2024 Annual Report

GreenStone Farm Credit Services

DEAR GREENSTONE MEMBERS –

As we consider our outstanding results of 2024 and the progress that has set the road map for the future, we are grateful for the trust and partnership our members place in GreenStone. Together, we navigate the opportunities and challenges because it is a joint commitment and focus that drives our cooperative. Our commitment to serving you is at the heart of what makes this cooperative strong.

Recognizing the Strength of Partnership in 2024

This past year marked another milestone for GreenStone. We are proud to share 2024 was a record year, with net income reaching $297 million resulting in a strong return on assets of 2.2%. We continue to be one of the most efficient stewards of capital in the Farm Credit System. In addition, credit quality of the portfolio is another measure that we watch closely and we are pleased to end the year well positioned to support our customers in whatever may lie ahead. These achievements underscore the trust our customers have in us and position us with the financial stability to support your success in the future.

Beyond the financial numbers are the people at the heart of what we do – our members and our employees. We are very proud our customers are 96% satisfied with GreenStone, 74% of them being very satisfied. That result is a multi-year trend which tells us our people – our employees – are living our CoreFour values every day. Our success is tied to the success of our members, and our team is here helping them evaluate options, realize dreams, and emerge even stronger. A particular highlight is our Hart branch team, noted later in this publication, which achieved a remarkable milestone of 100% customer satisfaction three years in a row! As you'll also read in a member story on the next pages, this achievement reflects the dedication and commitment of our employees, who embody GreenStone's relationship-based values in every interaction.

Celebrating the Power of Partnership through Patronage

We mentioned a year of strong results and milestones, and we're excited to celebrate an extraordinary one with our patronage program putting more than $1 billion dollars back in our members hands - $1 billion! This year's strong financial results allowed the cooperative to again return $120 million of our net profits back to our members, resulting in $1.08 billion being returned over the 20 years of the patronage program.

Personal relationships and partnerships with our members define GreenStone. They are what make this partnership pay, not just in patronage but in the shared journey of building thriving businesses and strong communities. It's the result of a million conversations and dreams, the handshakes and smiles shared, and the relationships built that we've been lucky enough to be a part of for over a century. Just like the one you'll read about in this annual report, a longstanding Wisconsin member who has realized the benefit of partnership on his farm all 20 years of patronage returns. The ability to give back through patronage is a direct result of your success and the trust you place in us. Together, we have created a legacy of growth and resilience.

Benefiting through Partnership with our Communities

Beyond providing credit and financial services, GreenStone remains deeply connected in the communities we serve. In 2024, our outreach efforts included thousands of volunteer hours, significant financial contributions, and partnerships with numerous organizations as highlighted in the coming pages. Through these efforts, we provide resources, training, and support that empower our customers to navigate economic cycles and business challenges successfully; engage our youth and teach skills as the foundation for our future leaders; offer specialized programs, flexible financial solutions, and tailored guidance designed to help young, beginning, and small farmers establish and grow their operations; and partner in our communities to build the programs to strengthen our vital rural communities.

Preserving Partnerships for the Future

As we move through 2025 and beyond, we are mindful of the cyclical nature of the economy. While profitability may become more challenging for some, opportunities remain, including our opportunity to strengthen relationships with customers and help them navigate the challenges, just as we have before. With proactive and transparent communication, the cooperative's strong financial base and proven experience has us prepared to help customers make informed decisions. Partnership with our cooperative is about more than a loan or service, it's about a relationship and commitment that stands strong today and for the days to come!

In partnership,

Edward L. Reed

Chair of the Board

Travis D. Jones

Chief Executive Officer

Together, we navigate the opportunities and challenges because it is a joint commitment and focus that drives our cooperative.

For Paul Cornette, farming has always been more than a livelihood—it's a family legacy. As a multi-generational farmer and owner of Cornette Dairy in Luxemburg, Wisconsin, Paul knows what it means to be resilient while carrying on a family tradition that began decades ago with his parents, Jim and Barb.

A Legacy of Growth and Partnership

Since returning to the family operation in 2007, Paul has overseen significant growth and innovation, while relying on GreenStone Farm Credit Services as a trusted financial partner every step of the way.

The Cornette family's relationship with GreenStone stretches back to 1980, when Paul's father first began working with the Farm Credit Association. Over the years, that relationship deepened, with GreenStone supporting the family through various milestones—from rebuilding their farm after a devastating fire in 1995 to expanding their operations in recent decades. In 2006, when GreenStone launched its patronage program that returns a portion of its profits to its member-owners annually, Cornette Dairy was among the first to benefit. For all 20 years of the program, Paul has received annual patronage checks, and the impact has been substantial.

As Cornette Dairy has continued to grow, so has their relationship with GreenStone. This year they'll celebrate 20 years of patronage payments, a testament to their trust in our cooperative.

"When I first came back to the farm, the patronage check felt like a nice spring bonus," Paul recalled. "It was something we could use to pad the checkbook and reinvest where needed. But as the farm grew, and we took on more responsibilities, those checks became even more significant."

That growth has been remarkable. After Paul and his brother, Tom, purchased the farm from their parents in 2014, they expanded operations again in 2016 by installing five robotic milkers and building a new barn. Today, Cornette Dairy milks 360 cows and farms nearly 1,000 acres, growing much of their own feed. These advancements required significant investment, and GreenStone was there to provide the support they needed.

"The patronage checks come in the spring, which is the perfect time of year," Paul explained. "It allows us to prepay for crop inputs like seed and fertilizer, which helps us save money. Other years, it's gone toward updating equipment or making repairs. It's been a real financial boost, especially as we've carried more debt through expansions."

GreenStone has provided more than just financial benefits. Over the years, Cornette Dairy has tapped into a range of GreenStone services, including bookkeeping, tax preparation, crop insurance, and dairy revenue protection. Paul credits GreenStone's team for its expertise and dedication to helping his operation succeed.

"We've worked with a lot of great people at GreenStone," said Paul. "They bring real value to the table by helping us make informed decisions. Whether it's planning for a new barn or navigating crop insurance, they've always had our back."

Paul's relationship with GreenStone's VP of Lending Antonia (Toni) Sorenson exemplifies this strong partnership. Paul and Toni have known each other since their college days, and their professional collaboration has continued to grow over the years.

"Paul's commitment to his farm and his family's legacy is inspiring," says Toni. "It's been a privilege to support him as he's grown his family's farm and incorporated new technologies like robotic milking. Watching our customers succeed is one of the best parts of my job."

For Paul, GreenStone's cooperative model has been a key factor in his continued loyalty.

"The fact that we're part of a cooperative that shares its success with us—it makes a big difference," he said. "GreenStone has been there through the ups and downs, and that consistency means a lot."

Looking back, Paul reflects on the journey that brought Cornette Dairy to where it is today. From his father's purchase of the farmstead in 1972 to the expansions that have propelled the operation into the future, one thing remains constant: the value of strong partnerships.

As Cornette Dairy celebrates with all GreenStone members the two decades of patronage payments, Paul remains optimistic about the future. With GreenStone by his side, he knows his family farm is well-positioned to continue thriving for years to come.

“ The fact that we’re part of a cooperative that shares its success with us—it makes a big difference.

In the face of challenges, resilience, and strength shine through stories like Kol Gjokaj's. As a GreenStone customer, Kol exemplifies what it means to persevere while building not one, but two homes for his growing family—all with GreenStone's experience and support.

Building Dreams with GreenStone

Kol's journey with GreenStone began more than five years ago at the age of 30 when he sought financing for his first construction project. Referred by a lumberyard, Kol contacted GreenStone Senior Financial Services Officer Devon Feldpausch, and an instant connection was formed. Despite living on opposite sides of Michigan, Kol chose to work with Devon, a decision he says has made all the difference.

"Devon has been there for me around the clock, even taking my calls on weekends and after hours," Kol shared. "I don't know how many people would do that. His commitment to helping me and this project succeed and how he genuinely cares make him stand out."

Kol's first project—a two-level, four-bedroom home—was a learning experience. As a first-time home builder and serving as his own general contractor, he relied heavily on Devon's guidance for his do-it-yourself construction project. From securing a land loan to navigating the construction financing process, GreenStone provided Kol with a step-by-step checklist and advice that eased his concerns.


GreenStone

“Building your own home can feel overwhelming, but GreenStone made it manageable.

“Building your own home can feel overwhelming, but GreenStone made it manageable,” Kol explained. “The checklist they provided detailing the home construction process really put my mind at ease. It’s more than just a mortgage—they truly care about helping you succeed.”

After completing his first home, Kol and his wife, Katie, who have been together for over 15 years, welcomed two children: Luke, now three, and Emma, who will celebrate her first birthday this spring. As their family grew, so did their needs. Kol sold their first home and purchased 15 acres of land—double the size of his previous property—for their next chapter. This time, they’re building a ranch-style home better suited for their family’s lifestyle.

“Designing our own floor plan has been an incredible experience,” Kol said. “We’re thinking about every detail, from the kids’ rooms to play areas and hallways. It’s amazing to create a space tailored to your family’s needs.”

Kol’s resilience is evident in his approach to construction. Acting as his own contractor again, he juggles his full-time job in the auto industry, family responsibilities, and the complexities of home building. Devon, impressed by Kol’s organization and determination, describes him as one of the best do-it-yourself builders with whom he’s worked.

“Kol is incredibly organized and knowledgeable,” Devon said. “Balancing work, family, and construction is no small feat, but he makes it look easy. It’s a testament to his strength and dedication.”

For Kol, GreenStone’s efficiency and support have been pivotal. Despite the complexities of construction loans, to him the process has been as seamless as a traditional home mortgage.

“You’d think it would be overwhelming, but it’s not,” Kol said. “GreenStone’s ability to process construction loans quickly and efficiently is impressive. I know whenever I have a question or need to ask Devon for anything, he’s there to help.”

Kol’s story is one of resilience, strength, and partnership. His journey with GreenStone showcases how the cooperative goes beyond providing loans—it empowers its customers to build their dreams, even in uncertain or challenging times.

“A 30-year-old can go out and build their own house for their family—that’s incredible,” Kol said. “GreenStone shows their customers they care, and I can’t stress enough how great Devon has been.”

As Kol and his family embark on their second construction project, they do so with confidence, knowing GreenStone is with them every step of the way.

With the help of his team at GreenStone, Kol Gjokaj has been able to build a personalized home specific to his family’s needs-twice.

$297

Million in Net Income

Creating Resilient Communities

At GreenStone, our passion for supporting our rural communities runs deep - they're where we live, work, and play too! Our commitment to watching local farmers, families, and industry organizations remain strong and resilient can be seen in the partnerships and collaborations we participate in year-round. We partner with countless organizations who are dedicated to seeing the ongoing success of agriculture. A few of those partnerships and organizations include both Michigan Farm Bureau and Wisconsin Farm Bureau, Brown County Dairy Promotion's "Breakfast on the Farm", and numerous Michigan State University Extension (MSUE) Programs. Whether it be to support young, beginning, or small farmers, multi-generational farms, or the next generation, all provide unique partnership opportunities for education, resources, engagement, and support, making an impact on our rural communities.

GreenStone is proud to support the future of agriculture through our partnership with Michigan Farm Bureau and Wisconsin Farm Bureau. With members across both states and a mission to promote the advancement of agriculture, Michigan and Wisconsin Farm Bureaus understand the resilience required of young, beginning, and small farmers to navigate today's agricultural landscape, and provide support through a wide variety of educational resources and programs.

Our commitment to supporting the next generation of agriculturists starts with providing education to communities and our local youth. Through our partnership with Brown County Dairy Promotions in Wisconsin, GreenStone is proud to sponsor their annual Breakfast on the Farm event, which provides an opportunity for families to tour a local farm, learn more about where their food comes from, and enjoy a tasty breakfast of course! Each year the Breakfast on the Farm event is hosted by a different Wisconsin farm which provides a unique experience for participants to learn how different farms operate. Establishing a connection to agriculture at an early age is paramount to educating our youth and supporting the next generation of farmers or agribusiness owners!

Yet another way GreenStone remains committed to supporting the resilience of the agriculture industry is through our partnership with MSUE. Designed to bring vast knowledge and resources directly to individuals, communities, and businesses, the MSUE programs cover a wide variety of topics such as agriculture, businesses, food and health, natural resources, and more. Our partnership with MSUE continues to provide updated education and resources to the farmers and agribusinesses who need them.

At GreenStone, we recognize if we want to help build strong and resilient communities, it starts with contributing our own time and talents. Each year, GreenStone team members across our locations participate in events and organizations that enhance their local communities. In 2024, we proudly contributed over 8,900 hours and $1.2 million in financial support. This time spent includes participation in youth educational events; agriculture-advocation and producer education; young, beginning, and small farmer resources; and support for our rural communities!

GreenStone is dedicated to making a meaningful impact through education as well. In 2024, we awarded $60,000 in scholarships to students pursuing careers in agriculture. This brings our total scholarship contributions since 2010 to over $500,000. By investing in the education of future agricultural leaders, we're not only supporting individual aspirations but also ensuring the sustainability and growth of our communities and the agriculture industry.

Throughout the year, GreenStone has prioritized resilience in our outreach initiatives. By partnering with organizations focused on community and industry advancement, we are investing in a more sustainable future for the agriculture industry. Through our collaborations we are not only supporting our rural communities, but also empowering the next generation of farmers to thrive in an ever-evolving landscape.

