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20
21 | **QUARTERLY REPORT
TO SHAREHOLDERS
AS OF MARCH 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 for the three months ended March 31, 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 March, 99% of California was experiencing drought conditions, an increase from the fourth quarter of 2020. The state coordination committee noted that major reservoir levels are storing slightly 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.

The dairy industry was initially hit hard by the COVID pandemic. Milk prices dropped significantly in April and May but have rebounded significantly in the latter part of 2020 to above break-even levels. Milk futures continued to show profitable levels through the end of 2020. We expect this trend to continue through 2021.

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-January shows 2020 crop receipts up to 3.025 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 California rice industry has been steady. The 2020 crop had a good growing season and harvest has been completed. Estimates on planted acres for the 2021 crop are expected to be lower due to current water allocations. Cash market prices have been stable to strengthening since year end.

Tree fruit sales in 2020 were overall very good. It is felt that the higher than normal sales prices were due partially to COVID and partially to lower than normal peach crops in other states. It is felt that COVID caused people to eat at home more often and therefore they purchased more produce from grocery outlets. Other states experienced a drop in yellow flesh peach production due to weather related disasters.

The COVID-19 pandemic remains a global public health crisis, although vaccines have been deployed and are in various stages based on specific areas of the United States. The United States economy continues to have numerous impediments to a full recovery across certain sectors of the economy. Unemployment levels remain high and economic output remains challenged. We have been focused on responding to this crisis and protecting the health and safety of our employees while continuing to serve our customers. We cannot predict the severity and the duration of the impact of the COVID-19 pandemic. The COVID-19 operating environment continues to cause uncertainty on the Association's business, results of operations and financial condition.

The U.S. government has continued to institute various programs in support of the COVID-19 recovery. 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 has continued to provide funds to eligible borrowers during the first quarter of 2021. The impact the U.S. government support programs and stimulus on the broader agriculture economy and our customers in particular is uncertain at this time.

The COVID-19 pandemic has heightened many risks, including credit risk, liquidity risk, market risk, and operational risk. The effectiveness of our mitigation efforts and the extent to which COVID-19 affects our business, results of operations and financial condition may depend on factors beyond our control.

LOAN PORTFOLIO

Loans outstanding at March 31, 2021 totaled \$1.76 billion, a decrease of \$22 million, or 1.25%, from loans of \$1.78 billion at December 31, 2020. The decrease is primarily due to seasonal loan pay-downs in the fourth quarter of 2020 and first quarter of 2021.

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 either March 31, 2021 or December 31, 2020.

RESULTS OF OPERATIONS

Net income for the three months ended March 31, 2021, was \$11.2 million, an increase of \$3.2 million, or 40%, 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.

Net interest income for the three months ended March 31, 2021, was \$13.6 million, an increase of \$2.8 million, or 26%, compared with the three months ended March 31, 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.

The credit loss reversal, or reduction in the the allowance for loan losses, was \$156 thousand for the three months ended March 31, 2021, an increase of \$108 thousand, or 225% for the same period ended one year ago. The credit loss reversal increased as a result of loan volume decreases in the first quarter of 2021.

Noninterest income increased \$700 thousand during the first three months of 2021 compared with the first three months in 2020 primarily due to higher patronage income received on loan participations and recognition of fee income associated with the administration of PPP loans. 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 \$3 thousand during the first three months of 2021, which is distributed to us quarterly by CoBank. The decrease for the three months ended March 31, 2021, compared with first three months of 2020 is primarily the result of a significant drop in crude oil and natural gas prices and production volumes in the first quarter of 2021.

During the first three months of 2021, noninterest expense increased \$401 thousand to \$5.3 million, primarily due to increases in FCSIC insurance premiums, outsourced audit and IT service expense, and marketing and outreach expense. We recorded conversion fee expense of \$101 thousand during the first three months of 2021, due to prepayment fees charged by CoBank related to loan conversions associated with the decrease in rates.

CAPITAL RESOURCES

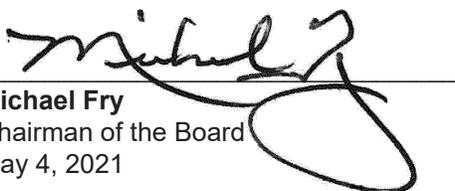
Our shareholders' equity at March 31, 2021, was \$355 million, an increase from \$343 million at December 31, 2020. This increase is due to net income, the amortization of pension costs included in the net periodic benefit cost and net stock increases.

OTHER MATTERS

In 2017, the United Kingdom's Financial Conduct Authority, announced its intention to stop persuading or compelling the group of major banks that sustains LIBOR to submit rate quotations after 2021. As a result, it is uncertain whether LIBOR will continue to be quoted after 2021.

