



Annual Report on the Farm Credit System's Young, Beginning, and Small Farmer Mission Performance

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National Forum on Serving YBS

Co-sponsored by FCA and Colorado State University (CSU)

- Featured speakers at the event were FCA Chairman Glen Smith and FSA Administrator Zach Ducheneaux.
- Presentations were from top industry stakeholders, local agricultural producers, experts from CSU, and Farm Credit System (FCS) representatives.
- Event focused on sharing of best practices, identifying resources and tools available, and usage of USDA farm loan programs.



National Forum on Serving YBS

- Sessions included:
 - Breaking Down Barriers through Guaranteed Lending.
 - Strategies for Inclusive YBS Outreach.
 - Sharing YBS Best Practices, Tools, and Resources.
 - Infrastructure Investment and Public-Private Partnerships to Support Beginning Farmers and Ranchers.
 - Succession Relationships for Young, Beginning, and Small Farmers.
 - Resiliency through Beef Sustainability.



YBS Symposium in Lincoln, Nebraska

- Held at University of Nebraska-Lincoln (UNL), Institute of Agriculture and Natural Resources.
- Panels and audience included UNL students and faculty, YBS producers, representatives from commercial banks and FCS, USDA FSA staff, industry experts.
- Focused on challenges facing YBS producers, existing programs for financing YBS producers, and innovative resources for the farm of the future.



YBS Symposium in Lincoln, Nebraska

- Sessions included:
 - Young, Beginning, and Small Farmers in Traditional Operations: Aspirations vs. Realities.
 - Stretching Resources for the Farm of the Future: Existing Programs.
 - Stretching Resources for the Farm of the Future: Innovative Approaches.



FCA Farm Tour through Minnesota and Iowa

- Visited borrowers in Compeer Financial and Farm Credit Services of America territories.
- A primary goal of the tour was to enhance knowledge of FCA staff through direct interaction with agricultural producers, farm families, and agribusinesses.
- Enhance our understanding of challenges farmers and rural communities face—particularly YBS farmers.



FCA Farm Tour through Minnesota and Iowa

- Stops on the tour included:
 - Hmong American Farmers Association
 - Twin Cities Berry Co.
 - Farmamerica: Minnesota Agricultural Interpretive Center
 - Grover Grain & Seed
 - Lakeview Methodist Health Care Center
 - Josh and Kelli Berg Farm
 - Clemsen Farms
 - Lindeman Tractor Inc.



Common Themes from YBS Events

- Importance of FCS and FSA lending in YBS farmer success.
- Relationship between loan officer and borrower.
- Role of off-farm labor for source of stable income and benefits.
- Microloans and flexibility in financing.
- Innovation from YBS farmers.
- View of YBS farmer as a long-term investment versus short term transaction.



2021 YBS Lending Report—Definitions

Definitions for FCA Reporting:

- Young Farmer: 35 years of age or younger.
- Beginning Farmer: 10 years or less of farming experience.
- Small Farmer: gross annual farm sales of \$250,000 or less.

Important Data Clarifications:

- Borrowers may qualify under more than one category.
- Adding Y, B, and S volumes or counts does not produce an accurate measure of YBS lending as borrowers can be in one or more categories.
- Dollar volumes include advances and commitments.



2021 YBS Lending Report—Summary

- New and outstanding YBS loans increased in both volume and count in 2021.
- Growth rates in both were positive but reduced from 2020.
- The share of new and outstanding YBS loans to total lending remained relatively stable with some mix in direction.
- Some key drivers of YBS lending in the last two years were refinances at low rates and demand for rural lifestyle.
- Additional details are provided in FCA Annual Report.



Results for 2021 YBS Lending Activities

YBS Loans Made During 2021—As of December 31, 2021

Category	Number of loans	Percentage of total number	Dollar volume of loans in millions	Percentage of total volume
Young	67,647	17.9%	\$14,946	11.0%
Beginning	97,127	25.6%	\$26,234	19.2%
Small	167,729	44.3%	\$25,627	18.8%



