Credit institutions, net	(6,558)	(5,665)	(1,908)
Proceeds from investment securities	1,618	2,322	3,552
Decrease in acquired property, net	1,190	225	1,880
Purchases of premises and equipment, net	(7,154)	(3,670)	(737)
Net cash used in investing activities	(1,191,126)	(918,690)	(1,203,627)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in note payable to AgriBank, FCB, net	1,058,638	792,599	1,078,699
Patronage distributions paid	(114,894)	(104,936)	(99,985)
Capital stock and participation certificates retired, net	(385)	(469)	(345)
Net cash provided by financing activities	943,359	687,194	978,369
Net change in cash	—	(1)	—
Cash at beginning of year	6	7	7
Cash at end of year	$6	$6	$7
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES			
Interest transferred to loans	$16,347	$15,649	$21,331
SUPPLEMENTAL INFORMATION			
Interest paid	$158,271	$123,288	$172,349
Taxes paid, net	2,318	4,595	1,462

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, 2023, the System consisted of three Farm Credit Banks, one Agricultural Credit Bank, and 61 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). The AgriBank District associations consist of local 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 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 generally accepted accounting principles 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. Throughout this Annual Report, there may be references to loan volume which is defined as loan principal plus accrued interest receivable.

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 exceeds the net realizable value of the collateral prior to reclassification. 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. 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 (typically based on payment frequency).

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 (TDR), 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 TDRs are considered risk loans (as defined below). There may be modifications made in the normal course of business that would not be considered 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 by the FCA 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. 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" in the Consolidated Statements of Comprehensive Income. Service costs are included in "Salaries and employee benefits" in 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 "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 beginning March 12, 2020.

In December 2022, the FASB issued ASU 2022-06 "Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848", which deferred the sunset date of Topic 848 to December 31, 2024. After December 31, 2024, entities will no longer be permitted to apply the relief in Topic 848.

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. Additionally, we intend to apply the relief granted in the extension. 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 (Topic 326): Measurement of Credit Losses on Financial Instruments." 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 qualified 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.

Adoption status and financial statement impact

We adopted the standard as of January 1, 2023. As a result of adoption of this guidance, the allowance for loan losses decreased by $8.1 million and the reserve for unfunded commitments increased by $4.8 million, with a cumulative-effect increase, net of tax balances, to retained earnings of $3.3 million.

The adoption of the standard did not have a material impact related to our held-to-maturity investment portfolio as all of these investments carry a full faith and credit guarantee of the U.S. government or an implicit credit guarantee from its agencies and have an immaterial risk of credit loss. No allowance for credit losses was recognized in relation to our investment portfolio upon adoption.

Standard and effective date

In March 2022, the FASB issued ASU 2022-02 "Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures." The guidance is effective at the same time that ASU 2016-13 is adopted.

Description

This guidance eliminates the accounting guidance for troubled debt restructurings by creditors in Subtopic 310-40, Receivables - Troubled Debt Restructurings by Creditors, while enhancing disclosure requirements for certain loan refinancings and restructurings.

Adoption status and financial statement impact

We adopted the standard on January 1, 2023. The adoption of this guidance did not have a material impact on our financial statements, but will modify certain disclosures beginning with our first quarter 2023 Quarterly Report.

NOTE 3: LOANS AND ALLOWANCE FOR LOAN LOSSES

Loans by Type
(dollars in thousands)

As of December 31	2022 Amount	2022 Percentage	2021 Amount	2021 Percentage	2020 Amount	2020 Percentage
Real estate mortgage	$6,858,494	54.1%	$6,662,615	57.9%	$6,292,857	59.4%
Production and intermediate-term	2,228,232	17.6	2,053,528	17.9	1,998,160	18.9
Agribusiness	2,724,693	21.5	2,078,287	18.1	1,640,282	15.5
Other	858,105	6.8	697,743	6.1	658,628	6.2
Total	$12,669,524	100.0%	$11,492,173	100.0%	$10,589,927	100.0%

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

PORTFOLIO CONCENTRATIONS

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

As of December 31, 2022, volume plus commitments, excluding government guaranteed portions of loans, to our ten largest borrowers totaled an amount equal to 4.6% 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 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, 2022	Purchased	Sold	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$ —	$(19,306)	$ 198,392	$(393,475)	$490,634	$ —	$ 689,026	$(412,781)
Production and intermediate-term	—	(340,191)	529,305	(511,554)	3,289	—	532,594	(851,745)
Agribusiness	—	(47,221)	1,295,452	(52,645)	83,097	—	1,378,549	(99,866)
Other	—	—	547,084	—	—	—	547,084	—
Total	$ —	$(406,718)	$2,570,233	$(957,674)	$577,020	$ —	$3,147,253	$(1,364,392)
As of December 31, 2021								
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)

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, 2022, 2021, or 2020.

