

News Release

Farm Credit Administration
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FCA Board Receives Update on Farm Credit System's Young, Beginning, and Small Farmer Reporting

McLEAN, Va., Nov. 10, 2016 — At its monthly meeting today, the Farm Credit Administration board received an update from staff on its review of FCA policies governing the reporting of Farm Credit System (System) institutions on their programs for young, beginning, and small (YBS) farmers and ranchers. Each System institution reports annually to FCA on the progress of its programs and activities designed to serve YBS producers.

The update examined farmer demographic trends and the definitions that FCA currently uses to report on the System's service to young, beginning, and small farmers and ranchers. Under current FCA definitions, young farmers are those age 35 or younger, beginning farmers are those with 10 years or less of farming experience, and small farmers are those with annual gross agricultural sales that are normally less than \$250,000.

FCA is reviewing the reporting criteria for each farmer category (that is, young, beginning, and small) because of changing farmer demographics and farm income. For example, farm incomes, which are used to define small farmers, have become more volatile. Therefore, a farmer who would normally qualify as a small producer may not qualify as such during a year when farm income is unusually high. FCA is reviewing its reporting procedures to address this and other concerns.

Closed Session

During the closed session of the meeting, the board received a quarterly report from the Office of Secondary Market Oversight.

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Notational Votes

Since the Oct. 13 FCA board meeting, two notational votes have occurred. Notational votes are actions taken by the FCA board between board meetings.

- On Oct. 14, the board approved the Office of Examination's FY 2017 Oversight and Examination Plan.
- On Oct. 14, the FCA board approved a proposed rule on private flood insurance. The proposed rule would amend FCA regulations to implement the private flood insurance provisions of the Biggert-Waters Flood Insurance Reform Act of 2012. FCA issued the proposed rule together with four other federal financial regulators.

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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.