

Message to Stockholders

Dear Stockholder:

Your Association continues to see strong earnings growth, solid credit quality and increasing loan volume as we enter the second half of the year.

Director Election: We congratulate Jim Boyd, Pete Bulthuis, Dave Santos and Alan Weeks on their recent re-elections. The board is currently comprised of 15 members who have been either elected or appointed to represent your interests as a stockholder. Board members welcome input from their constituents. A list of board members can be found in the Association's Annual Report or on the Association's web site at www.agloan.com.

Financial Condition and Results of Operations: Second quarter income totaled \$15.3 million, \$1.8 million more than the second quarter of 2006. This represents a return on assets for the quarter of 2.00%. The net increase over prior year's income is due to net interest income caused by larger loan volume. Accrual loan volume reached \$2.94 billion at June 30, 2007, up \$325 million (12.4%) from the same period in 2006. Non-accrual loans stand at \$9.3 million, an increase of \$1.8 million from the second quarter of last year. Nonaccrual loans represent less than one percent of total loan volume. At June 30, 2006, accrual and nonaccrual volume stood at \$2.62 billion and \$7.5 million respectively.

During the second quarter, the Association entered into a settlement agreement on outstanding litigation with a number of agricultural operators in which the status of lien priorities was disputed. As a result of the settlement, the Association recorded an expense of \$750,000, which is included in the Statement of Income under "Operating and Other Expenses".

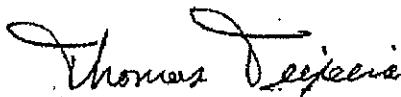
The financial condition and the results of operations of U.S. AgBank materially affect your investment in the Association. To obtain a copy of the Bank's quarterly report to shareholders, free of charge, please contact the Bank at P.O. Box 2940, Wichita, KS 67201-2940 or call (800) 322-9880.

As always, please contact us with your comments or questions.

Sincerely,



Ron Carli
President and CEO



Tom Teixeira
Chairman of the Board

July 20, 2007

FINANCIAL STATEMENTS

(Unaudited and in \$000s)

STATEMENT OF CONDITION	June 30		Dec. 31	
	2007	2006	2006	2005
ASSETS				
Loans	\$2,951,081	\$2,624,464	\$2,819,317	\$2,693,096
Less: allowance for loan losses	(5,736)	(5,416)	(5,507)	(6,557)
Net Loans	<u>2,945,345</u>	<u>2,619,048</u>	<u>2,813,810</u>	<u>2,686,539</u>
Investment in the U.S. AgBank	99,143	97,765	99,143	96,524
Investment in CoBank	9,580	9,287	9,287	9,136
Accrued interest receivable	41,456	35,896	36,714	28,264
Premises and equipment	18,830	20,510	19,082	21,132
Other Assets	13,282	6,921	12,190	4,301
Total Assets	<u>\$3,127,636</u>	<u>\$2,789,427</u>	<u>\$2,990,226</u>	<u>\$2,845,896</u>
LIABILITIES				
Note payable to U.S. AgBank	\$2,417,193	\$2,179,669	\$2,335,918	\$2,205,887
Funds Held accounts	20,882	23,508	13,670	19,091
Accrued interest payable	10,520	9,243	10,151	8,394
Other liabilities	22,058	21,383	41,407	37,199
Total Liabilities	<u>\$2,470,653</u>	<u>\$2,233,803</u>	<u>\$2,401,146</u>	<u>\$2,270,571</u>
MEMBERS' EQUITY				
Common stock and participation certificates	\$3,178	\$3,220	\$3,208	\$3,279
Preferred stock	95,235	34,966	54,235	79,587
Unallocated retained earnings	558,570	517,438	531,637	492,459
Total Members' Equity	<u>656,983</u>	<u>555,624</u>	<u>589,080</u>	<u>575,325</u>
Total Liabilities and Members' Equity	<u>\$3,127,636</u>	<u>\$2,789,427</u>	<u>\$2,990,226</u>	<u>\$2,845,896</u>
STATEMENT OF INCOME				
	For the three months ended June 30		For the six months ended June 30	
	2007	2006	2007	2006
Interest income	\$54,668	\$47,659	\$107,201	\$93,578
Interest expense	(32,045)	(27,438)	(63,024)	(53,413)
Net interest income	22,623	20,221	44,177	40,165
Other income	5,050	4,515	10,490	9,612
Loan Loss Reversal (Provision)	(548)	293	844	974
Operating and other expenses	(11,802)	(11,317)	(26,046)	(23,622)
Income before taxes	15,323	13,712	29,465	27,129
Benefit (Provision) for income taxes	8	(164)	(297)	(370)
Net income	<u>\$15,331</u>	<u>\$13,548</u>	<u>\$29,168</u>	<u>\$26,759</u>