> **"At GreenStone, we recognize if we want to help build strong and resilient communities, it starts with contributing our own time and talents.**

Beyond the financial numbers are the people at the heart of what we do – our members and our employees.

96%

Customer Satisfaction

Heartfelt Dedication

In the small town of Hart, Michigan, you'll find a GreenStone team with a whole lot of heart for the community they serve. Although there may be only five members of our GreenStone team based in our Hart branch, it's clear each of them has a real passion for supporting the livelihoods of those in their rural community.

The remote town of Hart, Michigan has a population of just over 2,000 people and is nestled on the west side of the state along the shores of Hart Lake, and just miles from Lake Michigan. Home of the National Asparagus Festival, Hart is located within Oceana County, which is the Asparagus Capital of the World. Crops such as corn, soybeans, cherries, vegetables, and hay are also predominant in the area.

Despite what you may consider a smaller team, the Hart branch has achieved a large feat when it comes to the relationships they have with their customers. Every year, GreenStone sends out an annual customer satisfaction survey to its members asking for feedback on their experience working with GreenStone as a whole and its individual branches. In 2024, the Hart branch demonstrated resilience in the face of challenges by achieving a 100% customer satisfaction three years in a row.

The team's values are reflected in this score. All members of the team were adamant the customers they serve on a regular basis were the reason why they loved their job so much.

"We're very familiar with the people we serve and look forward to seeing them regularly," says Loan Processor Charity Neinhuis. "Growing up in this community, and as someone who has family in agriculture, I know how important the services we are providing are, and how much local farmers rely on us. It's something that's close to my heart, and we treat our customers like family, because that's what they are to us."

Kayla Beckholt, who is also a loan processor at the Hart branch, shared her reason for why they've been able to establish strong relationships with their members. "The atmosphere at the Hart branch is why we're able to establish such great connections with our customers and really get to know them. A lot of our customers prefer to come into the branch to make their payments or have a conversation with one of us, and I think that in-person interaction is a big part of why we've achieved 100% customer satisfaction."

Senior Financial Services Officer Devon Feldpausch also shared his thoughts on why the branch has maintained a high rating of customer satisfaction. "The unique part of working in a smaller branch is the support we provide for each other in addition to our customers. There are times when we lean on each other and help each other in order to make something happen. We all have learned a lot that way, and I think it just goes to show we'll go the extra mile for our customers."

Devon has led by example time and time again when it comes to going above and beyond for our customers. Check out the story on page eight to learn more about the relationship he's built with GreenStone customer Kol Gjokaj throughout his home construction journey.

Another testament to what makes the Hart branch special? Just ask Senior Financial Services Officer Kimberly Sadler, who has worked there for the past 17 years. "Throughout my time here I have really gotten to know our customers, what their goals are and what they're working towards. They are resilient, and continually meet challenges head on. Being able to support them and play a small role in helping them achieve their goals is very fulfilling to me."

The Hart team demonstrates GreenStone's CoreFour Values of putting customers first and getting involved in their rural community in everything they do. One thing is for certain, what they may lack in the size of their team, they make up for tenfold times in heart.

Although there may be only five members of our GreenStone team based in our Hart branch, it's clear each of them has a real passion for supporting the livelihoods of those in their rural community.

2024
Financials

GreenStone Farm Credit Services, ACA

Consolidated Five-Year Summary of Selected Financial Data

GREENSTONE FARM CREDIT SERVICES, ACA
(dollars in thousands)

	2024	2023	2022	2021	2020
CONDENSED STATEMENT OF CONDITION DATA					
Loans	$13,360,695	$12,505,709	$12,669,524	$11,492,173	$10,589,927
Allowance for credit losses on loans	38,452	35,874	40,889	55,056	75,574
Net loans	13,322,243	12,469,835	12,628,635	11,437,117	10,514,353
Investment in AgriBank, FCB	486,235	489,023	350,696	284,770	257,760
Investment securities	—	785	1,284	2,992	5,404
Other assets	288,624	261,487	223,366	202,599	189,717
Total assets	$14,097,102	$13,221,130	$13,203,981	$11,927,478	$10,967,234
Obligations with maturities of one year or less	$286,586	$288,949	$265,465	$212,872	$195,385
Obligations with maturities greater than one year	11,202,663	10,501,604	10,678,542	9,619,904	8,827,305
Total liabilities	11,489,249	10,790,553	10,944,007	9,832,776	9,022,690
Protected members' equity	—	1	1	1	1
Capital stock and participation certificates	27,059	26,475	25,891	25,498	24,553
Unallocated retained earnings	2,583,177	2,406,452	2,237,685	2,072,939	1,923,172
Accumulated other comprehensive loss	(2,383)	(2,351)	(3,603)	(3,736)	(3,182)
Total members' equity	2,607,853	2,430,577	2,259,974	2,094,702	1,944,544
Total liabilities and members' equity	$14,097,102	$13,221,130	$13,203,981	$11,927,478	$10,967,234
CONDENSED STATEMENT OF INCOME DATA					
Net interest income	$339,905	$342,848	$296,163	$255,402	$249,931
(Provision for) reversal of credit losses	(23,864)	(21,966)	21,500	14,145	18,050
Patronage income	70,146	72,688	63,965	61,926	59,934
Financially related services income	16,705	14,128	15,040	13,707	11,766
Fee income	31,286	24,743	21,524	34,335	37,285
Other non-interest income	4,998	3,233	1,324	1,023	3,329
Non-interest expense	(141,873)	(145,320)	(128,990)	(112,501)	(106,732)
Provision for income taxes	(668)	(5,361)	(5,886)	(3,334)	(3,350)
Net income	$296,635	$284,993	$284,640	$264,703	$270,213
KEY FINANCIAL RATIOS					
For the Year					
Return on average assets	2.2%	2.1%	2.3%	2.4%	2.6%
Return on average members' equity	11.7%	12.1%	13.0%	13.1%	14.5%
Net interest income as a percentage of average earning assets	2.7%	2.7%	2.5%	2.4%	2.5%
Net charge-offs (recoveries) as a percentage of average loans	0.2%	0.2%	(0.1%)	0.1%	—
At Year End					
Members' equity as a percentage of total assets	18.5%	18.4%	17.1%	17.6%	17.7%
Allowance for credit losses on loans as a percentage of loans	0.3%	0.3%	0.3%	0.5%	0.7%
Common equity tier 1 ratio	15.5%	14.8%	15.1%	15.8%	15.9%
Tier 1 capital ratio	15.5%	14.8%	15.1%	15.8%	15.9%
Total regulatory capital ratio	15.8%	15.2%	15.4%	16.4%	16.7%
Permanent capital ratio	15.5%	14.9%	15.1%	15.9%	16.0%
Tier 1 leverage ratio	16.8%	15.9%	16.0%	16.7%	16.6%
OTHER					
Patronage distributions payable to members	$120,000	$120,000	$120,000	$115,000	$105,000

The patronage distribution to members accrued for the year ended December 31, 2024, will be distributed in cash during the first quarter of 2025. The patronage distributions accrued for the years ended December 31, 2023, 2022, 2021, and 2020 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 retained earnings 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 or GreenStone) 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, 2025, the System consisted of three Farm Credit Banks, one Agricultural Credit Bank, and 55 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 customers the System serves.

The AgriBank Farm Credit District (AgriBank District or the District) is primarily comprised of AgriBank, FCB (AgriBank), a System Farm Credit Bank, and its District associations. 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:

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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
- Economic fluctuations, including inflationary indicators, 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 and U.S. Treasury 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
- Length and severity of an epidemic or pandemic
- Changes in our assumptions for determining the allowance for credit losses and fair value measurements
- Industry outlooks for agricultural conditions

Agricultural and Economic Conditions

The U.S. economy remained on a solid growth trajectory over the past year as the real gross domestic product (GDP) grew at an annualized rate of 2.3% in the fourth quarter and 3.1% in the third quarter of 2024, according to the Bureau of Economic Analysis. Consumer spending continued to be the primary driver of economic growth, increasing by 4.2% and 3.7% in the fourth and third quarters, respectively. For the full year, real GDP accelerated by 2.8%, compared to the annual increase of 2.9% in 2023. The increase in real GDP in 2024 reflected increases in consumer spending, investment, government spending, and exports. The forecast is for steady economic growth in the upcoming year, but the outlook is clouded by uncertainty surrounding regulatory, immigration, trade, and tax policies.

The U.S. labor market ended 2024 on a high note as the U.S. Bureau of Labor Statistics (BLS) reported that nonfarm payrolls rose by 256 thousand in December, the largest monthly increase since March 2024. Additionally, the unemployment rate ticked down to 4.1% in December 2024 from 4.2% the previous month. The labor market remained resilient throughout the year with increases in nonfarm payrolls in all twelve months and an unemployment rate ranging between 3.7% to 4.2%. In addition to the stable employment situation, wage growth also appears to have stabilized as the December 2024 report showed year-over-year wage growth at 3.9% and has been around this level for three straight months.

The BLS December 2024 Consumer Price Index (CPI) report showed headline CPI rose by 0.4% month-over-month and by 2.9% year-over-year. Core CPI (excluding food and energy) rose by 0.2% month-over-month, down from the previous four month-over-month increases of 0.3%, and increased by 3.2% year-over-year in December 2024, which marked a deceleration from the November 2024 year-over-year increase of 3.3%. Notably, shelter inflation, which represents approximately 40% of the core CPI basket, continued to show signs of deceleration in the December 2024 report. Overall, headline CPI continued to decline in 2024 from the peak of 9.1% in June 2022.

The Federal Open Market Committee (FOMC) voted at the January 2025 meeting to maintain the target range for the federal funds rate at 4.25% to 4.50%. This decision marked a pause in the FOMC's rate-cutting cycle after three consecutive reductions beginning in September 2024 which reduced the target range by 1.00%. Chair Jerome Powell stated that future rate cuts would be dependent on inflation's progress towards its 2% target and their commitment to support maximum employment. Additionally, the FOMC will continue reducing its holdings of Treasury securities, agency debt, and agency mortgage-backed securities. The FOMC released its most recent Summary of Economic Projections after its December 2024 meeting, which revealed that the median FOMC participant is planning on two 0.25% rate cuts in 2025, which was a reduction from the median of four 0.25% cuts projected after the September 2024 meeting.

According to the United States Department of Agriculture (USDA), net farm income, the broadest measure of profits, is forecast to total $140.7 billion in 2024, a decrease of $6.0 billion (4.1%) compared to 2023 in nominal (not adjusted for inflation) dollars. In inflation adjusted terms, net farm income is forecast to drop by $9.5 billion (6.3%) in 2024. Total cash receipts from the sale of agricultural commodities are forecast to decrease by $4.0 billion (0.8%) from 2023, to $516.9 billion in 2024. Crop receipts are forecast to decrease by $25.0 billion in 2024, a decrease of 9.2% from 2023, primarily due to a reduction in receipts for corn and soybeans. Conversely, total animal/animal product receipts are expected to increase by $21.0 billion, an increase of 8.4%, primarily due to increases in receipts for cattle/calves, eggs, milk, broilers, and hogs. Direct government farm payments are forecast at $10.6 billion in 2024, which is a reduction of $1.7 billion (13.6%) compared to 2023. Reduced direct government payments are primarily the result of lower Dairy Margin Coverage Program payments and lower disaster assistance in the past year. Production expenses are forecast to decline by $8.0 billion, or 1.7%, to $453.9 billion in 2024. The largest declines in 2024 are expected to be spending on feed, fertilizer, and pesticide expenses.

Farm sector equity is expected to increase by $181.9 billion (5.2%) to $3.68 trillion in 2024 in nominal terms. Farm sector assets are forecast to increase by $205.4 billion (5.1%) to $4.22 trillion, driven by expected increases in the value of farm real estate assets. Farm sector debt is forecast to increase by $23.5 billion (4.5%) to $542.5 billion in 2024. Debt-to-asset levels for the farm sector are forecast to modestly improve to 12.86% in 2024 from 12.93% in 2023, while working capital is forecast to fall 6.9% in 2024 relative to the prior year.

Farm real estate assets are forecast to increase by 5.5% in 2024, to total $3.52 trillion, representing 84% of total farm sector assets. Farm real estate values averaged $4,170 per acre for 2024, up $200 per acre (5.0%) from 2023. Cropland value averaged $5,570 per acre in 2024, an increase of $250 per acre (4.7%) from the previous year, while pasture value averaged $1,830 per acre, an increase of $90 per acre (5.2%) from 2023. Michigan's farm real estate value averaged $6,310 per acre in 2024, up 7.3%, while Wisconsin's averaged $6,120 per acre, which was unchanged from the previous year. Consistent with 2023, competing interests in the form of financial investors, increasing demand for renewable energy, along with residential and commercial development are present in GreenStone's service area, further increasing competition for a finite amount of agricultural land. While future uncertainty remains, agricultural land values are likely to remain firm in the near term.

According to the USDA's January 2025 Livestock, Dairy, and Poultry Outlook, the forecast for the average number of milk cows in 2024 was 9.3 million head and the yield per cow was 24,170 pounds of milk per cow, resulting in a total milk production forecast 225.8 billion pounds for the year. In 2024, the average wholesale prices for Cheddar cheese, dry whey, butter, and nonfat dry milk (NDM) were all higher compared to 2023. As a result, Class III and IV milk prices were above prior year levels in 2024. Class III milk prices averaged $18.89 per hundredweight (cwt), up 11.0% year-over-year, and Class IV milk prices averaged $20.75 per cwt, up 8.5% year-over-year. The all-milk price estimate for 2024 is $22.60 per cwt, an 11.1% increase over 2023.

