



Update on the Farm Credit System Funding Conditions



Recent Financial Headlines

**“Fed Signals Plan to Slow Rate Cuts,
Sending Stocks Lower”**





Recent Financial Headlines



**“World Economy to Accelerate in 2025,
But Recovery Threatened by Higher
Tariffs, OECD Says”**



Funding Update Topics

- Global Market
- Agency Debt Market
- Funding Corporation Activity
- Yields & Spreads on FCS Debt
- FCS Liquidity
- Potential Geopolitical Impacts





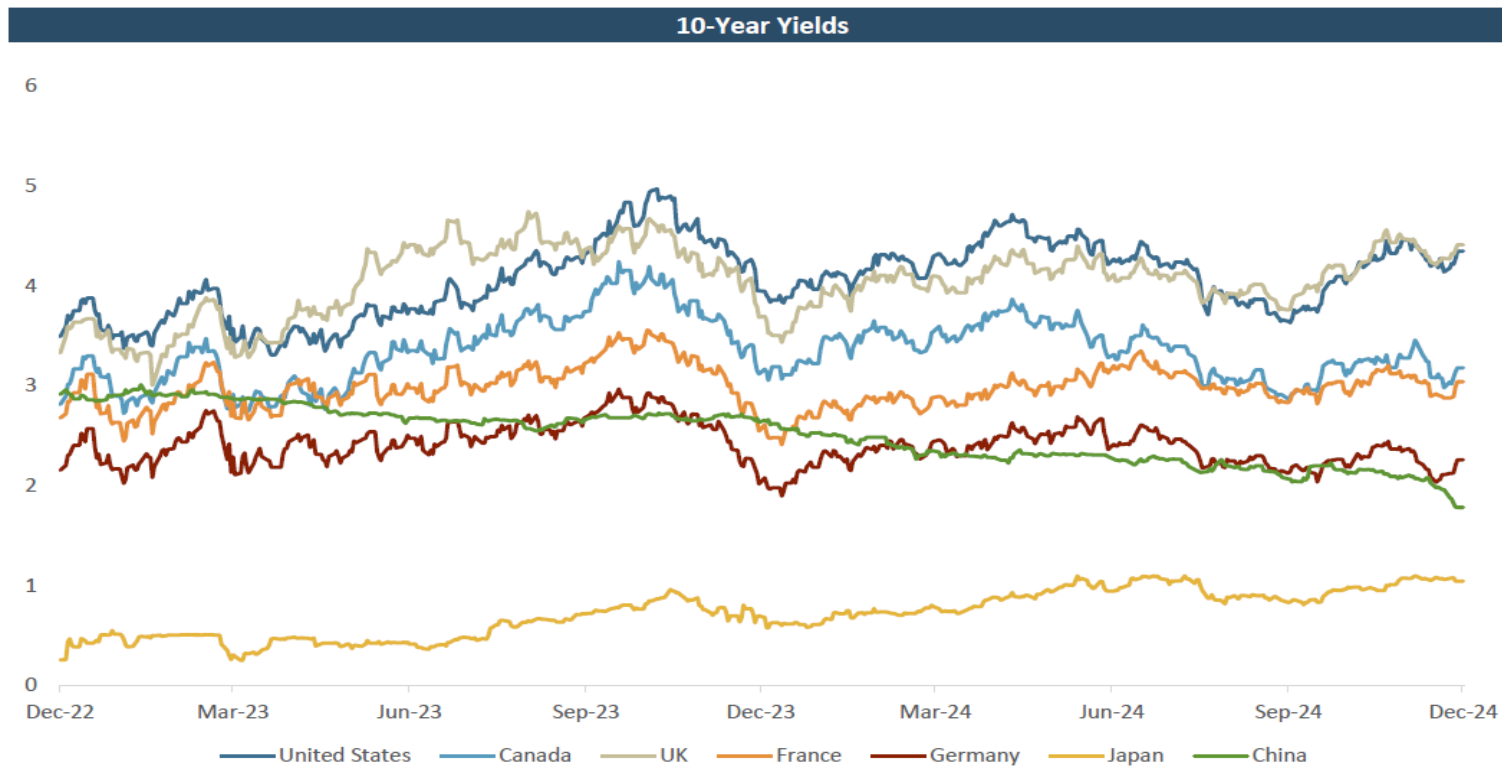
Global Market

- US Market
- E.C.B., Bank of England, Bank of Japan
- China
- Geopolitical Impacts





Global Yields





Credit Rating Agencies - Outlook for the United States

- Standard & Poors – AA+
Outlook – *Stable*
- Moody's – Aaa
Outlook – *Negative*
- Fitch – AA+
Outlook – *Stable*





Agency Debt Issuance

(In billions of dollars)

