



**Idaho  
AgCredit**

*Helping you grow*

# QUARTERLY REPORT TO SHAREHOLDERS June 30, 2022

## OFFICE LOCATIONS

Blackfoot Admin/Branch Office  
188 W Judicial St (PO Box 985)  
Blackfoot, ID 83221  
(208) 785-1510

Rexburg Branch Office  
1586 N 2<sup>nd</sup> E  
Rexburg, ID 83440  
(208) 356-5479

American Falls Branch Office  
2883 Highway 39  
American Falls, ID 83211  
(208) 226-5251

Twin Falls Branch Office  
Suite 100A, 1096 Eastland Drive North  
Twin Falls, ID 83301  
(208) 734-0635

## DIRECTORS, OFFICERS AND STAFF

### **BOARD OF DIRECTORS**

Ken Black, Chairman..... Burley  
Wendy Pratt, Vice Chairman.....Blackfoot  
Tina Clinger ..... American Falls  
Scott R. Giltner ..... Jerome  
Ryan Mathews.....Blackfoot  
Bruce Ricks ..... Sugar City  
Dennis W. Snarr ..... Idaho Falls

### **OFFICERS**

Marc Fannesbeck..... President and CEO  
Jim Chase..... Secretary and CFO  
Adam C. Jensen.... Executive Vice President and CCO  
Kirk Powell ..... Vice President of Capital Markets  
Katie Wallace..... Vice President of Human Resources  
Dana Wood..... Vice President of Operations  
Ryan Funk ..... Vice President and CIO

### **HEADQUARTERS STAFF**

Jan Gamble ..... Senior Operations Assistant  
Echo Wren..... Operations Assistant  
Travis Crook. ....IT Technician

### **AUDIT COORDINATOR**

Meagan Reed ..... Audit Coordinator

### **BRANCH STAFF**

Blackfoot Branch Office (208) 785-1510  
Katie Wallace ..... Branch Manager  
Avery Robertson ..... Assistant Branch Manager  
Carson Jacobs ..... Loan Officer  
Tenaia Giannini ..... Credit Support Specialist  
Hallie Mickelsen ..... Operations Assistant

Rexburg Branch Office (208) 356-5479  
Nick Bazil..... Branch Manager  
Doug Eck..... Evaluation Manager and  
Senior Loan Officer  
Jared Ashcraft ..... Loan Officer  
Maguel Sommer..... Loan Officer  
Sam Erickson ..... Operations Assistant  
Tina Morton ..... Senior Loan Processing Specialist

American Falls Branch Office (208) 226-5251  
Dana Wood ..... Branch Manager  
Dylan Orr ..... Loan Officer  
Rob Acevedo..... Credit Analyst  
Cyndi Campbell..... Operations Assistant  
Maxine Olson ..... Operations Assistant  
Meagan Reed..... Loan Processing Specialist

Twin Falls Branch Office (208) 734-0635  
Tianna Fife ..... Branch Manager  
Sean Zaugg..... Senior Loan Officer  
Dave Scott..... Loan Officer  
Kaylie Collins ..... Credit Support Specialist  
Nicolette Mikesell ..... Operations Assistant



### REPORT OF MANAGEMENT

The consolidated financial statements of Idaho AgCredit, ACA and its wholly owned subsidiaries Idaho AgCredit, FLCA and Idaho AgCredit, PCA (collectively Idaho AgCredit) are prepared by management, which is responsible for their integrity and objectivity, including amounts that must necessarily be based on judgments and estimates. The consolidated financial statements have been prepared in conformity with generally accepted accounting principles appropriate under the circumstances and under the oversight of the Audit Committee (comprised of all board members), and in the opinion of management, fairly present the financial condition and results of operations of Idaho AgCredit.

To meet its responsibility for reliable financial information, management depends on Idaho AgCredit's accounting and internal control systems, which have been designed to provide reasonable, but not absolute, assurance that assets are safeguarded and that transactions are properly authorized and recorded. The systems have been designed to provide the information to facilitate the recognition of costs in relation to benefits derived. To monitor compliance, Idaho AgCredit's staff, contract auditors, CoBank, ACB (CoBank) and an independent accounting firm perform reviews of the accounting records, review accounting systems and internal controls, and recommend improvements as appropriate.

