Idaho AgCredit
Helping you grow

QUARTERLY REPORT TO SHAREHOLDERS
June 30, 2019

OFFICE LOCATIONS

Blackfoot Admin/Branch Office
188 W Judicial St (PO Box 985)
Blackfoot, ID 83221
(208) 785-1510 or (800) 686-8910

Rexburg Branch Office
1586 N 2nd E
Rexburg, ID 83440
(208) 356-5479 or (800) 632-8821

American Falls Branch Office
2883 Highway 39
American Falls, ID 83211
(208) 226-5251 or (800) 831-5143

Twin Falls Loan Office
Suite 100A
1096 Eastland Drive North
Twin Falls, ID 83301
(208) 734-0635 or (800) 831-5143

DIRECTORS, OFFICERS AND STAFF

BOARD OF DIRECTORS

Ken Black, Chairman	Burley
Twain S. Hayden, Vice Chairman	Arbon
Scott R. Giltner	Jerome
Wendy Pratt	Blackfoot
Bruce Ricks	Sugar City
Dennis W. Snarr	Idaho Falls
Mike Virtue	Blackfoot

OFFICERS

Marc Fonnesbeck	President and CEO
Jim Chase	Secretary and CFO
Adam C. Jensen	Vice President and CCO
Kirk Powell	Assistant Vice President
Katie Wallace	Assistant Vice President
Dana Wood	Assistant Vice President
Ryan Funk	Chief Information Officer

HEADQUARTERS STAFF

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

BRANCH STAFF

Blackfoot Branch Office	(208) 785-1510
Katie Wallace	Branch Manager
Avery Robertson	Loan Officer
Jenny Callison	Credit Support Specialist
Tenaia Giannini	Operations Assistant

Rexburg Branch Office	(208) 356-5479
Kirk Powell	Branch Manager
Nick Bazil	Assistant Branch Manager
Doug Eck	Evaluation Manager and Senior Loan Officer
Jared Ashcraft	Loan Officer
Carrie Mackert	Senior Operations Assistant
Tina Morton	Senior Loan Processing Specialist
Riley Branch	Operations Assistant

American Falls Branch Office	(208) 226-5251
Dana Wood	Branch Manager
Dennis Parry	Loan Officer
Travis Larson	Credit Analyst
Meagan Reed	Operations Assistant
Kiara Anderson	Operations Assistant

Twin Falls Loan Office	(208) 734-0635
Sean Zaugg	Senior Loan Officer
Tianna Fife	Loan Officer
Dave Scott	Loan Officer
Sarah Burnham	Credit Support Specialist

Idaho AgCredit
Helping you grow

REPORT OF MANAGEMENT

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

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

The 2018 consolidated financial statements of Idaho AgCredit were audited by Wipfli LLP, certified public accountants (CPAs), who also conducted a review of the accounting records and such other auditing procedures as they considered necessary to comply with generally accepted auditing standards. A copy of their report was presented in the 2018 Annual Report to Shareholders (Annual Report).

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

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

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

Ken Black	*Marc Fonnesbeck*
Ken Black Board Chairman	Marc Fonnesbeck President and CEO
Mike Virtue	*Jim Chase*
Mike Virtue Audit Committee Chairman	Jim Chase Secretary and CFO

July 24, 2019

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

Overview and Economic Conditions:
The following discussion summarizes the financial position and results of operations of Idaho AgCredit for the three months ended June 30, 2019, with comparisons to prior periods. You should read these comments along with the accompanying financial statements and footnotes and the 2018 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of the Audit Committee.

Economic conditions for the three months ended June 30, 2019 reflected commodity prices near breakeven for wheat, barley, alfalfa and beef cattle. Open potato prices for 2018 crop were generally breakeven or slightly above, while contracted potatoes were generally breakeven or above. Sugar beet prices were about breakeven or slightly above, while milk was below breakeven for most producers. Projected prices for 2019 reflect weak prices, with narrow margins because costs for inputs are unlikely to weaken as much as commodity prices. Most crops and livestock are expected to remain profitable, but some may remain near or below breakeven. Most operations have sufficient diversification to weather short cycles of below breakeven prices for one or two commodities, but these operations may have to make difficult choices regarding machinery replacement and containment of operating costs. Water was adequate in most areas. Agricultural real estate prices appear to be steady. The increases in real estate values in the last several years could lead to increased loan risk on those operations which purchased higher cost land if real estate values and rental rates decrease. Idaho AgCredit's net income reflects the strong economic success of its customers.