Institution	2020	2021	2022	2023	11/2024
F.H.L.B.	\$4,642	\$3,745	\$6,371	\$6,892	\$6,377
FCS	421	415	387	281	270
Freddie Mac	465	22	138	146	201
Fannie Mae	370	96	115	236	266
Total	\$5,898	\$4,278	\$7,011	\$7,555	\$7,114

Source: Agency Websites



Agency Debt Outstanding

(in billions of dollars)

Institution	2020	2021	2022	2023	11/2024*
F.H.L.B.	\$ 747	\$653	\$ 1,182	\$1,202	\$1,168
FCS	322	353	391	416	440
Freddie Mac	286	182	179	172	189
Fannie Mae	290	202	139	128	136
Farmer Mac	22	23	25	27	27
Tenn. V.A.	21	21	20	21	21
Total	\$1,688	\$1,434	\$1,936	\$1,966	\$1,981

*Farmer Mac and Tenn. V.A. volume as of October and September 2024, respectively.

Source: Agency Websites



Funding Activity by FCS



Date	Discount Notes	Designated Bonds	Fixed Rate Bonds		Floating Rate Bonds			Retail Bonds	Other ¹	Total
			Callable	Non-Callable	SOFR	PRIME	Other Indexes ²			
11/30/2024	16,134	5,000	129,814	102,441	158,093*	12,950	14,715	8	444	439,599
12/31/2023	19,364	11,700	130,811*	101,995	124,085	12,730	15,010	11	404	416,109
12/31/2022	27,717	12,700	124,924*	95,259	99,548	12,975	17,581	17	417	391,138
12/31/2021	24,280	9,100	104,071*	100,600	79,747	13,165	21,773	20	151	352,906
12/31/2020	23,524	3,100	79,822	90,084*	56,595	11,995	57,153	42	148	322,464

¹ Includes Linked Deposits
² Includes LIBOR
*Highlighted boxes illustrate the recent shift in outstanding debt from fixed rate bonds to SOFR floating rate bonds



Dealer Group

- 34 Dealer Group Members (Dec 3, 2024)
- 9 Leveraging Equality and Diversity (LEAD)

Dealers:

- Includes certified minority, women and disabled veteran firms
- Broad access to System issuance
- Support goal of further diversification in investor base





Discount Notes Investors

- State and Local Govts. - 43 percent
- Investment Managers - 34 percent
- Other/Undisclosed - 14 percent
- Corporations - 6 percent
- Insurance Companies - 2.5 percent
- Banks & Credit Unions - < 1 percent
- Pensions - < 1 percent