The 2021 consolidated financial statements of Idaho AgCredit were audited by Wipfli LLP, certified public accountants (CPAs), who also conducted a review of the accounting records and such other auditing procedures as they considered necessary to comply with generally accepted auditing standards. A copy of their report was presented in the 2021 Annual Report to Shareholders (Annual Report).

The activities of Idaho AgCredit are also reviewed by the Farm Credit Administration (FCA), and certain actions of Idaho AgCredit are subject to approval by CoBank. Certain actions of CoBank are also subject to FCA approval. The annual and quarterly reports of Idaho AgCredit and CoBank are available upon request at no cost at Idaho AgCredit's administrative and branch offices, or on the websites at [www.idahoagcredit.com](http://www.idahoagcredit.com) and [www.cobank.com](http://www.cobank.com), respectively.


The Board of Directors and Audit Committee have overall responsibility for Idaho AgCredit's systems of internal control and financial reporting. In connection with this obligation, each consults regularly with management and periodically reviews the scope and results of work performed by the CPAs. The CPAs also have direct access to the Board of Directors and Audit Committee.

The undersigned hereby certify that this report has been reviewed and 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 the undersigned's knowledge and belief.

  
Ken Black  
Board Chairman

  
Marc Fannesbeck  
President and CEO

  
Ryan Mathews  
Audit Committee Chairman

  
Jim Chase  
Secretary and CFO

July 27, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **Overview and Economic Conditions:**

The following discussion summarizes the financial position and results of operations of Idaho AgCredit for the three months ended June 30, 2022, with comparisons to prior periods. You should read these comments along with the accompanying financial statements and footnotes and the 2021 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of the Audit Committee.

Economic conditions for the three months ended June 30, 2022 reflected commodity prices above breakeven for wheat, barley, alfalfa, beef cattle, milk and sugar beets. Projected prices for 2022 reflect moderate prices, especially given drastic economic changes and consumption habits which have changed due to the COVID-19/Coronavirus pandemic and global events, including the war in Ukraine. Due to the uncertain nature of changes to consumption habits and market changes, it is too soon to accurately predict commodity prices in the near term. Most operations have sufficient diversification to weather short cycles of below breakeven prices for one or two commodities, but these operations may have to make difficult choices regarding machinery replacement and containment of operating costs. Water is uncertain for 2022, with most growers having to modify crop plans for anticipated shortfalls. Agricultural real estate prices appear to be steady. The increases in real estate values in the last several years could lead to increased loan risk on those operations which purchased higher cost land if real estate values and rental rates decrease. Idaho AgCredit's net income reflects the strong economic success of its customers.

### **Loan Portfolio:**

Gross loan volume as of June 30, 2022 increased \$13,122,108 from \$320,005,426 at the prior quarter end to \$333,127,534, and increased \$8,599,209 compared to the same quarter in the prior year. The current quarter change in loan volume reflected seasonal changes in operating loan volume and net new commercial and mortgage loan volume. The increase in gross loan volume from the prior year reflects a net decrease in commercial loans and an increase in mortgage and mortgage purchased participation loans with other lenders.

Nonaccrual loan volume at March 30, 2022 was \$607,271, or .18% of gross loan volume, compared to \$660,925, or .20% on the same date in the prior year. Idaho AgCredit's total loan portfolio is presently graded 99.2% acceptable and OAEM compared to 98.6% acceptable and OAEM in the prior year. Idaho AgCredit's long-term goal for acceptable and OAEM credit remains at 90.0% or better.

Idaho AgCredit had no net investment in other property owned (aka acquired property) at June 30, 2022, which was the same as on the same date in the prior year. Idaho AgCredit's investment in accrual sales contracts at June 30, 2022 was \$26,895 compared to \$38,812 in the prior year. Idaho AgCredit's ratio of liabilities to net worth at June 30, 2022 was 4.07:1 compared to 4.12:1 the prior year. This ratio change (which reflects that total liabilities have decreased in proportion to net worth) has been caused by retained earnings growing faster in proportion to loan volume growth and the change in the corresponding debt with CoBank.

