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2021 QUARTERLY REPORT TO SHAREHOLDERS AS OF JUNE 2021

Golden State Farm Credit

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

(Dollars in Thousands, Except as Noted)
(Unaudited)

The following discussion summarizes the financial position and results of operations of Golden State Farm Credit, ACA (the Association) for the six months ended June 30, 2021, with comparisons to prior periods. You should read these comments along with the accompanying financial statements and footnotes and the 2020 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of our Audit Committee.

ECONOMIC OVERVIEW

As of June 2021, 100% of California was experiencing drought conditions, an increase from the end of 2020. The state coordination committee noted that major reservoir levels are storing less than average water. This is something that we will continue to monitor throughout 2021. Historically, fires have not had a dramatic impact on our portfolio, but with experts predicting worsening wildfire conditions there is increased risk of local fire danger later in the year. We will continue to monitor these environmental risks, and their effect on our borrowers, as the year proceeds.

Like many industries, the dairy market has seen some changes over the last 12-18 months due to the COVID pandemic. Milk prices have rebounded significantly from their bottom at this time last year. Based on financial information gathered from our borrower base, most dairies were profitable in 2020. Many operators have adequate liquidity and have paid down operating debt using both 2019 and 2020 profits. Overall the dairy portfolio is strong with almost all dairies performing as expected. Additionally, many dairymen have both diversified to permanent plantings and have been diligent in utilizing the Dairy Revenue Protection insurance in order to mitigate risk in their operations.

Based on the California Walnut Board year-end position report, final receipts on the 2020 crop show it to be the largest California walnut crop to ever be received. Despite high levels of supply, walnut prices have been moving upwards slightly. The Almond Board of California position report released mid-April shows 2020 crop receipts up to 3.098 billion pounds. For comparison, the 2019 crop came in at 2.509 billion pounds. Price has been a challenge and has not shown much upward movement, with current prices below 2019 levels. There are fears that price might stay low if the industry has trouble moving the large 2020 crop, especially if we see another historically large 2021 crop with significant carry-over from the 2020 crop. The 2021 subjective crop forecast was released in mid-May and estimated crop yield is coming in around 3.2 billion pounds.

The California rice industry outlook is favorable at the end of the first quarter of 2021. Demand is looking strong as prices surge throughout the state due to production impairment caused by extreme drought conditions. Importers and traders around the world are well aware of California's water conditions and so far, seem prepared to tolerate rising prices.

The outlook for California tree fruit sales in 2021 is cautiously optimistic. At this time it is unclear whether demand will remain at the strong levels seen during the prior year. Some analysts estimate a reduction in the purchasing of fresh produce as COVID related restaurant closures are lifted. Industry wide consolidations and reduced acreage over the past decade also impact the overall economic outlook for the industry, which is currently rated as fair.

The United States continues the economic recovery of the COVID-19 pandemic, with a surge in economic activity due to the combination of federal stimulus spending, increasing vaccination rates in households across the country, improving employment levels and the warm weather seasons. The economic recovery fueled by the Federal stimulus could translate into a significant increase in consumer spending and demand for goods and services that have been constrained during the pandemic. This economic recovery has been hampered by demand for goods and services running ahead of the recovery in supply as the labor-force participation is behind and the supply chains experience disruptions related to transportation and production of critical components. As growing demand has encountered supply constraints, inflation measures have risen sharply over the second quarter.

The U.S. government has continued to institute various programs in support of the COVID-19 recovery. In March 2021, Congress passed the $1.9 trillion American Rescue Plan Act designed to provide near-term help to those hurt by the pandemic. In December 2020, Congress passed the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act, which, among other provisions, allocated additional funding for Paycheck Protection Program (PPP) loans and allows certain existing PPP borrowers to apply for additional loans or draws on existing loans. The Association obtained approval to participate as a lender in the PPP and continued to provide funds to eligible borrowers during the second quarter of 2021. In March 2021, the current presidential administration also proposed the $2.3 trillion American Jobs Plan intended to create jobs and rebuild the country's infrastructure.

LOAN PORTFOLIO

Loans outstanding at June 30, 2021, totaled $1.84 billion, an increase of $56 million, or 3.13%, from loans of $1.78 billion at December 31, 2020. The increase was due to seasonal growth in the second quarter, the impact of purchased participations, and the booking of a number of large loans to new and existing borrowers.