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

STATEMENT OF CHANGES IN MEMBERS' EQUITY

Six months ended June 30, 2007 and 2006

	Capital Stock	Preferred Stock	Unallocated Retained Earnings	Total Members' Equity
Balance at December 31, 2005	\$3,279	\$79,588	\$492,329	\$575,196
Net income			26,759	26,759
Issuances	242	144,253		144,495
Retirements	(301)	(188,875)		(189,176)
Preferred stock dividends paid			(1,650)	(1,650)
Balance at June 30, 2006	\$3,220	\$34,966	\$517,438	\$555,624
Balance at December 31, 2006	\$3,207	\$54,235	\$531,637	\$589,079
Net income			29,168	29,168
Issuances	487	149,936		150,423
Retirements	(516)	(108,936)		(109,452)
Preferred stock dividends paid			(2,235)	(2,235)
Balance at June 30, 2007	\$3,178	\$95,235	\$558,570	\$656,983

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

Notes to the Financial Statements

(Unaudited)

NOTE 1 - Organization and Significant Accounting Policies

A description of the organization and operations of the American AgCredit, ACA (Association), the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2006 are contained in the 2006 Annual Report to Stockholders (2006 Annual Report) for American AgCredit, ACA. These unaudited second quarter 2007 financial statements of the Association should be read in conjunction with the 2006 Annual Report. The financial statements were prepared under the oversight of the audit committee of the board of directors. The financial statements contain all adjustments necessary for a fair presentation of the interim financial condition and results of operations and conform to generally accepted accounting principles. Certain amounts in prior period financial statements have been reclassified to conform to current classifications. The results of operations for the six-month period ended June 30, 2007 are not necessarily indicative of results to be expected for the full year.

NOTE 2 - Capital

At June 30, 2007, the Association's regulatory capital ratio was 18.35%, which exceeds the minimum of 7.0% required by our regulators, the Farm Credit Administration.

Association shareholders have approved a class of preferred stock known as H Stock. At June 30, 2007, 200 million shares of the stock are authorized at \$1.00 par value. H stock ownership is limited to existing common stockholders of the Association and is considered "at-risk". The stock bears a dividend rate that is set by the Board of Directors. Retirement of the stock is at the discretion of the Board. At June 30, 2007 there were 95,235,533 shares of H stock issued and outstanding. The dividend rate at June 30, 2007 was 5.25%.

NOTE 3 - Allowance for Loan Losses

A summary of activity in the allowance for loan losses follows (in 000s):

For the six months ended June 30:

	<u>2007</u>	<u>2006</u>
Beginning balance - Jan. 1	\$5,507	\$6,557
Recoveries	4	18
Loss provision adjustment	844	(974)
Loans charged off	(619)	(185)
Ending balance - June 30	<u>\$5,736</u>	<u>\$5,416</u>

The determination of the allowance for loan losses is based on estimates that are susceptible to changes in the economic environment and market conditions, and is based on the Association's past loss experience, known and inherent risks in the portfolio, the estimated value of the underlying collateral, and current economic conditions. Management believes that as of June 30, 2007, the allowance for loan losses is adequate based on information currently available.

The following table presents information concerning impaired loans as of June 30, (in 000s)

	<u>2007</u>	<u>2006</u>
Impaired loans with related allowance	\$159	\$241
Impaired loans with no related allowance	\$9,360	\$8,233
Total impaired loans	\$9,519	\$8,474
Allowance on impaired loans	\$159	\$241

Impaired loan information for the quarter ended June 30, is summarized as follows:

	<u>2007</u>	<u>2006</u>
Average impaired loans	\$13,493	\$5,022
Interest income recognized on impaired loans	\$276	\$399

NOTE 4 - Purchased and Sold Loans

The Association, in the normal course of business, regularly purchases and sells loans in whole or in part. All loans sold to others are sold without recourse. The following table summarizes these loans (in 000s):

	<u>Jun. 30, 2007</u>	<u>Jun. 30, 2006</u>	<u>Dec. 31, 2006</u>
Loans purchased from others	\$176,333	\$167,515	\$170,935
Loans sold to others	\$1,211,452	\$967,337	\$1,146,837
Retained interest in sold loans	\$423,103	\$347,324	\$391,231
Syndications serviced for others	\$882,700	\$526,867	\$781,157
Loans sold to and serviced for Farmer Mac	\$901	\$992	\$961