### **Results of Operations:**

Idaho AgCredit's net income of \$1,393,673 for the quarter was down \$193,641 compared to the same quarter in the prior year. The net interest income after the provision for losses of loan principal and commitment for the quarter was \$117,244 higher than the same period in the prior year due to an increase in net interest income of \$40,948 and a decrease in the net provision for loan losses of \$76,296. Noninterest income for the quarter was \$211,310 lower than the prior year, primarily due to a decrease in patronage from CoBank of \$31,000, a decrease in patronage from other Farm Credit institutions of \$38,872, a decrease in loan fees of \$141,441 due to lower government program loan origination fees and less demand for interest rate conversions, and a net increase of \$3 in financially related service income and other noninterest income. Noninterest expenses for the quarter were \$99,275 higher than the prior year due to the increase in salaries and benefits of \$39,641, a decrease of \$445 in director compensation, an increase in occupancy of \$588, an increase in Farm Credit Insurance Fund premiums of \$46,000, an increase in supervisory and examination costs of \$1,624 an increase in purchased services of \$16,251 and a net decrease in all other noninterest expenses of \$4,384. The provision for income taxes was unchanged from the prior year.

The Allowance for Loan Losses account balance at June 30, 2022 totaled \$1,479,933 or .44% of gross loan volume compared to an allowance of \$1,548,812 or .48% of gross loan volume for the same date in the prior year. This decrease of \$68,879 from the prior year primarily reflects normal changes in credit quality and loan volume. After assessing the relative risk based upon economic conditions, historical annual loan loss experience and potential future losses, management believes the allowance for loan losses adequately covers the inherent risk in the loan portfolio. Ultimate

losses which may be experienced by Idaho AgCredit depend upon the impact of future commodity prices, real estate values, government subsidy and disaster programs, weather-related occurrences, operating decisions and public policy. These same factors may also generate recoveries of losses previously recognized.

**Capital Resources:**

Shareholders' equity at June 30, 2022 was \$68,991,529, which increased \$2,629,410 from \$66,362,119 at December 31, 2021. This increase is due to net income plus net stock changes. Since January 1, 2005, Idaho AgCredit's stock requirement has been the minimum allowed by regulation, which is the lesser of 2% of the outstanding principal balance or \$1,000 per customer. Idaho AgCredit's capital amounts, categories and ratios at June 30, 2022 exceeded the FCA minimum regulatory requirements which became effective January 1, 2017.

**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

	<b>June 30, 2022 Unaudited</b>	December 31, 2021 Audited	June, 30 2021 Unaudited
<b>ASSETS</b>			
Loans	<b>\$333,127,534</b>	\$338,466,936	\$324,528,325
Less allowance for loan losses	<b>1,479,933</b>	1,523,288	1,548,812
Net loans	<b>331,647,601</b>	336,943,648	322,979,513
Cash	<b>922,141</b>	3,394,015	1,833,118
Accrued interest receivable	<b>4,457,230</b>	4,339,675	4,354,227
Investment in CoBank	<b>9,239,674</b>	10,966,466	10,966,466
Premises and equipment, net	<b>1,242,925</b>	1,284,981	1,332,949
Other property owned	<b>0</b>	0	0
Prepaid pension expense	<b>1,578,570</b>	1,355,394	1,069,077
Deferred tax asset, net	<b>(65,000)</b>	(65,000)	32,000
Other assets	<b>807,118</b>	1,583,529	839,270
<b>Total assets</b>	<b>\$349,830,259</b>	\$359,802,708	\$343,406,620
<b>LIABILITIES</b>			
Note payable to CoBank	<b>\$260,342,491</b>	\$277,580,124	\$262,524,300
Advance conditional payments	<b>19,266,890</b>	10,820,485	12,638,776
Accrued interest payable	<b>459,456</b>	417,866	395,977
Patronage distributions payable	<b>0</b>	3,702,198	0
Reserve for losses on loan commitment	<b>68,762</b>	61,232	78,136
Other liabilities	<b>701,131</b>	858,684	636,356
<b>Total liabilities</b>	<b>\$280,838,730</b>	\$293,440,589	\$276,273,545
<b>Commitments and Contingencies (See Notes)</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Capital stock and participation certificates	<b>\$516,330</b>	\$504,265	\$510,940
Allocated retained earnings (Memo Nonqualified)	<b>25,909,762</b>	24,303,750	24,303,750
Unallocated retained earnings	<b>42,565,437</b>	41,554,104	42,318,385
Accumulated other comprehensive income/(loss)	<b>0</b>	0	0
<b>Total shareholders' equity</b>	<b>\$68,991,529</b>	\$66,362,119	\$67,133,075
<b>Total liabilities and shareholders' equity</b>	<b>\$349,830,259</b>	\$359,802,708	\$343,406,620