Credit Quality of Loans
(dollars in thousands)

	Acceptable		Special Mention		Substandard/ Doubtful		Total
As of December 31, 2022	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount
Real estate mortgage	$6,707,281	97.1%	$89,104	1.3%	$110,434	1.6%	$6,906,819
Production and intermediate-term	2,209,105	98.2	24,497	1.1	15,869	0.7	2,249,471
Agribusiness	2,628,282	96.1	52,865	1.9	55,641	2.0	2,736,788
Other	853,849	99.3	1,896	0.2	4,563	0.5	860,308
Total	$12,398,517	97.2%	$168,362	1.3%	$186,507	1.5%	$12,753,386
As of December 31, 2021							
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

Note: Accruing loans include accrued interest receivable.

Aging Analysis of Loans
(in thousands)

As of December 31, 2022	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	$11,765	$411	$12,176	$6,894,643	$6,906,819	$ —
Production and intermediate-term	5,917	716	6,633	2,242,838	2,249,471	—
Agribusiness	—	28	28	2,736,760	2,736,788	—
Other	1,116	34	1,150	859,158	860,308	—
Total	$18,798	$1,189	$19,987	$12,733,399	$12,753,386	$ —
As of December 31, 2021						
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

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	2022	2021	2020
Nonaccrual loans:			
Current as to principal and interest	$23,832	$27,785	$22,560
Past due	4,778	20,484	18,816
Total nonaccrual loans	28,610	48,269	41,376
Accruing restructured loans	2,790	2,720	3,078
Accruing loans 90 days or more past due	—	—	30
Total risk loans	$31,400	$50,989	$44,484
Volume with specific allowance	$16,704	$35,972	$24,145
Volume without specific allowance	14,696	15,017	20,339
Total risk loans	$31,400	$50,989	$44,484
Total specific allowance	$8,799	$5,423	$8,966
For the year ended December 31	**2022**	**2021**	**2020**
Income on accrual risk loans	$130	$141	$157
Income on nonaccrual loans	8,248	2,193	4,350
Total income on risk loans	$8,378	$2,334	$4,507
Average risk loans	$30,771	$48,901	$67,905

Note: Accruing loans include accrued interest receivable.

Nonaccrual Loans by Loan Type
(in thousands)

As of December 31	2022	2021	2020
Real estate mortgage	$9,141	$27,522	$29,353
Production and intermediate-term	5,969	19,351	10,243
Agribusiness	12,649	—	99
Other	851	1,396	1,681
Total	$28,610	$48,269	$41,376

Additional Impaired Loan Information by Loan Type
(in thousands)

	As of December 31, 2022			For the year ended December 31, 2022	
	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	$2,048	$2,687	$135	$5,091	$ —
Production and intermediate-term	1,568	1,821	513	4,874	—
Agribusiness	12,649	12,973	8,062	4,557	—
Other	439	556	89	378	—
Total	$16,704	$18,037	$8,799	$14,900	$ —
Impaired loans with no related allowance for loan losses:					
Real estate mortgage	$9,395	$13,673	$ —	$12,326	$2,178
Production and intermediate-term	4,586	8,481	—	2,482	5,967
Agribusiness	—	—	—	—	—
Other	715	2,113	—	1,063	233
Total	$14,696	$24,267	$ —	$15,871	$8,378
Total impaired loans:					
Real estate mortgage	$11,443	$16,360	$135	$17,417	$2,178
Production and intermediate-term	6,154	10,302	513	7,356	5,967
Agribusiness	12,649	12,973	8,062	4,557	—
Other	1,154	2,669	89	1,441	233
Total	$31,400	$42,304	$8,799	$30,771	$8,378

	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

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 $5.0 million of commitments to lend additional money to borrowers whose loans were classified as risk loans at December 31, 2022.

TROUBLED DEBT RESTRUCTURINGS (TDRS)

Included within our loans are TDRs. These loans have been modified by granting a concession 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	2022		2021		2020	
	Pre-modification	Post-modification	Pre-modification	Post-modification	Pre-modification	Post-modification
Real estate mortgage	$1,919	$1,919	$195	$193	$ —	$ —
Production and intermediate-term	—	—	67	67	250	250
Total	$1,919	$1,919	$262	$260	$250	$250

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 extension of maturity, compromise of principal and interest, deferral of principal, and interest rate reduction below market.

We had TDRs in the real estate mortgage loan category of $1.9 million that defaulted during the year ended December 31, 2022, in which the modifications were within twelve months of the respective reporting period. There were no TDRs that defaulted during the years ended December 31, 2021, or 2020, in which the modification was within twelve months of the respective reporting period.