OTHER PROPERTY OWNED

Other property owned is real or personal property that has been acquired through foreclosure, deed in lieu of foreclosure or other means. We had no other property owned at June 30, 2021 or December 31, 2020.

RESULTS OF OPERATIONS

Net income for the six months ended June 30, 2021, was $21.2 million, an increase of $5.1 million, or 31.49%, from the same period ended one year ago. The increase is primarily the result of higher net interest income due to increases in loan volume, the recognition of interest income associated with the payoff of several large nonaccrual loans, recognition of fee income associated with the administration of PPP loans, and higher patronage income driven by loan growth and increased patronage from CoBank.

For the six months ended June 30, 2021, net interest income was $25.96 million, an increase of $3.6 million, or 16.28%, compared with the six months ended June 30, 2020. This increase is primarily the result of higher net interest income due to increases in loan volume and the recognition of interest income associated with the payoff of several large nonaccrual loans.

For the six months ended June 30, 2021, the Association recognized a reduction in the allowance for loan losses, or credit loss reversal, of $182 thousand. During the same period ended one year ago the Association recognized an increase in the allowance for loan losses, or provision for credit losses, of $82 thousand. The reduction in the allowance for loan losses, or credit loss reversal, in 2021 is primarily the result of an increase in overall portfolio credit quality coupled with a decrease in substandard loans due to significant nonaccrual payoffs.

Noninterest income increased $1.5 million during the first six months of 2021 compared with the first six months in 2020 primarily due to higher patronage income received on loan participations, recognition of fee income associated with the administration of PPP loans, and an increase in CoBank's target patronage rate. Also included in noninterest income in 2020 was a refund of $366 thousand from Farm Credit System Insurance Corporation (FCSIC). No refund was made in 2021. The refunds are our portion of excess funds above the secure base amount in the FCSIC Allocated Insurance Reserve Accounts. Refer to the 2020 Annual Report to Shareholders for additional information.

We received mineral income of $5 thousand during the first six months of 2021, which is distributed to us quarterly by CoBank. The decrease for the six months ended June 30, 2021, compared with first six months of 2020 is primarily the result of the rapid oil demand destruction caused by the pandemic, plummeting crude oil prices, low natural gas prices, drop in drilling activity and production at the beginning of the year.

During the first six months of 2021, noninterest expense increased $355 thousand to $9.97 million, primarily due to increases in FCSIC insurance premiums, outsourced audit and IT service expense, and marketing and outreach expense offset by a reduction in salaries and employee benefits expense. We recorded conversion fee expense of $175 thousand during the first six months of 2021, due to prepayment fees charged by CoBank related to loan conversions associated with the decrease in rates.

CAPITAL RESOURCES

Our shareholders' equity at June 30, 2021, was $365 million, an increase from $21.3 million at December 31, 2020. This increase is due to net income, the amortization of pension costs included in the net periodic benefit cost and net stock increases.

OTHER MATTERS

On March 5, 2021, the United Kingdom's Financial Conduct Authority (UKFCA), formally announced that all LIBOR tenors will either be discontinued or no longer be representative immediately after December 31, 2021. As a result, the UKFCA has closely worked with market participants and regulatory authorities around the world to ensure that alternatives to LIBOR are available and that existing contracts can be transitioned onto these alternatives to safeguard financial stability and market integrity.

We continue to analyze potential risks associated with the LIBOR transition, including financial, operational, legal, tax, reputational and compliance risks. At this time, despite the announcements from UKFCA, we are unable to predict when LIBOR will cease to be available or if Secured Overnight Financing Rate (SOFR) or any other alternative reference rate will become the benchmark to replace LIBOR. Because we engage in transactions involving financial instruments that reference LIBOR, these developments could have a material impact on the Association and our borrowers. Management has documented and are working through a LIBOR transition plan with our funding bank and service provider to address the phase out of LIBOR rates in the future, including any updates to processes and loan servicing technology.

The undersigned certify they have reviewed this report, this report has been prepared in accordance with all applicable statutory or regulatory requirements and the information contained herein is true, accurate, and complete to the best of his or her knowledge and belief.

