

GREAT PLAINS AG CREDIT, ACA


**FINANCIAL
STATEMENTS**

**FIRST QUARTER ENDING
March 31, 2011**

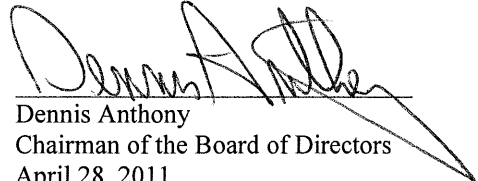
**Serving Agriculture
Since 1934**

REPORT OF MANAGEMENT

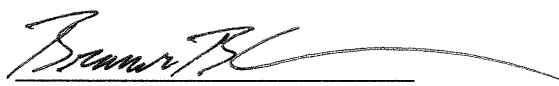
The undersigned certify that we have reviewed this report, that it has been prepared in accordance with all applicable statutory or regulatory requirements, and that the information contained herein is true, accurate, and complete to the best of our knowledge and belief as of March 31, 2011.



Tim McDonald
President, CEO
April 28, 2011



Dennis Anthony
Chairman of the Board of Directors
April 28, 2011



Brandon Blaut
Senior Vice President, CFO
April 28, 2011

MANAGEMENT DISCUSSION AND ANALYSIS

The first quarter financial statement of Great Plains Ag Credit, ACA (the Association), including the consolidated statements of its wholly-owned subsidiaries, Great Plains Ag Credit, PCA and Great Plains Ag Credit, FLCA is unaudited, but contains all adjustments necessary for a fair presentation of the interim financial condition and results of operations. The statement is prepared in conformity with generally accepted accounting principles and prevailing practices within the banking industry, and with oversight of the Association's Audit Committee. In preparing these statements and meeting its responsibility for reliable financial information, management depends upon the Association's accounting and internal control systems which have been designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized and recorded.

The following commentary reviews the financial performance of the Association for the quarter ended March 31, 2011. These comments should be read in conjunction with the accompanying financial statements and the December 31, 2010 Annual Report.

SIGNIFICANT EVENTS

On January 6, 2010 the Association entered into an agreement to purchase certain tangible and intangible assets of a sole proprietorship crop insurance business operating in the Texas Panhandle.

The Association distributed approximately \$2,764,811 in patronage during the month of March representing the cash portion of patronage declared in December 2010.

During 2009 the Association modified its intended timeframe to retire allocated equities to reflect a period of no more than 20 years. This 10-year increase in the targeted revolvment period had the impact of reducing allocated equity retirements from previous years thereby maintaining a greater level of Association capital.

The Association is party to Long Term Standby Purchase Commitments with the Farm Credit Bank of Texas and the Federal Agricultural Mortgage Corporation (Farmer Mac). The Association utilizes these relationships to manage certain credit risk as well as regulatory capital requirements and had commitments totaling \$38,323,327 at quarter end. The quality of the loan guarantee provided under these agreements could be significantly impacted by the financial results of the Association's counterparties.

LOAN PORTFOLIO

Total loans outstanding at March 31, 2011, including nonaccrual loans, were \$392,437,815 compared to \$404,272,031 at December 31, 2010, and \$378,513,802 at March 31, 2010 reflecting a decrease of 2.9 percent and an increase of 3.7 percent respectively. The reduction noted from year end is primarily attributable to seasonality in the Association's loan portfolio which was partially mitigated by new loan originations. Association loan volume normally experiences reductions in the first quarter, and increases in the second and third quarters as expense inputs accelerate on crop loans. The increase noted in the Association's loan portfolio from the comparable 2010 period reflects origination activity in all three segments of the Association's portfolio including real estate loans, operating loans, and purchased participations, as well as the impact of higher commodity prices which has translated to higher funding of operating loans within the beef cattle commodity segment.

Nonaccrual loans as a percentage of total loans outstanding were 5.6 percent at March 31, 2011, compared to 4.9 percent at December 31, 2010 and 3.3 percent at March 31, 2010.

The Association recorded no charge-offs or recoveries during either the quarter ending March 31, 2011 or for the same period in 2010. Allowance for credit losses, which consists of the allowance for loan losses and the reserve for unfunded credit commitments, as a percentage of total loans represent 0.42 percent at March 31, 2011 compared to 0.34 percent at December 31, 2010 and 0.32 percent at March 31, 2010. The financial performance of the Association may be significantly impacted by the quality of loans within the loan portfolio. Internal policies and procedures, as well as third party credit reviews and examinations help to ensure asset quality is properly reflected. Additional detail on credit quality is illustrated in the following table.