We continue to analyze potential risks associated with the LIBOR transition, including financial, operational, legal, tax, reputational and compliance risks. At this time we are unable to predict whether or 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 a LIBOR transition plan 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
May 4, 2021



Robert Faris
President and Chief Executive Officer
May 4, 2021



Zach Clark
Interim Chief Financial Officer
May 4, 2021

Consolidated Statement of Condition

(Dollars in Thousands)

	March 31 2021	December 31 2020
	UNAUDITED	AUDITED
ASSETS		
Loans	\$ 1,759,558	\$ 1,781,843
Less allowance for loan losses	4,531	4,665
Net loans	1,755,027	1,777,178
Cash	1,938	9,717
Accrued interest receivable	12,307	16,691
Investment in CoBank, ACB	58,251	58,012
Premises and equipment, net	3,016	3,101
Prepaid benefit expense	9,017	8,990
Other assets	4,428	9,220
Total assets	\$ 1,843,984	\$ 1,882,909
LIABILITIES		
Note payable to CoBank, ACB	\$ 1,433,220	\$ 1,496,407
Advance conditional payments	37,922	23,752
Accrued interest payable	1,134	1,274
Patronage distributions payable	-	9,540
Accrued benefits liability	511	846
Reserve for unfunded commitments	408	430
Other liabilities	16,041	7,122
Total liabilities	1,489,236	1,539,371
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Capital stock and participation certificates	1,504	1,500
Additional paid-in capital	141,442	141,442
Unallocated retained earnings	211,744	200,541
Accumulated other comprehensive income	58	55
Total shareholders' equity	354,748	343,538
Total liabilities and shareholders' equity	\$ 1,843,984	\$ 1,882,909

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

Consolidated Statement of Comprehensive Income

(Dollars in Thousands)

UNAUDITED	For the three months ended March 31	
	2021	2020
INTEREST INCOME		
Loans	\$ 17,109	\$ 17,870
Total interest income	17,109	17,870
INTEREST EXPENSE	<i>Unaudited</i>	
Note payable to CoBank, ACB	3,455	6,892
Other	24	121
Total interest expense	3,479	7,013
Net interest income	13,630	10,857
Credit loss reversal	(156)	(48)
Net interest income after credit loss reversal	13,786	10,905
NONINTEREST INCOME		
Financially related services income	3	40
Loan fees	427	16
Patronage distribution from Farm Credit institutions	2,182	1,531
Farm Credit Insurance Fund distribution	-	366
Mineral income	3	10
Other noninterest income	50	2
Total noninterest income	2,665	1,965
NONINTEREST EXPENSE		
Salaries and employee benefits	2,817	3,157
Occupancy and equipment	253	249
Purchased services from AgVantis, Inc.	608	514
Farm Credit Insurance Fund premium	545	249
Supervisory and examination costs	144	133
Prepayment expense	101	-
Other noninterest expense	831	596
Total noninterest expense	5,299	4,898
Income before income taxes	11,152	7,972
Provision for income taxes	-	2
Net income	11,152	7,970
COMPREHENSIVE INCOME		
Amortization of retirement costs	3	-
Total comprehensive income	\$ 11,155	\$ 7,970

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

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			7,970	-	7,970
Stock and participation certificates issued	29				29
Stock and participation certificates retired	(48)				(48)
Balance at March 31, 2020	\$ 1,510	\$ 141,442	\$ 191,484	\$ 51	\$ 334,487
Balance at December 31, 2020	\$ 1,500	\$ 141,442	\$ 200,541	\$ 55	\$ 343,538
Comprehensive income			11,152	3	11,155
Stock and participation certificates issued	37				37
Stock and participation certificates retired	(33)				(33)
Patronage Distributions: Reversal of Patronage			51		51
Balance at March 31, 2021	\$ 1,504	\$ 141,442	\$ 211,744	\$ 58	\$ 354,748

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 first 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 is evaluating the impact of adoption on its financial condition and 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:

<i>(dollars in thousands)</i>	March 31, 2021	December 31, 2020
Real estate mortgage	\$ 1,342,347	\$ 1,337,407
Production and intermediate-term	294,525	310,622
Agribusiness	65,159	76,355
Rural infrastructure	30,879	30,971
Rural residential real estate	52	83
Lease receivables	26,596	26,405
Total loans	\$ 1,759,558	\$ 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 March 31, 2021:

<i>(dollars in thousands)</i>	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Purchased	Sold	Purchased	Sold	Purchased	Sold
Real estate mortgage	\$ 24,276	\$ 243,578	\$ -	\$ -	\$ 24,276	\$ 243,578
Production and intermediate-term	33,787	119,352	-	-	33,787	119,352
Agribusiness	49,654	-	-	-	49,654	-
Rural infrastructure	30,879	-	-	-	30,879	-
Lease receivables	23,561	394	-	-	23,561	394
Total	\$ 162,157	\$ 363,324	\$ -	\$ -	\$ 162,157	\$ 363,324

