

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Dollars in thousands)

The following commentary reviews the consolidated financial position and consolidated results of operations of Farm Credit Services of Mid-America, ACA and its subsidiaries. The accompanying consolidated financial statements and notes also contain important information about our financial position and results of operations. You should also read our 2004 annual report for a description of our organization, operations and significant accounting policies.

AgriBank FCB's financial condition and results of operations materially affect shareholders' investment in Farm Credit Services of Mid-America, ACA. To request a free copy of the combined AgriBank, FCB and Affiliated Associations' financial reports or additional copies of our report contact us at 1601 UPS Drive, P.O. Box 34390, Louisville, Kentucky 40232-4390, (800) 444-FARM, or the website at www.e-farmcredit.com, or via e-mail to efcsales@e-farmcredit.com. You may also contact AgriBank, FCB at 375 Jackson Street, St. Paul, Minnesota 55101-1810, (651) 282-8800, or via e-mail to AGRIBANKMN@farmcredit.com. The combined AgriBank, FCB and Affiliated Associations' financial reports are also available through AgriBank, FCB's website at www.agribank.com.

LOAN PORTFOLIO

Gross loans totaled \$8.4 billion at March 31, 2005, a \$188.6 million increase from December 31, 2004. This increase is due to continued success in penetrating the full-time farmer market; continued strong growth of residential loans to part-time farmers; expansion of our AgriBusiness participation lending programs; and continued modest growth in the rural home segment. The commercial portfolio tends to follow seasonal trends with volume increasing through the growing season and decreasing as crops are harvested and sold.

The following table summarizes risk asset and delinquency information:

	March 31 2005	December 31 2004
As of:		
Loans:		
Accruing restructured	\$1,186	\$1,700
Past due 90 days or more still accruing	1,337	730
Nonaccrual	49,511	53,896
Total risk loans	52,034	56,326
Other property owned	1,414	1,839
Total risk assets	\$53,448	\$58,165
Risk loans as a % of total loans	0.6%	0.7%
Total delinquencies as a % of total loans	0.6%	0.6%

Our risk assets have decreased from December 31, 2004, and remain at acceptable levels. At March 31, 2005, 67.3% of our nonaccrual loans were current.

Mixed signals on growth, employment statistics and rising oil prices have made the outlook for both the general economy and Fed policy more uncertain. Most growth indicators still look positive however, and the GDP is expected to be around 3.7% for 2005.

The agricultural outlook for 2005 is mixed based on strong prices for meats, above average prices for dairy products and low prices for crops. The government program continues, however, to provide a sound buffer for low crop prices.

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

Comparative allowance coverage of various loan categories follows:

	March 31 2005	December 31 2004
As of:		
Allowance as a percentage of:		
Loans	0.3%	0.3%
Nonaccrual loans	42.6%	39.2%
Total risk loans	41.5%	37.5%

In our opinion, the allowance for loan losses was reasonable in relation to the risk in the loan portfolio at March 31, 2005.

RESULTS OF OPERATIONS

Net income for the three months ended March 31, 2005, totaled \$28.8 million compared to \$27.8 million for the same period of 2004. The following table illustrates profitability information:

As of March 31	2005	2004
Return on average assets	1.3%	1.4%
Return on average members' equity	7.8%	8.6%

The following table summarizes the changes in components of net income for the three months ended March 31, 2005 compared to March 31, 2004:

Increase (decrease) in net income	2005 vs. 2004
Net interest income	\$1,838
Reversal of provision for loan losses	245
Patronage income	409
Financially related services and miscellaneous income, net	567
Operating expenses	(1,603)
Provision for income taxes	(503)
Total change in net income	\$953

Net interest income was \$43.8 million for the three months ended March 31, 2005. The following table quantifies changes in net interest income for the three months ended March 31, 2005 compared to March 31, 2004:

Change in net interest income	2005 vs. 2004
Changes in accrual volume	\$4,225
Changes in accrual rates	(1,293)
Changes in nonaccrual income and other	(1,094)
Net change	\$1,838

The increases in financially related services and miscellaneous income, net is due to higher liability insurance revenue, operating lease income, other fees income and crop and life insurance commissions.

The operating expense increases were primarily related to higher salary and benefit expenses from general salary increases, additional headcount, and increased retirement benefit expense, as well as lower fee income.

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

FUNDING, LIQUIDITY AND CAPITAL

We borrow from AgriBank, FCB in the form of a line of credit. Our promissory note matured on December 31, 2004, and was renewed for \$8.8 billion with a maturity date of February 28, 2006. The note will be renegotiated at that time. The repricing attributes of our line of credit generally correspond to the repricing attributes of our loan portfolio which significantly reduces our market interest rate risk.

Total members' equity increased \$29.4 million from December 31, 2004, due to net income for the period and an increase in capital stock and participation certificates.

Farm Credit Administration Regulations require us to maintain a permanent capital ratio of at least 7%, a total surplus ratio of at least 7% and a core surplus ratio of at least 3.5%. The calculation of these ratios according to Farm Credit Administration Regulations is discussed below:

- The permanent capital ratio is average at-risk capital divided by average risk-adjusted assets. At March 31, 2005, our ratio was 15.9%.
- The total surplus ratio is average unallocated surplus less any deductions made in the computation of permanent capital divided by average risk-adjusted assets. At March 31, 2005, our ratio was 15.1%.

- The core surplus ratio is average unallocated surplus less our investment in AgriBank, FCB divided by average risk-adjusted assets. At March 31, 2005, our ratio was 14.4%.

