

OFFERING CIRCULAR



FEDERAL AGRICULTURAL MORTGAGE CORPORATION

**Universal Debt Facility
Discount Notes
and Medium-Term Notes**

- Offered Securities** Discount Notes and Medium-Term Notes.
- Amount** No prescribed limit for any one issue of Notes, but no more than \$12.0 billion of Notes may be outstanding at any one time, subject to any future increase authorized by Farmer Mac’s Board of Directors.
- Maturities:**
- Discount Notes** Discount Notes will have a stated maturity of 365 days or less from the date of their original issuance.
- Medium-Term Notes** Medium-Term Notes will have a stated maturity of at least three months and not more than 30 years from the date of their original issuance.
- Priority** The Notes may be senior or subordinated, and will be unsecured general obligations of Farmer Mac.
- Offering Terms** We may offer the Notes globally for sale in the United States, Europe and Asia on the terms described in this Offering Circular and any applicable Pricing Supplement. We may sell Notes to or through one or more dealers as principal or agent, or directly to investors.
- Tax Status** The Notes are not exempt under federal law from federal, state or local income taxation. Non-U.S. Owners generally will be subject to U.S. federal income and withholding tax unless they establish an exemption.

The Notes are obligations of Farmer Mac only. The Notes, including any interest or return of discount on the Notes, are not obligations of, and are not guaranteed as to principal or interest by, the Farm Credit Administration, the United States or any other agency or instrumentality of the United States other than Farmer Mac.

Because of applicable securities law exemptions under the U.S. federal securities laws, the Notes are not registered with any federal or state securities commission. Neither the U.S. Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved the Notes or determined whether this Offering Circular is accurate or complete. Any representation to the contrary is a criminal offense.

Investing in the Notes may involve certain risks. See “Risk Factors” beginning on page 14.

Some Notes are complex financial instruments and may not be suitable investments for you. You should not purchase Notes unless you understand and are able to bear these and any other applicable risks. You should purchase Notes only if you have read and understood this Offering Circular, including the “Risk Factors” section, the applicable Pricing Supplement and the documents incorporated by reference. This Offering Circular may not be used to offer any Notes unless accompanied by the applicable Pricing Supplement.

The date of this Offering Circular is June 15, 2011.

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We use terms with defined meanings throughout this Offering Circular. These terms appear in bold type and in quotation marks where we first define them. “Appendix A — Locations of Defined Terms” shows the page numbers where the definitions of defined terms appear. In this Offering Circular, the words “**Farmer Mac**,” “**we**,” “**our**” and “**us**” refer to the Federal Agricultural Mortgage Corporation, unless otherwise stated or unless the context otherwise requires.

Any exchange where we may list an issue of Notes takes no responsibility for the contents of this Offering Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon the whole or any part of the contents of this Offering Circular or the applicable Pricing Supplement.

We have not authorized anyone to provide you with information other than the information contained in or incorporated by reference in this Offering Circular, as amended, and in any applicable Pricing Supplement. You should not assume that the information in this Offering Circular, any amendments thereto, or any Pricing Supplement is accurate as of any date other than the date on the front cover of those documents regardless of the date you receive them. Our business, financial condition, results of operations and prospects may have changed since those dates.

You should not consider any information in this Offering Circular or any Pricing Supplement to be investment, legal or tax advice. You should consult your own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding the purchase of the Notes. We are not making any representation to you regarding the legality of an investment in the Notes by you under appropriate investment or similar laws.

The distribution of this Offering Circular or any Pricing Supplement and the offer, sale and delivery of the Notes may be restricted by law in some jurisdictions. If you receive this Offering Circular or any Pricing Supplement, you must inform yourself about, and observe, any such restrictions. This Offering Circular is not an offer to sell the Notes and we are not soliciting an offer to buy the Notes in any state where the offer or sale is not permitted.

Offers and sales of the Notes are subject to restrictions including in relation to the United Kingdom, European Economic Area, Hong Kong and Japan, details of which are set out in “Plan of Distribution” and “Appendix C — Selling Restrictions” in this Offering Circular. The distribution of this Offering Circular and the applicable Pricing Supplement and the offer, sale and delivery of the Notes in other jurisdictions may be restricted by law. Persons who come into possession of this Offering Circular and the applicable Pricing Supplement must inform themselves about and observe any applicable restrictions.

Neither this Offering Circular nor any Pricing Supplement describes all of the risks and investment considerations applicable to Notes whose principal or interest we pay in or determine by reference to one or more currencies or to one or more interest rate, currency or other indices or formulas. Farmer Mac and the Dealers disclaim any responsibility to advise prospective investors of these risks and investment considerations as they exist at the date of this Offering Circular or any Pricing Supplement or as these risks may change from time to time. Prospective investors should consult their own financial, tax and legal advisors as to the risks and investment considerations arising from an investment in such Notes. Such Notes are not an appropriate investment for investors who are unsophisticated regarding currency transactions or transactions involving the applicable interest rate, currency or other indices or formulas. See “Risk Factors” in this Offering Circular.

In this Offering Circular and the applicable Pricing Supplement, unless otherwise specified or the context otherwise requires, references to “dollars,” “U.S. dollars,” “\$” and “U.S. \$” are to United States dollars, references to “euros” and “€” are to Euros, references to “S\$” are to Singapore dollars and references to “£” are to British pound sterling.

This Offering Circular replaces and supersedes any and all previously issued Offering Circulars, including our Offering Circular dated March 21, 2011, for issues of Notes offered on or after the date of this Offering Circular. This Offering Circular relates only to our Discount Notes and Medium-Term Notes and not to any other securities of Farmer Mac or to any securities issued by any affiliate of Farmer Mac.

ABOUT THIS OFFERING CIRCULAR AND PRICING SUPPLEMENTS

We intend to use this Offering Circular and, in the case of Medium-Term Notes, a related Pricing Supplement to offer our Notes from time to time. This Offering Circular provides you with certain terms of the Notes. Any applicable Pricing Supplement will contain additional terms of the offering and the specific description of the Notes being offered and may also add, update or change information in this Offering Circular. The flexibility available to us to set or negotiate individualized terms for Notes means that the terms of some Notes may be complex, and the terms of the Notes may differ from the terms described in this Offering Circular. Any information in an applicable Pricing Supplement that is inconsistent with this Offering Circular will replace the inconsistent information in this Offering Circular.

We have not authorized anyone to provide you with information other than the information contained in or incorporated by reference in this Offering Circular, as amended, and in any applicable Pricing Supplement. If anyone provides you with different or inconsistent information, you should not rely on it. We will only offer to sell Notes and seek offers to buy such Notes in jurisdictions where offers and sales are permitted.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the U.S. Securities and Exchange Commission (“SEC”). You may read and copy any document that we file with the SEC at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information about the Public Reference Room. Our filings also are available free of charge at the SEC’s website at <http://www.sec.gov>.

We also make available free of charge at www.farmermac.com (under the “Investors” section) copies of materials that we file with or furnish to the SEC, including our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports, as soon as reasonably practicable after electronically filing such materials with or furnishing them to the SEC. Please note that all references to www.farmermac.com and www.sec.gov in this Offering Circular are inactive textual references only. Other than the documents specifically incorporated by reference in this Offering Circular, the information contained on Farmer Mac’s website and the SEC’s website is not incorporated by reference into this Offering Circular.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular incorporates by reference important business, financial and other information about Farmer Mac that is not included in or delivered with this Offering Circular. This means that we are disclosing important information to you by referring you to another document that is publicly available to you. The information that we incorporate by reference is considered part of this Offering Circular even if it is dated after the date of this Offering Circular. In addition, information that we file with the SEC after the date of this Offering Circular will update and supersede the information contained in this Offering Circular and the previously filed information. We incorporate by reference the following documents filed by us with the SEC:

- our annual report on Form 10-K for the fiscal year ended December 31, 2010 (including Amendment No. 1 to our annual report as filed on Form 10-K/A on June 1, 2011);
- our quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2011;

- our current reports on Form 8-K filed on March 30, 2011, April 8, 2011, May 11, 2011 (Item 4.02 only), and June 8, 2011;
- our definitive proxy statement for the annual meeting of stockholders held on June 2, 2011; and
- all documents that we file with the SEC pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934 (other than any portions of the respective filings that are furnished, rather than filed, under the applicable SEC rules) on or after the date of this Offering Circular and prior to the end of the offering of the Notes issued pursuant to the applicable Pricing Supplement.

Any statement contained in this Offering Circular or in a document, all or a portion of which is incorporated or deemed to be incorporated by reference in this Offering Circular, will be deemed to be modified or superseded for the purposes of this Offering Circular to the extent that a statement contained in any subsequently filed document incorporated or deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

You may obtain a copy of any of the documents incorporated by reference in this Offering Circular free of charge from the SEC's website at <http://www.sec.gov>, from our website at www.farmermac.com (under the "Investors" section) or by contacting our Corporate Secretary at our principal executive office:

Prior to October 1, 2011:

Federal Agricultural Mortgage Corporation
 1133 Twenty-First Street, N.W., Suite 600
 Washington, D.C. 20036
 Telephone: 1-800-879-FARM
 (202-872-7700 within the Washington, D.C. area)
 Fax: 202-872-7713

On or after October 1, 2011:

Federal Agricultural Mortgage Corporation
 1999 K Street, N.W., 4th Floor
 Washington, D.C. 20006
 Telephone: 1-800-879-FARM
 (202-872-7700 within the Washington, D.C. area)
 Fax: 202-872-7713

In making an investment decision regarding the Notes offered by this Offering Circular, you must rely on your own evaluation of Farmer Mac and the terms of the offering set forth in this Offering Circular, any applicable Pricing Supplement and the documents incorporated by reference in this Offering Circular, including the merits and risks involved. This offering is being made on the basis of this Offering Circular and any applicable Pricing Supplement only.

SUMMARY

This summary highlights selected information about Farmer Mac and the Notes. It does not contain all of the information you should consider before investing in the Notes. You should read carefully this entire Offering Circular, any applicable Pricing Supplement and the documents incorporated by reference in this Offering Circular, including the information under the caption “Risk Factors,” before you invest in any Notes.

This summary should be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive (as defined below) in each Relevant Member State (as defined below), no civil liability will attach to the responsible persons in any such Relevant Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Offering Circular. Where a claim relating to the information contained in this Offering Circular is brought before a court in a Relevant Member State, the plaintiff may, under the national legislation of the Relevant Member State where the claim is brought, be required to bear the costs of translating the Offering Circular before the legal proceedings are initiated.

Farmer Mac

Farmer Mac is a stockholder-owned, federally chartered instrumentality of the United States organized and existing under Title VIII of the Farm Credit Act of 1971, as amended (12 U.S.C. §§ 2279aa et seq.) (the “**Farm Credit Act**”). Farmer Mac was originally created by the United States Congress to establish a secondary market for agricultural real estate and rural housing mortgage loans. This secondary market is designed to increase the availability of long-term credit at stable interest rates to America’s rural communities, including farmers, ranchers and rural homeowners, and provide those borrowers with the benefits of capital markets pricing stability and product innovation. The Farmer Mac secondary market functions as a bridge between the national capital markets and the agricultural and rural credit markets by attracting new capital for financing to provide greater liquidity and lending capacity to lenders that extend credit to agricultural and rural borrowers.

Farmer Mac’s main secondary market activities are:

- purchasing eligible loans directly from lenders;
- providing advances against eligible loans by purchasing obligations secured by those loans;
- securitizing assets and guaranteeing the payment of principal and interest on the resulting securities that represent interests in, or obligations secured by, pools of eligible loans; and
- issuing long-term standby purchase commitments (“**LTSPCs**”) for eligible loans.

Farmer Mac conducts these activities through three programs—Farmer Mac I, Farmer Mac II and Rural Utilities.

- Under the Farmer Mac I program, Farmer Mac purchases or commits to purchase eligible mortgage loans secured by first liens on agricultural real estate. Farmer Mac also guarantees securities representing interests in, or obligations secured by, pools of eligible mortgage loans secured by first liens on agricultural real estate. The securities guaranteed by Farmer Mac under the Farmer Mac I program are referred to as “**Farmer Mac I Guaranteed Securities.**” To be eligible for the Farmer Mac I program, loans must meet Farmer Mac’s credit underwriting, collateral valuation, documentation and other specified standards.

- Under the Farmer Mac II program, prior to January 2010 Farmer Mac purchased the portions of certain agricultural, rural development, business and industry, and community facilities loans guaranteed by the United States Department of Agriculture pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. §§ 1921 et seq.) (“**USDA-guaranteed portions**” or, when presented on the consolidated balance sheets, “**USDA Guaranteed Securities**”) and guaranteed securities backed by those USDA-guaranteed portions (“**Farmer Mac II Guaranteed Securities**”). Since January 2010, all purchases of USDA-guaranteed portions under the Farmer Mac II program (other than purchases of USDA-guaranteed portions that back Farmer Mac II Guaranteed Securities to be sold to third parties) have been, and will continue to be, made by Farmer Mac’s subsidiary, Farmer Mac II LLC, which now operates substantially all of the business related to the Farmer Mac II program.
- Farmer Mac’s Rural Utilities program was initiated during second quarter 2008 after Congress expanded Farmer Mac’s authorized secondary market activities to include rural utilities loans. Farmer Mac’s authorized activities under this program are similar to those conducted under the Farmer Mac I program—loan purchases, guarantees of securities (“**Farmer Mac Guaranteed Securities – Rural Utilities**”) and issuance of LTSPCs—with respect to eligible rural utilities loans. To be eligible for the Rural Utilities program, loans must meet Farmer Mac’s credit underwriting and other specified standards.

Farmer Mac I Guaranteed Securities, Farmer Mac II Guaranteed Securities and Farmer Mac Guaranteed Securities – Rural Utilities are sometimes collectively referred to as “**Farmer Mac Guaranteed Securities**.” The assets underlying Farmer Mac Guaranteed Securities include (1) loans or USDA-guaranteed portions eligible under one of Farmer Mac’s programs and (2) general obligations of lenders secured by pools of eligible loans. Farmer Mac guarantees the timely payment of principal and interest on the resulting Farmer Mac Guaranteed Securities. AgVantage[®] is a registered trademark of Farmer Mac used to designate Farmer Mac’s guarantees of securities related to general obligations of lenders that are secured by pools of eligible loans. AgVantage securities are currently issued under the Farmer Mac I and Rural Utilities programs. Farmer Mac may retain Farmer Mac Guaranteed Securities in its portfolio or sell them to third parties.

Farmer Mac is an institution of the Farm Credit System (the “**FCS**”), which is composed of the banks, associations and related entities, including Farmer Mac and its subsidiaries, regulated by the Farm Credit Administration (“**FCA**”), an independent agency in the executive branch of the U.S. government. Although Farmer Mac (including its subsidiaries) is an institution of the FCS, it is not liable for any debt or obligation of any other institution of the FCS. None of FCA, the FCS or any other individual institution of the FCS is liable for any debt or obligation of Farmer Mac or its subsidiaries, nor are Farmer Mac’s or its subsidiaries’ debts or obligations guaranteed by the full faith and credit of the United States.

The Farm Credit Act assigns to FCA, acting through the separate Office of Secondary Market Oversight (“**OSMO**”) within FCA, the responsibility for the examination of, and the general supervision of the safe and sound performance of the powers, functions and duties vested in, Farmer Mac by the Farm Credit Act. The Farm Credit Act also authorizes FCA, acting through OSMO, to apply its general enforcement powers to Farmer Mac. The Farm Credit Act establishes three capital standards for Farmer Mac—minimum capital, critical capital and risk-based capital. Farmer Mac is required to comply with the higher of the minimum capital requirement and the risk-based capital requirement. For a more detailed discussion of Farmer Mac’s regulatory and governmental relationships, see “Government Regulation of Farmer Mac” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation—Balance Sheet Review” in Farmer Mac’s most recent annual report on Form 10-K, and in its most recent subsequently filed quarterly report on Form 10-Q, each of which is incorporated by reference in this Offering Circular.

Since Farmer Mac's creation, Congress has amended Farmer Mac's charter four times:

- in 1990 to create the Farmer Mac II program;
- in 1991 to clarify Farmer Mac's authority to purchase its guaranteed securities, establish OSMO as Farmer Mac's financial regulator and set minimum regulatory capital requirements for Farmer Mac;
- in 1996 to remove certain barriers to and restrictions on Farmer Mac's operations to be more competitive (e.g., allowing Farmer Mac to buy loans directly from lenders and issue guaranteed securities representing 100% of the principal of the purchased loans and modifying capital requirements); and
- in 2008 to authorize Farmer Mac to purchase, and guarantee securities backed by, loans made by cooperative lenders to borrowers to finance electrification and telecommunications systems in rural areas.

The Farm Credit Act provides that Farmer Mac has the power to establish, acquire and maintain affiliates under applicable state law to carry out any activities that otherwise would be performed directly by Farmer Mac. Farmer Mac established its two existing subsidiaries, Farmer Mac II LLC and Farmer Mac Mortgage Securities Corporation, pursuant to that power.

Farmer Mac, to its knowledge, is not directly or indirectly owned or controlled by another person.

Farmer Mac's principal executive offices are located at 1133 Twenty-First Street, N.W., Suite 600, Washington, D.C. 20036. Farmer Mac's main telephone number is (202) 872-7700.

For additional information regarding Farmer Mac and its business, please refer to the documents incorporated by reference into this Offering Circular and see "Where You Can Find Additional Information."

The Offering

Issuer Farmer Mac.

Offered Securities..... Discount Notes and Medium-Term Notes (collectively, the “Notes”).

Pricing Supplements We will offer each issue of Medium-Term Notes through a “**Pricing Supplement**” that describes the specific terms of those Notes, including the initial offering price and minimum subscription amount, if any, of Notes that we will offer and sell to any investor.

We do not issue Pricing Supplements for Discount Notes. We establish the maturities and purchase prices of Discount Notes on a continuous basis. You may obtain information regarding the maturities available and current prices from one of the firms that engage in the business of dealing or trading securities (“**Dealers**”) selected by us.

Discount Notes..... Each issue of Discount Notes will:

- mature on a date (the “**Maturity Date**”) that is 365 days or less from the date such Notes are issued (the “**Issue Date**”);
- be sold at a discount to its stated principal amount;
- pay its stated principal amount only at maturity; and
- generally not bear interest.

Medium-Term Notes..... Each issue of Medium-Term Notes will:

- have a Maturity Date that is at least three months and not more than 30 years from its Issue Date;
- pay principal at maturity, periodically until maturity or upon redemption or repayment before maturity, as described in the applicable Pricing Supplement; and
- bear interest at a fixed rate, a floating rate, a combination of fixed and floating rates or bear no interest, as described in the applicable Pricing Supplement.

See “Description of the Notes—Medium-Term Notes” below for a description of the different types of Medium-Term Notes we may offer.

Amount and Offering Price... We may from time to time issue Discount Notes and Medium-Term Notes pursuant to this Offering Circular and any applicable Pricing Supplement. There is no prescribed limit on the principal amount for any issue of Notes issuable pursuant to this Offering Circular, but the maximum aggregate principal amount of all our debt obligations outstanding will not exceed \$12.0 billion or its equivalent in one or more foreign currencies, subject to any future increase authorized by our Board of Directors.

The offering price and amount of Notes of a particular issue of Notes will be determined by Farmer Mac and any applicable Dealer at the time of issue in accordance with prevailing market conditions.

Currencies	We may denominate and pay principal and interest on the Notes in U.S. dollars or other currencies or currency units (each, a “ Specified Payment Currency ”). Unless otherwise stated in any applicable Pricing Supplement, the Specified Payment Currency for an issue of Notes will be U.S. dollars. Government or monetary authorities or clearing systems may require that Notes denominated in other currencies or currency units have specific denominations or have minimum or maximum maturities.
Denominations	We will issue and maintain Notes for which the Specified Payment Currency is U.S. dollars in minimum principal amounts and additional increments of U.S. \$1,000 or the equivalent in any Specified Payment Currency, unless otherwise specified in the applicable Pricing Supplement. The applicable Pricing Supplement will indicate the denominations for Notes for which the Specified Payment Currency is not U.S. dollars.
Legal Status	Section 8.6(e) of the Farm Credit Act authorizes Farmer Mac to issue the Notes, which will be obligations of Farmer Mac only. The Notes, including any interest or return of discount on the Notes, are not obligations of, and are not guaranteed as to principal or interest by, the Farm Credit Administration, the United States or any other agency or instrumentality of the United States other than Farmer Mac.
Priority	<p>Unless the applicable Pricing Supplement provides otherwise, the Notes will be unsecured general obligations of Farmer Mac that have the same priority as our other unsecured obligations and will rank senior to any of our obligations expressly subordinated in right of payment to the Notes.</p> <p>A Pricing Supplement may designate an issue of Medium-Term Notes as unsecured subordinated obligations of Farmer Mac (“Subordinated Notes”). Subordinated Notes will rank junior in right of payment to all of Farmer Mac’s existing and future senior unsecured obligations on the terms set forth in the applicable Pricing Supplement.</p>
Optional Redemption and Repayment	<p>We may have the option to redeem an issue of Medium-Term Notes, in whole or in part, before its Maturity Date. Also, you may have the option to require us to repay an issue of Medium-Term Notes, in whole or in part, before its Maturity Date. If the Notes are redeemable at our option or repayable at your option, the applicable Pricing Supplement will describe the terms and conditions of any redemption or repayment right.</p> <p>Discount Notes are not subject to optional redemption or repayment.</p>
Eligibility for Stripping	<p>The Pricing Supplement for an issue of Medium-Term Notes will indicate whether those Notes may be separated, or “stripped,” into separate interest and principal components.</p> <p>Because a Discount Note generally does not have a discrete interest component, it may not be “stripped.”</p>
Tax Status	The Notes are not exempt under U.S. federal law from U.S. federal, state or local income taxation. Non-U.S. Owners generally will be subject to U.S. federal income and withholding tax unless they establish an exemption. See “Material U.S. Federal Income Tax Considerations.”

