Farmer Mac® is the premier secondary market for U.S. agricultural credit and has been a champion for and an integral part of this nation’s rural economy for 30 years. Guided by our mission—to help build a strong and vital rural America by increasing the availability and affordability of credit for the benefit of American agriculture and rural communities—we provide lenders access to flexible, low-cost financing and effective risk management tools to help their farm, ranch, and rural utilities customers.
INVESTED IN RURAL AMERICA

Farmer Mac’s dedicated team works tirelessly to deliver on our mission and help bolster the financial strength of agriculture and rural communities nationwide.

We help ensure an even brighter future for rural America by spending countless hours traveling the countryside and visiting customers to better understand the financial challenges facing today’s rural communities. The more time we spend with our customers, the better we can customize and tailor our solutions to help meet their financing needs. The respect we have for the hard work that defines these communities runs deep, and our appreciation for all that farming and rural communities contribute to our society is unwavering. By every measure, Farmer Mac is firmly and proudly invested in rural America.
OUR CONTINUED VITALITY

In 2017, Farmer Mac’s strong financial performance underscored our commitment to build a strong and vital rural America.
During the past year, Farmer Mac’s business development efforts resulted in broad-based portfolio growth across most of our solutions.
Farmer Mac’s remarkable growth in outstanding business volume is attributable to faithfully listening to our customers and shining a light on their needs with our innovative and customizable solutions year after year, generation after generation.

**OUR SOLUTIONS**

**WHOLESALE FINANCING**
Our customizable wholesale financing solutions allow ag lenders, agribusinesses, mortgage funds, and investment firms access to efficient and flexible low-cost funding.

**LOAN PURCHASE**
We provide lenders with mortgage products at attractive rates to enable them to confidently serve their farm, ranch, and rural utilities customers.

**CREDIT PROTECTION**
We provide credit guarantees for loans that help manage concentration limits and provide capital relief.

**USDA GUARANTEED LOAN PURCHASE**
Designed to enhance a USDA guarantee, this solution helps lenders preserve capital and offer America’s farmers and ranchers our attractive rates and terms.
Our long-standing relationship with National Rural Utilities Cooperative Finance Corporation (CFC) helps to ensure that more than 900 not-for-profit electric cooperatives can deliver safe, affordable, and reliable electricity to 18 million farms, homes, businesses, and schools in 47 states, benefitting the 42 million Americans their members serve.

97% OF OUR CURRENT FARM & RANCH AND USDA GUARANTEED LOANS ARE TO SMALL OR FAMILY FARMS.

DEDICATED TO RURAL COMMUNITIES

PURCHASED NEARLY
$2.4 BILLION AGVANTAGE SECURITIES IN 2017

PURCHASED MORE THAN
$1 BILLION FARM & RANCH LOANS IN 2017

PURCHASED MORE THAN
$500 MILLION USDA GUARANTEES IN 2017

INVESTED IN RURAL UTILITIES

ENSURING LEGACIES

30 YEARS SERVING FARM FAMILIES

In the 30 years since our founding, we have had the opportunity to serve as many as three generations within a single family farm, which demonstrates the importance of our mission and our enduring drive to serve all the generations to come.

COMMITTED TO AGRICULTURE

NEARLY 80,000 RURAL BORROWERS

Tens of thousands of rural borrowers have benefited from Farmer Mac’s products and solutions since 1988.

4,000 IN 2017
Agriculture plays an essential role in the broader U.S. economy, making it one of our nation’s most critical industries. Our range of innovative financial solutions illustrates our unwavering commitment to pursuing our mission by doing right by America’s farmers, ranchers, and rural communities.
Farmer Mac has helped fund loans to nearly 80,000 rural borrowers in all 50 states, which has resulted in more than $48 billion of investment in rural America.
OUR SHARED SUCCESS

Farmer Mac continues to find ways to enhance shareholder value, as evidenced by our financial performance and our dividend increase.
2017 marked another year of financial success at Farmer Mac, highlighted by record outstanding business volume, double-digit core earnings growth, and the sixth consecutive year of dividend increases.

