

**Farm Credit Foundations
Pre-409A Frozen Nonqualified Deferred
Compensation Plan**

**Financial Statements
December 31, 2010 and 2009**

LarsonAllen[®] LLP

CPAs, Consultants & Advisors

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INDEPENDENT AUDITORS' REPORT

Farm Credit Foundations Trust Committee
Farm Credit Foundations Pre-409A
Nonqualified Deferred Compensation Plan
St. Paul, Minnesota

We have audited the accompanying statements of net assets available for benefits of Farm Credit Foundations Pre-409A Nonqualified Deferred Compensation Plan as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Farm Credit Foundations Pre-409A Nonqualified Deferred Compensation Plan as of December 31, 2010 and 2009, and the changes in its net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

LarsonAllen LLP
LarsonAllen LLP

Minneapolis, Minnesota
September 9, 2011



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Farm Credit Foundations
Pre-409A Frozen Nonqualified Deferred Compensation Plan
Statements of Net Assets Available for Benefits
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash	\$ 1,298	\$ 1,277
Mutual funds	<u>9,743,873</u>	<u>10,221,565</u>
Net assets available for benefits	<u>\$ 9,745,171</u>	<u>\$ 10,222,842</u>

See accompanying notes to the financial statements.

Farm Credit Foundations
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Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Net assets available for benefits, beginning of year	\$ 10,222,842	\$ 9,298,729
Net investment income		
Net appreciation in fair value of investments	686,714	1,517,540
Interest and dividend income	<u>86,353</u>	<u>83,970</u>
Total net investment income	773,067	1,601,510
Deductions		
Benefits paid to participants	<u>(1,250,738)</u>	<u>(677,397)</u>
Net (decrease) increase	<u>(477,671)</u>	<u>924,113</u>
Net assets available for benefits, end of year	<u>\$ 9,745,171</u>	<u>\$ 10,222,842</u>

See accompanying notes to the financial statements.

Farm Credit Foundations Pre-409A Frozen Nonqualified Deferred Compensation Plan Notes to Financial Statements December 31, 2010 and 2009

1. Description of the Plan

The following description of the Farm Credit Foundations Pre-409A Frozen Nonqualified Deferred Compensation Plan (the "Plan") provides general information regarding the Plan. Refer to the Plan document for a complete description of Plan provisions.

General

The Plan is sponsored and maintained by the Participating Employers in this Plan for the benefit of their eligible employees. The Plan is intended to be an unfunded nonqualified deferred compensation plan for tax purposes and is not intended to meet the qualification requirements of Code § 401(a).

The Plan resulted from the merger of (a) the Ninth Farm Credit District Nonqualified Deferred Compensation Plan, (the "Ninth District NQDC Plan"), (b) the Farm Credit Consolidated Supplemental Retirement Savings Plan (the "Consolidated Plan"), and (c) the Harvest Benefit Restoration Provisions of the Ninth Farm Credit District Nonqualified Benefit Restoration Plan (the "Harvest Plan Plus"), which took place effective January 1, 2007. Upon the merger of the three plans, the name was changed to the Farm Credit Foundations Pre-409A Frozen Nonqualified Deferred Compensation Plan. The Plan is considered an amendment and restatement of the three plans.

The purpose of this Plan is to provide benefits to former participants in the Harvest Plan Plus, the Ninth District NQDC Plan, and the Consolidated Plan, which benefits were earned and vested under those plans prior to January 1, 2005. Participants in this Plan are not permitted to accrue additional benefits under this Plan, other than earnings on the amounts that were earned and vested prior to January 1, 2005.