Michael Fry
Chairman of the Board
August 6, 2021

Robert Faris
President and Chief Executive Officer
August 6, 2021

Zach Clark
Chief Financial Officer
August 6, 2021

Consolidated Statement of Condition

(Dollars in Thousands)

	June 30 2021	December 31 2020
	UNAUDITED	AUDITED
ASSETS		
Loans	**$ 1,837,633**	$ 1,781,843
Less allowance for loan losses	**4,543**	4,665
Net loans	**1,833,090**	1,777,178
Cash	**1,378**	9,717
Accrued interest receivable	**20,328**	16,691
Investment in CoBank, ACB	**58,251**	58,012
Premises and equipment, net	**6,854**	3,101
Prepaid benefit expense	**9,940**	8,990
Other assets	**6,346**	9,220
Total assets	**$ 1,936,187**	$ 1,882,909
LIABILITIES		
Note payable to CoBank, ACB	**$ 1,529,482**	$ 1,496,407
Advance conditional payments	**31,104**	23,752
Accrued interest payable	**1,206**	1,274
Patronage distributions payable	**-**	9,540
Accrued benefits liability	**511**	846
Reserve for unfunded commitments	**370**	430
Other liabilities	**8,690**	7,122
Total liabilities	**1,571,363**	1,539,371
SHAREHOLDERS' EQUITY		
Capital stock and participation certificates	**1,509**	1,500
Additional paid-in capital	**141,442**	141,442
Unallocated retained earnings	**221,813**	200,541
Accumulated other comprehensive income	**60**	55
Total shareholders' equity	**364,824**	343,538
Total liabilities and shareholders' equity	**$ 1,936,187**	$ 1,882,909

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

Consolidated Statement of Comprehensive Income

(Dollars in Thousands)

	For the three months ended June 30		For the six months ended June 30	
UNAUDITED	**2021**	2020	**2021**	2020
INTEREST INCOME				
Loans	**$ 15,688**	$ 16,200	**$ 32,797**	$ 34,070
Total interest income	**15,688**	16,200	**32,797**	34,070
INTEREST EXPENSE				
Note payable to CoBank, ACB	**3,336**	4,687	**6,791**	11,579
Other	**22**	44	**46**	165
Total interest expense	**3,358**	4,731	**6,837**	11,744
Net interest income	**12,330**	11,469	**25,960**	22,326
(Credit loss reversal)/Provision for credit losses	**(26)**	130	**(182)**	82
Net interest income after credit loss reversal/provision for credit losses	**12,356**	11,339	**26,142**	22,244
NONINTEREST INCOME				
Financially related services income	**3**	3	**6**	43
Loan fees	**169**	9	**596**	25
Patronage distribution from Farm Credit institutions	**2,215**	1,454	**4,397**	2,985
Farm Credit Insurance Fund distribution	**-**	-	**-**	366
Mineral income	**2**	1	**5**	11
Other noninterest income	**-**	88	**50**	90
Total noninterest income	**2,389**	1,555	**5,054**	3,520
NONINTEREST EXPENSE				
Salaries and employee benefits	**2,280**	2,967	**5,097**	6,124
Occupancy and equipment	**210**	207	**463**	456
Purchased services from AgVantis, Inc.	**608**	514	**1,216**	1,028
Farm Credit Insurance Fund premium	**544**	261	**1,089**	510
Supervisory and examination costs	**144**	133	**288**	266
Prepayment expense	**74**	-	**175**	-
Other noninterest expense	**814**	638	**1,645**	1,234
Total noninterest expense	**4,674**	4,720	**9,973**	9,618
Income before income taxes	**10,071**	8,174	**21,223**	16,146
Provision for income taxes	**2**	-	**2**	2
Net income	**10,069**	8,174	**21,221**	16,144
COMPREHENSIVE INCOME				
Amortization of retirement costs/(credits)	**2**	(1)	**5**	(1)
Total comprehensive income	**$ 10,071**	$ 8,173	**$ 21,226**	$ 16,143

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

GOLDEN STATE FARM CREDIT

Consolidated Statement of Changes in Shareholders' Equity

(Dollars in Thousands)

UNAUDITED	Capital Stock and Participation Certificates	Additional Paid-In Capital	Unallocated Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total Shareholders' Equity
Balance at December 31, 2019	$ 1,529	$ 141,442	$ 183,514	$ 51	$ 326,536
Comprehensive income			16,144	(1)	16,143
Stock and participation certificates issued	63				63
Stock and participation certificates retired	(81)				(81)
Balance at June 30, 2020	$ 1,511	$ 141,442	$ 199,658	$ 50	$ 342,661
Balance at December 31, 2020	$ 1,500	$ 141,442	$ 200,541	$ 55	$ 343,538
Comprehensive income			21,221	5	21,226
Stock and participation certificates issued	112				112
Stock and participation certificates retired	(103)				(103)
Patronage Distributions: Other			51		51
Balance at June 30, 2021	**$ 1,509**	**$ 141,442**	**$ 221,813**	**$ 60**	**$ 364,824**

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

NOTES TO FINANCIAL STATEMENTS

(Dollars in Thousands, Except as Noted)
(Unaudited)

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and operations of Golden State Farm Credit, ACA (the Association), the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2020, are contained in the 2020 Annual Report to Shareholders. These unaudited second quarter 2021 financial statements should be read in conjunction with the 2020 Annual Report to Shareholders.