TDRs Outstanding
(in thousands):

As of December 31	2022	2021	2020
Accrual status:			
Real estate mortgage	$2,303	$2,082	$2,489
Production and intermediate-term	185	318	362
Other	302	320	227
Total TDRs in accrual status	$2,790	$2,720	$3,078
Nonaccrual status:			
Real estate mortgage	$643	$773	$436
Production and intermediate-term	72	307	258
Other	2	8	163
Total TDRs in nonaccrual status	$717	$1,088	$857
Total TDRs:			
Real estate mortgage	$2,946	$2,855	$2,925
Production and intermediate-term	257	625	620
Other	304	328	390
Total TDRs	$3,507	$3,808	$3,935

There were no commitments to lend to borrowers whose loans have been modified in a TDR at December 31, 2022.

ALLOWANCE FOR LOAN LOSSES

Changes in Allowance for Loan Losses
(in thousands)

For the year ended December 31	2022	2021	2020
Balance at beginning of year	$55,056	$75,574	$95,454
Reversal of provision for loan losses	(22,011)	(14,566)	(15,496)
Loan recoveries	8,522	2,992	473
Loan charge-offs	(678)	(8,944)	(4,857)
Balance at end of year	$40,889	$55,056	$75,574

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 reserve for unfunded commitments are recorded in "Other liabilities" in the Consolidated Statements of Condition. Typically, the reserve for unfunded commitments is 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	2022	2021	2020
Provision for (reversal of) credit losses	$511	$421	$(2,554)

As of December 31	2022	2021	2020
Reserve for unfunded commitments	$3,826	$3,315	$2,894

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, 2021	$25,837	$11,646	$16,367	$1,206	$55,056
(Reversal of) provision for loan losses	(19,087)	(15,795)	11,538	1,333	(22,011)
Loan recoveries	72	8,392	—	58	8,522
Loan charge-offs	(231)	(323)	(93)	(31)	(678)
Balance as of December 31, 2022	$6,591	$3,920	$27,812	$2,566	$40,889
Ending balance: individually evaluated for impairment	$135	$513	$8,062	$89	$8,799
Ending balance: collectively evaluated for impairment	$6,456	$3,407	$19,750	$2,477	$32,090
Recorded investment in loans outstanding:					
Ending balance as of December 31, 2022	$6,906,819	$2,249,471	$2,736,788	$860,308	$12,753,386
Ending balance: individually evaluated for impairment	$11,443	$6,154	$12,649	$1,154	$31,400
Ending balance: collectively evaluated for impairment	$6,895,376	$2,243,317	$2,724,139	$859,154	$12,721,986

	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 investment 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 investment 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

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.

NOTE 4: INVESTMENT IN AGRIBANK

As of December 31, 2022, we were required by AgriBank to maintain an investment equal to 2.55% of the average quarterly balance of our note payable.

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 AgriBank by distributing all available AgriBank 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: PREMISES AND EQUIPMENT, NET

Premises and Equipment
(in thousands)

As of December 31	2022	2021	2020
Land, buildings, and improvements	$61,126	$60,797	$60,802
Furniture, equipment, and software	33,343	26,518	22,890
Subtotal	94,469	87,315	83,692
Less: accumulated depreciation	42,046	39,232	36,297
Premises and equipment, net	$52,423	$48,083	$47,395

NOTE 6: 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	2022	2021	2020
Line of credit	$13,500,000	$11,000,000	$9,250,000
Outstanding principal under the line of credit	10,678,542	9,619,904	8,827,305
Interest rate	3.0%	1.3%	1.4%

Our note payable was scheduled to mature on December 31, 2023. However, it was renewed early for $13.5 billion with a maturity date of December 31, 2025. 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, 2022, and throughout the year, we were not declared in default under any GFA covenants or provisions.

NOTE 7: 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 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	2022	2021	2020	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:						
Common equity tier 1 ratio	15.1%	15.8%	15.9%	4.5%	2.5%	7.0%
Tier 1 capital ratio	15.1%	15.8%	15.9%	6.0%	2.5%	8.5%
Total regulatory capital ratio	15.4%	16.4%	16.7%	8.0%	2.5%	10.5%
Permanent capital ratio	15.1%	15.9%	16.0%	7.0%	N/A	7.0%
Non-risk-adjusted:						
Tier 1 leverage ratio	16.0%	16.7%	16.6%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	15.8%	18.1%	17.9%	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	2022	2021	2020
Class A common stock (protected)	—	—	1
Class B common stock (at-risk)	4,602,666	4,534,632	4,369,241
Class E participation certificates (at-risk)	575,583	565,043	541,486
Class F participation certificates (protected)	152	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, 2022, 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 $120.0 million, $115.0 million, and $105.0 million at December 31, 2022, 2021, and 2020, 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 8: INCOME TAXES