The USDA forecasts 2025 milk production at 227.2 billion pounds, with dairy cows and yield per cow expected to increase slightly to 9.4 million head and 24,200 pounds per cow, respectively. The 2025 average price forecast for Cheddar cheese (+0.1%), dry whey (+30.3%), butter (-6.7%), and NDM (+7.9%) support higher projected milk class prices for Class III of $19.70 per cwt (4.3%) and Class IV of $20.80 per cwt (0.2%). The all-milk price for 2025 is forecast to increase to $23.05 per cwt (2.0%).

The USDA's December 2024 Quarterly Hogs and Pigs Report detailed that the total inventory of hogs and pigs was 75.8 million head, a 0.5% increase from the prior year. Breeding inventory totaled 6.0 million head, up 0.1% year-over-year, and market hogs totaled 69.8 million head, up 0.5% year-over-year. The September to November 2024 pig crop totaled 35.2 million head, a 2.0% increase from the same period in the prior year. This increase was driven by higher average pigs per litter of 11.92, up from 11.66 in 2023, indicating that producers were focused on improving efficiencies this past year.

U.S. pork production totaled 27.8 billion pounds in 2024, a 1.8% increase from 2023, while prices averaged $61.56 per cwt in 2024, a 5.1% increase year-over-year. Pork exports increased by 4.2% in 2024 to 7.1 billion pounds, with Mexico as the top export market. Total 2025 pork production is forecast at 28.5 billion pounds, a 2.6% increase from 2024 production, and prices are expected to average $63.25 per cwt, a 2.7% increase over 2024 prices. The forecasts for increased prices and higher production from processors indicates strong consumer demand is expected to continue in 2025.

According to the USDA, total broiler production for 2024 was projected to be 47.0 billion pounds, an increase of 1.3% from 2023. For 2025, production is forecast to be 47.6 billion pounds, an increase of 1.4% from 2024. Projected total exports for 2024 was 6.7 billion pounds, which represents a 7.2% reduction from 2023. Reduced exports were the result of increased competition, particularly from Brazil, higher production costs reducing U.S. broiler price's competitiveness, and reduced import demand from China. Broiler exports are projected to remain flat at 6.7 billion pounds in 2025. The national composite wholesale broiler annual average price forecast was $1.29 per pound in 2024, up 4.0% from the 2023 average price. The 2025 average price forecast is projected to be $1.32 per pound, up 1.6% year-over-year reflecting lower production expectations, primarily due to a spike in Highly Pathogenic Avian Influenza (HPAI) cases at the end of 2024. According to USDA's Animal and Plant Health Inspection Service, December 2024 HPAI outbreaks impacted over 18.0 million birds nationwide, of which approximately 2.2 million were in the broiler production chain.

The USDA reports that U.S. turkey production is expected to total 5.1 billion pounds in 2024, down 6.2% from 2023. The reduction in total turkey production is primarily the result of HPAI outbreaks, particularly in November and December 2024. The USDA reported a total of 3.6 million birds were lost to HPAI in 2024, with the bulk of those coming in November and December with losses of 891 thousand birds and 1.5 million birds, respectively. Cases were confirmed in 10 different states, with the largest numbers in South Dakota, Michigan, and California. The monthly average wholesale frozen whole-hen price was $0.94 per pound in 2024 down $0.47, or 33.2% from last year's average.

In 2025, prices are expected to resume a seasonal pattern, albeit from a lower base as 2025 projected prices are expected to average $0.99 per pound, which would be a 5.2% increase from 2024 if realized.

Total 2024 table egg production is projected at 7.7 billion dozen, a decrease of 1.7% from the 2023 total and 5.0% less than 2021 production, the year before the current series of HPAI outbreaks began. The reduced table egg production is the result of HPAI outbreaks in layer flocks throughout the year. Table egg layer losses due to HPAI totaled 13.6 million birds in December. This is the most of any one month in 2024 and brings the annual total to 38.4 million birds affected. The projection for total production in 2025 is 7.8 billion dozen, an increase of 1.2% over the 2024 projection, but still 3.9% lower compared to 2021. Egg prices experienced continued volatility during 2024 as prices for large eggs averaged $2.59 per dozen in the first quarter, $2.27 per dozen during in the second quarter, $3.17 per dozen in the third quarter, and $4.10 per dozen in the fourth quarter. For 2025, the projected annual average selling price is $2.94 per dozen. The HPAI losses to date and expectation for continued outbreaks add uncertainty to the recovery of the egg layer flock and are expected to impact production and prices into 2025.

Loan Portfolio

Total loans were $13.4 billion at December 31, 2024, an increase of $855.0 million from December 31, 2023.

Components of Loans
(in thousands)

As of December 31	2024	2023	2022
Accrual loans:			
Real estate mortgage	$6,684,190	$6,337,408	$6,849,353
Production and intermediate-term	2,422,995	2,194,312	2,222,263
Agribusiness	3,061,665	2,921,627	2,712,043
Other	1,125,939	1,008,411	857,255
Nonaccrual loans	65,906	43,951	28,610
Total loans	$13,360,695	$12,505,709	$12,669,524

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

We may purchase or sell participation interests with other parties to diversify risk, manage principal and accrued interest on loans, or comply with the limitations of the FCA Regulations or General Financing Agreement (GFA) with AgriBank.

Loan Participations Purchased and Sold
(in thousands)

As of December 31	2024	2023	2022
Participations purchased	$3,964,394	$3,630,080	$3,147,253
Participations sold	(3,146,118)	(2,871,976)	(1,364,392)

We have determined participation interests purchased and participation interests sold are transfers that meet the conditions to be treated as sales.

The Association participates in asset pool programs (managed assets) to effectively leverage District capital and other cooperative benefits, as well as manage concentration risk and portfolio growth. Prior to December 1, 2022, we had sold participation interests in real estate loans to AgriBank as part of asset pool programs. On December 1, 2022, we purchased all the remaining participation interests totaling $66.1 million from these prior asset pool programs back from AgriBank. On November 1, 2023, we sold AgriBank participation interests with funded balances of $1.2 billion and unfunded commitments of $284.4 million, representing an approximate 10% participation interest across the majority of our loan portfolio. During 2024 we sold participation interests with funded balances of $115.9 million and unfunded commitments of $5.1 million that were added to the asset pool program established by AgriBank in 2023. The total outstanding principal balance of participation interests in loans sold to AgriBank as part of asset pool programs were $1.1 billion and $1.2 billion at December 31, 2024, and 2023, respectively. We had no outstanding participation interests in loans sold to AgriBank as part of asset pool programs at December 31, 2022.

Principal on owned and managed loans (which includes loans in our Consolidated Statements of Condition as well as loan participation interests sold as part of AgriBank asset pool programs) was $14.5 billion at December 31, 2024. When compared to December 31, 2023, principal on owned and managed loans increased 5.9%. The level of growth was less than the 7.8% growth rate experienced in 2023. While loan growth remained strong in 2024, the ongoing higher interest rate environment and large amounts of cash held by our customers in 2024 resulted in a slow-down in growth for the year. We experienced moderate loan growth in all business units. Our Country Living business unit drove our growth at 7.2% in 2024 compared to 5.1% in 2023. The Country Living business unit was able to rebound as pent-up demand in the market adjusted to the ongoing high interest rate environment in 2024. While lower than 2023, our Capital Markets business unit had a solid 7.0% growth rate in 2024 compared to a 16.9% growth rate in 2023. Our Agribusiness Lending business unit grew by 5.6% in 2024 compared to 5.5% in 2023 and our Traditional Farm business unit grew 4.2% in 2024, up from 2.4% in 2023. While lower than 2023, our 2024 year-over-year growth rate was in line with our 2024 Business Plan.

The outlook for overall portfolio growth for 2025 will continue to be challenged given the ongoing higher interest rate environment and market speculation as to how much the FOMC will lower the federal funds rate as they balance their goal to return inflation to their 2% objective while also watching unemployment levels and avoiding a recession, if possible. In addition, increased competitive pressure and more highly leveraged borrowers are expected to present ongoing challenges to our growth in the Capital Markets business unit. New entrants into the agricultural lending market will continue to put pressure on our growth level and returns in this business unit. Growth in our Traditional Farm business unit, including our large agribusiness loans, is expected to be in the 2024 and 2023 growth range. We expect moderate demand for expansion capital in dairy and some animal protein sectors during 2025. The level of this demand will depend on the expected profit margins in these segments, which look challenged today due to costs and commodity prices. We continue to see high land values in our regions. However, there is limited inventory available to purchase, as well as less purchase activity by investors. The general non-farm economy is solid, but headwinds from rising input costs and challenged crop prices resulting in narrowing margins are expected to add some challenges in 2025. The higher interest rate environment will continue to challenge the Country Living business unit, which also is experiencing high levels of competition with regards to pricing and new competitors continuing to reach the rural segment. Overall, we expect all business units to still show positive growth in 2025, with the Capital Market business unit providing the highest growth rate. However, we also expect to see continuing loan pricing pressure within all business units.

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, credit risk, market conditions, and the need to generate sufficient earnings.

PORTFOLIO DISTRIBUTION

We are chartered to serve certain counties in Michigan and Wisconsin. At December 31, 2024, our portfolio was concentrated primarily in the following states: Michigan 56.5% and Wisconsin 10.6%. The remainder of our portfolio was purchased outside of these states to support rural America and to diversify our portfolio risk. No county comprised more than 5.0% of our total loan portfolio at December 31, 2024.

Agricultural Industry Concentrations

As of December 31	2024	2023	2022
Dairy	18.7%	17.6%	18.4%
Country home living	17.2	17.1	17.6
Cash crops	16.8	16.9	17.5
Agribusiness	8.4	11.1	10.4
Timber	5.3	4.2	4.4
Livestock	5.1	2.7	2.9
Fruit	4.3	3.6	3.8
Hogs	1.8	1.9	1.9
Vegetables	1.7	1.8	1.9
Poultry	1.7	1.7	1.8
Grain and field beans	1.6	1.5	1.6
Potatoes	1.5	1.5	1.6
Broilers	1.4	1.9	2.2
Sugar beets	1.3	1.4	1.5
Landlords	1.1	1.2	1.5
Greenhouse and nursery	1.0	0.9	0.9
Government guarantee	0.1	0.1	0.1
Other	11.0	12.9	10.0
Total	100.0%	100.0%	100.0%

Industry categories are based on the borrower's primary intended industry 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.

The agricultural industry concentrations within our portfolio have not changed materially over the last year and continue 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-term and intermediate-term principal levels do not show significant levels of seasonality.

PORTFOLIO CREDIT QUALITY

The credit quality of our loan portfolio declined slightly in 2024. Loans classified as acceptable decreased to 94.7% of the portfolio at December 31, 2024, from 96.6% at December 31, 2023, while adversely classified owned assets were 1.9% at both December 31, 2024, and December 31, 2023. Adversely classified assets are assets that we identified as showing some credit weakness according to our credit standards. The credit quality of our core market of traditional production farm loans remained at satisfactory levels. Weaker borrowers in our agribusiness and cash crop portfolios were challenged financially during 2024. We have considered portfolio credit quality in assessing the reasonableness of our allowance for credit losses on loans. 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 retained earnings, resulted in adverse asset to regulatory capital ratio of 11.9% at December 31, 2024, and December 31, 2023. This 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), a System institution, and other government agency guarantee programs are used to reduce the risk of loss. At December 31, 2024, $370.4 million of our loans were substantially guaranteed under these programs. The guaranteed loans decreased from $382.5 million at December 31, 2023.

NONPERFORMING ASSETS

Effective January 1, 2023, we adopted Accounting Standards Update 2016-13 "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." 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 and is referred to as the Current Expected Credit Loss (CECL) model. The allowance for credit losses comprises the allowance for credit losses on loans and unfunded commitments.

Components of Nonperforming Assets
(dollars in thousands)

As of December 31	2024	2023	2022
Loans:			
Nonaccrual	$65,906	$43,951	$28,610
Accruing loans 90 days or more past due	—	—	—
Total nonperforming loans	65,906	43,951	28,610
Acquired property	1,508	573	1,709
Total nonperforming assets	$67,414	$44,524	$30,319
Total nonperforming loans as a percentage of total loans	0.5%	0.4%	0.2%
Nonaccrual loans as a percentage of total loans	0.5%	0.4%	0.2%
Current nonaccrual loans as a percentage of total nonaccrual loans	83.5%	73.1%	83.3%
Total delinquencies as a percentage of total loans[1]	0.2%	0.2%	0.2%

[1]Total delinquencies include accrual and nonaccrual loans 30 days or more past due.

Our nonperforming assets have increased from December 31, 2023, but have remained at acceptable levels. Total nonperforming loans as a percentage of total loans remained well within our established risk management guidelines.

Nonaccrual loans increased $22.0 million from December 31, 2023, to $65.9 million at December 31, 2024. This increase was primarily due to four Capital Markets purchased participations that were downgraded to nonaccrual during the year. The increase was partially offset by three Capital Markets purchased participations that were charged-off, paid down from asset sales, and moved to acquired property in 2024. As of December 31, 2024, 73.0% of the nonaccrual loan portfolio was due to five Capital Markets purchased participations.