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) for interim financial information. Accordingly, they do not include all of 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, 2020, as contained in the 2020 Annual Report to Shareholders.

In the opinion of management, the unaudited financial information is complete and reflects all adjustments, consisting of normal recurring 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, 2021. Descriptions of the significant accounting policies are included in the 2020 Annual Report to Shareholders. 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.

Recently Adopted or Issued Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board (FASB) issued guidance entitled "Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The guidance provides optional expedients and exceptions for applying GAAP to contracts and other transactions affected by reference rate reform. The guidance simplifies the accounting evaluation of contract modifications that replace a reference rate affected by reference rate reform and contemporaneous modifications of other contracts related to the replacement of the reference rate. The optional amendments are effective as of March 12, 2020, through December 31, 2022. The Association applied the optional expedients as it relates to loans in the first quarter of 2021. The impact of the adoption was not material to the Association's financial condition or its results of operations.

In June 2016, the 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 institutions. 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 institutions qualifying for the delay, becomes effective for interim and annual reporting periods beginning after December 15, 2022, with early adoption permitted. The Association qualifies for the delay in the adoption date. The Association continues to evaluate the impact of adoption on the Association's financial condition and its results of operations.

NOTE 2 - LOANS AND ALLOWANCE FOR LOAN LOSSES

A summary of loans follows:

(dollars in thousands)	**June 30, 2021**	December 31, 2020
Real estate mortgage	**$ 1,397,076**	$ 1,337,407
Production and intermediate-term	**323,126**	310,622
Agribusiness	**64,361**	76,355
Rural infrastructure	**26,616**	30,971
Rural residential real estate	**49**	83
Lease receivables	**26,405**	26,405
Total loans	**$ 1,837,633**	$ 1,781,843

The Association purchases and sells 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 the balances of participations purchased and sold at June 30, 2021:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
(dollars in thousands)	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	$ 24,877	$ 268,875	$ -	$ -	$ 24,877	$ 268,875
Production and intermediate-term	34,510	131,968	-	-	34,510	131,968
Agribusiness	52,068	-	-	-	52,068	-
Rural infrastructure	26,616	-	-	-	26,616	-
Lease receivables	24,009	309	-	-	24,009	309
Total	$ 162,080	$ 401,152	$ -	$ -	$ 162,080	$ 401,152

One credit quality indicator utilized by the Association is the Farm Credit Administration Uniform Loan Classification System that categorizes loans into five categories. The categories are defined as follows:

- Acceptable – assets are expected to be fully collectible and represent the highest quality.
- Other assets especially mentioned (OAEM) – assets are currently collectible but exhibit some potential weakness.
- Substandard – assets exhibit some serious weakness in repayment capacity, equity and/or collateral pledged on the loan.
- Doubtful – assets exhibit similar weaknesses to substandard assets; however, doubtful assets have additional weaknesses in existing factors, conditions and values that make collection in full highly questionable.
- Loss – assets are considered uncollectible.

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, 2021	December 31, 2020
Real estate mortgage		
Acceptable	**97.44%**	96.86%
OAEM	**2.07%**	2.18%
Substandard	**0.49%**	0.96%
Total	**100.00%**	100.00%
Production and intermediate-term		
Acceptable	**98.70%**	98.53%
OAEM	**0.93%**	0.28%
Substandard	**0.37%**	1.19%
Total	**100.00%**	100.00%
Agribusiness		
Acceptable	**83.14%**	84.17%
OAEM	**16.86%**	13.88%
Substandard	-	1.95%
Total	**100.00%**	100.00%
Rural infrastructure		
Acceptable	**100.00%**	100.00%
Total	**100.00%**	100.00%
Rural residential real estate		
Acceptable	**100.00%**	100.00%
Total	**100.00%**	100.00%
Lease receivables		
Acceptable	**95.64%**	94.64%
OAEM	**0.06%**	0.12%
Substandard	**4.30%**	5.24%
Total	**100.00%**	100.00%
Total Loans		
Acceptable	**97.17%**	96.63%
OAEM	**2.33%**	2.28%
Substandard	**0.50%**	1.09%
Total	**100.00%**	100.00%

