



For Immediate Release
NR 25-06 (04-10-25)

Contact: Ben Mosely or Emily Yaghmour,
703-883-4056
Email: info-line@fca.gov

FCA board receives quarterly report on conditions in agriculture and the Farm Credit System

McLEAN, Va., April 10, 2025 — At its monthly meeting today, the Farm Credit Administration board received a [quarterly report \(PDF\)](#) on economic issues affecting agriculture, together with an update on the financial condition and performance of the Farm Credit System (System) as of Dec. 31, 2024.

Quarterly report on conditions in agriculture and the Farm Credit System

The U.S. economy entered 2025 with key indicators in favorable positions, including positive economic growth, inflation modestly above the Federal Reserve's 2% target level, and unemployment a touch over 4%. Expectations for first-quarter economic growth have been reduced, however, by weaker personal consumption, higher imports, and uncertainty surrounding changes in global trade.

Similarly, the U.S. farm sector enters the uncertain trade environment and spring planting season with a strong balance sheet and favorable liquidity. Moreover, farm income in early 2025 is being supported by payments to crop producers authorized under the American Relief Act, as well as generally favorable returns for livestock producers. For the farm sector, the level of interest expense relative to income remains reasonable.

Still, extended periods of lower commodity prices, particularly for cash grains and tree nuts, are evidence of increasing risk. Negative impacts of retaliatory tariffs on U.S. agricultural products will depend on tariff levels and duration, and present additional uncertainty for the sector.

Farmland values are showing signs of weakness and increased volatility, particularly for lower-quality land and in regions producing commodities currently experiencing weaker prices.

The System reported solid financial results for 2024, including strong loan growth, higher earnings, and increased capital levels. Portfolio loan quality remained sound; however, operating conditions in certain agricultural sectors continue to be challenging. As a result, a moderate increase in credit risk is evident. Nonperforming assets increased to 0.81% of loans outstanding and other property owned, compared with 0.45% a year earlier.

Full-year earnings were \$7.8 billion, up 4.7% compared with a year ago. Total capital equaled \$78.8 billion, up 7.5% year over year, with strong earnings supporting continued capital growth. Overall, the System remains financially sound and is well positioned to meet the credit needs of U.S. farmers and ranchers.

Notational votes

Since the March 13 FCA board meeting, one notational vote has occurred. Notational votes are actions the FCA board takes between board meetings.

On March 19, the board approved a personnel action.

###

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.