

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2006

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number 0-14492

FARMERS & MERCHANTS BANCORP, INC.
(Exact name of registrant as specified in its charter)

OHIO
(State or other jurisdiction of
incorporation or organization)

34-1469491
(I.R.S Employer
Identification No.)

307-11 North Defiance Street, Archbold, Ohio
(Address of principal executive offices)

43502
(Zip Code)

(419) 446-2501
Registrant's telephone number, including area code

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer ___ Accelerated filer Non-accelerated filer ___
--- ---

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ___ No
--- ---

Indicate the number of shares of each of the issuers classes of common stock, as of the latest practicable date:

Common Stock, No Par Value	5,176,000
Class	Outstanding as of October 25, 2006

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10Q

FARMERS & MERCHANTS BANCORP, INC.

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ITEM 1 FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in thousands of dollars)

	Sept 30, 2006	Dec 31, 2005
	-----	-----
ASSETS:		
Cash and due from banks	\$ 15,652	\$ 20,056
Interest bearing deposits with banks	306	2,533
Federal funds sold	512	0
Investment Securities:		
U.S. Treasury	2,382	2,355
U.S. Government	113,558	138,358
State & political obligations	50,892	62,891
All others	4,004	3,838
Loans and leases (Net of reserve for loan losses of \$5,716 & \$5,388 respectively)	490,787	458,704
Bank premises and equipment-net	14,314	14,874
Accrued interest and other assets	16,042	17,336
	-----	-----
TOTAL ASSETS	\$708,449	\$720,945
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Deposits:		
Noninterest bearing	\$ 50,889	\$ 64,791
Interest bearing	505,733	511,506
Federal funds purchased and securities sold under agreement to repurchase	30,844	21,158
Other borrowed money	28,963	34,952
Accrued interest and other liabilities	5,432	5,950
	-----	-----
Total Liabilities	621,861	638,357
SHAREHOLDERS' EQUITY:		
Common stock, no par value - authorized 6,500,000 shares; issued 5,176,000 shares	12,677	12,677
Treasury Stock - 24,000 shares, Unearned stock awards 9,720 shares and for Dec. 31, 2005 - 80 shares, Unearned stock 3,920 shares	(569)	(115)
Undivided profits	75,830	71,933
Accumulated other comprehensive income (expense)	(1,350)	(1,907)
	-----	-----
Total Shareholders' Equity	86,588	82,588
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY	\$708,449	\$720,945
	=====	=====

See Notes to Condensed Consolidated Unaudited Financial Statements.

Note: The December 31, 2005 Balance Sheet has been derived from the audited financial statements of that date.

FARMERS & MERCHANTS BANCORP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(in thousands of dollars, except per share data)

