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FCA board receives 2020 annual report on the Farm Credit System's young, beginning, and small farmer lending

McLEAN, Va., Aug. 13, 2021 — At its monthly meeting yesterday, the Farm Credit Administration board received FCA's 2020 Annual Report on the Farm Credit System's Young, Beginning, and Small (YBS) Farmer Mission Performance.

FCA defines young farmers as those who are 35 years old or younger, beginning farmers as those who have been farming for 10 years or less, and small farmers as those with gross annual sales of less than \$250,000.

Outstanding loans

Both the dollar volume of the System's total loans outstanding and the dollar volume of YBS loans outstanding increased in 2020. Total System loan dollar volume outstanding increased by 11.3%, and loan dollar volume outstanding to young farmers increased by 8.0%, to beginning farmers by 12.5%, and to small farmers by 12.9%.

The total number of loans outstanding both for the System as a whole and for YBS borrowers also grew in 2020. The number of total System loans outstanding increased by 3.5%. The number of loans outstanding to young farmers increased by 2.1%, to beginning farmers by 4.1%, and to small farmers by 2.4%.

New loans

The dollar volume of loans made in 2020 increased significantly for the System as a whole and even more for the YBS categories. From Dec. 31, 2019, to Dec. 31, 2020, the System's overall new loan dollar volume increased by 31.6%. New loan dollar volume to young farmers increased by 36.9%, to beginning farmers by 57.4%, and to small farmers by 63.0%.

The number of loans made during the year also increased substantially in 2020 for total System lending and for all YBS categories. The number of total System loans made during the year increased by 37.4%. The number of loans to young farmers increased by 34.0%, to beginning farmers by 40.6%, and to small farmers by 34.9%.

System institutions are required by law and FCA regulation to maintain programs to provide sound and constructive credit and related services to YBS farmers and ranchers. They must report annually to FCA on their YBS lending activity.

"The Farm Credit System has made consistent efforts to serve YBS farmers, but the average age of American farmers has continued to rise," said FCA Board Chairman and CEO Glen Smith in a statement at the board meeting. "USDA reported in 2017 that the average age of U.S. farm producers was 57.5 years, up 1.2 years from 2012. There obviously is work to be done in continuing to improve and advance the System's YBS programs. It makes sense from a business development standpoint. It makes sense for the security of American agriculture."

For more information about the System's YBS farmer lending in 2020, see the [related fact sheet \(PDF\)](#). Also, see the [PowerPoint presentation \(PDF\)](#) used at the FCA board meeting.

Final rule on standards of conduct

In other business, the board approved a final rule to amend its standards of conduct regulations. The final rule establishes the core principles essential for a System institution to foster an ethical culture and requires each Farm Credit bank and association to develop policies and procedures to implement those principles. The rule also identifies key components included in reporting conflicts of interest and lists the responsibilities of the standards of conduct official.

In response to public comments on the proposed rule, which was published on June 15, 2018, the agency clarified its position on certain points and finalized some, but not all, of the proposed reorganization. The final rule will take effect 30 days after publication in the Federal Register during which either body of Congress is in session. Notice of the effective date will be published in the Federal Register.

Board approves abstract for the Fall 2021 Unified Agenda submission

In other business, the FCA board approved two documents: the Fall 2021 Abstract of the Unified Agenda of Federal Regulatory and Deregulatory Actions, and the Fall 2021 Regulatory Projects Plan.

The information in the abstract will be used in the official Unified Regulatory Agenda, which is published semiannually on the internet at reginfo.gov. The regulatory projects plan describes the regulatory projects scheduled for the next 12 to 24 months. The plan is posted on the agency's [Regulatory projects plan webpage](#) after it has been approved by the Office of Management and Budget.

Notational votes

Since the July 8 FCA board meeting, one notational vote has occurred. Notational votes are actions the FCA board takes between board meetings.

On July 16, the FCA board approved a request by the Farm Credit Leasing Services Corporation to make a \$30 million dividend payment to CoBank in 2021.

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The Farm Credit Administration is the safety and soundness regulator of the Farm Credit System. The System consists of two government-sponsored enterprises — a nationwide network of cooperative banks and associations established in 1916, and a secondary market entity known as the Federal Agricultural Mortgage Corporation (Farmer Mac), which was established in 1988. The System's borrower-owned banks and associations provide credit to farmers, ranchers, residents of rural communities, agricultural and rural utility cooperatives, and other eligible and creditworthy borrowers. Farmer Mac provides a secondary market for agricultural real estate loans, rural housing mortgage loans, and certain rural utility loans. FCA news releases are available on the web at www.fca.gov.