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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)

AgChoice Farm Credit 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). AgChoice has a vested interest to ensure the System remains focused on this group of potential borrowers so they may have a prosperous future in agriculture. This includes exploring changes to guidance to be aligned with the current agricultural climate and to fit the borrowers' needs.

In that regard, we believe the Young, Beginning, and Small Farmers and Ranchers (YBS) regulations in their current state continue to serve this purpose. Similar to FCA's opinion on YBS in the 2004 Final Rule to 12 CFR Parts 614, 620, and 630, we too believe Congress intended YBS programs to be developed by System lenders who know their territories. Therefore, the YBS regulation was developed to allow each lender association maximum flexibility in creating a YBS program that takes into consideration the economy and demographics of its territory, as well as its risk-bearing capacity. The current YBS rule is consistent with congressional intent to allow each lending institution to design a YBS program that best fits the needs of its lending territory. As such, we do not believe changes to the YBS regulations are necessary at this time.

AgChoice does support updates and clarifications to YBS reporting to ensure standardization of YBS data across the System. FCA can accomplish this with continued flexibility by crafting further YBS guidance in the form of bookletters, informational memorandums and exam manual guidance rather than a rule. Additionally, giving further guidance in this manner continues the ordinary process to which the System is accustomed. AgChoice requests that all guidance or changes apply only to future loans after the effective date, rather than retroactively, to allow for proper application and administration of the guidance.

In response to the specific questions asked in the ANPR YBS, AgChoice supports:

- Reporting loans in seven mutually exclusive categories to show granularity in the data, while also being able to show the overall total of YBS loans.
- Maintaining current definitions for Young and Beginning as those definitions are still relevant.
- Changing the definition for Small farmer to \$350,000 to align with current Small farmer definition used by the United States Department of Agriculture.

In agreement with the comment letter from the Farm Credit Council and the AgFirst District letter, AgChoice Farm Credit strongly supports a solid, proactive program to serve YBS farmers. The AgFirst District is proud of its commitment to YBS farmers, and understands the need to update guidance to continue this commitment.

We respectfully ask that FCA consider AgChoice and other District comments and recommendations to not change the YBS regulations, but rather update guidance accordingly. We trust that our comments and others received from around the System will assist FCA, and are also willing to participate in a FCS workgroup to assist with this endeavor. Again, we thank you very sincerely for the opportunity to constructively comment on this Advance Notice of Proposed Rulemaking for YBS Farmers and Ranchers.

Respectfully submitted,



Darrell Curtis
President and CEO
AgChoice Farm Credit