	March 31,		Dec. 31,
	<u>2011</u>	<u>2010</u>	<u>2010</u>
Acceptable	88.9%	89.9%	87.8%
Special Mention	6.3%	6.6%	7.7%
Substandard	4.8%	3.5%	4.5%

RISK EXPOSURE

High-risk assets include nonaccrual loans, loans that are past due 90 days or more and still accruing interest, formally restructured loans and other property owned. The \$2,374,705 increase in nonaccrual loans noted for the period ended March 31, 2011 reflects the deterioration of a single credit relationship paired with continued collection efforts relating to existing loans that had previously been classified as nonaccrual. The Association continues to maintain credit enhancements in the form of Farmer Mac Long-Term Standby Agreements on a portion of these assets totaling \$7,861,887. The relationships classified as high-risk are all well secured, and the Association anticipates full collection of principal. (See Note 3 – Allowance for Loan Losses and Impaired Loans).

The following table illustrates the Association's components and trend of high-risk assets.

	March 31, 2011		December 31, 2010	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Nonaccrual	\$ 22,094,995	100%	\$ 19,720,290	100%
90 days past due and still accruing interest	13,294	0%	-	0%
Formally restructured	-	0%	-	0%
Other property owned, net	-	0%	-	0%
Total	<u>\$ 22,108,289</u>	<u>100%</u>	<u>\$ 19,720,290</u>	<u>100%</u>

RESULTS OF OPERATIONS

The Association's net income for the three months ended March 31, 2011 was \$1,874,022 as compared to \$1,896,716 for the three months ended March 31, 2010 a decrease of \$22,694 or 1.2 percent.

Net interest income totaled \$2,723,878 for the first three months of 2011, an increase of \$163,974 as compared to the same period for 2010. This increase was a result of higher interest rate spreads on a higher volume of earning assets which mitigated the impact of an increase in nonaccrual loan volume. The effects of changes in average volume and interest rates on net interest income are presented in the following tables:

	For the three months ended March 31, 2011		For the three months ended March 31, 2010	
	<u>Average Balance</u>	<u>Interest</u>	<u>Average Balance</u>	<u>Interest</u>
Total Loans and Investments	\$ 392,376,155	\$ 4,399,988	\$ 381,126,273	\$ 4,407,698
Interest-bearing liabilities	\$ 336,102,930	\$ 1,676,110	\$ 331,328,068	\$ 1,847,794
Impact of capital	<u>\$ 56,273,225</u>		<u>\$ 49,798,205</u>	
Net interest income		<u>\$ 2,723,878</u>		<u>\$ 2,559,904</u>

	<u>Averages</u>	<u>Averages</u>
Yield on loans	4.55%	4.69%
Cost of interest-bearing liabilities	2.02%	2.26%
Interest Rate Spread	2.53%	2.43%
Interest Rate Margin	2.82%	2.72%

	2011 vs. 2010 Increase (decrease) due to		
	<u>Volume</u>	<u>Rate</u>	<u>Total</u>
Interest Income	\$ 130,104	\$ (137,814)	\$ (7,710)
Interest Expense	\$ 26,629	\$ (198,313)	\$ (171,684)
Net Interest Income	<u>\$ 103,475</u>	<u>\$ 60,499</u>	<u>\$ 163,974</u>

The Association's noninterest income totaled \$1,086,171 an increase of \$138,086, or 14.6 percent as compared to the same time period in 2010. This primarily reflects an increased level of patronage accruals resulting from a higher volume sold note business with the Farm Credit Bank of Texas combined with a higher level of related service income generated during the quarter.

Noninterest expense decreased \$44,934 or 2.6 percent, in the first three months of 2011 as compared to the same time period in 2010. This decline largely reflects lower costs related to Farmer Mac guarantees and costs associated with FCSIC insurance which were partially offset by increases in pension costs. Additionally this decline reflects the implementation of authoritative accounting guidance during the fourth quarter of 2010 which requires the capitalization and amortization of certain loan origination fees and costs. Accordingly, \$36,316 of salary and benefit expense has been capitalized during the 2011 operating year.

The Association's return on average assets for the three months ended March 31, 2011, was 1.86 percent compared to 1.94 percent for the same period in 2010. The Association's return on average equity for the three months ended March 31, 2011, was 11.52 percent, compared to 12.81 percent for the same period in 2010. In addition to the income and expense items discussed previously, these ratios also reflect differences in the funding of the allowance account over the two interim periods. In total, income was negatively impacted during the first quarter 2011 by a provision totaling \$297,180 which primarily resulted from increased risk drivers within the Association's allowance methodology. This compares to a reversal of the provision totaling \$144,144 which occurred during the first quarter of 2010.