Form of Notes The Notes may be issued in the following forms:

- *Book-Entry.* The Notes will generally be issued, held and transferable through the book-entry system of the U.S. Federal Reserve Banks (the “**Fed System**”). Some Notes may be issued, held and transferable through the book-entry system (the “**DTC System**”) of The Depository Trust Company (“**DTC**”) or its successor, the book-entry system of Euroclear Bank S.A./N.V. (“**Euroclear Bank**”), as operator of the Euroclear system (“**Euroclear**”) or its successor, the book-entry system of Clearstream Banking, Société anonyme (“**Clearstream**”) or its successor or any other designated clearing system specified in the applicable Pricing Supplement.
- *Certificated.* We may issue Medium-Term Notes in certificated form, which will be transferable at our principal office or as specified in the applicable Pricing Supplement.

Holders As an investor in and beneficial owner of the Notes, you are not necessarily the registered Holder of those Notes. You ordinarily must hold your Notes through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. You may exercise your rights as an owner of the Notes only through the Holder of your Notes, and we may treat the Holder as the absolute owner of your Notes. The term “**Holder**” means:

- for Notes held on the Fed System, any entity that appears on the records of a Federal Reserve Bank as a holder of that Note;
- for Notes held on the DTC System, DTC or its nominee;
- for Notes held on the Euroclear system or the Clearstream system, the common depository or a nominee of the common depository as specified in applicable Pricing Supplement.
- for a Note held in certificated form, the entity or individual whose name appears in our records as the registered holder of that Note.

Master Terms Agreement We will issue the Notes under the Master Terms Agreement, dated as of November 24, 2009, between Farmer Mac and the Holders of the Notes (together with any amendments or supplements thereto, the “**Master Terms Agreement**”). By receiving and accepting a Note, you and any financial intermediary or Holder acting on your behalf agree to be bound by the terms and conditions of the Master Terms Agreement without signing any document or otherwise indicating agreement.

Plan of Distribution We may sell the Notes from time to time as follows:

- *Discount Notes.* We offer Discount Notes for sale on a continuous basis through auctions, allocation to selected Dealers for re-offering or placement with investors, and direct placement with Dealers and investors.
- *Medium-Term Notes.* We generally will sell Medium-Term Notes to one or more Dealers, acting as principals, for resale to investors at fixed or varying prices set by the Dealers pursuant to a Selling Agency Agreement. Sales to Dealers may be by auction or other methods. We also may sell Medium-Term Notes to Dealers acting on an agency basis or to investors directly without the use of a

Dealer. The applicable Pricing Supplement will name any Dealer involved in the offering of an issue of Medium-Term Notes.

Listing	The applicable Pricing Supplement will specify the exchange, if any, on which we will apply to list a particular issue of Notes. We may list Notes on one or both of the New York Stock Exchange and the Professional Securities Market of the London Stock Exchange. We also may issue unlisted Notes and Notes listed on other exchanges, as provided in the applicable Pricing Supplement.
Fiscal Agent	The Federal Reserve Bank of New York, acting on behalf of the Federal Reserve Banks, will act as fiscal agent for Notes held on the Fed System pursuant to the Fiscal Agency Agreement dated as of July 20, 2006.
No Credit Rating	The Notes are not, and we do not expect the Notes to be, rated by any credit rating agency.

Types of Medium-Term Notes

Principal	<p>“Fixed Principal Amount Notes” pay an amount equal to par (100% of the principal amount), or a specified amount above or below par, on the applicable Maturity Date or date of optional redemption or repayment.</p> <p>“Variable Principal Amount Notes” pay an amount based on one or more interest rates, exchange rates or other indices or formulas on the applicable Maturity Date or date of optional redemption or repayment.</p>
Interest	<p>“Fixed Rate Notes” bear interest at a single fixed rate per annum.</p> <p>“Floating Rate Notes” bear interest at a floating rate based on a direct or an inverse relationship with one or more interest rates, exchange rates or other indices or formulas.</p> <p>“Fixed/Floating Rate Notes” bear interest at a single fixed rate for one or more periods and at a floating rate for one or more other periods.</p> <p>“Step Notes” bear interest at different fixed rates during different periods.</p> <p>“Zero-Coupon Notes” do not bear interest and are issued at a discount to their principal amount.</p> <p>“Amortizing Notes” pay specified principal and interest amounts periodically throughout their terms.</p>

Clearance and Settlement	<p>Depending on the terms of an issue of Notes and where they are offered, the Notes may clear and settle through one or more of the following:</p> <ul style="list-style-type: none">• the Federal Reserve Banks;• DTC;• Euroclear;• Clearstream; or• any other designated clearing systems.
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Notes denominated and payable in U.S. dollars will clear and settle through the Fed Book-Entry System, if distributed within the United States, and through Euroclear and/or Clearstream, if distributed outside

the United States. Most Notes denominated and payable in a specified currency other than U.S. dollars will clear and settle through DTC, if distributed within the United States, and through Euroclear and/or Clearstream, if distributed outside the United States.

Governing Law..... The Notes will be governed by the federal laws of the United States. The laws of the State of New York will be deemed to reflect the federal laws of the United States, unless there is applicable precedent under federal law or the application of New York law would frustrate the purposes of our statute or the Master Terms Agreement.

Selling Restrictions..... Offers and sales of the Notes are subject to restrictions including in relation to the United Kingdom, European Economic Area, Hong Kong and Japan, details of which are set out in “Plan of Distribution” and “Appendix C — Selling Restrictions” in this Offering Circular.

Payment Terms The applicable Pricing Supplement will specify the payment terms of the Notes.

RISK FACTORS

This section describes some of the general risks, uncertainties and considerations that you should examine carefully before you invest in the Notes. This Offering Circular does not describe all of the risks of an investment in the Notes. Because these risks may vary depending on your particular circumstances and on various financial, economic and political scenarios, you should consult your own financial and legal advisors about the risks associated with the Notes and their suitability for you. You should carefully consider all of the information contained or incorporated by reference in this Offering Circular, including the risks discussed under “Risk Factors” in Farmer Mac’s most recent annual report on Form 10-K and any additional risk factors identified in any subsequently filed quarterly reports on Form 10-Q, before deciding whether to invest in the Notes and, in particular, the risks, uncertainties and considerations described below.

Risks Related to Our Business

An inability to access the debt capital markets could have a material adverse effect on our business, operating results, financial condition and capital levels.

Our ability to operate our business, meet our obligations, grow our assets and fulfill our statutory purpose depends on our ability to issue substantial amounts of debt frequently and at favorable rates. The issuance of short-term and long-term debt securities in the U.S. financial markets is the primary source of funding for our purchases of program and non-program assets and for repaying or refinancing existing debt. Moreover, one of the primary sources of our revenue is the net interest income earned from the difference, or “spread,” between the return received on assets held and the related borrowing costs. Our ability to obtain funds through the issuance of debt, and the cost at which these funds may be obtained, depends on many factors, including:

- our corporate and regulatory structure, including our status as a government-sponsored enterprise and perceptions about the viability of stockholder-owned government-sponsored enterprises in general;
- compliance with regulatory capital requirements and any measures imposed by our regulator if we were to fail to remain in compliance with those requirements;
- our financial results and changes in our financial condition;
- the public’s perception of the risks to and financial prospects of our business;
- prevailing conditions in the capital markets;
- competition from other issuers of government-sponsored enterprise debt; and
- legislative or regulatory actions relating to our business, including any actions that would affect our government-sponsored enterprise status, or that could increase our costs for hedging interest rate risks or restrict or reduce our ability to issue debt.

Our ability to repay the Notes depends on our continued financial success, which may be adversely affected by external factors that are beyond our control.

Although we may borrow up to \$1.5 billion from the United States Treasury, subject to certain conditions, to fulfill our guarantee obligations, we may not use that line of credit to pay the debt obligations that we issue, such as the Notes. Because the Notes are debt obligations only of Farmer Mac, payments of principal and interest on the Notes depend on the financial success of Farmer Mac. Our

financial success may be materially and adversely affected by external factors that may be beyond our control, including, but not limited to:

- disruptions in the capital markets, which could adversely affect the value and performance of our program and non-program assets, our liquidity position and our ability to fund assets at favorable levels by issuing debt securities and to raise capital by selling equity securities;
- legislative or regulatory developments or interpretations of the Farm Credit Act that could adversely affect us, our ability to offer new products, the ability or motivation of certain lenders to participate in our programs or the terms of any such participation, or increase the cost of regulation and related corporate activities;
- our access to the debt markets at favorable rates and terms;
- competitive pressures in the purchase of loans eligible for Farmer Mac's programs and the sale of Farmer Mac Guaranteed Securities and debt securities;
- changes in interest rates, agricultural land values, commodity prices, export demand for U.S. agricultural products, general economic conditions and other factors that may affect delinquency levels and credit losses on agricultural real estate mortgage loans;
- protracted adverse weather, animal and plant disease outbreaks, costs of agricultural production inputs for farmers and ranchers, availability and cost of agricultural workers, market or other conditions affecting particular geographic regions or particular agricultural commodities or products related to agricultural real estate mortgage loans backing Farmer Mac I Guaranteed Securities or under LTSPCs;
- the effects of any changes in federal assistance for agriculture on the agricultural economy;
- energy policy changes that adversely affect the loan repayment capacity of ethanol plants;
- public policy changes that adversely affect rural electric cooperatives, including carbon capture or limitation on coal-fired power generation, and other initiatives designed to promote the shift to clean or "green" energy;
- negative economic conditions that may strain the ability of members of rural electric cooperatives to pay the costs of providing electricity;
- restrictions on water supply in agricultural production due to adverse weather conditions, legal disputes or other causes;
- depressed real property values that may impact the value of agricultural real estate; and
- decreases in demand for agricultural commodities and/or increases in production costs, in each case within a particular industry, that may affect delinquency levels and credit losses on agricultural real estate mortgage loans within that industry.

Our business development, profitability and capital depend on the continued growth of the secondary market for agricultural real estate mortgage loans and rural utilities loans, the future for both of which remains uncertain.

Continued growth in our business and future profitability may be constrained by conditions that limit the need or ability for lenders to obtain the benefits of our programs, including, but not limited to:

- reduced growth rates in the agricultural mortgage market due to the slowdown of the overall economy;
- the availability of other sources of capital for our customers, including through federal programs;
- the acceptance by Federal Home Loan Banks of agricultural real estate mortgage loans as collateral;
- the historical preference of many agricultural lending institutions to retain loans in their portfolios rather than to sell them into the secondary market;
- the small number of business partners that currently provide a significant portion of our business volume, resulting in vulnerability as existing business volume pays down or matures and the status of these business partners evolves;
- expanded funding available from the federal government for rural utilities lenders; and
- legislative and regulatory developments that affect the agricultural and rural utilities sectors.

We are a government-sponsored enterprise whose continued growth may be materially and adversely affected by legislative, regulatory or political developments.

We are a government-sponsored enterprise that is governed by a statutory charter controlled by the U.S. Congress and regulated by governmental agencies. Although we are not aware of any pending legislative proposals which would adversely affect us at this time, our government-sponsored enterprise status and ability to effectively conduct our business are subject to risks and uncertainties related to legislative, regulatory or political developments. From time to time, legislative or regulatory initiatives are commenced that, if successful, could result in the enactment of legislation or the promulgation of regulations that could negatively affect our status or the growth or operation of the secondary market for agricultural mortgages and rural utilities loans. For example, congressional hearings on the reform of the housing government-sponsored enterprises and the evaluation of various proposals to reform the housing finance system in the United States are expected in 2011. These may result in legislative proposals that could result in a substantial change to the business structure of the housing government-sponsored enterprises. We cannot predict whether any legislative proposals related to the housing government-sponsored enterprises would also address our continued government-sponsored enterprise status or modify our current operating structure or authorities in any way. Also, the costs related to any potential climate change legislation costs could be significant to the electric utility industry, which could dramatically increase the cost of energy from thermal generation sources and have a particularly damaging effect on rural electric generation and transmission cooperatives, which generally have a higher reliance on fossil-fueled resources and are more dependent on coal-fired generation than the electric industry as a whole. Legislative, regulatory or political developments also could affect the ability of lenders to participate in our programs or the terms on which they may participate. Any of these political, legislative or regulatory developments could have a material and adverse effect on our business, operating results, financial condition and capital levels. See “Government Regulation” for additional discussion on the rules and regulations governing our activities.

We are subject to statutory and regulatory capital requirements that are subject to change, and failure to meet those requirements could result in supervisory measures or otherwise materially and adversely affect our business, operating results or financial condition.

We are required by statute and regulation to maintain certain capital levels. Any inability by us to meet these capital requirements could result in supervisory measures by FCA or could otherwise materially and adversely affect our business, operating results or financial condition. Factors that could

adversely affect the adequacy of our capital levels in the future, and which may be beyond our control, include:

- the potential for any other-than-temporary impairment charges;
- adverse changes in interest rates or credit spreads;
- the potential need to increase the level of the allowance for losses on program assets in the future;
- legislative or regulatory actions that increase our applicable capital requirements; and
- changes in generally accepted accounting principles.

Farmer Mac Guaranteed Securities and LTSPCs expose us to significant contingent liabilities, and our ability to fulfill our obligations under our guarantees and LTSPCs may be limited.

We assume the ultimate credit risk of borrower defaults on the loans we hold as well as the loans underlying Farmer Mac Guaranteed Securities and LTSPCs. In the Farmer Mac I program, repayment of eligible loans typically depends on the success of the related farming operation, which, in turn, depends on many variables and factors over which farmers may have little or no control, such as weather conditions, animal and plant disease outbreaks, economic conditions (both domestic and international) and political conditions.

In the Rural Utilities program, eligible utilities operations include the distribution of electricity, the generation and transmission of electricity, and telecommunications. Each type of utility operation has different inherent risks associated with it, but all share a common risk posed by potential changes in public and regulatory policies. Business cash flows can be disrupted as a result of storms, though distribution cooperatives have in place cost-sharing arrangements with providers in other regions that mitigate this exposure. Historically, natural disasters have often resulted in disaster area declarations and financial aid to utilities providers through the Federal Emergency Management Agency and other conduits, although there can be no assurance that any such aid would be available in the event of any future natural disaster. The electrical distribution and generation sectors can be adversely affected by changes in fuel costs and prices received from consumers, as well as by contractual power obligations that do not match up with supply or demand. The depth and pace of technological change in the telecommunications industry can also provide significant challenges, as the industry requires heavy capital investment and correct judgments about the sustainability of new technologies in an area with many competitors.

Widespread repayment shortfalls on loans in the Farmer Mac I program or Rural Utilities program could require us to pay under our guarantees and LTSPCs and could have a material adverse effect on our financial condition, results of operations and liquidity.

Farmer Mac Guaranteed Securities and our LTSPCs are obligations of Farmer Mac only, and are not backed by the full faith and credit of the United States, FCA or any other agency or instrumentality of the United States other than Farmer Mac. Our principal source of funds for the payment of claims under our guarantees and purchase commitments are the fees received in connection with outstanding Farmer Mac Guaranteed Securities and LTSPCs. These amounts are, and will continue to be, substantially less than the amount of our aggregate contingent liabilities under our guarantees and LTSPCs. We are required to set aside a portion of the fees we receive as a reserve against losses from our guarantee and commitment activities. We expect that our future contingent liabilities for our guarantee and commitment

activities will continue to grow and will exceed our resources, including amounts in our allowance for losses and our limited ability to borrow from the U.S. Treasury.

We are exposed to credit risk and interest rate risk that could materially and adversely affect our business, operating results, financial condition, capital levels and future earnings.

Our earnings depend largely on the performance of our program assets and non-program investments, and the spread between interest earned on such assets and investments and interest paid on our obligations and liabilities. As a result, our earnings, and consequently, our ability to repay the Notes, may be adversely affected by our exposure to credit and interest rate risks, including:

- credit risk associated with the agricultural mortgages and rural utilities loans that we purchase or commit to purchase or that back Farmer Mac Guaranteed Securities;
- interest rate risk on interest-earning assets and related interest-bearing liabilities due to possible timing differences in the associated cash flows;
- credit risk associated with our business relationships with other institutions, such as counterparties to interest rate swap contracts and other hedging arrangements; and
- risks as to the creditworthiness of the issuers of AgVantage securities and our non-program investments.

We may be adversely affected by weak economic conditions.

The continuing weakness in the economy may have an adverse effect on the value and performance of our assets. The possible duration and severity of the adverse economic cycle is unknown, as the efficacy of legislative and regulatory efforts and programs to stabilize the economy remain uncertain. Furthermore, there can be no assurance that economic conditions will improve in the near future. To the extent that economic conditions, such as high unemployment or decreases in agricultural real estate values, negatively impact agricultural production or demand, our business, operating results or financial condition could be adversely affected.

We may experience writedowns of our investments in future periods, which could adversely affect our business, operating results, financial condition and capital levels.

Deterioration in financial and credit market conditions could reduce the fair value of our investment securities, particularly those securities that are less liquid and more subject to volatility.

Recent events in the credit markets have also necessitated an increase in the amount of judgment required to be exercised by management to value certain securities. Furthermore, we rely on internal models to determine the fair value of certain investment securities, and those models could fail to produce reliable results. Subsequent valuations of investment securities, in light of factors then prevailing, may result in significant changes in the value of our investment securities in the future. In addition, recent legislative actions may limit our ability to rely on credit ratings for our investment securities, which may necessitate changes in the composition of our investment portfolio. If we decide to sell any of the securities in our investment portfolio, the price ultimately realized will depend on the demand and liquidity in the market at that time and may be materially lower than their current fair value.

Changes in interest rates may cause volatility in financial results and capital levels.

We enter into financial derivatives transactions to hedge interest rate risks inherent in our business and apply fair value accounting to our financial derivatives transactions; we do not apply hedge accounting to those derivatives. Although our financial derivatives provide highly effective economic hedges of interest rate risk, accounting guidance requires the losses on financial derivatives to be reflected in net income, while a majority of the offsetting economic gains on the hedged items are not, resulting in the possibility of volatile earnings under accounting principles generally accepted in the United States. Another consequence of the changes in the fair values of financial derivatives being accounted for in earnings is the resulting effect on our regulatory core capital that is available to meet our statutory minimum capital requirement.

We rely on information systems and other technology in our business operations, and any failure or interruption in those systems could adversely affect our business, operating results or financial conditions.

We rely heavily on information systems and other technology, including from third parties, to conduct and manage our business. If we experience a failure or interruption in any of these systems or other technology, including as a result of any actions or failures of third parties, we may be unable to conduct and manage our business effectively. Although we have implemented a business continuity plan, we may not be able to prevent, address on a timely and adequate basis, or mitigate the negative effects of any failure or interruption. Furthermore, any breach or loss of sensitive or confidential information could cause us to suffer reputational harm with respect to our business partners. As a result, any failure or interruption of these information systems or other technology could adversely affect our business, operating results or financial condition.

If our management of risk associated with our program and non-program assets is not effective, our business, operating results, financial condition and capital levels could be materially adversely affected.

Recent events in the financial markets relating to volatility, liquidity and credit have challenged financial institutions, including us, to adapt and further develop profitability and risk management models adequate to address a wider range of possible market developments. Our techniques and strategies may not be effective in mitigating our risk exposure in all economic market environments or against all types of risk, including risks that we fail to identify or anticipate. Some of our qualitative tools and metrics for managing risk are based upon our use of observed historical market behavior. We apply statistical and other tools to these observations to quantify our risks. These tools and metrics may fail to predict future risk. Such failures could, for example, arise from factors we did not anticipate or correctly evaluate in our models. In addition, our quantified modeling does not take into account all risks. Our more qualitative approach to managing those risks could prove insufficient, exposing us to material unanticipated losses. Our inability to effectively identify and manage the risks inherent in our business could have a material adverse effect on our business, operating results, financial condition and capital levels.

Our ability to repay our obligations, including the Notes, may be adversely affected by the operating results of our subsidiary Farmer Mac II LLC.

