

News Release

Farm Credit Administration
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FCA Board Adopts Resolution on National Cooperative Month

McLEAN, Va., October 8, 2015 — At its monthly meeting today, the Farm Credit Administration Board adopted a resolution on National Cooperative Month, reaffirming its commitment to the cooperative structure and principles under which Farm Credit System institutions are required to operate.

In other business, the Board received a report from staff on the risks and rewards of U.S. agricultural exports to China. China is a major destination for U.S. agricultural products and a source of market volatility.

The volatility of individual commodity prices depends in part on three variables—the share that is exported of the commodity's total U.S. production, China's share of the commodity's global imports, and China's share of the commodity's U.S. exports. For each variable, the higher the share, the greater is the potential impact on the U.S. market for that commodity.

Since the cash grain (corn, soybeans, wheat and sorghum) sector accounts for the highest share (18 percent) of the System's loans, volatility in these commodities may produce higher risk to the System.

In another report, staff discussed the agency's efforts to recruit new employees—particularly in the Office of Examination. Currently, more than 24 percent of the agency's workforce is eligible to retire, and more than 43 percent will be eligible to retire in the next five years.

The report discussed measures the agency is taking to broaden its recruiting efforts to attract a more diverse pool of candidates while continuing to hire the best qualified candidates. It also discussed how federal hiring rules have changed in recent years.

In 2016, the agency's Office of Examination plans to hire 20 new associate examiners and 12 summer interns. FCA has established a committee composed of employees from across the agency to coordinate its recruiting efforts.

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Notational Votes

Since the September FCA Board meeting, the following notational votes have occurred. Notational votes are actions taken by the FCA Board between Board meetings.

- On Sept. 9, the Board approved the Office of Examination's FY 2016 Oversight and Examination Plan.
- On Sept. 11, the Board approved the FY 2016 Revised Budget and the FY 2017 Proposed Budget.
- On Sept. 15, the Board granted preliminary approval to the proposed plan of merger of Chisholm Trail Farm Credit, ACA, with Farm Credit Services of East Central Oklahoma, ACA. If the voting stockholders of both associations vote to approve the plan of merger and all conditions for final approval are met, the merger will take effect on Jan. 1, 2016, and the name of the continuing association will be Oklahoma AgCredit, ACA.
- On Sept. 25, the FCA Board voted to approve the request by CoBank, ACB, for case-by-case approval of an investment under regulation 12 C.F.R. 615.5140(e). Under the approved request, CoBank may invest up to \$11 million in bonds issued by a rural community medical facility. FCA placed conditions on CoBank in conjunction with this investment.
- On Oct. 7, the FCA Board voted to approve the request by Farm Credit Mid-America, ACA, for case-by-case approval of an investment under regulation 12 C.F.R. 615.5140(e). Under the approved request, Mid-America may invest \$7.8 million in taxable economic development revenue bonds issued by the rural town of Demotte, Indiana, on behalf of Belstra Milling Company, Inc.

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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) that 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. 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.