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

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<b>INTEREST INCOME</b>				
Loans	\$3,496,664	\$3,323,562	\$6,758,639	\$6,671,440
<b>Total interest income</b>	<b>3,496,664</b>	<b>3,323,562</b>	<b>6,758,639</b>	<b>6,671,440</b>
<b>INTEREST EXPENSE</b>				
Notes payable to CoBank	1,240,748	1,130,907	2,405,618	2,261,740
Advance conditional payments	33,992	11,679	50,249	21,149
<b>Total interest expense</b>	<b>1,274,740</b>	<b>1,142,586</b>	<b>2,455,867</b>	<b>2,282,889</b>
Net interest income	2,221,924	2,180,976	4,302,772	4,388,551
(Provision for) or Reversal of loan losses and reserves	10,890	(65,406)	35,824	68,115
Net interest income after (provision)/reversal	2,232,814	2,115,570	4,338,596	4,456,666
<b>NONINTEREST INCOME</b>				
Patronage distributions from CoBank	285,000	316,000	590,950	551,115
Patronage distributions from other Farm Credit Inst.	(9,698)	29,174	55,383	74,665
Loan fees	107,733	249,174	211,935	554,939
Financially related services income	1,365	1,601	1,482	1,758
Other noninterest income	1,521	1,282	2,847	2,606
<b>Total Noninterest Income</b>	<b>385,921</b>	<b>597,231</b>	<b>862,597</b>	<b>1,185,083</b>
<b>NONINTEREST EXPENSE</b>				
Salaries and employee benefits	841,855	802,214	1,722,311	1,667,757
Director's Compensation	12,498	12,943	23,807	25,447
Occupancy and equipment	37,805	37,217	77,727	77,127
Farm Credit Insurance Fund premiums	129,000	83,000	217,000	167,000
Supervisory and examination costs	33,541	31,917	67,082	63,834
Purchased Services	63,746	47,495	165,548	122,336
Data processing services	2,430	2,430	4,860	4,860
Losses/(Gains) on other property owned, net	0	0	0	0
Other noninterest expense	103,887	108,271	274,513	279,499
<b>Total noninterest expense</b>	<b>1,224,762</b>	<b>1,125,487</b>	<b>2,552,848</b>	<b>2,407,860</b>
Income (loss) before income taxes	1,393,973	1,587,314	2,648,345	3,233,889
(Provision for)/Benefit from income taxes	0	0	(31,000)	(14,000)
<b>Net Income/Comprehensive income</b>	<b>\$1,393,973</b>	<b>\$1,587,314</b>	<b>\$2,617,345</b>	<b>\$3,219,889</b>

	Capital Stock and Participation Certificates	Memo Allocated Retained Earnings	Unallocated Retained Earnings	Total Shareholders' Equity
<b>Balance at December 31, 2020</b>	\$481,320	\$22,380,647	\$41,025,436	\$63,887,403
Net income/Comprehensive Income		1,923,103	1,296,786	3,219,889
Stock issued	107,610			107,610
Stock retired	(77,990)			(77,990)
Patronage Distributions (Cash)			(3,838)	(3,838)
Other (rounding)		0	1	1
<b>Balance at June 30, 2021</b>	<b>\$510,940</b>	<b>\$24,303,750</b>	<b>\$42,318,385</b>	<b>\$67,133,075</b>
<b>Balance at December 31, 2021</b>	\$504,265	\$24,303,750	\$41,554,104	\$66,362,119
Net income/Comprehensive Income		1,606,012	1,011,333	2,617,345
Stock issued	91,675			91,675
Stock retired	(79,610)			(79,610)
Patronage Distributions (Cash)				
Other (rounding)		0	0	0
<b>Balance at June 30, 2022</b>	<b>\$516,330</b>	<b>\$25,909,762</b>	<b>\$42,565,437</b>	<b>\$68,991,529</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****Note 1 – Organization and Significant Accounting Policies:**

A description of the organization and operations of Idaho AgCredit, ACA (Idaho AgCredit), the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2021, are contained in the 2021 Annual Report to Shareholders (Annual Report). The accompanying unaudited second-quarter 2022 financial statements have been prepared in accordance with the accounting principles generally accepted in the U.S. (GAAP) for interim financial information. Accordingly, they do not include all the disclosures required by GAAP for annual financial statements and should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2021, as contained in the Annual Report.

