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# Update on the Farm Credit System Funding Conditions



# Recent Financial Headlines

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





# Recent Financial Headlines

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



# Funding Update Topics

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





# Global Market

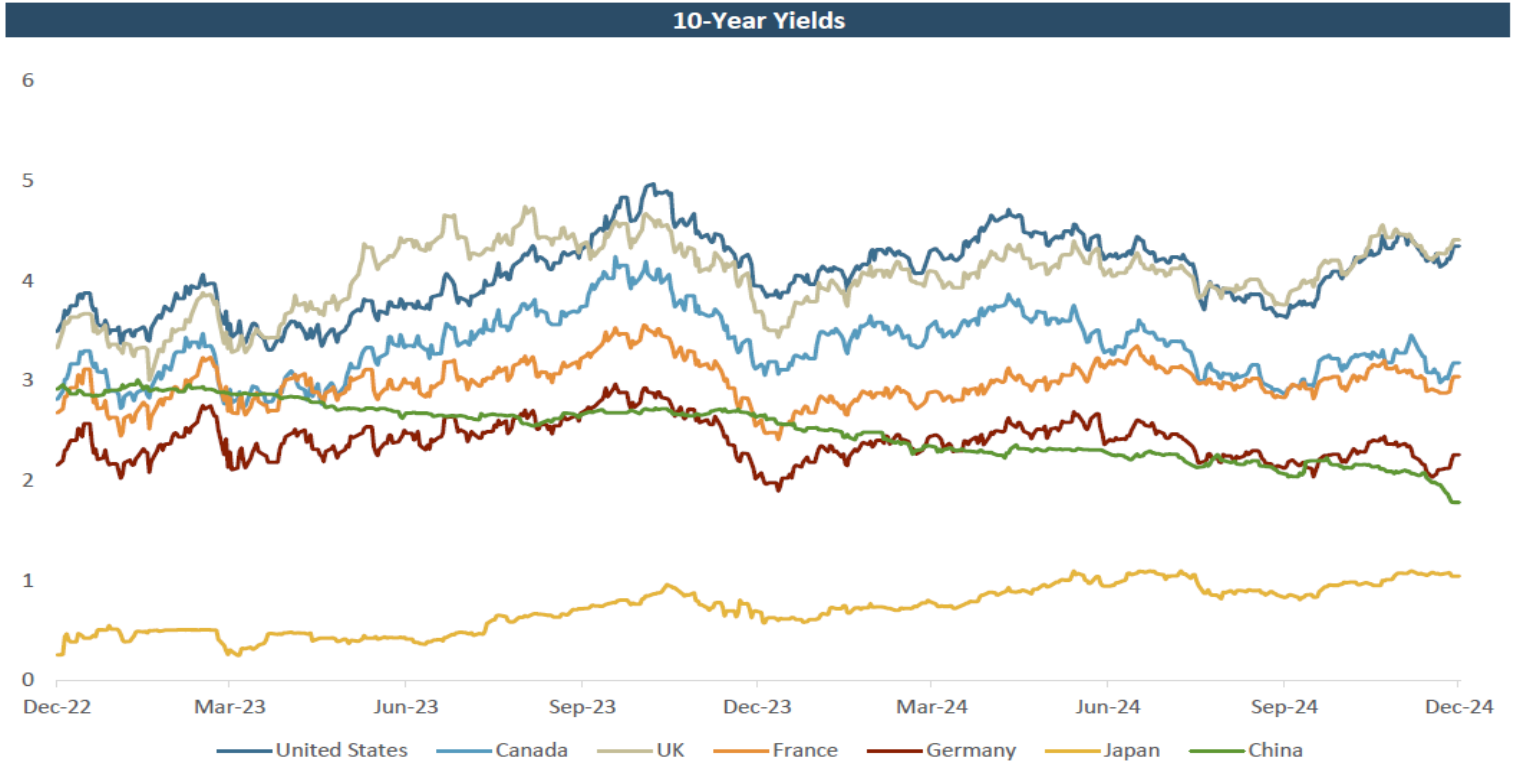
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- US Market
- E.C.B., Bank of England, Bank of Japan
- China
- Geopolitical Impacts





# Global Yields





# Credit Rating Agencies - Outlook for the United States

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





# Agency Debt Issuance



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

Source: Agency Websites





# Agency Debt Outstanding



Billions of Dollars	2020	2021	2022	2023	11/2024*
F.H.L.B.	\$ 747	\$653	\$ 1,182	\$1,202	\$1,168
<b>FCS</b>	<b>322</b>	<b>353</b>	<b>391</b>	<b>416</b>	<b>440</b>
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
<b>Total</b>	<b>\$1,688</b>	<b>\$1,434</b>	<b>\$1,936</b>	<b>\$1,966</b>	<b>\$1,981</b>

