

Farm Credit's Commitment to Young, Beginning and Small Farmers

Farm Credit supports rural communities and agriculture with reliable, consistent credit and financial services today and tomorrow. A critical component of that mission focuses on providing assistance to young, beginning and small (YBS) farmers.

We engage across the spectrum with those entering agriculture whether they are focused on conventional, organic, sustainable, local food-related operations, direct-to-retail or other emerging business models.

Reports from the Federal Farm Credit Banks Funding Corporation and the Farm Credit Administration underscore the extraordinary efforts Farm Credit makes toward YBS farmers:

- Farm Credit made more than 65,807 new loans to young producers (under age 36) in 2020 for a total of \$13.8 billion.
- Farm Credit made more than 94,329 new loans to beginning producers (10 years or less experience) for more than \$22.5 billion in 2020.
- Farm Credit made more than 166,282 new loans to small producers (farms with less than \$250,000 in annual sales) for \$23.4 billion in 2020.

Please note that the numbers above cannot be combined. A single loan to a 25-year-old rancher in her third year of ranching with annual sales of \$100,000 could be counted in the young, beginning and small categories. We report this way for two reasons: the Farm Credit Administration requires us to report specifically on YBS activities which, in turn, is reported to Congress and it is the most accurate portrayal of who we serve.

To put Farm Credit's commitment to lending to small farmers and ranchers into perspective, at the end of 2020 more than half of the nearly one million Farm Credit loans outstanding were to small farmers and ranchers.

Every local Farm Credit institution is sensitive and responsive to the needs of YBS farmers and has a dedicated program for them. Examples of YBS programs include training and seminars on topics such as intergenerational transfer of family farms, risk management techniques, financial skills training and establishing effective business plans.

The overwhelming majority of Farm Credit loans are small in size. As shown below, 74 percent of Farm Credit borrowers have loans under \$250,000. Less than 7 percent of Farm Credit borrowers have loans of \$1 million or more, and those customers include many farmer-owned cooperatives, rural electric cooperatives and other rural infrastructure providers whose borrowing needs are vastly larger than those of nearly all farmers.

Farm Credit Loans by Size

Range (\$ thousands)	Amount Outstanding (\$ millions)	% of Portfolio (Loan Volume)	Number of Borrowers	% of Portfolio (# of borrowers)
\$249 and under	\$ 32,587	10%	439,889	74%
\$250 - \$499	\$ 25,333	8%	72,436	12%
\$500 - \$999	\$ 27,908	9%	39,932	7%
\$1,000 - \$4,999	\$ 66,031	21%	33,630	6%
\$5,000 - \$24,999	\$ 47,809	15%	4,878	Less than 1%
\$25,000 - \$99,999	\$ 43,811	14%	907	Less than 1%
\$100,000 - \$249,999	\$ 33,598	11%	219	Less than 1%
Over \$250,000	\$ 38,413	12%	92	Less than 1%
Total	\$ 315,490	100%	591,983	100%

Source: Based on loans described in the Farm Credit System Annual Information Statement – 2020

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

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