Loan Portfolio:
Gross loan volume as of June 30, 2019 increased $16,075,760 from $271,789,499 at the prior quarter end to $287,865,259, and increased $26,245,219 compared to the same quarter in the prior year. The current quarter change in loan volume reflected seasonal increases in operating loan volume and net new commercial and mortgage loan volume. The increase in gross loan volume from the prior year reflects a decrease in the portion of loan volume which was sold to participating lenders, an increase in loan volume purchased from participating lenders, an increase in other mortgage loans and an increase in other operating loans.

Nonaccrual loan volume at June 30, 2019 was $2,591,625, or .90% of gross loan volume, compared to $1,428,059, or .55% on the same date in the prior year. Idaho AgCredit's total loan portfolio is presently graded 98.4% acceptable and OAEM compared to 97.1% acceptable and OAEM in the prior year. Idaho AgCredit's long-term goal for acceptable and OAEM credit remains at 90.0% or better.

Idaho AgCredit had no net investment in other property owned (aka acquired property) at June 30, 2019, which was the same as on the same date in the prior year. Idaho AgCredit's investment in accrual sales contracts at June 30, 2019 was $58,678 compared to $67,799 in the prior year. Idaho AgCredit's ratio of liabilities to net worth at June 30, 2019 was 3.97:1 compared to 3.74:1 the prior year. This ratio change (which reflects that total liabilities have increased in proportion to net worth) has been caused by retained earnings growing slower in proportion to loan volume growth and the change in the corresponding debt with CoBank.

Results of Operations:
Idaho AgCredit's net income of $1,188,891 for the quarter was down $34,054 compared to the same quarter in the prior year. The net interest income after the provision for losses of loan principal and commitment for the quarter was $91,771 higher than the same period in the prior year due to an increase in net interest income of $151,977 and an increase in the net provision for loan losses of $60,206. Noninterest income for the quarter was $9,637 higher than the prior year, primarily due to a increase in patronage from CoBank, an increase in patronage from other Farm Credit institutions, a decrease in loan fees, an increase in financially related service income and a decrease in other noninterest income. Noninterest expenses for the quarter were $143,238 higher than the prior year due to the increase in salaries and benefits of $88,644, an increase of $3,487 in director compensation, an increase in purchased services of $31,743, an increase in Farm Credit Insurance Fund premiums of $6,000, and a net increase in all other noninterest expenses of $13,364. The provision for income taxes was $7,776 lower than the prior year due to a lower estimate of income taxes.

The Allowance for Loan Losses account balance at June 30, 2019 totaled $1,297,932 or .45% of gross loan volume compared to an allowance of $1,162,676 or .44% of gross loan volume for the same date in the prior year. This increase of $135,256 from the prior year reflects an increase due to normal changes in credit quality and volume and higher than normal increases in loan volume. After assessing the relative risk based upon economic conditions, historical annual loan loss experience and potential future losses, management believes the allowance for loan losses adequately covers the inherent risk in the loan portfolio. Ultimate losses which may be experienced by Idaho AgCredit depend upon the impact of future commodity prices, real estate values, government subsidy and disaster programs, weather-related occurrences, operating decisions and public policy. These same factors may also generate recoveries of losses previously recognized.