The Ninth District Benefit Restoration Plan (the "Benefit Restoration Plan") was established on July 1, 1996, by the Farm Credit Bank of Wichita (which later changed its name to U.S. AgBank, FCB). The Harvest Benefit Restoration Provisions of the Benefit Restoration Plan were frozen effective December 31, 2004. The Benefit Restoration Plan has been split, effective January 1, 2007, between this Plan, which plan includes the Harvest Plan Plus, and the U.S. AgBank District Pension Restoration Plan, which plan includes the pension restoration component of the Benefit Restoration Plan. Amounts that were earned and vested under the Harvest Plan Plus prior to January 1, 2005, (including earnings thereon) have been "grandfathered" under Code § 409A and have been transferred into the Harvest Plan Plus Accounts in this Plan. Amounts that were not earned and vested prior to January 1, 2005, (including earnings thereon) have been transferred into accounts in the Farm Credit Foundations NQDC Plan, effective January 1, 2007. The Ninth District NQDC Plan was established on July 1, 1996, by the Farm Credit Bank of Wichita (which later changed its name to U.S. AgBank, FCB). The Ninth District NQDC Plan has been split, effective January 1, 2007, between this Plan and the Farm Credit Foundations Nonqualified Deferred Compensation Plan (the "Farm Credit Foundations NQDC Plan"). Amounts that were earned and vested under the Ninth District NQDC Plan prior to January 1, 2005, (including earnings thereon) have been "grandfathered" under Code § 409A and have been transferred into the Ninth District NQDC Accounts in this Plan. Amounts that were not earned and vested prior to January 1, 2005, (including earnings thereon) have been transferred into accounts in the Farm Credit Foundations NQDC Plan, effective January 1, 2007.

The Consolidated Plan resulted from an earlier merger of (a) the AgAmerica District Supplemental Executive Retirement Plan, (b) the AgAmerica District Benefit Restoration Plan, and (c) The Eleventh Farm Credit District Supplemental Retirement Savings Plan, which merger took place effective January 1, 2003. The Consolidated Plan has been split, effective January 1, 2007, between this Plan and the Farm Credit Foundations NQDC Plan. Amounts that were earned and vested under the Consolidated Plan prior to January 1, 2005, (including earnings thereon) have been "grandfathered" under Code § 409A and have been

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transferred into the Consolidated Accounts in this Plan. Amounts that were not earned and vested prior to January 1, 2005, (including earnings thereon) have been transferred into accounts in the Farm Credit Foundations NQDC Plan, effective January 1, 2007.

It is the intent of the Participating Employers in this merged, amended, and restated Plan that the provisions of the Harvest Plan Plus, the Ninth District NQDC Plan, and the Consolidated Plan not be “materially modified,” as that term is defined in Code § 409A and the IRS guidance thereunder, by the adoption of this Plan. Therefore, pursuant to the IRS Treasury guidance issued under Code § 409A, provisions of the Harvest Plan Plus, the Ninth District NQDC Plan, and the Consolidated Plan that were in effect as of October 3, 2004, have not been “materially modified” as to amounts that were earned and vested in those plans prior to January 1, 2005.

In agreeing to the provisions of the Administrative Agreement, the Participating Employers agreed to the establishment of the Farm Credit Foundations Trust for Nonqualified Plans (the “Trust”) for the purpose of contributing assets that may be used to satisfy the liabilities they have incurred, or expect to incur, under their respective nonqualified deferred compensation plans, including supplemental executive retirement plans. The Participating Employers intend that any assets that are so contributed will be held in trust, subject to the claims of their respective creditors in the event of a party’s insolvency, until paid to participants in their respective nonqualified deferred compensation plans and their beneficiaries in such manner and at such times as specified in the applicable plan. It is the intention of the Participating Employers that contributions made by each employer for a specific plan will be available solely for the purpose of providing benefits to participants and/or beneficiaries of that Participating Employer and for that specific plan, subject only to the claims of that Participating Employer’s creditors in the event of that employer’s insolvency, and that contributions made by one Participating Employer may not be used for the purpose of satisfying claims made against any other Participating Employer.

Plan Governance

The Farm Credit Foundations Plan Sponsor and Trust Committees provide consideration and oversight of the benefit plans offered by participating employers of the AgriBank District, U.S. AgBank District, and Northwest, FCS as defined by the Farm Credit Foundations Administrative Agreement. There are 47 participating employers across 26 states with over 7500 active employees. The governance committees are either elected or appointed representatives (senior leadership and/or Board of Director members) from the participating organizations. The Plan Sponsor Committee is responsible for decisions regarding benefits at the direction of the participating employer. The Trust Committee is responsible for fiduciary and plan administrative functions.