23%  
ANNUAL CORE EARNINGS GROWTH

38%  
COMMON DIVIDEND GROWTH

*Core Earnings is a non-GAAP measure. For a reconciliation of core earnings to GAAP net income attributable to common stockholders, see the “Non-GAAP Performance Measures” section in this Annual Report.
OUR 2017 RESULTS DEMONSTRATE OUR COMMITMENT TO PRODUCT INNOVATION AND TO SERVING NEW AND EXISTING CUSTOMERS, ALL WHILE DELIVERING VALUE TO OUR SHAREHOLDERS.
HERE FOR THE LONG HAUL

We’ve invested in people, infrastructure, and technology to effectively meet the burgeoning demand for our solutions, a result of our successful business development efforts, brand awareness initiatives, and growing position as an industry thought leader.
In 2015, Farmer Mac launched The Feed, a free quarterly report focused on the U.S. farm economy that combines the most relevant research from trusted ag resources with the insightful commentary and analysis from our own team of experts into a single and succinct source. The Feed serves not only our lenders, but also the broader community: producers, agribusinesses, investors, media, and more. It is our goal to make this report an indispensable resource for anyone with a stake in the American rural economy.

THE FEED HAS BEEN DOWNLOADED MORE THAN 10,000 TIMES IN LESS THAN THREE YEARS
OUR MISSION

Farmer Mac is committed to help build a strong and vital rural America by increasing the availability and affordability of credit for the benefit of American agriculture and rural communities.

At Farmer Mac, business is shaped by our mission and values. We remain focused on building a stronger rural America through an innovative and mission-based culture that fosters integrity and principled action from every employee, at every turn.
“Farmer Mac’s culture is built on the cornerstones of commitment, collaboration, innovation, and integrity. I am proud to see these qualities demonstrated in the office on a daily basis. Together, we share a commitment to serving our important mission and to promoting individual and corporate integrity, as we collaborate and innovate to deliver flexible financial tools to our customers.”

LOWELL L. JUNKINS
CHAIRMAN OF THE BOARD AND
ACTING PRESIDENT AND CHIEF EXECUTIVE OFFICER
ON BEHALF OF FARMER MAC’S BOARD OF DIRECTORS
Throughout my 22 years of service on Farmer Mac’s board of directors, this company has remained steadfast in our mission to meet the financial needs of customers and, ultimately, the needs of rural America. This past year was no exception. We achieved record financial results and further cemented our central position as the nation’s leading secondary market for agricultural credit.

It is an honor to address you, our valued shareholders, as Farmer Mac’s acting president and chief executive officer. It is also a pleasure to reflect on the past year’s accomplishments and to recognize the diligence and successes of our employees, who make those achievements possible. The title of this year’s annual report, “Invested in Rural America,” embodies our core mission of increasing the availability and affordability of credit for America’s farmers and ranchers, and our commitment to the continued vitality of America’s rural communities. To strengthen this investment, Farmer Mac remains committed to innovation and dedicated to successfully meeting tomorrow’s needs.

By any measure, 2017 was a remarkable year for Farmer Mac. We produced record business volumes and double-digit core earnings growth and maintained a strong capital base and low credit expenses. As in previous years, our success in 2017 was driven by the disciplined execution of our strategy, as we strengthened long-standing relationships with existing customers and increased our business development efforts to attract new customers. We grew core earnings by 23% and added more than $4.7 billion of new business volume in 2017, which resulted in a net growth of $1.6 billion after maturities and repayments. We increased our common stock dividend by 38% last year and recently announced a 61% increase to $0.58 per share for first quarter 2018. This marks the seventh consecutive year that Farmer Mac has raised its quarterly dividend, further illustrating our commitment to delivering shareholder value.

Farmer Mac’s strong financial performance over the past year also reflects our success in achieving our strategic objectives to increase capacity and efficiency, maintain our leadership position in financing rural America, and expand customer connectivity and brand awareness. These efforts require significant investments in people, infrastructure, and technology to ensure sustained growth. We increased our workforce by approximately 10% last year, and we expect to hire more key employees in 2018 and to expand our investments in technology and business infrastructure as we seek to achieve our long-term goals. We also began a search in late 2017 to identify and select a new CEO. That process has involved soliciting shareholder feedback, developing a CEO profile and position description, and selecting an executive search firm. This is an important decision for Farmer Mac’s future, and we will dedicate the time and effort required to make the right one.

During my long tenure on Farmer Mac’s board and my short time as acting CEO, it has been a privilege to work with such outstanding and passionate colleagues. Farmer Mac’s culture is built on the cornerstones of commitment, collaboration, innovation, and integrity. I am proud to see these qualities demonstrated in the office on a daily basis. Together, we share a commitment to serving our important mission and to promoting individual and corporate integrity, as we collaborate and innovate to deliver flexible financial tools to our customers. In this way, we build a workplace that creates opportunities, drives success, and inspires excellence.