In January 2010, we contributed substantially all of our Farmer Mac II program business to Farmer Mac II LLC, including USDA-guaranteed portions having an aggregate principal amount of \$1.1 billion and the primary intangible assets related to the operation of the Farmer Mac II program. As a result, the assets of Farmer Mac II LLC are not directly available to satisfy the claims of our creditors, including the holders of the Notes, and the Notes will be effectively subordinated to all existing and future

liabilities and equity interests of Farmer Mac II LLC in right of payment with respect to such assets. In the event of an insolvency, bankruptcy, liquidation, reorganization, dissolution or winding-up of Farmer Mac II LLC, we, as the holder of the common equity interest, may lose all or some of our investment in Farmer Mac II LLC, which event likely would adversely affect our ability to raise capital, issue new debt and repay outstanding debt as it comes due. If we are a creditor to Farmer Mac II LLC, the value of Farmer Mac II LLC's assets may be insufficient to repay amounts due to us, which also could adversely affect our ability to raise capital, issue new debt and repay outstanding debt as it comes due. In addition, the ability of Farmer Mac II LLC to successfully operate the Farmer Mac II program will impact its ability to pay dividends on the common equity interest owned by us. If Farmer Mac II LLC cannot pay dividends to us or repay or refinance obligations owed to us, our liquidity and ability to raise additional capital also may be adversely affected, which could adversely affect our operating results and financial condition, including our ability to repay the Notes.

Any of these risks could materially and adversely affect our business, operating results, financial condition, capital levels and future earnings. For more information about our risk management, see "Management's Discussion and Analysis of Financial Condition and Results of Operation—Risk Management" in Item 7 of our most recent annual report on Form 10-K, and in Item 2 of our most recent subsequently filed quarterly report on Form 10-Q.

Risks Related to the Notes

The Notes may not be a suitable investment for you.

The Notes may not be suitable investments for all investors. You must determine the suitability of investing in the Notes based on your own circumstances. You should consult your own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding the purchase of the Notes, and before you invest in the Notes you should:

- understand the terms of the Notes, including the relevant indices and financial markets associated with the Notes;
- have, either alone or with a financial advisor, the expertise and analytical tools needed to evaluate, in the context of your financial situation, the particular features of the Notes, the risks and merits of investing in the Notes and the impact of the investment on your overall investment portfolio;
- have enough financial resources and liquidity to bear all the risks associated with your investment in the Notes;
- understand the information contained and incorporated by reference in this Offering Circular and any applicable Pricing Supplement; and
- understand any applicable legal investment restrictions.

Some of the Notes may be complex financial instruments. You should not invest in Notes unless you understand and are able to bear the associated yield, market, liquidity and structure risks, including risks associated with any redemption provisions, periodic interest rate adjustments and exchange rates and controls. You should decide whether to invest in an issue of the Notes based on your own financial needs and the expected performance of that issue of Notes under a variety of economic and interest rate scenarios. You should carefully consider all of the information contained or incorporated by reference in

this Offering Circular before deciding whether to invest in the Notes and, in particular, the risks, uncertainties and considerations described in this “Risk Factors” section.

Structured Notes may involve greater risks than more conventional debt obligations.

Structured notes, such as Floating Rate Notes, Fixed/Floating Rate Notes, Step Notes and Variable Principal Amount Notes, are more complex than conventional fixed rate debt obligations because their principal or interest payments may be based, either directly or inversely, on one or more indices, including interest rate, exchange rate, currency, swap or equity indices or formulas. This added complexity increases the risks associated with structured notes that are not associated with an investment in a conventional fixed rate debt obligation. The increased risks include:

- greater volatility in the market price of the Notes;
- fluctuations in the applicable indices or formulas, which effects will be magnified if the applicable indices or formulas contain a multiplier;
- the possibility that you will receive a lower, or no, amount of principal, premium or interest, and at different times than expected by you;
- the risk of devaluation, revaluation or modification of a Specified Payment Currency, or the imposition of currency exchange controls, which may lower the return on your Notes;
- the risk that changes in the applicable index or indices that may not correlate with changes in interest rates, exchange rates or other indices, which could increase your exposure to interest rate and exchange rate risks;
- the possibility of the applicable index or indices being subject to maximum (“**Cap**”) or minimum (“**Floor**”) interest rate or exchange rate limitations;
- the possibility of the resulting interest rate on the Notes being less than on a conventional fixed rate debt obligation we issue at the same time, and the risk that in some cases you may receive no interest;
- the risks associated with two or more indices which are expected to move in tandem or in some other relationship with each other moving in a manner other than that expected by you; and
- the risk of timing of changes in the applicable index or indices affecting your actual yield on the Notes, even if the average level of the index is consistent with your expectations.

These risks may depend on a number of interrelated factors that we cannot control, including financial, economic regulatory and political events. In recent years, certain interest rate, exchange rate, currency, swap, equity and other indices have been highly volatile. This volatility may or may not continue. Past fluctuations in those indices do not necessarily indicate whether or to what extent fluctuations will occur in the future.

Absence of a public market for the Notes could cause purchasers of the Notes to be unable to resell them for an extended period of time or at certain prices.

The Notes may not have an established trading market when issued, and one may never develop. If a market does develop, it may not be liquid at all times. Therefore, you may not be able to sell your Notes easily or at prices that provide you with a yield comparable to similar investments that have a developed secondary market. This is particularly true for Notes that:

- are especially sensitive to interest rate, currency or market risk;
- are designed for specific investment objectives or strategies; or
- have been structured to meet the investment requirements of limited categories of investors.

If a market for the Notes develops, any such market may cease to exist at any time. If a public trading market develops for the Notes, future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates and economic conditions, our operating results and the market for similar securities. You should not purchase any Notes unless you understand and can bear the risks that you may not be able to resell them easily, that their market value likely will fluctuate over time and that fluctuations in value may be substantial and could result in significant losses to you. This is particularly true if your circumstances do not permit you to hold the Notes until maturity. Depending upon the type of Notes, market conditions and other factors, you may not be able to sell relatively small or large amounts of Notes at prices comparable to those available to other investors.

Subordinated Notes will rank junior in right of payment to our existing and future senior obligations.

The applicable Pricing Supplement will describe the terms and conditions of any issue of Subordinated Notes. The indebtedness represented by Subordinated Notes will be unsecured and will rank junior in right of payment to existing and future senior obligations of Farmer Mac (“**Senior Obligations**”), which totaled approximately \$8.43 billion as of March 31, 2011. This means that we will not be permitted to pay principal or interest on any Subordinated Notes while we are in default on any of our Senior Obligations. In the event of the insolvency, bankruptcy, liquidation, reorganization, dissolution or winding-up of our business, our assets would not be available to pay obligations under the Subordinated Notes until our Senior Obligations have been paid in full. There may not be sufficient assets remaining to pay amounts due on any or all of the Subordinated Notes then outstanding. See “Description of the Notes—Subordinated Notes” for additional discussion on Subordinated Notes.

Furthermore, Events of Default (as defined in “The Master Terms Agreement — Events of Default”) that apply to Senior Obligations may not necessarily be Events of Default for Subordinated Notes. As a result, the Holders of Subordinated Notes may not have the same acceleration rights as Holders of other Notes. See “The Master Terms Agreement — Events of Default” and “The Master Terms Agreement — Rights Upon Event of Default.”

There may be other terms that apply to specific offerings of Subordinated Notes that would defer, limit or suspend our obligation to pay principal or interest on the Subordinated Notes under certain specified conditions. Any deferral of interest payments likely would have an adverse effect on the market value of the Subordinated Notes, which may be more volatile than the market values of other debt obligations not subject to deferral. In addition, the market values of Subordinated Notes likely will also be more sensitive to adverse changes in our financial condition.

Furthermore, the Master Terms Agreement does not limit other indebtedness or securities that we may incur or issue and does not contain any financial or similar restrictions on us or any restrictions on our ability to secure other indebtedness. Accordingly, we may be able to incur substantial additional debt in the future. Some or all of any such future borrowings could be senior to the Notes or be secured by our assets. In such event, the risks to you of holding Subordinated Notes will be increased.

Exchange rate risks and controls may adversely affect the timing or amount of payments on the Notes.

The amount of principal or interest we pay on the Notes may be based on one or more currencies or currency units, including exchange rates and swap indices between currencies or currency units. If you

invest in Foreign Currency Notes or Currency Indexed Notes (each as defined under the section “Description of the Notes—Foreign Currency Notes and Currency Indexed Notes”), you will be exposed to significant risks not associated with investment in debt instruments denominated in U.S. dollars or U.S. dollar-based indices. These risks include the possibility of significant changes in the exchange rate between the U.S. dollar and your payment currency and the imposition or modification of foreign exchange controls by either the United States or the applicable foreign government. Additionally, U.S. dollar-equivalent yields could be affected by actions of governments or monetary authorities, including the revaluation or devaluation of a currency, that could change or interfere with currency valuation that was previously freely determined, fluctuations in response to other market forces and the movement of currencies across borders.

In recent years, rates of exchange between the U.S. dollar and certain currencies have been highly volatile, and you should be aware that volatility may occur in the future. Fluctuations in any particular exchange rate that have occurred in the past, however, are not necessarily indicative of fluctuations in the rate that may occur during the term of any issue of Notes. Depreciation of the Specified Payment Currency for an issue of Notes against the U.S. dollar would result in a decrease in the effective yield of such Notes (on a U.S. dollar basis) below its stated interest rate and, in certain circumstances, could result in a loss to you on a U.S. dollar basis.

Except as set forth below, if the Specified Payment Currency for an issue of Notes is other than U.S. dollars and such currency is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or is no longer used by the relevant government or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of such issue of Notes will be made in U.S. dollars until such currency is again available to us or so used. The amounts payable on any date in such currency will be converted into U.S. dollars on the basis of the most recently available market exchange rate for such currency or as otherwise indicated in the applicable Pricing Supplement. If we cannot make payment in a specified currency solely because that currency has been replaced by the euro, then we will be able to satisfy our obligations under those Notes by making payment in euros beginning with the date the replacement becomes effective.

Farmer Mac, or any other party designated as the paying agent in the applicable Pricing Supplement, will make all determinations referred to above at its sole discretion. All determinations will, in the absence of clear error, be binding on Holders of the Notes.

We have no control over the factors that generally affect the above risks, such as economic, financial and political events and the supply and demand for the applicable currencies. Fluctuations in exchange rates against the U.S. dollar could result in a decrease in the U.S. dollar-equivalent yield of your Foreign Currency Notes or Currency Indexed Notes, in the U.S. dollar-equivalent value of the principal or any premium payable at maturity of your Notes and, generally, the U.S. dollar-equivalent market value of your Notes. As a result, there is a risk that you may receive less interest or principal than expected, or no interest or principal at all. The currency risks with respect to your Foreign Currency Notes or Currency Indexed Notes may be further described in the applicable Pricing Supplement.

The information set forth in this Offering Circular with respect to foreign currency risks is general in nature. We disclaim any responsibility to advise prospective purchasers of Notes whose Specified Payment Currency is other than U.S. dollars with respect to any matters that may affect the purchase, holding or receipt of payments of principal of, premium, if any, and interest on such Notes. Those persons should consult their own counsel with regard to such matters.

Various factors that are unique to a particular issue of Notes could adversely affect the market value, yield or liquidity of your Notes, including the following:

You may recognize a loss of investment if you sell Discount Notes, Fixed Rate Notes or Zero-Coupon Notes before their maturity.

Fixed Rate Notes, if held to maturity, will provide return of their principal and the certainty of interest payments at a fixed rate. Similarly, Zero-Coupon Notes and Discount Notes, if held to maturity, will provide return of their principal, including return of the applicable discount. However, the market values of those Notes are likely to fluctuate with changes in prevailing interest rates.

The market values of fixed rate and discount instruments generally will rise in a falling interest rate environment and fall in a rising interest rate environment. This fluctuation creates risk of loss of investment capital if you sell these Notes before maturity. This effect on market values is generally greater for instruments that have relatively long remaining terms to maturity (especially in the case of Zero-Coupon Notes and other Notes issued at substantial discounts) than for instruments that have relatively short remaining terms to maturity. For example, this effect on market values is generally greater for Medium-Term Notes than for Discount Notes because of the generally short terms to maturity of Discount Notes.

Fluctuations in the applicable indices or formulas are likely to increase the volatility of the market values of your Floating Rate Notes and also may adversely affect the market value and yield of your Floating Rate Notes.

If the interest rate on a Floating Rate Note bears a direct relationship to a specified index or indices, lower than anticipated levels of any applicable index or indices could result in actual yields that are lower than anticipated. If the interest rate on a Floating Rate Note bears an inverse relationship to a specified index or indices, higher than anticipated levels of the index or indices could result in actual yields that are lower than anticipated. The market values of Notes whose interest rates relate inversely to an index tend to be more volatile than Notes whose interest rates relate directly to the same index because an increase in the index not only decreases the interest rate of the Notes, but also often reflects an increase in prevailing interest rates, which further adversely affects the market value of the Notes.

The indices applicable to Floating Rate Notes are not likely to remain constant at any level. The timing of a change in the level of an applicable index may affect the actual yield you receive, even if the average level is consistent with your expectation. In general, the earlier a change in the level of an applicable index, the greater the effect on your yield, especially in the case of Medium-Term Notes that provide for repayment of principal at one or more times before maturity. As a result, the effect on your yield of an index level that is lower (or higher) than the rate you anticipated during earlier periods is unlikely to be offset by a later equivalent increase (or reduction). Also, changes in the index applicable to an issue of Floating Rate Notes may not correlate with changes in interest rates generally or with changes in other indices. This could affect your yield either positively or negatively.

The interest rate formula for a Floating Rate Note may contain any combination of Caps, Floors, Spreads or Multipliers. The market values of Notes with any of these features are likely to be more volatile than those of comparable securities without those features. A “**Spread**” is a constant or variable number to be added to or subtracted from the relevant index or formula in determining the applicable interest rate. A “**Multiplier**” is a constant or variable number (which may be greater or less than one) to be multiplied by the relevant index or formula in determining the applicable interest rate. Generally speaking, a Multiplier of greater than one will cause changes in the interest rate of the Medium-Term Notes to be more pronounced than changes in the value of the applicable index, while a multiplier of less than one will have the opposite effect. Notes with Multipliers of greater than one are “**leveraged**” and those with multipliers of less than one are “**deleveraged**.” In general, the volatility associated with the level of an applicable index is higher for leveraged Notes and lower for deleveraged Notes.

Investors in Floating Rate Notes should also consider how delays in periodic interest rate adjustments and any applicable Caps or Floors could affect interest rates and yields on those Notes. The market values of Floating Rate Notes with Caps or Floors generally are more volatile than those of Floating Rate Notes linked to the same applicable index without Caps or Floors, especially when the applicable index approaches or passes the Cap or Floor.

Our ability to convert Fixed/Floating Rate Notes from a fixed rate to a floating rate, or from a floating rate to a fixed rate, may adversely affect your investment return on those Notes.

Some Fixed/Floating Rate Notes may give us the ability to convert the Notes from a fixed rate to a floating rate, or from a floating rate to a fixed rate, at our option, subject to certain conditions. Our ability to convert the interest rate will affect the secondary market and the market value of the Notes since we may be expected to convert the rate when it is likely to lower our overall cost of borrowing, and reduce your investment return on the Notes.

If we convert from a fixed rate to a floating rate, the Spread above or below the applicable index may be less favorable than the prevailing spreads on our conventional Floating Rate Notes tied to the same index. Also, the new floating rate at any time may be lower than the rates on our other Floating Rate Notes. If we convert from a floating rate to a fixed rate, the new fixed rate may be lower than the prevailing rates on our other Fixed Rate Notes.

You may receive principal on your Variable Principal Amount Notes in a lesser amount or at a different time than expected by you.

Variable Principal Amount Notes provide for the principal amount payable at maturity or redemption price to be determined based on one or more indices. You should understand the indices used in calculating payments on these Notes before you invest in them. These indices may fluctuate independently of other indices. Fluctuations in these indices may cause you to receive principal at a different time or in a lesser amount than you anticipate.

There may be greater risks associated with your investment in Amortizing Notes.

Amortizing Notes provide for periodic payments of principal and interest during their terms and may bear interest at fixed or floating rates. Because Amortizing Notes may have characteristics of Fixed Rate Notes, Floating Rate Notes and/or Variable Principal Amount Notes, you should examine carefully the risks, uncertainties and considerations associated with those types of Notes before investing in Amortizing Notes. You should consider that the combination of those risks, uncertainties and considerations may increase the risk of investing in Amortizing Notes.

Redemption provisions may limit the market value of redeemable Medium-Term Notes. Furthermore, redeemable Medium-Term Notes will be less liquid if we redeem a substantial portion of those Notes.

The applicable Pricing Supplement will state whether we have the option to redeem the related issue of Medium-Term Notes before its Maturity Date. The redemption price of the Notes typically would be at 100% of the principal amount plus any accrued interest (in the case of Notes that bear interest) or the accreted value (in the case of Zero-Coupon Notes) to but excluding the redemption date. These optional redemption provisions are likely to limit the market values of these Notes because their market values generally are not likely to rise substantially above their redemption price during (and possibly before) the period during which we may redeem them. If we redeem a portion of an issue of Notes, the market, if any, for the Notes that remain outstanding may become less liquid.

Prevailing interest rates and fluctuations in the applicable index or indices may adversely affect your investment in or the redemption price that you receive for your redeemable Medium-Term Notes.

In general, we are most likely to redeem Notes when prevailing interest rates and borrowing costs are relatively low and least likely to redeem them when prevailing interest rates and borrowing costs are relatively high. Our decision to redeem or not to redeem an issue of Notes also may be affected by any related hedge derivative position we hold. If we redeem Notes when prevailing interest rates are relatively low, you may not be able to reinvest the redemption proceeds in comparable securities with similar yields.

We may have the option to redeem some Medium-Term Notes at a variable amount determined by reference to one or more indices. Because redemption proceeds of those Notes will vary depending on the level of the applicable index or indices, you may receive less than 100% of your original principal amount upon redemption.

The market for Notes that are eligible for “stripping” may be less liquid.

Some issues of Fixed Rate Notes and Step Notes will be eligible to be stripped into interest components and principal components. The secondary market, if any, for the components may be more limited and have less liquidity than the secondary market for Notes of the same issue that have not been stripped. The liquidity of an issue of Notes also may be reduced if a significant portion of those Notes is stripped. See “Description of the Notes — Eligibility for Stripping” for more information on stripping.

Notes issued at a substantial premium or discount may be more susceptible to fluctuations in prevailing interest rates.

The market values of Notes issued at a substantial premium or discount from their principal amount, such as Discount Notes and Zero-Coupon Notes, tend to fluctuate more in relation to general changes in prevailing interest rates than do the market values of conventional interest-bearing debt obligations. In general, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing debt obligations with comparable maturities.

USE OF PROCEEDS

Unless otherwise stated in the applicable Pricing Supplement, we intend to use the net proceeds from the sale of Notes for working capital and general corporate purposes, including the purchase of qualified agricultural real estate mortgage loans, the funding of Farmer Mac Guaranteed Securities retained in our portfolio and other assets. We also may use a portion of the net proceeds to retire outstanding Notes.

FORWARD-LOOKING STATEMENTS

This Offering Circular and the information incorporated by reference contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect management’s current expectations for Farmer Mac’s future financial results, business prospects and business developments. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and typically are accompanied by, and identified with, such terms as “anticipates,” “believes,” “expects,” “intends,” “should” and similar expressions. Such statements reflect our current views with respect to future events, such as:

- our prospects for earnings;
- our prospects for growth in loan purchase, guarantee, securitization and LTSPC volume;
- trends in net interest income;
- trends in portfolio credit quality, delinquencies and provisions for losses;
- trends in expenses;
- trends in non-program investments;
- prospects for asset impairments and allowance for losses;
- changes in capital position; and
- other business and financial matters.

Management’s expectations for Farmer Mac’s future necessarily involve a number of assumptions and estimates and the evaluation of risks, trends and uncertainties. Various factors or events could cause our actual results to differ materially from the expectations as expressed or implied by the forward-looking statements, including those identified above in “Risk Factors” and uncertainties regarding:

- the availability to us of debt financing and, if available, the reasonableness of rates and terms;
- legislative or regulatory developments that could affect us;
- fluctuations in the fair value of assets held by us;
- the rate and direction of development of the secondary market for agricultural mortgage and rural utilities loans, including lender interest in our credit products and the Farmer Mac secondary market;
- the general rate of growth in agricultural mortgage and rural utilities indebtedness;
- borrower preferences for fixed rate indebtedness;
- the impact of economic conditions and real estate values on agricultural mortgage lending;

- the willingness of investors to invest in Farmer Mac Guaranteed Securities;
- developments in the financial markets, including possible investor, analyst and rating agency reactions to events involving government-sponsored enterprises, including Farmer Mac; and
- the future level of interest rates, commodity prices, and export demand for U.S. agricultural products.

These factors are not exhaustive. Other sections of this Offering Circular or the periodic reports, including our most recent annual report on Form 10-K, and any subsequently filed quarterly reports on Form 10-Q, each of which is incorporated by reference in this Offering Circular, may include additional factors that could adversely impact our business and our financial performance. Furthermore, new risk factors emerge from time to time, and it is not possible for management to predict all such risk factors, nor assess the impact of such factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from the expectations expressed or implied by the forward-looking statements. In light of these potential risks and uncertainties, no undue reliance should be placed on any forward-looking statements expressed in this Offering Circular. Furthermore, we undertake no obligation to release publicly the results of revisions to any forward-looking statements that may be made to reflect new information or any future events or circumstances, except as otherwise mandated by the SEC.