Provision for Income Taxes
(dollars in thousands)

For the year ended December 31	2022	2021	2020
Current:			
Federal	$4,346	$669	$1,095
State	649	39	281
Total current	$4,995	$708	$1,376
Deferred:			
Federal	$855	$2,504	$1,882
State	36	122	92
Total deferred	891	2,626	1,974
Provision for income taxes	$5,886	$3,334	$3,350
Effective tax rate	2.0%	1.2%	1.2%

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

For the year ended December 31	2022	2021	2020
Federal tax at statutory rates	$61,010	$56,288	$57,448
State tax, net	437	430	480
Patronage distributions	(6,833)	(4,200)	(4,200)
Effect of non-taxable entity	(50,224)	(48,278)	(48,318)
Other	1,496	(906)	(2,060)
Provision for income taxes	$5,886	$3,334	$3,350

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	2022	2021	2020
Allowance for loan losses	$1,992	$3,577	$5,405
Accrued incentive	974	1,013	1,027
Accrued patronage income not received	—	(1,038)	(796)
Accrued pension asset	(3,924)	(3,515)	(2,936)
Other assets	1,207	1,107	1,096
Other liabilities	(1,322)	(1,326)	(1,352)
Deferred tax (liabilities) assets, net	$(1,073)	$(182)	$2,444
Gross deferred tax assets	$4,173	$5,697	$7,528
Gross deferred tax liabilities	$(5,246)	$(5,879)	$(5,084)

A valuation allowance for the deferred tax assets was not necessary at December 31, 2022, 2021, or 2020.

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 $2.1 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, 2022. In addition, we believe we are no longer subject to income tax examinations for years prior to 2019.

NOTE 9: 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 2022 Annual Report.

The Farm Credit Foundations Plan Sponsor and Trust Committees provide oversight of the benefit plans for which AgriBank and District associations are participating employers. 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	2022	2021	2020
Unfunded liability	$87,688	$46,421	$169,640
Projected benefit obligation	1,204,130	1,500,238	1,563,421
Fair value of plan assets	1,116,442	1,453,817	1,393,781
Accumulated benefit obligation	1,083,610	1,384,554	1,426,270

For the year ended December 31	2022	2021	2020
Total plan expense	$30,475	$28,048	$42,785
Our allocated share of plan expenses	2,527	2,340	3,961
Contributions by participating employers	90,385	90,000	90,000
Our allocated share of contributions	8,188	8,151	8,464

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.

Benefits paid to participants in the District were $132.1 million in 2022. 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 2023 is $45.0 million. Our allocated share of these pension contributions is expected to be $3.9 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	2022	2021	2020
Our unfunded liability	$9,313	$8,500	$7,196

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. We had no cash contributions and paid no benefits during 2022, 2021, and 2020.

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 $4.4 million, $4.0 million, and $3.7 million in 2022, 2021, and 2020, respectively. These expenses were equal to our cash contributions for each year.

NOTE 10: 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, 2022, involved more than a normal risk of collectability.

Related Party Loans Information
(in thousands)

As of December 31	2022	2021	2020
Total related party loans	$31,654	$27,985	$32,194
For the year ended December 31	**2022**	**2021**	**2020**
Advances to related parties	$15,909	$15,598	$15,678
Repayments by related parties	15,470	14,611	20,336

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 described in Note 6, 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 $63.5 million, $61.5 million, and $59.4 million in 2022, 2021, and 2020, respectively. Patronage income for 2022 and 2021 was received in cash and AgriBank stock. Patronage income for 2020 was received in cash.

In addition, we received compensation from AgriBank for servicing loans of $223 thousand, $286 thousand, and $316 thousand in 2022, 2021, and 2020, 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, 2022, 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 and the costs incurred are included in the table below in AgriBank District purchased services. 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	2022	2021	2020
Investment in AgriBank	$350,696	$284,770	$257,760
Investment in AgDirect, LLP	29,685	23,127	17,461
Investment in SunStream	1,875	1,875	1,875
Investment in Foundations	59	59	59
For the year ended December 31	**2022**	**2021**	**2020**
AgriBank District purchased services	$4,599	$3,328	$2,957

NOTE 11: 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, 2022, we had commitments to extend credit and unexercised commitments related to standby letters of credit of \$3.5 billion. Additionally, we had \$51.5 million of issued standby letters of credit as of December 31, 2022.

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. At this time we believe it is unlikely that we will be required to make payment under this guarantee.

NOTE 12: 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, 2022, 2021, or 2020.