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:

	March 31, 2021	December 31, 2020
Real estate mortgage		
Acceptable	97.23%	96.86%
OAEM	2.07%	2.18%
Substandard	0.70%	0.96%
Total	100.00%	100.00%
Production and intermediate-term		
Acceptable	98.30%	98.53%
OAEM	0.63%	0.28%
Substandard	1.07%	1.19%
Total	100.00%	100.00%
Agribusiness		
Acceptable	82.98%	84.17%
OAEM	14.77%	13.88%
Substandard	2.25%	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	94.74%	94.64%
OAEM	0.06%	0.12%
Substandard	5.20%	5.24%
Total	100.00%	100.00%
Total Loans		
Acceptable	96.89%	96.63%
OAEM	2.23%	2.28%
Substandard	0.88%	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:

<i>(dollars in thousands)</i>	March 31, 2021	December 31, 2020
Nonaccrual loans		
Real estate mortgage	\$ 2,097	\$ 5,453
Production and intermediate-term	869	1,189
Lease receivables	77	80
Total nonaccrual loans	\$ 3,043	\$ 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
Production and intermediate-term	1	-
Total accruing loans 90 days past due	\$ 1	\$ 19,880
Total impaired loans	\$ 3,274	\$ 26,833
Total high risk assets	\$ 3,274	\$ 26,833

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

Additional impaired loan information is as follows:

<i>(dollars in thousands)</i>	March 31, 2021			December 31, 2020		
	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	\$ 766	\$ 694	\$ 42	\$ 800	\$ 725	\$ 76
Lease receivables	77	77	77	80	80	80
Total	\$ 843	\$ 771	\$ 119	\$ 880	\$ 805	\$ 156
Impaired loans with no related allowance for loan losses:						
Real estate mortgage	\$ 2,327	\$ 2,239		\$ 25,564	\$ 26,013	
Production and intermediate-term	104	100		389	434	
Total	\$ 2,431	\$ 2,339		\$ 25,953	\$ 26,447	
Total impaired loans:						
Real estate mortgage	\$ 2,327	\$ 2,239	\$ -	\$ 25,564	\$ 26,013	\$ -
Production and intermediate-term	870	794	42	1,189	1,159	76
Lease receivables	77	77	77	80	80	80
Total	\$ 3,274	\$ 3,110	\$ 119	\$ 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.

	For the Three Months Ended March 31, 2021		For the Three Months Ended March 31, 2020	
	Average Impaired Loans	Interest Income Recognized	Average Impaired Loans	Interest Income Recognized
<i>(dollars in thousands)</i>				
Impaired loans with a related allowance for loan losses:				
Production and intermediate-term Lease receivables	\$ 791 80	\$ - -	\$ 879 -	\$ - -
Total	\$ 871	\$ -	\$ 879	\$ -
Impaired loans with no related allowance for loan losses:				
Real estate mortgage	\$ 23,947	\$ 1,430	\$ 9,837	\$ 21
Production and intermediate-term Lease receivables	280 -	- -	- 139	4 -
Total	\$ 24,227	\$ 1,430	\$ 9,976	\$ 25
Total impaired loans:				
Real estate mortgage	\$ 23,947	\$ 1,430	\$ 9,837	\$ 21
Production and intermediate-term Lease receivables	1,071 80	- -	879 139	4 -
Total	\$ 25,098	\$ 1,430	\$ 10,855	\$ 25

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

March 31, 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	\$ 1,533	\$ 1,412	\$ 2,945	\$ 1,349,065	\$ 1,352,010	\$ -
Production and intermediate-term	3,418	115	3,533	293,253	296,786	1
Agribusiness	1,475	-	1,475	63,951	65,426	-
Rural infrastructure	-	-	-	30,891	30,891	-
Rural residential real estate	-	-	-	52	52	-
Lease receivables	-	-	-	26,700	26,700	-
Total	\$ 6,426	\$ 1,527	\$ 7,953	\$ 1,763,912	\$ 1,771,865	\$ 1

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:

<i>(dollars in thousands)</i>	Balance at December 31, 2020	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at March 31, 2021
Real estate mortgage	\$ 707	\$ -	\$ -	\$ 303	\$ 1,010
Production and intermediate-term	2,644	-	-	(507)	2,137
Agribusiness	671	-	-	109	780
Rural infrastructure	115	-	-	(9)	106
Lease receivables	528	-	-	(30)	498
Total	\$ 4,665	\$ -	\$ -	\$ (134)	\$ 4,531

