

Farm Credit Supports Farmers, Ranchers & Rural Communities Throughout the Pandemic

The COVID-19 pandemic eliminated many traditional markets for ag products, created critical labor shortages and disrupted normal supply chains that are critical for growing ag products and moving them to markets in the U.S. and overseas. The resulting price volatility for both ag commodities and finished products, along with uncertainty about when or if the pandemic impacts would subside, threatened the viability of many farm operations and added severe stress throughout the agriculture industry. Farm Credit's mission to support rural communities and agriculture in good times and bad provided much-needed stability as producers and many agribusinesses adapted their operations to survive.

Farm Credit institutions worked with their customers by extending loan terms, deferring payment obligations and providing more working capital to help them overcome pandemic impacts. Fast action to shore up farmers' financial standing was critically important, and Farm Credit delivered.

Farming is a stressful job, even in good times, and the uncertainty of the pandemic took an additional toll on farmers' and ranchers' mental health. Farm Credit partnered with the American Farm Bureau Federation, National Farmers Union, Michigan State University Extension and Illinois Extension to develop a free online farm stress management course for ag producers and rural residents. These university partners also developed a similar course specifically tailored to Farm Credit lenders, teaching them the skills necessary to respond appropriately to customers experiencing stress.

Farm Credit also worked to make sure farmers were able to access the Small Business Administration's Paycheck Protection Program. Working closely with congressional agriculture committee leaders, Farm Credit supported important changes to COVID relief legislation to ensure PPP could be adapted to agricultural producers. Once the legislation passed, Farm Credit partnered with SBA leaders and a wide range of ag organizations to adapt the agency's implementing regulations to reflect the reality of farm operations.

Traditionally, SBA loan programs were not mainstream tools for agricultural producers, who instead leveraged U.S. Department of Agriculture programs. As a result, virtually no Farm Credit lending institution was an approved SBA lender when PPP began implementation. Farm Credit worked with SBA to create a streamlined lender approval process and gain access to the SBA program for Farm Credit institutions. Despite SBA's best efforts, very few Farm Credit lenders were approved to make PPP loans before loan funds ran out in the first stage of the program. Farm Credit lenders continued efforts to become eligible and, when PPP round two became available, aggressively began to provide vital PPP assistance to farmers. Some Farm Credit lenders created whole new lending teams to work on PPP, others partnered with fintech companies to make PPP loans and still others partnered closely with community banks to get farmers PPP loans.

By June 2021, Farm Credit provided nearly **52,000 PPP loans to farmers, ranchers, farmer-owned cooperatives and agribusinesses** for more than **\$2.28 billion**. These funds helped retain more than **238,000 jobs**. And mirroring Farm Credit's overall portfolio, **97%** of those loans were for **less than \$150,000**.



To learn more about how Farm Credit is supporting its customers during the pandemic and view recordings of our virtual *From the Farm Gate* series, visit farmcredit.com/FromtheFarmGate.

For more information, please contact the Farm Credit Council (ask@fccouncil.com or 202.626.8710).

www.FarmCredit.com