



For Immediate Release

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FCA board receives 2023 annual report on the Farm Credit System's service to young, beginning, and small farmers and ranchers

McLEAN, Va., Aug. 8, 2024 — At its monthly meeting today, the Farm Credit Administration board received [FCA's 2023 Annual Report on the Farm Credit System's Young, Beginning, and Small \(YBS\) Farmer Mission Performance \(PDF\)](#).

FCA strongly supports the System's mission to serve YBS farmers, ranchers, and producers and harvesters of aquatic products. This year's report showcases the initial results of a multiyear effort to improve both the quality and depth of information that the agency collects on how System institutions serve YBS borrowers.

FCA defines young farmers as those who are 35 years old or younger and beginning farmers as those who have been farming for 10 years or fewer. For 2023 reporting, FCA continues to define small farmers as those with less than \$250,000 in annual sales. However, on Dec. 29, 2023, FCA issued a revised [bookletter 40 \(PDF\)](#), which, among other things, redefined small farmers as those with less than \$350,000 of gross cash farm income. This change will be reflected in FCA's 2024 annual report and will now align with USDA categories and be more reflective of the agricultural landscape.

The results described below show YBS programs through two lenses. The first is the nonlending lens. It looks at the range of services, education, and outreach activities that institutions employ to serve YBS borrowers. The second is the lending lens. It focuses on the amount of YBS lending (in terms of dollar volume and loan counts) that institutions provide. This more comprehensive and detailed understanding of YBS mission service will help the System improve its delivery of credit to YBS producers.

Nonlending results

System institutions provide an array of services and outreach that complement or expand lending to YBS farmers and ranchers. These include the following:

- Nonlending capital commitments (i.e., mission-related investments and leases)
- Related services (e.g., fee payments on behalf of YBS borrowers)
- Scholarships
- Grants
- Education (i.e., conferences, seminars, and workshops)
- Marketing and outreach

The total value of the services provided to YBS farmers and ranchers in 2023 was \$358 million. Approximately 89%, or \$319 million, was for investments and leases. Another \$3 million went toward loan guarantee fee payments, financial document preparation fees, appraisal fees, and tax preparation services for YBS farmers and ranchers. The remaining YBS program components accounted for \$36 million in spending for 2023.

Lending data collection process

FCA began a new YBS lending data collection process using calendar year-end 2023 information. System institutions now use the new YBS reporting structure to satisfy regulations that require the banks to provide FCA with an annual report summarizing YBS program operations and achievements within their respective district. In contrast to previous years, the agency now collects the count and volume data for eight mutually exclusive categories.

Loan volume is reported as current commitments, which is the dollar amount of disbursed funds plus undisbursed commitments eligible to be drawn. The types of loans that are eligible under YBS programs are real estate mortgages, production and intermediate-term loans, and processing and marketing loans. Reporting loan counts and loan volume in this manner provides FCA with additive lending results, allowing the agency to determine the percentage that each category represents of the System's total loan counts and volume.

Lending results

In 2023, the System made 252,865 loans, totaling \$121.8 billion. The total number of outstanding loans at year-end 2023 was 1,054,939, amounting to \$382.0 billion.

In 2023, System lending to the seven mutually exclusive YBS categories totaled 132,890 loans, amounting to \$27.8 billion. The number of loans and the loan volume outstanding to the seven mutually exclusive YBS categories was 608,422 loans and amounted to \$112.9 billion at year-end.

Table 1: Loan counts and current commitment volume during 2023

Category	Loan Counts	Volume in Millions	Percent of Total Loan Counts	Percent of Total Volume
Young only	8,129	\$3,271	3.2%	2.7%
Young and beginning	13,760	\$5,453	5.4%	4.5%
Young and small	4,419	\$393	1.7%	0.3%
Beginning only	9,030	\$5,303	3.6%	4.4%
Beginning and small	22,245	\$4,673	8.8%	3.8%
Small only	54,409	\$6,070	21.5%	5.0%
Young, beginning, and small	20,898	\$2,625	8.3%	2.2%
Non-YBS	119,975	\$93,967	47.4%	77.2%
System total	252,865	\$121,756	100%	100%

In the table above, 2023 lending results varied considerably by number of loans made to YBS borrowers and volume of dollars lent to YBS borrowers. By loan count, 53% of all loans made were to some combination of young, beginning, and small producers. At 22%, small only was the category with the largest percentage of System loans made in 2023, whereas the young and small category had the smallest percentage of System loans made in 2023. From a loan volume perspective, more dollars were lent to non-YBS farming and ranching operations. Approximately 23% of total dollars lent in 2023 went to a YBS category.

Table 2: Loan counts and current commitment volume outstanding as of Dec. 31, 2023

Category	Loan Counts	Volume in Millions	Percent of Total Loan Counts	Percent of Total Volume
Young only	30,557	\$9,512	2.9%	2.5%
Young and beginning	48,108	\$16,018	4.6%	4.2%
Young and small	21,582	\$2,104	2.1%	0.6%
Beginning only	31,477	\$16,254	3.0%	4.3%
Beginning and small	145,371	\$28,325	13.8%	7.4%
Small only	224,970	\$27,076	21.3%	7.1%
Young, beginning, and small	106,357	\$13,609	10.1%	3.6%
Non-YBS	446,517	\$269,135	42.3%	70.5%
System total	1,054,939	\$382,032	100%	100%

As shown in the table above, the number of loans outstanding to YBS categories was approximately 58% of total System loans. The small only category received the largest percentage of outstanding loans at 21%, followed by the beginning and small category at 14%. The young, beginning, and small category received 10% of all outstanding loans. Similar to new loan volume results for 2023, over 70% of outstanding loan volume went to non-YBS borrowers.

FCA's new data collection process now allows the agency to present information in additive, mutually exclusive categories that provide a more granular view of YBS lending within the Farm Credit System.

Notational votes

Since the July 11 FCA board meeting, no notational votes have occurred. Notational votes are actions the FCA board takes between board meetings.

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The Farm Credit Administration is the regulator of the Farm Credit System. The System is the nation's oldest government-sponsored enterprise. It consists of a nationwide network of cooperative banks and associations, which was 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.