In the opinion of management, the unaudited financial information is complete and reflects all adjustments necessary for a fair statement of results for the interim periods. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year ending December 31, 2022. Descriptions of the significant accounting policies are included in the Annual Report. In the opinion of management, these policies and the presentation of the interim financial condition and results of operations conform with GAAP and prevailing practices within the banking industry.

In March 2022, the Financial Accounting Standards Board (FASB) issued an update entitled “Financial Instruments - Credit Losses: Troubled Debt Restructurings and Vintage Disclosures.” The guidance eliminates the accounting guidance for troubled debt restructurings (TDRs) by creditors while enhancing disclosure requirements for certain loan refinancings and restructurings when a borrower is experiencing financial difficulty. The creditor will have to apply the guidance to determine whether a modification results in a new loan or a continuation of an existing loan. In addition to the TDR guidance, the update requires public business entities to disclose current period gross writeoffs by year of origination for financing receivables and net investments in leases within the scope of the credit losses standard. These amendments will be effective for the System at the time of adoption of the measurement of credit losses on financial instruments standard on January 1, 2023.

In March 2022, the FASB issued an update entitled “Derivatives and Hedging: Fair Value Hedging – Portfolio Layer Method.” Under current guidance, the last-of-layer method enables an entity to apply fair value hedging to a stated amount of a closed portfolio of prepayable financial assets (or one or more beneficial interests secured by a portfolio of prepayable financial instruments) without having to consider prepayment risk or credit risk when measuring those assets. This guidance will allow entities to apply the portfolio layer method to portfolios of all financial assets, including both prepayable and nonprepayable financial assets. This scope expansion is consistent with the FASB’s efforts to simplify hedge accounting and allows entities to apply the same method to similar hedging strategies. For public business entities, the amendments in this update are effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. Early adoption is permitted on any date on or after the issuance of this update for any entity that has adopted amendments previously issued. Although the System does not have a current derivative hedging strategy in which the last-of-layer method is used, System institutions are currently evaluating the impact of this update on future derivative hedging strategies.

In March 2020, the FASB issued guidance entitled “Facilitation of the Effects of Reference Rate Reform on Financial Reporting (Reference Rate Reform).” The guidance provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions affected by reference rate reform to ease the potential burden related to reference rate reform (transition away from the London Inter-Bank Offered Rate (LIBOR)). The optional amendments are effective as of March 12, 2020 through December 31, 2022.

In January 2021, the FASB issued an update to Reference Rate Reform whereby certain derivative instruments may be modified to change the rate used for margining, discounting, or contract price alignment. An entity may elect to apply the new amendments on a full retrospective basis as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020, or on a prospective basis to new modifications from any date within an interim period that includes or is subsequent to the date of the update, up to the date that financial statements are available to be issued. These amendments do not apply to contract modifications made or new hedging relationships entered into after December 31, 2022, and existing hedging relationships evaluated for effectiveness in periods after December 31, 2022.



In June 2016, FASB issued guidance entitled "Measurement of Credit Losses on Financial Instruments." The guidance replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Credit losses relating to available-for-sale securities would also be recorded through an allowance for credit losses. For public business entities that are not U.S. Securities and Exchange Commission filers this guidance was to become effective for interim and annual periods beginning after December 15, 2020, with early application permitted. In November 2019, the FASB issued an update that amends the mandatory effective date for this guidance for certain entities. The change resulted from a change in the effective date philosophy that extends and simplifies the adoption by staggering the dates between large public entities and other entities. As a result of the change, the new credit loss standard, for those entities qualifying for the delay, becomes effective for interim and annual reporting periods beginning after December 15, 2022, with early adoption permitted. System institutions qualify for the delay in the adoption date. The System continues to evaluate the impact of adoption on its financial condition and its results of operations.

Idaho AgCredit may have loans in the categories of real estate mortgage, production and intermediate term, agribusiness (which may be further broken down into loans to cooperatives, processing and marketing and farm related business), rural infrastructure, rural residential real estate and other. Only those categories for which Idaho AgCredit had loans are shown in these schedules.

