GreenStone FARM CREDIT SERVICES, ACA

Quarterly Report
June 30, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following commentary reviews the consolidated financial position and consolidated results of operations of GreenStone FARM CREDIT SERVICES, ACA and its subsidiaries. The accompanying consolidated financial statements and notes also contain important information about our financial position and results of operations. You should also read our 2008 annual report for a description of our organization, operations and significant accounting policies.

AgriBank FCB's financial condition and results of operations materially affect shareholders' investment in GreenStone FARM CREDIT SERVICES, ACA. To request a free copy of the combined AgriBank, FCB and Affiliated Associations' financial reports or additional copies of our report contact us at P.O. Box 22067, Lansing, Michigan 48909, (800) 968-0061, or by e-mail to Travis.Jones@greenstonefcs.com, or through our website at www.greenstonefcs.com. You may also contact AgriBank, FCB at 375 Jackson Street, St. Paul, Minnesota 55101-1810, (651) 282-8800, or via electronic mail to AGRIBANKMN@agribank.com. The combined AgriBank, FCB and Affiliated Associations' financial reports are also available through AgriBank, FCB's website at www.agribank.com.

Loan Portfolio

Loan volume totaled $4.6 billion at June 30, 2009, a $12.5 million increase from December 31, 2008. Our mortgage portfolio increased $60.9 million or 2.2% from December 31, 2008. The traditional farm segment continues to grow modestly with slightly higher growth being shown in our commercial farm segment. Our short-term commercial loan portfolio decreased $49.2 million or 2.9% from December 31, 2008. This change is primarily due to the Capital Markets portfolio segment volume having declined from year-end.

The following table summarizes risk assets (accruing volume includes accrued interest receivable) and delinquency information (in thousands):

As of:	**June 30 2009**	December 31 2008
Loans:		
Accruing restructured	**$237**	$240
Past due 90 days or more still accruing	**9,467**	6,973
Nonaccrual	**153,141**	100,621
Total risk loans	**162,845**	107,834
Other property owned	**11,269**	6,739
Total risk assets	**$174,114**	$114,573
Risk loans as a % of total loans	**3.6%**	2.3%
Total delinquencies as a % of total loans	**3.2%**	1.7%

Total risk assets increased during the first half of 2009 primarily due to a number of dairy loans moving to nonaccrual status during the second quarter. Performing loans greater than 90 days delinquent increased from $7.0 million to $9.5 million as loan renewals on well-secured loans await closing. Based on our analysis, loans 90 days or more past due and still accruing interest were adequately secured and in the process of collection. Other property owned increased from $6.7 million to $11.3 million primarily due to the transfer of two ethanol plants that have yet to be sold.

Nonaccrual loans increased from $100.6 million to $153.1 million during the first half of 2009 primarily due to the transfer of a number of dairy loans to nonaccrual status. As of June 30, 2009, approximately 43.1% of the nonaccrual loan portfolio was comprised of dairy loans, 15.0% of poultry loans, while another 14.5% was comprised of ethanol lending relationships. The volume of nonaccrual loans at June 30, 2009 represented 3.3% of our total portfolio. At June 30, 2009, 50.4% of our nonaccrual loans were current.

Credit quality declined during the second quarter of 2009 primarily due to continuing stress in the dairy and ethanol industries. Approximately $14.9 million was downgraded in the dairy portfolio, while an additional $3.7 million was downgraded in the ethanol portfolio. The fundamentals in both industries were negative during the first six months of the year, with operating costs exceeding revenue. Adversely classified assets increased from 4.5% of the portfolio at December 31, 2008, to 7.0% of the portfolio at June 30, 2009. Adversely classified assets are assets we have identified as showing some credit weakness outside our credit standards. We have considered portfolio credit quality in assessing the reasonableness of our allowance for loan losses.

Loan and lease credit quality as measured under the Uniform Classification System declined 1.0% and finished the quarter at 90.3% Acceptable after beginning the quarter at 91.3% Acceptable. At June 30, 2008, the percentage classified Acceptable was 97.1%. The level of loan quality remains above our strategic objective of at least 90.0%, but has declined significantly in the last 12 months. Portfolio assets criticized as being less than Acceptable were 2.7% Other Assets Especially Mentioned and 7.0% Adversely Classified. Loans adversely classified represent greater than normal risk. The recent downgrades in loan classification have occurred in the timber, dairy, and swine industry segments. The resulting level of credit quality, when combined with our earnings and addition to capital surplus, results in an adverse loan to risk funds ratio of 51.5%. This ratio has deteriorated from the end of 2008 when it was 34.2%. This ratio is a good measure of our risk bearing ability.

