



**Premier
Farm
Credit,
ACA**

**THIRD QUARTER
REPORT
2007**

The Gold Standard in Ag Lending

DISCLOSURE

The shareholders' investment in Premier Farm Credit, ACA is materially affected by the financial condition and results of operations of U.S. AgBank, FCB, (AgBank). The 2006 AgBank Annual Report to Shareholders, the 2006 AgBank District Annual Report to Shareholders, the AgBank quarterly shareholders' reports and the AgBank District quarterly shareholders' reports are available on AgBank's web site, www.usagbank.com, or may be obtained at no charge by contacting the Administrative Office, Premier Farm Credit, ACA, 202 Poplar, Sterling, CO or by calling 970-522-5295.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**
(Dollars in Thousands, Except as Noted)
(Unaudited)

The following commentary summarizes the principal aspects of the financial position and results of operations of Premier Farm Credit, ACA for the quarter ended September 30, 2007, with comparisons to the prior year and prior quarter. You should read these comments with the accompanying financial statements and footnotes, along with other disclosures contained in this report and the 2006 Annual Report to Shareholders. The accompanying financial statements were prepared under the oversight of the audit committee.

The third quarter of 2007 witnessed a significant run-up in wheat prices. Combined with good production, this will lead to above-average profitability in many dryland operations in our territory. Harvesting of beets and corn is underway and early reports are that yields are average to above-average with commodity prices remaining favorable.

The livestock sector has continued to experience high feed costs, but had a favorable year for pasture as moisture was adequate. Prices remain historically strong.

The Yuma Ethanol facility began operating in August, joining their sister plant in Sterling which has been grinding since November of 2005. The same management team is also breaking ground on a new plant in Bridgeport, Nebraska, which includes investors from our territory.

Water issues continue to dominate the attention of local operators and communities. The Republican River Water Conservation District continues working with the State of Colorado on solutions to ensure the survivability of irrigated agriculture in Eastern Colorado.

Interest rates have been stable throughout the year, but recently the Federal Reserve dropped the Fed Funds rates by 50 basis points. Further movement is anticipated in short term rates by year-end while concern still lingers over the possibility of rising long term rates.

The agricultural economy is strong at this time, leading to stable credit conditions for our Association.

LOAN PORTFOLIO

Loans outstanding at September 30, 2007 totaled \$331,481, an increase of \$28,438, or 9.38%, from loans of \$303,043 at December 31, 2006. The increase was primarily due to seasonal crop expenses accompanied by increased activity in the real estate market.

INVESTMENT IN U.S. AGBANK, FCB (AGBANK)

During March 2007, AgBank issued preferred stock and reduced our required investment in AgBank from 6.25% to 5.00% beginning April 2007. We did not receive a cash redemption for this transaction. However, the then excess investment in AgBank was transferred from required investment to excess investment, both of which are included in investment in AgBank on the Balance Sheet.

RESULTS OF OPERATIONS

Net interest income for the nine months ended September 30, 2007 was \$8,063, an increase of \$890, or 12.41%, from the same period ended one year ago. Interest income increased as a result of increased loan volume and an increased interest environment over last year.

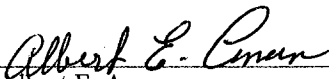
Net income for the nine months ended September 30, 2007 was \$6,480, an increase of \$1,261, or 24.16%, from the same period ended one year ago. This is primarily due to an increase in interest income of \$890 previously

discussed. Also a reversal for loan losses of \$123 was recorded during 2007 as compared to a provision of \$161 last year for a total increase to income this year of \$284.

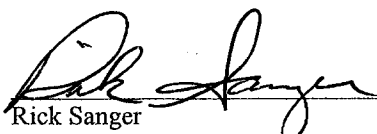
CAPITAL RESOURCES

Our shareholders' equity at September 30, 2007 was \$93,561, an increase from \$87,078 at December 31, 2006. This increase is due to net income, partially offset by stock reductions.

The undersigned certify that this report has been 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 his or her knowledge and belief.



Albert E. Amen
Chairman of the Board
October 31, 2007



Rick Sanger
President & CEO
October 31, 2007

PREMIER FARM CREDIT, ACA
CONSOLIDATED BALANCE SHEET
(Dollars in Thousands)

	September 30 2007	December 31 2006
	UNAUDITED	AUDITED
ASSETS		
Loans	\$ 331,481	\$ 303,043
Less allowance for loan losses	1,934	2,071
Net loans	329,547	300,972
Cash	3,182	7,363
Accrued interest receivable	12,022	6,531
Investment in U.S. AgBank, FCB	12,586	12,586
Premises and equipment	1,462	1,516
Pension asset	674	797
Deferred tax asset	1,488	1,488
Other assets	320	305
Total assets	\$ 361,281	\$ 331,558
LIABILITIES		
Note payable to U.S. AgBank, FCB	\$ 251,088	\$ 225,058
Advance conditional payments	5,919	4,820
Accrued interest payable	8,752	8,694
Patronage distributions payable	-	4,250
Postretirement benefits	452	444
Other liabilities	1,509	1,214
Total liabilities	267,720	244,480
Commitments and contingencies		
SHAREHOLDERS' EQUITY		
Protected borrower stock	3	3
Capital stock	1,060	1,057
Unallocated retained earnings	92,498	86,018
Total shareholders' equity	93,561	87,078
Total liabilities and shareholders' equity	\$ 361,281	\$ 331,558