Together, we continue to deliver low-cost capital to the rural and agricultural communities we so proudly serve, investing in their future and in ours.

LOWELL L. JUNKINS
Chairman of the Board and Acting President and Chief Executive Officer

TO THE SHAREHOLDERS OF FARMER MAC:
EXECUTIVE OFFICERS
As of April 2, 2018

LOWELL L. JUNKINS
Acting President and Chief Executive Officer

R. DALE LYNCH
Executive Vice President –
Chief Financial Officer and Treasurer

JOHN C. COVINGTON
Senior Vice President –
Agricultural Finance

STEPHEN P. MULLERY
Senior Vice President –
General Counsel and Secretary

BOARD OF DIRECTORS
As of April 2, 2018

LOWELL L. JUNKINS, CHAIRMAN¹
Political Consultant
Lowell Junkins & Associates
Donnellson, Iowa

MYLES J. WATTS, VICE CHAIRMAN²
Professor Emeritus, Agricultural Economics
Montana State University
Bozeman, Montana

DENNIS L. BRACK²
Director
Bath State Bank and Bath State Bancorp
Bath, Indiana

CHESTER J. CULVER¹
Founder
Chet Culver Group
Des Moines, Iowa

RICHARD H. DAVIDSON²
Director
AgriBank, FCB
St. Paul, Minnesota

JAMES R. ENGEBRETSEN²
Retired Professor, Finance
Marriott School of Management
Brigham Young University
Provo, Utah

DENNIS A. EVERSON²
Director
First Dakota National Bank
Yankton, South Dakota

SARA L. FAIVRE¹
Founder and President
Sara Faivre Executive Mentoring
Cameron, Texas

DOUGLAS A. FELTON²
President and Owner
D&T Enterprises of Minnesota, Inc.
Northfield, Minnesota

DOUGLAS L. FLORY³
Former Farm Credit Administration
Board Member
Former Farm Credit System Insurance
Corporation Board Chairman
McLean, Virginia

THOMAS W. HILL³
Former Chief Financial and
Operations Officer
Farm Credit Bank of Texas
Austin, Texas

MITCHELL A. JOHNSON²
Financial Consultant
Washington, District of Columbia

CLARK B. MAXWELL²
Chief Operating Officer
Chatham Financial Corp.
Kennett Square, Pennsylvania

BRUCE J. SHERRICK¹
Professor, Agricultural and Applied Finance
University of Illinois
Champaign, Illinois

DOUGLAS E. WILHELM³
Former Chief Risk Officer
CoBank, ACB
Denver, Colorado

¹ Presidential Appointee
² Director elected by holders of Class A Common Stock
³ Director elected by holders of Class B Common Stock

CORPORATE INFORMATION

CORPORATE HEADQUARTERS
1999 K Street, N.W.
Fourth Floor
Washington, DC 20006
Phone: 202.872.7700
800.879.3276
Website: www.farmermac.com

STOCK EXCHANGE
Farmer Mac’s Class A voting common stock and
Class C non-voting common stock trade on the
New York Stock Exchange under the symbols
AGM.A and AGM, respectively.

ANNUAL MEETING OF STOCKHOLDERS
Thursday, May 3, 2018
8:00 a.m.
The Town Hall
1999 K Street, N.W.
First Floor
Washington, DC 20006

Formal notice of the meeting, the proxy
statement, and the proxy card are being mailed
to each stockholder of record entitled to vote at
the meeting simultaneously with the mailing of
this Annual Report.

TRANSFER AGENT AND REGISTRAR
Continental Stock Transfer &
Trust Company
1 State Street
30th Floor
New York, NY 10004
Phone: 212.509.4000
800.509.5586
Website: www.continentalstock.com

CERTIFICATION
Farmer Mac has included as Exhibit 31 to its
Annual Report on Form 10-K for the fiscal year
ended December 31, 2017 filed with the SEC
the certifications of the Acting Chief Executive
Officer and Chief Financial Officer certifying the
quality of Farmer Mac’s financial disclosures.

FORM 10-K
Stockholders may obtain, without charge, a
copy of Farmer Mac’s 2017 Annual Report
on Form 10-K, as filed with the SEC on
March 8, 2018, from Farmer Mac’s website
or by contacting Farmer Mac’s Secretary at
Farmer Mac’s Corporate Headquarters.

INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM FOR THE YEAR ENDED
DECEMBER 31, 2017
PricewaterhouseCoopers LLP
1800 Tysons Boulevard
McLean, VA 22102
Farmer Mac reports its financial results in accordance with accounting principles generally accepted in the United States (“GAAP”). In addition to GAAP measures, Farmer Mac uses the following non-GAAP financial measures: core earnings, core earnings per share, and net effective spread. Farmer Mac uses these non-GAAP measures to measure corporate economic performance and develop financial plans because, in management’s view, they are useful alternative measures in understanding Farmer Mac’s economic performance, transaction economics, and business trends. These non-GAAP financial measures that Farmer Mac uses may not be comparable to similarly labeled non-GAAP financial measures disclosed by other companies. Farmer Mac’s disclosure of these non-GAAP financial measures is intended to be supplemental in nature, and is not meant to be considered in isolation from, as a substitute for, or as more important than, the related financial information prepared in accordance with GAAP.

Core earnings and core earnings per share principally differ from net income attributable to common stockholders and earnings per common share, respectively, by excluding the effects of fair value fluctuations. These fluctuations are not expected to have a cumulative net impact on Farmer Mac’s financial condition or results of operations reported in accordance with GAAP if the related financial instruments are held to maturity, as is expected.

Core earnings and core earnings per share also differ from net income attributable to common stockholders and earnings per common share, respectively, by excluding specified infrequent or unusual transactions that Farmer Mac believes are not indicative of future operating results and that may not reflect the trends and economic financial performance of Farmer Mac’s core business.

Farmer Mac uses net effective spread to measure the net spread Farmer Mac earns between its interest-earning assets and the related net funding costs of these assets. Net effective spread differs from net interest income and net interest yield because it: (1) excludes the amortization of premiums and discounts on assets consolidated at fair value that are amortized as adjustments to yield in interest income over the contractual or estimated remaining lives of the underlying assets; and (2) includes the accrual of income and expense related to the contractual amounts due on financial derivatives that are not designated in hedge accounting relationships; and (4) the net effects of terminations or net settlements on financial derivatives and hedging activities.

Effective in fourth quarter 2017, Farmer Mac revised its methodology for calculating net effective spread, which is a component of core earnings, to also include the net effects of terminations or net settlements on financial derivatives and hedging activities. All prior period information above has been recast to reflect the revised methodology.

1 Effective in fourth quarter 2017, Farmer Mac revised its methodology for calculating net effective spread, which is a component of core earnings, to also include the net effects of terminations or net settlements on financial derivatives and hedging activities. All prior period information above has been recast to reflect the revised methodology.

2 Relates to the write-off of deferred issuance costs as a result of the retirement of Farmer Mac II LLC Preferred Stock.

### NON-GAAP PERFORMANCE MEASURES

#### RECONCILIATION OF NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS TO CORE EARNINGS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income attributable to common stockholders</td>
<td>$71,300</td>
<td>$64,152</td>
<td>$47,371</td>
</tr>
<tr>
<td>Less reconciling items:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains on financial derivatives and hedging activities due to fair value changes</td>
<td>9,499</td>
<td>13,628</td>
<td>10,924</td>
</tr>
<tr>
<td>Unrealized (losses)/gains on trading assets</td>
<td>(24)</td>
<td>1,460</td>
<td>1,220</td>
</tr>
<tr>
<td>Amortization of premiums/discounts and deferred gains on assets consolidated at fair value</td>
<td>(1,327)</td>
<td>(849)</td>
<td>(1,319)</td>
</tr>
<tr>
<td>Net effects of terminations or net settlements on financial derivatives and hedging activities&lt;sup&gt;1&lt;/sup&gt;</td>
<td>2,674</td>
<td>2,178</td>
<td>(699)</td>
</tr>
<tr>
<td>Loss on retirement of Farmer Mac II LLC Preferred Stock&lt;sup&gt;2&lt;/sup&gt;</td>
<td>-</td>
<td>-</td>
<td>(8,147)</td>
</tr>
<tr>
<td>Re-measurement of net deferred tax asset due to enactment of new tax legislation</td>
<td>(1,365)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income tax effect related to reconciling items</td>
<td>(3,788)</td>
<td>(5,746)</td>
<td>(1,643)</td>
</tr>
<tr>
<td>Core earnings</td>
<td>$65,631</td>
<td>$53,481</td>
<td>$47,035</td>
</tr>
</tbody>
</table>

For the Year Ended December 31,