ALLOWANCE FOR CREDIT LOSSES ON LOANS

Allowance for Credit Losses on Loans Coverage Ratios

As of December 31	2024	2023	2022
Allowance for credit losses on loans as a percentage of:			
Loans	0.3%	0.3%	0.3%
Nonaccrual loans	58.3%	81.6%	142.9%
Total nonperforming loans	58.3%	81.6%	142.9%
Net charge-offs (recoveries) as a percentage of average loans	0.2%	0.2%	(0.1%)
Adverse assets to capital and allowance for credit losses on loans	9.7%	9.6%	8.2%

Effective January 1, 2023, the allowance for credit losses on loans is an estimate of expected credit losses in our portfolio. We determine the appropriate level of allowance for credit losses on loans based on a disciplined process and methodology that incorporates expected probabilities of default and loss given default based on historical portfolio performance, forecasts of future economic conditions, and management's judgment with respect to unique aspects of current and expected conditions that may not be contemplated in historical loss experience or forecasted economic conditions. Prior to January 1, 2023, the allowance for loan losses was an estimate of losses incurred on loans in our portfolio that were probable and estimable as of December 31, 2022.

Total allowance for credit losses on loans was $38.5 million, $35.9 million, and $40.9 million at December 31, 2024, 2023, and 2022, respectively.

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	2024	2023	2022
Net income	$296,635	$284,993	$284,640
Return on average assets	2.2%	2.1%	2.3%
Return on average members' equity	11.7%	12.1%	13.0%

Changes presented in the profitability information chart relate directly to:

- Changes in net income discussed in this section
- Changes in assets discussed in the Loan Portfolio section
- Changes in capital discussed in the Capital Adequacy section

Significant Components of Net Income
(in thousands)

For the year ended December 31	2024	2023	2022
Net interest income	$339,905	$342,848	$296,163
(Provision for) reversal of credit losses	(23,864)	(21,966)	21,500
Patronage income	70,146	72,688	63,965
Financially related services income	16,705	14,128	15,040
Fee income	31,286	24,743	21,524
Other non-interest income	4,998	3,233	1,324
Non-interest expense	(141,873)	(145,320)	(128,990)
Provision for income taxes	(668)	(5,361)	(5,886)
Net income	$296,635	$284,993	$284,640

Changes in Significant Components of Net Income
(in thousands)

(Decrease) increase in net income	2024 vs 2023	2023 vs 2022
Net interest income	$(2,943)	$46,685
(Provision for) reversal of credit losses	(1,898)	(43,466)
Patronage income	(2,542)	8,723
Financially related services income	2,577	(912)
Fee income	6,543	3,219
Other non-interest income	1,765	1,909
Non-interest expense	3,447	(16,330)
Provision for income taxes	4,693	525
Net income	$11,642	$353

NET INTEREST INCOME

Changes in Net Interest Income
(in thousands)

For the year ended December 31	2024 vs 2023	2023 vs 2022
Changes in volume	$(1,534)	$20,926
Changes in interest rates	(1,007)	32,127
Changes in nonaccrual interest income and other	(402)	(6,368)
Net change	$(2,943)	$46,685

The decrease in net interest income in 2024 compared to 2023 was primarily due to participations sold to AgriBank as part of asset pool programs. Net interest income included income on nonaccrual loans, which was $2.4 million, $1.7 million, and $8.2 million in 2024, 2023, and 2022, 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 2.7%, in 2024, compared to 2.7% in 2023, and 2.5% in 2022. Our net interest margin has increased slightly in recent years, primarily due to higher earnings from our unallocated retained earnings due to the rising interest rate environment. We expect margins to remain fairly stable in the near future.

(PROVISION FOR) REVERSAL OF CREDIT LOSSES

During 2024, provision for credit losses of $23.9 million were recorded, which was primarily due to specific reserves that were established along with charge-offs that were recorded on three purchased participations. In addition our CECL collectively evaluated reserves increased slightly, which was primarily due to loan growth and credit quality. Additional information is included in Note 3 to the accompanying Consolidated Financial Statements.

FINANCIALLY RELATED SERVICES INCOME

The increase in financially related services income in 2024 compared to 2023 was primarily due to higher commissions earned on new fruit and livestock insurance policies.

FEE INCOME

The increase in fee income in 2024 compared to 2023 was primarily due to higher servicing fees collected for loans that we sold to other Farm Credit institutions, including participations sold to AgriBank as part of asset pool programs, along with higher fees related to new loan volume.

NON-INTEREST EXPENSE

Components of Non-Interest Expense
(dollars in thousands)

For the year ended December 31	2024	2023	2022
Salaries and employee benefits	$98,944	$91,698	$83,278
Purchased and vendor services	9,893	8,115	7,616
Communications	1,919	1,710	1,907
Occupancy and equipment	16,668	16,403	13,437
Advertising and promotion	3,742	4,195	3,677
FCA examination	2,889	2,622	2,504
Farm Credit System insurance	10,472	19,246	19,461
Miscellaneous expense	8,751	9,114	5,461
Expense reimbursements	(12,163)	(10,949)	(8,756)
Other non-interest expense	758	3,166	405
Total non-interest expense	$141,873	$145,320	$128,990
Operating rate[1]	1.1%	1.1%	1.1%

[1]Total non-interest expense less other non-interest expense divided by average earning assets.

The most significant variances in components of non-interest expense in 2024 were salaries and employee benefits and Farm Credit System insurance.

Salaries and Employee Benefits: Salaries and employee benefits expenses increased primarily due to employee raises, promotions, new positions, and increased expenses for retirement plans.

Farm Credit System Insurance: The Farm Credit System insurance expense decreased in 2024 compared to 2023 primarily due to a decrease in the Insurance Fund premium rate on Systemwide adjusted insured debt. The premium rate, which is primarily impacted by System growth was 10 basis points for 2024, compared to 18 basis points for 2023. The FCSIC has announced premiums will be 10 basis points for 2025. 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 decrease in provision for income taxes was primarily due to our estimate of taxes based on taxable income of the ACA entity. Patronage distributions to members reduced our tax liability in 2024, 2023, and 2022. 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, 2024, we had $2.2 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. We also fund our portfolio from equity.

Note Payable Information
(dollars in thousands)

For the year ended December 31	2024	2023	2022
Average balance	$10,628,374	$10,867,825	$9,980,197
Average interest rate	4.0%	3.6%	2.0%

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, primarily from loans to customers which may not have a component of our line of credit with an exact repricing attribute.

We have entered into a Standby Commitment to Purchase Agreement with Farmer Mac 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 principal and accrued interest of loans subject to the purchase agreement was $447 thousand, $1.2 million, and $2.0 million at December 31, 2024, 2023, and 2022, respectively. We paid Farmer Mac commitment fees totaling $4 thousand, $8 thousand, and $11 thousand in 2024, 2023, and 2022, 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 2024, 2023, or 2022.

Capital Adequacy

Total members' equity was $2.6 billion, $2.4 billion, and $2.3 billion at December 31, 2024, 2023, and 2022, respectively. Total members' equity increased $177.3 million from December 31, 2023, primarily due to net income for the year partially offset by patronage distribution accruals.

The FCA Regulations require us to maintain minimums for our common equity tier 1, tier 1 capital, total regulatory capital, and permanent capital risk-based capital ratios. In addition, the FCA requires us to maintain minimums for our non-risk-adjusted ratios of tier 1 leverage and unallocated retained earnings and equivalents leverage.

Regulatory Capital Requirements and Ratios As of December 31	2024	2023	2022	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:						
Common equity tier 1 ratio	15.5%	14.8%	15.1%	4.5%	2.5%	7.0%
Tier 1 capital ratio	15.5%	14.8%	15.1%	6.0%	2.5%	8.5%
Total regulatory capital ratio	15.8%	15.2%	15.4%	8.0%	2.5%	10.5%
Permanent capital ratio	15.5%	14.9%	15.1%	7.0%	N/A	7.0%
Non-risk-adjusted:						
Tier 1 leverage ratio	16.8%	15.9%	16.0%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	16.6%	15.7%	15.8%	1.5%	N/A	1.5%

Our capital plan is designed to maintain an adequate amount of retained earnings and allowance for credit 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, 2024.

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 2025.

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 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 retained earnings. As of December 31, 2024, we were required by AgriBank to maintain an investment equal to 3.1% of the average quarterly balance of our note payable. The required investment will remain unchanged for 2025 at 3.1%. In addition to the required investment based on the note payable, we are also required to hold additional investment in AgriBank for asset pool programs we participate in, which are typically capitalized at a higher rate that is mutually agreed upon in the asset pool program agreements.

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

We purchase certain business services, primarily financial reporting, from AgriBank. 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

Capital Markets Collaboration: We participate in the Capital Markets Collaboration (CMC) with three other AgriBank District associations, which involves purchasing participation interests in loans to eligible borrowers. The CMC focuses on generating revenue and portfolio growth for the financial benefit of all four participating associations. Management for each association has direct decision-making authority over the loans purchased and serviced for their respective association. The business arrangement provides additional means for diversifying each participant's portfolio, helps reduce concentration risk, and positions the participants for continued growth. As the facilitating association for CMC, we are reimbursed by the other three participating associations for their portions of the various costs incurred for conducting CMC activities.

ProPartners Financial: We participate in ProPartners Financial (ProPartners) with certain Farm Credit institutions to provide producer financing through agribusinesses that sell crop inputs. ProPartners is directed by representatives from participating associations through their representation on ProPartners Board of Directors. 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 $1.0 million, $795 thousand, and $641 thousand at December 31, 2024, 2023, and 2022, respectively.

SunStream Business Services: We have a relationship with SunStream Business Services (SunStream), a System service corporation, which involves purchasing the following services: financial and retail information technology, collateral, tax reporting, and insurance. As of December 31, 2024, 2023, and 2022, 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 $50.0 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, 2024, 2023, and 2022, 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 $32.1 million, $32.4 million, and $29.7 million at December 31, 2024, 2023, and 2022, 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.

PW PropCo Holdings, LLC: As of December 31, 2024, we held a minority non-controlling interest in a limited liability company established for the purpose of acquiring and selling collateral acquired through the loan collection process, primarily for legal liability purposes. The name of this LLC is PW PropCo Holdings, LLC.

PROGRAMS

We are involved in the following programs designed to improve our credit delivery, related services, and marketplace presence.

AgDirect: 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.

BUSINESS UNITS

In order to carry out our mission to be rural America's first choice for financial services, we strive to provide our members with specialized expertise. We accomplish this customization by focusing our product offerings and teams into the following business units:

Traditional Farm: Our Traditional Farm team provides operating, term, and real estate loans, leases, crop insurance, life insurance, accounting, and tax services to agricultural producers. These producers are typically full-time or near full-time production agriculture operations. These customers include a diverse set of small farmers, full-time farmers, large part-time farmers with significant farming enterprises, investor-type farmers whose farm business contributes significantly to total income, small to mid-sized agribusinesses, and young and beginning farmers. The diversity is vast as it relates to agricultural industries and operation types.

Agribusiness Lending: Our Agribusiness Lending team possess broad, extensive knowledge and experience in their areas of expertise. These customers are defined as full-time production agriculture with gross farm income equal to or greater than $5.0 million or an agribusiness with gross revenue equal to or greater than $3.0 million. These customers typically include large family-farm businesses with significant borrowing needs and sophisticated business structures and/or operations. These customers represent a key growth segment in a concentrating agricultural environment. The farm business is the primary enterprise and source of revenue, and the operation is focused on production agriculture or closely aligned farm related businesses.

Country Living: Our Country Living team provides home and acreage financing options for property in the country or in communities with populations of 2,500 or less. These customers are living on a farm, operating a part-time farm, or owning properties in rural areas whose source of income is mostly (or entirely) from non-farm sources. These customers are primarily interested in the amenities of owning property in the country.

Capital Markets: Our Capital Markets team is focused on relationships with commercial banks, Farm Credit institutions, and other lending partners to buy loan participations and partner in primarily syndicated loan transactions. This specialized team provides a national marketing vehicle to gain improved access to the agribusiness and commercial producer loan market, and provides portfolio diversity, earnings, and market intelligence to the organization.

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 7, 2025

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, 2024. 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, 2024, 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, 2024.

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 7, 2025

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, 2024, 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, 2024.

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 7, 2025

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, 2024, 2023 and 2022, 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, 2024, 2023 and 2022, 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.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Association changed the manner in which it accounts for the allowance for credit losses in 2023. Our opinion is not modified with respect to this matter.