**Note 2 – Loans and Allowance for Loan Losses:**

A summary of loans (excluding related accrued interest) follows:

Loans	June 30, 2022	December 31, 2021
Real estate mortgage	<b>\$226,767,923</b>	\$219,630,216
Production and intermediate term	<b>88,287,770</b>	103,949,119
Agribusiness	<b>15,446,509</b>	9,000,721
Rural infrastructure	<b>2,625,332</b>	2,623,783
Total loans	<b>\$333,127,534</b>	\$335,203,839

Idaho AgCredit purchases or sells participation interests with other parties in order to diversify risk, manage loan volume and comply with Farm Credit Administration regulations. All of Idaho AgCredit's participations purchased and participations sold are with other Farm Credit Institutions. The following table presents information regarding participations purchased and sold (excluding related accrued interest) as of June 30, 2022:

Participation Loans	Other Farm Credit Institutions	
	Purchased	Sold
Real estate mortgage	\$46,396,295	\$18,208,753
Production and intermediate term	1,661,965	2,383,399
Agribusiness	9,000,721	0
Rural infrastructure	2,625,332	0
Total	\$59,684,313	\$20,592,152

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

	June 30, 2022	December 31, 2021
<b>Nonaccrual loans:</b>		
Real estate mortgage	<b>\$186,669</b>	\$183,960
Production and Intermediate term	<b>420,602</b>	432,255
Agribusiness	<b>0</b>	0
Rural infrastructure	<b>0</b>	0
Total nonaccrual loans	<b>\$607,271</b>	\$616,215
<b>Accruing restructured loans:</b>		
Total accruing restructured loans	<b>\$0</b>	\$0
<b>Accruing loans 90 days or more past due:</b>		
Real estate mortgage	<b>\$0</b>	\$0
Production and Intermediate term	<b>0</b>	0
Agribusiness	<b>0</b>	0
Rural infrastructure	<b>0</b>	0
Total accruing loans 90 days or more past due	<b>\$0</b>	\$0
Total nonperforming loans	<b>\$607,271</b>	\$616,215
Other property owned	<b>0</b>	0
Total nonperforming assets	<b>\$607,271</b>	\$616,215

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:

	June 30, 2022	December 31, 2021
<b>Real estate mortgage</b>		
Acceptable	<b>98.4%</b>	98.1%
OAEM	<b>0.7%</b>	1.3%
Substandard	<b>0.9%</b>	0.6%
Doubtful	<b>0.0%</b>	0.0%
	<b>100.0%</b>	100.0%
<b>Production and intermediate term</b>		
Acceptable	<b>96.1%</b>	96.2%
OAEM	<b>3.4%</b>	2.3%
Substandard	<b>0.2%</b>	1.2%
Doubtful	<b>0.3%</b>	0.3%
	<b>100.0%</b>	100.0%
<b>Agribusiness</b>		
Acceptable	<b>100.0%</b>	100.0%
OAEM	<b>0.0%</b>	0.0%
Substandard	<b>0.0%</b>	0.0%
Doubtful	<b>0.0%</b>	0.0%
	<b>100.0%</b>	100.0%
<b>Rural infrastructure</b>		
Acceptable	<b>100.0%</b>	100.0%
OAEM	<b>0.0%</b>	0.0%
Substandard	<b>0.0%</b>	0.0%
Doubtful	<b>0.0%</b>	0.0%
	<b>100.0%</b>	100.0%
<b>Total loans</b>		
Acceptable	<b>97.8%</b>	97.7%
OAEM	<b>1.4%</b>	1.5%
Substandard	<b>0.7%</b>	0.7%
Doubtful	<b>0.1%</b>	0.1%
	<b>100.0%</b>	100.0%

The recorded investment in loan receivables 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. The following tables provide an age analysis of past due loans (including accrued interest) as of:

(Dollars in Thousands)	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or <30 Days Past Due	Total Loans	90 Days or More Past Due and Accruing
<b>June 30, 2022</b>						
Real estate mortgage	<b>\$2,181</b>	<b>\$0</b>	<b>\$2,181</b>	<b>\$228,018</b>	<b>\$230,199</b>	<b>\$0</b>
Production and intermediate term	<b>428</b>	<b>0</b>	<b>428</b>	<b>88,751</b>	<b>89,179</b>	<b>0</b>
Agribusiness	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,576</b>	<b>15,576</b>	<b>0</b>
Rural infrastructure	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,631</b>	<b>2,631</b>	<b>0</b>
Total	<b>\$2,609</b>	<b>\$0</b>	<b>\$2,609</b>	<b>\$334,976</b>	<b>\$337,585</b>	<b>\$0</b>
December 31, 2021						
Real estate mortgage	\$242	\$0	\$242	\$222,487	\$222,729	\$0
Production and intermediate term	91	0	91	104,919	105,010	0
Agribusiness	0	0	0	12,424	12,424	0
Rural infrastructure	0	0	0	2,644	2,644	0
Total	\$333	\$0	\$333	\$342,474	\$342,807	\$0