Capital Resources:

Shareholders' equity at June 30, 2019 was $61,480,797, which increased $2,447,037 from $59,033,760 at December 31, 2018. This increase is due to net income plus net stock changes. Since January 1, 2005, Idaho AgCredit's stock requirement has been the minimum allowed by regulation, which is the lesser of 2% of the outstanding principal balance or $1,000 per customer. Idaho AgCredit's capital amounts, categories and ratios at June 30, 2019 exceeded the FCA minimum regulatory requirements which became effective January 1, 2017.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	June 30 2019 Unaudited	December 31, 2018 Audited	June 30 2018 Unaudited
ASSETS			
Loans	**$287,865,259**	$291,670,361	$261,620,040
Less allowance for loan losses	**1,297,932**	1,193,474	1,162,676
Net loans	**286,567,327**	290,476,887	260,457,364
Cash	**1,600,020**	1,957,346	1,004,617
Accrued interest receivable	**4,557,901**	4,858,665	3,674,502
Investment in CoBank	**10,963,123**	10,953,341	10,953,341
Premises and equipment, net	**1,109,215**	1,164,876	1,129,101
Other property owned	**0**	0	0
Prepaid pension expense	**365,272**	318,395	307,085
Deferred tax asset, net	**9,000**	9,000	32,000
Other assets	**646,134**	1,272,881	674,265
Total assets	**$305,817,992**	$311,011,391	$278,232,275
LIABILITIES			
Note payable to CoBank	**$238,513,024**	$245,416,059	$215,047,607
Advance conditional payments	**4,657,164**	3,009,697	3,536,413
Accrued interest payable	**629,859**	627,053	515,957
Patronage distributions payable	**0**	2,355,233	0
Reserve for losses on loan commitment	**62,367**	41,938	52,654
Other liabilities	**474,781**	527,651	424,766
Total liabilities	**$244,337,195**	$251,977,631	$219,577,397
Commitments and Contingencies (See Notes)			
SHAREHOLDERS' EQUITY			
Capital stock and participation certificates	**$457,170**	$427,450	$433,820
Allocated retained earnings (Memo Nonqualified)	**20,882,039**	18,435,269	18,435,269
Unallocated retained earnings	**40,141,588**	40,171,041	39,785,789
Accumulated other comprehensive income/(loss)	**0**	0	0
Total shareholders' equity	**$61,480,797**	$59,033,760	$58,654,878
Total liabilities and shareholders' equity	**$305,817,992**	$311,011,391	$278,232,275

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	**2019**	2018
INTEREST INCOME				
Loans	**$3,777,817**	$3,289,494	**$7,473,482**	$6,297,345
Total interest income	**3,777,817**	3,289,494	**7,473,482**	6,297,345
INTEREST EXPENSE				
Notes payable to CoBank	**1,722,860**	1,396,173	**3,410,501**	2,660,576
Advance conditional payments	**31,019**	21,360	**60,486**	39,127
Total interest expense	**1,753,879**	1,417,533	**3,470,987**	2,699,703
Net interest income	**2,023,938**	1,871,961	**4,002,495**	3,597,642
(Provision for) or Reversal of loan losses and reserves	**(113,746)**	(53,540)	**(124,886)**	5,991
Net interest income after (provision)/reversal	**1,910,192**	1,818,421	**3,877,609**	3,603,633
NONINTEREST INCOME				
Patronage distributions from CoBank	**233,000**	241,000	**471,285**	474,396
Patronage distributions from other Farm Credit Inst.	**26,611**	2,078	**85,484**	62,386
Loan fees	**54,296**	61,264	**91,246**	126,199
Financially related services income	**6,285**	6,143	**6,410**	6,143
Other noninterest income	**1,156**	1,226	**2,551**	2,315
Total Noninterest Income	**321,348**	311,711	**656,976**	671,439
NONINTEREST EXPENSE				
Salaries and employee benefits	**717,810**	629,166	**1,449,102**	1,265,797
Director's Compensation	**12,894**	9,407	**24,324**	19,259
Occupancy and equipment	**36,719**	34,112	**85,584**	75,504
Farm Credit Insurance Fund premiums	**43,000**	37,000	**29,110**	(93,313)
Supervisory and examination costs	**27,869**	27,787	**55,738**	55,574
Purchased Services	**66,397**	34,654	**154,508**	113,943
Data processing services	**2,430**	2,430	**4,860**	4,860
Losses/(Gains) on other property owned, net	**0**	0	**0**	0
Other noninterest expense	**89,306**	78,631	**222,042**	189,007
Total noninterest expense	**996,425**	853,187	**2,025,268**	1,630,631
Income (loss) before income taxes	**1,235,115**	1,276,945	**2,509,317**	2,644,441
(Provision for)/Benefit from income taxes	**(46,224)**	(54,000)	**(92,000)**	(122,000)
Net Income/Comprehensive income	**$1,188,891**	$1,222,945	**$2,417,317**	$2,522,441

