Frequently Asked Questions and Step-by-Step Instructions for Preparing the 2022 Young, Beginning, and Small Farmers and Ranchers Report

Each bank in the Farm Credit System must obtain from the associations under its supervision reports of activities under programs developed for young, beginning, and small (YBS) farmers and ranchers.

Based on these reports, you must provide the Farm Credit Administration (FCA) with an annual report that summarizes the operations and achievements of YBS programs in your district.

These requirements are outlined in the following:

- [Section 4.19](#) of the Farm Credit Act of 1971, as amended

- FCA regulations [614.4165(b)](#) and [620.5(k)(3)](#)

The questions and answers below provide general guidance for reporting these activities, and the instructions that follow explain step-by-step how to enter your data and submit your report.

Frequently Asked Questions

When do we file our YBS reports?

You must submit all reports to FCA on or before February 10, 2023.

You should keep copies of the YBS reports you submit to FCA and instruct your district direct- lending associations to keep copies of the YBS data they submit to you.

What are the reporting periods for these reports?

The reporting period for gross new YBS lending is January 1 through December 31, 2022. Outstanding YBS loans includes all loans designated as YBS on the books as of December 31, 2022.

What should our YBS report contain?

Your report should include four elements:

1. Number and dollar volume of all YBS loans outstanding for the bank and each affiliated association.

2. Number and dollar volume of all new YBS loans for the bank and each affiliated association.

3. A districtwide summary report for YBS loan activity. The Access database automatically generates this report after you enter the YBS loan data for your district.

4. A comparison report for each association and the bank. The Access database automatically generates this report after you enter the YBS loan data for your district. The report highlights any increases or decreases from the previous year of 25 percent or more for a reporting category. *Important*: You must include a narrative explaining such increases or decreases for each highlighted reporting category for each association and your bank.

What are the definitions for "young," "beginning," "small," and other terms for purposes of this report?

Young farmer or rancher: A farmer, rancher, or producer or harvester of aquatic products who is age 35 or younger as of the date the loan is originally made.

Beginning farmer or rancher: A farmer, rancher, or producer or harvester of aquatic products who has 10 years or less of experience at farming, ranching, or producing or harvesting aquatic products as of the date the loan is originally made.

Small farmer or rancher: A farmer, rancher, or producer or harvester of aquatic products who normally generates less than $250,000 in annual gross sales of agricultural or aquatic products at the date the loan is originally made. An individual loan to a small borrower must be reported in one of four loan size categories:
- $0–$50,000
- $50,001–$100,000
- $100,001–$250,000
- $250,001–above

Gross New Loans: All new loan and lease numbers and dollar volume transacted during the reporting year. For more information, see the definitions below for "loan" and "new loan."

Total Outstanding Loans (Portfolio): The total number and dollar amount of loans representing extensions of credit or leases to borrowers outstanding at year-end.

Loan: An extension of, or a commitment to extend, credit authorized under the Farm Credit Act, whether it results from direct negotiations between a lender and a borrower or is purchased from, or discounted for, another lender, including participation interests. The term "loan" includes the following:

- Loans and leases outstanding
- Obligated but undisbursed commitments to lend or lease
- Contracts of sale
- Notes receivable
- Other similar obligations, guarantees, and leases

Individual notes signed by a borrower will constitute separate loans for this report. However, individual advances made under a note (even though the terms and conditions of repayment under each advance may be different) do not constitute individual loans for the purposes of this report.

New loan: A loan that was closed during the calendar year. Include loans that were renegotiated or refinanced during the year if they met at least one of the following conditions:

- It commits additional funds.
- It substitutes or adds a different borrower or lessee.
- It contains substantially different terms and conditions.
- It involves new and separate credit decisions.

What if the same loan applies to multiple YBS categories?

Report each individual YBS loan in each category for which it meets the criteria. For example, a loan to a 32-year-old rancher with seven years of ranching experience whose ranch generates less than $250,000 in annual gross sales would be reported in each category— young, beginning, and small.

A loan to a family corporation, partnership, or other business structure where the owners are the operators of the farming or ranching enterprise will qualify for being reported in the young and beginning categories if any individual who is obligated on

the promissory note meets the criteria for one or both categories.

A loan to a closely held legal entity will qualify for being reported in the YBS categories if a YBS borrower has a material ownership interest in the entity. A loan to a publicly held entity or other entity that is not closely held will not qualify for YBS reporting.

For borrowers with multiple agricultural operations, aggregate annual gross sales from their operations to determine if the operations qualify for the "small" YBS category. Do not aggregate the annual sales of all borrowers where it is clear that only one borrower will be the beneficiary of the loan proceeds and the other borrowers are on the note as guarantors only.

A loan made for the purpose of processing and marketing will qualify as a YBS loan if any individual who is obligated on the promissory note has separately satisfied the criteria for being classified as a young or beginning farmer or rancher. Aggregate annual sales of all borrowers on such notes to determine qualification for the "small" category.

Continue reporting all YBS loan balances until they are repaid in full unless the loan becomes a "new loan" as defined above. Until a loan is repaid in full, any remaining loan balances outstanding at year-end will be included in the following year's YBS report to FCA.

How do we report participation loans?

Report dollar volumes of participation loans on a net basis. That is, report the net volume of participation loans to YBS borrowers that direct-lender associations sell to/buy from other direct-lender associations.