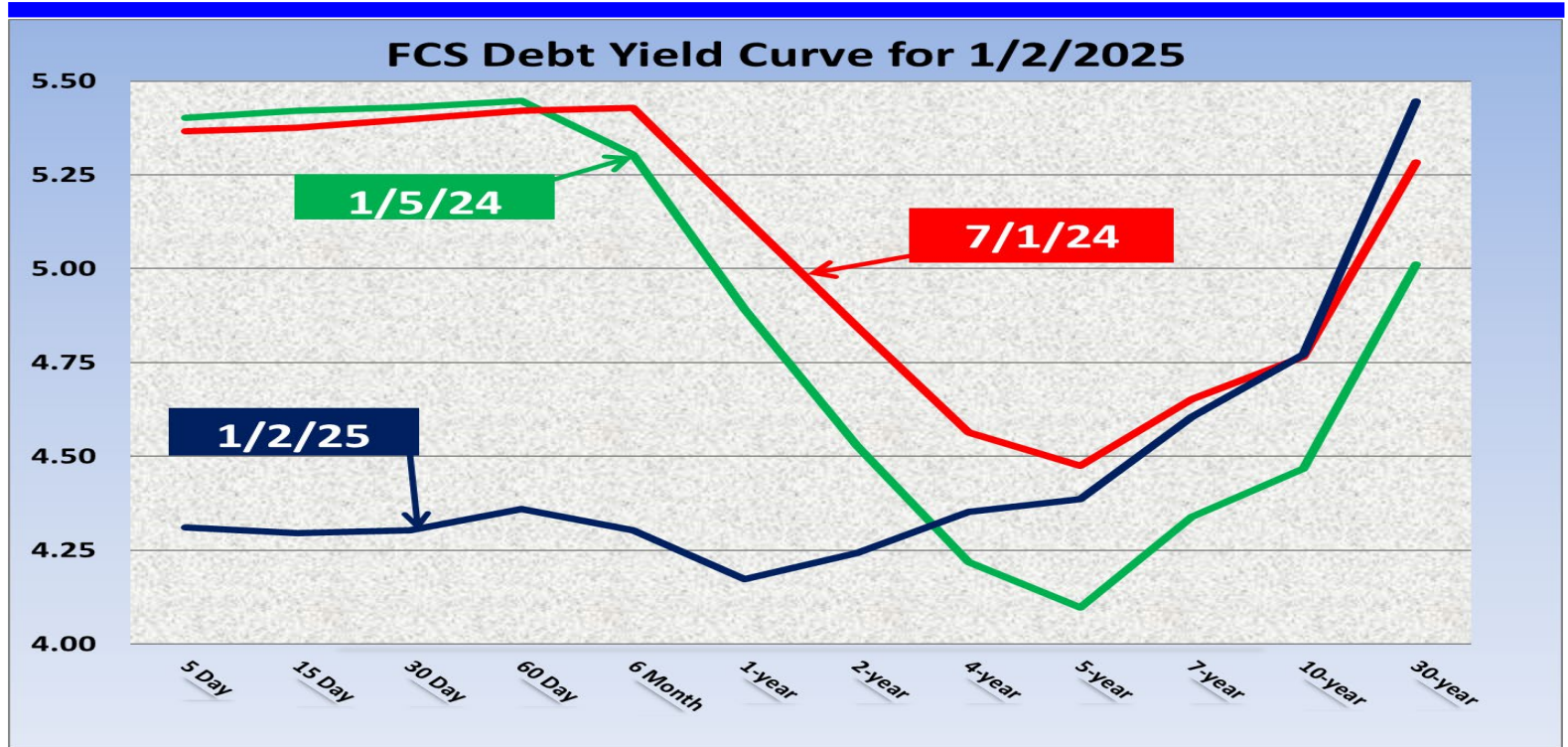
Selling Securities

- Dutch Auction
 - Bullets
- Posted
 - Discount Notes
 - Floaters
- Auction/Negotiated
 - Callables
- Reverse Inquiry





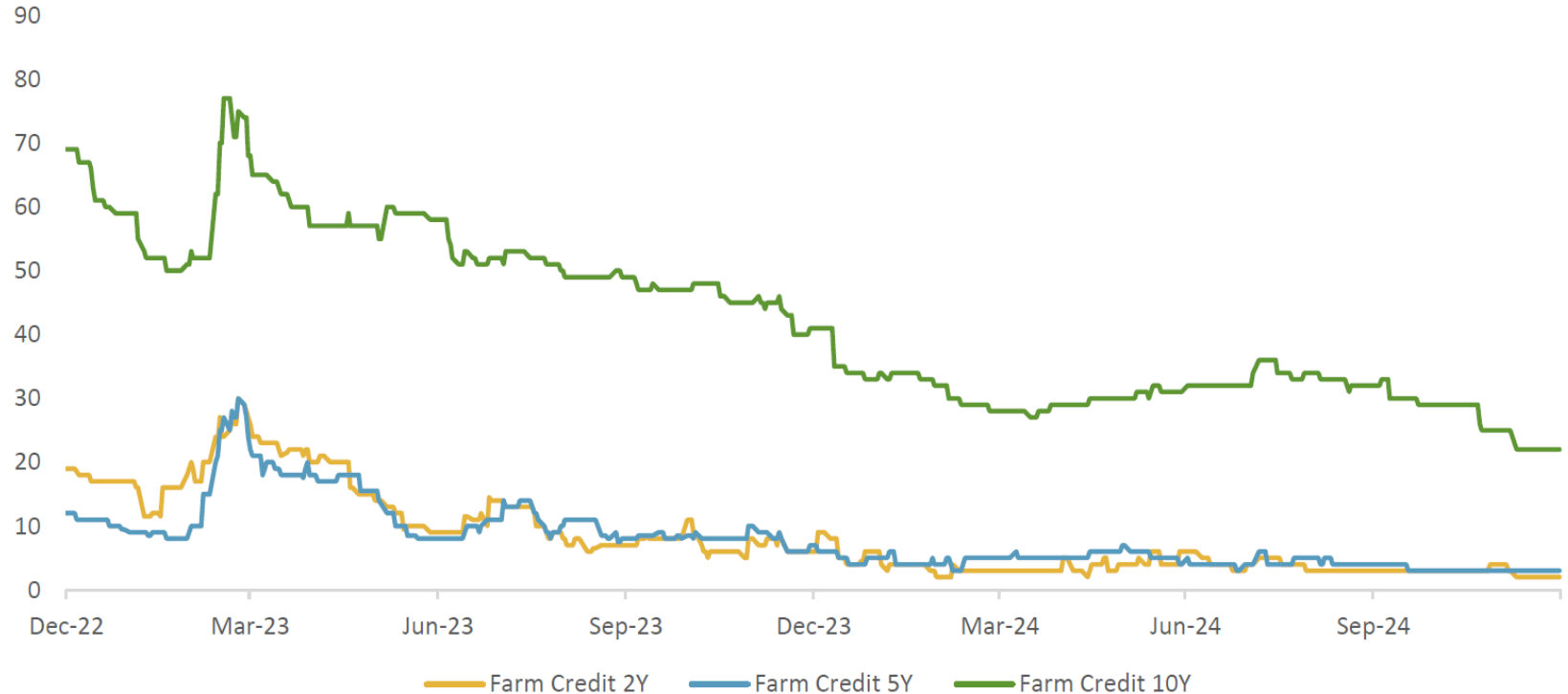
FCS Debt Yield Curve “Normalized”