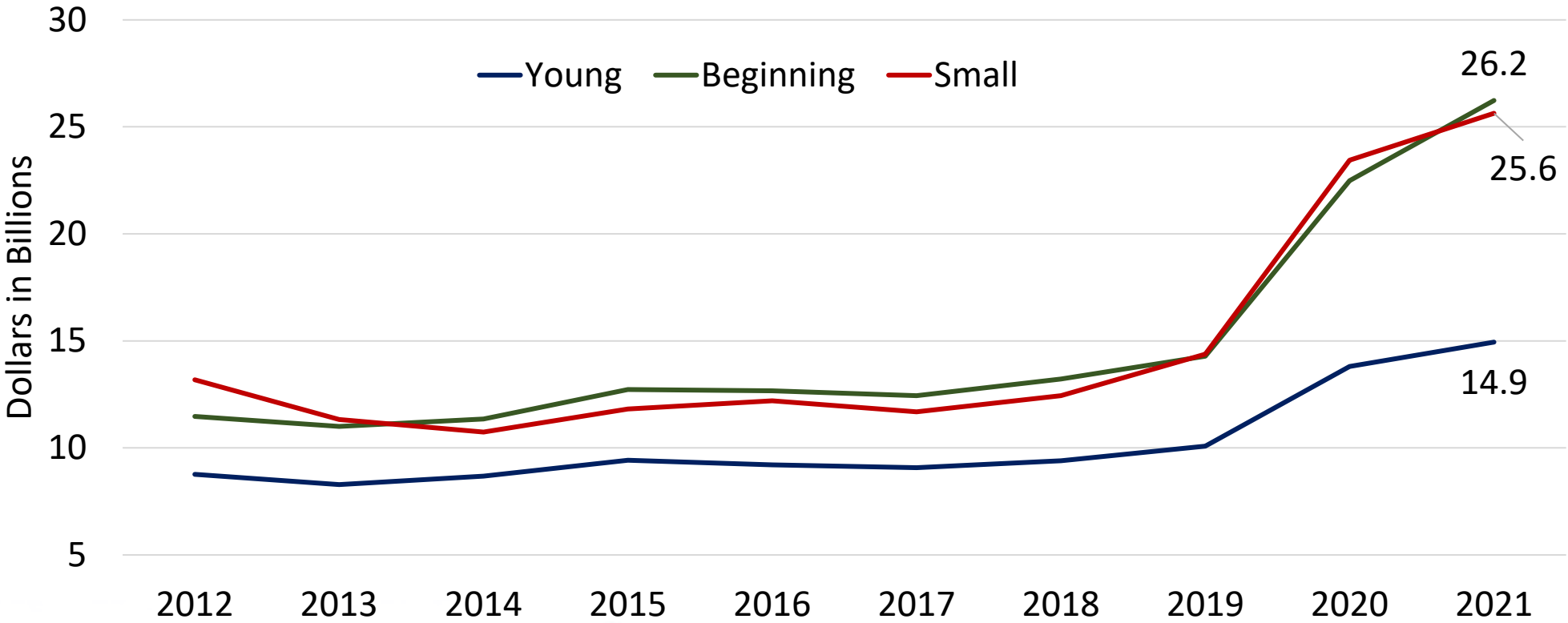
Results for 2021 YBS Lending Activities

YBS Loans Outstanding—As of December 31, 2021

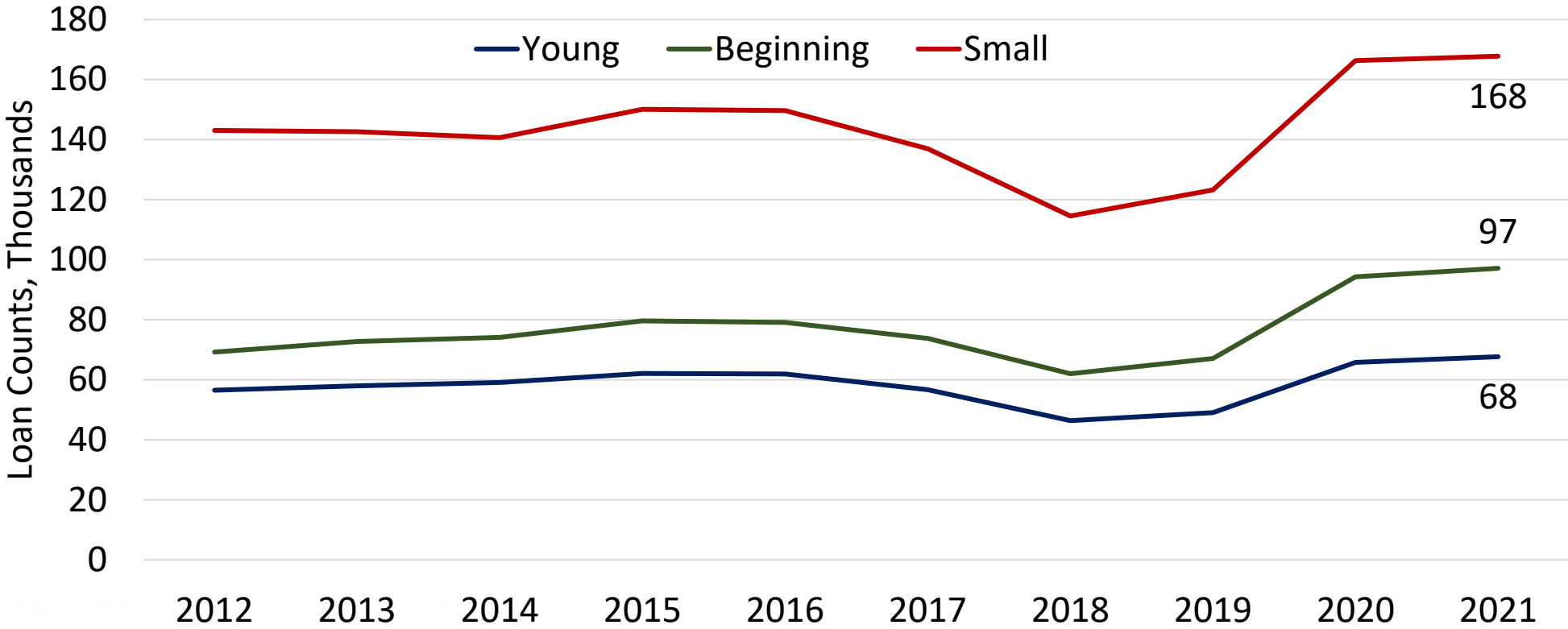
Category	Number of loans	Percentage of total number	Dollar volume of loans in millions	Percentage of total volume
Young	186,323	19.3%	\$37,021	10.6%
Beginning	297,289	30.9%	\$64,665	18.5%
Small	478,672	49.7%	\$66,863	19.1%



