

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 46,682 new loans to young producers (under age 36) in 2018 for a total of \$9.8 billion.
- Farm Credit made more than 62,330 new loans to beginning producers (10 years or less experience) for more than \$13.4 billion in 2018.
- Farm Credit made more than 114,817 new loans to small producers (farms with less than \$250,000 in annual sales) for \$12.5 billion in 2018.

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 2017 nearly half of the more than 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, 76 percent of Farm Credit borrowers have loans under \$250,000. Only about 7 percent of Farm Credit borrowers have loans of greater than \$1 million, 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 (\$ Volume)	Borrowers	% of Portfolio (# of Borrowers)
\$1 -- \$249	32,241	11.9%	414,896	75.8%
\$250 -- \$499	21,568	7.9%	61,570	11.2%
\$500 -- \$999	25,236	9.3%	36,117	6.6%
\$1,000 -- \$4,999	57,954	21.3%	29,785	5.4%
\$5,000 -- \$24,999	41,493	15.3%	4,224	Less than 1%
\$25,000 -- \$99,999	37,458	13.8%	803	Less than 1%
\$100,000 -- \$249,999	30,602	11.3%	201	Less than 1%
Over \$250,000	25,392	9.3%	64	Less than 1%
TOTAL	271,944	100%	547,660	100%

Source: Based on loans described in the Farm Credit System Annual Information Statement – 2018

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

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