

## News Release

Farm Credit Administration  
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**For Immediate Release**  
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### **FCA Board Receives Report on Economic Conditions Affecting Agriculture and Update on Farm Credit System Condition**

McLEAN, Va., April 9, 2015 — At its monthly meeting today, the Farm Credit Administration Board received a quarterly report on the economic conditions affecting agriculture and an update on the condition of the Farm Credit System.

The report addressed current developments that could affect the farm economy and provided an update on the financial condition and performance of the Farm Credit System as of year-end 2014.

Because of an expected decline in both crop and livestock receipts, the U.S. Department of Agriculture projects that farm income will drop sharply in 2015. Margins for crop producers have narrowed significantly because of substantially lower grain and soybean prices.

Declining profitability for crop producers is also having a negative effect on farmland values, particularly in the Midwest. A rise in long-term interest rates would add to the downward pressure on farmland prices.

The Farm Credit System remains financially sound and is well-positioned to meet these challenges. For 2014, the System reported increased earnings and higher capital levels. Portfolio credit quality remains strong, and credit indicators continued to trend favorably in 2014. However, drought conditions in California and the Southwest continue to be a concern.

#### **Closed Session**

During the closed session of the meeting, the Board received a quarterly report from the Office of Examination.

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The Farm Credit Administration is the safety and soundness regulator of the cooperative Farm Credit System and the Federal Agricultural Mortgage Corporation (Farmer Mac). FCA charters, regulates, and examines the 87 banks, associations, service corporations and special-purpose entities of the Farm Credit System. The System makes loans to agricultural producers and their cooperatives nationwide. It includes Farmer Mac, which provides a secondary market for agricultural real estate loans, rural housing mortgage loans, and certain rural utility loans. Members of the FCA Board are Kenneth A. Spearman, Board Chairman and CEO; Dallas P. Tonsager; and Jeffery S. Hall.

Note: FCA news releases are available on the Web at [www.fca.gov](http://www.fca.gov).