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital Stock and Participation Certificates	Memo Allocated Retained Earnings	Unallocated Retained Earnings	Total Shareholders' Equity
Balance at December 31, 2017	$424,660	$16,639,446	$39,059,170	$56,123,276
Net income/Comprehensive Income		1,795,823	726,618	2,522,441
Stock issued	90,400			90,400
Stock retired	(81,240)			(81,240)
Other (rounding)		0	1	1
Balance at June 30, 2018	**$433,820**	**$18,435,269**	**$39,785,789**	**$58,654,878**
Balance at December 31, 2018	$427,450	$18,435,269	$40,171,041	$59,033,760
Net income/Comprehensive Income		2,446,770	(29,453)	2,417,317
Stock issued	108,020			108,020
Stock retired	(78,300)			(78,300)
Other (rounding)		0	0	0
Balance at June 30, 2019	**$457,170**	**$20,882,039**	**$40,141,588**	**$61,480,797**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Organization and Significant Accounting Policies:
A description of the organization and operations of Idaho AgCredit, ACA (Idaho AgCredit), the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2018, are contained in the 2018 Annual Report to Shareholders (Annual Report). The accompanying unaudited second-quarter 2019 financial statements have been prepared in accordance with the accounting principles generally accepted in the U.S. (GAAP) for interim financial information. Accordingly, they do not include all the disclosures required by GAAP for annual financial statements and should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2018, as contained in the Annual Report.

In the opinion of management, the unaudited financial information is complete and reflects all adjustments necessary for a fair statement of results for the interim periods. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year ending December 31, 2019. Descriptions of the significant accounting policies are included in the Annual Report. In the opinion of management, these policies and the presentation of the interim financial condition and results of operations conform with GAAP and prevailing practices within the banking industry.

In August 2018, the FASB issued guidance entitled "Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Cost." The guidance aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The accounting for the service element of a hosting arrangement that is a service contract is not affected by this guidance. This guidance becomes effective for interim and annual periods beginning after December 15, 2019. The guidance also requires an entity (customer) to expense the capitalized implementation costs of a hosting arrangement that is a service contract over the term of the hosting arrangement. It further specifies where to present expense and payments in the financial statements. Early adoption is permitted. The guidance is to be applied on a retrospective or prospective basis to all implementation costs incurred after the date of adoption. The Association is evaluating the impact of adoption on the Association's financial condition and its results of operations.

In August 2018, the FASB issued guidance entitled "Disclosure Framework — Changes to the Disclosure Requirements for Defined Benefit Plans." The guidance modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. This guidance becomes effective for fiscal years ending after December 15, 2020. Early adoption is permitted. The guidance is to be applied on a retrospective basis for all periods. The adoption of this guidance will not impact the Association's financial condition or its results of operations, but will impact the employee benefit plan disclosures.

In August 2018, the FASB issued guidance entitled "Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement." The guidance modifies the requirements on fair value measurements by removing, modifying or adding to the disclosures. This guidance becomes effective for interim and annual periods beginning after December 15, 2019. Early adoption is permitted and an entity is permitted to early adopt any removal or modified disclosures and delay adoption of the additional disclosures until their effective date. The Association early adopted the removal and modified disclosures during the fourth quarter of 2018. The adoption of this guidance did not impact the Association's financial condition or its results of operations, but will impact the fair value measurements disclosures.