U.S. AgBank and CoBank, two banks in the Farm Credit System will be merging effective January 1, 2012. Upon stock holder approval, certain participants and their corresponding benefits/assets (if applicable) will be spun-off to the CoBank plans.

Investment Direction

Participants in the Plan may direct employee and employer contributions in 1 percent increments to any of the Plan’s investment options. The Plan’s investments in each fund/option are maintained under the direction of the participants.

Participant Accounts

Each participant’s account is credited with the Plan allocations of earnings or losses. Allocations are based on account balances. The benefit to which a participant is entitled is the vested portion of the participant’s account. Participant accounts are valued on a daily basis.

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Vesting

The vesting provisions of the Plan are as follows:

- A Participant shall be 100% vested and have a nonforfeitable interest in amounts credited to his/her Ninth District NQDC Account, Consolidated Account, and Harvest Plan Plus Account.

Payment of Benefits

All amounts credited to a Participant's Ninth District NQDC Account or Harvest Plan Plus Account under this Article shall be distributed to or with respect to the Participant only upon termination of the Participant's employment with the Employer, as that term was defined in the NQDC Plan on October 3, 2004, for any reason, including death. (A) If the Participant's balance does not exceed \$25,000 on the date of termination of employment, the total amount of the Participant's balance will be distributed in a lump sum as soon as administratively practicable, but no later than ninety (90) days, after the Participant's termination of employment. (B) If the Participant's balance exceeds \$25,000 on the date of termination of employment, the total amount of the Participant's balance will be distributed at the time and manner elected by the Participant, choosing from the alternatives determined by the Plan Administrator and provided in the Election of Time and Manner of Distribution form. (1) The distribution alternatives provided by the Plan Administrator shall include an option to receive the Participant's balance in substantially equal annual installments payable over a period not to exceed five (5) years. If the Participant's balance equals or exceeds \$250,000 on the date of termination of employment, the distribution alternatives provided by the Plan Administrator shall include an option to receive the Participant's balance in substantially equal annual installments payable over a period not to exceed ten (10) years.

Distribution of a Participant's Consolidated Account shall be made or commence to the Participant (or in the event of the Participant's death, to his/her Beneficiary) as soon as administratively practicable following the earlier of:

- (A) The Participant's termination of employment with the Employer, as that term was defined in the Consolidated Plan, as of October 3, 2004; or
- (B) The Participant's death.

Each Participant shall specify, on his/her initial deferral form for the Consolidated Plan, or subsequent election, the form of payment with respect to the Participant's Consolidated Account. In this regard, the following are the available choices for the form of payment of a Participant's Consolidated Account:

- (1) A single lump sum cash payment; or (2) Substantially equal annual installment cash payments over a period not exceeding ten (10) years, in accordance with the schedule below:

Account Balance at Termination or Retirement	Number of Payments
\$ 25,000.00 or less	1
\$ 25,001.00 - \$ 50,000.99	2
\$ 50,001.00 - \$150,000.99	4
\$150,001.00 - \$300,000.99	6
\$300,001.00 - \$500,000.99	8
\$500,001.00 or greater	10

The first installment payment shall be made in the January following the Participant's termination of employment with the Employer. Each subsequent installment will be made each following January. Upon the

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death of a Participant, the remaining balance of the Participant's Consolidated Account will be distributed to the Participant's beneficiary. In the event a Participant incurs an unforeseeable emergency, as defined in the Plan, the Participant may take a hardship withdrawal from his/her Harvest Plan Plus Account or Ninth District NQDC Account. The Plan Administrator may direct that payment of a Participant's consolidated account be accelerated and paid prior to the time the account would otherwise be payable. In the event of incapacity of a Participant, the Plan Administrator may cause payment to certain individuals the benefit of the Participant's Consolidated Account, as defined in the Plan.

Regulatory Compliance

Under the provisions of the Farm Credit Act of 1971, AgriBank, FCB, and US AgBank, FCB, are defined and declared to be an "instrumentality of the United States." For this reason, the Plan is intended to be a "governmental plan" as that term is defined in Code § 414(d). For the same reason, the Plan is also intended to be a "governmental plan" as that term is defined in ERISA § 3(32). As such, the Plan is not subject to the provisions of Title I of ERISA.