GOVERNMENT REGULATION

The Farm Credit Administration, acting through its Office of Secondary Market Oversight, has general regulatory and enforcement authority over Farmer Mac, including the authority to promulgate rules and regulations governing our activities and to apply its general enforcement powers toward us and our business. The Farm Credit Act establishes three capital standards for Farmer Mac – minimum capital, critical capital and risk-based capital. We are required to comply with the higher of the minimum capital requirement and the risk-based capital requirement. As of March 31, 2011, Farmer Mac was in compliance with all applicable capital standards. For a more detailed discussion of our regulatory and governmental relationships, see “Government Regulation of Farmer Mac” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Balance Sheet Review” in our most recent annual report on Form 10-K and in our most recent subsequently filed quarterly report on Form 10-Q, each of which is incorporated by reference in this Offering Circular.

DESCRIPTION OF THE NOTES

The following description contains general provisions that apply to all the Notes, unless otherwise specified in an applicable Pricing Supplement or an amendment to this Offering Circular. The following summary of certain terms of the Notes is not complete. You also should read the applicable Pricing Supplement or amendments to this Offering Circular, if any, and the Master Terms Agreement referred to below.

General

We will issue the Notes under authority vested in Farmer Mac by Section 8.6(e) of the Farm Credit Act. We have no set limit on the principal amount for any particular issue of Notes. However, our Board of Directors has currently authorized no more than \$12.0 billion in aggregate principal amount of debt obligations to be outstanding at any one time.

We will establish the terms of the Notes in accordance with the Master Terms Agreement and any applicable amendment or supplement thereto. You may request copies of the Master Terms Agreement and any applicable supplement thereto by contacting our Corporate Secretary at our principal executive office. By receiving and accepting a Note, or an interest in a Note, you agree to be bound by the terms and conditions of the Master Terms Agreement, as supplemented, modified or amended. See “The Master Terms Agreement.”

The Notes are obligations of Farmer Mac only. The Notes, including any interest or return of discount on the Notes, are not obligations of, or guaranteed as to principal and interest by, the Farm Credit Administration, the United States or any other agency or instrumentality of the United States other than Farmer Mac. Although we may borrow up to \$1.5 billion from the Treasury to fulfill our guarantee obligations, we may not borrow from the Treasury to pay our debt obligations, such as the Notes. Although Farmer Mac is an institution of the Farm Credit System, it is not liable for any debt or obligation of any other institution of the Farm Credit System. Neither the Farm Credit System nor any other individual institution of the Farm Credit System is liable for any debt or obligation of Farmer Mac.

The Notes are exempt from the registration requirements of the Securities Act of 1933, as amended. We will not issue the Notes under an indenture nor provide a trustee for the Notes.

The Notes may be offered globally for sale in the United States, Europe and Asia.

Priority

Unless the applicable Pricing Supplement provides otherwise, the Notes will:

- be unsecured senior general obligations of Farmer Mac;
- have the same priority as our other unsecured senior debt; and
- rank senior to any Subordinated Notes.

If the applicable Pricing Supplement designates an issue of Notes as Subordinated Notes, those Notes will be unsecured subordinated obligations of Farmer Mac that rank junior in right of payment to all of our existing and future senior unsecured obligations, on the terms set forth in the applicable Pricing Supplement. See “Risk Factors — Risks Related to the Notes — Subordinated Notes will rank junior in right of payment to our existing and future senior obligations.”

The Master Terms Agreement does not limit other indebtedness or securities that we may incur or issue and does not contain any financial or similar restrictions on us or any restrictions on our ability to secure other indebtedness.

Discount Notes

Each issue of Discount Notes will:

- be offered on a continuous basis;
- have a Maturity Date that is 365 days or less from its Issue Date;
- be sold at a discount to its stated principal amount;
- pay its stated principal amount only on its Maturity Date; and
- not bear interest, except when the Maturity Date is not a Business Day (as defined herein).

We will offer each issue of Discount Notes at a fixed price representing a discount from the principal amount payable at maturity. The initial offering price of an issue of Discount Notes will be the difference between the face amount of the Discount Note and the amount derived from the following formula:

$$\text{Face Amount of Discount Notes} \times \text{Applicable Discount (expressed as a decimal)} \times \frac{\text{Number of Days from Issue Date to Maturity Date}}{360 \text{ days}}$$

We establish the maturities and purchase prices of Discount Notes on a continuous basis. You may obtain information regarding the maturities available and current prices from one of our Dealers.

We will not offer Discount Notes having a Maturity Date that is not a Business Day. If, however, due to events that occur after we have issued Discount Notes, the Maturity Date of an issue of Discount Notes no longer falls on a day that is not a Business Day, its Maturity Date will become the first Business Day following that day. We will pay interest for the days from the original Maturity Date to (but excluding) the revised Maturity Date based on the percentage of discount at which we issued the Discount Notes.

Medium-Term Notes

Each issue of Medium-Term Notes will have a Maturity Date that is at least three months and not more than 30 years from its Issue Date. We will prepare a Pricing Supplement to this Offering Circular for each issue of Medium-Term Notes. Each Pricing Supplement will describe the specific terms, pricing information and other information for the related issue of Medium-Term Notes and may supersede or replace, in whole or in part, the general description of Medium-Term Notes contained in this Offering Circular.

Principal Payments

We refer to the Maturity Date (as the same may be extended) or any earlier date of redemption or repayment of an issue of Notes as the “**Principal Payment Date**” as to the principal repayable on that date. We may issue Fixed Principal Amount Notes and Variable Principal Amount Notes:

- *Fixed Principal Amount Notes* may pay an amount equal to par (100% of the outstanding principal amount), or a specified amount above or below par, on the applicable Principal Payment Date.
- *Variable Principal Amount Notes* pay a variable principal repayment amount determined by reference to one or more specified interest rates, exchange rates or other indices or formulas. The applicable Pricing Supplement relating to an issue of Variable Principal Amount Notes will describe such specified interest rates, exchange rates or other indices or formulas.

Interest Payments

General

The Pricing Supplement will identify the type of Medium-Term Notes issued and will specify the rate or amount of interest as applicable to be paid on such Notes, the methodology for calculating interest payable and how frequently we will pay such interest. Interest on Medium-Term Notes will be payable in arrears on each date specified in the applicable Pricing Supplement and on the Maturity Date (each, an “**Interest Payment Date**”).

If interest is payable on an issue of Medium-Term Notes, interest will accrue on such issue of Notes during each Interest Payment Period at the applicable interest rate specified in the applicable Pricing Supplement. The “**Interest Payment Period**” for any Interest Payment Date is the period from and including the previous Interest Payment Date (or, for the first Interest Payment Date, from and including the Issue Date) to, but excluding, the next Interest Payment Date. We will compute interest, if any, for an issue of Medium-Term Notes based on one or more of the following accrual methods, or day count conventions, as specified in the applicable Pricing Supplement:

- “**30/360**” means that we will compute interest based on a 360-day year consisting of twelve 30-day months.
- “**Actual/360**” means that we will compute interest based on the actual number of days elapsed in a year of 360 days.
- “**Actual/365 (fixed)**” means that we will compute interest based on the actual number of days elapsed in a year of 365 days, regardless of whether accrual or payment occurs during a calendar leap year.
- “**Actual/Actual (accrual)**” means that we will compute interest based on the actual number of days elapsed in the Interest Payment Period divided by 365 or, if the day for which interest is being calculated falls in a calendar leap year, divided by 366.
- “**Actual/Actual (payment)**” means that we will compute interest based on the actual number of days elapsed in the Interest Payment Period divided by 365 or, if the applicable Interest Payment Date falls in a calendar leap year, divided by 366.

Unless the applicable Pricing Supplement specifies otherwise, we will use the 30/360 accrual method to compute interest on Medium-Term Notes. Interest on any Medium-Term Note accrues on the then outstanding principal amount of Notes. No interest will accrue on the principal of any Medium-Term Note on or after the date it is repaid.

Fixed Rate Notes

The applicable Pricing Supplement will specify the single fixed interest rate per annum on an issue of Fixed Rate Notes.

Floating Rate Notes

Each issue of Floating Rate Notes will bear interest at a variable rate, determined by reference to one or more interest rate or exchange rate indices or otherwise as so specified in the applicable Pricing Supplement. See “Appendix B — Interest Rate Indices” for a description of how the calculation agent (“**Calculation Agent**”) determines these indices for each Interest Payment Period. Farmer Mac will be the Calculation Agent unless the applicable Pricing Supplement designates a different party as Calculation Agent. Absent clear error, the Calculation Agent’s determination of the applicable index levels and calculation of the interest rates for each Interest Payment Period will be final and binding. You may obtain information about the current interest rate for an issue of Floating Rate Notes by contacting us at our principal executive offices or, if we are not the Calculation Agent, from the Calculation Agent.

The applicable Pricing Supplement will specify any Spread, Multiplier, Cap or Floor applicable to an issue of Floating Rate Notes. Any applicable Cap may not be higher than the maximum interest rate permitted by District of Columbia law, as modified by any U.S. federal law of general application.

The applicable Pricing Supplement will specify how frequently the interest rate for an issue of Floating Rate Notes will reset and the dates on which a new interest rate becomes effective (each, a “**Reset Date**”). If the interest rate will reset within an Interest Payment Period, then, unless specified otherwise in a Pricing Supplement:

- the interest rate in effect on the sixth Business Day before an Interest Payment Date will be the interest rate for the remainder of that Interest Payment Period; and
- the first day of each Interest Payment Period also will be a Reset Date.

An issue of Floating Rate Notes may bear interest before its first Reset Date at an initial interest rate specified in the applicable Pricing Supplement. If so, then the first day of the initial Interest Payment Period will not be a Reset Date.

Each period beginning on the applicable Reset Date and ending on the calendar day preceding the next Reset Date is an “**Interest Reset Period**.” If the interest rate will reset within an Interest Payment Period, we will calculate accrued interest by multiplying the principal amount of the Note by an accrued interest factor. Unless we otherwise specify in the applicable Pricing Supplement, we will calculate this accrued interest factor by adding the interest factor for each Interest Reset Period in the Interest Payment Period and rounding the sum to nine decimal places (with one-half decimal being rounded upwards). We will compute the interest factor for each such Interest Reset Period by:

- multiplying the number of days in the Interest Reset Period by the interest rate (expressed as a decimal, with one-half decimal being rounded upwards) applicable to that Interest Reset Period; and
- dividing the product by the number of days in the year specified by the applicable accrual method.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes will bear interest at a fixed rate for one or more periods and at a floating rate for one or more other periods. Some Fixed/Floating Rate Notes also may give us the ability to convert the Notes from a fixed rate to a floating rate, or from a floating rate to a fixed rate, at our option, subject to certain conditions, as further described in the applicable Pricing Supplement. See “— Fixed Rate Notes” as to such fixed rates and “— Floating Rate Notes” as to such floating rates. If we can

convert the interest rate on a Fixed/Floating Rate Note from a fixed rate to a floating rate, or from a floating rate to a fixed rate, we will generally calculate accrued interest for each Interest Payment Period using an accrued interest factor in the manner described under “— Floating Rate Notes.”

Step Notes

Each Step Note will bear interest from its Issue Date to a specified date at an initial fixed interest rate and then at one or more different fixed interest rates. A Step Note can have one or more step periods. Step Notes may contain provisions that give us the option to redeem them before, at the beginning of or during a step period. The Pricing Supplement will specify the number of step periods and the interest rates for each step period from the Issue Date to the Maturity Date of the Step Notes.

Zero-Coupon Notes

Zero-Coupon Notes will not bear interest and will be issued at a price that is less than the principal amount payable on the Maturity Date. Some Zero-Coupon Notes may be redeemable. If an issue of Zero-Coupon Notes is subject to redemption, the Pricing Supplement will show, in percentage terms, the amount of principal that will be paid upon redemption at specific potential redemption dates. Zero-Coupon Notes will be treated as Notes issued with original issue discount for U.S. federal income tax purposes (as described in “Material U.S. Federal Income Tax Considerations”) and may be subject to special U.S. federal income tax considerations, as described in this Offering Circular or in the applicable Pricing Supplement.

Amortizing Notes

Amortizing Notes are Medium-Term Notes on which we make periodic payments of principal and interest during their terms as described in the applicable Pricing Supplement. Amortizing Notes may bear interest at fixed or floating rates. We will apply payments on Amortizing Notes first to interest due and payable and then to the reduction of unpaid principal. The applicable Pricing Supplement for an issue of Amortizing Notes will include a table that sets forth the repayment schedule.

Redemption and Optional Repayment

If an issue of Notes is redeemable before its Maturity Date, the applicable Pricing Supplement will indicate whether the Notes are redeemable at our option or repayable at your option and will describe the terms and conditions of any redemption or repayment right of the Holders. The applicable Pricing Supplement may specify that an issue of Medium-Term Notes is redeemable or repayable:

- in whole or in part at any time or from time to time;
- on one or more specified dates;
- at any time on or after a specified date; or
- during one or more specified periods of time.

The applicable Pricing Supplement also will specify the redemption or repayment amount or describe the method for determining the redemption or repayment amount. Holders will receive accrued and unpaid interest on the principal amount of Notes redeemed or repaid to but excluding the date of redemption or repayment. In the case of a partial redemption, we will redeem a *pro rata* portion of each outstanding Medium-Term Note of the affected issue.

Notice of an optional redemption or repayment of the Notes must be made not less than five (5) Business Days nor more than sixty (60) calendar days before the applicable redemption date in the manner described in the Master Terms Agreement or applicable Pricing Supplement. See “The Master Terms Agreement — Notices.”

Foreign Currency Notes and Currency Indexed Notes

We may pay principal or interest on Medium-Term Notes in a Specified Payment Currency other than U.S. dollars (“**Foreign Currency Notes**”) or in U.S. dollars based on exchange rates and swap indices of the U.S. dollar for one or more foreign currencies (“**Currency Indexed Notes**”). The Pricing Supplement relating to an issue of Foreign Currency Notes or Currency Indexed Notes will describe, as applicable:

- the method we will use to determine the amount of interest and principal payments;
- certain risks associated with an investment in those Notes;
- any material U.S. federal income tax consequences applicable to Holders of those Notes; and
- other restrictions applicable to Holders of those Notes.

Government or monetary authorities may require Notes denominated in certain currencies or currency units to have certain denominations or minimum or maximum maturities. See also “Risk Factors—Risks Related to the Notes—Exchange rate risks and controls may adversely affect the timing or amount of payments on the Notes.”

Eligibility for Stripping

We may designate some issues of Fixed Rate Notes and Step Notes (“**Eligible Notes**”) as eligible to be stripped into their separate Interest Components and Principal Components (each, a “**Component**”) on the book-entry records of the Federal Reserve Bank of New York (the “**FRBNY**”). We have no obligation to designate any issue of Medium-Term Notes as Eligible Notes, and we may make such a designation at any time before the Cut-off Date (defined below). However, we must designate an issue of Medium-Term Notes as Eligible Notes if you request that an Eligible Note be stripped into its Components at any time beginning on the date it becomes eligible for stripping until the Cut-off Date. You must make your request to the FRBNY and comply with all applicable requirements and procedures, including payment of any fees, of the FRBNY.

The two Components of an Eligible Note are as follows:

- each future interest payment (each, an “**Interest Component**”) due on or before the Maturity Date or, if the Eligible Note is subject to redemption or repayment before the Maturity Date, the first date on which the Eligible Note is subject to redemption or repayment (in either case, the “**Cut-off Date**”); and
- the principal payment plus any interest payments that either are due after the Cut-off Date or are specified as ineligible for stripping in the applicable Pricing Supplement (the “**Principal Component**”).

The first or last interest payment on a Note will not be eligible for stripping if the applicable Interest Payment Period is shorter or longer than the other Interest Payment Periods based on the 30/360 accrual method. In that case, the first or last interest payment will remain with the Principal Component.

Each Component will receive a unique nine-character designation, known as a “**CUSIP Number**,” to identify it.

For an Eligible Note to be stripped into Components, its principal amount must produce an interest payment of \$1,000 or a multiple of \$1,000 on each Interest Payment Date, based on the stated interest rate of the Eligible Note. You can obtain the minimum principal amount required to strip an Eligible Note by contacting us at our principal executive offices. If we designate an issue of Notes as Eligible Notes on the Issue Date, the applicable Pricing Supplement will specify the minimum principal amount required to strip it.

If any modification, amendment or supplement of the terms of an issue of Eligible Notes requires the consent of Holders, only the Holders of Principal Components will be entitled to give or withhold that consent. Holders of Interest Components will have no right to give or withhold such consent. See “The Master Terms Agreement — Amendment.”

Currently, the FRBNY will restore, or “**reconstitute**,” the Principal Components and any Interest Components that are not yet due and payable (“**future Interest Components**”) of a stripped Eligible Note at the request of a Holder of the Principal Component and all such applicable future Interest Components. The Holder must pay a reconstitution fee specified by the FRBNY and comply with all applicable FRBNY requirements and procedures. Generally, you may combine the Principal Component of an issue of Eligible Notes with Interest Components of either the same issue or from other issues of Eligible Notes that have the same CUSIP Number. Interest Components of two or more issues due on the same date sometimes have the same CUSIP Number. Holders who wish to reconstitute Components into an Eligible Note must also comply with all applicable FRBNY requirements and procedures relating to the stripping and reconstitution of securities.

The discussion above is based on our understanding of the way the FRBNY currently strips and reconstitutes securities on the Fed System. The FRBNY may stop stripping or reconstituting Eligible Notes or may change the way this is done or the applicable requirements, procedures or charges at any time without notice.

Subordinated Notes

We may issue Subordinated Notes that we will describe in an applicable Pricing Supplement. The payment of principal of and interest on Subordinated Notes will be subordinated and junior in right of payment to all of our existing and future Senior Obligations. In addition, some issues of Subordinated Notes may have other terms that could defer, limit or suspend our obligation to make any payment of principal of or interest on these Subordinated Notes under certain specified conditions. The applicable Pricing Supplement will specify those terms and conditions, if any. Farmer Mac has not in the past issued any Subordinated Notes, and there are no Farmer Mac subordinated notes outstanding as of the date of this Offering Circular.

Form and Denominations

Fed System

We have entered into an agreement with the FRBNY, acting on behalf of the Federal Reserve Banks, under which the Federal Reserve Banks will be our fiscal agent for Notes held on the Fed System. Investors who own Notes held on the Fed System typically are not the Holders of those Notes. Only banks and other entities eligible to maintain book-entry accounts with a Federal Reserve Bank (“**Fed Participants**”) may be Holders of Notes held on the Fed System.

Notes held on the Fed System are subject to:

- the Farm Credit Administration regulations governing Farmer Mac’s book-entry securities (12 C.F.R. Part 615, Subpart S) (the “**Book-Entry Regulations**”);
- procedures that may be established from time to time by U.S. Treasury Department regulations governing obligations of the United States, as contained in Treasury Department Circular No. 300; and
- any procedures that Farmer Mac and a Federal Reserve Bank may agree to.

You may obtain a copy of Circular No. 300 from any Federal Reserve Bank or the U.S. Treasury Department. These regulations and procedures relate primarily to the registration, transfer and pledge of all of our book-entry securities held on the Fed System, regardless of when we issue or issued the securities. Fed Participants’ individual accounts are governed by operating circulars and letters of the Federal Reserve Banks.

Unless otherwise specified in the applicable Pricing Supplement, Notes shall be issued and maintained only on the Fed System.

Other Book-Entry Systems

Notes held on the DTC System will be represented by global certificates registered in the name of DTC or its nominee. Therefore, DTC or its nominee will be the Holder of Notes held on the DTC System. DTC is a New York-chartered limited purpose trust company that performs services for its participants (“**DTC Participants**”), who are primarily brokerage firms and other financial institutions. Beneficial ownership of any Notes held through the DTC System will be subject to the applicable rules and procedures governing DTC and DTC Participants.

We may also issue Notes registered in the name of the common depository (or a nominee of the common depository) for Euroclear or Clearstream. We will specify the name of the entity who will act as custodian for Notes held by DTC or Euroclear and Clearstream in the applicable Pricing Supplement. For additional information on Euroclear and Clearstream, please see the section entitled “Clearance and Settlement” below.

Certificated Notes

While the Notes will generally be issued and held through the Fed System or through another book-entry system, we may issue Medium-Term Notes in certificated form. Certificated Notes are transferable only at the office of the Registrar for the notes. A Holder may have to pay the Registrar a service charge for any registration or transfer of a certificated Note and will have to pay any applicable transfer taxes or other governmental charges. Unless specified otherwise in the Pricing Supplement, the “**Registrar**” will be Farmer Mac.

Denominations

Unless otherwise specified in the applicable Pricing Supplement, all Notes for which the Specified Payment Currency is U.S. dollars will be issued, held and transferable in minimum original principal amounts of \$1,000 and additional increments of \$1,000. You may not transfer a Note if, as a result of the transfer, you would have remaining in your account Notes of any issue with a principal amount less than \$1,000.

Transfers of Notes on the Fed System must also comply with all applicable Federal Reserve Bank minimum wire transfer requirements. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of those securities in certificated form. These laws may impair your ability to transfer beneficial interests in Notes held on the Fed System or another book-entry system.

The applicable Pricing Supplement will indicate the denominations for Medium-Term Notes for which the Specified Payment Currency is not U.S. dollars.

