

# Memorandum

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November 1, 2023

To: Chair, Board of Directors  
Chief Executive Officer  
Each Farm Credit System Institution

From: Vincent Logan  
FCA Board Chairman and CEO

Subject: Encouraging Farm Credit System institutions to explore untapped mission achievement by expanding their workforce and customer base to include tribal communities

As board chairman and CEO of the Farm Credit Administration, I encourage your Farm Credit System (System) institution to reach out to tribal citizens, tribal governments, and Indian Country communities in your lending territory to find ways to serve their credit and related-service needs and increase the diversity of your workforce. As today is the first day of Native American Heritage Month, I want to take this opportunity to discuss the importance of reaching out to this largely untapped potential source of customers and employees.

## Turning plans to action

We issued an informational memorandum on July 20, 2023, inviting you to reflect on your diversity and inclusion activities since passage of the business planning rule 10 years ago ([Revisiting diversity and inclusion 10 years after implementation of the business planning rule \(PDF\)](#)). Under our business planning regulation, [12 C.F.R. § 618.8440](#), institutions are required to incorporate diversity and inclusion into their employment and lending strategies and actions.

However, planning is not enough. Successful diversity and inclusion initiatives require your institution to take deliberate action to fulfill the goals you have established in your business plan. You must make a concerted effort to reach historically underserved groups.

## Serving tribal communities

As a member of the Osage Nation, and as the first Native American board member and chairman at FCA, I want to ensure that Indian Country<sup>1</sup> knows about and has equitable

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<sup>1</sup> "Indian Country" is a statutorily defined term under U.S. Code but is also used colloquially among American Indian tribes and people to refer to the collective assembly of 574 federally recognized tribes, tribal citizens, and affiliated tribal communities and organizations nationwide.

access to the agricultural and rural development resources afforded by the System to all creditworthy borrowers.

Furthermore, diversity and inclusion is more than merely a goal or objective for business development — workforce development within your institution is an equally impactful, if not critical, component of diversity and inclusion initiatives. As you incorporate diversity and inclusion into your business planning efforts, I urge you to consider the unique needs and abilities of the Native Americans in your territory.

### **Internally focused steps**

Many federal agencies, state governments, and private sector organizations have demonstrated the value of incorporating a meaningful sense of Indian Country cultural competency into their organizations. They achieve this by hiring Native American professionals, employing dedicated tribal liaisons, and demonstrating a base-level competency in the legal status of American Indian tribal governments. These actions convey respect for the lived experiences of tribal citizens and tribal communities that can lead to more effective trust building, communication, and, ultimately, better access to the System from Indian Country.

Simply put, considering diversity and inclusion in your human capital plan is better for business — this principle is paramount for Indian Country but also applicable to all underrepresented groups your diversity initiatives may address.

### **Externally focused steps**

In addition to internal diversity and inclusion efforts, striving to reach all types of creditworthy borrowers from your chartered territory is a requirement because the System is a government-sponsored enterprise, with firm direction to serve **all** creditworthy borrowers. Many underserved borrowers are likely to fall into a young, beginning, or small (YBS) farmer and rancher category, making them eligible for benefits under your institution's YBS program.

There are 574 federally recognized American Indian tribes in the United States. Each tribe is regarded as a separate self-governing political entity. As of 2021, the U.S. Census reports that the individual citizens who make up these 574 political groups total about 2.6% of the U.S. population, or approximately 8.75 million people.

According to the 2017 Agriculture Census, however, farms operated by American Indians or Alaska Natives accounted for only 2.3% of the 3.4 million producers in the United States, and they accounted for only 59 million acres of land, or approximately 6.5% of total U.S. farmland. Because of the constraints on agricultural development in Indian Country, many estimate that the prospective number of Native producers is much higher than the actual number.

### **Building relationships in Indian Country**

Historic barriers to agricultural development in Indian Country include limited access to capital and financing, gaps in ag infrastructure and technology, as well as limited access to markets and distribution networks, among others. It is important to remember that each tribal government and each tribal citizen is unique in their circumstances, capacity, and resources, which underscores the importance of employing a workforce familiar with the

regional and local attributes of Indian Country within your institution's territory. Overcoming these barriers is possible but will require a multifaceted approach that involves collaboration between the tribe or tribal citizen and the knowledge and resources your institution brings to the table.

Your institution has a special opportunity to connect with a diverse population of borrowers, offer valuable lending and educational opportunities, and attract a diverse talent pool from these communities. With the unique challenges and opportunities present in Indian Country, I encourage you to thoughtfully consider how your institution can work to increase agricultural business development and attract talent from Native American communities.

Forging these important connections can only make the System stronger and your institution more successful at fulfilling your mission to serve all eligible, creditworthy potential borrowers in your territory.