LIQUIDITY AND FUNDING SOURCES

The Association secures the majority of its lendable funds from the Farm Credit Bank of Texas (Bank), which obtains its funds through the issuance of Systemwide obligations and with lendable equity. The interest rate risk inherent in the Association's loan portfolio is substantially mitigated through the funding relationship with the Bank. The Bank manages interest rate risk through its direct loan pricing and asset/liability management process; however, a portion of the Association's own funds, which represents the amount of the Association's loan portfolio funded by the Association's equity, is impacted by rate movements. The following schedule summarizes the Association's borrowings from the Bank.

	<u>March 31, 2011</u>	<u>December 31, 2010</u>
Note payable to the Bank	\$ 332,230,355	\$ 350,486,462
Accrued interest on note payable	<u>588,364</u>	<u>595,330</u>
Total	\$ 332,818,719	\$ 351,081,792

The indebtedness is collateralized by a pledge of substantially all of the Association's assets to the Bank and is governed by a financing agreement. The decrease in note payable to the Bank corresponds to the seasonal decline noted in the loan portfolio as well as a reduction in receivables. The Association will continue to fund its operations through direct borrowings from the bank, capital surplus from prior years and borrower stock. It is management's opinion that funds available to the Association are sufficient to fund its operations for the coming year.

CAPITAL RESOURCES

The Association's capital position totaled \$66,578,893 as of March 31, 2011 which represents an increase of \$1,309,753 compared to December 31, 2010 primarily reflecting earnings for the period. The Association's debt as a ratio to members' equity was 5.25:1 at quarter end, compared to 5.60:1 at year end and 5.50:1 a year ago.

Institutions in the Farm Credit System are required to maintain a minimum permanent capital ratio, referred to as capital adequacy ratio, total surplus ratio, and core surplus ratio. The following table illustrates the Associations regulatory capital ratios.

	March 31,		Dec. 31,
	<u>2011</u>	<u>2010</u>	<u>2010</u>
Capital Adequacy Ratio	15.5%	14.3%	14.7%
Total Surplus Ratio	14.3%	14.0%	13.3%
Core Surplus Ratio	12.4%	11.2%	11.7%

These ratios fluctuate inversely with changes in loan volume. The recent increasing trend in the Association's capital ratios reflects strong earnings, stable loan volume, and an increase in the retirement period for allocated equities. The Association exceeds minimum regulatory requirements on all capital related ratios, which are 7% on capital adequacy and total surplus, and 3.5% on core surplus. All regulatory capital requirements apply to consolidated ACA totals, which include capital of the subsidiary PCA and FLCA. Further details are included in Note 4.

RELATIONSHIP WITH THE FARM CREDIT BANK OF TEXAS

The Association's financial condition may be impacted by factors that affect the Bank. The financial condition and results of operations of the Bank may materially affect the stockholder's investment in the Association. The Management's Discussion and Analysis and Notes to Financial Statements contained in the December 31, 2010 Annual Report of Great Plains Ag Credit more fully describe the Association's relationship with the Bank.

The Tenth Farm Credit District's (District) annual and quarterly stockholder reports are available free of charge, upon request. These reports can be obtained by writing to Farm Credit Bank of Texas, The Ag Agency, P.O. Box 202590, Austin, Texas 78720, or by calling (512) 483-9260. Copies of the District's quarterly and annual stockholder reports also can be requested by e-mail at fcf@farmcreditbank.com. The District makes its annual and quarterly stockholder reports available on its web site at www.farmcreditbank.com.

The Association's quarterly stockholder reports are also available free of charge, upon request. These reports can be obtained by writing to Great Plains Ag Credit, P.O. Box 50060 Amarillo, TX 79159-0060 or calling (806) 376-4669. Copies of the Association's quarterly stockholder reports can also be requested by e-mailing Carolyn.Brand@gpactx.com. The Association makes its annual and quarterly stockholder reports available on its web site at www.greatplainsagcredit.com.