In August 2017, the FASB issued guidance entitled "Targeted Improvements to Accounting for Hedging Activities." The guidance better aligns an entity's risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. The amendments in this guidance require an entity to present the earnings effect of the hedging instrument in the same income statement line item in which the earnings effect of the hedged item is reported. This guidance also addresses the timing of effectiveness testing, qualitative and quantitative effectiveness testing and components that can be excluded from effectiveness testing. This guidance became effective for interim and annual periods beginning after December 15, 2018. The adoption of this guidance did not materially impact the Association's financial condition or its results of operations but did impact the derivative disclosures.

In June 2016, FASB issued guidance entitled "Measurement of Credit Losses on Financial Instruments." The guidance replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Credit losses relating to available-for-sale securities would also be recorded through an allowance for credit losses. For public business entities that are not U.S. Securities and Exchange Commission filers this guidance becomes effective for interim and annual periods beginning after December 15, 2020, with early application permitted. The Association is evaluating the impact of adoption on its financial condition and results of operations.

In February 2016, the FASB issued guidance entitled "Leases." The guidance requires the recognition by lessees of lease assets and lease liabilities on the balance sheet for the rights and obligations created by those leases. Leases with lease terms of more than 12 months are impacted by this guidance. The guidance became effective for interim and annual periods beginning after December 15, 2018. The adoption of this guidance did not materially impact the Association's financial condition or its results of operations but did impact lease disclosures.

Certain amounts in the prior period's financial statements have been reclassified to conform to the current period's financial statement presentation. The reclassified amounts include splitting allocated retained earnings (memo nonqualified) from unallocated retained earnings. The amounts shown as allocated retained earnings are considered to be permanently invested in the Association.

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

Note 2 – Loans and Allowance for Loan Losses:

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

Loans	**June 30, 2019**	December 31, 2018
Real estate mortgage	**$169,099,337**	$161,845,709
Production and intermediate term	**106,649,352**	115,297,015
Agribusiness	**12,116,570**	14,527,637
Total loans	**$287,865,259**	$291,670,361

Idaho AgCredit purchases or sells participation interests with other parties in order to diversify risk, manage loan volume and comply with Farm Credit Administration regulations. All of Idaho AgCredit's participations purchased and participations sold are with other Farm Credit Institutions. The following table presents information regarding participations purchased and sold (excluding related accrued interest) as of June 30, 2019:

	Other Farm Credit Institutions	
Participation Loans	Purchased	Sold
Real estate mortgage	$3,940,686	$10,677,842
Production and intermediate term	0	5,039,191
Agribusiness	6,086,530	131,280
Total	$10,027,216	$15,848,313

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

	June 30, 2019	December 31, 2018
Nonaccrual loans:		
Real estate mortgage	**$516,230**	$496,846
Production and Intermediate term	**2,075,395**	2,107,651
Agribusiness	**0**	0
Total nonaccrual loans	**$2,591,625**	$2,604,497
Accruing restructured loans:		
Total accruing restructured loans	**$0**	$0
Accruing loans 90 days or more past due:		
Real estate mortgage	**$0**	$0
Production and Intermediate term	**1,691,256**	0
Total accruing loans 90 days or more past due	**$1,691,256**	$0
Total nonperforming loans	**$4,282,881**	$2,604,497
Other property owned	**0**	0
Total nonperforming assets	**$4,282,881**	$2,604,497

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, 2019	December 31, 2018
Real estate mortgage		
Acceptable	**94.8%**	94.1%
OAEM	**3.4%**	2.8%
Substandard	**1.8%**	3.1%
	100.0%	100.0%
Production and intermediate term		
Acceptable	**97.0%**	96.0%
OAEM	**1.6%**	0.5%
Substandard	**1.4%**	3.5%
	100.0%	100.0%
Agribusiness		
Acceptable	**100.0%**	100.0%
OAEM	**0.0%**	0.0%
Substandard	**0.0%**	0.0%
	100.0%	100.0%
Total loans		
Acceptable	**95.8%**	95.1%
OAEM	**2.6%**	1.8%
Substandard	**1.6%**	3.1%
	100.0%	100.0%