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, 2022	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Impaired loans	$ —	$ —	$8,300	$8,300
Acquired property	—	—	4,744	4,744

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

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

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 13: SUBSEQUENT EVENTS

We have evaluated subsequent events through March 9, 2023, 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 2022 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 included in Note 11 to the Consolidated Financial Statements in this Annual Report. We were not subject to any enforcement actions as of December 31, 2022.

DESCRIPTION OF CAPITAL STRUCTURE
Information regarding our capital structure is included in Note 7 to the Consolidated Financial Statements in this Annual Report.

DESCRIPTION OF LIABILITIES
Information regarding liabilities is included in Notes 6, 7, 8, 9, and 11 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, 2022, including business experience during the last five years

Name	Principal Occupation and Other Affiliations
Edward L. Reed (Age 60) Board Chair Executive Committee, Chair Compensation Committee, Vice Chair Board Service Began: June 2008 Current Term Expires: 2026	**Principal Occupation:** Self-employed livestock and grain farmer Member-Manager: Reed Family Farms LLC, a grain and livestock farm Member-Manager: Reed Family Properties, LLC, a land holding entity Member-Manager: CEA Landholdings, a hog finishing barn **Other Affiliations:** Board Member: Michigan Pork Producers Association, a pork marketing organization Board Chair: Three Rivers Health Foundation, a source of funding for non-profit community hospitals Board Member: Farm Credit Foundations, a Farm Credit System employee benefits organization
Peter C. Maxwell (Age 38) Board Vice Chair Executive Committee, Vice Chair Compensation Committee, Chair Board Service Began: June 2016 Current Term Expires: 2024	**Principal Occupation:** Self-employed grain farmer Independent Sales Agent: ACH Seeds, marketing Crystal brand sugar beet seeds Employee: Maxwell Seed Farms, a grain farm **Other Affiliations:** Chair: Michigan Sugar Company West District, a sugar beet wholesale and retail sales organization
Eugene B. College (Age 77) Appointed Director Audit Committee, Chair Board Service Began: June 2009 Current Term Expires: 2026	**Principal Occupation:** Retired Senior Vice President and Chief Financial Officer of Farm Credit Services of America, ACA
Michael J. Feight (Age 66) Finance Committee, Vice Chair Board Service Began: June 2021 Current Term Expires: 2025	**Principal Occupation:** Self-employed grain farmer Member: Fred Feight & Sons, LLC, a grain farm **Other Affiliations:** Trustee: Tecumseh Township Board, branch of local government
Terri J. Hawbaker (Age 42) Legislative/Public Policy Committee Board Service Began: June 2015 Current Term Expires: 2023	**Principal Occupation:** Self-employed dairy farmer Owner/Operator: Grazeway Dairy Farms, a dairy farm
Trent C. Hilding (Age 42) Finance Committee Board Service Began: June 2022 Current Term Expires: 2026	**Principal Occupation:** Self-employed farmer and attorney Sole member: Trent C. Hilding, PLC, a farm business/estate succession planning law firm Sole member: Hilding Farms, LLC, a grain and cow/calf farm Sole Member: Hilding Farms Trucking, LLC, a grain truck operation
Bruce E. Lewis (Age 57) Audit Committee 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, a milk marketing operation Board Member: Hillsdale County Farm Bureau, an advocacy and outreach board to protect agriculture
Ronald W. Lucas (Age 66) Audit Committee, Vice Chair Board Service Began: June 2013 Current Term Expires: 2024	**Principal Occupation:** Self-employed dairy farmer Member-Manager: Lucas Dairy Farms LLC, a dairy farm **Other Affiliations:** Supervisor: Wellington Township, a local governing unit President and Treasurer: Michigan Milk Producers Association Hillman Local, a milk marketing organization Advisory Board: Michigan Milk Producers Association, a Michigan milk marketing cooperative Delegate: Genex Board, a dairy herd reproduction and breeding organization