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

PREMIER FARM CREDIT, ACA
CONSOLIDATED STATEMENT OF INCOME
(Dollars in Thousands)

UNAUDITED	For the three months ended September 30		For the nine months ended September 30	
	2007	2006	2007	2006
INTEREST INCOME				
Loans	\$ 5,900	\$ 5,493	\$ 17,490	\$ 15,590
Total interest income	5,900	5,493	17,490	15,590
INTEREST EXPENSE				
Note payable to U.S. AgBank, FCB	3,191	2,981	9,212	8,282
Other	70	41	215	135
Total interest expense	3,261	3,022	9,427	8,417
Net interest income	2,639	2,471	8,063	7,173
(Loan loss reversal)/Provision for loan losses	21	459	(123)	161
Net interest income after (loan loss reversal)/provision for loan losses	2,618	2,012	8,186	7,012
NONINTEREST INCOME				
Financially related services income	156	97	237	163
Loan fees	58	44	165	146
Patronage distribution from U.S. AgBank, FCB	544	550	1,650	1,682
Other noninterest income	1	-	38	37
Total noninterest income	759	691	2,090	2,028
NONINTEREST EXPENSE				
Salaries and employee benefits	778	768	2,173	2,077
Occupancy and equipment	63	69	187	205
Purchased services from AgVantis, Inc.	92	88	291	276
Purchased services from U.S. AgBank, FCB	20	25	60	75
Farm Credit Insurance Fund premium	117	111	342	323
Supervisory and examination costs	33	35	98	105
Other noninterest expense	238	267	639	751
Total noninterest expense	1,341	1,363	3,790	3,812
Income before income taxes	2,036	1,340	6,486	5,228
Provision for income taxes	1	1	6	9
Net income	\$ 2,035	\$ 1,339	\$ 6,480	\$ 5,219

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

PREMIER FARM CREDIT, ACA
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Dollars in Thousands)

UNAUDITED

	Protected Stock	Capital Stock	Unallocated Retained Earnings	Total Shareholders' Equity
Balance at December 31, 2005	\$ 4	\$ 1,081	\$ 83,824	\$ 84,909
Net income			5,219	5,219
Stock issued	-	63		63
Stock retired	(1)	(85)		(86)
Balance at September 30, 2006	\$ 3	\$ 1,059	\$ 89,043	\$ 90,105
Balance at December 31, 2006	\$ 3	\$ 1,057	\$ 86,018	\$ 87,078
Net income			6,480	6,480
Stock issued	-	76		76
Stock retired		(73)		(73)
Balance at September, 2007	\$ 3	\$ 1,060	\$ 92,498	\$ 93,561

The accompanying notes are an integral part of these 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 Premier 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, 2006, are contained in the 2006 Annual Report to Shareholders. These unaudited third quarter 2007 financial statements should be read in conjunction with the 2006 Annual Report to Shareholders.

The accompanying financial statements contain all adjustments necessary for a fair presentation of the interim financial condition and results of operations, and conform to generally accepted accounting principles and prevailing practices within the banking industry. The results for the nine months ended September 30, 2007, are not necessarily indicative of the results to be expected for the year ended December 31, 2007.

NOTE 2 – LOANS AND ALLOWANCE FOR LOAN LOSSES

	September 30, 2007	September 30, 2006
Balance at beginning of year	\$ 2,071	\$ 1,805
Provision for loan losses/(Loan loss reversal)	(123)	161
Charge-offs	14	86
Recoveries	-0-	-0-
Balance at end of quarter	\$ 1,934	\$ 1,880

Impaired loans are loans for which it is probable that all principal and interest will not be collected according to the contractual terms. The following presents information relating to impaired loans including accrued interest.

	September 30, 2007	September 30, 2006
Impaired loans with related allowance	\$ -0-	\$ -0-
Impaired loans with no related allowance	1,080	2,309
Total impaired loans	\$ 1,080	\$ 2,309
Allowance on impaired loans	\$ -0-	\$ -0-

The following table summarizes impaired loan information.

	For the nine months ended September 30, 2007	September 30, 2006
Average impaired loans	\$ 1,323	\$ 2,460
Interest income recognized on impaired loans	\$ 472	\$ 276

NOTE 3 – INCOME TAXES

On January 1, 2007, the Association adopted Interpretation No. 48, Accounting for Uncertainty in Income Taxes released by the Financial Accounting Standards Board. No adjustments to the deferred tax assets were necessary as a result of this adoption.