	Three Months Ended		Nine Months Ended	
	Sept 30, 2006	Sept 30, 2005	Sept 30, 2006	Sept 30, 2005
INTEREST INCOME:				
Loans and leases	\$ 9,035	\$ 7,794	\$ 25,778	\$ 23,133
Investment Securities:				
U.S. Treasury securities	19	34	56	100
Securities of U.S. Government agencies	1,045	960	3,404	2,857
Obligations of states and political subdivisions	515	508	1,633	1,521
Other	57	46	166	130
Federal funds	57	--	158	1
Deposits in banks	3	42	10	132
	-----	-----	-----	-----
Total Interest Income	10,731	9,384	31,205	27,874
INTEREST EXPENSE:				
Deposits	4,126	3,058	11,427	8,537
Borrowed funds	711	384	1,955	1,083
Total Interest Expense	4,837	3,442	13,382	9,620
NET INTEREST INCOME BEFORE				
PROVISION FOR LOAN LOSSES	5,894	5,942	17,823	18,254
PROVISION FOR LOAN LOSSES	652	(352)	617	(461)
NET INTEREST INCOME AFTER				
PROVISION FOR LOAN LOSSES	5,242	6,294	17,206	18,715
OTHER INCOME:				
Service charges	977	1,041	2,723	2,706
Other	651	624	1,958	1,904
Net securities gains (losses)	(1)	5	(9)	5
	-----	-----	-----	-----
	1,627	1,670	4,672	4,615
OTHER EXPENSES:				
Salaries and wages	2,093	2,197	6,194	6,391
Pension and other employee benefits	599	585	1,832	1,685
Occupancy expense (net)	192	157	486	486
Other operating expenses	1,079	1,976	5,005	5,968
	-----	-----	-----	-----
	3,963	4,915	13,517	14,530
INCOME BEFORE FEDERAL INCOME TAX				
	2,906	3,049	8,361	8,800
FEDERAL INCOME TAXES	789	821	2,257	2,336
	-----	-----	-----	-----
NET INCOME	2,117	2,228	6,104	6,464
	=====	=====	=====	=====
OTHER COMPREHENSIVE INCOME (NET OF TAX):				
Unrealized gains (losses) on securities	1,331	(449)	557	(1,090)
COMPREHENSIVE INCOME (EXPENSE)	\$ 3,448	\$ 1,779	\$ 6,661	\$ 5,374
NET INCOME PER SHARE	\$ 0.41	\$ 0.43	\$ 1.18	\$ 1.24
Based upon average weighted shares outstanding of:	5,185,883	5,198,956	5,191,832	5,199,648
DIVIDENDS DECLARED	\$ 0.15	\$ 0.12	\$ 0.43	\$ 0.34

No disclosure of diluted earnings per share is required as shares are antidiluted as of quarter end.

See Notes to Condensed Consolidated Unaudited Financial Statements.

FARMERS & MERCHANTS BANCORP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands of dollars)

	Nine Months Ended	
	Sept 30, 2006	Sept 30, 2005
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 6,104	\$ 6,464
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	839	910
Premium amortization	535	890
Discount amortization	(211)	(99)
Provision for loan losses	617	(461)
Provision (Benefit) for deferred income taxes	--	561
(Gain) Loss on sale of fixed assets	26	38
(Gain) Loss on sale of investment securities	9	(5)
Changes in Operating Assets and Liabilities:		
Accrued interest receivable and other assets	1,061	(1,412)
Accrued interest payable and other liabilities	(517)	1,079
	-----	-----
Net Cash Provided by Operating Activities	8,463	7,965
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(305)	(472)
Net (increase) decrease in Federal Funds Sold	(512)	--
Proceeds from sale of fixed assets	--	--
Proceeds from maturities of investment securities:	37,457	25,118
Proceeds from sale of investment securities:	19,006	--
Purchase of investment securities	(19,336)	(38,679)
Net (increase) decrease in loans and leases	(32,700)	12,378
	-----	-----
Net Cash Provided (Used) by Investing Activities	3,610	(1,655)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in deposits	(19,675)	(10,219)
Net change in short-term borrowings	9,686	1,957
Increase in long-term borrowings	--	5,000
Payments on long-term borrowings	(5,989)	(1,041)
Purchase of Treasury stock	(454)	--
Payments of dividends	(2,272)	(1,885)
	-----	-----
Net Cash Provided (Used) by Financing Activities	(18,704)	(6,188)
Net change in cash and cash equivalents	(6,631)	122
Cash and cash equivalents - Beginning of year	22,589	24,256
	-----	-----
CASH AND CASH EQUIVALENTS - END OF THE YEAR	\$ 15,958	\$ 24,378
	=====	=====
RECONCILIATION OF CASH AND CASH EQUIVALENTS:		
Cash and cash due from banks	\$ 15,652	\$ 15,181
Interest bearing deposits	306	9,197
	-----	-----
	\$ 15,958	\$ 24,378
	=====	=====

See Notes to Condensed Consolidated Unaudited Financial Statements.