Name	Principal Occupation and Other Affiliations
David J. McConnachie (Age 65) Executive Committee Compensation Committee Board Service Began: June 2020 Current Term Expires: 2024	**Principal Occupation:** Self-employed grain farmer Member-Manager: Dave's Dirt, LLC, a sugar beet and grain farm
Dennis C. Muchmore (Age 76) Appointed Director Legislative/Public Policy Committee Board Service Began: June 2002 Current Term Expires: 2025	**Principal Occupation:** Government Relations and Regulatory Advisor: Honigman LLP, a law firm **Other Affiliations:** Board of Trustees: Oakland University, a public university
Scott A. Roggenbuck (Age 60) Audit Committee Board Service Began: June 2007 Current Term Expires: 2024	**Principal Occupation:** Agronomy Consultant: Star of the West Milling Company, provides agronomy services Director: Cedar Pond Farms, Inc., a sugar beet and grain farm President: Cedar Pond Holdings, LLC, a land entity Director: Cedar Pond Ag Services Inc., a custom farming and consulting operation
Troy J. Sellen (Age 38) Finance Committee, Chair Board Service Began: June 2019 Current Term Expires: 2023	**Principal Occupation:** Self-employed dairy farmer Managing Member: Valley Line Dairy LLC, a dairy farm operation entity Managing Member: Valley Line Properties, LLC, a land holding company for the farm
Marilyn L. Thelen (Age 63) Finance Committee Board Service Began: June 2022 Current Term Expires: 2023	**Principal Occupation:** Self-employed grain and beef farmer Secretary/Treasurer: Thelen Ag Products, Inc., sales of ag equipment and parts Associate Institute Director: Michigan State University Extension, providing leadership to extension educators and specialists across Michigan
Michael R. Timmer (Age 54) Executive Committee Compensation Committee Board Service Began: June 2018 Current Term Expires: 2026	**Principal Occupation:** Self-employed grain and livestock farmer Member-Manager: Timmer Family Farms, LLC, a grain and livestock farm
Dale L. Wagner (Age 62) Legislative/Public Policy Committee, Vice Chair 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, a dairy and grain farm Member-Manager: Union 151, LLC, a custom harvesting operation **Other Affiliations:** Vice Chair: Wisconsin Farm Credit Legislative Committee (GreenStone representative), legislative interests Board Member: AgriBank District Farm Credit Council, a trade association representing the AgriBank District
Jed Welder (Age 54) Legislative/Public Policy Committee, Chair Board Service Began: June 2018 Current Term Expires: 2026	**Principal Occupation:** Self-employed grain farmer Owner/Operator: Trinity Farms **Other Affiliations:** Director: Montcalm Conservation District, conservation education, outreach, and participation program Board Member: Farmer Veteran Coalition, cultivates collaboration between farming and military communities Board Member: AgriBank District Farm Credit Council, a trade association representing the AgriBank District

From January 1, 2022, through June 30, 2022, 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. Effective July 1, 2022, the annual retainer fees increased. The Board Chair and Chair of the Audit Committee now each receive annual retainer fees of $44 thousand. The Board Vice Chair receives $42 thousand and the remaining board members received $40 thousand. Per diem was paid only for attendance at ad hoc committee meetings at the rate of $300 per day through June 30, 2022, and $600 per day effective July 1, 2022. Additionally, all board members received an annual $600 computer allowance. The retainer fees are paid quarterly. In 2022, the board members did not receive compensation for individual board or regular committee meetings attended.

Information regarding compensation paid to each director who served during 2022 follows:

	Number of Days Served			
	Board Meetings	Other Official Activities	Name of Committee	Total Compensation Paid in 2022
Laura A. Braun[1]	2	4	Legislative/Public Policy	$ 6,174
Eugene B. College	11	11	Audit	40,900
Michael J. Feight	11	4	Finance	37,200
Terri J. Hawbaker	11	11	Legislative/Public Policy	37,200
Trent C. Hilding[2]	7	2	Finance	22,219
Bruce E. Lewis	10	13	Audit	39,950
Ronald W. Lucas	11	16	Audit	37,200
Peter C. Maxwell	11	13	Executive/Compensation	39,450
David J. McConnachie	11	7	Executive/Compensation	37,200
Dennis C. Muchmore	10	3	Legislative/Public Policy	36,900
Edward L. Reed	10	16	Executive/Compensation	42,700
Scott A. Roggenbuck	11	10	Audit	38,700
Troy J. Sellen	11	6	Finance	36,900
Marilyn L. Thelen[3]	6	2	Finance	21,831
Michael R. Timmer	11	7	Executive/Compensation	36,900
Dale L. Wagner	11	16	Legislative/Public Policy	39,450
Jed Welder	11	12	Legislative/Public Policy	37,800
				$588,674

[1]Elected to the AgriBank, FCB Board of Directors on March 8, 2022
[2]Newly elected director
[3]Filled the vacant position left by Laura A. Braun

SENIOR OFFICERS

The senior officers include:

Travis D. Jones, CPA
Chief Executive Officer

Paul E. Anderson
Executive Vice President – Chief Credit Officer

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

Kimberly S. Brunner, 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 Sales and Marketing Officer

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

With a 41-year dedicated career serving the Farm Credit System, leading as Chief Executive Officer of GreenStone for the last 14 of those years, David B. Armstrong retired on July 31, 2022. On August 1, 2022, following Armstrong's retirement Travis D. Jones assumed the Chief Executive Officer role and Kimberly S. Brunner assumed the Chief Financial Officer role.

