



**For Immediate Release**  
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### **FCA approves final rule on the Farm Credit System's service to young, beginning, and small farmers and ranchers**

McLEAN, Va., Oct. 12, 2023 — By unanimous vote, the Farm Credit Administration board approved a final rule governing the Farm Credit System's service to young, beginning, and small (YBS) farmers and ranchers. The final rule, which becomes effective Feb. 1, 2024, revises YBS regulations at 12 C.F.R. part 614.

The rule has several objectives:

- To expand the YBS activities of direct-lender associations to a diverse population of borrowers.
- To reinforce the supervisory responsibilities of the banks that fund the direct-lender associations, and require the banks to annually review and approve the associations' YBS programs.
- To require each direct-lender association to enhance the strategic plan for its YBS program.

"Today's approval of a final YBS rule is the culmination of many years of hard work by FCA leadership, staff, and System institutions," said Board Chairman and CEO Vincent Logan.

"I'm especially pleased to see the emphasis this rule places on outreach to and engagement with all populations of YBS farmers and ranchers. The System was created to serve as a safe, sound, and dependable source of credit for all creditworthy and eligible persons in agriculture and rural America," said the chairman. "This rule will help the System better achieve that important mission." For more information, read [Chairman Logan's public statement \(PDF\)](#) at the board meeting.

"During my tenure as FCA board chairman, I made YBS one of my top priorities," said Board Member Glen Smith. "It is a well-known and concerning fact that the average age of the American farmer and rancher is quite advanced, approaching 60 years old nationwide," he said.

"As the nation's largest single provider of financing to American agriculture, the Farm Credit System is best equipped to meet this challenge," said Board Member Smith. "The rule we approved today reinforces the congressional mandate to Farm Credit institutions to have active and robust young, beginning, and small farmer and rancher programs." For more information, read [Board Member Smith's public statement \(PDF\)](#) at the board meeting.

"We all understand the value that young, beginning, and small farmers add to our agricultural economy," said Board Member Jeff Hall. "I want to acknowledge Board Member

Smith’s passion for the YBS program and Chairman Logan’s work to bring a rule to today’s board meeting that enhances our expectations for the Farm Credit System.”

This rule complements efforts to improve the accuracy of the data System institutions collect regarding their YBS activities. As noted in the [August 2023 news release \(PDF\)](#), FCA will transition to a new YBS reporting system in 2024 to provide a clearer picture of YBS lending by allowing the agency to better break down and categorize loan data.

The Farm Credit System, which provides around 45% of the nation’s total farm debt, made \$13.1 billion in loans to young farmers in 2022, \$21.5 billion to beginning farmers, and \$19.1 billion to small farmers. For more information about the System’s service to YBS borrowers, see our latest YBS report to Congress, which begins on page 29 of the [FCA Annual Report for 2022 \(PDF\)](#).

### **Closed session**

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

### **Notational votes**

Since the Sept. 14 FCA board meeting, the board unanimously voted to approve seven notational vote actions. Notational votes are actions the FCA board takes between board meetings.

On Sept. 19, the board approved the updated policy statement on Equal Employment Opportunity and Diversity. The agency reissues the EEO statement annually to affirm its commitment to EEO and diversity principles. In a separate vote also taken on Sept. 19, the board authorized the chief financial officer to reallocate FCA funds to cover end-of-year funding requests.

On Sept. 25, the board voted to approve the final rule on cyber risk management. For more information about the rule, read the [Oct. 5 news release \(PDF\)](#).

On Sept. 29, the board took three notational votes:

- To approve the Office of Examination’s oversight and examination plan for fiscal year 2024.
- To approve FCA’s fiscal year 2024 revised budget.
- To authorize the chief financial officer to reallocate FCA funds to cover an additional end-of-year funding request.

On Oct. 4, the board voted to approve a request from a System institution to redeem certain preferred stock included in its regulatory capital.

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The Farm Credit Administration is the 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](http://www.fca.gov).