



For Immediate Release

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

McLEAN, Va., June 12, 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 March 31, 2025.

Quarterly report on conditions in agriculture and the Farm Credit System

Economic growth appears to be moderating by about a half percentage point from earlier expectations this year. This is due in part to consumers and businesses adjusting to the effects of an uncertain tariff environment.

Favorable indicators show the unemployment rate holding near 4%, and the May Consumer Price Index rising only slightly month-over-month. Potential signs of economic weakness include rising consumer loan delinquencies and bankruptcy filings.

Crop conditions remain favorable overall throughout the U.S., although severe weather has created challenging conditions for some producers. Weak or negative returns for the third consecutive year have put significant strain on producers of major crops.

For the livestock and poultry sectors, producer margins are generally positive. While Highly Pathogenic Avian Influenza (HPAI) cases have slowed in the U.S., an outbreak of the bird flu in Brazil—the world's second largest chicken producer—is creating opportunities for increased U.S. broiler exports.

Cattle prices remain at record-high levels; however, livestock by-product prices have declined recently because of China's retaliatory tariffs. Low cattle inventory is being offset by higher beef yields per head, keeping beef production relatively level. Farm asset prices have softened recently. For example, Iowa farm real estate prices for medium- and low-quality land have declined, and farm equipment cash values have also fallen.

The System reported sound financial results for the period that ended on March 31, including steady earnings and increased capital levels. At quarter end, total capital equaled \$80.6 billion, up 8.0% year-over-year.

Portfolio loan quality remained sound; however, credit risk measures increased as producers in certain agricultural sectors continued to be challenged by difficult operating conditions. Nonperforming assets as a percent of loans outstanding and other property owned increased to 0.96%, compared with 0.56% a year earlier.

Overall, the System is well positioned to meet the funding and liquidity needs of U.S. farmers and ranchers.

Semiannual report on Office of Examination operations

The FCA board received the [semiannual report \(PDF\)](#) on Office of Examination operations. Through the first six months of fiscal year 2025, the Office of Examination performed its risk supervision and examination objectives as planned. From Oct. 1, 2024, through March 31, 2025, FCA examiners conducted on-site examination and oversight activities at three funding banks, 32 associations, and four other entities.

Notational votes

Since the May 8 FCA board meeting, one notational vote has occurred. Notational votes are actions the FCA board takes between board meetings.

On May 24, the board authorized the chief financial officer to reallocate funds within the FCA budget to reduce the FY 2025 assessment by \$5.5 million.

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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.