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

Source: Agency Websites



# Funding Activity by FCS



Debt Outstanding (\$ millions)	Discount Notes	Designated Bonds	Fixed Rate Bonds		Floating Rate Bonds			Retail Bonds	Other <sup>1</sup>	Total
			Callable	Non-Callable	SOFR	PRIME	Other Indexes <sup>2</sup>			
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

<sup>1</sup> Includes Linked Deposits  
<sup>2</sup> Includes LIBOR

Source: FFCBFC Website



# Dealer Group

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- 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

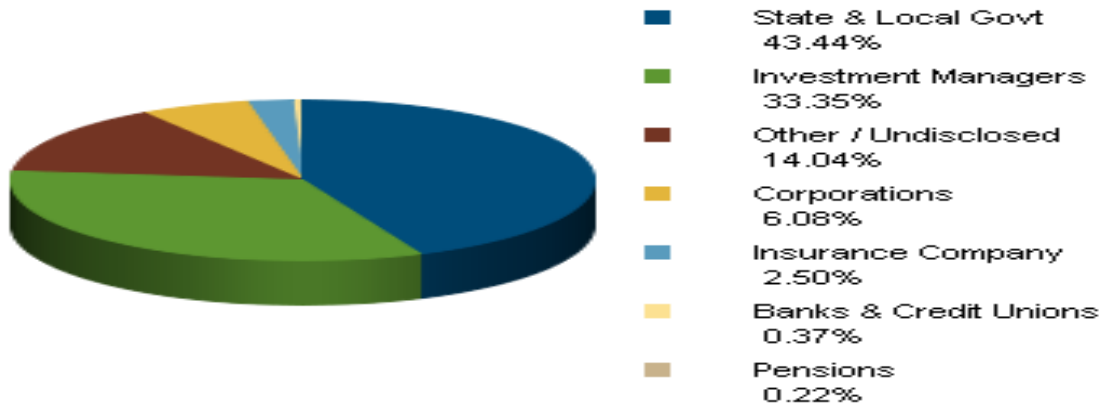




# Discount Notes



## INVESTOR DISTRIBUTION\*



Source: FFCBFC Website: 1/2/24 – 1/1/25



# Selling Securities

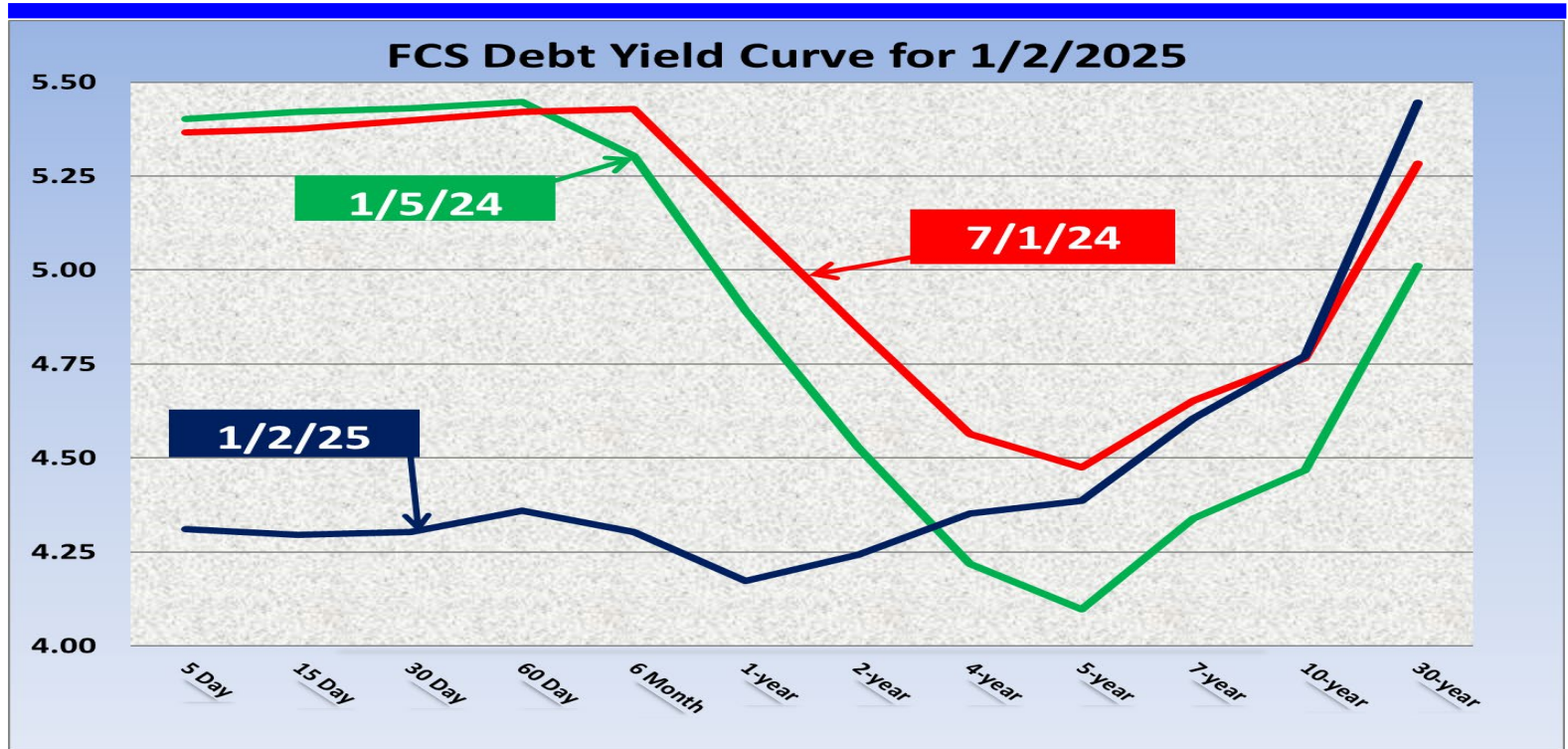
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- Dutch Auction
  - Bullets
- Posted
  - Discount Notes
  - Floaters
- Auction/Negotiated
  - Callables
- Reverse Inquiry