GREAT PLAINS AG CREDIT, ACA
CONSOLIDATED STATEMENT OF CONDITION
(WHOLE DOLLARS)

	March 31, 2011 UNAUDITED	December 31, 2010 AUDITED
ASSETS		
CASH	\$26,245	\$26,499
INVESTMENTS.....	\$6,913,283	\$7,403,693
LOANS.....	\$392,437,815	\$404,272,031
LESS ALLOWANCE FOR LOAN LOSSES	\$1,376,701	\$1,188,958
NET LOANS.....	\$391,061,114	\$403,083,073
ACCRUED INTEREST RECEIVABLE.....	\$3,855,959	\$4,493,742
INVESTMENT IN THE BANK	\$6,777,870	\$6,777,870
RECEIVABLE FROM THE BANK	\$2,114,551	\$3,305,869
PATRONAGE RECEIVABLE FROM THE BANK	\$786,137	\$1,783,645
PREMISES AND EQUIPMENT, NET	\$2,273,975	\$2,286,799
DEFERRED TAX ASSET/LIABILITY, NET.....	\$913,135	\$806,051
OTHER ASSETS.....	\$1,637,565	\$1,012,185
TOTAL ASSETS.....	\$416,359,834	\$430,979,426
LIABILITIES		
NOTES PAYABLE TO THE BANK	\$332,230,355	\$350,486,462
ACCRUED INTEREST PAYABLE.....	\$588,364	\$595,330
ACCOUNTS PAYABLE.....	\$836,917	\$849,581
ACCRUED POSTRETIREMENT BENEFIT LIABILITY....	\$2,123,833	\$2,100,269
PATRONAGE DISTRIBUTION PAYABLE.....	\$540,417	\$2,763,106
ADVANCE CONDITIONAL PAYMENTS.....	\$10,915,631	\$7,517,294
OTHER LIABILITIES.....	\$2,545,424	\$1,398,244
TOTAL LIABILITIES.....	\$349,780,941	\$365,710,286
CAPITAL		
CLASS B COMMON CAPITAL STOCK.....	\$961,230	\$961,415
CLASS A COMMON CAPITAL STOCK.....	\$1,120	\$1,120
PARTICIPATION CERTIFICATES.....	\$22,385	\$23,030
ALLOCATED SURPLUS.....	\$11,097,252	\$11,098,871
UNALLOCATED SURPLUS.....	\$54,361,046	\$53,027,144
ACCUMULATED OTHER COMPREHENSIVE INCOME.....	\$135,860	\$157,560
NET WORTH.....	\$66,578,893	\$65,269,140
TOTAL LIABILITIES AND NET WORTH.....	\$416,359,834	\$430,979,426

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

**GREAT PLAINS AG CREDIT ACA
CONSOLIDATED STATEMENT OF OPERATIONS
(WHOLE DOLLARS)**

	FOR THREE MONTHS ENDED	
	MARCH 31, 2011 UNAUDITED	MARCH 31, 2010 UNAUDITED
INTEREST INCOME		
LOANS.....	\$4,298,983	\$4,407,698
INVESTMENTS.....	\$101,005	\$0
TOTAL INTEREST INCOME.....	\$4,399,988	\$4,407,698
 INTEREST EXPENSE		
NOTE PAYABLE TO BANK.....	\$1,670,045	\$1,842,627
ADVANCE CONDITIONAL PAYMENTS.....	\$4,240	\$2,439
OTHER	\$1,825	\$2,728
TOTAL INTEREST EXPENSE.....	\$1,676,110	\$1,847,794
NET INTEREST INCOME.....	\$2,723,878	\$2,559,904
 OTHER INCOME		
FEEs FOR FINANCIALLY RELATED SERVICES.....	\$122,678	\$107,546
OTHER OPERATING INCOME.....	\$111,861	\$112,190
PATRONAGE INCOME.....	\$851,632	\$728,349
TOTAL OTHER INCOME.....	\$1,086,171	\$948,085
 OTHER EXPENSE		
SALARIES AND EMPLOYEE BENEFITS.....	\$1,048,273	\$1,021,645
OCCUPANCY AND EQUIPMENT.....	\$88,162	\$99,886
FARMER MAC FEES.....	\$51,318	\$72,006
FCSIC INSURANCE EXPENSE.....	\$51,897	\$81,351
OTHER OPERATING EXPENSES.....	\$426,651	\$436,347
TOTAL OTHER EXPENSES(INCOME).....	\$1,666,301	\$1,711,235
PROVISIONS FOR LOSSES ON LOANS (REVERSAL)	\$297,180	(\$144,144)
INCOME(LOSS) BEFORE FEDERAL INCOME TAX..	\$1,846,568	\$1,940,898
PROVISION(BENEFIT) FOR FEDERAL INCOME TAXES.....	\$79,630	\$0
DEFERRED TAX (INCOME)EXPENSE.....	(\$107,084)	\$44,182
ADJUSTMENT FOR PRIOR YEARS.....	\$0	\$0
NET INCOME(LOSS).....	\$1,874,022	\$1,896,716