In some circumstances, we use various governmental guarantee programs to reduce the risk of loss. At June 30, 2009, $266.5 million of our loans were, to some level, guaranteed under these governmental programs.

The outlook for the balance of 2009 is for continuing stress in selected industries. Narrower margins for cash grain producers resulting from reduced commodity prices will result in lower net earnings for our typical customer. The dairy industry is suffering from extreme stress in the near term since the prices they receive are well below their cost of production. The poultry industry was challenged with higher than normal feed costs last summer, but seems to be working through its problems at this time. The swine industry suffers from relatively low prices and is still recovering from last year's high feed cost. The bio-fuels industry continues to be stressed, but is showing some signs of stabilizing. The quality of the loan and lease portfolio will continue under pressure throughout the year. Improvement could occur in the fourth quarter, but will depend on improving global economic conditions to support agricultural demand.

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

Comparative allowance coverage of various loan categories follows:

Allowance as a percentage of:	June 30 2009	December 31 2008
Loans	**0.7%**	0.6%
Nonaccrual loans	**21.0%**	28.4%
Total risk loans	**19.8%**	26.5%

The Allowance for loan losses balance increased by $6.7 million from March 31, 2009 to June 30, 2009. During the second quarter of 2009, $7.1 million of additional provision was recorded, which was off-set by $377,000 of net charge-offs. This was primarily due to an increase in the ethanol industry exposure and several large dairy customers moving to non-accrual status. In our opinion, the allowance for loan losses was reasonable in relation to the risk in our loan portfolio at June 30, 2009.

Results of Operations

Net income for the six months ended June 30, 2009 totaled $30.4 million compared to $39.4 million for the same period of 2008. The following table illustrates profitability information:

As of June 30	2009	2008
Return on average assets	**1.3%**	1.8%
Return on average members' equity	**8.2%**	11.3%

The following table summarizes the changes in components of net income for the six months ended June 30, 2009 compared to June 30, 2008 (in thousands):

Increase (decrease) in net income	2009 vs 2008
Net interest income	**$3,825**
Provision for loan losses	**(13,424)**
Patronage income	**1,893**
Financially related services and miscellaneous income, net	**1,916**
Operating expenses	**(2,709)**
Provision for income taxes	**(505)**
Total change in net income	**$(9,004)**

Net interest income was $61.6 million for the six months ended June 30, 2009. The following table quantifies changes in net interest income for the six months ended June 30, 2009 compared to June 30, 2008 (in thousands):

Change in net interest income	2009 vs 2008
Changes in volume	**$981**
Changes in rates	**4,251**
Changes in nonaccrual income and other	**(1,407)**
Net change	**$3,825**

The change in the provision for loan losses is related to provision expense of $16.3 million that was recorded for the first six months of 2009. This was primarily due to the continued deterioration of the ethanol and dairy industries. The increase in patronage income is related to patronage received on participations sold to AgriBank. Total financially related services and miscellaneous income, net was $1.9 million greater in the first half of 2009 compared to 2008. This is mainly due to the multi-peril crop insurance income which was $4.3 million for the six months ended June 30, 2009 compared to $1.7 million in 2008. The increase over 2008 was mainly due to a change in contract terms with GreenStone's largest insurance carrier underwriter in relation to timing of commission receipts. The operating expense increases were primarily related to salaries and benefits. The change in provision for income taxes is related to increased taxable income.

Changes in our return on average assets and return on average members' equity are directly related to the changes in income discussed above, changes in assets discussed in the Loan Portfolio section and changes in capital discussed in the Funding, Liquidity and Capital section below.

Funding, Liquidity and Capital

We borrow from AgriBank, FCB in the form of a line of credit. 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.

Total members' equity increased $23.7 million from December 31, 2008, primarily due to net income for the period. It was partially offset by patronage distribution accruals.

Farm Credit Administration Regulations require us to maintain a permanent capital ratio of at least 7%, a total surplus ratio of at least 7% and a core surplus ratio of at least 3.5%. The ratios, as of June 30, 2009, according to Farm Credit Administration Regulations are as follows:

- The permanent capital ratio was 12.8%.
- The total surplus ratio was 12.5%.
- The core surplus ratio was 12.5%.

The capital adequacy ratios are directly impacted by the changes in capital as more fully explained above and the changes in assets as further discussed in the Loan Portfolio section.