The recorded investment in loan receivables is the face amount increased or decreased by applicable accrued interest and unamortized premium, discount, finance charges, or acquisition costs and may also reflect a previous direct write-down of the investment. The following tables provide an age analysis of past due loans (including accrued interest) as of:

(Dollars in Thousands)	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or <30 Days Past Due	Total Loans	90 Days or More Past Due and Accruing
June 30, 2019						
Real estate mortgage	**$3,039**	**$0**	**$3,039**	**$169,328**	**$172,367**	**$0**
Production and intermediate term	**564**	**1,741**	**2,305**	**105,519**	**107,824**	**0**
Agribusiness	**37**	**0**	**37**	**12,195**	**12,232**	**0**
Total	**$3,640**	**$1,741**	**$5,381**	**$287,042**	**$292,423**	**$0**
December 31, 2018						
Real estate mortgage	$0	$0	$0	$165,042	$165,042	$0
Production and intermediate term	64	0	64	116,756	116,820	0
Agribusiness	0	0	0	14,667	14,667	0
Total	$64	$0	$64	$296,465	$296,529	$0

Additional impaired loan information is as follows:

	At June 30, 2019			At December 31, 2018		
	Recorded Investment	Contractual Principal Balance	Related Allowance	Recorded Investment	Contractual Principal Balance	Related Specific Allowance
Impaired loans with a related allowance for credit losses:						
Real estate mortgage	**$0**	**$0**	**$0**	$0	$0	$0
Production and intermediate term	**607,799**	**607,799**	**13,380**	0	0	0
Agribusiness	**0**	**0**	**0**	0	0	0
Total	**$607,799**	**$607,799**	**$13,380**	$0	$0	$0
Impaired loans with no related allowance for credit losses:						
Real estate mortgage	**$516,230**	**$581,154**	**$0**	$496,846	$558,934	$0
Production and intermediate term	**3,158,852**	**3,308,960**	**0**	2,107,651	2,242,007	0
Agribusiness	**0**	**0**	**0**	0	0	0
Total	**$3,675,082**	**$3,890,114**	**$0**	$2,604,497	$2,800,941	$0
Total impaired loans:						
Real estate mortgage	**$516,230**	**$581,154**	**$0**	$496,846	$558,934	$0
Production and intermediate term	**3,766,651**	**3,916,759**	**13,380**	2,107,651	2,242,007	0
Agribusiness	**0**	**0**	**0**	0	0	0
Total	**$4,282,881**	**$4,497,913**	**$13,380**	$2,604,497	$2,800,941	$0

(Dollars in Thousands)	For the Quarter Ended June 30, 2019 Average Impaired Loans	June 30, 2019 Interest Income Recognized	June 30, 2018 Average Impaired Loans	June 30, 2018 Interest Income Recognized	For the Six Months Ended June 30, 2019 Average Impaired Loans	June 30, 2019 Interest Income Recognized	June 30, 2018 Average Impaired Loans	June 30, 2018 Interest Income Recognized
Impaired with a related allowance for credit losses:								
Real estate mortgage	**$0**	**$0**	$0	$0	**$0**	**$0**	$0	$0
Prod. and intermediate term	**608**	**0**	863	0	**405**	**0**	699	$11
Agribusiness	**0**	**0**	0	0	**0**	**0**	0	0
Total	**$608**	**$0**	$863	$0	**$405**	**$0**	$699	$11
Impaired with no related allowance for credit losses:								
Real estate mortgage	**$502**	**$0**	$103	$2	**$499**	**$0**	$65	$2
Prod. and intermediate term	**3,013**	**17**	515	12	**2,462**	**17**	868	25
Agribusiness	**0**	**0**	670	0	**0**	**0**	313	0
Total	**$3,515**	**$17**	$1,288	$14	**$2,961**	**$17**	$1,246	$27
Total impaired loans:								
Real estate mortgage	**$502**	**$0**	$103	$2	**$499**	**$0**	$65	$2
Prod. and intermediate term	**3,621**	**17**	1,378	12	**2,867**	**17**	1,567	36
Agribusiness	**0**	**0**	670	0	**0**	**0**	313	0
Total	**$4,123**	**$17**	$2,151	$14	**$3,366**	**$17**	$1,945	$38