Identification Numbers

The Notes will be assigned, as applicable, CUSIP Numbers, Euroclear and Clearstream Common Code Numbers and International Security Identification Numbers (“**ISIN**”). The Fed System and the DTC System use CUSIP Numbers, and Euroclear and Clearstream use Common Code Numbers, to identify each issue of Notes and, for Eligible Notes, the Components of an issue. Each issue of Discount Notes that has the same Maturity Date will have the same CUSIP Number.

Exchange of Book-Entry Notes for Certificated Notes

If we issue certificated Notes in exchange for book-entry Notes as described below, the certificated Notes will have the same terms as the book-entry Notes for which they were exchanged, except as described below.

Issuance of Certificated Notes. A Holder can exchange beneficial interests in book-entry Notes for certificated Notes only under the following circumstances:

1. the exchange is permitted by applicable law; and
2. (a) in the case of a book-entry Note held through DTC, DTC notifies us that it is no longer willing or able to act as a depository or ceases to be a “clearing agency” registered under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and we cannot find a successor within 90 days after we receive such notice, (b) in the case of a book-entry Note held through another depository, if all of the clearing systems for such book-entry Note are closed for business for 14 consecutive days, or are permanently closed and we cannot find a successor within 90 days, (c) a Holder has initiated a judicial proceeding to enforce the Holder’s rights under the book-entry Note in court, and counsel has advised the Holder that it is necessary to have a certificated Note or (d) we, either at a Holder’s request and expense or otherwise, in our own discretion, decide to issue certificated Notes.

In any of the above circumstances, we will execute and deliver certificated Notes to the Holders as soon as practicable.

Title. The person in whose name a certificated Note is registered will be the “Holder” of the certificated Note. We may treat the Holders as the absolute owners of certificated Notes for the purpose

of making payments and for all other purposes whether or not any payments on the certificated Notes are overdue.

Partial Redemption. If we redeem a portion of an issue of certificated Notes, we will select by lot, or in any other manner that we deem fair and appropriate, those certificated Notes to be redeemed, ensuring that the principal amount of each outstanding certificated Note after the redemption is in an authorized denomination.

Transfer and Exchange. Holders may present certificated Notes for transfer or exchange at the office of the Registrar or any other transfer agent, with transfer documentation completed and payment of any taxes and other governmental charges. Holders may transfer or exchange certificated Notes in whole or in part only in the authorized denominations of the book-entry Notes for which they were exchanged. In the case of a transfer of a certificated Note in part, the Registrar will issue a new certificated Note for the balance not transferred.

Holders

A Holder of a Note is not necessarily its beneficial owner. Beneficial owners ordinarily will hold Notes through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. For example, as an investor, you may hold a Note through a brokerage firm that, in turn, holds the Note through a Fed Participant. In that case, you would be the beneficial owner and the Fed Participant appearing as the holder on the records of a Federal Reserve Bank would be the Holder of the Notes. A beneficial owner of the Notes may exercise its rights as an owner of the Notes only through the Holder of such owner's Notes, and we may treat the Holder as the absolute owner of the Notes.

If your Note is maintained on the DTC System, the Euroclear system or the Clearstream system, your ownership will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary where you maintain an account for that purpose. In turn, the financial intermediary's interest in the Note will be recorded on the records of DTC, Euroclear or Clearstream (or of a participant that acts as agent for the financial intermediary, if the intermediary is not itself a participant).

A Holder that is not the beneficial owner of a Note, and each other financial intermediary in the chain between the Holder and the beneficial owner, will be responsible for establishing and maintaining accounts for their customers. Farmer Mac, the Federal Reserve Banks, DTC, Euroclear and Clearstream will not have a direct obligation to a beneficial owner of a Note that is not also the Holder.

You may exercise your rights as a beneficial owner of a Note only through the Holder of the Note. A Federal Reserve Bank, DTC, Euroclear or Clearstream will act only upon the instructions of the Fed Participant or relevant participant, as applicable, in recording transfers of a Note. Farmer Mac, the Registrar, the Federal Reserve Banks, DTC, Euroclear and Clearstream may treat the Holder as the absolute owner of a Note for the purpose of receiving payments and for all other purposes, regardless of any notice to the contrary.

Payment Procedures

We will make payments on Notes held on the Fed System in immediately available funds to a Federal Reserve Bank, for credit to the accounts of the appropriate Fed Participants. If specified in an applicable Pricing Supplement, we will make payments on Notes held on the DTC System, Euroclear system or Clearstream system in immediately available funds to DTC, Euroclear or Clearstream (or their

nominees), as applicable. Each of DTC, Euroclear and Clearstream will be responsible for crediting the payment to the accounts of the appropriate participants in accordance with its applicable procedures.

The Registrar will make payments on Notes held in certificated form by check mailed to the addresses of the Holders shown in the Registrar's records or, if the applicable Pricing Supplement provides, by wire transfer to the Holders. However, a Holder will receive the final payment on a certificated Note only upon presentation and surrender of the Holder's certificate to the Registrar. All payments on certificated Notes are subject to any applicable law or regulation. If a payment outside of the United States is illegal or effectively precluded by exchange controls or similar restrictions, payments in respect of the related certificated Notes may be made at the office of Farmer Mac or any other paying agent in the United States.

Payments will be rounded to the nearest cent or, for a Specified Payment Currency other than U.S. dollars, to the nearest smallest transferable unit (with one-half cent or unit being rounded upwards). Each Holder and each other financial intermediary will be responsible for remitting payments to the beneficial owner of a Note. If a principal or interest payment error occurs, we may correct it as described below under "— Corrections."

We (or any person authorized by us) may require the Holder of a Note, as a condition to the payment of principal or interest on the Note or as a condition to the transfer or exchange of the Note, to present a certificate in the form we prescribe that enables us to determine the duties and liabilities for any taxes or other charges required to be deducted or withheld under applicable laws or other requirements. If any jurisdiction imposes a withholding or other tax on a payment on any Note, we will deduct the amount required to be withheld from such payment and we will not pay additional interest or other amounts or redeem the Notes prior to maturity as a result.

Clearance and Settlement

Notes may be held through organizations participating in one or more international and domestic clearing systems, principally the Fed System and DTC in the United States, and Euroclear and Clearstream outside the United States. Electronic securities and payment transfer, processing, depository and custodial arrangements among these systems and others, either directly or indirectly through custodians and depositories, may enable Notes to be issued, held and transferred among the systems as described below.

Each relevant system has its own separate operating procedures and arrangements with participants or accountholders that govern the relationship between them and the system and in respect of which we are not and will not be a party. The clearing systems may impose fees for the maintenance and operation of the accounts in which beneficial interests in the Notes are maintained.

We expect that:

- most Notes will clear and settle through the Fed System;
- some Notes, such as Notes whose Specified Payment Currency is not U.S. dollars (and Notes denominated and payable in U.S. dollars that are not cleared and settled through the Fed System) will clear and settle through the DTC System, Euroclear system or Clearstream system, as specified in the applicable Pricing Supplement; and
- Notes, irrespective of the Specified Payment Currency in which they are denominated or payable, distributed solely outside of the United States will clear and settle primarily through the Euroclear system or Clearstream system and, in certain cases, the DTC System.

Fed System. The Fed System provides book-entry holding and settlement for U.S. dollar denominated securities issued by the U.S. Government, some of its agencies and instrumentalities and international organizations of which the United States is a member. The Fed System enables holding institutions to hold, make payments and transfer securities and funds through the U.S. Federal Reserve Banks' Fedwire® Securities Service.

DTC. DTC is a limited-purpose trust company organized under the laws of the State of New York, and is a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for DTC Participants and facilitates the clearance and settlement of transactions between DTC Participants through electronic book-entry changes in accounts of DTC Participants.

Euroclear. Euroclear was created in 1968 to hold securities for its participants and to clear and settle transactions between its participants through simultaneous electronic book-entry delivery against payment. Euroclear is operated by the Euroclear Bank, under contract with Euro-clear Clearance Systems S.C., a Belgian cooperative corporation. All operations are conducted by Euroclear Bank, and all Euroclear securities clearance accounts and Euroclear cash accounts are with Euroclear Bank and governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgium law. Euroclear Bank was launched on December 31, 2000, and replaced Morgan Guaranty Trust Company of New York as the operator of and banker to the Euroclear system.

Clearstream. Clearstream is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions between its participating organizations through electronic book-entry changes in accounts of its participating organizations. Distributions with respect to Notes held beneficially through Clearstream will be credited to cash accounts of participating organizations in accordance with Clearstream's rules and procedures, and applicable Luxembourg law.

Other. Any other clearing system that we make available for a particular issue of Notes will be described in the applicable Pricing Supplement.

Clearstream and Euroclear each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Cross-market transfers between persons holding through, as the case may be, DTC or the Fed System, on the one hand, and through Euroclear or Clearstream, on the other, will be effected as the case may be, by DTC or the Fed System, in accordance with DTC and the Fed System, rules on behalf of Euroclear or Clearstream by its U.S. depository. Such cross-market transactions will require delivery of instructions to either Euroclear or Clearstream in accordance with its relevant rules and procedures and within its established deadlines (European time). Euroclear or Clearstream will, if the transaction meets its settlement requirements, deliver instructions to its U.S. depository to take action to effect final settlement on its behalf by delivering to or receiving Notes from DTC or the Fed System, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream may not deliver instructions directly to their respective U.S. depositories.

Because of time-zone differences, credits of Notes received on the Euroclear system or Clearstream system as a result of a transaction with a DTC Participant or Fed Participant will be made during subsequent securities settlement processing and dated the Business Day following the DTC settlement date. Such credits or any transactions in such Notes settled during such processing will be reported to the relevant Euroclear or Clearstream participants on such Business Day. Cash received on the Euroclear system or Clearstream system will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the Business Day following settlement in DTC.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of Notes among their participants, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

Business Day Convention

Unless otherwise specified in the applicable Pricing Supplement, if the specified payment date is not a Business Day, we will pay interest or premium, if any, on the Medium-Term Notes or the principal of the Medium-Term Notes on the next Business Day with the same force and effect as if made on the applicable Interest Payment Date or Principal Payment Date. No interest on a delayed payment will accrue on the amount so payable for the period from the specified payment date to the date of payment unless specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, “**Business Day**” means a day other than:

- (a) a Saturday, (b) a Sunday, (c) a day on which the FRBNY is closed, (d) as to any Holder of a Book-Entry Note, a day on which the Federal Reserve Bank that maintains the Holder’s account is closed; (e) a day on which banking institutions are closed in (1) the City of New York or (2) if the Specified Payment Currency is other than U.S. dollars or euros, the Principal Financial Center of the country of such Specified Payment Currency, (f) if the Specified Payment Currency is euros, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System is not operating, the system is not open for settlements, or a day on which payments in euros cannot be settled in the international interbank market as determined by the Global Agent, or (g) for any required payment, a day on which banking institutions are closed in the place of payment.

Extension of Maturity

The Holders of Notes or we may have the option to extend the Maturity Date of an issue of Medium-Term Notes (“**Extendible Notes**”) for one or more whole-year periods (each, an “**Extension Period**”) up to but not beyond the date (the “**Final Maturity Date**”) specified in the Pricing Supplement. The applicable Pricing Supplement will describe the terms of any such option and specify the basis or formula, if any, for setting the interest rate or the Spread and/or Multiplier, as the case may be, applicable to any Extension Period. The Pricing Supplement shall also specify any special U.S. federal income tax consideration applicable to such extension.

If we have the option to extend the Maturity Date of an issue of Extendible Notes, we will notify you that we are exercising our option to extend maturity between forty-five (45) and sixty (60) calendar days before the original Maturity Date (unless the Pricing Supplement specifies a different notice period)

in the manner described under “The Master Terms Agreement — Notices.” Any such notice (the “**Extension Notice**”) shall contain:

- the election of Farmer Mac to extend the Maturity Date;
- the new Maturity Date;
- the interest rate or interest rate formula applicable to the Extension Period in the case of Fixed Rate Notes;
- the Spread and/or Spread Multiplier applicable to the Extension Period, in the case of Floating Rate Notes; and
- the provisions, if any, for redemption during the Extension Period.

The Maturity Date of an issue of Notes will extend automatically upon the mailing of an Extension Notice to the affected Holders, and, except as modified by the Extension Notice and as described in the next paragraph, the terms of those Notes will not change.

Notwithstanding the foregoing, not later than twenty (20) days before the original Maturity Date, we may revoke the interest rate or interest rate formula or the Spread or Spread Multiplier, if applicable, provided for in an Extension Notice and establish a higher interest rate, interest rate formula, Spread or Spread Multiplier for the Extension Period by mailing the applicable Holders a notice of the different interest rate formula, Spread or Spread Multiplier. This notice shall be irrevocable, and all Notes whose Maturity Date is extended will bear the higher interest rate for the Extension Period.

For issues of Extendible Notes where we have the option to extend maturity, we may grant the Holder of that Note the option to have Farmer Mac repay the Note on the original Maturity Date at a price equal to its unpaid principal amount plus any accrued and unpaid interest to but excluding that date. The Holder must follow the procedures described above under “Description of the Notes — Medium-Term Notes—Redemption and Optional Repayment,” except that the period for delivery of notice shall be at least twenty-five (25) but not more than thirty-five (35) days before the original Maturity Date. A Holder who has tendered a Medium-Term Note for redemption pursuant to an Extension Notice may, by written notice, revoke any such tender until the close of business on the fifth day before the original Maturity Date.

If you have the option to extend the Maturity Date of an issue of Extendible Notes, the applicable Pricing Supplement will describe the terms of the provisions relating to your exercise of that option.

Reopenings

We may “**reopen**” any issue of Medium-Term Notes at any time by offering additional Medium-Term Notes with the same terms as those of existing Medium-Term Notes (other than Issue Date, initial Interest Payment Period and offering price, which may vary). The additional and existing Medium-Term Notes will be consolidated and will form a single issue. We may reopen any issue of Notes without the consent of the Holders of the existing Medium-Term Notes.

Corrections

If a principal or interest payment error occurs on the Notes, we may correct it by adjusting payments on later Interest Payment Dates or Principal Payment Dates or in any other manner we consider appropriate. All index values used to determine principal or interest payments are subject to correction within thirty (30) days from the applicable date of payment. The source of a corrected value must be the

same source as that which the Calculation Agent obtained at the original value. A correction might result in an adjustment to the amount we pay to you or a subsequent investor on a later date. We have no obligation to make such payment to any person who was a Holder at the time the principal or interest payment error occurred and is not a Holder for purposes of any adjusted payments.

For example, if the index value first used to determine the interest rate on an issue of Notes is superseded by a corrected value from the original source, the Calculation Agent will use that corrected value to determine the interest rate payable on those Notes on the applicable Interest Payment Date. To illustrate, assume that LIBOR is the applicable interest rate index for determining the interest rate payable on a Note. If LIBOR for a Reset Date is obtained from Reuters Page LIBOR01, that rate may be superseded only by a corrected rate for that Reset Date obtained from Reuters Page LIBOR01. The Calculation Agent will use the corrected rate to determine the interest rate payable on that Note as of the applicable Interest Payment Date.

THE MASTER TERMS AGREEMENT

We will issue the Notes under the Master Terms Agreement, as amended and supplemented. The following summary describes some of the terms of the Master Terms Agreement. This summary is not complete. You should refer to the Master Terms Agreement if you would like further information about its terms. You can obtain copies of the Master Terms Agreement by contacting our Corporate Secretary at our principal executive offices.

Binding Effect

By receiving and accepting a Note, you and any financial intermediary or Holder acting on your behalf unconditionally agree, without any signature or further manifestation of assent, to be bound by all the terms and conditions of the Master Terms Agreement, as it may be supplemented or amended from time to time according to its terms. The Master Terms Agreement will be binding upon and inure to the benefit of any successor to Farmer Mac.

Various Matters Regarding Farmer Mac

Farmer Mac and its directors, officers, employees and agents will not be liable to Holders for any action taken or omitted in good faith or for errors in judgment. However, they will not be protected against any liability that results from willful misfeasance, bad faith, gross negligence or reckless disregard of their duties.

We may employ agents or independent contractors to perform our responsibilities under the Master Terms Agreement. Holders will not be able to direct or control Farmer Mac's actions under the Master Terms Agreement, unless an Event of Default (as defined below) occurs.

Except for our payment obligations, we will not be liable for any direct damages unless we have failed to exercise the same degree of ordinary care that we exercise in the conduct of our own affairs. We will not be liable for any consequential damages.

We need not appear in any legal action that is not incidental to our responsibilities under the Master Terms Agreement and that we believe may result in any expense or liability. However, we may undertake any legal action that we believe is necessary or desirable in the interests of Holders and will bear the related legal costs.

Events of Default

Under the Master Terms Agreement, an “**Event of Default**” for an issue of Medium-Term Notes (other than Subordinated Notes) is:

- our failure to make any required payment that continues for 30 days;
- our failure to perform in any material way any other covenant or agreement under the Master Terms Agreement, if the failure lasts for 60 days after we receive notice of the failure from the Holders of at least 25% of the outstanding principal or notional principal amount of an issue of Medium-Term Notes; or
- specified events of receivership, liquidation, insolvency or similar proceedings involving Farmer Mac.

The appointment of a conservator (or other similar official) by a regulator having jurisdiction over us, whether or not we consent to that appointment, will not constitute an Event of Default. The applicable Pricing Supplement will specify the Events of Default that apply to an issue of Subordinated Notes.

The Master Terms Agreement does not define events of default that apply to Discount Notes or specify the remedies available to you if we default as to an issue of Discount Notes.

Rights Upon Event of Default

If an Event of Default under the Master Terms Agreement occurs and is continuing, the Holders of at least 50% of the outstanding principal or notional principal amount of the affected issue of Medium-Term Notes may, by written notice to Farmer Mac, accelerate the maturity of such issue of Medium-Term Notes by declaring the principal and all accrued and unpaid interest, if any, of such issue of Medium-Term Notes to be due and payable immediately.

No Holder has the right under the Master Terms Agreement to institute any action or proceeding at law or in equity or in bankruptcy or otherwise, or for the appointment of a receiver or trustee, or for any other remedy, unless:

- the Holder previously has given us written notice of an Event of Default and its continuance;
- the Holders of at least 50% of the outstanding principal or notional principal amount of the same issue of Medium-Term Notes have given us written notice of the Event of Default; and
- the Event of Default continues unremedied for sixty (60) days following the date written notice of such Event of Default by the Holders of at least 50% of the outstanding principal or notional principal amount of the same issue of Medium-Term Notes has been given to Farmer Mac.

Holders do not have any right under the Master Terms Agreement to affect, disturb or prejudice the rights of any other Holder, to obtain or seek to obtain preference or priority over any other Holder or to enforce any right under the Master Terms Agreement, except as provided in the Master Terms Agreement and for the ratable and common benefit of all Holders.

The Holders of at least 50% of the outstanding principal or notional principal amount of the affected issue of Medium-Term Notes may waive an Event of Default prior to or after the institution of any action relating to the issue of Medium-Term Notes, whether or not the Event of Default has resulted in a declaration of an acceleration of maturity of the issue of Medium-Term Notes, and may rescind or annul any previously declared acceleration.

Where the Master Terms Agreement allows the Holders of a specified percentage of the outstanding principal or notional principal amount of an issue of Medium-Term Notes to take any action (including the making of any demand or request, or the giving of any authorization, notice, consent or waiver), the Holders of that specified percentage may provide their agreement in writing, whether executed in person or by an agent or proxy appointed in writing.

Amendment

We may amend or supplement the Master Terms Agreement without the consent of Holders:

- to cure any ambiguity or to cure, correct or supplement any provision in the Master Terms Agreement, or to make any provision not inconsistent with the Master Terms Agreement or Note;
- to add to covenants for the benefit of Holders;
- to surrender any right or power conferred upon us;
- to evidence the succession of another entity to us and its assumption of our covenants;
- to conform the terms of an issue of Notes to, or cure any ambiguity or discrepancy resulting from any changes in, the Book-Entry Regulations or any document or regulation that the Book-Entry Regulations make applicable to book-entry securities of Farmer Mac;
- to increase the amount of an issue of Notes; or
- in any other manner we may determine that will not adversely affect the interests of Holders in any material way at the time of the amendment.

Except as provided in the following sentence, we also may amend or supplement the terms of the Notes with (1) the written consent of the Holders of over 50% of the aggregate then outstanding principal amount of an affected issue of Notes, or (2) the approval by resolution of Holders of over 50% of the aggregate then outstanding principal amount of an issue of Notes represented at a meeting of Holders where a quorum is present, in each case excluding Notes that we own. However, each affected Holder must consent for us to amend or supplement the terms of the Notes to:

- change the Maturity Date of the Notes or any Interest Payment Date of a Medium-Term Note (subject to the provisions described under “Description of the Notes — Extension of Maturity”);
- materially modify the redemption or repayment provisions, if any, relating to the redemption or repayment price of, or any redemption or repayment date or period for, a Medium-Term Note;
- reduce the principal amount of, or materially modify the rate of interest (or percentage discount) or the calculation of the rate of interest on, any Discount Note; or Medium-Term Note, as applicable
- reduce the percentage of Holders whose consent or affirmative vote is necessary to amend or supplement the terms of any issue of Notes.

