

FEDERAL AGRICULTURAL MORTGAGE CORP
 Form 4
 August 17, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 NELSON JOHN G III

2. Issuer Name and Ticker or Trading Symbol
 FEDERAL AGRICULTURAL MORTGAGE CORP [AGM]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)

Director 10% Owner
 Officer (give title below) Other (specify below)

51918 ALEXANDER ROAD EAST

08/15/2006

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

REARDAN, WA 99029

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Class C Non-Voting Common Stock	08/15/2006		M ⁽¹⁾		3,000 A \$ 11.8333	3,465	D
Class C Non-Voting Common Stock	08/15/2006		S ⁽¹⁾		3,000 D \$ 28.2733	465	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Employee Stock Option (Right to buy)	\$ 11.8333	08/15/2006		M ⁽¹⁾	3,000	05/31/1999 06/13/2007	Class C Non-Voting Common Stock	6,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NELSON JOHN G III 51918 ALEXANDER ROAD EAST REARDAN, WA 99029			X	

Signatures

/s/ Stephen P. Mullery, as attorney-in-fact for John G. Nelson, III

08/17/2006

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) This report reflects (on Table I) (i) the acquisition of 3,000 shares of Class C Non-Voting Common Stock through a partial exercise of a previously partially exercised employee stock option acquired by the reporting person in June 1997 pursuant to former Rule 16b-3; and (ii) the sale of 3,000 shares of Class C Stock; and (on Table II) the closing of the June 1997 employee stock option. The exercise of the June 1997 employee stock option is exempt under Section 16(b) under Rule 16b-6, but is reported herein pursuant to Rule 16a-4.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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