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 2024 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 7, 2025

PricewaterhouseCoopers LLP, 45 South Seventh Street, Suite 3400, Minneapolis, MN 55402
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Consolidated Statements of Condition

GREENSTONE FARM CREDIT SERVICES, ACA
(in thousands)

As of December 31	2024	2023	2022
ASSETS			
Loans	$13,360,695	$12,505,709	$12,669,524
Allowance for credit losses on loans	38,452	35,874	40,889
Net loans	13,322,243	12,469,835	12,628,635
Investment in AgriBank, FCB	486,235	489,023	350,696
Accrued interest receivable	109,525	100,279	83,869
Premises and equipment, net	51,367	51,555	52,423
Other assets	127,732	110,438	88,358
Total assets	$14,097,102	$13,221,130	$13,203,981
LIABILITIES			
Note payable to AgriBank, FCB	$11,202,663	$10,501,604	$10,678,542
Accrued interest payable	105,936	103,313	73,861
Patronage distribution payable	120,000	120,000	120,000
Other liabilities	60,650	65,636	71,604
Total liabilities	11,489,249	10,790,553	10,944,007
Contingencies and commitments (Note 11)			
MEMBERS' EQUITY			
Protected members' equity	—	1	1
Capital stock and participation certificates	27,059	26,475	25,891
Unallocated retained earnings	2,583,177	2,406,452	2,237,685
Accumulated other comprehensive loss	(2,383)	(2,351)	(3,603)
Total members' equity	2,607,853	2,430,577	2,259,974
Total liabilities and members' equity	$14,097,102	$13,221,130	$13,203,981

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	2024	2023	2022
Interest income	$761,018	$731,000	$496,725
Interest expense	421,113	388,152	200,562
NET INTEREST INCOME	339,905	342,848	296,163
Provision for (reversal of) credit losses	23,864	21,966	(21,500)
NET INTEREST INCOME AFTER PROVISION FOR (REVERSAL OF) CREDIT LOSSES	316,041	320,882	317,663
Non-interest income			
Patronage income	70,146	72,688	63,965
Financially related services income	16,705	14,128	15,040
Fee income	31,286	24,743	21,524
Other non-interest income	4,998	3,233	1,324
TOTAL NON-INTEREST INCOME	123,135	114,792	101,853
Non-interest expense			
Salaries and employee benefits	98,944	91,698	83,278
Other operating expense	42,171	50,456	45,307
Other non-interest expense	758	3,166	405
TOTAL NON-INTEREST EXPENSE	141,873	145,320	128,990
INCOME BEFORE INCOME TAXES	297,303	290,354	290,526
Provision for income taxes	668	5,361	5,886
NET INCOME	$296,635	$284,993	$284,640
Other comprehensive (loss) income			
Employee benefit plans activity	$(32)	$1,252	$133
Total other comprehensive (loss) income	(32)	1,252	133
Comprehensive income	$296,603	$286,245	$284,773

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 Retained Earnings	Accumulated Other Comprehensive Loss	Total Members' Equity
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 retained earnings 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
Cumulative effect of change in accounting principle	—	—	3,305	—	3,305
Net income	—	—	284,993	—	284,993
Other comprehensive income	—	—	—	1,252	1,252
Unallocated retained earnings designated for patronage distributions	—	—	(119,531)	—	(119,531)
Capital stock and participation certificates issued	—	1,992	—	—	1,992
Capital stock and participation certificates retired	—	(1,408)	—	—	(1,408)
Balance as of December 31, 2023	1	26,475	2,406,452	(2,351)	2,430,577
Net income	—	—	296,635	—	296,635
Other comprehensive income	—	—	—	(32)	(32)
Unallocated retained earnings designated for patronage distributions	—	—	(119,910)	—	(119,910)
Capital stock and participation certificates issued	—	2,063	—	—	2,063
Capital stock and participation certificates retired	(1)	(1,479)	—	—	(1,480)
Balance as of December 31, 2024	$—	$27,059	$2,583,177	$(2,383)	$2,607,853

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	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$296,635	$284,993	$284,640
Depreciation on premises and equipment	4,273	3,864	2,814
Net amortization of premiums and discounts on loans and investment securities	(186)	(445)	(34)
Provision for (reversal of) credit losses	23,864	21,966	(21,500)
Stock patronage received from Farm Credit institutions	(14,846)	(16,843)	(39,592)
Gain on acquired property, net	(401)	(2,504)	(160)
Changes in operating assets and liabilities:			
Increase in accrued interest receivable	(41,387)	(42,625)	(40,102)
(Increase) decrease in other assets	(17,301)	(20,800)	13,975
Increase in accrued interest payable	2,623	29,452	42,291
(Decrease) increase in other liabilities	(5,018)	(9,545)	5,435
Net cash provided by operating activities	248,256	247,513	247,767
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in loans, net	(854,696)	171,936	(1,153,752)
Redemptions (purchases) of investment in AgriBank, FCB, net	17,401	(121,638)	(26,470)
Redemptions (purchases) of investment in other Farm Credit institutions, net	379	(2,761)	(6,558)
Proceeds from investment securities	785	409	1,618
Decrease in acquired property, net	11,033	4,219	1,190
Purchases of premises and equipment, net	(4,085)	(2,996)	(7,154)
Net cash (used in) provided by investing activities	(829,183)	49,169	(1,191,126)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in note payable to AgriBank, FCB, net	701,059	(176,938)	1,058,638
Patronage distributions paid	(119,910)	(119,531)	(114,894)
Capital stock and participation certificates retired, net	(228)	(213)	(385)
Net cash provided by (used in) financing activities	580,921	(296,682)	943,359
Net change in cash	(6)	—	—
Cash at beginning of year	6	6	6
Cash at end of year	$—	$6	$6
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES			
Interest transferred to loans	$32,134	$26,210	$16,347
SUPPLEMENTAL INFORMATION			
Interest paid	$418,490	$358,700	$158,271
Taxes paid, net	930	3,752	2,318

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, 2025, the System consisted of three Farm Credit Banks, one Agricultural Credit Bank, and 55 borrower-owned cooperative lending institutions (associations). The AgriBank Farm Credit District (AgriBank District or the District) is primarily comprised of AgriBank, FCB (AgriBank), a System Farm Credit Bank, and its District associations. The AgriBank District associations consist of 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 reach the “secure base amount”, which is defined in the Farm Credit Act as 2.0% of the aggregate outstanding 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. When the amount in the Insurance Fund exceeds the secure base amount, the FCSIC is required to reduce premiums and, under certain circumstances, is required to transfer excess funds to establish Allocated Insurance Reserves Accounts (AIRAs). The FCSIC may also distribute all or a portion of the AIRAs to the System banks, which AgriBank passes on as income to the associations. The basis for assessing premiums is insured debt. Nonaccrual loans and impaired investment securities 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, livestock, and whole farm policy insurance to borrowers and those eligible to borrow. We also offer farm records services, 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 net 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.

A loan is considered contractually past due when any principal repayment or interest payment required by the loan instrument is not received on or before the due date. A loan remains contractually past due until certain modifications are completed or until the entire amount past due, including principal, accrued interest and penalty interest incurred as the result of past due status, is collected or otherwise discharged in full.

Generally, loans are placed in nonaccrual status when principal or interest is delinquent for 90 days or more (unless 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 immediately 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 credit losses on loans. Subsequent recoveries, if any, are added to the allowance for credit losses on loans. Any cash received on nonaccrual loans is applied to reduce the carrying amount in the loan, except in those cases where the collection of the carrying amount 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).

Loan modifications may be granted to borrowers experiencing financial difficulty. Modifications are one or a combination of principal forgiveness, interest rate reduction, other-than-insignificant term extension, or other-than-insignificant payment deferrals. Other-than-insignificant term extensions are defined as those greater than or equal to six months. Covenant waivers and modifications of contingent acceleration clauses are not considered term extensions. Other-than-insignificant payment deferrals are defined as cumulative or individual payment delays greater than or equal to six months. In situations when more than two types of modifications are granted on the same loan we only report the two most material modification types.

Prior to January 1, 2023, in situations where, for economic or legal reasons related to the borrower's financial difficulties, we granted a concession for other than an insignificant period of time to the borrower that we would not have otherwise considered, the related loan was classified as a troubled debt restructuring (TDR), also known as a formally restructured loan for regulatory purposes. A concession was generally granted to minimize economic loss and avoid foreclosure. Concessions varied by program and borrower and may have included interest rate reductions, term extensions, payment deferrals, or an acceptance of additional collateral in lieu of payments. In limited circumstances, principal may have been forgiven. Loans classified as TDRs were considered risk loans. There may have been modifications made in the normal course of business that were not 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 the conditions have been met to be accounted for as a sale.

Allowance for Credit Losses: 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." 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 and is referred to as the Current Expected Credit Loss (CECL) model. The allowance for credit losses (ACL) comprises the allowance for credit losses on loans and unfunded commitments.

Allowance for Credit Losses on Loans

Beginning January 1, 2023, the allowance for credit losses on loans (ACLL) represents the estimated current expected credit losses on the loan portfolio over the remaining contractual life of the loan portfolio adjusted for expected prepayments. The ACLL takes into consideration relevant information about past events, current conditions, and reasonable and supportable macroeconomic forecasts of future conditions. The contractual term excludes expected extensions, renewals, and modifications unless the extension or renewal options are not unconditionally cancellable.

The ACLL is increased through provisions for credit losses on loans and loan recoveries and is decreased through reversals of provision for credit losses on loans and loan charge-offs. The provision activity is included as part of the "Provision for (reversal of) credit losses" in the Consolidated Statements of Comprehensive Income.

Determining the appropriateness of the ACLL is complex and requires judgment by management about the effect of matters that are inherently uncertain. Loans are evaluated on the amortized cost basis, which includes unamortized premiums and discounts.

We employ a disciplined process and methodology to establish the ACLL that has two basic components: first, an asset-specific component involving individual loans that do not share risk characteristics with other loans and the measurement of expected credit losses for such individual loans; and second, a pooled component for estimated expected credit losses for pools of loans that share similar risk characteristics. When a loan does not share risk characteristics with other loans, expected credit loss is measured as the difference between the amortized cost basis in the loan and the present value of expected future cash flows discounted at the loan's effective interest rate except that, for collateral-dependent loans, credit loss is measured as the difference between the amortized cost basis in the loan and the fair value of the underlying collateral. If the calculated expected credit loss is determined to be permanent, fixed or non-recoverable, the credit loss portion of the loan will be charged-off against the ACLL. For more information see the Collateral Dependent Loans policy in the significant accounting policies section of this report.

In estimating the pooled component of the ACLL that share common risk characteristics, loans are pooled and segregated into loan classes based on loan type, commodity, and internal risk rating. For reporting purposes, the portfolio is classified by loan type. We utilize a model to calculate an expected life-of-loan loss percentage for each loan pool by considering the probability of default, based on the migration of loans from performing to loss by internal risk rating, and the loss given default, based on historical experience. Loan borrower characteristics are also utilized and include internal risk ratings, delinquency status, and the remaining term of the loan, adjusted for expected prepayments.

In order to calculate this estimated migration of loans from performing to loss, we utilize a single economic scenario over a reasonable and supportable forecast period of three years. The economic forecasts are updated on a quarterly basis and include macroeconomic variables such as agricultural commodity prices, unemployment rates, real gross domestic product levels, inflation rates, housing price indexes, and agricultural land values. Subsequent to the forecast period, our model applies a smoothed reversion to historical loss experience to estimate losses for the remaining estimated contractual life of the portfolio.

The final credit loss estimate also considers factors not reflected in the economic forecast and historical loss experience due to the unique aspects of current conditions and expectations. These factors may include, but are not limited to: lending policies and procedures, credit quality and delinquency trends, individual borrower and industry concentrations, national, regional, and local economic business conditions and developments, collateral value trends, and expected performance of specific industry sectors not reflected in the economic forecast. Consideration of these factors, as well as the imprecision inherent in the process and methodology may lead to a management adjustment to the modeled ACLL results. Expected credit loss estimates also include consideration of expected cash recoveries on loans previously charged-off or expected recoveries on collateral dependent loans where recovery is expected through sale of the collateral.

Prior to January 1, 2023, the allowance for loan losses was an estimate of losses inherent in our loan portfolio as of the financial statement date. We determined the appropriate level of allowance for loan losses based on quarterly evaluation of factors such as loan loss history, estimated probability of default, estimated loss given default, portfolio quality, and current economic and environmental conditions.

Allowance for Credit Losses on Unfunded Commitments

Under CECL, we evaluate the need for an allowance for credit losses on unfunded commitments, which is included in "Other liabilities" in the Consolidated Statements of Condition. The related provision is included as part of the "Provision for (reversal of) credit losses" in the Consolidated Statements of Comprehensive Income. The amount of expected losses is determined by calculating a commitment usage factor over the contractual period for exposures that are not unconditionally cancellable by the Association and applying the loss factors used in the ACLL methodology to the results of the usage calculation. No allowance for credit losses is recorded for commitments that are unconditionally cancellable.

Collateral Dependent Loans: Collateral dependent loans are loans secured by collateral, including but not limited to real estate, equipment, inventory, livestock, and income-producing property. We measure the expected credit losses based on the fair value of collateral at the reporting date when we determine that foreclosure is probable. Under the fair value practical expedient measurement approach, the expected credit losses are based on the difference between the fair value of the collateral less estimated costs to sell and the amortized cost basis of the loan.

The fair value of the collateral is adjusted for the estimated costs to sell if repayment or satisfaction of a loan is dependent on the sale (rather than only on the operation) of the collateral. In accordance with our appraisal policy, the fair value of collateral-dependent loans is based upon in-house or independent third-party appraisals or on in-house collateral valuations. When an updated appraisal or collateral valuation is received, management reassesses the need for adjustments to the loan's expected credit loss measurements and, where appropriate, records an adjustment.

Additionally, when a borrower is experiencing financial difficulty, we apply the fair value practical expedient measurement approach for loans when the repayment is expected to be provided substantially through the operation or sale of the collateral.

