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FCA hosts symposium to discuss impacts of innovation on FCS institutions and borrowers

McLEAN, Va., Sept. 19, 2024 — The Farm Credit Administration today hosted an innovation symposium for Farm Credit System (FCS or System) leaders from across the nation. The event was held on the campus of George Washington University in Washington, D.C.

The symposium explored trends impacting finance and agriculture, innovation in the FCS, risks associated with emerging fintech, and ways that innovation can help the System serve its public mission. Symposium speakers included leaders in the FCS and the financial services industry, world-renowned experts, and key federal regulators.

“Innovation is one of the FCA board’s key priorities,” said FCA Board Chairman and CEO Vincent Logan. “We outlined our approach to innovation in a [philosophy statement \(PDF\)](#) last January, and an important part of that approach is to maintain an open dialogue with the System on this topic. Today represented a big step forward in advancing this dialogue.”

FCA recognizes the great value that fintech innovations offer System institutions. They can help them reach more people and tailor their operations, products, and services to meet the evolving needs of System borrowers and rural communities. As the regulator of the System, FCA is also keenly aware of the risks these technologies can carry with them. The agency is therefore committed to ensuring *responsible* innovation — where institutions can take advantage of the benefits while safeguarding against the risks.

In his remarks at the symposium, FCA Board Member Jeff Hall said the key is for System institutions to always put their mission first. “When considering fintech innovations, the guiding principle needs to be: Does this product improve our ability to meet our mission as a government-sponsored enterprise? Does it help us meet the credit needs of ALL types of eligible, creditworthy farmers and ranchers in our territory? ... You cannot let the pursuit of efficiency come at the expense of safety and soundness or the quality of service to your owner-borrowers.”

To further promote responsible innovation in the System, FCA also rolled out a [webpage on artificial intelligence \(AI\)](#) this week. This page provides links to guidance in FCA regulations and the Examination Manual that institutions should consider before implementing AI-based products and systems.

As part of its innovation philosophy, the agency is also exploring AI and other advanced technologies to enhance its own operations. “We’re finding new ways to break down silos and collaborate — to enable and empower our staff,” Chairman Logan said in his opening

remarks at the symposium. “That includes something I’m incredibly excited about — FCALabs, our own internal incubator.” FCALabs is a dedicated hub where experts across the agency can learn from each other, collaborate, and explore new technologies.

Although the symposium focused primarily on fintech innovations, it also included a short film about recent innovations in agricultural production. Board Member Glen Smith provided a virtual tour of his family’s Iowa farm in which he showcased some of the technologies that his son uses during planting season and harvest to improve efficiency and yields. “Innovation is imperative to staying competitive in the modern world. This is true in financing ... but also very true in production agriculture, which the Farm Credit System and its regulator, the Farm Credit Administration, are dedicated to serving,” he said.

In his opening remarks at the symposium, Chairman Logan described it this way: “We are at the confluence of fintech, ag-tech, and reg-tech. It’s not hyperbole to say that technology is rapidly advancing and becoming more accessible in ways and at speeds that are hard to imagine.”

FCA is responsible for ensuring that the System remains safe and sound, credit is available, and System institutions focus on serving all creditworthy borrowers, including underserved populations. With assets of more than \$514 billion, the banks and associations of the FCS represent our nation’s largest source of financing for farmers and ranchers.

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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.