Notes to Condensed Consolidated Unaudited Financial Statements

NOTE 1 BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10Q and Rule 10-01 of Regulation S-X; accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring accruals, considered necessary for a fair presentation have been included. Operating results for the nine months ended September 30, 2006 are not necessarily indicative of the results that are expected for the year ended December 31, 2006. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2005.

The Company's Board of Directors declared a 4 for 1 stock split effective May 12, 2006. Therefore, all references in the financial statements and other disclosures related to the number of shares and per share amounts of the Company's stock have been retroactively restated to reflect the increased number of shares outstanding.

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Statements contained in this portion of the Company's report may be forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "intend," "believe," "expect," "anticipate," "should," "planned," "estimated," and "potential." Such forward-looking statements are based on current expectations, but may differ materially from those currently anticipated due to a number of factors, which include, but are not limited to, factors discussed in documents filed by the Company with the Securities and Exchange Commission from time to time. Other factors which could have a material adverse effect on the operations of the company and its subsidiaries which include, but are not limited to, changes in interest rates, general economic conditions, legislative and regulatory changes, monetary and fiscal policies of the U.S. Government, including policies of the U.S. Treasury and the Federal Reserve Board, the quality and composition of the loan or investment portfolios, demand for loan products, deposit flows, competition, demand for financial services in the Bank's market area, changes in relevant accounting principles and guidelines and other factors over which management has no control. The forward-looking statements are made as of the date of this report, and the Company assumes no obligation to update the forward-looking statements or to update the reasons why actual results differ from those projected in the forward-looking statements.

CRITICAL ACCOUNTING POLICY AND ESTIMATES

The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, and the Company follows general practices within the industries in which it operates. At times the application of these principles requires Management to make assumptions estimates and judgments that affect the amounts reported in the financial statements. These assumptions, estimates and judgments are based on information available as of the date of the financial statements. As this information changes, the financial statements could reflect different assumptions, estimates and judgments. Certain policies inherently have a greater reliance on assumptions, estimates and judgments and as such have a greater possibility of producing results that could be materially different than originally reported. Examples of critical assumptions, estimates and judgments are when assets and liabilities are required to be recorded at fair value, when a decline in the value of an asset not required to be recorded at fair value warrants an impairment write-down or valuation reserve to be established, or when an asset or liability must be recorded contingent upon a future event.

Based on the valuation techniques used and the sensitivity of financial statement amounts to assumptions, estimates, and judgments underlying those amounts, management has identified the determination of the Allowance for Loan and Lease Losses (ALLL) and the valuation

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS (Continued)

of its Mortgage Servicing Rights as the accounting areas that requires the most subjective or complex judgments, and as such could be the most subject to revision as new information becomes available.

The ALLL represents management's estimate of credit losses inherent in the Bank's loan portfolio at the report date. The estimate is composite of a variety of factors including past experience, collateral value and the general economy. ALLL includes a specific portion, a formula driven portion, and a general nonspecific portion.

Farmers & Merchants Bancorp, Inc. was incorporated on February 25, 1985, under the laws of the State of Ohio. Farmers & Merchants Bancorp, Inc., and its subsidiaries The Farmers & Merchants State Bank and Farmers & Merchants Life Insurance Company are engaged in commercial banking and life and disability insurance, respectively. The executive offices of Farmers & Merchants Bancorp, Inc. are located at 307-11 North Defiance Street, Archbold, Ohio 43502.

LIQUIDITY, CAPITAL RESOURCES AND MATERIAL CHANGES IN FINANCIAL CONDITION

Commercial loans grew again in the third quarter 2006 by \$2.6 million from the second quarter which showed a \$13 million improvement over the first quarter of 2006. Commercial real estate grew \$4.1 million in the third quarter 2006 which reflects a steady improvement also, as the second quarter also improved by \$3.9 million. The agricultural portfolio regained \$1.8 million of the \$3.2 million decline experienced in the second quarter 2006 period. Consumer loans slid downward by \$1.0 million which was very similar to the second quarter decline of \$1.2 million. Despite some declines quarter over quarter the total loan portfolio increased by \$5.6 million which improves the year to date increase by \$31.6 million for the year. The bank's goal is still to improve the total loan portfolio with quality loans. The average year to date loan to deposit ratio at third quarter end was 85.2 %, second quarter was at 83.6 %, first quarter was at 81.3 % and December 2005 was at 82.1% respectfully.