The undersigned certify they have reviewed GreenStone FARM CREDIT SERVICES, ACA's June 30, 2009 quarterly report and it has been prepared under the oversight of the audit committee and in accordance with all applicable statutory or regulatory requirements and the information contained herein is true, accurate, and complete to the best of our knowledge and belief.

Subsequent events have been evaluated through August 3, 2009, which is the date the financial statements were issued.

W.M. Lyndon Uphaus

William Lyndon Uphaus
Chairperson of the Board
GreenStone FARM CREDIT SERVICES, ACA

Dave Armstrong

David B. Armstrong
Chief Executive Officer
GreenStone FARM CREDIT SERVICES, ACA

Travis D. Jones

Travis D. Jones
Chief Financial Officer
GreenStone FARM CREDIT SERVICES, ACA

August 3, 2009

CONSOLIDATED STATEMENT OF CONDITION
GreenStone FARM CREDIT SERVICES, ACA
(Dollars in thousands)
(Unaudited)

	June 30 2009	December 31 2008
ASSETS		
Loans	**$4,575,786**	$4,563,309
Allowance for loan losses	**32,235**	28,624
Net loans	**4,543,551**	4,534,685
Investment in AgriBank	**130,486**	129,889
Accrued interest receivable	**40,453**	43,727
Premises and equipment, net	**20,813**	21,003
Other property owned	**11,269**	6,739
Other assets	**25,272**	24,082
Total assets	**$4,771,844**	$4,760,125
LIABILITIES		
Note payable to AgriBank	**$3,948,540**	$3,941,836
Accrued interest payable	**26,511**	35,377
Net deferred income tax liability	**6,192**	6,678
Patronage distribution payable	**7,002**	13,500
Other liabilities	**32,585**	35,460
Total liabilities	**4,020,830**	4,032,851
MEMBERS' EQUITY		
Protected members' equity	**6**	8
Capital stock and participation certificates	**15,631**	15,295
Unallocated surplus	**735,377**	711,971
Total members' equity	**751,014**	727,274
Total liabilities and members' equity	**$4,771,844**	$4,760,125

CONSOLIDATED STATEMENT OF INCOME
GreenStone FARM CREDIT SERVICES, ACA
(Dollars in thousands)
(Unaudited)

	Three Months		*Six Months*	
Period ended June 30	**2009**	2008	**2009**	2008
Interest income	**$57,218**	$65,132	**$115,557**	$136,153
Interest expense	**26,513**	36,504	**53,938**	78,359
Net interest income	**30,705**	28,628	**61,619**	57,794
Provision for loan losses	**7,071**	1,904	**16,319**	2,895
Net interest income after provision for loan losses	**23,634**	26,724	**45,300**	54,899
Other income				
Patronage income	**3,712**	3,392	**7,726**	5,833
Financially related services and miscellaneous income, net	**2,861**	3,231	**8,168**	6,252
Total other income	**6,573**	6,623	**15,894**	12,085
Operating expense				
Salaries and employees benefits	**8,340**	8,028	**16,859**	15,125
Other operating	**6,336**	6,002	**13,098**	12,123
Total operating expenses	**14,676**	14,030	**29,957**	27,248
Income before income taxes	**15,531**	19,317	**31,237**	39,736
Provision for income taxes	**451**	(263)	**833**	328
Net income	**$15,080**	$19,580	**$30,404**	$39,408

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY
GreenStone FARM CREDIT SERVICES, ACA
(Dollars in thousands)
(Unaudited)

	Protected Members' Equity	Capital Stock and Participation Certificates	Unallocated Surplus	Total Members' Equity
Balance at December 31, 2007	$9	$14,452	$662,737	$677,198
Net income	--	--	39,408	39,408
Earnings reserved for patronage distribution	--	--	(7,845)	(7,845)
Capital stock/participation certificates issued	--	1,105	--	1,105
Capital stock/participation certificates retired	(1)	(681)	--	(682)
Balance at June 30, 2008	$8	$14,876	$694,300	$709,184
Balance at December 31, 2008	$8	$15,295	$711,971	$727,274
Net income	**--**	**--**	**30,404**	**30,404**
Earnings reserved for patronage distribution	**--**	**--**	**(6,998)**	**(6,998)**
Capital stock/participation certificates issued	**--**	**960**	**--**	**960**
Capital stock/participation certificates retired	**(2)**	**(624)**	**--**	**(626)**
Balance at June 30, 2009	**$6**	**$15,631**	**$735,377**	**$751,014**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: Organization and Significant Accounting Policies

Our 2008 annual report contains a description of our organization and operations, significant accounting policies followed, and financial condition and results of operations as of and for the year ended December 31, 2008. You should read these unaudited second quarter 2009 consolidated financial statements in conjunction with the 2008 annual report.