Accrued Interest Receivable: Accrued interest receivable on loans is presented separately in the Consolidated Statements of Condition.

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

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 credit losses on loans. 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.

We 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.

We 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. Benefit 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.

We 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 included in "Other assets" in the Consolidated Statements of Condition and deferred tax liabilities are included in "Other liabilities" in the Consolidated Statements of Condition. 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. We evaluate the need for an allowance for credit losses on unfunded commitments, which is included in "Other liabilities" in the Consolidated Statements of Condition. For more information see the allowance for credit losses on unfunded commitments policy in the significant accounting policies section of this report.

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 standard to be applicable to our business. While we are a nonpublic business 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 December 2023, the FASB issued Accounting Standards Update 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This guidance is effective for annual periods beginning after December 15, 2025.

Description
This guidance requires more transparency about income tax information through improvements to income tax disclosures. The improvements applicable to our Association will require adding information by state jurisdiction to the rate reconciliation and income taxes paid disclosures.

Adoption status and financial statement impact
We expect to adopt the standard as of January 1, 2026. The adoption of this guidance is not expected to have a material impact on our financial statements, but will modify certain disclosures.

NOTE 3: LOANS AND ALLOWANCE FOR CREDIT LOSSES ON LOANS

Loans by Type
(dollars in thousands)

	2024		2023		2022	
As of December 31	Amortized Cost	Percentage	Amortized Cost	Percentage	Amortized Cost	Percentage
Real estate mortgage	$6,696,152	50.1%	$6,358,071	50.8%	$6,858,494	54.1%
Production and intermediate-term	2,426,478	18.2	2,197,637	17.6	2,228,232	17.6
Agribusiness	3,109,896	23.3	2,939,026	23.5	2,724,693	21.5
Other	1,128,169	8.4	1,010,975	8.1	858,105	6.8
Total	$13,360,695	100.0%	$12,505,709	100.0%	$12,669,524	100.0%

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

Throughout Note 3 accrued interest receivable on loans of $109.5 million and $100.3 million at December 31, 2024, and 2023, respectively, has been excluded from the amortized cost of loans and is presented in "Accrued interest receivable" in the Consolidated Statements of Condition.

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, 2024, amortized cost on loans plus commitments, reduced by government guaranteed portions of loans, to our ten largest borrowers totaled an amount equal to 5.0% 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.

PARTICIPATIONS

We may purchase or sell participation interests with other parties to diversify risk, manage portfolio size, 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, 2024	Purchased	Sold	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$ —	$(610,956)	$ 229,270	$(284,398)	$226,033	$ —	$455,303	$(895,354)
Production and intermediate-term	—	(457,646)	632,059	(812,909)	225,351	—	857,410	(1,270,555)
Agribusiness	—	(342,870)	1,598,250	(433,693)	54,000	(8,519)	1,652,250	(785,082)
Other	—	(104,365)	999,431	(90,762)	—	—	999,431	(195,127)
Total	$ —	$(1,515,837)	$3,459,010	$(1,621,762)	$505,384	$(8,519)	$3,964,394	$(3,146,118)
As of December 31, 2023								
Real estate mortgage	$ —	$(619,214)	$103,967	$(230,691)	$255,762	$ —	$359,729	$(849,905)
Production and intermediate-term	—	(517,421)	593,839	(799,535)	257,819	—	851,658	(1,316,956)
Agribusiness	—	(359,794)	1,544,267	(215,696)	49,063	—	1,593,330	(575,490)
Other	—	(102,893)	825,363	(26,732)	—	—	825,363	(129,625)
Total	$ —	$(1,599,322)	$3,067,436	$(1,272,654)	$562,644	$ —	$3,630,080	$(2,871,976)
As of December 31, 2022								
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)

CREDIT QUALITY AND DELINQUENCY

Credit risk arises from the potential inability of a borrower to meet its payment obligation and exists in our outstanding loans, letters of credit, and unfunded loan commitments. We manage credit risk associated with our lending activities through an analysis of the credit risk profile of an individual borrower based on management established underwriting standards and board approved lending policies. The evaluation of the borrower's credit risk profile may include analysis of several factors including, but not limited to, credit history, repayment capacity, financial position, and collateral. Real estate mortgage loans must be secured by first liens on the real estate. As required by the FCA regulations, each institution that makes loans on a secured basis must have collateral evaluation policies and procedures. Real estate mortgage loans may be made only in amounts up to 85% of the original appraised value of the property taken as security or up to 97% of the appraised value if guaranteed by a state, federal, or other governmental agency. The actual loan to appraised value when loans are made is generally lower than the statutory maximum percentage. Loans other than real estate mortgage may be made on a secured or unsecured basis.

We use a two-dimensional risk rating model based on an internally generated combined System risk rating guidance that incorporates a 14-point probability of default rating scale to identify and track the probability of borrower default and a separate 6-point scale addressing loss given default. Probability of default is our assumption of the probability that a borrower will experience a default during the life of the loan. Each of the 14 probability of default categories carries a distinct percentage of default probability and is associated with a FCA Uniform Classification System credit quality category. The loss given default is our assumption as to the anticipated principal loss on a specific loan assuming default occurs during the remaining life of the loan. A default is considered to have occurred if the lender believes the borrower will not be able to pay its obligation in full or the borrower or the loan is classified as nonaccrual. This credit risk rating process incorporates objective and subjective criteria to identify inherent strengths, weaknesses, and risks in a particular relationship. We review the probability of default category periodically in accordance with our policy, or when a credit action is taken.

We utilize the FCA Uniform Classification System, which categorizes loans into five credit quality categories:

- 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, 2024, 2023, or 2022.

The probability of default rate of the acceptable category reflects almost no default to a minimal default percentage. The probability of default rate grows more rapidly as a loan moves from acceptable to special mention and grows significantly as a loan moves to a substandard (viable) level. A substandard (non-viable) rating indicates that the probability of default is almost certain.

Credit Quality of Loans at Amortized Cost[1]

(dollars in thousands)

	Acceptable		Special Mention		Substandard/ Doubtful		Total
As of December 31, 2024	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount
Real estate mortgage	$6,526,915	97.5%	$93,986	1.4%	$75,251	1.1%	$6,696,152
Production and intermediate-term	2,271,406	93.6	124,233	5.1	30,839	1.3	2,426,478
Agribusiness	2,773,000	89.2	208,686	6.7	128,210	4.1	3,109,896
Other	1,084,099	96.1	26,003	2.3	18,067	1.6	1,128,169
Total	$12,655,420	94.7%	$452,908	3.4%	$252,367	1.9%	$13,360,695
As of December 31, 2023							
Real estate mortgage	$6,224,014	97.9%	$61,739	1.0%	$72,318	1.1%	$6,358,071
Production and intermediate-term	2,127,051	96.7	31,928	1.5	38,658	1.8	2,197,637
Agribusiness	2,756,128	93.8	63,068	2.1	119,830	4.1	2,939,026
Other	978,181	96.8	29,673	2.9	3,121	0.3	1,010,975
Total	$12,085,374	96.6%	$186,408	1.5%	$233,927	1.9%	$12,505,709
As of December 31, 2022							
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

[1]Prior to the adoption of CECL, which was effective January 1, 2023, accruing loans included accrued interest receivable.

Aging Analysis of Loans at Amortized Cost[1]
(in thousands)

As of December 31, 2024	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
Real estate mortgage	$15,111	$1,561	$16,672	$6,679,480	$6,696,152
Production and intermediate-term	3,696	2,019	5,715	2,420,763	2,426,478
Agribusiness	180	4,999	5,179	3,104,717	3,109,896
Other	1,355	16	1,371	1,126,798	1,128,169
Total	$20,342	$8,595	$28,937	$13,331,758	$13,360,695
As of December 31, 2023					
Real estate mortgage	$9,564	$387	$9,951	$6,348,120	$6,358,071
Production and intermediate-term	3,648	1,481	5,129	2,192,508	2,197,637
Agribusiness	171	7,830	8,001	2,931,025	2,939,026
Other	2,284	139	2,423	1,008,552	1,010,975
Total	$15,667	$9,837	$25,504	$12,480,205	$12,505,709
As of December 31, 2022					
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

[1]Prior to the adoption of CECL, which was effective January 1, 2023, accruing loans included accrued interest receivable.

There were no loans 90 days or more past due and still accruing interest at December 31, 2024, 2023, or 2022.

NONACCRUAL LOANS

Nonaccrual Loans by Loan Type
(in thousands)

As of December 31	2024	2023	2022
Real estate mortgage	$11,962	$20,663	$9,141
Production and intermediate-term	3,483	3,325	5,969
Agribusiness	48,231	17,399	12,649
Other	2,230	2,564	851
Total	$65,906	$43,951	$28,610

Additional Nonaccrual Loans Information
(in thousands)

	As of December 31, 2024 Amortized Cost Without Allowance	For the year ended December 31, 2024 Interest Income Recognized
Real estate mortgage	$11,041	$1,307
Production and intermediate-term	1,180	1,023
Agribusiness	20,898	11
Other	409	31
Total	$33,528	$2,372

	As of December 31, 2023 Amortized Cost Without Allowance	For the year ended December 31, 2023 Interest Income Recognized
Real estate mortgage	$6,278	$1,441
Production and intermediate-term	427	138
Other	487	117
Total	$7,192	$1,696

Reversals of interest income on loans that moved to nonaccrual status were not material for the years ended December 31, 2024, or 2023.

LOAN MODIFICATIONS GRANTED TO BORROWERS EXPERIENCING FINANCIAL DIFFICULTY

Included within our loans are loan modifications; some of which are granted to borrowers experiencing financial difficulty. Our loans classified as modified loans at December 31, 2024, or 2023, and activity on these loans during the years ended December 31, 2024, or 2023, were not material. We did not have any material commitments to lend to borrowers whose loans were modified during the years ended December 31, 2024, or 2023.

ALLOWANCE FOR CREDIT LOSSES

Our loan portfolio is divided into segments primarily based on loan type which are the segments used to estimate the allowance for credit losses. As our lending authorities limit the types of loans we can originate, our portfolio is concentrated in the agriculture sector. The credit risk associated with each of our portfolio segments includes a strong correlation to agricultural commodity prices and input costs. Specifically for our real estate mortgage segment, the value of agricultural land that serves as collateral is a key risk characteristic. Additionally, unemployment rates and gross domestic product levels are additional key risk characteristics attributable to our portfolio. We consider these characteristics, among others, in assigning internal risk ratings and forecasting credit losses on our loan portfolio and related unfunded commitments.

We develop our reasonable and supportable forecast by considering a multitude of macroeconomic variables. Our forecasts of agricultural commodity prices (milk and corn), United States (U.S.) real gross domestic product, and the U.S. unemployment rate represent the key macroeconomic variables that most significantly affect the estimate of the allowance for credit losses on loans and unfunded commitments.

We utilize a single macroeconomic scenario in the estimate of the allowance for credit losses on loans and unfunded commitments which represents the most probable forecasted outcome. Subsequent changes in the macroeconomic forecasts will be reflected in the provision for credit losses in future periods.

Changes in Allowance for Credit Losses
(in thousands)

As of December 31	2024	2023	2022
Allowance for Credit Losses on Loans			
Balance at beginning of year	$35,874	$40,889	$55,056
Cumulative effect of change in accounting principle	—	(8,134)	—
Provision for (reversal of) credit losses on loans	24,210	22,477	(22,011)
Loan recoveries	268	382	8,522
Loan charge-offs	(21,900)	(19,740)	(678)
Balance at end of year	$38,452	$35,874	$40,889
Allowance for Credit Losses on Unfunded Commitments			
Balance at beginning of year	$8,120	$3,826	$3,315
Cumulative effect of change in accounting principle	—	4,805	—
(Reversal of) provision for credit losses on unfunded commitments	(346)	(511)	511
Balance at end of year	$7,774	$8,120	$3,826
Total allowance for credit losses	$46,226	$43,994	$44,715

The allowance for credit losses on loans did not change significantly from December 31, 2023.

Changes in Allowance for Credit Losses on Loans by Loan Type
(in thousands)

	Real Estate Mortgage	Production and Intermediate-Term	Agribusiness	Other	Total
Allowance for credit losses on loans:					
Balance as of December 31, 2023	$10,577	$4,601	$18,684	$2,012	$35,874
(Reversal of) provision for credit losses on loans	(2,349)	3,593	22,902	64	24,210
Loan recoveries	123	82	8	55	268
Loan charge-offs	(189)	(822)	(20,874)	(15)	(21,900)
Balance as of December 31, 2024	$8,162	$7,454	$20,720	$2,116	$38,452
Allowance for credit losses on loans:					
Balance as of December 31, 2022	$6,591	$3,920	$27,812	$2,566	$40,889
Cumulative effect of change in accounting principle	3,748	(592)	(11,896)	606	(8,134)
Provision for (reversal of) credit losses on loans	3,251	6,965	12,744	(483)	22,477
Loan recoveries	221	29	87	45	382
Loan charge-offs	(3,234)	(5,721)	(10,063)	(722)	(19,740)
Balance as of December 31, 2023	$10,577	$4,601	$18,684	$2,012	$35,874
Allowance for credit losses on loans:					
Balance as of December 31, 2021	$25,837	$11,646	$16,367	$1,206	$55,056
(Reversal of) provision for credit losses on loans	(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

PREVIOUSLY REQUIRED DISCLOSURES

The disclosures in this section were required prior to January 1, 2023. Upon the adoption of CECL, these disclosures are no longer required prospectively.