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

GREAT PLAINS AG CREDIT, ACA
CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL
(WHOLE DOLLARS)

	CAPITAL STOCK			SURPLUS		ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL
	CLASS B COMMON	CLASS A COMMON	PARTICIPATION CERTIFICATES	ALLOCATED	UNALLOCATED		
BALANCES AS OF DECEMBER 31, 2009	\$945,405	\$120	\$24,790	\$10,089,937	\$48,053,222	\$366,468	\$59,479,942
NET INCOME	\$0	\$0	\$0	\$0	\$1,896,716	\$0	\$1,896,716
OTHER COMPREHENSIVE INCOME							
AMORTIZATION OF COSTS INCLUDED IN							
PERIODIC RETIREMENT BENEFIT COST	\$0	\$0	\$0	\$0	\$0	(\$22,310)	(\$22,310)
OTHER COMPREHENSIVE INCOME	\$0	\$0	\$0	\$0	\$0	(\$22,310)	(\$22,310)
CAPITAL STOCK/PARTICIPATION CERTIFICATES ISSUED	\$30,490	\$0	\$1,145	\$0	\$0	\$0	\$31,635
CAPITAL STOCK/PARTICIPATION CERTIFICATES AND ALLOCATED SURPLUS RETIRED	(\$37,760)	\$0	(\$410)	\$0	\$0	\$0	(\$38,170)
PATRONAGE DISTRIBUTIONS:							
CASH	\$0	\$0	\$0	(\$332)	(\$602,648)	\$0	(\$602,980)
CAPITAL STOCK/PARTICIPATION CERTIFICATES AND ALLOCATED RETAINED EARNINGS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BALANCES AS OF MARCH 31, 2010	\$938,135	\$120	\$25,525	\$10,089,605	\$49,347,290	\$344,158	\$60,744,833
BALANCES AS OF DECEMBER 31, 2010	\$961,415	\$1,120	\$23,030	\$11,098,871	\$53,027,144	\$157,560	\$65,269,140
NET INCOME	\$0	\$0	\$0	\$0	\$1,874,022	\$0	\$1,874,022
OTHER COMPREHENSIVE INCOME							
AMORTIZATION OF COSTS INCLUDED IN							
PERIODIC RETIREMENT BENEFIT COST	\$0	\$0	\$0	\$0	\$0	(\$21,700)	(\$21,700)
OTHER COMPREHENSIVE INCOME	\$0	\$0	\$0	\$0	\$0	(\$21,700)	(\$21,700)
CAPITAL STOCK/PARTICIPATION CERTIFICATES ISSUED	\$29,530	\$0	\$2,765	\$0	\$0	\$0	\$32,295
CAPITAL STOCK/PARTICIPATION CERTIFICATES AND ALLOCATED SURPLUS RETIRED	(\$29,715)	\$0	(\$3,410)	\$0	\$0	\$0	(\$33,125)
PATRONAGE DISTRIBUTIONS:							
CASH	\$0	\$0	\$0	(\$1,619)	(\$540,120)	\$0	(\$541,739)
CAPITAL STOCK/PARTICIPATION CERTIFICATES AND ALLOCATED RETAINED EARNINGS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BALANCES AS OF MARCH 31, 2011	\$961,230	\$1,120	\$22,385	\$11,097,252	\$54,361,046	\$135,860	\$66,578,893

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

NOTES TO QUARTERLY REPORT

Note 1 - Organization and Significant Accounting Policies

Great Plains Ag Credit, ACA, referred to as the Association, is a member-owned cooperative that provides credit and credit-related services to or for the benefit of eligible borrowers/stockholders for qualified agricultural purposes. The Association serves the counties of Armstrong, Bailey, Briscoe, Carson, Castro, Dallam, Deaf Smith, Floyd, Hale, Hansford, Hartley, Hutchinson, Lamb, Moore, Oldham, Parmer, Potter, Randall, Sherman, and Swisher. The Association is a lending institution of the Farm Credit System (the System), which was established by Acts of Congress to meet the needs of American agriculture.

In January 2011, the Financial Accounting Standards Board (FASB) issued guidance entitled, "Deferral of the Effective Date of Disclosures about Troubled Debt Restructurings." This guidance temporarily delays the effective date of the disclosures about troubled debt restructurings required by the guidance previously issued on "Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses." The effective date of the new disclosures about troubled debt restructurings and guidance for determining what constitutes a troubled debt restructuring will be coordinated and is anticipated to be effective for periods ending after June 15, 2011.