The accompanying consolidated financial statements contain all information necessary for a fair presentation of the interim consolidated financial condition and consolidated results of operations. Our accounting and reporting policies conform to accounting principles generally accepted in the United States of America and the prevailing practices within the financial services industry. The results of the six months ended June 30, 2009 are not necessarily indicative of the results to be expected for the year ended December 31, 2009.

The consolidated financial statements present the consolidated financial results of GreenStone FARM CREDIT SERVICES, ACA (the parent) and GreenStone FARM CREDIT SERVICES, FLCA and GreenStone FARM CREDIT SERVICES, PCA (the subsidiaries). All material intercompany transactions and balances have been eliminated in consolidation.

Recent Accounting Developments

Effective January 1, 2009, we adopted FSP No. 157-2, "Effective Date of FASB Statement No. 157." This FSP delayed the effective date of Statement No. 157 for nonfinancial assets and nonfinancial liabilities. The impact of adoption resulted in additional fair value disclosures, but did not have an impact on our financial condition or results of operations.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events," which sets forth general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Under this Standard, subsequent events that arise from conditions that existed at the date of the balance sheet are recognized in the financial statements, while subsequent events that arise from conditions that did not exist as of the balance sheet date are not recognized in the financial statements. This Standard, which includes a required disclosure of the date through which an entity has evaluated subsequent events, is effective for interim or annual periods ending after June 15, 2009.

NOTE 2: Allowance for Loan Losses

A summary of changes in the allowance for loan losses follows (in thousands):

Six months ended June 30	2009	2008
Balance at beginning of year	**$28,624**	$8,415
Provision for loan losses	**16,319**	2,895
Loan recoveries	**39**	346
Loan chargeoffs	**(12,747)**	(1,347)
Balance at end of period	**$32,235**	$10,309

The increase in the Allowance for Loan Losses was primarily due to an increase in the ethanol industry exposure and several large dairy customers moving to nonaccrual status.

The following table represents information concerning our risk loans:

As of June 30	2009	2008
Volume with specific reserves	**$67,894**	$7,662
Volume without specific reserves	**94,951**	27,344
Total risk loans	**$162,845**	$35,006
Total specific reserves	**$17,061**	$2,083

For the six months ended June 30	2009	2008
Income on accrual risk loans	**$169**	$135
Income on nonaccrual loans	**558**	628
Total income on risk loans	**$727**	$763
Average recorded investment	**$122,773**	$34,524

NOTE 3: Contingencies

In the normal course of business, we have various contingent liabilities and commitments outstanding, primarily commitments to extend credit, which are not reflected in the accompanying consolidated financial statements. We do not anticipate any material losses because of these contingencies or commitments.

From time to time, 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, we were not aware of any such actions that would have a material impact on our financial condition. However, such actions could arise in the future.

NOTE 4: Fair Value Measurements

SFAS No. 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability. The Statement also establishes a fair value hierarchy, with three levels of inputs that may be used to measure fair value. See Notes 2 and 13 to the 2008 Annual Report to Stockholders for a more complete description.

We do not have any assets or liabilities measured at fair value on a recurring basis. We may be required, from time to time, to measure certain assets at fair value on a non-recurring basis. The following table provides information on assets measured at fair value on a nonrecurring basis and the gains (losses) recognized on these assets during the period ended June 30, 2009 (in thousands):

	Fair Value Measurement Using			Total Fair	Total Gains
	Level 1	Level 2	Level 3	Value	(Losses)
Assets:					
Loans (1)	--	$17,850	$34,105	$51,955	$(731)
Other property owned (2)	--	$7,124	$4,145	$11,269	$(770)

(1) Represents the carrying amount and related write-downs of impaired loans for which adjustments are based on the appraised value of the collateral. The fair value market measurement process uses independent appraisals and other market-based information. As a result, these fair value measurements fall within Level 2 of the hierarchy. However, in many cases the measurement also requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters. As a result, these fair value measurements fall within Level 3 of the hierarchy. When the value of the real estate, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established.
(2) Represents the fair value and related losses of foreclosed assets that were measured at fair value subsequent to their initial classification as other property owned.