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

	Beginning Balance	Charge-offs	Recoveries	Provision for Loan Losses/ (Loan Loss Reversals)	Ending Balance
March 31, 2019 to June 30, 2019					
Real estate mortgage	**$553,159**	**$0**	**$0**	**$11,792**	**$564,951**
Production and intermediate term	**617,171**	**0**	**0**	**90,323**	**707,494**
Agribusiness	**22,831**	**0**	**0**	**2,656**	**25,487**
Total	**$1,193,161**	**$0**	**$0**	**$104,771**	**$1,297,932**
March 31, 2018 to June 30, 2018					
Real estate mortgage	$506,025	$0	$0	($9,799)	$496,226
Production and intermediate term	584,801	0	0	60,012	644,813
Agribusiness	9,442	0	0	12,195	21,637
Total	$1,100,268	$0	$0	$62,408	$1,162,676
December 31, 2018 to June 30, 2019					
Real estate mortgage	**$545,968**	**$0**	**$0**	**$18,983**	**$564,951**
Production and intermediate term	**623,434**	**0**	**0**	**84,060**	**707,494**
Agribusiness	**24,072**	**0**	**0**	**1,415**	**25,487**
Total	**$1,193,474**	**$0**	**$0**	**$104,458**	**$1,297,932**
December 31, 2017 to June 30, 2018					
Real estate mortgage	$517,797	$0	$0	($21,571)	$496,226
Production and intermediate term	653,870	0	0	(9,057)	644,813
Agribusiness	7,473	0	0	14,164	21,637
Total	$1,179,140	$0	$0	($16,464)	$1,162,676

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

	Allowance for Loan Losses		Recorded Investments in Loans Outstanding	
	Individually evaluated for impairment	Collectively evaluated for impairment	Individually evaluated for impairment	Collectively evaluated for impairment
June 30, 2019				
Real estate mortgage	**$0**	**$564,951**	**$516,230**	**$168,583,107**
Production and intermediate term	**13,380**	**694,114**	**2,075,395**	**104,573,957**
Agribusiness	**0**	**25,487**	**0**	**12,116,570**
Total	**$13,380**	**$1,284,552**	**$2,591,625**	**$285,273,634**
December 31, 2018				
Real estate mortgage	$0	$545,968	$496,846	$164,545,010
Production and intermediate term	0	623,434	2,107,651	114,712,108
Agribusiness	0	24,072	0	14,667,411
Total	$0	$1,193,474	$2,604,497	$293,924,529
June 30, 2018				
Real estate mortgage	$0	$496,226	$314,207	$146,873,657
Production and intermediate term	0	644,813	497,484	103,530,191
Agribusiness	0	21,637	616,368	13,462,336
Total	$0	$1,162,676	$1,428,059	$263,866,184

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

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

Note 3 – Capital:
There have not been any significant capitalization bylaw changes or significant other capitalization plan or status changes since the date of the Annual Report and Idaho AgCredit is in compliance with FCA capital regulations.

Note 4 – Income Taxes:
There have not been any significant changes in the composition or valuation of tax assets or liabilities since the date of the Annual Report.

Note 5 – Contingent Liabilities and Litigation:
Idaho AgCredit has various commitments outstanding and contingent liabilities, as described in Note 14 "Commitments and Contingencies" of the Annual Report. There have not been any significant changes related to this subject area since that report, other than normal seasonal and operational variations in the amounts of outstanding commitments and deposit balances. There are no legal actions pending against Idaho AgCredit.

Note 6 – Whistleblower Notices:
Idaho AgCredit has established a whistleblower program to encourage reporting by any employee, customer or member of the public about any improper accounting or other activity to the Association's Audit Committee. Details about the whistleblower program and contact information for making whistleblower complaints are listed on the Association website at www.idahoagcredit.com.

Note 7 – Subsequent Events:
Idaho AgCredit has evaluated subsequent events through July 24, 2019, which is the date the financial statements were available to be issued.