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

Risk Loan Information
(in thousands)

As of December 31	2022
Nonaccrual loans:	
Current as to principal and interest	$23,832
Past due	4,778
Total nonaccrual loans	28,610
Accruing restructured loans	2,790
Accruing loans 90 days or more past due	—
Total risk loans	$31,400
Volume with specific allowance	$16,704
Volume without specific allowance	14,696
Total risk loans	$31,400
Total specific allowance	$8,799
For the year ended December 31	**2022**
Income on accrual risk loans	$130
Income on nonaccrual loans	8,248
Total income on risk loans	$8,378
Average risk loans	$30,771

Note: Accruing loans include accrued interest receivable.

Additional Impaired Loan Information by Loan Type
(in thousands)

	As of December 31, 2022			For the year ended December 31, 2022	
	Recorded Investment[1]	Unpaid Principal Balance[2]	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

[1]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.

[2]Unpaid principal balance represents the contractual principal balance of the loan.

Year End Recorded Investments by Loan Type
(in thousands)
As of December 31, 2022

	Real Estate Mortgage	Production and Intermediate-Term	Agribusiness	Other	Total
Allowance for loan losses:					
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	$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

TROUBLED DEBT RESTRUCTURINGS:
Prior to the adoption of CECL, a restructuring of a loan constituted a troubled debt restructuring, also known as formally restructured, if the creditor for economic or legal reasons related to the borrower's financial difficulties granted a concession to the borrower that it would not otherwise consider. Concessions varied by program and were borrower-specific and could include interest rate reductions, term extensions, payment deferrals, or the acceptance of additional collateral in lieu of payments. In limited circumstances, principal may have been forgiven.

We completed TDRs of certain real estate mortgage loans during the year ended December 31, 2022, which were due to extension of maturity. Our recorded investment in these loans just prior to and immediately following the restructuring was $1.9 million during the year ended December 31, 2022. 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.

We had TDRs in the real estate mortgage loan category with amortized cost plus accrued interest of $1.9 million that defaulted during the year ended December 31, 2022, in which the modifications were within twelve months of the reporting period.

TDRs Outstanding
(in thousands)

As of December 31	2022
Accrual status:	
Real estate mortgage	$2,303
Production and intermediate-term	185
Other	302
Total TDRs in accrual status	$2,790
Nonaccrual status:	
Real estate mortgage	$643
Production and intermediate-term	72
Other	2
Total TDRs in nonaccrual status	$717
Total TDRs:	
Real estate mortgage	$2,946
Production and intermediate-term	257
Other	304
Total TDRs	$3,507

Note: Accruing loans include accrued interest receivable.

NOTE 4: INVESTMENT IN AGRIBANK

Our investment in AgriBank was $486.2 million, $489.0 million, and $350.7 million at December 31, 2024, 2023, and 2022, respectively. As of December 31, 2024, we were required by AgriBank to maintain an investment equal to 3.1% of the average quarterly balance of our note payable. We are also required to hold AgriBank stock based on a contractual agreement under any asset pool program in which we participate. The required investment amount varies by asset 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	2024	2023	2022
Land, buildings, and improvements	$62,696	$62,149	$61,126
Furniture, equipment, and software	28,391	35,316	33,343
Subtotal	91,087	97,465	94,469
Less: accumulated depreciation	39,720	45,910	42,046
Premises and equipment, net	$51,367	$51,555	$52,423

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 at a variable rate as 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	2024	2023	2022
Line of credit	$13,500,000	$13,500,000	$13,500,000
Outstanding principal under the line of credit	11,202,663	10,501,604	10,678,542
Interest rate	3.9%	3.9%	3.0%

Our note payable was scheduled to mature on December 31, 2025. However, it was renewed early for $14.0 billion with an origination date of January 1, 2025, and a maturity date of December 31, 2027. 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, 2024, 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 $5.00 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.

Beginning in 2024 all non-stockholder customers who purchase financial services will not be required to make a cash investment to acquire a participation certificate. Instead, their obligation to pay for their participation certificate is maintained as an interest free obligation with the Association.

Regulatory Capital Requirements and Ratios As of December 31	2024	2023	2022	Regulatory Minimums	Capital Conservation Buffer	Total
Risk-adjusted:						
Common equity tier 1 ratio	15.5%	14.8%	15.1%	4.5%	2.5%	7.0%
Tier 1 capital ratio	15.5%	14.8%	15.1%	6.0%	2.5%	8.5%
Total regulatory capital ratio	15.8%	15.2%	15.4%	8.0%	2.5%	10.5%
Permanent capital ratio	15.5%	14.9%	15.1%	7.0%	N/A	7.0%
Non-risk-adjusted:						
Tier 1 leverage ratio	16.8%	15.9%	16.0%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	16.6%	15.7%	15.8%	1.5%	N/A	1.5%

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

Risk-adjusted assets are 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 credit losses on loans and the allowance for credit losses on investment securities, if applicable, 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 credit losses on loans, unfunded commitments, and investment securities 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 retained earnings 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	2024	2023	2022
Class B common stock (at-risk)	4,836,914	4,719,833	4,602,666
Class E participation certificates (at-risk)	575,743	575,278	575,583
Class F participation certificates (protected)	—	152	152

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, 2024, 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 at December 31, 2024, 2023, and 2022. 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	2024	2023	2022
Current:			
Federal	$1,626	$3,757	$4,346
State	345	384	649
Total current	$1,971	$4,141	$4,995
Deferred:			
Federal	$(1,255)	$1,185	$855
State	(48)	35	36
Total deferred	(1,303)	1,220	891
Provision for income taxes	$668	$5,361	$5,886
Effective tax rate	0.2%	1.8%	2.0%

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

For the year ended December 31	2024	2023	2022
Federal tax at statutory rates	$62,434	$60,974	$61,010
State tax, net	235	420	437
Patronage distributions	(4,200)	(4,200)	(6,833)
Effect of non-taxable entity	(54,290)	(51,817)	(50,224)
Other	(3,511)	(16)	1,496
Provision for income taxes	$668	$5,361	$5,886

Refer to the income taxes policy in Note 2 for information on exemptions related to our non-taxable entity.

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	2024	2023	2022
Allowance for credit losses on loans	$1,816	$2,120	$1,992
Accrued incentive	1,313	1,054	974
Accrued patronage income not received	(232)	(1,413)	—
Accrued pension asset	(3,487)	(3,743)	(3,924)
Other assets	893	977	1,207
Other liabilities	(1,318)	(1,313)	(1,322)
Deferred tax liabilities, net	$(1,015)	$(2,318)	$(1,073)
Gross deferred tax assets	$4,022	$4,151	$4,173
Gross deferred tax liabilities	$(5,037)	$(6,469)	$(5,246)

A valuation allowance for the deferred tax assets was not necessary at December 31, 2024, 2023, or 2022.

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 $2.4 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, 2024. In addition, we believe we are no longer subject to income tax examinations for years prior to 2021.

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 2024 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: We 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	2024	2023	2022
Funded (unfunded) status	$55,397	$(31,065)	$(87,688)
Projected benefit obligation	1,096,604	1,245,052	1,204,130
Fair value of plan assets	1,152,001	1,213,987	1,116,442
Accumulated benefit obligation	1,011,357	1,140,936	1,083,610

For the year ended December 31	2024	2023	2022
Total plan expense	$41,090	$55,535	$30,475
Our allocated share of plan expenses	3,546	4,920	2,527
Contributions by participating employers	40,000	45,000	90,385
Our allocated share of contributions	3,448	3,946	8,188

The funded (unfunded) status 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 $127.5 million in 2024. 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 2025 is $14.7 million. Our allocated share of these pension contributions is expected to be $1.3 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	2024	2023	2022
Our unfunded status	$(8,042)	$(8,173)	$(9,313)

For the year ended December 31	2024	2023	2022
Our cash contributions	$863	$863	$ —

The nonqualified plan is funded as the benefits are paid; therefore, there are no assets in the plan and the unfunded status 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. The Pension Restoration Plan is unfunded and we make annual contributions to fund benefits paid to our retirees covered by the plan. Our cash contributions are equal to the benefits paid. There were no benefits paid under the Pension Restoration Plan to our senior officers who were actively employed during the year.

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

DEFINED CONTRIBUTION PLANS

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

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

Employer contribution expenses for these plans, included in "Salaries and employee benefits" in the Consolidated Statements of Comprehensive Income, were $5.5 million, $4.9 million, and $4.4 million in 2024, 2023, and 2022, 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, 2024, involved more than a normal risk of collectability. There were no material related party transactions other than the loan transactions disclosed in the following related party loans information table.

Related Party Loans Information
(in thousands)

As of December 31	2024	2023	2022
Total related party loans	$32,318	$34,050	$31,654
For the year ended December 31	**2024**	**2023**	**2022**
Advances to related parties	$16,418	$23,173	$15,909
Repayments by related parties	18,051	20,958	15,470

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 table 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 in the Consolidated Statements of Comprehensive Income was paid to AgriBank.

Total patronage from AgriBank, which includes a partnership distribution from AgDirect, LLP, was $69.8 million, $72.5 million, and $63.5 million in 2024, 2023, and 2022, respectively. Patronage income for 2024, 2023, and 2022 was received in cash and AgriBank stock.

In addition, we received compensation from AgriBank for servicing loans of $2.4 million, $513 thousand, and $223 thousand in 2024, 2023, and 2022, respectively.

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

We purchase certain business services, primarily financial reporting, from AgriBank. We also purchase the following services from SunStream Business Services (SunStream): financial and retail information technology, collateral, tax reporting, and insurance. In addition, we 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 following table 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	2024	2023	2022
Investment in AgriBank	$486,235	$489,023	$350,696
Investment in AgDirect, LLP	32,066	32,445	29,685
Investment in SunStream	1,875	1,875	1,875
Investment in Foundations	59	59	59
For the year ended December 31	**2024**	**2023**	**2022**
AgriBank District purchased services	$5,327	$4,669	$4,599

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, 2024, we had commitments to extend credit and unexercised commitments related to standby letters of credit of $3.8 billion. Additionally, we had $100.2 million of issued standby letters of credit as of December 31, 2024.

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 have off-balance sheet credit risk because their contractual amounts are not reflected on the balance sheet until funded or drawn upon. 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.

We guarantee the amounts borrowed by SunStream on their line of credit with AgriBank, up to $50.0 million. The term of the line of credit is 36 months and scheduled to mature on June 30, 2027, 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. The outstanding balance on the SunStream line of credit at December 31, 2024, was $29.8 million. 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, 2024, 2023, or 2022.

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, 2024	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Loans	$ —	$ —	$16,828	$16,828
Acquired property	—	—	2,723	2,723

As of December 31, 2023	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Loans	$ —	$ —	$26,523	$26,523
Acquired property	—	—	947	947

As of December 31, 2022	Fair Value Measurement Using			Total Fair
	Level 1	Level 2	Level 3	Value
Loans	$ —	$ —	$8,300	$8,300
Acquired property	—	—	4,744	4,744

VALUATION TECHNIQUES

Loans: Represents the carrying amount of loans evaluated individually for credit losses and deemed to be collateral dependent. The carrying value amount is based on the estimated value of the underlying collateral, less costs to sell. When the fair value of the collateral, less costs to sell, is less than the amortized cost basis of the loan, a specific allowance for expected credit losses is established. Costs to sell represent transaction costs and are not included as a component of the collateral's estimated fair value. Typically, 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 and, therefore, are classified as Level 3 fair value measurements.

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 7, 2025, 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 2024 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[1]	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

[1]The Hastings branch was closed and the building was sold in February 2025.

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, 2024.