In July 2010, the FASB issued guidance on "Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses." This guidance is intended to provide additional information to assist financial statement users in assessing an entity's credit risk exposures and evaluating the adequacy of its allowance for credit losses. Existing disclosures are amended to include additional disclosures of financing receivables on a disaggregated basis (by portfolio segment and class of financing receivable) including among others, a rollforward schedule of the allowance for credit losses from the beginning of the reporting period to the end of the period on a portfolio segment basis, with the ending balance further disaggregated on the basis of the method of impairment (individually or collectively evaluated). The guidance also calls for new disclosures including but not limited to credit quality indicators at the end of the reporting period by class of financing receivables, the aging of past due financing receivables, nature and extent of financing receivables modified as troubled debt restructurings by class and the effect on the allowance for credit losses. For public entities, the disclosures as of the end of a reporting period are effective for interim and annual reporting periods ending on or after December 15, 2010. The disclosures about activity that occurs during a reporting period were effective for interim and annual reporting periods beginning on or after December 15, 2010. The adoption of this Standard did not impact the Association's financial condition or results of operations, but resulted in significant additional disclosures.

In January 2010, the FASB issued guidance on "Fair Value Measurements and Disclosures," which is to improve disclosures about fair value measurement by increasing transparency in financial reporting. The changes will provide a greater level of disaggregated information and more robust disclosures of valuation techniques and inputs to fair value measurement. The new disclosures and clarification of existing disclosures were effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances and settlements in the rollforward of activity in Level 3 fair value measurements. Those disclosures were effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The adoption of this Standard did not impact the Association's financial condition and results of operations but resulted in additional disclosures.

The accompanying consolidated financial statements contain all adjustments necessary for a fair presentation of the interim financial condition and results of operations and conform with generally accepted accounting principles, except for the inclusion of a statement of cash flows. Generally accepted accounting principles require a business enterprise that provides a set of financial statements reporting both financial position and results of operations to also provide a statement of cash flows for each period for which results of operations are provided. In regulations issued by FCA, associations have the option to exclude statements of cash flows in interim financial statements. Therefore, the Association has elected not to include a statement of cash flows in these consolidated financial statements.

The consolidated financial statements comprise the operations of the ACA and its wholly-owned subsidiaries. The preparation of these consolidated financial statements requires the use of management's estimates. The results for the quarter and the three months ended March 31, 2010, are not necessarily indicative of the results to be expected for the year ended December 31, 2010. Certain amounts in the prior period's financial statements have been reclassified to conform to current financial statement presentation.

Note 2 – Investments

Held-to-Maturity

The following table presents a summary of the amortized cost and fair value of investment securities held-to-maturity. These securities have a weighted average life of 2.85 years as of March 31, 2011.

<u>March 31, 2011</u>	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Weighted Average Yield</u>
Mortgage-backed securities	6,913,283	18,372	-	6,931,655	5.59%
Total	\$ 6,913,283	\$ 18,372	\$ -	\$ 6,931,655	5.59%

<u>December 31, 2010</u>	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Weighted Average Yield</u>
Mortgage-backed securities	7,403,693	3,739	-	7,407,432	5.56%
Total	\$ 7,403,693	\$ 3,739	\$ -	\$ 7,407,432	5.56%

Note 3 – Loans and Allowance for Loan Losses

A summary of loans follows:

	<u>March 31, 2011</u>	<u>December 31, 2010</u>
Real estate mortgage	\$ 188,482,066	\$ 181,764,656
Production and intermediate term	174,578,505	193,213,801
Loans to cooperatives	3,539,373	2,786,780
Processing and marketing	15,925,361	15,516,988
Farm related business	8,793,262	9,740,720
Rural residential real estate	962,613	1,035,479
Lease receivables	156,635	213,607
Total loans	\$ 392,437,815	\$ 404,272,031

The Bank and Associations purchase or sell participation interests with other parties in order to diversify risk, manage loan volume and comply with Farm Credit Administration regulations. The following table presents information regarding participations purchased and sold during the quarter ended March 31, 2011:

	<u>Other Farm Credit Institutions</u>		<u>Non-Farm Credit Institutions</u>		<u>Total</u>	
	<u>Participations Purchased</u>	<u>Participations Sold</u>	<u>Participations Purchased</u>	<u>Participations Sold</u>	<u>Participations Purchased</u>	<u>Participations Sold</u>
Production and intermediate term	\$ -	\$ 3,823,089	\$ -	\$ -	\$ -	\$ 3,823,089
Agribusiness	-	250	-	-	\$ -	250
Total	\$ -	\$ 3,823,339	\$ -	\$ -	\$ -	\$ 3,823,339