Plan Administration

The Plan provides that an employee of a participating employer that has adopted the Plan who has satisfied the Plan's eligibility requirements will have rights to benefits under the plan. AgriBank, FCB serves as Plan Administrator under the Plan. The Trust Committee has primary responsibility for administration and interpretation of the Plan and investment of the Plan assets.

The Farm Credit Foundation's Trust Committee is the trustee for the Plan assets. The trustee supervises and administers all investments and related activities, including such functions as purchases, sales, reinvestment and collection of investment income. Wells Fargo is the custodian for the Plan assets.

New York Life Trust Company is the third-party administrator for the Plan.

Plan Termination

The Plan Sponsor Committee may amend or terminate this Plan at any time in accordance with the Administrative Agreement. No amendment or termination shall cause a material modification pursuant to Code § 409A as to the amounts in the Consolidated Accounts, the Harvest Plan Plus Accounts, or the Ninth District NQDC Accounts.

2. Summary of Significant Accounting Policies

A description of the Plan's significant accounting policies follows:

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, income is recorded in the year earned and expenses are recorded in the year incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, disclosures of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

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Fair Value Measurements

The Plan categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the valuation methodologies used at December 31, 2010 and 2009.

Investment Valuation and Income Recognition

The Plan's investments are valued at fair value. Fair value is 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.

Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Purchases and sales of investments are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Benefits and Expenses

Benefit payments to participants are recorded when distributed. Administrative and other expenses of the Plan are paid by the participating Employers.

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3. Income Tax Status

The Trust qualifies as an irrevocable grantor trust under the guidelines of the Internal Revenue Code. Earnings of the Trust are allocated to participating employers. The participating employers are considered non-taxable entities. Contributions by participating employers to the Trust on behalf of the participants are not taxable to participants until the participant or beneficiary receives payment.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010 and 2009, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

4. Investments

Significant Investments

The following table identifies the individual investments that represent 5 percent or more of the Plan's net assets available for benefits at December 31:

Description	Fair Market Value	
	2010	2009
PIMCO Total Return Fund	\$ 2,732,990	\$ 2,971,040
Wells Fargo Money Market	2,248,456	2,091,748
Vanguard Primecap Fund	1,883,576	2,235,837
Dodge and Cox Stock Fund	1,107,297	1,378,755
Vanguard Wellington Fund	725,783	628,055
Artio International Equity Fund	504,060	527,632

Appreciation of Investments

The net appreciation in fair value of investments includes the realized gains and losses on investments that were sold during the year and the unrealized appreciation or depreciation on investments held at year-end. During 2010 and 2009, the Plan's investments in mutual funds appreciated in value by \$686,714 and \$1,517,540, respectively.

5. Risks and Uncertainties

The Plan provides for investment in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

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6. Related Party

AgriBank, FCB, paid expenses on behalf of the Plan and was reimbursed by the participating Employers for those expenses.

7. Fair Value

The Plan uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. For additional information on how the Plan measures fair value, refer to Note 2. The following table present the fair value hierarchy for the assets of the Plan measured at fair value on a recurring basis as of December 31:

	<u>Investment Assets at Fair Value</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2010				
Assets:				
Mutual Funds:				
Domestic Funds	\$ 5,566,432	\$ -	\$ -	\$ 5,566,432
International Funds	718,668	-	-	718,668
Bond Funds	2,732,990	-	-	2,732,990
Fixed Income Funds	725,783	-	-	725,783
Total Investments at Fair Value	<u>\$ 9,743,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,743,873</u>
2009				
Assets:				
Mutual Funds				
Domestic Funds	\$ 5,982,962	\$ -	\$ -	\$ 5,982,962
International Funds	639,508	-	-	639,508
Bond Funds	2,971,040	-	-	2,971,040
Fixed Income Funds	628,055	-	-	628,055
Total Investments at Fair Value	<u>\$ 10,221,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,221,565</u>

8. Subsequent Events

In preparing these financial statements, the Plan has evaluated events and transactions for potential recognition or disclosure through September 9, 2011, the date the financial statements were available to be issued.