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, 2024, including business experience during the last five years and any other business interest where a director serves on the board of directors or as a senior officer follows:

Name	Principal Occupation and Other Affiliations
Edward L. Reed (Age 62) 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 Member: Beacon Three Rivers Community Hospital, a non-profit health care system Board Member: National Pork Producers Council, a trade association representing U.S. pork producers
Peter C. Maxwell (Age 40) Board Vice Chair Executive Committee, Vice Chair Compensation Committee, Chair Board Service Began: June 2016 Current Term Expires: 2028	**Principal Occupation:** Self-employed grain farmer Independent Sales Agent: ACH Seeds, marketing Crystal brand sugar beet seed 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 79) 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 68) Finance Committee, 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, a branch of local government
Terri J. Hawbaker (Age 44) Legislative/Public Policy Committee, Vice Chair Board Service Began: June 2015 Current Term Expires: 2027	**Principal Occupation:** Self-employed dairy farmer Owner/Operator: Grazeway Dairy Farms, a dairy farm **Other Affiliations:** Owner: FirstGen Auction Solutions, charity and benefit auctions
Trent C. Hilding (Age 44) 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 59) Audit Committee Board Service Began: June 2011 Current Term Expires: 2025	**Principal Occupation:** Self-employed livestock and grain farmer **Other Affiliations:** Board Member: Hillsdale County Farm Bureau, an advocacy and outreach board to protect agriculture
Ronald W. Lucas (Age 68) Audit Committee, Vice Chair Board Service Began: June 2013 Current Term Expires: 2028	**Principal Occupation:** Self-employed dairy farmer Member-Manager: Lucas Dairy Farms LLC, a dairy farm **Other Affiliations:** Supervisor: Wellington Township, a local governing unit Treasurer: Alpena Hopper Lodge #199, a fraternal organization Delegate: Genex Board, a dairy herd reproduction and breeding organization Member: Northeast Michigan Materials Management Authority, a county formed authority to build a new recycling facility

Name	Principal Occupation and Other Affiliations
David J. McConnachie (Age 67) Finance Committee Board Service Began: June 2020 Current Term Expires: 2028	**Principal Occupation:** Self-employed grain farmer Member-Manager: Dave's Dirt, LLC, a sugar beet and grain farm
Dennis C. Muchmore (Age 78) Appointed Director Legislative/Public Policy Committee Board Service Began: June 2002 Current Term Expires: 2029	**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 61) Audit Committee Board Service Began: June 2007 Current Term Expires: 2028	**Principal Occupation:** Agronomy Consultant: Star of the West Milling Company, provides agronomy services (March 2019 to June 2024) Employed: Cedar Pond Farms, Inc. Director: Cedar Pond Farms, Inc., a sugar beet and grain farm President: Cedar Pond Holdings, LLC, a land holding entity
Troy J. Sellen (Age 40) Legislative/Public Policy Committee Board Service Began: June 2019 Current Term Expires: 2027	**Principal Occupation:** Self-employed dairy farmer Member-Manager: Valley Line Dairy LLC, a dairy farm operation Member-Manager: Valley Line Properties, LLC, a land holding company for the farm (January 2016 to June 2021)
Marilyn L. Thelen (Age 65) Finance Committee, Vice Chair Board Service Began: June 2022 Current Term Expires: 2027	**Principal Occupation:** Self-employed grain and beef farmer Secretary/Treasurer: Thelen Ag Products, Inc., sales of ag equipment and parts Retired in January 2023 as Associate Institute Director: Michigan State University Extension, providing leadership to extension educators and specialists across Michigan **Other Affiliations:** Review Committee Member: Michigan Barn Preservation Network, a volunteer based non-profit committed to the rehabilitation of barns
Michael R. Timmer (Age 56) 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 64) Executive Committee Compensation Comamittee Board Service Began: June 2012 Current Term Expires: 2027	**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:** Chair: Wisconsin Farm Credit Legislative Committee (GreenStone representative), legislative interests Board Member: AgriBank District Farm Credit Council, a trade association representing the AgriBank District Chair: AgriBank Nominating Committee, responsible for identifying, evaluating, and nominating candidates for election to the AgriBank board of directors
Jed A. Welder (Age 56) 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, a 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

During 2024, the Board Chair and Chair of the Audit Committee each received annual retainer fees of $44 thousand. The Board Vice Chair received $42 thousand and the remaining board members received $40 thousand. Per diem is paid only for attendance at ad hoc committee meetings at the rate of $600 per day. Additionally, all board members received an annual $600 computer allowance. The retainer fees are paid quarterly. In 2024, 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 2024 follows:

	Number of Days Served			
	Board Meetings	Other Official Activities	Name of Committee	Total Compensation Paid in 2024
Eugene B. College	9	10	Audit	$44,600
Michael J. Feight	9	4	Finance	40,600
Terri J. Hawbaker	9	9	Legislative/Public Policy	40,600
Trent C. Hilding	9	4	Finance	40,600
Bruce E. Lewis	9	8	Audit	40,600
Ronald W. Lucas	9	14	Audit	40,600
Peter C. Maxwell	9	5	Executive/Compensation	42,600
David J. McConnachie	9	3	Finance	40,600
Dennis C. Muchmore	9	8	Legislative/Public Policy	40,600
Edward L. Reed	9	4	Executive/Compensation	44,600
Scott A. Roggenbuck	9	6	Audit	40,600
Troy J. Sellen	9	4	Legislative/Public Policy	40,600
Marilyn L. Thelen	9	6	Finance	40,600
Michael R. Timmer	9	5	Executive/Compensation	41,200
Dale L. Wagner	8	23	Executive/Compensation	44,500
Jed A. Welder	9	9	Legislative/Public Policy	41,200
				$664,700

SENIOR OFFICERS

The senior officers include:

Travis D. Jones
Chief Executive Officer

Paul E. Anderson
Executive Vice President – Chief Credit Officer

Kimberly S. Brunner
CPA, Executive Vice President – Chief Financial Officer

Stephen A. Junglas
Executive Vice President – Chief Information Officer

Peter L. Lemmer
Executive Vice President – Chief Legal Counsel

Ian G. McGonigal
Executive Vice President – Chief Sales and Marketing Officer

Angela M. NaDell
Executive Vice President – Chief Human Resources Officer

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

Travis D. Jones was promoted to Chief Executive Officer (CEO) 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. 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. 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. Angela NaDell was hired in her position as Chief Human Resources Officer in March 2024, prior to that she was Chief People Officer for Southern Michigan Bank and Trust from December 2021 to March 2024 and in a variety of human resources positions, including Executive Director of People and Culture for Consumers Energy, from June 2013 to September 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 System service entity providing financial and technology services to Farm Credit institutions).

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

Kimberly S. Brunner serves as a member of the Farm Credit Foundations Trust Committee (committee which serves as the fiduciary for the benefit plans and trust assets and oversees the administration of the plans for Farm Credit Foundations in St. Paul, Minnesota).

Peter L. Lemmer serves as a board member for the West Michigan Food Processing Association (non-profit that supports agricultural supply chain initiatives).

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

Angela M. NaDell serves as an industry representative board member for 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). She also serves as the board vice chair for Aware Shelter (non-profit that supports survivors of domestic violence in Jackson, Michigan). In addition, she serves as a board member for Jackson Salvation Army (non-profit providing resources to those in need without discrimination).

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 $239 thousand, $217 thousand, and $124 thousand in 2024, 2023, and 2022, 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, 2025, or at any time during 2024.

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 2024 were $122 thousand. Our engagement letter commits to reimbursing the external auditor for reasonable out-of-pocket expenses as incurred. In addition, we incurred $7 thousand for tax services.

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

YOUNG, BEGINNING, AND SMALL FARMERS AND RANCHERS
Information regarding credit and services to young, beginning, and small farmers and ranchers, and producers or harvesters of aquatic products is 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 is age 35 or younger as of the date the loan is 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 is originally made.
- Small: A farmer, rancher, or producer or harvester of aquatic products who normally generates less than $350 thousand in annual gross cash farm income of agricultural or aquatic products at the date the loan is 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 2022 Census of Agriculture became available in 2024 and were studied to try and determine the numbers of YBS farmers within our territory.

The following from the 2022 Agricultural Census represents the best demographic information available in our territory. The Agricultural Census does not measure annual gross farm income at $350 thousand to match the FCA definition. For the closest comparison to the FCA definition we used small farmer, rancher, or producer or harvester of aquatic products that normally generated less than $250 thousand of annual gross sales from the 2022 Agricultural Census. Results of the Census study show the following:

Category	Number	Percent
Number of Farmers 35 and Younger	7,139	10.1%
Number of Farmers on Current Farm 10 Years or Less	18,372	25.9%
Number of Farmers with Less Than $250,000 Farm Sales	45,504	64.1%

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

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

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

Quantitative Targets	Measure	At 12/31/2024
1. Young farmers in portfolio equal to or greater than percentage of young farmers in the most recent available census	12.5%	23.0%
2. Young farmer loans at least 50% of the young farmers in the most recent available census	50.0%	100.7%
3. Young farmers at least 10% total outstanding loan volume	10.0%	12.4%
4. Young farmers at least 10% of all new loans (number)	10.0%	11.0%
5. Beginning farmers at least 10% total number of loans outstanding	10.0%	39.2%
6. Beginning farmers at least 10% of total outstanding loan volume	10.0%	17.7%
7. Beginning farmers at least 10% of all new loans (number)	10.0%	17.6%
8. Small farmers at least 40% of total number of loans outstanding	40.0%	65.9%
9. Small farmers at least 20% of total outstanding loan volume	20.0%	21.3%
10. Small farmers at least 40% of all new loans (number)	40.0%	39.8%
11. Maintain at least 50% of total loan numbers to YBS farmers	50.0%	74.6%
12. Maintain at least 30% of the total outstanding loan volume to YBS farmers	30.0%	29.9%

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 12/31/2024
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	3.7% 3.9% 10.2%
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 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.	7.2% 3.8%
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	19 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	27 Scholarships offered

Two quantitative goals were not met in 2024. GreenStone experienced strong volume growth in the Capital Markets segment compared to YBS volume growth which has a significant impact on YBS ratios. Related Services Qualitative goals for Young and Beginning Farmers and the Coordination Qualitative goals for Young and Beginning Farmers were not met in 2024. There were fewer related services utilized by our YBS farmers during 2024. 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 has established enhanced loan underwriting guidance that provides access to flexible credit structures that are sound and constructive and business resources needed to maximize the opportunity for a Young, Beginning and Small farmer's financial success. Our brand name for our YBS loan program is "Cultivate Growth";
- 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 paid at a rate of interest equal to 3% (300 basis points) less than the loan rate. Effective January 1, 2025, Funds Held is paid at a rate to match the rate for Farm Cash Management accounts.

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

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

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

Office Locations

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Michigan

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Allegan / 269-673-5541
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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

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Bad Axe, MI 48413

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3949 S. Three Mile Rd.,
Bay City, MI 48706

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Monroe, MI 48161

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225 W. Lyon St., Schoolcraft, MI 49087

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Traverse City, MI 49685

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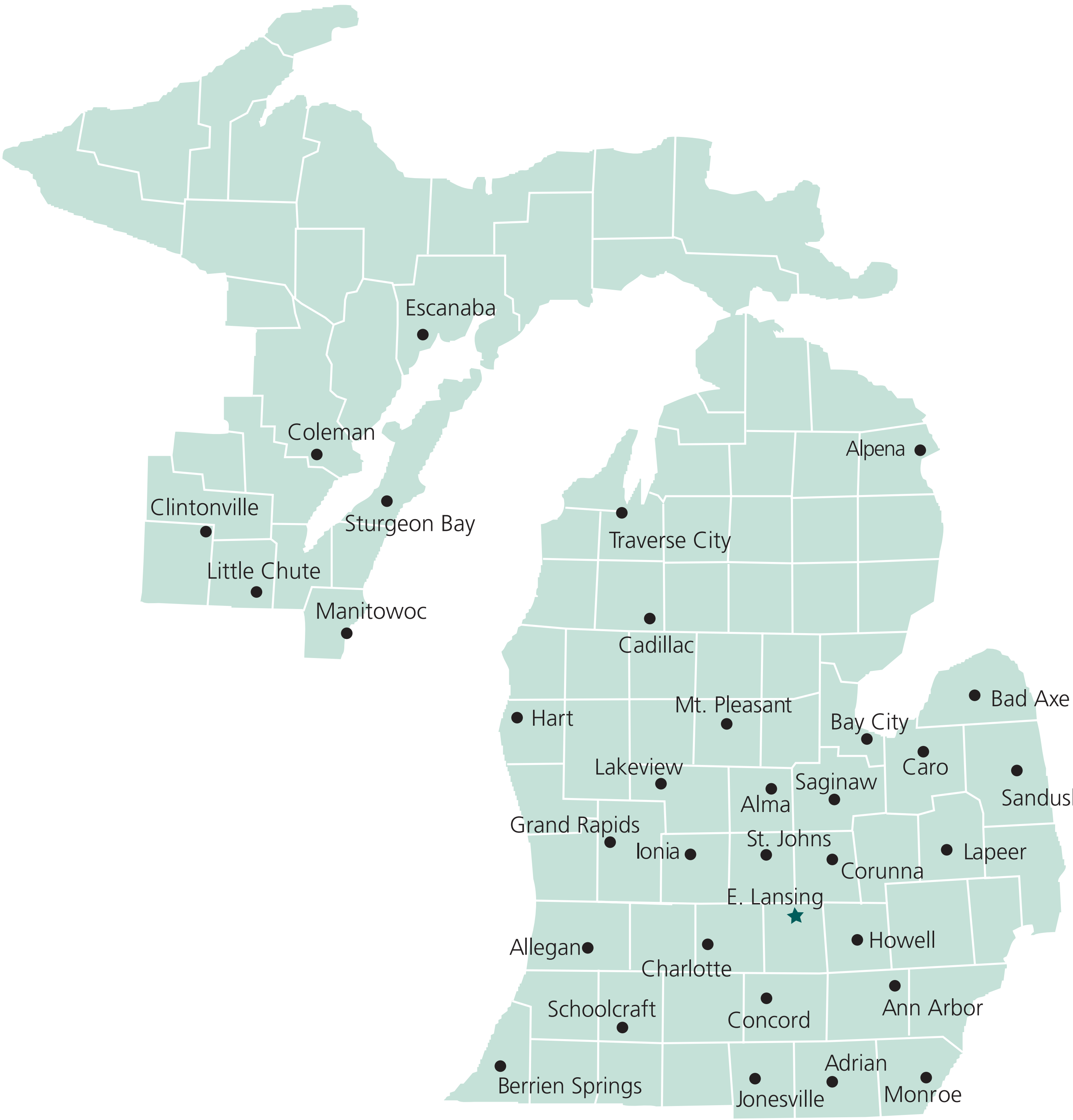

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