

Message to Stockholders

Dear Stockholder:

The Association experienced the brunt of the downturn in interest rates in the first quarter. Market rates have fallen 2.25% since the end of 2007. With each rate decrease, the earnings on the Association's funds invested in its loan portfolio drops. At the same time, spreads on loans have compressed considerably due to the mismatch between the Association's funding cost index and the index used to price borrower loans.

Despite the challenges of the interest rate markets, the Association continues to produce solid income, grow its loan portfolio and build capital. The board and management recognized that 2008 would bring with it a tumultuous interest rate market and implemented strategies to mitigate the effects on the financial health of the Association. While most of the year remains before us, we can report that we are ahead of our planned 2008 goals and are aggressively pursuing projects that will not only foster long-term growth but also improve the member experience in the loan origination and administration process.

Financial Condition and Results of Operations: First quarter income totaled \$13.2 million, \$600 thousand less than the first quarter of 2007. This represents a return on assets for the quarter of 1.68%. Net interest income decreased from \$21.5 million in 2007 to \$20.8 million in 2008 as a result of the drop in interest rates since last year. Operating costs rose to \$13.8 million from \$12.6 million a year earlier due primarily to increased employee costs.

Accrual loan volume reached \$3.16 billion at March 31, 2007, up 12% from the same period in 2007. Non-accrual loans stand at \$11.7 million, a decrease of \$2.1 million from the first quarter of last year. Nonaccrual loans represent less than one percent of total loan volume. At March 31, 2007, accrual and nonaccrual volume stood at \$2.82 billion and \$13.8 million respectively.

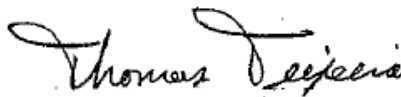
The financial condition and the results of operations of U.S. AgBank materially affect your investment in the Association. To obtain a copy of the Bank's quarterly report to shareholders, free of charge, please contact the Bank at P.O. Box 2940, Wichita, KS 67201-2940 or call (800) 322-9880.

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

Sincerely,



Ron Carli
President and CEO



Tom Teixeira
Chairman of the Board

April 21, 2008

FINANCIAL STATEMENTS

(Unaudited and in \$000s)

STATEMENT OF CONDITION	March 31		Dec. 31	
	2008	2007	2007	2006
ASSETS				
Loans	\$3,177,320	\$2,829,964	\$3,240,167	\$2,819,317
Less: allowance for loan losses	(10,608)	(5,612)	(9,447)	(5,507)
Net Loans	3,166,712	2,824,352	3,230,720	2,813,810
Investment in the U.S. AgBank	99,143	99,143	99,143	99,143
Investment in CoBank	10,005	9,580	9,580	9,287
Accrued interest receivable	29,109	32,590	36,164	36,714
Premises and equipment	19,499	18,950	18,686	19,082
Other Assets	9,000	9,133	17,885	12,190
Total Assets	<u>\$3,333,468</u>	<u>\$2,993,748</u>	<u>\$3,412,178</u>	<u>\$2,990,226</u>
LIABILITIES				
Note payable to U.S. AgBank	\$2,555,589	\$2,298,938	\$2,684,154	\$2,335,918
Funds Held Accounts	29,325	19,257	12,476	13,670
Accrued interest payable	9,323	10,140	10,990	10,151
Other liabilities	18,498	19,762	42,564	41,407
Total Liabilities	<u>\$2,612,735</u>	<u>\$2,348,097</u>	<u>\$2,750,184</u>	<u>\$2,401,146</u>
MEMBERS' EQUITY				
Common stock and participation certificates	\$3,184	\$3,176	\$3,173	\$3,208
Preferred stock	134,320	97,936	87,758	54,235
Unallocated retained earnings	583,229	544,539	571,063	531,637
Total Members' Equity	<u>720,733</u>	<u>645,651</u>	<u>661,994</u>	<u>589,080</u>
Total Liabilities and Members' Equity	<u>\$3,333,468</u>	<u>\$2,993,748</u>	<u>\$3,412,178</u>	<u>\$2,990,226</u>
STATEMENT OF INCOME				
	For the three months ended March. 31			
	2008	2007		
Interest income	\$51,593	\$52,533		
Interest expense	(30,788)	(30,979)		
Net interest income	20,805	21,554		
Other income	7,181	5,439		
Loan Loss Provision	(1,280)	(295)		
Operating and other expenses	(13,764)	(12,556)		
Income before taxes	12,942	14,142		
Benefit /(Provision) for income taxes	300	(305)		
Net income	<u>\$13,242</u>	<u>\$13,837</u>		