Travis D. Jones was promoted to Chief Executive Officer effective August 1, 2022, prior to that he served as Chief Financial Officer since 2007. 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. Kimberly S. Brunner was promoted to Chief Financial Officer effective August 1, 2022, prior to that she served as Senior Vice President of Finance and Operations from April 2019 to July 2022 and as Vice President Enterprise Risk Management for AgriBank, FCB from January 2018 to March 2019. 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 to Chief Sales and Marketing Officer effective October 1, 2022, prior to that he served as Chief Regional Sales Officer from March 2021 to October 2022 and as Senior Vice President of Regional Sales from 2014 to 2021. 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:

Travis D. Jones 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). In addition, he 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) and 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).

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 (501(c) organization for personal stock investing).

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 board member and an audit committee member of both Delta Dental of Michigan (dental insurance plan administrator) and Renaissance Health Services Corporation (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 included in Note 10 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
Kim.Brunner@greenstonefcs.com

The total directors' travel, subsistence, and other related expenses were $124 thousand, $108 thousand, and $98 thousand in 2022, 2021, and 2020, 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, 2023, or at any time during 2022.

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 2022 were $107 thousand. Our engagement letter commits to reimbursing the external auditor for reasonable out-of-pocket expenses as incurred for travel. In addition, we incurred $7 thousand for tax services. We also incurred $13 thousand for work related to our implementation of new accounting guidance, which was pre-approved by the Audit Committee.

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 included 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 the most recent available 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 12/31/2022
1. Young farmers in portfolio equal to or greater than percentage of young farmers in the census	12.5%	25.1%
2. Young farmer loans at least 50% of the young farmers in census	50.0%	100.2%
3. Young farmers at least 10% total outstanding loan volume	10.0%	14.3%
4. Young farmers at least 10% of all new loans (number)	10.0%	21.1%
5. Beginning farmers at least 10% total number of loans outstanding	10.0%	41.0%
6. Beginning farmers at least 10% of total outstanding loan volume	10.0%	19.9%
7. Beginning farmers at least 10% of all new loans (number)	10.0%	26.8%
8. Small farmers at least 40% of total number of loans outstanding	40.0%	61.2%
9. Small farmers at least 20% of total outstanding loan volume	20.0%	20.9%
10. Small farmers at least 40% of all new loans (number)	40.0%	52.3%
11. Maintain at least 50% of total loan numbers to YBS farmers	50.0%	71.3%
12. Maintain at least 30% of the total outstanding loan volume to YBS farmers	30.0%	31.7%

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 12/31/2022
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% Beg. 5% Small	4.3% 4.6% 8.7%
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.	7.4% 4.1%
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	27 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	18 Scholarships offered

All of the Association's Quantitative goals were met in 2022. The Small Farmer Related Services Qualitative goal was also met. However, the Related Services Qualitative goals for Young and Beginning Farmers and the Coordination Qualitative goals for Young and Beginning Farmers were not met in 2022. There were fewer related services utilized by our YBS farmers during 2022. 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

Corporate Office

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

Michigan

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

Allegan / 269-673-5541
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

Cadillac / 231-775-1361
7597 S Mackinaw Trl., Cadillac, MI 49601

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1570 Cleaver Rd., Caro, MI 48723

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722 W. Lawrence Ave., Charlotte, MI 48813

Concord / 517-524-6670
100 Spring St., Concord, MI 49237

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704 W. Corunna Ave., Corunna, MI 48817

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East Lansing, MI 48823

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Escanaba, MI 49829

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3225 Walker Ave. NW,
Grand Rapids, MI 49544

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3486 W. Polk Rd., Hart, MI 49420

