



For Immediate Release

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

McLEAN, Va., June 11, 2026 — At its monthly meeting today, the Farm Credit Administration (FCA) board received a [quarterly report \(PDF\)](#) on the financial condition and performance of the Farm Credit System (System) as of March 31, 2026. The board also received reports on economic conditions affecting agriculture and Office of Examination operations.

Condition and performance of the Farm Credit System

The System reported sound financial results for the period ending March 31, including stable earnings and increased capital levels. At quarter end, total capital was \$86.4 billion, up 7.3% from a year earlier.

Portfolio loan quality remained sound; however, credit risk measures increased as challenging operating conditions affected producers in certain agricultural sectors. Nonperforming assets as a percentage of loans outstanding and other property owned increased to 1.09%, up from 0.96% a year earlier.

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

Economic conditions affecting agriculture

The conflict in the Middle East is driving higher inflation and energy market volatility, with oil reserves nearing critically low levels and energy price pressures likely to persist through 2026. The broader economy is slowing as consumer spending weakens, savings fall, and loan delinquencies rise, while labor markets stabilize and rate cuts are no longer expected.

Net farm income will decline in 2026 but remain above average due to strong federal support. Crop returns should improve modestly, and livestock returns remain strong despite drought concerns. Farmland values stabilized early in 2026, though risks persist as cash rents soften and drought slows growth in some regions.

Semiannual report on Office of Examination operations

During the meeting, the FCA board also received a [semiannual report \(PDF\)](#) on Office of Examination operations. Through the first six months of fiscal year 2026, the Office of Examination completed the objectives and strategies identified in its operating plan, including those associated with risk supervision and examination. FCA examiners conducted on-site examination and oversight activities at all funding banks, 36 associations, and 2 other entities.

Notational votes

Since the May 14 FCA board meeting, the board has taken one notational vote. Notational votes are actions the board takes between board meetings.

On May 19, the board voted to authorize the chief financial officer to reallocate funds within the FCA budget for purposes such as to reduce the fiscal year 2026 System assessment and make additional investments to further modernize information technology.

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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.