Nonperforming assets (including related accrued interest) and related credit quality statistics are as follows:

	March 31, <u>2011</u>	December 31, <u>2010</u>
Nonaccrual loans:		
Real estate mortgage	\$ 18,262,821	\$ 15,864,454
Production and intermediate-term	3,832,174	3,855,836
Total nonaccrual loans	\$ 22,094,995	19,720,290
Accruing restructured loans:		
Real estate mortgage	\$ -	\$ -
Production and intermediate-term	-	-
Total accruing restructured loans	\$ -	-
Accruing loans 90 days or more past due:		
Real estate mortgage	\$ -	\$ -
Production and intermediate-term	13,294	-
Total accruing loans 90 days or more past due	\$ 13,294	-
Total nonperforming loans (including accrued interest)	\$ 22,108,289	\$ 19,720,290
Other property owned	-	-
Total nonperforming assets	\$ 22,108,289	\$ 19,720,290

The following table shows loans and related accrued interest classified under the Farm Credit Administration Uniform Loan Classification System as a percentage of total loans and related accrued interest receivable by loan type as of:

	March 31, <u>2011</u>	December 31, <u>2010</u>
Real estate mortgage		
Acceptable	88.9	86.9
OAEM	5.7	8.4
Substandard/doubtful	5.4	4.7
	<u>100.0</u>	<u>100.0</u>
Production and intermediate-term		
Acceptable	89.0	88.7
OAEM	6.0	6.3
Substandard/doubtful	5.0	5.0
	<u>100.0</u>	<u>100.0</u>
Agribusiness		
Acceptable	89.3	88.6
OAEM	10.7	11.4
Substandard/doubtful	0.0	0.0
	<u>100.0</u>	<u>100.0</u>
Rural residential real estate		
Acceptable	70.1	71.8
OAEM	29.9	28.2
Substandard/doubtful	0.0	0.0
	<u>100.0</u>	<u>100.0</u>
Lease receivables		
Acceptable	100.0	100.0
OAEM	0.0	0.0
Substandard/doubtful	0.0	0.0
	<u>100.0</u>	<u>100.0</u>
Total Loans		
Acceptable	88.9	87.8
OAEM	6.3	7.7
Substandard/doubtful	4.8	4.5
	<u>100.0</u>	<u>100.0</u>

The following table provides an age analysis of past due loans (including accrued interest) as of March 31, 2011:

	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or less than 30 Days Past Due	Total Loans	Recorded Investment >90 Days and Accruing
Real estate mortgage	\$ -	\$ 18,262,821	\$ 18,262,821	\$ 172,566,350	\$190,829,171	\$ -
Production and intermediate term	100,186	3,845,468	3,945,654	171,815,075	175,760,729	13,294
Loans to cooperatives	-	-	-	3,544,120	3,544,120	-
Processing and marketing	-	-	-	16,040,648	16,040,648	-
Farm-related business	-	-	-	8,906,413	8,906,413	-
Rural residential real estate	-	-	-	979,632	979,632	-
Lease receivables	-	-	-	158,683	158,683	-
Total	\$ 100,186	\$ 22,108,289	\$ 22,208,475	\$ 374,010,921	\$396,219,396	\$ 13,294

Note: The recorded investment in the receivable is the face amount increased or decreased by applicable accrued interest and unamortized premium, discount, finance charges, or acquisition costs and may also reflect a previous direct write-down of the investment.

Additional impaired loan information is as follows:

	For the Three Months Ended March 31, 2011			
	<u>Recorded Investment</u>	<u>Related Allowance</u>	<u>Average Impaired Loans</u>	<u>Interest Income Recognized</u>
Impaired loans with a related allowance for credit losses:				
Real estate mortgage	\$ -	\$ -	\$ -	\$ -
Production and inter-mediate term	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -
Impaired loans with no related allowance for credit losses:				
Real estate mortgage	\$ 18,262,821	\$ -	\$ 15,848,494	\$ 36,742
Production and inter-mediate term	3,832,174	\$ -	3,842,394	\$ -
Total	\$ 22,094,995	\$ -	\$ 19,690,888	\$ 36,742
Total impaired loans:				
Real estate mortgage	\$ 18,262,821	\$ -	\$ 15,848,494	\$ 36,742
Production and inter-mediate term	3,832,174	\$ -	3,842,394	\$ -
Total	\$ 22,094,995	\$ -	\$ 19,690,888	\$ 36,742