Hastings / 269-945-9415
333 W. State St., Hastings MI, 49058

Howell / 517-546-2840
1040 W. Highland Rd., Howell, MI 48843

Ionia / 616-527-1930
1962 S. State Rd., Ionia, MI 48846

Jonesville / 517-437-3336
500 Olds St., Jonesville, MI 49250

Lakeview / 989-352-7203
8897 W. Tamarack Rd., Lakeview, MI 48850

Lapeer / 810-664-5951
455 Lake Nepessing Rd., Lapeer, MI 48446

Monroe / 734-243-6711
15615 S. Telegraph Rd.,
Monroe, MI 48161

Mt. Pleasant / 989-773-5175
1075 N. Mission St., Mt. Pleasant, MI 48858

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

Sandusky / 810-648-2600
700 W. Sanilac Rd., Sandusky, MI 48471

Schoolcraft / 269-679-5296
225 W. Lyon St., Schoolcraft, MI 49087

St. Johns / 989-224-9321
1104 S. US 27, St. Johns, MI 48879

Traverse City / 231-946-5710
3491 Hartman Rd., Traverse City, MI 49685

Wisconsin

Clintonville / 715-823-2128
280 S. Main St., Clintonville, WI 54929

Coleman / 920-897-4046
202 Sado Ln., Coleman, WI 54112

Little Chute / 920-687-4450
340 Patriot Dr., Little Chute, WI 54140

Manitowoc / 920-682-5792
4400 Calumet Ave., Suite 102,
Manitowoc, WI 54220

Sturgeon Bay / 920-743-8150
3030 Park Dr., Suite B,
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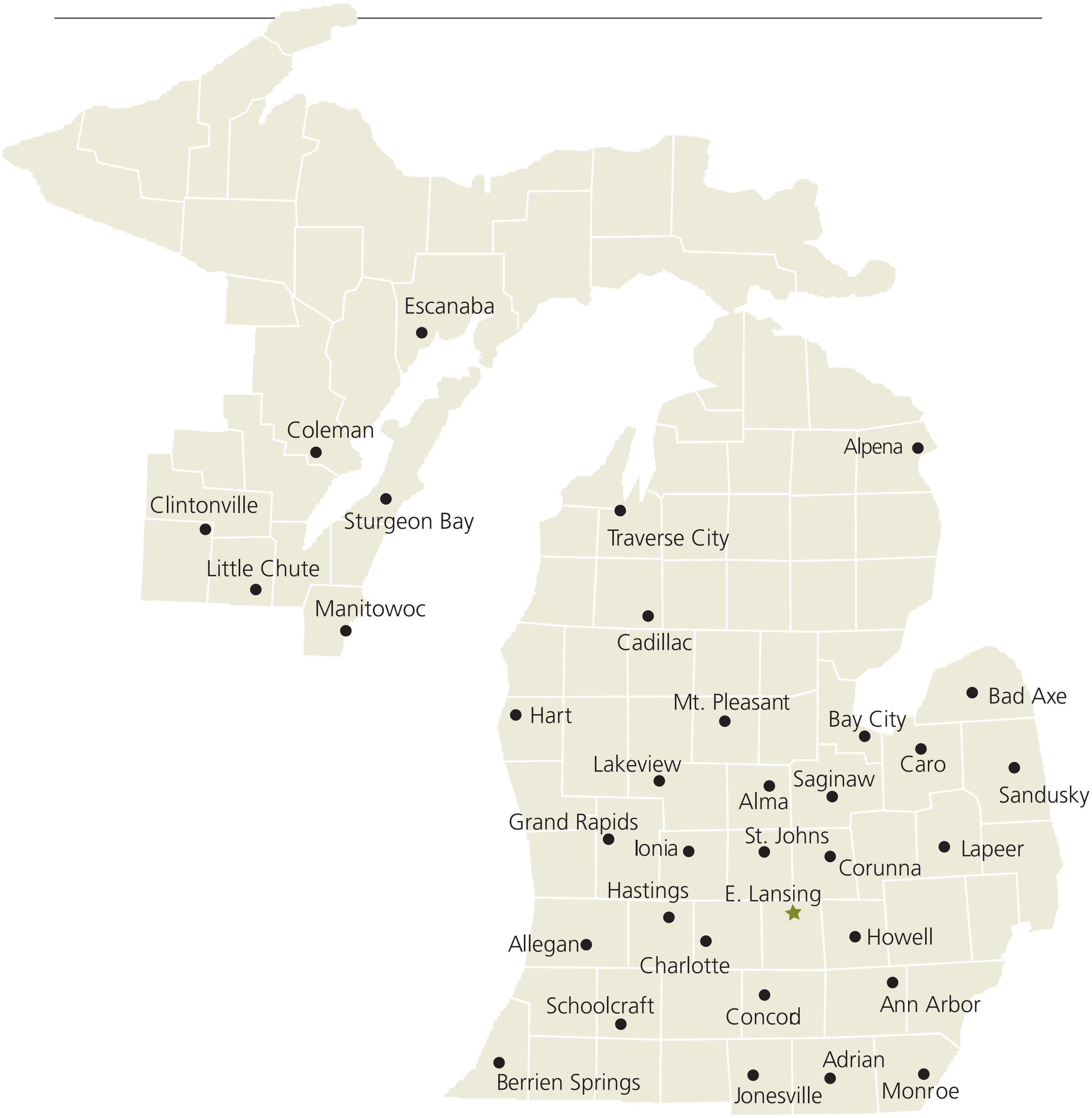
Serving Michigan & N.E. Wisconsin



While we're moving forward, one thing we won't ever leave behind is our admiration for the partnerships we hold with our members.

The wood fiber used to make this paper contains 10% post consumer waste and is independently certified to come from responsibly managed forests.

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