A quorum at any meeting of Holders called to adopt a resolution will be Holders entitled to vote a majority of the then aggregate outstanding principal or notional principal amount of an issue of the Notes called to the meeting and, at any reconvened meeting adjourned for lack of a quorum, 25% of the then aggregate outstanding principal or notional principal amount of that issue of Notes, in both cases excluding any Notes that we own. Holders need not approve the particular form of any proposed amendment as long as they approve the substance of the change.

We may establish a record date to determine the Holders entitled to (1) vote at any meeting of Holders of Notes, (2) grant any consent regarding Notes and (3) receive notice of such meeting or consent.

Any instrument evidencing a Holder's consent will be irrevocable once given and will be conclusive and binding on all subsequent Holders of that Note or any substitute or replacement Note. Any amendment to the Master Terms Agreement or to the terms of Notes will be conclusive and binding on all Holders of those Notes, whether or not they have given consent or were present at any meeting (unless the Master Terms Agreement requires the written consent or vote of those Holders) and whether or not a notation of that amendment is made upon the Notes.

Notes Acquired by Farmer Mac

We may, from time to time, repurchase or otherwise acquire some or all of any issue of the Notes. Notes that we own will be treated the same as Notes of the same issue held by other Holders, without preference, priority or distinction as among those Notes. However, in determining whether the required percentage of Holders of an issue of Notes has given any required demand, authorization, notice, consent or waiver, Notes that we own, directly or indirectly, or which are owned by any person under direct or indirect common control with us, will be disregarded and deemed not to be outstanding.

Notices

Any notice, demand or other communication to be given to, or served upon, a Holder under the Master Terms Agreement may be given or served in writing by mail addressed to the Holder using the address in our records, a Federal Reserve Bank, or in the case of a Holder of a Note maintained on the Fed System, by transmission through the communication system linking the Federal Reserve Banks. Any notice, demand or other communication to a Holder will be considered given upon mailing or transmission.

Any notice, demand or other communication given to us, or served upon us, under the Master Terms Agreement must be in writing and addressed to:

Prior to October 1, 2011:

Federal Agricultural Mortgage Corporation
1133 Twenty-First Street, N.W., Suite 600
Washington, D.C. 20036
Attention: General Counsel

On or after October 1, 2011:

Federal Agricultural Mortgage Corporation
1999 K Street, N.W., 4th Floor
Washington, D.C. 20006
Attention: General Counsel

Any notice to us will be considered given upon our actual receipt of the writing.

If Notes are listed on an exchange and its rules so require, we also will give notice with respect to that issue of Notes in accordance with the rules of the exchange.

Governing Law

The Master Terms Agreement and the rights and obligations of the Holders and Farmer Mac with respect to the Notes shall be construed in accordance with and governed by the laws of the United States.

Insofar as there may be no applicable precedent, and insofar as to do so would not frustrate the purposes of the Farm Credit Act or any provision of the Master Terms Agreement or the transactions governed thereby, the local laws of the State of New York shall be deemed to reflect of the laws of the United States.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

Any discussion of tax issues set forth in this Offering Circular and any applicable Pricing Supplement was written to support the promotion and marketing of the transactions described in this Offering Circular and any applicable Pricing Supplement. Such discussion was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any tax penalties that may be imposed on such person. Each investor should seek advice based on its particular circumstances from an independent tax advisor.

The following is a general summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes. The authorities on which this summary is based are subject to change or differing interpretations, which could apply retroactively.

This discussion is for Owners (as defined below) that hold the Notes as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”) and does not purport to discuss all U.S. federal income tax consequences that may be applicable to the individual circumstances of Owners in special tax situations, including but not limited to banks, insurance companies, certain former citizens or residents of the United States, tax-exempt organizations, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, dealers in securities or currencies, mutual funds, real estate investment trusts, S corporations, estates and trusts, Owners that hold the Notes as part of a hedge, straddle or an integrated or conversion transaction, U.S. Owners (as defined below) whose functional currency is not the U.S. dollar, or partnerships or other pass-through entities. Furthermore, the tax consequences arising from the ownership of any Notes with special characteristics (e.g., Foreign Currency Notes, Currency Indexed Notes, Extendible Notes, Subordinated Notes providing for deferral of, limitation on or suspension of payments of principal or interest in some circumstances, or Variable Principal Amount Notes) may be set forth in the applicable Pricing Supplement. In all cases, you are advised to consult your own tax advisors regarding the U.S. federal income tax consequences to you of purchasing, owning and disposing of Notes (or of stripped payment rights derived from such Notes), including the advisability of making any of the elections described below, as well as any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction. In addition, this summary of certain U.S. federal income tax consequences is for general information only and is not tax advice for any particular Owner. Additionally, this summary does not address federal estate and gift tax consequences of holding the Notes.

Although Farmer Mac is a government-sponsored enterprise, neither the Notes nor the income received on them is exempt from U.S. federal income, estate or gift taxes under the Code.

As we use the term, a “**U.S. person**” means any of the following:

- an individual who, for U.S. federal income tax purposes, is a citizen or resident of the United States;
- a corporation (or other business entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation without regard to its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration and at least one U.S. person has authority to control all substantial decisions of the trust. Certain trusts in existence on August 20, 1996, that were treated as “U.S. persons”

within the meaning of Section 7701(a)(30) of the Code before that date may elect to continue to be treated as U.S. persons.

“**U.S. Owner**” means a U.S. person that beneficially owns a Note. “**Non-U.S. Owner**” means a beneficial owner of a Note that is an individual, a corporation, an estate or a trust that is not a U.S. person. “**Owner**” means either a U.S. Owner or a Non-U.S. Owner.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds Notes, the treatment of a partner will generally depend upon the status of the particular partner and the activities of the partnership. If you are a partner in such a partnership, you should consult your own tax advisors.

It is suggested that prospective purchasers consult their own tax advisors regarding the tax consequences to them of purchasing, owning and disposing of Notes, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

U.S. Federal Income Tax Consequences to U.S. Owners

The U.S. Internal Revenue Service (the “**IRS**”) has ruled that Farmer Mac is an instrumentality of the United States for purposes of Section 7701(a)(19) of the Code; therefore, domestic building and loan associations and savings banks are permitted to invest in Notes to meet the percentage of total assets required to be invested in, among other things, stock or obligations of a corporation which is an instrumentality of the United States. Furthermore, Notes held by a real estate investment trust will constitute “Government securities” within the meaning of Section 856(c)(4)(A) of the Code, and Notes held by a regulated investment company will constitute “Government securities” within the meaning of Section 851(b)(3) of the Code.

Payments of Interest

Stated interest on a Note will generally be taxable to you as ordinary interest income at the time it is accrued or received in accordance with your method of accounting for U.S. federal income tax purposes.

Original Issue Discount

General. Notes that are Zero-Coupon Notes will, and certain other Notes may, be issued with original issue discount (“**OID**”). A Note will be treated as issued with OID if its “stated redemption price at maturity” is greater than its “issue price,” unless such excess is de minimis. The de minimis amount is generally one quarter of one percent of the Note’s stated redemption price at maturity multiplied by the number of complete years from the Issue Date to the Maturity Date (or the weighted average maturity if any amount included in the stated redemption price at maturity is payable before the Maturity Date). A Note’s “stated redemption price at maturity” is the total of all payments provided by the Note that are not payments of “qualified stated interest.” A “qualified stated interest” payment is a payment of stated interest that is unconditionally payable in cash or property at least annually during the entire term of the Note, at a single fixed rate or at specified types of variable rates. Interest is payable at a single fixed rate only if the rate takes into account the length of intervals between payments. A Note’s “issue price” is the first price at which a substantial amount of the issue of which the Note is a part is sold to persons other than those acting in the capacity of underwriters, placement agents, brokers or wholesalers. A Note’s issue price generally includes any pre-issuance accrued interest unless a U.S. Owner excludes such

amount from the issue price and treats a portion of the stated interest payable on the first interest payment date as a return of that accrued interest rather than as an amount payable under the Note.

If you hold a Note with a de minimis amount of OID, you must include any de minimis OID in income, as capital gain, on a pro rata basis as principal payments are made on the Note.

Special rules apply to Notes that are callable by us, including Step Notes that have an initial fixed interest rate that will change to a different fixed rate around the date on which such Notes may be redeemed, or the maturity of which is extendible by an Owner, such as the Extendible Notes. See “— Optional Redemption, Extension or Repurchase.” Other special rules may apply to Notes that are Floating Rate Notes, Fixed/Floating Rate Notes that provide for a fixed rate and a variable rate in different periods, Notes with a zero or reduced interest rate for certain periods, and certain other situations. If any such special rules apply to a particular issue of Notes, the applicable Pricing Supplement will describe any special tax considerations that apply.

Subject to certain special rules for Notes with a maturity of one year or less (discussed below), if you hold a Note with more than a de minimis amount of OID, you must include OID in income as it accrues, regardless of your normal method of tax accounting. Thus, you may have to recognize income before receiving the cash attributable to such income. You must include OID in income using the constant yield to maturity method, which is computed based on a constant annual rate of interest and compounding at the end of each accrual period. The U.S. Treasury regulations concerning the tax treatment of Notes issued with OID (the “**OID Regulations**”) permit you to use accrual periods of any length from one day to one year to compute accruals of OID, provided that each scheduled payment of principal or interest occurs either on the first or last day of an accrual period. Under these rules, you must include in income increasingly greater amounts of OID in successive accrual periods, unless payments that are part of the stated redemption price at maturity of a Note are made before its final maturity.

Floating Rate Notes. A Floating Rate Note that bears interest at a single variable rate that is reasonably expected to measure contemporaneous changes in the cost of newly borrowed funds will be subject to the general OID rules described above, and all stated interest on the Note will be treated as qualified stated interest. The constant yield to maturity used to determine the amount of OID that accrues in any period will be calculated assuming that the variable rate in future periods is equal to the initial value of the variable rate.

We will set forth the tax treatment of all other Floating Rate Notes in the applicable Pricing Supplement, including whether such Notes are subject to special rules relating to contingent payment debt instruments.

Optional Redemption, Extension or Repurchase. The OID Regulations provide special rules for determining the yield and maturity of debt instruments that provide the holder or the issuer with an unconditional option or options that, if exercised, require payments to be made on the debt instrument under an alternative payment schedule or schedules (e.g., an option to extend or an option to call a debt instrument at a fixed premium). Under these rules, we will be presumed to exercise our call or extension right if such exercise would minimize the yield to maturity of the Notes. An Owner of a Note will be presumed to exercise its option to cause us to repurchase the Note or to extend the maturity of the Note if doing so would maximize the yield to maturity on the Note. If an option that is presumed to be exercised (or not exercised) is not exercised (or exercised), then the Note will be treated as if it were redeemed and reissued on the date of the change in circumstances for an amount equal to its adjusted issue price on that date solely for purposes of determining future accruals of interest and OID. The adjusted issue price generally is the issue price of the Note, increased by the amount of OID previously taken into account (determined without regard to the acquisition premium rules) and decreased by the amount of any

premium previously amortized on the Note under Section 171 of the Code (as discussed below) and payments previously made on the Note other than payments of qualified stated interest.

For example, under these rules, a Fixed Rate Note that is issued at a discount and is callable at par will not be deemed to be called because exercise of the call right will not minimize the yield on such Note. A Step Note that is issued at par, has interest that increases on specified dates, and is callable at par on the dates specified for increases in interest rates will be deemed to be called on the first step date because the yield to maturity on the Note would be lower than if the interest rate were stepped up. If the Step Note is not called on that date (or is called only in part), the Step Note (to the extent of its remaining outstanding principal amount) will be deemed to be retired and then reissued at par. As a result of these special rules, a Step Note issued at par and with interest that increases on specified dates will not have any OID and stated interest will be taken into account by a U.S. Owner under its regular method of accounting.

If a principal purpose in structuring a debt instrument is to achieve a result that is unreasonable in light of the purposes of the rules relating to OID, then the OID Regulations provide that the IRS can apply or depart from the OID Regulations, including the rules relating to the exercise of call rights described above, as necessary or appropriate to achieve a reasonable result. We intend to report income on any Step Notes with the features described above assuming this anti-abuse rule does not apply.

Notes with a Term of One Year or Less. All stated interest payments on a Note that matures one year or less from the date it is issued (a “**Short-Term Note**”) are included in the stated redemption price at maturity of the Note and, therefore, are treated as OID. For purposes of determining whether a Note is a Short-Term Note, the maturity date of the Note is the last possible date it could be outstanding under its terms. For example, a Step Note that has a maturity of more than one year but, under the rules described in the previous section, is presumed to be called on a date that is one year or less from the issue date, will not constitute a Short-Term Note.

Accrual-basis U.S. Owners, banks, regulated investment companies and certain other U.S. Owners described in Section 1281(b) of the Code must accrue OID and stated interest (if any) on a Short-Term Note on a straight-line basis (regardless of their method of accounting) unless the U.S. Owner makes an irrevocable election to accrue such OID based on the Note’s yield to maturity and daily compounding. U.S. Owners described in this paragraph may irrevocably elect to accrue “acquisition discount” (i.e., the excess of the stated redemption price at maturity over the U.S. Owner’s tax basis in the Short-Term Note) rather than OID. Such U.S. Owners should consult their own tax advisors before making these elections.

A U.S. Owner that is not required to include OID and stated interest on a Short-Term Note in income currently may nevertheless elect to include in income interest and OID as they accrue (under the rules discussed above) on all obligations having a maturity of one year or less held by the U.S. Owner in the taxable year of the election and in all subsequent years. This election is irrevocable without the consent of the IRS. If you are not required to include OID and stated interest on a Short-Term Note in income currently, and you do not elect to include OID currently, then with respect to OID and stated interest (if any) on a Short-Term Note, you must:

- include OID and any stated interest in income when received;
- include in ordinary income any gain realized upon the sale, exchange, redemption or retirement or other disposition of a Short-Term Note to the extent of accrued OID (determined on a straight-line basis; unless you make an irrevocable election to determine the accrued OID on the basis of the Note’s yield to maturity and daily compounding); and

- defer deductions for interest expense on any indebtedness you incurred or continued to purchase or carry the Short-Term Note, in an amount not exceeding the deferred interest income, until you recognize the deferred interest income.

Subordinated Notes. Under the OID Regulations, a Note will generally be treated as issued with OID if the stated interest on the Note does not constitute qualified stated interest. In determining whether stated interest on a Note is unconditionally payable and thus constitutes qualified stated interest, remote contingencies as to the timely payment of stated interest are ignored.

In the case of a Subordinated Note, we may have the right to defer the payment of interest in accordance with the terms of the Subordinated Note. Thus, interest on a Subordinated Note would not be unconditionally payable at least annually, and thus would not be qualified stated interest, unless the likelihood of the deferral of interest payments were remote. This determination must be made at the time of issuance of each Subordinated Note. The applicable Pricing Supplement will specify whether we believe the likelihood of deferral is remote.

If, as of the Issue Date, the likelihood of a deferral of any payment of interest was determined not to be remote or if any payment of interest on a Subordinated Note was actually deferred, the Subordinated Note would be treated as issued with OID at the time of issuance or deferral, as the case may be, and all stated interest would thereafter be treated as OID as long as the Subordinated Note remained outstanding. In that event, all of your taxable interest income in respect of the Subordinated Note would constitute OID that generally would have to be included in income using the constant yield to maturity method, notwithstanding that the interest is not being paid currently.

Reopenings. We may reopen an issue of Medium-Term Notes at any time by offering additional Medium-Term Notes (“**New Notes**”) with the same terms as those of a previous issuance of Medium-Term Notes (“**Old Notes**”). For purposes of determining OID, New Notes that meet the conditions described below will be considered to have the same issue date, issue price and, with respect to Owners, adjusted issue price as the Old Notes:

1. the terms of the Old Notes and the New Notes are in all respects identical as of the reopening date;
2. the Old Notes are treated as publicly traded within the meaning of the OID Regulations; and
3. (a) the New Notes, viewed separately, would have been issued with no more than a de minimis amount of OID, or
 - (b) if the issue date of the New Notes is not more than six months after the issue date of the Old Notes, on the earlier of the announcement date or the date the price of the New Notes is established, the yield of the Old Notes based on the fair market value is not more than 110% of their yield on the date of issuance (or, if the Old Notes were issued with no more than a de minimis amount of OID, their coupon rate). For this purpose, the announcement date is the later of (a) seven days before the price of the New Notes is established or (b) the date our intention to reopen the debt offering is announced through one or more media channels (including Reuters, Telerate or Bloomberg).

Notes Purchased with Acquisition Premium or Market Discount

A U.S. Owner who purchases a Note issued with OID for an amount that exceeds its adjusted issue price but is less than its remaining stated redemption price at maturity will have acquisition premium in the amount of such excess. In that case, you will reduce the amount of OID includible in income for each taxable year by the portion of the acquisition premium properly allocable to that year. Unless you make an election to treat all interest as OID (see “— Election to Treat All Interest as OID” below), the OID includible for any taxable year will be reduced by the product of the amount of OID otherwise accruing during that taxable year under the rules described above and a constant fraction, the numerator of which is the excess of the purchase price of the Note over the adjusted issue price of the Note as of the acquisition date and the denominator of which is the remaining OID on the Note as of the acquisition date.

A U.S. Owner who purchases after initial issuance a Note, other than a Short-Term Note, at a price less than its stated redemption price at maturity, or in the case of a Note with OID, its adjusted issue price, will have market discount in the amount of such deficit. If you purchase a Note with market discount, unless the amount of market discount is less than a de minimis amount, you must treat any principal payments on the Note, or gain realized upon the disposition or retirement of the Note, as interest income to the extent of market discount which accrued while you held the Note, unless you elect under Section 1278(b) of the Code to include the market discount in your income on a current basis. Market discount is considered de minimis if it is less than one quarter of one percent of a Note’s stated redemption price at maturity multiplied by the number of complete years to maturity after you acquire the Note (or the weighted average maturity if any amount included in the stated redemption price at maturity is payable before the Maturity Date). If you dispose of a Note with more than a de minimis amount of market discount in a transaction that is nontaxable in whole or in part, other than one described in Section 1276(d) of the Code, accrued market discount is includible as ordinary income as if you had sold the Note at its then fair market value. Generally, market discount accrues ratably over the number of days from the date of acquisition to the maturity date of the Note. A U.S. Owner may, however, irrevocably elect with respect to any Note to use a constant interest method.

A U.S. Owner who acquires a Note at a market discount and does not elect to include market discount in income on a current basis may be required to defer the deduction for a portion of the interest expense on any indebtedness incurred or continued to purchase or carry the Note until the deferred income is realized.

Notes Purchased at a Premium

A U.S. Owner who purchases a Note for an amount that exceeds its remaining stated redemption price at maturity may elect under Section 171(c)(2) of the Code to treat such excess as amortizable bond premium. A U.S. Owner that purchases a Note with OID at a premium is not required to include in income any OID on such Note. If you make the election, you may reduce (but not below zero) the amount included in income each year with respect to the interest on the Note by the amount of amortizable bond premium allocable to that year based on the Note’s yield to maturity. If such Note may be called prior to maturity after the U.S. Owner has acquired it, the U.S. Owner generally may not assume that the call will be exercised and must amortize premium to the maturity date. If the Note is in fact called, any unamortized premium may be deducted in the year of the call. Your election applies to all bonds you hold (except bonds the interest on which is excludable from gross income) and all fully taxable bonds acquired in subsequent years. Your election is irrevocable without the consent of the IRS. If an election is not made to treat such premium as amortizable bond premium, you must include the full amount of interest payments in income according to your regular method of accounting and will take the premium into account in computing gain or loss upon the sale, exchange, redemption, retirement or other

taxable disposition of the Note. Thus, the premium may reduce capital gain or increase capital loss realized on the sale, exchange, redemption, retirement or other taxable disposition of such a Note.

Election to Treat All Interest as OID

You may elect to treat all interest on any Note as OID and calculate the amount included in gross income under the constant yield to maturity method described above (an “**accrual method election**”). For purposes of this election, interest includes the following: stated interest, acquisition discount, OID, de minimis OID, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium. You must make the election for the year in which you acquired the Note, and may not revoke it without the consent of the IRS.

If you have not made an election under Section 171(c)(2) of the Code to amortize bond premium, an accrual method election for a Note with amortizable bond premium will result in a deemed election under Section 171(c)(2) of the Code for the taxable year in which the Note was acquired. Such a deemed election will apply to all of your debt instruments with amortizable bond premium held at the beginning of such year and acquired thereafter. Similarly, if you have not made an election under Section 1278(b) of the Code to include market discount in income on a current basis, an accrual method election for a Note with market discount will result in a deemed election under Section 1278(b) of the Code. Such a deemed election will apply to all debt instruments with market discount acquired by you during the current year and all subsequent years. Neither the bond premium election under Section 171(c)(2) of the Code nor the market discount election under Section 1278(b) of the Code may be revoked without the permission of the IRS.

Disposition or Retirement of Notes

When a U.S. Owner sells, exchanges or otherwise disposes of a Note, including by retirement or redemption, such U.S. Owner will recognize gain or loss equal to the difference, if any, between the amount realized on the disposition or retirement (not including any amount attributable to accrued but unpaid interest) and the U.S. Owner’s tax basis in the Note. Your tax basis for determining gain or loss on the disposition or retirement of a Note generally is your purchase price of the Note, increased by the amount of any OID, any acquisition discount and any market discount includible in your gross income with respect to the Note, and decreased by the amount of any payments under the Note that are part of its stated redemption price at maturity and the portion of any premium applied to reduce interest payments.