For the Year Ended December 31, 2010

	<u>Recorded Investment</u>	<u>Related Allowance</u>	<u>Average Impaired Loans</u>	<u>Interest Income Recognized</u>
Impaired loans with a related allowance for credit losses:				
Real estate mortgage	\$ -	\$ -	\$ -	\$ -
Production and inter-mediate term	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -
Impaired loans with no related allowance for credit losses:				
Real estate mortgage	\$ 15,864,455	\$ -	\$ 10,596,760	\$ 311,191
Production and inter-mediate term	3,855,835	-	2,467,068	78,246
Total	\$ 19,720,290	\$ -	\$ 13,063,828	\$ 389,437
Total impaired loans:				
Real estate mortgage	\$ 15,864,455	\$ -	\$ 10,596,760	\$ 311,191
Production and inter-mediate term	3,855,835	-	2,467,068	78,246
Total	\$ 19,720,290	\$ -	\$ 13,063,828	\$ 389,437

A summary of changes in the allowance for loan losses and period end recorded investment in loans is as follows:

	Real estate mortgage	Production and intermediate term	Agribusiness	Rural residential real estate	Lease receivables	Total
Allowance for Loan Losses:						
Balance at						
December 31, 2010	\$ 676,026	\$ 450,629	\$ 55,582	\$ 6,618	\$ 103	\$ 1,188,958
Charge-offs	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-
Provision for loan losses	(174,399)	287,257	76,801	(2,025)	109	187,743
Other	-	-	-	-	-	-
Balance at March 31, 2011	\$ 501,627	\$ 737,886	\$ 132,383	\$ 4,593	\$ 212	\$ 1,376,701

Note 4 – Capital

The Association's board of directors has established a Capital Adequacy Plan (Plan) that includes the capital targets that are necessary to achieve the institution's capital adequacy goals as well as the minimum permanent capital standards. The Plan monitors projected dividends, equity retirements and other actions that may decrease the Association's permanent capital. In addition to factors that must be considered in meeting the minimum standards, the board of directors also monitors the following factors: capability of management; quality of operating policies, procedures, and internal controls; quality and quantity of earnings; asset quality and the adequacy of the allowance for losses to absorb potential loss within the loan portfolio; sufficiency of liquid funds; needs of an institution's customer base; and any other risk-oriented activities, such as funding and interest rate risk, potential obligations under joint and several liability, contingent and off-balance-sheet liabilities or other conditions warranting additional capital. At least quarterly, management reviews the Association's goals and objectives with the board.

Note 5 – Income Taxes

Great Plains Ag Credit, ACA and its subsidiary, Great Plains Ag Credit, PCA are subject to federal and certain other income taxes. The Association is eligible to operate as a cooperative that qualifies for tax treatment under Subchapter T of the Internal Revenue code. Under specified conditions, the Association can exclude from taxable income amounts distributed as qualified patronage refunds in the form of cash, stock or allocated surplus. Provisions for income taxes are made only on those earnings that will not be distributed as qualified patronage refunds. During 2011, the Association is participating in a patronage program. Deferred taxes are recorded at the tax effect of all temporary differences based on the assumption that such temporary differences are retained by the institution and will therefore impact future tax payments. The Association subsidiary, Great Plains Ag Credit, FLCA is exempt from federal and other income taxes as provided in the Farm Credit Act of 1971.

Note 6 – Fair Value Measurements

Effective January 1, 2008, the System adopted SFAS No. 157, “Fair Value Measurements”. SFAS No. 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability, and establishes a framework for measuring fair value and expands disclosures about fair value measurements. See Notes 2 and 12 to the 2010 Annual Report to Stockholders for a more complete description.

Note 7 – Employee Benefit Plans

The following table summarizes the components of net periodic costs for the three months ended March 31:

	<u>2011</u>	<u>Other Benefits</u>	<u>2010</u>
Service cost	\$ 14,766		\$ 11,746
Interest cost	29,422		26,887
Expected return on plan assets	-		-
Amortization of prior service costs	(21,700)		(22,310)
Amortizations of net (gain) loss	<u>900</u>		<u>0</u>
Net periodic benefit cost	<u>\$ 23,388</u>		<u>\$ 16,323</u>

As of March 31, 2011 \$795,513 of contributions have been made to the Defined Benefit pension plan with no expected additional contributions anticipated in 2011.

NOTE 8— Commitments and Contingent Liabilities:

The Association may be involved in various legal proceedings in the normal course of business. In the opinion of management, there are no legal proceedings at this time that are likely to materially affect the Association.

NOTE 9 — Subsequent Events:

The Association has evaluated subsequent events through April 28, 2011, which is the date the financial statements were issued. There were no events requiring recording or disclosure in the financial statements for the three months ended March 31, 2011.