High risk assets consist of impaired loans and other property owned. These nonperforming assets (including related accrued interest) are as follows:

(dollars in thousands)	**June 30, 2021**	December 31, 2020
Nonaccrual loans		
Real estate mortgage	**$ 1,694**	$ 5,453
Production and intermediate-term	**832**	1,189
Lease receivables	**61**	80
Total nonaccrual loans	**$ 2,587**	$ 6,722
Accruing restructured loans		
Real estate mortgage	**$ 230**	$ 231
Total accruing restructured loans	**$ 230**	$ 231
Accruing loans 90 days past due		
Real estate mortgage	**$ -**	$ 19,880
Total accruing loans 90 days past due	**$ -**	$ 19,880
Total impaired loans	**$ 2,817**	$ 26,833
Total high risk assets	**$ 2,817**	$ 26,833

The Association had no other property owned for the periods presented.

Additional impaired loan information is as follows:

	June 30, 2021			December 31, 2020		
(dollars in thousands)	Recorded Investment	Unpaid Principal Balance	Related Allowance	Recorded Investment	Unpaid Principal Balance	Related Allowance
Impaired loans with a related allowance for loan losses:						
Production and intermediate-term	**$ 765**	**$ 694**	**$ 41**	$ 800	$ 725	$ 76
Lease receivables	**61**	**61**	**61**	80	80	80
Total	**$ 826**	**$ 755**	**$ 102**	$ 880	$ 805	$ 156
Impaired loans with no related allowance for loan losses:						
Real estate mortgage	**$ 1,924**	**$ 1,875**		$ 25,564	$ 26,013	
Production and intermediate-term	**67**	**67**		389	434	
Total	**$ 1,991**	**$ 1,942**		$ 25,953	$ 26,447	
Total impaired loans:						
Real estate mortgage	**$ 1,924**	**$ 1,875**	**$ -**	$ 25,564	$ 26,013	$ -
Production and intermediate-term	**832**	**761**	**41**	1,189	1,159	76
Lease receivables	**61**	**61**	**61**	80	80	80
Total	**$ 2,817**	**$ 2,697**	**$ 102**	$ 26,833	$ 27,252	$ 156

Note: The recorded investment in the loan 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 loan receivable.

(dollars in thousands)	**For the Three Months Ended June 30, 2021** Average Impaired Loans	**For the Three Months Ended June 30, 2021** Interest Income Recognized	For the Three Months Ended June 30, 2020 Average Impaired Loans	For the Three Months Ended June 30, 2020 Interest Income Recognized
Impaired loans with a related allowance for loan losses:				
Production and intermediate-term	**$ 762**	**$ -**	$ 830	$ -
Lease receivables	**134**	**-**	-	-
Total	**$ 896**	**$ -**	$ 830	$ -
Impaired loans with no related allowance for loan losses:				
Real estate mortgage	**$ 1,883**	**$ 48**	$ 6,895	$ 15
Production and intermediate-term	**75**	**13**	576	4
Lease receivables	**-**	**-**	301	-
Total	**$ 1,958**	**$ 61**	$ 7,772	$ 19
Total impaired loans:				
Real estate mortgage	**$ 1,883**	**$ 48**	$ 6,895	$ 15
Production and intermediate-term	**837**	**13**	1,406	4
Lease receivables	**134**	**-**	301	-
Total	**$ 2,854**	**$ 61**	$ 8,602	$ 19

(dollars in thousands)	**For the Six Months Ended June 30, 2021** Average Impaired Loans	**For the Six Months Ended June 30, 2021** Interest Income Recognized	For the Six Months Ended June 30, 2020 Average Impaired Loans	For the Six Months Ended June 30, 2020 Interest Income Recognized
Impaired loans with a related allowance for loan losses:				
Production and intermediate-term	**$ 776**	**$ -**	$ 886	$ -
Lease receivables	**141**	**-**	-	-
Total	**$ 917**	**$ -**	$ 886	$ -
Impaired loans with no related allowance for loan losses:				
Real estate mortgage	**$ 12,854**	**$ 1,478**	$ 8,366	$ 36
Production and intermediate-term	**177**	**12**	257	7
Lease receivables	**-**	**-**	220	-
Total	**$ 13,031**	**$ 1,490**	$ 8,843	$ 43
Total impaired loans:				
Real estate mortgage	**$ 12,854**	**$ 1,478**	$ 8,366	$ 36
Production and intermediate-term	**953**	**12**	1,143	7
Lease receivables	**141**	**-**	220	-
Total	**$ 13,948**	**$ 1,490**	$ 9,729	$ 43