Additional impaired loan information is as follows:

Impaired Loans	At June 30, 2022			At December 31, 2021		
	Recorded Investment	Contractual Principal Balance	Related Specific Allowance	Recorded Investment	Contractual Principal Balance	Related Specific Allowance
<u>With a related allowance:</u>						
Real estate mortgage	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	\$0	\$0	\$0
Production and intermediate term	<b>284,253</b>	<b>312,378</b>	<b>254,759</b>	291,453	312,378	269,163
Agribusiness	<b>0</b>	<b>0</b>	<b>0</b>	0	0	0
Rural infrastructure	<b>0</b>	<b>0</b>	<b>0</b>	0	0	0
Total	<b>\$284,253</b>	<b>\$312,378</b>	<b>\$254,759</b>	\$291,453	\$312,378	\$269,163
<u>With no related allowance:</u>						
Real estate mortgage	<b>\$186,669</b>	<b>\$193,990</b>	<b>\$0</b>	\$183,959	\$191,276	\$0
Production and intermediate term	<b>136,349</b>	<b>148,435</b>	<b>0</b>	140,803	150,778	0
Agribusiness	<b>0</b>	<b>0</b>	<b>0</b>	0	0	0
Rural infrastructure	<b>0</b>	<b>0</b>	<b>0</b>	0	0	0
Total	<b>\$323,018</b>	<b>\$342,425</b>	<b>\$0</b>	\$324,762	\$342,054	\$0
<u>Total impaired loans:</u>						
Real estate mortgage	<b>\$186,669</b>	<b>\$193,990</b>	<b>\$0</b>	\$183,959	\$191,276	\$0
Production and intermediate term	<b>420,602</b>	<b>460,813</b>	<b>254,759</b>	432,256	463,156	269,163
Agribusiness	<b>0</b>	<b>0</b>	<b>0</b>	0	0	0
Rural infrastructure	<b>0</b>	<b>0</b>	<b>0</b>	0	0	0
Total	<b>\$607,271</b>	<b>\$654,803</b>	<b>\$254,759</b>	\$616,215	\$654,432	\$269,163

(Dollars in Thousands) Impaired Loans	For the Quarter Ended				For the Six Months Ended			
	June 30, 2022		June 30, 2021		June 30, 2022		June 30, 2021	
	Average Impaired Loans	Interest Income Recognized	Average Impaired Loans	Interest Income Recognized	Average Impaired Loans	Interest Income Recognized	Average Impaired Loans	Interest Income Recognized
<u>With a related allowance:</u>								
Real estate mortgage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prod. and intermediate term	285	0	299	0	287	0	300	0
Agribusiness	0	0	0	0	0	0	0	0
Rural infrastructure	0	0	0	0	0	0	0	0
Total	\$285	\$0	\$299	\$0	\$287	\$0	\$300	\$0
<u>With no related allowance:</u>								
Real estate mortgage	\$244	\$14	\$187	\$4	\$214	\$14	\$596	\$6
Prod. and intermediate term	139	0	175	179	139	0	1,321	1
Agribusiness	0	0	0	0	0	0	0	0
Rural infrastructure	0	0	0	0	0	0	0	0
Total	\$383	\$14	\$362	\$183	\$353	\$14	\$1,917	\$7
<u>Total impaired loans:</u>								
Real estate mortgage	\$244	\$14	\$187	\$4	\$214	\$14	\$596	\$6
Prod. and intermediate term	424	0	474	179	426	0	1,621	1
Agribusiness	0	0	0	0	0	0	0	0
Rural infrastructure	0	0	0	0	0	0	0	0
Total	\$668	\$14	\$661	\$183	\$640	\$14	\$2,217	\$7