The past due ratios by quarter ends were September 0.80 %, for June at 0.73 %, for March at 1.16 % and month ended December 2005 at 1.37% respectfully. This continuous improvement in past due ratios reflects the importance of making good quality loans while increasing the loan portfolio mentioned above.

The bank was less aggressive in lowering the total securities portfolio in the third quarter with only a \$311 thousand change in the quarter. The second quarter decreased by \$22 million combined with the \$14 million first quarter for a total year to date amount of \$36.3 million to help to fund loan growth. This was a better alternative than raising more expensive money in the CD markets. The bank's assets grew by \$5.9 million over the second quarter but are still \$11.5 million lower than at year end December 2005.

Deposit production reversed direction in the third quarter increasing by \$13.3 million while the second quarter decreased by \$20 million and the first quarter was down \$13 million. The bank did not want to see any further CD monies leaving the bank as was experienced in the prior quarters. The bank continued to carry "special CD promotion programs" throughout the quarter. The bank focused on having or establishing a relationship (check) account tied to these CD programs.

The net interest margin for September was 3.68 %, June was 3.70 %, March dropped to 3.66 % and December 2005 was at 3.79 % respectfully. The Federal Reserve has chosen to not increase their rate and it is hoped that this trend will continue out into the future for awhile. The bank continues to focus it's attention on non-interest income and ways to reduce the non-interest expense side.

At the annual meeting in April of 2005 the stockholders approved a long term stock incentive plan for some of the employees of the bank. In September 2005 there was a Treasury stock award of a total 1000 shares (before stock split 4:1 or equivalent to 4000 shares after) made under the provisions of the plan. In September 2006 there was a second award of 6000 shares to some employees, again based on the provision of the plan. The awards carry a three year cliff vesting stipulation and the employees also receive dividend equivalent compensation over that time period on their portion of stock awards.

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS (Continued)

MATERIAL CHANGES IN RESULTS OF OPERATIONS

The income statement shows the effects of the tightening of the interest margin. Interest income for the nine months ended September 2006 was \$31.2 million while the nine months ended September 2005 was \$27.9 million. The \$3.3 million increase reflects the increase in the loan portfolio balances and repricing with higher loan rates. This is however off set by increased interest rates on deposits of \$3.7 million for a net interest decrease of \$400 thousand over the nine months ended September year to year.

Total non interest income reflects a 2.5% increase over the nine months of September 2006 and September 2005. The primary contributions to the \$120 thousand increase were in customer service fees, overdraft checking charges and gain on sale of assets.

The total non interest expense reflects only a 0.7% increase or \$102 thousand for the nine months ended September 2006 to September 2005 time frames. Employee fringe benefit costs increased by \$147 thousand, primarily in the employee health expenses. Consulting fees on the overdraft checking program are higher for the nine months ended September 2006 compared to September 2005. Auditing & examinations were \$104 thousand lower in the quarter ended September 2006 when compared to September 2005 which included additional costs related to the implementation of internal control over financial reporting requirements mandated by the Sarbanes-Oxley Act. FDIC assessments were \$91 thousand less due to lower rates in the current year.

A refinement in the methodology for the Allowance for Credit Losses has been adopted and implemented in the September financials. The end result was an entry to decrease the unfunded allowance (representing income) and an increase to the allowance for loan loss (representing an expense). The allowance for overdraft losses methodology remained unchanged. Year to date the net impact to the allowance for credit losses running through the income statement has been an increase to income of \$75 thousand.