Generally, you will recognize a capital gain or loss on the disposition or retirement of a Note. To the extent the gain represents accrued but unpaid interest, OID or market discount on a Note not previously included in gross income, however, your gain or loss will be ordinary income. Any capital gain or loss is a long-term capital gain or loss if at the time of the disposition or retirement of the Note, you held the Note for more than one year. If you are a non-corporate U.S. Owner, long-term capital gains are subject to reduced rates of tax (which rates currently are scheduled to increase for taxable years beginning after December 31, 2012). Furthermore, the deductibility of capital losses is subject to certain limitations. With respect to Step Notes described above, if, for example, a call option that is presumed exercised is not in fact exercised, the deemed reissuance of the Notes for purposes of computing subsequent accruals of interest and OID will not result in a deemed disposition or retirement of the Step Notes.

Stripped Notes

Tax Treatment of Purchasers of Principal or Interest Components. Pursuant to Section 1286 of the Code, the separation of ownership of the right to receive some or all of the interest payments on a

Note from ownership of the right to receive some or all of the principal payments results in the creation of “stripped bonds” with respect to principal payments and “stripped coupons” with respect to interest payments. Consequently, if you buy Principal Components or Interest Components, you will be considered to own stripped bonds or stripped coupons, respectively. Section 1286 of the Code treats a stripped bond or a stripped coupon, for purposes of applying the OID rules, as a debt instrument issued with OID on the date that such stripped bond or stripped coupon is purchased. Accordingly, the tax consequences to a purchaser of a Component are determined as if the Component were a Note with OID issued on the date of the purchase or, in the case of a Component maturing one year or less from the date of purchase, a Short-Term Note issued on that date. See “— Original Issue Discount.” The amount of OID is equal to the excess, if any, of the Component’s stated redemption price at maturity (or, in the case of an Interest Component, the amount payable on the due date of such Component) over the purchase price.

While the matter is not free from doubt, a U.S. Owner who purchases in one transaction a pro rata share of the Principal Component and applicable future Interest Components relating to the same Note should be treated as purchasing an undivided interest in the Note rather than the separate Components. If such Components are purchased in separate transactions, then you likely should be treated as purchasing the separate Components for U.S. federal income tax purposes. If you do so, you must account for taxable income with respect to such Components as described in the preceding paragraph.

Tax Treatment if You Strip a Note and Dispose of Some of the Components. A U.S. Owner who strips a Note into its related Components and disposes of some of the Components will also be subject to the rules of Section 1286 of the Code. On the date of disposition, you must:

- include in income all interest and market discount accrued on the Note and not previously included in income;
- increase your tax basis in the Note by the same amount;
- allocate the tax basis of the Note among the Principal Components and the Interest Components retained and disposed of according to their respective fair market values; and
- recognize gain or loss on the Principal and Interest Components you dispose of.

You will be treated as having purchased the retained Components for an amount equal to the tax basis allocable to such Components.

Tax Treatment of Stripping and Reconstitution Transactions. A U.S. Owner who exchanges a Note for the related Components will not be taxed on the exchange. Similarly, a reconstitution of Components into a single instrument will not constitute a taxable exchange. In either case, you will be treated as continuing to own for U.S. federal income tax purposes the property you owned before the exchange.

U.S. Federal Income Tax Consequences to Non-U.S. Owners

Interest

Payments of interest (including OID, if any) on a Note held by a Non-U.S. Owner will be subject to a 30% U.S. federal income and withholding tax, unless:

- you meet the exemption for certain Short-Term Notes described below;
- you meet the general exemption for Non-U.S. Owners described below;

- you meet the requirements for a reduced rate of withholding under a tax treaty; or
- the interest is effectively connected with a trade or business you conduct within the United States and you provide the required certification on IRS Form W-8ECI (or successor form).

In some circumstances, you may be able to claim amounts that are withheld as a refund or a credit against your U.S. federal income tax liability.

Exemption for Certain Short-Term Notes. Payments of interest on a Note held by a Non-U.S. Owner that are not effectively connected with a trade or business of the Non-U.S. Owner within the United States (or if an income tax treaty applies, are not attributable to a U.S. permanent establishment) will be exempt from U.S. federal income and withholding taxes if the Note is payable in full within 183 days after the date of original issue.

General Exemption for Non-U.S. Owners. Payments of interest on a Note held by a Non-U.S. Owner that are not effectively connected with a trade or business of the Non-U.S. Owner within the United States (or if an income tax treaty applies, are not attributable to a U.S. permanent establishment) generally will be exempt from U.S. federal income and withholding taxes if the following conditions are satisfied:

- the person otherwise required to withhold (the “**Withholding Agent**”) receives, in the manner provided by U.S. tax authorities, a certification that the Non-U.S. Owner is not a U.S. person. A Non-U.S. Owner may provide this certification by providing a properly completed Form W-8BEN or other documentation as may be prescribed by U.S. tax authorities. The appropriate documentation must be effective as to the interest and be provided prior to the payment of such interest. If a change in circumstances makes any information on such documentation incorrect, then the Non-U.S. Owner must report the change within 30 days and provide new documentation.
- you are not (1) a bank that receives payments on the Notes that are described in Section 881(c)(3)(A) of the Code, (2) a 10% shareholder of Farmer Mac within the meaning of Section 871(h)(3)(B) of the Code, or (3) a controlled foreign corporation related to Farmer Mac within the meaning of Section 881(c)(3)(C) of the Code; and
- the interest is not determined by reference to any receipts, sales or other cash flows of Farmer Mac or a related person, the income or profits of Farmer Mac or a related person or any other item specified in Section 871(h)(4)(A) of the Code.

Payments of interest on a Note held by a Non-U.S. Holder that are effectively connected with a trade or business of the Non-U.S. Owner within the United States (and if an income tax treaty applies, are attributable to a U.S. permanent establishment) may be exempt from U.S. federal withholding taxes, provided you file a properly completed Form W-8ECI (or successor form) with the Withholding Agent. Although exempt from the 30% U.S. federal withholding tax, such payments may be subject to U.S. federal income tax at graduated rates as if you were a U.S. Owner and, in the case of a Non-U.S. Owner that is a corporation, may also be subject to U.S. federal branch profits tax.

Disposition or Retirement of Notes

Generally, you will be not be subject to U.S. federal income tax on gain realized on the sale, exchange, redemption, retirement or other taxable disposition of a Note (other than amounts attributable to accrued interest) unless:

- you are an individual who is present in the United States for 183 days or more during the taxable year of sale, exchange, redemption, retirement or other taxable disposition and meet certain conditions; or
- the gain is effectively connected with your U.S. trade or business, and if an income tax treaty applies, is generally attributable to a permanent establishment in the United States that you maintain.

If any gain realized on a taxable disposition of a Note is effectively connected with a U.S. trade or business of a Non-U.S. Owner that is a corporation (and if an income tax treaty applies, is attributable to a U.S. permanent establishment), such gain may also be subject to U.S. federal branch profits tax.

Information Reporting and Backup Withholding

Payments of interest (including OID, if any) on Notes held by non-exempt U.S. Owners are required to be reported to the IRS and the U.S. Owners. Payments of interest (including OID, if any) on Notes held by Non-U.S. Owners generally will be reported to the IRS and the Non-U.S. Owners.

Backup withholding of U.S. federal income tax at the applicable rate may apply to payments made on the Notes and payments of proceeds from the sale of a Note. Backup withholding will apply to such payments to beneficial owners who are not exempt recipients and that fail to provide certain identifying information, such as their taxpayer identification number, in the manner required. Generally, individuals are not exempt recipients, while certain entities and Non-U.S. Owners who certify their status as such are exempt recipients.

If an Owner (other than an exempt recipient) sells a Note before the stated maturity to (or through) certain brokers, the broker must report the sale to the IRS and the Owner unless, in the case of a Non-U.S. Owner, the Non-U.S. Owner certifies that it is not a U.S. person (and certain other conditions are met). The broker may be required to withhold U.S. federal income tax at the applicable rate on the entire sale price unless such Owner provides certain information and, in the case of a Non-U.S. Owner, the Non-U.S. Owner certifies that it is not a U.S. person (and certain other conditions are met).

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or credit against such beneficial owner's U.S. federal income tax liability, provided the required information is timely provided to the IRS.

Recent Legislation

The Hiring Incentives to Restore Employment Act (the "HIRE Act"), enacted on March 18, 2010, will generally impose, effective for payments made after December 31, 2012, a withholding tax of 30% on interest income (including OID) from debt instruments and the gross proceeds of a disposition of debt instruments paid to certain foreign entities unless various information reporting requirements are satisfied. This would generally apply in the case of debt obligations held through intermediaries who do not agree to satisfy such information reporting requirements. The withholding and reporting requirements under the HIRE Act generally will not apply to payments made on, or gross proceeds from a disposition of, any debt instruments issued and outstanding as of March 18, 2012. Prospective purchasers should consult their tax advisors regarding the HIRE Act.

State and Local Taxes

Under Title 31, Section 3124 of the United States Code, as amended, obligations of the United States are exempt from state, municipal or local taxes, other than estate or inheritance taxes and

nondiscriminatory taxes or other nonproperty taxes imposed on corporations. The Notes are not supported by a pledge of full faith and credit of the United States; thus, the Notes should not be considered obligations of the United States for purposes of Section 3124. U.S. Owners are urged to consult their tax advisors to determine whether the laws of their particular states or localities may exempt from otherwise applicable state and local taxes instruments such as the Notes that are issued by a federally chartered instrumentality of the United States or an institution of the Farm Credit System such as Farmer Mac.

European Union Directive on Taxation of Savings Income

The European Union has adopted a directive (Council Directive 2003/48/EC, the “**Directive**”) regarding the taxation of savings income. The Directive provides for member states of the European Union (each, a “**Member State**”) to provide to the tax authorities of another Member State details of certain payments of interest and other similar income paid by a person to an individual in that other Member State, except that Austria and Luxembourg may instead impose a withholding system for a transitional period unless during such period they elect otherwise. The Directive does not preclude Member States from levying other types of withholding tax.

The European Commission has published proposals for amendments to the Directive, which, if implemented, would amend and broaden the scope of requirements under the Directive.

THE TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON AN OWNER’S PARTICULAR SITUATION. OWNERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF THE NOTES, INCLUDING THE TAX CONSEQUENCES UNDER THE TAX LAWS OF THE UNITED STATES, STATES, LOCALITIES, COUNTRIES OTHER THAN THE UNITED STATES AND ANY OTHER TAXING JURISDICTIONS AND THE POSSIBLE EFFECTS OF CHANGES IN SUCH TAX LAWS.

PLAN OF DISTRIBUTION

Discount Notes

We offer Discount Notes for sale through one or a combination of methods, including:

- auctions;
- allocations to selected Dealers for re-offering or placement with investors; and
- direct placements with Dealers or investors.

We offer Discount Notes on a continuous basis for sale to selected Dealers. Sales may be held on a daily basis and there may be more than one sale on a given day. You can obtain current quotations for Discount Notes of varying maturities by contacting any Dealer for Discount Notes.

Medium-Term Notes

We generally sell Medium-Term Notes to one or more Dealers acting as principal. A Dealer acting as principal, either individually or as part of a syndicate, may resell the Medium-Term Notes to investors at fixed or varying prices related to prevailing market prices as the Dealer determines. A Dealer generally may sell the Medium-Term Notes it has purchased as principal to other Dealers at a discount, which may be all or a portion of the discount that the Dealer receives from us. The applicable Pricing Supplement will name the Dealers for the issue of Medium-Term Notes, will state whether the offering is on a fixed price or variable price basis and will specify any discounts or reallowances to other Dealers in connection with the offering. After the initial offering of an issue of Medium-Term Notes, the offering price, discounts and reallowances may change.

We also may sell Medium-Term Notes through Dealers on an agency basis. We will have the sole right to accept offers to purchase any Notes and may reject any proposed purchase of those Notes. Each Dealer will have the right, in its reasonable discretion, without notice to us, to reject any proposed purchase of the Notes through it as agent. In such cases, each Dealer is acting solely as our agent in soliciting offers to purchase Notes as agent, and not as principal, and does not assume any obligation towards or relationship of agency or trust with any purchaser of Notes. The Pricing Supplement will specify the commission we pay to any Dealer acting as our agent.

We also may sell Medium-Term Notes directly to investors on our own behalf. We will not pay a commission to any Dealer on these direct sales.

Market Transactions

We may offer the Notes globally for sale in the United States, Europe and Asia. The Notes may not have an established trading market when issued. The Dealers may make a secondary market in the Notes that they offer, but they are not obligated to do so. Any Dealer could discontinue its secondary market activities at any time without notice.

The Dealers or their affiliates may engage in transactions with, and perform services for, us in the ordinary course of business. In connection with any particular issue of Notes, we may enter into forwards, options, swaps or other hedging transactions, or repurchase or reverse repurchase transactions, with, or arranged by, the applicable Dealer or its affiliates. Those Dealers, other parties or we may receive compensation, trading gain, temporary funding or other benefits in connection with these transactions. We also may from time to time engage in other hedging activities or repurchase or reverse

repurchase transactions involving Notes, in the open market or otherwise. We are not required to engage in any of these transactions. If we commence these transactions, we may discontinue them at any time. Counterparties to these hedging activities also may engage in market transactions involving Notes.

In connection with the issuance of any Notes, the Dealer or Dealers (if applicable) named as the stabilizing manager(s) (or persons acting on behalf of any stabilizing manager(s)) in this Offering Circular or the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. There is no assurance that the stabilizing manager(s) (or persons acting on behalf of a stabilizing manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant issue of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant issue of Notes and 60 days after the date of the allotment of the relevant issue of Notes.

A Dealer acting as a principal for a fixed price offering may engage in certain transactions that stabilize, maintain or otherwise affect the market price of the offering. Those transactions may include stabilizing bids or purchases to peg, fix or maintain the market price of the Medium-Term Notes and to purchase Medium-Term Notes to cover syndicate short positions. A Dealer may create a short position in the Medium-Term Notes by selling Notes with a principal amount greater than that listed on the cover of the applicable Pricing Supplement, and may reduce that short position by purchasing Medium-Term Notes in the open market. In general, purchases of a security to stabilize or to reduce a short position could cause the price of the security to be higher than it might be in the absence of those purchases.

Neither the Dealers nor we make any representation or prediction regarding the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, the Dealers and we make no representation that the Dealers will engage in these transactions or that these transactions, once started, will continue. A Dealer that engages in these transactions does so on its own behalf and not as our agent.

General

The Notes may be offered and sold only where it is legal to make offers and sales. The Dealers have represented and agreed that they will comply with all applicable laws and regulations in each jurisdiction in which they may purchase, offer, sell or deliver Notes or distribute this Offering Circular, the related Pricing Supplement or any other offering materials. The Dealers have also agreed to comply with selling restrictions relating to specific countries, which we or the Dealers may modify at any time. Such selling restrictions are provided in “Appendix C — Selling Restrictions.”

Purchaser of Notes must pay the purchase price to us in immediately available funds, and payment will be effective only when we receive the funds. Purchasers of Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the relevant issue price.

The Dealers and we have agreed to indemnify each other against and contribute toward certain liabilities. You can obtain lists of Dealers for Medium-Term Notes and Discount Notes from our website at www.farmermac.com or by contacting us at our principal executive offices. We may ask the Dealers to give us information relating to the Notes that they sell, including the identities of investors who have purchased Notes and volume and pricing information for secondary market transactions.

LEGAL MATTERS

Certain legal matters will be passed upon by our General Counsel or Deputy General Counsel. The applicable Pricing Supplement will state if any person or law firm has passed upon any legal matters on behalf of Farmer Mac or the Dealers.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS

The consolidated balance sheet of Farmer Mac as of December 31, 2010 and the related consolidated statements of operations, changes in equity and cash flows for the year ended December 31, 2010, and the effectiveness of internal control over financial reporting as of December 31, 2010 incorporated in this Offering Circular by reference have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report included in Farmer Mac's most recent annual report on Form 10-K (as amended by Amendment No. 1 to Farmer Mac's most recent annual report, as filed on Form 10-K/A on June 1, 2011), incorporated by reference herein.

The consolidated balance sheet of Farmer Mac as of December 31, 2009 and the related consolidated statements of operations, changes in equity and cash flows for each of the two years in the period ended December 31, 2009 incorporated in this Offering Circular by reference have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report included in Farmer Mac's most recent annual report on Form 10-K (as amended by Amendment No. 1 to Farmer Mac's most recent annual report, as filed on Form 10-K/A on June 1, 2011), incorporated by reference herein.

LOCATIONS OF DEFINED TERMS

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INTEREST RATE INDICES

A Pricing Supplement will indicate if an interest rate index described below applies to a particular issue of Notes or may designate a different index that the Pricing Supplement will describe. Unless the applicable Pricing Supplement says otherwise, the Calculation Agent will determine the value of interest rate indices as described in this Appendix B.

If a page, a screen or a provider is replaced, the Calculation Agent, in its sole judgment, will select the appropriate successor page, screen or provider.

If the source of an index or formula changes in format, but the Calculation Agent determines that the source continues to disclose the information necessary to determine the related interest rate substantially as required, the Calculation Agent will amend the procedure for obtaining information from that source to reflect the changed format.

All rates that the Calculation Agent obtains will be expressed as a percentage rate per annum. We may modify the methods to determine interest rate indices as necessary to reflect technological and market changes.

CD Rate

If a Pricing Supplement specifies the CD Rate as the applicable interest rate index for an issue of Notes, the following provisions will apply:

For any Reset Date, the “**CD Rate**” means (in the following order of priority):

- the rate for negotiable certificates of deposit in the Index Currency having the Index Maturity as published in the latest H.15 (519) prior to 3:00 p.m. (New York City time) on the CD Determination Date under the heading “CDs (secondary market)”;
- if a rate is not so published, the CD Rate will be the rate for negotiable certificates of deposit in the Index Currency on the CD Determination Date having the Index Maturity as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption “CDs (secondary market)”;
- if that rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the CD Determination Date, then the Calculation Agent will determine the CD Rate to be the arithmetic mean of the secondary market offered rates as of 10:00 a.m., New York City time, on that CD Determination Date, quoted by three leading non-bank dealers of negotiable U.S. dollar certificates of deposit in New York City for negotiable U.S. dollar certificates of deposit of major United States money-center banks (in the market for negotiable certificates of deposit) with a remaining maturity closest to the Index Maturity. The Calculation Agent will select the three dealers referred to above; and
- if fewer than three of the selected dealers provide the requested quotations, the CD Rate will remain the CD Rate in effect on the immediately preceding Reset Date.

Definitions

- “**CD Determination Date**” means the second Business Day before the applicable Reset Date.
- “**H.15 (519)**” means the official weekly statistical release designated as H.15 (519), Selected Interest Rates, which the Board of Governors of the Federal Reserve System (the “**Federal Reserve Board**”) publishes.
- “**H.15 Daily Update**” means the daily update of H.15(519), available through the Internet site of the Federal Reserve Board at <http://www.federalreserve.gov/releases/h15/update>, or any successor site or publication.
- “**Index Currency**” means the currency or currency unit specified in the applicable Pricing Supplement as to which the Calculation Agent will calculate the applicable interest rate index. If the applicable Pricing Supplement does not specify an Index Currency, the Index Currency will be U.S. dollars.
- “**Index Maturity**” means the period specified in the applicable Pricing Supplement as to which the Calculation Agent will calculate the applicable interest rate index.