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

	Beginning Balance	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Ending Balance
<b>March 31, 2022 to June 30, 2022</b>					
Real estate mortgage	\$566,288	\$0	\$0	(\$5,081)	\$561,207
Production and intermediate term	839,657	0	0	10,830	850,487
Agribusiness	48,813	0	0	13,782	62,595
Rural infrastructure	17,319	0	0	(11,675)	5,644
Total	\$1,472,077	\$0	\$0	\$7,856	\$1,479,933
<b>March 31, 2021 to June 30, 2021</b>					
Real estate mortgage	\$571,971	\$0	\$0	\$6,814	\$578,785
Production and intermediate term	855,907	0	0	70,407	926,314
Agribusiness	42,403	0	0	(5,953)	36,450
Rural infrastructure	7,402	0	0	(139)	7,263
Total	\$1,477,683	\$0	\$0	\$71,129	\$1,548,812
<b>December 31, 2021 to June 30, 2022</b>					
Real estate mortgage	\$557,102	\$0	\$0	4,105	\$561,207
Production and intermediate term	915,850	0	0	(65,363)	850,487
Agribusiness	35,079	0	0	27,516	62,595
Rural infrastructure	15,257	0	0	(9,613)	5,644
Total	\$1,523,288	\$0	\$0	(\$43,355)	\$1,479,933
<b>December 31, 2020 to June 30, 2021</b>					
Real estate mortgage	\$589,497	\$0	\$0	(\$10,712)	\$578,785
Production and intermediate term	947,232	0	48,637	(69,555)	926,314
Agribusiness	37,035	0	0	(585)	36,450
Rural infrastructure	9,778	0	0	(2,515)	7,263
Total	\$1,583,542	\$0	\$48,637	(\$83,367)	\$1,548,812

A summary of recorded investment (including accrued interest) for allowance evaluations is as follows:

	Allowance for Loan Losses		Recorded Investments in Loans Outstanding	
	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
<b>June 30, 2022</b>				
Real estate mortgage	\$0	\$561,207	\$186,669	\$230,011,944
Production and intermediate term	254,759	595,728	420,602	88,758,749
Agribusiness	0	62,595	0	15,575,681
Rural infrastructure	0	5,644	0	2,631,119
Total	<b>\$254,759</b>	<b>\$1,225,174</b>	<b>\$607,271</b>	<b>\$336,977,493</b>
<b>December 31, 2021</b>				
Real estate mortgage	\$0	\$557,102	\$183,960	\$222,544,385
Production and intermediate term	269,163	646,687	432,255	104,577,742
Agribusiness	0	35,079	0	12,423,877
Rural infrastructure	0	15,257	0	2,644,393
Total	<b>\$269,163</b>	<b>\$1,254,125</b>	<b>\$616,215</b>	<b>\$342,190,397</b>
<b>June 30, 2021</b>				
Real estate mortgage	\$0	\$578,785	\$188,231	\$222,225,537
Production and intermediate term	276,363	649,951	472,694	90,945,709
Agribusiness	0	36,450	0	13,416,169
Rural infrastructure	0	7,263	0	1,634,213
Total	<b>\$276,363</b>	<b>\$1,272,449</b>	<b>\$660,925</b>	<b>\$328,221,628</b>

There were no loans acquired which had credit quality that had deteriorated since origination for the periods shown.

A restructuring of debt constitutes troubled debt restructuring if the creditor for economic or legal reasons related to the debtor's financial difficulties grants a concession to the debtor that it would not otherwise consider. Idaho AgCredit had no troubled debt restructurings that occurred during the years represented in these statements.

**Note 3 – Capital:**

There have not been any significant capitalization bylaw changes or significant other capitalization plan or status changes since the date of the Annual Report and Idaho AgCredit is in compliance with FCA capital regulations.

**Note 4 – Income Taxes:**

There have not been any significant changes in the composition or valuation of tax assets or liabilities since the date of the Annual Report.

**Note 5 – Contingent Liabilities and Litigation:**

Idaho AgCredit has various commitments outstanding and contingent liabilities, as described in Note 14 "Commitments and Contingencies" of the Annual Report. There have not been any significant changes related to this subject area since that report, other than normal seasonal and operational variations in the amounts of outstanding commitments and deposit balances. There are no legal actions pending against Idaho AgCredit.

**Note 6 – Whistleblower Notices:**

Idaho AgCredit has established a whistleblower program to encourage reporting by any employee, customer or member of the public about any improper accounting or other activity to the Association's Audit Committee. Details about the whistleblower program and contact information for making whistleblower complaints are listed on the Association website at [www.idahoagcredit.com](http://www.idahoagcredit.com).

**Note 7 – Subsequent Events:**

Idaho AgCredit has evaluated subsequent events through July 27, 2022, which is the date the financial statements were available to be issued.