# FCS Debt Yield Curve “Normalized”

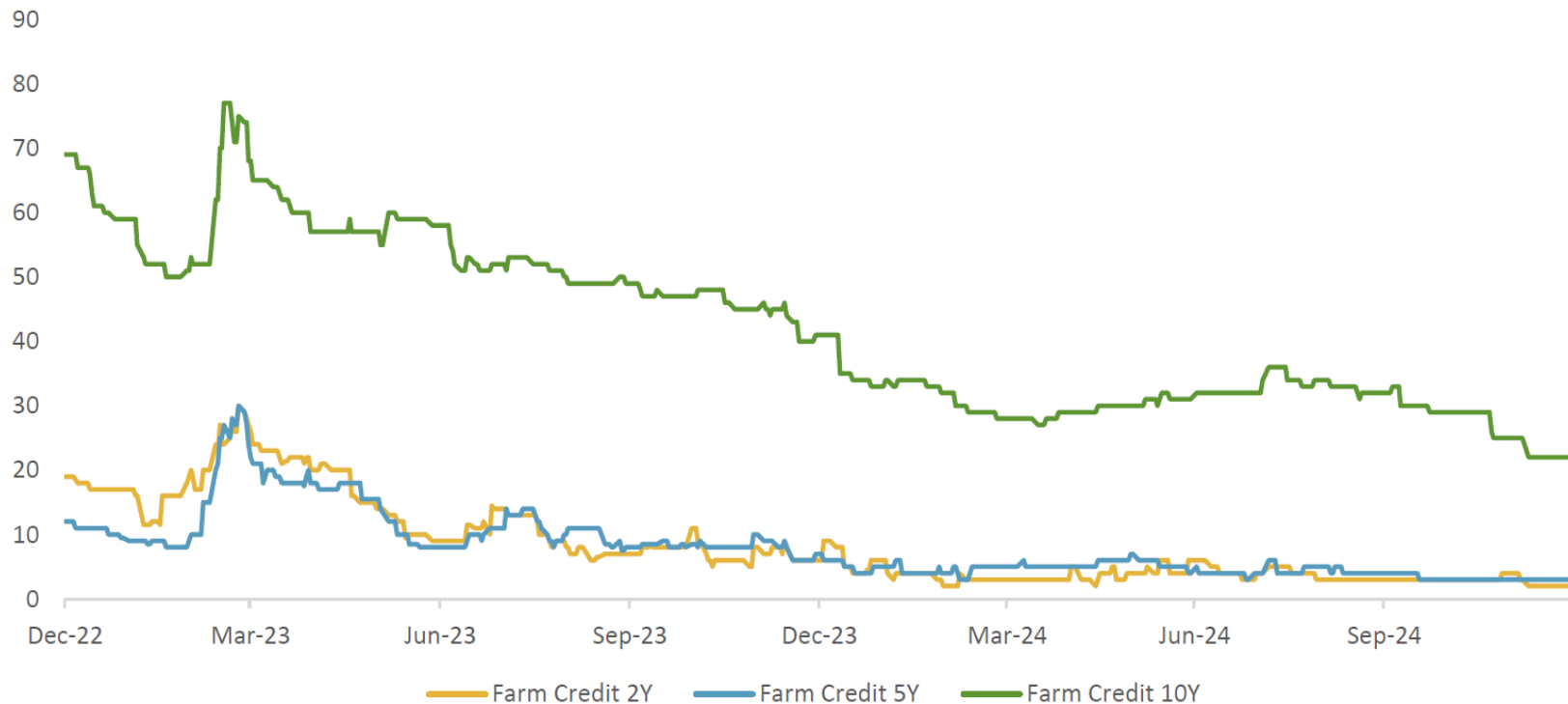






# Favorable Risk Premiums

Farm Credit Spreads

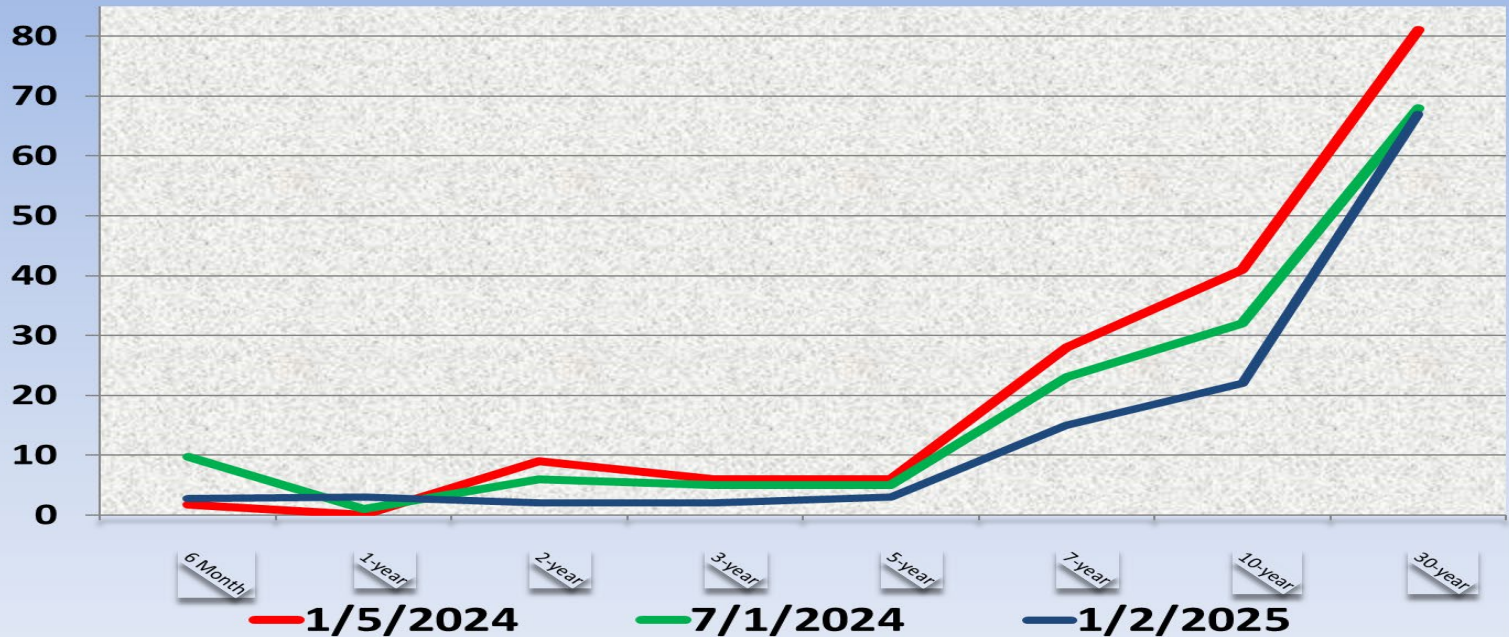




# Reduced Risk Premiums for 2024



## FCS Basis Points Spread over Treasuries







# Days of Liquidity

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- 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

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- Political Agenda
- Federal Reserve
- Global Conflicts





# Summary

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- 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