Favorable Risk Premiums

Farm Credit Spreads

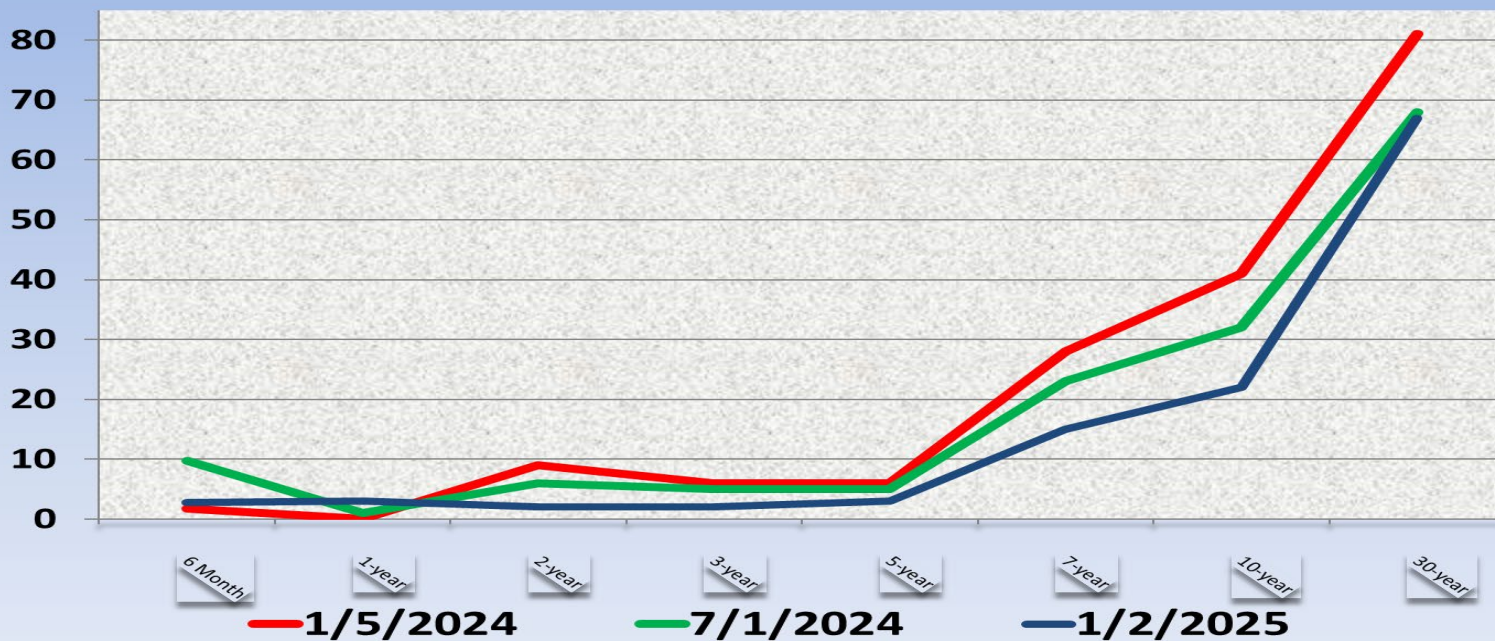




Reduced Risk Premiums for 2024



FCS Basis Points Spread over Treasuries





Days of Liquidity

- As of 9/30/24 System = 178(162) days:
 - AgFirst = 178(175) days, AgriBank = 155(115) days, FCB of TX = 220(209) days, CoBank = 190(185) days
- As of 3/31/24 System = 176(165) days:
 - AgFirst = 198(183) days, AgriBank = 165(135) days, FCB of TX = 190(172) days, CoBank = 178(178) days





Wild Cards

- Political Agenda
- Federal Reserve
- Global Conflicts





Summary

- Overall Strong Demand for FCS Debt, Varies by Type
- Reversion of Inversion of FCS Debt Yield Curve
- Favorable FCS Risk Premiums
- Ample Secondary Liquidity
- Wild Cards