<i>(dollars in thousands)</i>	Balance at December 31, 2019	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Balance at March 31, 2020
Real estate mortgage	\$ 790	\$ -	\$ -	\$ (47)	\$ 743
Production and intermediate-term	2,426	-	-	131	2,557
Agribusiness	557	-	-	(30)	527
Rural infrastructure	60	-	-	(4)	56
Lease receivables	633	-	-	(79)	554
Total	\$ 4,466	\$ -	\$ -	\$ (29)	\$ 4,437

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:

<i>(dollars in thousands)</i>	For the Three Months Ended March 31	
	2021	2020
Balance at beginning of period	\$ 430	\$ 400
Provision for/(Reversal of) reserve for unfunded commitment	(22)	(19)
Total	\$ 408	\$ 381

Additional information on the allowance for loan losses follows:

	Allowance for Loan Losses Ending Balance at March 31, 2021		Recorded Investments in Loans Outstanding Ending Balance at March 31, 2021	
	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
<i>(dollars in thousands)</i>				
Real estate mortgage	\$ -	\$ 1,010	\$ 2,327	\$ 1,349,683
Production and intermediate-term	42	2,095	870	295,916
Agribusiness	-	780	-	65,426
Rural infrastructure	-	106	-	30,891
Rural residential real estate	-	-	-	52
Lease receivables	77	421	77	26,623
Total	\$ 119	\$ 4,412	\$ 3,274	\$ 1,768,591

	Allowance for Loan Losses Ending Balance at December 31, 2020		Recorded Investments in Loans Outstanding Ending Balance at December 31, 2020	
	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
<i>(dollars in thousands)</i>				
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			
	March 31, 2021		March 31, 2020	
	Pre-modification Outstanding Recorded Investment*	Post-modification Outstanding Recorded Investment*	Pre-modification Outstanding Recorded Investment*	Post-modification Outstanding Recorded Investment*
<i>(dollars in thousands)</i>				
Troubled debt restructurings:				
Real estate mortgage	\$ -	\$ -	\$ 1,414	\$ 1,414
Total	\$ -	\$ -	\$ 1,414	\$ 1,414

* 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 three months ended March 31, 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.

<i>(dollars in thousands)</i>	Recorded Investment at	
	March 31, 2021	March 31, 2020
Troubled debt restructurings that subsequently defaulted:		
Real estate mortgage	\$ -	\$ 1,414
Agribusiness	-	226
Total	\$ -	\$ 1,640

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

There were no additional commitments to lend to borrowers whose loans have been modified in troubled debt restructuring at March 31, 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.

<i>(dollars in thousands)</i>	Loans modified as TDRs		TDRs in Nonaccrual Status*	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Real estate mortgage	\$ 921	\$ 4,212	\$ 690	\$ 3,983
Production and intermediate-term	858	863	858	863
Total	\$ 1,779	\$ 5,075	\$ 1,548	\$ 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.

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.

	As of March 31, 2021	As of December 31, 2020	Regulatory Minimums	Capital Conservation Buffer	Total
Risk Adjusted:					
Common equity tier 1 ratio	15.16%	14.55%	4.5%	2.5%	7.0%
Tier 1 capital ratio	15.16%	14.55%	6.0%	2.5%	8.5%
Total capital ratio	15.42%	14.82%	8.0%	2.5%	10.5%
Permanent capital ratio	15.19%	14.59%	7.0%	-	7.0%
Non-risk-adjusted:					
Tier 1 leverage ratio	16.25%	15.49%	4.0%	1.0%	5.0%
Unallocated retained earnings and equivalents leverage ratio	18.19%	17.06%	1.5%	-	1.5%

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

<i>(dollars in thousands)</i>	For the Three Months Ended March 31	
	2021	2020
Pension and other benefit plans:		
Beginning balance	\$ 55	\$ 51
Amounts reclassified from accumulated other comprehensive income/loss	3	-
Net current period other comprehensive income/(loss)	3	-
Ending balance	\$ 58	\$ 51

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

<i>(dollars in thousands)</i>	Amount Reclassified from Accumulated Other Comprehensive Income/Loss		Location of Gain/Loss Recognized in Statement of Income
	For the Three Months Ended March 31		
	2021	2020	
Pension and other benefit plans:			Salaries and employee benefits
Net actuarial gain	\$ 3	\$ -	
Total reclassifications	\$ 3	\$ -	

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:

<i>(dollars in thousands)</i>	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Assets held in nonqualified benefits trusts				
March 31, 2021	\$ 47	\$ -	\$ -	\$ 47
December 31, 2020	\$ 47	\$ -	\$ -	\$ 47

The Association had no liabilities measured at fair value on a recurring basis at March 31, 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:

<i>(dollars in thousands)</i>	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
March 31, 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 March 31, 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. These loans have fair value measurements that fall within Level 3 of the 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 May 4th, 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.



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