CMT Rate

If a Pricing Supplement specifies the CMT Rate as the applicable interest rate index for an issue of Notes, the following provisions will apply:

For any Reset Date, the “**CMT Rate**” means (in the following order of priority):

If “Reuters Page FRBCMT” is the specified CMT Reuters Page in the applicable Pricing Supplement:

- the CMT Rate on the CMT Determination Date shall be a percentage equal to the yield for United States Treasury securities at “constant maturity” having the Index Maturity as set forth in H.15(519) under the caption “Treasury constant maturities,” as such yield is displayed on Reuters (or any successor service) on page FRBCMT (or any other page as may replace such page on such service) (“**Reuters Page FRBCMT**”) for such CMT Determination Date;
- if such rate does not appear on Reuters Page FRBCMT, the CMT Rate on such CMT Determination Date shall be a percentage equal to the yield for United States Treasury securities at “constant maturity” having the Index Maturity and for such CMT Determination Date as set forth in H.15(519) under the caption “Treasury constant maturities”;
- if such rate does not appear in H.15(519), the CMT Rate on such CMT Determination Date shall be the rate for the period of the Index Maturity as may then be published by either the Federal Reserve Board or the United States Department of the Treasury (the “**Treasury Department**”) that the Calculation Agent determines to be comparable to the rate that would otherwise have been published in H.15(519);
- if the Federal Reserve Board or the Treasury Department does not publish a yield on United States Treasury securities at “constant maturity” having the Index Maturity for such CMT Determination Date, the CMT Rate on such CMT Determination Date shall be calculated by the Calculation Agent and shall be a yield-to-maturity based on the

arithmetic mean of the secondary market bid prices at approximately 3:30 p.m., New York City time, on such CMT Determination date of three leading primary United States government securities dealers in New York City (which may include the agents or their affiliates) (each, a “reference dealer”) selected by the Calculation Agent from five such reference dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest) for United States Treasury securities with an original maturity equal to the Index Maturity, a remaining term to maturity no more than one year shorter than such Index Maturity and in a Representative Amount;

- if fewer than three prices are provided as requested, the CMT Rate on such CMT Determination Date shall be calculated by the Calculation Agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 p.m., New York City time, on such CMT Determination Date of three reference dealers selected by the Calculation Agent from five such reference dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest) for United States Treasury securities with an original maturity greater than the Index Maturity, a remaining term to maturity closest to such Index Maturity and in a Representative Amount. If two such United States Treasury securities with an original maturity greater than the Index Maturity have remaining terms to maturity equally close to such index maturity, the quotes for the treasury security with the shorter original term to maturity will be used. If fewer than five but more than two such prices are provided as requested, the CMT Rate on such CMT Determination Date shall be calculated by the Calculation Agent and shall be based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of such quotations shall be eliminated; *provided, however*, that if fewer than three such prices are provided as requested, the CMT Rate determined as of such CMT Determination Date shall be the CMT Rate in effect on such CMT Determination Date;

If “Reuters Page FEDCMT” is the specified CMT Reuters Page in the applicable pricing supplement:

- the CMT Determination Date shall be a percentage equal to the one-week or one-month, as specified in the applicable pricing supplement, average yield for United States Treasury securities at “constant maturity” having the Index Maturity as set forth in H.15(519) opposite the caption “Treasury Constant Maturities,” as such yield is displayed on Reuters on page FEDCMT (or any other page as may replace such page on such service) (“**Reuters Page FEDCMT**”) for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which such CMT Determination Date falls;
- if such rate does not appear on Reuters Page FEDCMT, the CMT Rate on such CMT Determination Date shall be a percentage equal to the one-week or one-month, as specified in the applicable pricing supplement, average yield for United States Treasury securities at “constant maturity” having the Index Maturity for the week or month, as applicable, preceding such CMT Rate interest determination date as set forth in H.15(519) opposite the caption “Treasury Constant Maturities”;
- if such rate does not appear in H.15(519), the CMT Rate on such CMT Determination Date shall be the one-week or one-month, as specified in the applicable pricing supplement, average yield for United States Treasury securities at “constant maturity”

having the Index Maturity as otherwise announced by the Federal Reserve Bank of New York for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which such CMT Determination Date falls;

- if the Federal Reserve Bank of New York does not publish a one-week or one-month, as specified in the applicable pricing supplement, average yield on United States Treasury securities at “constant maturity” having the Index Maturity for the applicable week or month, the CMT Rate on such CMT Determination Date shall be calculated by the Calculation Agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 p.m., New York City time, on such CMT Determination Date of three reference dealers selected by the Calculation Agent from five such reference dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest) for United States Treasury securities with an original maturity equal to the Index Maturity, a remaining term to maturity of no more than one year shorter than such Index Maturity and in a Representative Amount;
- if fewer than five but more than two such prices are provided as requested, the CMT Rate on such CMT Determination Date shall be the rate on the CMT Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of such quotation shall be eliminated; and
- if fewer than three prices are provided as requested, the CMT Rate on such CMT Determination Date shall be calculated by the Calculation Agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 p.m., New York City time, on such CMT Determination Date of three reference dealers selected by the Calculation Agent from five such reference dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest) for United States Treasury securities with an original maturity longer than the Index Maturity, a remaining term to maturity closest to such Index Maturity and in a Representative Amount. If two United States Treasury securities with an original maturity greater than the Index Maturity have remaining terms to maturity equally close to such index maturity, the quotes for the Treasury security with the shorter original term to maturity will be used. If fewer than five but more than two such prices are provided as requested, the CMT Rate on such CMT Determination Date shall be the rate on the CMT Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor lowest of such quotations shall be eliminated; *provided, however*, that if fewer than three such prices are provided as requested, the CMT Rate determined as of such CMT Determination date shall be the CMT Rate in effect on such CMT Determination Date.

Definitions

- “**CMT Determination Date**” means the second Business Day before the applicable Reset Date.
- “**Representative Amount**” means a principal amount of not less than the equivalent of U.S. \$1,000,000 in the Index Currency that, in the Calculation Agent’s sole judgment, is representative for a single transaction in the relevant market at the relevant time.

Commercial Paper Rate

If a Pricing Supplement specifies the Commercial Paper Rate as the applicable interest rate index for an issue of Notes, the following provisions will apply:

For any Reset Date, “**Commercial Paper Rate**” means (in the following order of priority):

- the Money Market Yield (calculated as described below) on the Commercial Paper Determination Date of the rate for commercial paper having the Index Maturity as published in the latest H.15 (519) under the heading “Commercial paper — Nonfinancial”;
- if a rate is not so published by 3:00 p.m. (New York City time) on the Commercial Paper Calculation Date, the Commercial Paper Rate will be the Money Market Yield on the Commercial Paper Determination Date of the rate for commercial paper having the Index Maturity as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption “Commercial Paper — Nonfinancial”;
- if a rate is not so published, the Calculation Agent will select three leading dealers of commercial paper in New York City (after consultation with Farmer Mac) and request those dealers to provide their quotations of offered rates, as of 11:00 a.m. (New York City time) on the Commercial Paper Determination Date, for commercial paper of the Index Maturity placed for a non-financial entity whose bond rating is “Aa” or the equivalent from a nationally recognized rating organization. The Commercial Paper Rate will be the Money Market Yield of the arithmetic mean of the quotations obtained, as determined by the Calculation Agent; and
- if fewer than three of the selected dealers provide the requested quotations, the Commercial Paper Rate will remain the Commercial Paper Rate in effect on the immediately preceding Reset Date.

Definitions

- “**Commercial Paper Calculation Date**” means the earlier of (1) the Business Day before the Interest Payment Date or Maturity Date (or Optional Redemption Date), as the case may be, or (2) the tenth calendar day after the Commercial Paper Determination Date, or, if any such day is not a Business Day, the next succeeding Business Day.
- “**Commercial Paper Determination Date**” means the second Business Day before the applicable Reset Date.
- “**Money Market Yield**” will be a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where “D” refers to the applicable per annum rate for commercial paper quoted on a bank-discount basis and expressed as a decimal (with one-half decimal being rounded upwards) and “M” refers to the actual number of days in the interest period for which interest is being calculated.

Federal Funds Rates

If a Pricing Supplement specifies the Federal Funds Rate as the applicable interest rate index for an issue of Notes, the following provisions will apply:

For any Reset Date, the “**Federal Funds Rate**” will be calculated by reference to either the Federal Funds (Effective) Rate, the Federal Funds Open Rate or the Federal Funds Target Rate, and the Federal Funds Rate means (in the following order of priority):

- if “**Federal Funds (Effective) Rate**” is the specified Federal Funds Rate in the applicable pricing supplement, the Federal Funds Rate as of the applicable Federal Funds Determination Date shall be the rate with respect to such date for United States dollar federal funds as published in H.15(519) opposite the caption “Federal funds (effective),” as such rate is displayed on Reuters on page FEDFUNDS1 (or any other page as may replace such page on such service) (“**Reuters Page FEDFUNDS1**”) under the heading “EFFECT,” or, if such rate is not so published by 3:00 p.m., New York City time, on the Federal Funds Calculation Date, the rate with respect to such Federal Funds Determination Date for United States dollar federal funds as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption “Federal funds (effective).” If such rate does not appear on Reuters Page FEDFUNDS1 or is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the related Federal Funds Calculation Date, then the Federal Funds Rate with respect to such Federal Funds Determination Date shall be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of U.S. dollar federal funds transactions in New York City (which may include the agents or their affiliates) selected by the Calculation Agent, prior to 9:00 a.m., New York City time, on the business day following such Federal Funds Determination Date; *provided, however*, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Determination Date will be the Federal Funds Rate in effect on such Federal Funds Determination Date;
- if “**Federal Funds Open Rate**” is the specified Federal Funds Rate in the applicable pricing supplement, the Federal Funds Rate as of the applicable Federal Funds Determination Date shall be the rate on such date under the heading “Federal Funds” for the relevant Index Maturity and opposite the caption “Open” as such rate is displayed on Reuters on page 5 (or any other page as may replace such page on such service) (“**Reuters Page 5**”), or, if such rate does not appear on Reuters Page 5 by 3:00 p.m., New York City time, on the Federal Funds Calculation Date, the Federal Funds Rate for the Federal Funds Determination Date will be the rate for that day displayed on “**FFPREBON Index page**” on Bloomberg L.P. (“**Bloomberg**”), which is the Fed Funds Opening Rate as reported by Prebon Yamane (or a successor) on Bloomberg. If such rate does not appear on Reuters Page 5 or is not displayed on FFPREBON Index page on Bloomberg or another recognized electronic source by 3:00 p.m., New York City time, on the related Federal Funds Calculation Date, then the Federal Funds Rate on such Federal Funds Determination Date shall be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of United States dollar federal funds transactions in New York City (which may include the agents or their affiliates) selected by the Calculation Agent prior to 9:00 a.m., New York City time, on such

Federal Funds Determination Date; *provided, however*, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Determination Date will be the Federal Funds Rate in effect on such Federal Funds Determination Date.

- If “**Federal Funds Target Rate**” is the specified Federal Funds Rate in the applicable pricing supplement, the Federal Funds Rate as of the applicable Federal Funds Determination Date shall be the rate on such date as displayed on the “**FDTR Index page**” on Bloomberg. If such rate does not appear on the FDTR Index page on Bloomberg by 3:00 p.m., New York City time, on the Federal Funds Calculation Date, the Federal Funds Rate for such Federal Funds Determination Date will be the rate for that day appearing on Reuters Page USFFTARGET= (or any other page as may replace such page on such service) (“**Reuters Page USFFTARGET=**”). If such rate does not appear on the FDTR Index page on Bloomberg or is not displayed on Reuters Page USFFTARGET= by 3:00 p.m., New York City time, on the related Federal Funds Calculation Date, then the Federal Funds Rate on such Federal Funds Determination Date shall be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of United States dollar federal funds transactions in New York City (which may include the agents or their affiliates) selected by the Calculation Agent prior to 9:00 a.m., New York City time, on such Federal Funds Determination Date.

Definitions

- “**Federal Funds Calculation Date**” means the earlier of (1) the Business Day before the Interest Payment Date or Maturity Date (or Optional Redemption Date), as the case may be, or (2) the tenth calendar day after the Federal Funds Determination Date, or, if any such day is not a Business Day, the next succeeding Business Day.
- “**Federal Funds Determination Date**” means the second Business Day before the applicable Reset Date.

LIBOR

If a Pricing Supplement specifies LIBOR as the applicable interest rate index for an issue of Notes, the following provisions will apply:

For any Reset Date, “**LIBOR**” means (in the following order of priority):

- the rate that appears at 11:00 a.m. (London time) on the LIBOR Determination Date on Reuters on page LIBOR01 (or any other page as may replace such page on such service for the purpose of displaying the London interbank rates of major banks for the designated LIBOR currency) (“**Reuters Page LIBOR01**”) for Deposits in the Index Currency having the Index Maturity;
- if a rate does not so appear, the Calculation Agent will select four leading banks in the London interbank market (after consultation with Farmer Mac) and request those banks to provide their offered quotations to prime banks in the London interbank market for Deposits in the Index Currency having the Index Maturity at 11:00 a.m. (London time) on the LIBOR Determination Date and in a Representative Amount. If at least two of the

selected banks provide the requested quotations, LIBOR will be the arithmetic mean of the quotations obtained, as determined by the Calculation Agent;

- if fewer than two of the selected banks provide the requested quotations, the Calculation Agent will select three major banks in the applicable Principal Financial Center (after consultation with Farmer Mac) and request those banks to provide their offered quotations to leading European banks for loans, beginning on the applicable Reset Date, in the Index Currency having the Index Maturity at approximately 11:00 a.m. (London time) in the applicable Principal Financial Center on the LIBOR Determination Date and in a Representative Amount. LIBOR will be the arithmetic mean of the quotations obtained, as determined by the Calculation Agent; and
- if fewer than three of the selected banks provide the requested quotations, LIBOR will remain LIBOR in effect on the immediately preceding Reset Date.

Definitions

- “**Deposits**” means deposits commencing on the applicable Reset Date.
- “**LIBOR Determination Date**” means the second London Banking Day before the applicable Reset Date. However, if the Index Currency is British pounds sterling, LIBOR Determination Date means the applicable Reset Date, and if the Index Currency is Euros, LIBOR Determination Date means the second TARGET Business Day before the applicable Reset Date (unless LIBOR is determined in accordance with paragraph (3) above, in which case it means the applicable Reset Date).
- “**London Banking Day**” means any day on which commercial banks are open for business, including dealings in foreign exchange and deposits in the Index Currency, in London, England.
- “**Principal Financial Center**” means the capital city of the country issuing the Specified Payment Currency or the Index Currency, as the case may be. However, for U.S. dollars, Australian dollars, British pounds sterling, Canadian dollars, Euros, Hong Kong dollars and Swiss francs, the Principal Financial Center will be New York City, Sydney, London, Toronto, Brussels, Hong Kong and Zurich, respectively.
- “**TARGET Business Day**” means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (“**TARGET**”) System is operating.

EURIBOR

If a Pricing Supplement specifies EURIBOR as the applicable interest rate index for an issue of Notes, the following provisions will apply:

For any Reset Date, “**EURIBOR**” means (in the following order of priority):

- the rate that appears at 11:00 a.m. (Brussels time) on the EURIBOR Determination Date on “**Reuters Page EURIBOR 01**” under the caption “EURIBOR” for Deposits in Euros having the Index Maturity;
- if a rate does not so appear, the Calculation Agent will select four major banks in the Euro-Zone (after consultation with Farmer Mac) and request those banks to provide their

offered quotations to prime banks in the Euro-Zone interbank market for Deposits in Euros having the Index Maturity at 11:00 a.m. (Brussels time) on the EURIBOR Determination Date and in a Representative Amount. If at least two of the selected banks provide the requested quotations, EURIBOR will be the arithmetic mean of the quotations obtained, as determined by the Calculation Agent;

- if fewer than two quotations are provided as described above, EURIBOR for such EURIBOR Determination Date will be the arithmetic mean of the rates for loans of the following kind to leading Euro-Zone banks quoted, at approximately 11:00 a.m., Brussels time on the EURIBOR Determination Date, by three major banks in the Euro-Zone selected by the Calculation Agent: loans of euro having such EURIBOR Index Maturity, beginning on such Reset Date, and in a Representative Amount; and
- if fewer than three banks selected by the Calculation Agent are quoting as described above, EURIBOR for the new interest period will be EURIBOR in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

Definitions

- “**EURIBOR Determination Date**” means the second TARGET Business Day before the applicable Reset Date, unless EURIBOR is determined under paragraph (3) above, in which case it means the applicable Reset Date.
- “**Euro-Zone**” means the region consisting of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.

Prime Rate

If a Pricing Supplement specifies the Prime Rate as the applicable interest rate index for an issue of Notes, the following provisions will apply:

For any Reset date, the “**Prime Rate**” means (in the following order of priority):

- the prime rate or base lending rate on that date, as published in H.15(519) by 3:00 p.m., New York City time, on the Prime Rate Calculation Date for the Prime Rate Determination Date under the heading “Bank Prime Loan” or, if not published by 3:00 p.m., New York City time, on the Prime Rate Calculation Date, the rate on the Prime Rate Determination Date as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption “Bank Prime Loan”;
- if the rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Prime Rate Calculation Date, then the Calculation Agent will determine the Prime Rate to be the arithmetic mean of the rates of interest publicly announced by each bank that appears on USPRIME1 as that bank’s prime rate or base lending rate as in effect for the Prime Rate Determination Date;
- if at least one rate but fewer than four rates appear on USPRIME1 on the Prime Rate Determination Date, then the Prime Rate will be the arithmetic mean of the prime rates or

base lending rates quoted (on the basis of the actual number of days in the year divided by a 360-day year) as of the close of business on the Prime Rate Determination Date by three major money center banks in the City of New York selected by the Calculation Agent; and

- if the banks selected by the Calculation Agent are not quoting as mentioned above, the Prime Rate will remain the Prime Rate then in effect on the Prime Rate Determination Date.

Definitions

- “**Prime Rate Calculation Date**” means the earlier of (1) the Business Day before the Interest Payment Date or Maturity Date (or Optional Redemption Date), as the case may be, or (2) the tenth calendar day after the Prime Rate Determination Date, or, if any such day is not a Business Day, the next succeeding Business Day.
- “**Prime Rate Determination Date**” means the first Business Day before the applicable Reset Date.
- “**USPRIME1**” means the display on the Reuters 3000 Xtra Service (or any successor service) on the “USPRIME1 Page” (or such other page as may replace the USPRIME1 Page on such service) for the purpose of displaying Prime Rates or base lending rates of major U.S. banks.

Treasury Rate

If a Pricing Supplement specifies the Treasury Bill Rate as the applicable interest rate index for an issue of Notes, the following provisions will apply:

For any Reset Date, the “**Treasury Rate**” means (in the following order of priority):

- the rate from the auction held on a Treasury Rate Determination Date (the “**auction**”) of direct obligations of the United States (“**Treasury Bills**”) having the Index Maturity, listed under the caption “INVEST RATE” on the display on Reuters page USAUCTION10 (or any other page as may replace such page on such service) or page USAUCTION11 (or any other page as may replace such page on such service) by 3:00 p.m., New York City time, on the Treasury Rate Calculation Date for such Treasury Rate Determination Date;
- if the rate is not so published by 3:00 p.m., New York City time, on the Treasury Rate Calculation Date, the Treasury Rate will be the Bond Equivalent Yield (as defined below) of the auction rate of such Treasury Bills as published in H.15 Daily Update, or such recognized electronic source used for the purpose of displaying such rate, under the caption “U.S. Government Securities/ Treasury Bills/ Auction High”;
- if the rate is not so published by 3:00 p.m., New York City time, on the Treasury Rate Calculation Date and cannot be determined as described in the immediately preceding paragraph, the Treasury Rate will be the Bond Equivalent Yield of the auction rate of such Treasury Bills as otherwise announced by the Treasury Department;
- if the results of the most recent auction of Treasury Bills having the Index Maturity are not published or announced as described above by 3:00 p.m., New York City time, on the Treasury Rate Calculation Date, or if no auction is held on the Treasury Rate

Determination Date, then the Treasury Rate will be the Bond Equivalent Yield on such Treasury Rate Determination Date of Treasury Bills having the Index Maturity as published in H.15(519) under the caption “U.S. Government Securities/ Treasury Bills/ Secondary Market” or, if not published by 3:00 p.m., New York City time, on the related Treasury Rate Calculation Date, the rate on such Treasury Rate Determination Date of such Treasury Bills as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption “U.S. Government Securities/ Treasury Bills (Secondary Market)”;

- if such rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Treasury rate Calculation Date, then the Calculation Agent will determine the Treasury Rate to be the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m., New York City time, on the Treasury Rate Determination Date of three leading primary U.S. government securities dealers (which may include the Agents or their affiliates) for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity. The Calculation Agent will select the three dealers referred to above; and
- if fewer than three dealers selected by the Calculation Agent are quoting as mentioned above, the Treasury Rate will remain the Treasury Rate then in effect on that Treasury Rate Determination Date.
- “**Bond Equivalent Yield**” means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where “D” refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis and expressed as a decimal, “N” refers to 365 or 366, as the case may be, and “M” refers to the actual number of days in the applicable interest reset period.

- “**Treasury Rate Calculation Date**” means the earlier of (1) the Business Day before the Interest Payment Date or Maturity Date (or Optional Redemption Date), as the case may be, or (2) the tenth calendar day after the Treasury Rate Determination Date, or, if any such day is not a Business Day, the next succeeding Business Day.
- “**Treasury Rate Determination Date**” means the day of the week in which the Reset Date falls on which Treasury Bills of the same index maturity are normally auctioned. Treasury Bills are usually sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on Tuesday. Sometimes, the auction is held on the preceding Friday. If an auction is held on the preceding Friday, that day will be the interest determination date relating to the Reset Date occurring in the next week. If an auction falls on any Reset Date, then the Reset Date will instead be the first business day immediately following the auction date.

SELLING RESTRICTIONS

This Appendix C is incorporated in and made a part of the Offering Circular with respect to Notes that may be offered in the applicable jurisdictions.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State at any time:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the issuer for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above require the issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe to the Notes, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

“**Prospectus Directive**” means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State.

“**2010 PD Amending Directive**” means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer will be required to represent and agree, that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the U.K. Financial Services and Markets Act 2000 (“**FSMA**”)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to us;

(b) in relation to Notes which must be redeemed before the first anniversary of the date of their issue, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by us; and

(c) it has complied, and will comply, with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom. In connection with an offering of the Notes, FSMA permits the stabilizing agent or any person acting for it to over allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the stabilizing agent or any person acting for it to do this. Such stabilizing, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

Hong Kong

The Notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “**Financial Instruments and Exchange Law**”) and each Dealer has agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.