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

STATEMENT OF CHANGES IN MEMBERS' EQUITY

Three months ended March 31, 2007 and 2006	Capital Stock	Preferred Stock	Unallocated Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total Members' Equity
Balance at December 31, 2006	\$3,207	\$54,235	\$535,795	\$(4,158)	\$589,079
Comprehensive Income					
Net income			13,837		
Total Comprehensive Income					13,837
Stock issued	84	82,701			83,720
Stock retired	(115)	(39,935)			(40,050)
Preferred stock dividends paid		935	(935)		
Balance at March 31, 2007	<u>\$3,176</u>	<u>\$97,936</u>	<u>\$548,697</u>	<u>\$(4,158)</u>	<u>\$645,651</u>
Balance at December 31, 2007	\$3,173	\$87,758	\$571,351	\$(288)	\$661,994
Comprehensive Income					
Net income			13,242		
Amortization of costs included in net periodic benefit cost				12	
Total Comprehensive Income					13,254
Effect of changing defined benefit plan measurement date			(105)		(105)
Stock issued	78	99,283			99,361
Stock retired	(67)	(53,822)			(53,889)
Preferred stock dividends paid		1,101	(1,101)		
Adjustment to patronage declared			118		118
Balance at March 31, 2008	<u>\$3,184</u>	<u>\$134,320</u>	<u>\$583,505</u>	<u>\$(276)</u>	<u>\$720,733</u>

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, 2007 are contained in the 2007 Annual Report to Stockholders (2007 Annual Report) for American AgCredit, ACA. These unaudited first quarter 2008 financial statements of the Association should be read in conjunction with the 2007 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. The results of operations for the three-month period ended March 31, 2008 are not necessarily indicative of results to be expected for the full year.

In December 2007, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 141R, "Business Combinations" SFAS No. 141R requires business combinations to be accounted for under the acquisition method of accounting (previously called the purchase method). The acquisition method requires (a) identifying the acquirer, (b) determining the acquisition date, (c) recognizing and measuring the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree, at their acquisition date fair values, and (d) recognizing and measuring goodwill or a gain from a bargain purchase. SFAS No. 141R should be applied

prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Early application is prohibited. The Association is still evaluating the provisions of the Standard, but believe that its adoption will significantly impact its accounting for acquisitions that occur in 2009 and beyond.

NOTE 2 - Capital

At March 31, 2008, the Association's regulatory capital ratio was 17.62%, 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 March 31, 2008 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 March 31, 2008 there were 134,319,739 shares of H stock issued and outstanding. The dividend rate at March 31, 2008 was 3.50%.

NOTE 3 - Allowance for Loan Losses

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

For the three months ended March 31:

	<u>2008</u>	<u>2007</u>
Beginning balance - Jan. 1	\$9,447	\$5,507
Recoveries		3
Loss provision adjustment	1,280	295
Loans charged off	(119)	(193)
Ending balance - March 31	<u>\$10,608</u>	<u>\$5,612</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 March 31, 2008, the allowance for loan losses is adequate based on information currently available.

The following table presents information concerning impaired loans as of March 31, (in 000s)

	<u>2008</u>	<u>2007</u>
Impaired loans with related allowance	\$6,371	\$171
Impaired loans with no related allowance	\$5,352	13,675
Total impaired loans	\$11,723	\$13,846
Allowance on impaired loans	\$3,235	\$171

Impaired loan information for the quarter ended March 31, is summarized as follows, (in 000s):

	<u>2008</u>	<u>2007</u>
Average impaired loans	\$13,685	\$11,338
Interest income recognized on impaired loans	\$133	\$65

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 millions):

	<u>Mar. 31, 2008</u>	<u>Mar. 31, 2007</u>	<u>Dec. 31, 2007</u>
Loans purchased from others	\$212.8	\$180.5	\$206.9
Loans sold to others	\$2,028.5	\$1,164.6	\$1,946.9
Retained interest in sold loans	\$530.3	\$409.5	\$504.7
Syndications serviced for others	\$1,735.6	\$820.3	\$1,815.8
Loans sold to and serviced for Farmer Mac	\$1.0	\$1.0	\$1.0