The following tables provide an age analysis of past due loans (including accrued interest):

	June 30, 2021					
(dollars in thousands)	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or less than 30 Days Past Due	Recorded Investment in Loans	Recorded Investment Accruing Loans 90 Days or More Past Due
Real estate mortgage	$ 784	$ 723	$ 1,507	$ 1,412,747	$ 1,414,254	$ -
Production and intermediate-term	3,788	832	4,620	321,206	325,826	-
Agribusiness	-	-	-	64,706	64,706	-
Rural infrastructure	-	-	-	26,617	26,617	-
Rural residential real estate	-	-	-	50	50	-
Lease receivables	-	-	-	26,508	26,508	-
Total	$ 4,572	$ 1,555	$ 6,127	$ 1,851,834	$ 1,857,961	$ -

	December 31, 2020					
(dollars in thousands)	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or less than 30 Days Past Due	Recorded Investment in Loans	Recorded Investment Accruing Loans 90 Days or More Past Due
Real estate mortgage	$ 1,533	$ 21,293	$ 22,826	$ 1,328,247	$ 1,351,073	$ 19,880
Production and intermediate-term	3,743	11	3,754	309,500	313,254	-
Agribusiness	1,221	-	1,221	75,423	76,644	-
Rural infrastructure	-	-	-	30,973	30,973	-
Rural residential real estate	-	-	-	84	84	-
Lease receivables	-	-	-	26,506	26,506	-
Total	$ 6,497	$ 21,304	$ 27,801	$ 1,770,733	$ 1,798,534	$ 19,880

A summary of changes in the allowance for loan losses is as follows:

(dollars in thousands)	Balance at March 31, 2021	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at June 30, 2021
Real estate mortgage	$ 1,010	$ -	$ -	$ 40	$ 1,050
Production and intermediate-term	2,137	-	-	27	2,164
Agribusiness	780	-	-	36	816
Rural infrastructure	106	-	-	(22)	84
Lease receivables	498	-	-	(69)	429
Total	$ 4,531	$ -	$ -	$ 12	$ 4,543

(dollars in thousands)	Balance at December 31, 2020	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at June 30, 2021
Real estate mortgage	$ 707	$ -	$ -	$ 343	$ 1,050
Production and intermediate-term	2,644	-	-	(480)	2,164
Agribusiness	671	-	-	145	816
Rural infrastructure	115	-	-	(31)	84
Lease receivables	528	-	-	(99)	429
Total	$ 4,665	$ -	$ -	$ (122)	$ 4,543

(dollars in thousands)	Balance at March 31, 2020	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at June 30, 2020
Real estate mortgage	$ 743	$ -	$ -	$ -	$ 743
Production and intermediate-term	2,557	-	-	(24)	2,533
Agribusiness	527	-	-	3	530
Rural infrastructure	56	-	-	-	56
Lease receivables	554	-	-	123	677
Total	$ 4,437	$ -	$ -	$ 102	$ 4,539

(dollars in thousands)	Balance at December 31, 2019	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at June 30, 2020
Real estate mortgage	$ 790	$ -	$ -	$ (47)	$ 743
Production and intermediate-term	2,426	-	-	107	2,533
Agribusiness	557	-	-	(27)	530
Rural infrastructure	60	-	-	(4)	56
Lease receivables	633	-	-	44	677
Total	$ 4,466	$ -	$ -	$ 73	$ 4,539

The Association maintains a separate reserve for unfunded commitments, which is included in Liabilities on the Association's Consolidated Statement of Condition. The related provision for the reserve for unfunded commitments is included as part of the provision for credit losses on the Consolidated Statement of Comprehensive Income, along with the provision for loan losses. A summary of changes in the reserve for unfunded commitments follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
(dollars in thousands)	**2021**	2020	**2021**	2020
Balance at beginning of period	**$ 408**	$ 381	**$ 430**	$ 400
Provision for/(Reversal of) reserve for unfunded commitment	**(38)**	28	**(60)**	9
Total	**$ 370**	$ 409	**$ 370**	$ 409

