

CODE OF ETHICS FOR THE DIRECTORS, CHIEF EXECUTIVE OFFICER, OFFICERS

AND OTHER DESIGNATED EMPLOYEES

AgTexas Farm Credit Service (AgTexas) and its directors, officers and employees have committed to conduct business in accordance with the highest ethical standards as set forth in the Standards of Conduct Policy, which is applicable to the directors, officers and employees/directors relating to ethical conduct, conflicts of interest, and compliance with the law.

This Code of Ethics applies to the Directors, Chief Executive Officer and senior financial officers. AgTexas is responsible for the preparation and distribution of its financial statements and related disclosures and for providing relevant information that is true, accurate and complete to the Funding Corporation for use in preparing the Farm Credit System financial statements and related disclosures. AgTexas expects all of its employees/directors to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities, to comply with all applicable laws, rules and regulations, to deter wrongdoing and abide by its Standards of Conduct Policy and other policies and procedures adopted by AgTexas that govern the conduct of its employees/directors. This Code of Ethics is intended to supplement AgTexas's Standards of Conduct Policy.

You agree to:

- A. Engage in and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
- B. Avoid conflicts of interest and disclose to AgTexas Standard of Conduct Official any material transaction or relationship that reasonably could be expected to give rise to a conflict.
- C. Take all reasonable measures to protect the confidentiality of non-public information about AgTexas and its customers obtained or created in connection with its activities and to prevent the unauthorized disclosure of this information unless required by applicable law or regulation or legal or regulatory process.
- D. Produce full, fair, accurate, timely and understandable disclosure in Bank reports and documents filed with, or submitted to, the Farm Credit Administration, in relevant information provided to the Funding Corporation, and in other public communications made by AgTexas.
- E. Comply with applicable governmental laws, rules and regulations, as well as the rules and regulations of self-regulatory agreements to which AgTexas is a party.

You are prohibited from directly or indirectly taking any action to fraudulently influence, coerce, manipulate or mislead AgTexas's independent public accountant for the purpose of rendering the financial statements of AgTexas misleading.

You understand that you will be held accountable for adherence to the Code of Ethics. Your failure to observe the terms of this Code of Ethics may result in disciplinary action, up to and including termination of employment/position. Violations of the Code of Ethics may also constitute violations of law and may result in civil and criminal penalties for you, your supervisors or AgTexas.

Please report any possible violation of this Code of Ethics to Listen Up by *Calling toll-free ANY TIME (1-866-398-0010); Submitting a report via the web www.listenupreports.com; or Writing a letter to Listen Up Reports, P.O. Box 274; Highland Park, IL 60035.*

Listen Up is an independent provider of confidential communication systems and services.

Any individual contacting Listen Up will remain anonymous when reporting any possible violation of this Code of Ethics.

STANDARD OF CONDUCT/CODE OF ETHICS VIOLATIONS

CONSEQUENCES AND DISCIPLINARY METHODOLOGY FOR FAILURE TO COMPLY

Purpose

To define consequences and disciplinary methodology for failure to comply with: 1) the disclosure provisions of the Standard of Conduct Guidelines and Procedures; 2) any requirements associated with AgTexas issued approvals on activities; and 3) Code of Ethics.

Definition

All employee must: 1) make proper disclosure of all activities in which they are or intend to become involved as specified in the Standard of Conduct/Code of Ethics Manual, and 2) comply with the provisions associated with activity approvals issued by AgTexas.

Provisions

All employees/directors must adhere to the disclosure procedures and activity conditions as specified in the Standard of Conduct/Code of Ethics Manual. Proper disclosure is achieved through the use of Form 2150. This form will also document any special conditions to which employees/directors must adhere for the approval of the activity to remain valid.

Responsibilities

Instances wherein an employee: 1) filed a false or improper disclosure, or failed to disclose as required; or 2) failed to comply with the terms of the approval, will be reported to the standard of conduct official of AgTexas.

The standard of conduct official is charged with the responsibility of investigating allegations and issuing a written report of findings, conclusions, and recommended action including possible disciplinary proceedings to AgTexas Chief Executive Officer.

AgTexas Chief Executive Officer is responsible for ruling on the investigation report and enacting the proper disciplinary proceeding. Disciplinary actions may range from a reprimand to immediate discharge of the employee.

Any action culminating in the discharge of an employee must be reported promptly to the Farm Credit Administration.

Exceptions

There are no exceptions.

INVOLUNTARY TERMINATION FOR CAUSE

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Severance will not be payable if an employee is involuntarily terminated for a violation of the Standard of Conduct/Code of Ethics requirements as provided.

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for the Directors, Chief Executive Officer, Officers, and Other Designated Employees

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This Code of Ethics applies to the Directors, Chief Executive Officer, the Chief Financial Officer, Chief of Operations Officer, the Chief Credit Officer, all senior vice presidents and vice presidents, as well as any of the following positions in the Financial Accounting and Reporting Department: Controller and Assistant Controller, Sr. Financial Analyst, Accounting Operations & GL, Financial Reporting, and any other persons in similar positions directly responsible for financial reporting . AgTexas is responsible for the preparation and distribution of its financial statements and related disclosures and for providing relevant information that is true, accurate and complete to the Funding Corporation for use in preparing the Farm Credit System financial statements and related disclosures. AgTexas expects all of its employees/directors to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities, to comply with all applicable laws, rules and regulations, to deter wrongdoing and abide by its Standards of Conduct Policy and other policies and procedures adopted by AgTexas that govern the conduct of its employees/directors. This Code of Ethics is intended to supplement AgTexas's Standards of Conduct Policy.

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March 2005

**Your Personal Commitment to the
AgTexas Code of Ethics for the
Directors, Chief Executive Officer, Officers, and Other Designated Employees**

I acknowledge that I have received and read the AgTexas Code of Ethics for the Directors, Chief Executive Officer, Officers, and Other Designated Employees, and I understand my obligations as an employee/director to comply with the Code of Ethics.

I understand that my agreement to comply with the Code of Ethics does not constitute a contract of employment/position.

Signature: _____

Date: _____

Name:

Title:

Once signed and completed, this form must be returned to the AgTexas Chief Financial Officer.