The company continues to be well-capitalized as the capital ratios below show:

Primary Ratio	13.24%
Tier I Leverage Ratio	12.41%
Risk Based Capital Tier 1	16.53%
Total Risk Based Capital	17.63%
Stockholders' Equity/Total Assets	12.22%

ITEM 3 MARKET RISK

Market risk is the exposure to loss resulting from changes in interest rates and equity prices. The primary market risk to which the Company is subject is interest rate risk. The majority of the Company's interest rate risk arises, from the instruments, positions and transactions entered into for the purposes, other than trading, such as loans, available for sale securities, interest bearing deposits, short term borrowings and long term borrowings. Interest rate risk occurs when interest bearing assets and liabilities reprice at different times as market interest rates change. For example, if fixed rate assets are funded with variable rate debt, the spread between asset and liability rates will decline or turn negative if rates increase.

Interest rate risk is managed within an overall asset/liability framework for the Company. The principal objectives of asset/liability management are to manage sensitivity of net interest spreads and net income to potential changes in interest rates. Funding positions are kept within predetermined limits designed to ensure that risk-taking is not excessive and that liquidity is properly managed. The Company employs a sensitivity analysis in the form of a net interest rate shock as shown in the table following.

Interest Rate Shock on Net Interest Margin			Interest Rate Shock on Net Interest Income		
Net Interest Margin (Ratio)	% Change to Flat Rate	Rate Direction	Rate Changes by	Cumulative Total (\$000)	% Change to Flat Rate
3.57%	-10.979%	Rising	3.000%	19,301	-9.895%
3.72%	-7.283%	Rising	2.000%	20,012	-6.577%
3.86%	-3.623%	Rising	1.000%	20,719	-3.279%
4.01%	0.000%	Flat	0.000%	21,421	0.000%
4.07%	1.476%	Falling	-1.000%	21,640	1.024%
4.10%	2.398%	Falling	-2.000%	21,545	0.580%
4.12%	2.731%	Falling	-3.000%	21,311	-0.515%

Loan growth during the quarter of over \$6 million was funded with certificate of deposit money of over \$13 million, lowering the net interest margin at the flat rate to 4.01% compared to 4.08% at end of June 2006. Growth in the certificate of deposit market coupled with repricing increased the cost of funds greater than the increase on the earning. assets. The risk for rising rates is slightly greater than the gain represented from rates being lowered. The shock report actually shows improvement to earnings in two scenarios of decreasing rates. The prime rate remained unchanged during the third quarter and the interest rate shown in the flat rate environment represents an improvement over the 12 month period as compared to the current net interest margin.

The net interest margin represents the forecasted twelve month margin. The predicted rates are higher than the current net interest margin in the flat and 25 basis point adjustment buckets indicating the bank should continue to see improvement in the net interest margin. Overall, the risk to the bank is within policy at all shock levels. The Company remains committed to improve profitability through growth, both within the loan portfolio and in core deposits. Changing the mix and yields to improve profitability is the strategy the Company will continue to follow for the remainder of the year.

ITEM 4 CONTROLS AND PROCEDURES

As of September 30, 2006, an evaluation was performed under the supervision and with the participation of the Company's management including the CEO and CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective as of September 30, 2006. There have been no significant changes in the Company's internal controls that occurred for the quarter ended September 30, 2006.

PART II

ITEM 1 LEGAL PROCEEDINGS

None

ITEM 1A There have been no material changes in the risk factors disclosed by Registrant in its Report on Form 10-K for the fiscal year ended December 31, 2005.

ITEM 2 UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plan or Programs	(d) Maximum Number of Shares that may yet be purchased under the Plans or Programs
7/1/2006 to 7/30/2006	--	--	--	13,000
8/01/2006 to 8/31/2006	2,500	\$23.25	2,500	10,500
9/01/2006 to 9/30/2006	10,500	\$22.13	10,500	0
Total	13,000	\$22.35	13,000(1)	0(2)

- (1) The Company purchased these shares pursuant to a stock repurchase program publicly announced on December 19, 2005. On that date, the Board of Directors authorized the repurchase of 5,000 common shares between January 1, 2006 and December 31, 2006.
- (2) The four-for one stock split effected by the Board of Directors on May 12, 2006 effectively increased the aggregate number of shares authorized for repurchase to 20,000.