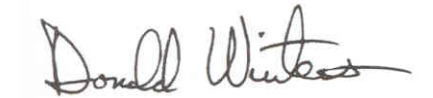
The capital adequacy ratios are directly impacted by the changes in capital as more fully explained above and the changes in assets as further discussed in the Loan Portfolio section.

The undersigned certify that Farm Credit Services of Mid-America, ACA's March 31, 2005 quarterly report has been prepared in accordance with all applicable statutory or regulatory requirements and that the information contained herein is true, accurate, and complete to the best of our knowledge and belief.



Robert Barton

Chairperson of the Board
Farm Credit Services of Mid-America, ACA



Donald Winters
Chief Executive Officer
Farm Credit Services of Mid-America, ACA

April 30, 2005

CONSOLIDATED STATEMENT OF CONDITION

Farm Credit Services of Mid-America, ACA

(Dollars in thousands)

(Unaudited)

	March 31	December 31
	2005	2004
ASSETS		
Loans	\$8,402,977	\$8,214,335
Allowance for loan losses	21,080	21,139
Net loans	8,381,897	8,193,196
Investment in AgriBank	220,225	220,225
Accrued interest receivable	68,919	75,691
Premises and equipment, net	33,628	33,958
Other property owned	1,414	1,839
Assets held for lease, net	120,968	124,889
Other assets	17,245	19,059
Total assets	\$8,844,296	\$8,668,857
LIABILITIES		
Note payable to AgriBank	\$7,222,336	\$7,071,693
Accrued interest payable	73,679	71,698
Net deferred income tax liability	20,943	21,524
Other liabilities	30,606	36,592
Total liabilities	7,347,564	7,201,507
Contingent liabilities		
MEMBERS' EQUITY		
Protected members' equity	28	31
Capital stock and participation certificates	61,552	60,937
Unallocated surplus	1,435,152	1,406,382
Total members' equity	1,496,732	1,467,350
Total liabilities and members' equity	\$8,844,296	\$8,668,857

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

CONSOLIDATED STATEMENT OF INCOME

Farm Credit Services of Mid-America, ACA

(Dollars in thousands)

(Unaudited)

Three months ended March 31	2005	2004
Interest income	\$117,820	\$106,203
Interest expense	74,056	64,277
Net interest income	43,764	41,926
(Reversal of provision for loan losses)	(205)	40
Net interest income after provision for loan losses	43,969	41,886
Other income		
Patronage income	5,023	4,614
Financially related services and miscellaneous income, net	2,550	1,983
Total other income	7,573	6,597
Operating expense		
Salaries and employees benefits	11,469	9,645
Other operating	9,209	9,430
Total operating expenses	20,678	19,075
Income before income taxes	30,864	29,408
Provision for income taxes	2,094	1,591
Net income	\$28,770	\$27,817

CONSOLIDATED STATEMENT OF CHANGES**IN MEMBERS' EQUITY**

Farm Credit Services of Mid-America, ACA

(Dollars in thousands)

(Unaudited)

	Protected Members' Equity	Capital Stock and Participation Certificates	Unallocated Surplus	Total Members' Equity
Balance at				
December 31, 2003	\$43	\$58,596	\$1,214,768	\$1,273,407
Net income	--	--	27,817	27,817
Capital stock/participation certificates issued	--	1,709	--	1,709
Capital stock/participation certificates retired	(5)	(1,374)	--	(1,379)
Balance at				
March 31, 2004	\$38	\$58,931	\$1,242,585	\$1,301,554
Balance at				
December 31, 2004	\$31	\$60,937	\$1,406,382	\$1,467,350
Net income	--	--	28,770	28,770
Capital stock/participation certificates issued	--	1,804	--	1,804
Capital stock/participation certificates retired	(3)	(1,189)	--	(1,192)
Balance at				
March 31, 2005	\$28	\$61,552	\$1,435,152	\$1,496,732

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

NOTES TO FINANCIAL STATEMENTS

(Dollars in thousands)

NOTE 1: Organization and Significant Accounting Policies

Our 2004 annual report contains a description of our organization and operations, significant accounting policies followed, and financial condition and results of operations as of and for the year ended December 31, 2004. You should read these unaudited first quarter 2005 consolidated financial statements in conjunction with the 2004 Annual Report.

The accompanying consolidated financial statements contain all information necessary for a fair presentation of the interim consolidated financial condition and consolidated results of operations. Our accounting and reporting policies conform to accounting principles generally accepted in the United States of America and the prevailing practices within the financial services industry. The results of the three months ended March 31, 2005 are not necessarily indicative of the results to be expected for the year ended December 31, 2005.

The consolidated financial statements present the consolidated financial results of Farm Credit Services of Mid-America, ACA (the parent) and Farm Credit Services of Mid-America, FLCA and Farm Credit Services of Mid-America, PCA (the subsidiaries). All material intercompany transactions and balances have been eliminated in consolidation.

NOTE 2: Allowance for Loan Losses

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

Three months ended March 31	2005	2004
Balance at beginning of year	\$21,139	\$119,105
(Reversal of) provision for loan losses	(205)	40
Loan recoveries	550	883
Loan chargeoffs	(404)	(820)
Balance at end of period	\$21,080	\$119,208

As discussed in our 2004 annual report, the significant reduction in the allowance for loan losses compared to March 31, 2004 is a result of a fourth quarter 2004 refinement to allowance methodologies.

NOTE 3: Contingencies

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

From time to time, we may be named as a defendant in certain lawsuits or legal actions in the normal course of business. At the date of these consolidated financial statements, we were not aware of any such actions that would have a material impact on our financial condition. However, such actions could arise in the future.


Quarterly Report

March 31, 2005

Farm Credit Services of Mid-America, ACA