However, report numbers of participation loans on a gross basis.

Are there any loan types we should exclude from our YBS reporting?

Yes, please do <u>not</u> include rural home loans made under 613.3030(b) and farm-related service business loans made under 613.3020 or any other loans not made under Title I or Title II authorities or any other loans or leases that were excluded from the association's lending base.

Should we certify our YBS reports?

Yes. An officer of each Farm Credit System institution, designated by the institution's board of directors or chief executive officer, must certify as to the completeness and accuracy of the data submitted in the YBS report. Include the signed certifications with the completed YBS report that is sent to FCA and maintained in your bank's files.

Step-by-Step Instructions

Note: Please read all instructions carefully before preparing to input young, beginning, and small (YBS) farmers and rancher's data into the Access application, Word document, or submitting the data to the FCA.

The quantitative YBS farmers and rancher's application has been developed using Microsoft Access software. The application allows you to enter YBS data for each institution in your district, edit the data entered, save the data, and print association and district summary reports. Use the following instructions to enter and submit your data.

1. Set the default directory to the C drive.

2. Go to the [Call Reports Submission Files](#) page on the FCA website.

3. Underneath the subheading "YBS Report Files," you will see two links to Access files. If you have Microsoft Office 2000 or 2003, click the link to the first Access file. If you have Microsoft Office 2007 or a later version on your computer, click the link to the second Access file. The main menu will appear on your screen.

4. Click the **Startup** button. (You will do this only when you open the database for the first time.) A submenu will appear.

5. Click **Create Database for Your District** button. Enter your district code. (This code should agree with the list of district codes in Appendix A of the [Uniform Call Report Instruction Manual](#). You only need to input your district code one time.) After entering your district code, click **OK**. This message will appear: "Your table is ready." Click **OK**, then click **Return to Main Menu**.

6. From the main menu, click **Input/Edit Data**. This action will bring up a submenu that allows you to input and edit data for all institutions or edit data for a specific UNINUM.

7. The input form for the first institution will appear on your screen. The form for data input is set to show your district institutions in UNINUM order. If you want to enter the data in a different order, you can do so by using the navigation buttons at the top of the form. The **Next Record** button moves you forward to the next record in the database; the **Previous Record** button moves you back. The **Find Record** button allows you to search for a specific record.

8. If you use the **Find Record** navigation button, you will need to input information (either the institution's name or UNINUM) in the **Find What** field of the **FIND** box. Click the **Match** dropdown arrow to change the search criteria. Highlight the **Any**

Part of Field option. Click **Search Only Current Field**. The first instance that matches your criteria should appear on the screen. Once you see the input form for the institution that you want, click the **Close** button of the **FIND** box.

9. You can use the Enter or the Tab keys to move from field to field in the input form.

10. After selecting the input form, you should input the reporting date (for example, month = 12 and year = 2022). Next, input the YBS data for the selected institution. After entering the information for the institution shown on the screen, click **Next Record** to bring up the next institution. Continue this procedure until you have input the YBS data for all institutions in your district.

11. Once you have entered the YBS data, you can leave the form by clicking the **Exit** button located in the upper left-hand corner of the input form.

12. You can edit the data for a specific institution by clicking **Edit Data for a Specific UNINUM**. Enter the UNINUM (the system, district, and association codes without spaces) in the **Enter Parameter Value** box. Click **OK**. You can begin editing data for the requested institution. After you finish editing the data, close the form by clicking the **Exit** button, located in the upper left-hand corner of the input form. This action will take you back to the Input/Edit menu. Click the **Return to Main Menu** button to return to the main menu.

13. You can view the reports for all the institutions, as well as a district summary report. Click **View Association Reports** to view the report on the screen for each institution in your district. Click **View District Summary Report** to view the aggregated data for the district. Click **View Comparison Report** to look at the new report, which compares the new data with data from the prior year. After you finish viewing the reports, click **Return to Main Menu**.

14. The comparison report has been included to help you verify the data you have entered. Any change that is greater than or equal to 25 percent over or under the prior year's data will be highlighted in yellow. Please verify these numbers. If they are correct, you must include a narrative explaining increases or decreases of 25 percent or more for each reporting category that is highlighted.

15. You can print reports for the following:
    - All institutions. (Click **Print All Institutions Reports** to print a report for each institution in your district.)
    - A district summary. (Click **Print District Summary Report** to print a report that summarizes the data for all institutions in your district.)
    - An individual institution. (Click **Print Individual Institution Report**, then identify (by

name or UNINUM) the institution for which you would like to print a report).

- A comparison with last year's data. (Click **Print Comparison Report**.)

16. After you have finished entering, viewing, and editing the data, click the **Save Completed Reports to File** button, then click the **Save Report** button. This action saves a version of the YBS report in rich text format to your C drive. A message will appear telling you the district summary report is being saved to "C:\TEMP\FCA_YBS_DIST _SUM.DOC." Click **OK**.

17. After the district summary report has been saved, the application will begin saving the association-level reports. (If you have a large number of institutions in your district, this process may take a few seconds.) After you see "File saved to C:\TEMP\FCA_YBS _RPT.doc," click **OK**. Click **Return to Main Menu** to return to the main menu.

18. Follow the instructions provided in Appendix C of the [Uniform Call Report Instruction Manual](#) electronically submit your YBS reports to FCA.