ITEM 3 DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITIES HOLDERS

None

ITEM 5 OTHER INFORMATION

ITEM 6 EXHIBITS

- 3.1 Amended Articles of Incorporation of the Registrant (incorporated by reference to Registrant's Quarterly Report on Form 10-Q filed with the Commission on August 1, 2006)
- 3.2 Code of Regulations of the Registrant (incorporated by reference to Registrant's Quarterly Report on Form 10-Q filed with the Commission on May 10, 2004)
- 31.1 Rule 13-a-14(a) Certification -CEO
- 31.2 Rule 13-a-14(a) Certification -CFO
- 32.1 Section 1350 Certification - CEO
- 32.2 Section 1350 Certification - CFO

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Farmers & Merchants Bancorp, Inc.,

Date: October 25, 2006

By: /s/ Paul S. Siebenmorgen

Paul S. Siebenmorgen
President and CEO

Date: October 25, 2006

By: /s/ Barbara J. Britenriker

Barbara J. Britenriker
Exec. Vice-President and CFO

Exhibit Index

Exhibit No.	Description
3.1	Amended Articles of Incorporation of the Registrant (incorporated by reference to Registrant's Quarterly Report on Form 10-Q filed with the Commission on August 1, 2006)
3.2	Code of Regulations of the Registrant (incorporated by reference to Registrant's Quarterly Report on Form 10-Q filed with the Commission on May 10, 2004)
31.1	Rule 13-a-14(a) Certification -CEO
31.2	Rule 13-a-14(a) Certification -CFO
32.1	Section 1350 Certification - CEO
32.2	Section 1350 Certification - CFO

CERTIFICATIONS

I, Paul S. Siebenmorgen, President and CEO of Farmers & Merchants Bancorp, Inc., certify that:

- 1 I have reviewed this quarterly report on Form 10-Q of Farmers & Merchants Bancorp, Inc.;
- 2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3 Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in the Exchange Acts Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
- 5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 25, 2006

/s/ Paul S. Siebenmorgen

 Paul S. Siebenmorgen
 President and Chief Executive Officer

CERTIFICATIONS

I, Barbara J. Britenriker, Executive Vice-President and CFO of Farmers & Merchants Bancorp, Inc., certify that:

- 1 I have reviewed this quarterly report on Form 10-Q of Farmers & Merchants Bancorp, Inc.;
- 2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3 Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in the Exchange Acts Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
- 5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2006

/s/ Barbara J. Britenriker

 Barbara J Britenriker
 Executive Vice President and
 Chief Financial Officer

ADDITIONAL EXHIBIT CERTIFICATIONS - ITEM 601(b)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Farmers & Merchants Bancorp, Inc. on Form 10-Q for the period ending September 30, 2006, as filed with the Securities and Exchange Commission ("the report"), I, Paul S. Siebenmorgen, President and Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1 The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2 The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Farmers & Merchants Bancorp, Inc. as of the dates and for the periods expressed in the Report.

Date: October 25, 2006

/s/ Paul S. Siebenmorgen

Paul S. Siebenmorgen, President and
Chief Executive Officer

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Farmers & Merchants Bancorp, Inc. on Form 10-Q for the period ending September 30, 2006, as filed with the Securities and Exchange Commission ("the report"), I, Barbara J. Britenriker, Exec. Vice-President and Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1 The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2 The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Farmers & Merchants Bancorp, Inc. as of the dates and for the periods expressed in the Report.

Date: October 25, 2006

/s/ Barbara J. Britenriker

Barbara J. Britenriker, Exec. Vice
President and Chief Financial Officer