

May 22, 2019

Mr. Barry Mardock  
Deputy Director  
Office of Regulatory Policy  
Farm Credit Administration  
1501 Farm Credit Drive  
McLean, VA 22102-5090

**RE: Advance Notice of Proposed Rulemaking – Young, Beginning, and Small Farmer and Ranchers – RIN 3052-AD32/ Federal Register 84, No. 35 (February 21, 2019)**

Yankee Farm Credit, ACA (“Yankee”) appreciates the opportunity to submit comments to the Farm Credit Administration (FCA) in response to the notice published in the Federal Register on February 21, 2019, requesting comments on the Advance Notice of Proposed Rulemaking for Young, Beginning, and Small Farmers and Ranchers (ANPR YBS). Yankee participated in both the AgFirst District and the Farm Credit Council discussion and process related to a response to the ANPR YBS. In addition, Yankee brought together a diverse group of industry leaders that provide credit and services to the YBS population from New York, Vermont and New Hampshire for a round table discussion. During the three and a half hour discussion the group identified improvements to our YBS programs and collaborative approaches to serving this population. In general, Yankee supports both the Farm Credit Council and the AgFist District’s comments on the ANPR YBS.

Yankee believes Congress intended System lenders who know their territories to develop YBS programs with guidance from FCA. We also believe that the current regulatory requirements are sufficient, but would support some revisions to the FCA Bookletter (BL-040 Revised).

Despite our general support of the AgFirst District and Farm Credit Council’s comments Yankee supports further consideration on the definition of “Small Farmer.” Two of the leaders at our round table discussion were State Directors of the Small Business Administration (SBA) who shared the SBA threshold for Small Business of \$750,000. To our knowledge, the definition has not changed since 1998. We support using this same gross sales threshold to define a “Small Farmer.”

Gross sales or revenue directly drives net farm income. Typical agricultural businesses have net income margins below 10% of gross sales. Given that net income covers family living, capital improvements and loan principal reduction for these businesses it is more realistic for a small business to generate a minimum of \$750,000 to meet this financial requirement. Continuing to define “Small Farmer” using a gross sales threshold of \$250,000 or raising it to \$350,000 as currently defined by USDA means that nearly all “Small Farmers” would be part-time farmers.

Yankee remains committed to operating a strong YBS program to serve farmers. We are proud of our commitment to these farmers. In conclusion, we appreciate the guidance provided by FCA in Bookletter (BL-040 Revised) and encourage further revisions to the Bookletter to address changes.

Thank you for the opportunity to comment. We trust that our comments, as well as those submitted by other System institutions, will assist the Agency. If you have any questions, please do not hesitate to contact me.

Respectfully submitted,

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