Additional information on the allowance for loan losses follows:

	Allowance for Loan Losses Ending Balance at June 30, 2021		Recorded Investments in Loans Outstanding Ending Balance at June 30, 2021	
(dollars in thousands)	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
Real estate mortgage	$ -	$ 1,050	$ 1,924	$ 1,412,330
Production and intermediate-term	41	2,123	832	324,994
Agribusiness	-	816	-	64,706
Rural infrastructure	-	84	-	26,617
Rural residential real estate	-	-	-	50
Lease receivables	61	368	61	26,447
Total	$ 102	$ 4,441	$ 2,817	$ 1,855,144

	Allowance for Loan Losses Ending Balance at December 31, 2020		Recorded Investments in Loans Outstanding Ending Balance at December 31, 2020	
(dollars in thousands)	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
Real estate mortgage	$ -	$ 707	$ 25,564	$ 1,325,509
Production and intermediate-term	76	2,568	1,189	312,065
Agribusiness	-	671	-	76,644
Rural infrastructure	-	115	-	30,973
Rural residential real estate	-	-	-	84
Lease receivables	80	448	80	26,426
Total	$ 156	$ 4,509	$ 26,833	$ 1,771,701

A restructuring of a debt constitutes a troubled debt restructuring (TDR) 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.

The following table presents additional information regarding troubled debt restructurings that occurred during the periods.

	For the Three Months Ended			
	June 30, 2021		June 30, 2020	
(dollars in thousands)	Pre-modification Outstanding Recorded Investment*	Post-modification Outstanding Recorded Investment*	Pre-modification Outstanding Recorded Investment*	Post-modification Outstanding Recorded Investment*
Troubled debt restructurings:				
Production and intermediate-term	$ -	$ -	$ 139	$ 139
Total	$ -	$ -	$ 139	$ 139

	For the Six Months Ended			
	June 30, 2021		June 30, 2020	
	Pre-modification Outstanding Recorded Investment*	Post-modification Outstanding Recorded Investment*	Pre-modification Outstanding Recorded Investment*	Post-modification Outstanding Recorded Investment*
Troubled debt restructurings:				
Real estate mortgage	**$ -**	**$ -**	$ 1,414	$ 1,414
Production and intermediate-term	**-**	**-**	139	139
Total	**$ -**	**$ -**	$ 1,553	$ 1,553

* Pre-modification represents the recorded investment in the loan receivable just prior to restructuring and post-modification represents the recorded investment in the loan receivable immediately following the restructuring. The recorded investment is the face amount of the loan receivable 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 Association recorded no TDRs during the six months ended June 30, 2021.

The following table presents information regarding troubled debt restructurings that occurred within the previous 12 months and for which there was a subsequent payment default during the period.

	Recorded Investment at	
(dollars in thousands)	**June 30, 2021**	June 30, 2020
Troubled debt restructurings that subsequently defaulted:		
Real estate mortgage	**$ -**	$ 1,430
Total	**$ -**	$ 1,430

The Association had no TDRs within the previous 12 months and for which there were subsequent payment defaults during the first six months of 2021.

There were no additional commitments to lend to borrowers whose loans have been modified in troubled debt restructuring at June 30, 2021 and December 31, 2020.

The following table provides information on outstanding loans restructured in troubled debt restructurings at period end. These loans are included as impaired loans in the impaired loan table.

	Loans modified as TDRs		TDRs in Nonaccrual Status*	
(dollars in thousands)	**June 30, 2021**	December 31, 2020	**June 30, 2021**	December 31, 2020
Real estate mortgage	**$ 230**	$ 4,212	**$ -**	$ 3,983
Production and intermediate-term	**754**	863	**754**	863
Total	**$ 984**	$ 5,075	**$ 754**	$ 4,846

* Represents the portion of loans modified as TDRs (first column) that are in nonaccrual status.

NOTE 3 - CAPITAL

A summary of select capital ratios based on a three-month average and minimums set by the Farm Credit Administration follows.

	As of June 30, 2021	As of December 31, 2020	Regulatory Minimums	Capital Conservation Buffer	Total
Risk Adjusted:					
Common equity tier 1 ratio	15.35%	14.55%	4.5%	2.5%	7.0%
Tier 1 capital ratio	15.35%	14.55%	6.0%	2.5%	8.5%
Total capital ratio	15.60%	14.82%	8.0%	2.5%	10.5%
Permanent capital ratio	15.38%	14.59%	7.0%	-	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	16.48%	15.49%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	18.34%	17.06%	1.5%	-	1.5%

If capital ratios fall below the regulatory minimum plus buffer amounts, capital distributions (equity redemptions, cash dividend payments, and cash patronage payments) and discretionary senior executive bonuses are restricted or prohibited without prior FCA approval.

