

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 64,000 new loans to young producers (under age 36) in 2016 for a total of \$9.3 billion, which is nearly double the number and triple the amount than when Farm Credit first began reporting this specific information in 2001.
- Farm Credit made more than 81,000 loans to beginning producers (10 years or less experience) for more than \$12.7 billion in 2016, again double the number and triple the dollar amount than in 2001.
- Farm Credit made more than 155,000 loans to small producers (farms with less than \$250,000 in annual sales) for \$12.2 billion in 2016, a substantial increase from the 114,000 loans for \$7.6 billion made in 2001.

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 2016 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, 77 percent of Farm Credit borrowers have loans between \$1,000 and \$250,000. Only about 6 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	# of Borrowers	% of Portfolio (# of borrowers)
\$1 -- \$249	32,925	13	425,256	77
\$250 -- \$499	21,146	9	60,331	11
\$500 -- \$999	24,404	10	34,917	6
\$1,000 -- \$4,999	53,102	21	27,450	5
\$5,000 -- \$24,999	37,255	15	3,774	<1
\$25,000 -- \$99,999	32,749	13	702	<1
\$100,000 -- \$249,999	21,970	9	148	<1
Over \$250,000	25,217	10	60	<1
TOTAL	248,768	100	552,638	100

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

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