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Fact Sheet on Farm Credit System Young, Beginning and Small Farmer Lending Results for 2008

In calendar year 2008, the overall trends for young and beginning farmers continued to be positive, with solid gains over 2007 in loans made during the year and loans outstanding at year-end. Gains in the dollar volume of loans to small farmers were also solid in 2008 although the numbers of loans made, as well as the number of loans outstanding, to small farmers declined somewhat from 2007. The following information summarizes lending activity for the three categories.

Young—The System's extension of credit to young farmers, those aged 35 or younger, consisted of 153,380 loans totaling \$19.5 billion at the end of 2008, up 12.9 percent from 2007. During 2008, 52,856 loans totaling \$7.7 billion were made to young farmers. Loans made to young farmers represented 16.7 percent of all loans made to farmers by System associations during the year, and 11.1 percent of all loan dollar volume made by associations. The average loan size made to young farmers was \$144,892. The number of loans made to young farmers during 2008 was 4.6 percent higher than in 2007 and the volume of loans made was 22.1 percent higher.

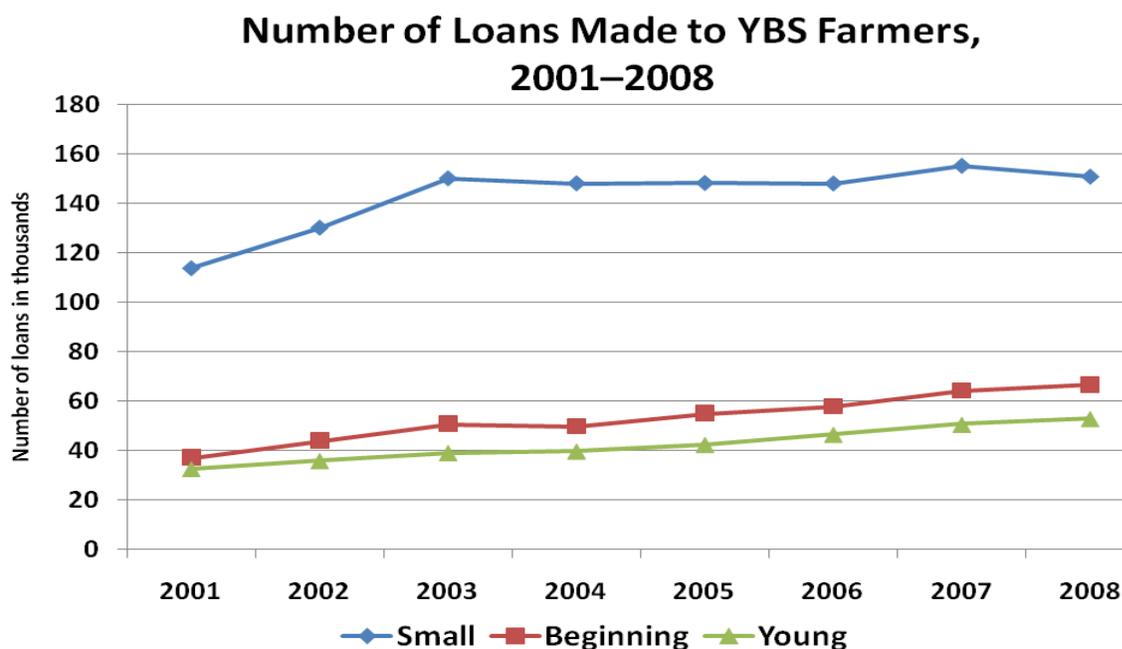
Beginning—Beginning farmers, defined as those with 10 or fewer years of farming experience, constituted 216,674 of the System loans totaling \$33.0 billion at year-end 2008, up 12.4 percent from 2007. During 2008, 66,559 loans, totaling \$12.0 billion, were made to beginning farmers. The number of loans made to beginning farmers represented 21.1 percent of all loans made, and the volume of loans made in 2008 represented 17.3 percent of the dollar volume of all loans made. The average size of loans made to beginning farmers was \$179,664. The number of loans made to beginning farmers during 2008 was 3.7 percent higher than in 2007, and the volume of loans made was 15.1 percent higher.

Small—FCS institutions had 475,278 loans outstanding, totaling \$42.7 billion, to small farmers (those with gross annual sales of less than \$250,000) at the end of 2008, up 7.6 percent from 2007. During 2008, 150,789 loans were made to small farmers for a total of \$14.2 billion. Loans made to small farmers represented 47.7 percent of all loans made and 20.6 percent of all loan volume made. The average size of loans made to small farmers was \$94,363. The number of loans made to small farmers during 2008 was down 2.8 percent from 2007, but the volume of loans made to small farmers increased 9.5 percent.

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Trends in YBS Lending, 2001–2008

The YBS definitions and reporting requirements we currently use became mandatory in 2001 so we now have an eight-year trend of performance data for the young, beginning, and small loan categories. The results show a continual upward trend over the period in dollars of loans outstanding at each year-end and in dollars of loans made each year for each YBS category. The number of loans made each year to each of the categories has also trended up, except for loans to small farmers, which have been relatively stable for the last six years (see chart). However, loans to small farmers still accounted for about half (48 percent) of all association loans made in 2008.



Sources: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the Farm Credit banks to FCA

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