The following tables present the activity in the accumulated other comprehensive income/loss, net of tax by component:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
(dollars in thousands)	**2021**	2020	**2021**	2020
Pension and other benefit plans:				
Beginning balance	**$ 58**	$ 51	**$ 55**	$ 51
Amounts reclassified from accumulated other comprehensive income/loss	**2**	(1)	**5**	(1)
Net current period other comprehensive income/(loss)	**2**	(1)	**5**	(1)
Ending balance	**$ 60**	$ 50	**$ 60**	$ 50

The following table represents reclassifications out of accumulated other comprehensive income/loss.

	Amount Reclassified from Accumulated Other Comprehensive Income/Loss		Location of Gain/Loss Recognized in Statement of Income
	For the Three Months Ended June 30		
(dollars in thousands)	**2021**	2020	
Pension and other benefit plans:			
Net actuarial gain (loss)	**$ 2**	$ (1)	Salaries and employee benefits
Total reclassifications	**$ 2**	$ (1)	

(dollars in thousands)	Amount Reclassified from Accumulated Other Comprehensive Income/Loss — For the Six Months Ended June 30 — **2021**	2020	Location of Gain/Loss Recognized in Statement of Income
Pension and other benefit plans:			
Net actuarial gain (loss)	**$ 5**	$ (1)	Salaries and employee benefits
Total reclassifications	**$ 5**	$ (1)	

NOTE 4 - FAIR VALUE MEASUREMENTS

Accounting guidance 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. See Note 2 of the 2020 Annual Report to Shareholders for a more complete description.

Assets measured at fair value on a recurring basis are summarized below:

(dollars in thousands)	Fair Value Measurement Using — Level 1	Level 2	Level 3	Total Fair Value
Assets held in nonqualified benefits trusts				
June 30, 2021	**$ 48**	**$ -**	**$ -**	**$ 48**
December 31, 2020	$ 47	$ -	$ -	$ 47

The Association had no liabilities measured at fair value on a recurring basis at June 30, 2021 or December 31, 2020.

Assets measured at fair value on a non-recurring basis for each of the fair value hierarchy values are summarized below:

(dollars in thousands)	Fair Value Measurement Using — Level 1	Level 2	Level 3	Total Fair Value
June 30, 2021				
Loans	**$ -**	**$ -**	**$ 723**	**$ 723**
December 31, 2020				
Loans	$ -	$ -	$ 723	$ 723

The Association had no liabilities measured at fair value on a non-recurring basis at June 30, 2021 or December 31, 2020.

Valuation Techniques

As more fully discussed in Note 2 of the 2020 Annual Report to Shareholders, accounting guidance establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following presents a brief summary of the valuation techniques used by the Association for assets and liabilities, subject to fair value measurement.

Assets Held in Non-Qualified Benefits Trusts

Assets held in trust funds related to deferred compensation and supplemental retirement plans are classified within Level 1. The trust funds include investments that are actively traded and have quoted net asset values that are observable in the marketplace.

Loans Evaluated for Impairment

For impaired loans measured on a non-recurring basis, the fair value is based upon the underlying collateral since the loans are collateral dependent loans for which real estate is the collateral. The fair value measurement process uses independent appraisals and other market-based information, but in many cases, it also requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters. As a result, a majority of these loans have fair value measurements that fall within Level 3 of the fair value hierarchy. When the value of the real estate, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established.

NOTE 5 - SUBSEQUENT EVENTS

The Association has evaluated subsequent events through August 6, 2021, which is the date the financial statements were issued, and no material subsequent events were identified.

GOLDEN STATE FARM CREDIT, ACA

The shareholders' investment in Golden State Farm Credit, ACA is materially affected by the financial condition and results of operations of CoBank, ACB, (CoBank).The 2020 CoBank Annual Report to Shareholders, and the CoBank quarterly shareholders' reports are available free of charge by accessing CoBank's website, www.cobank.com, or may be obtained at no charge by contacting us at 1359 East Lassen Ave. Chico, CA 95973 or calling (530) 571-4160.

Golden State Farm Credit