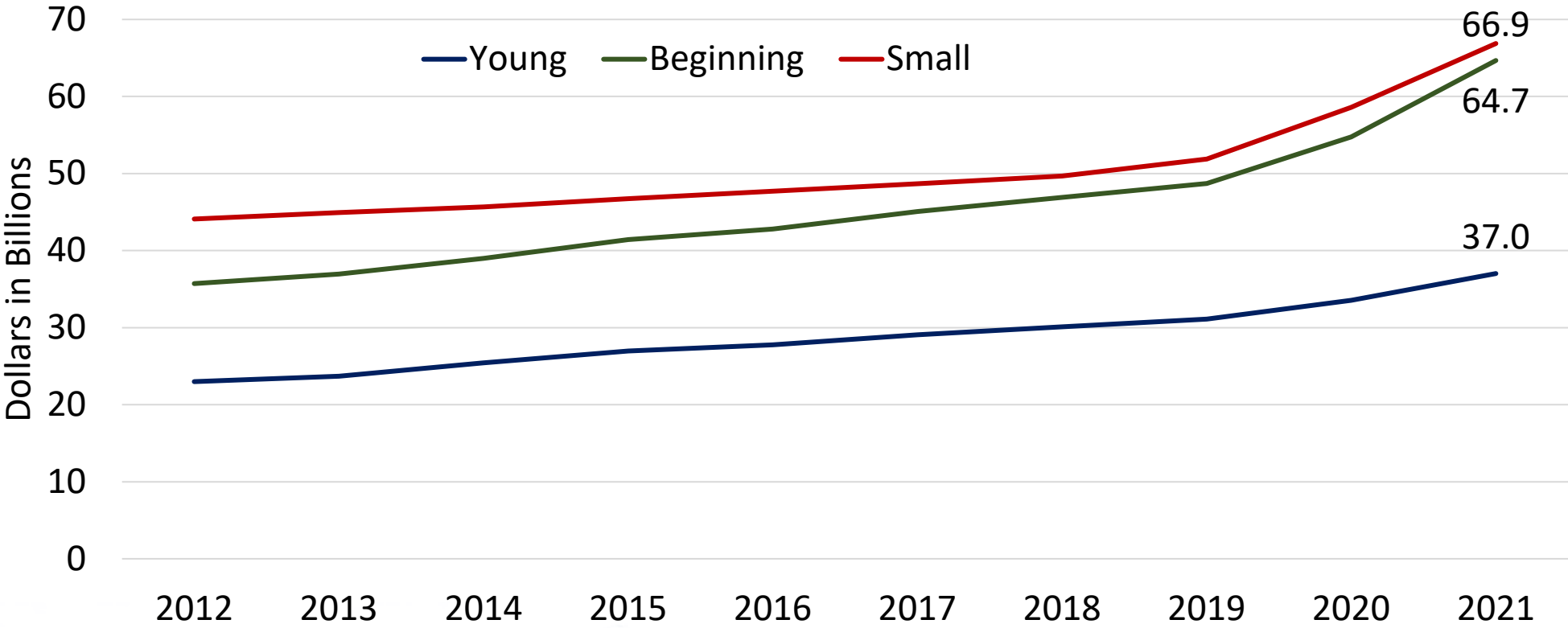
YBS New Loan Volume



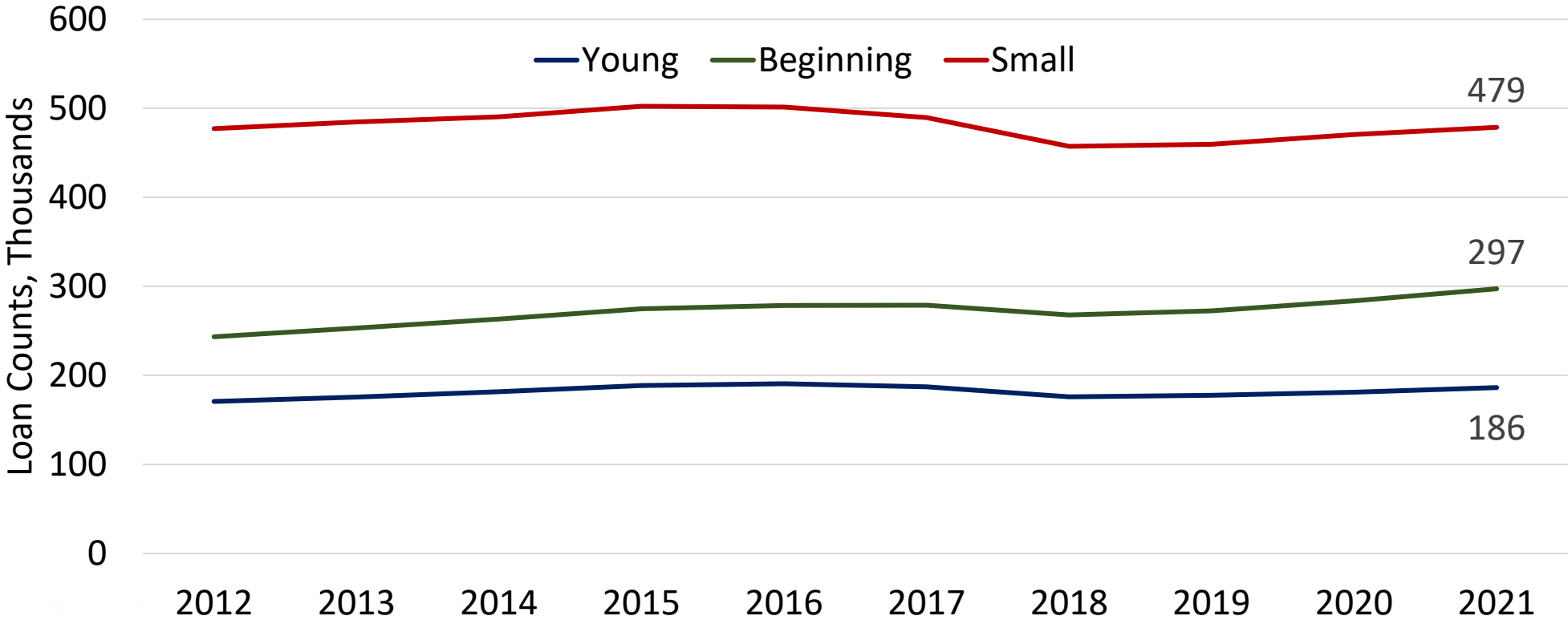
YBS New Loan Count



YBS Outstanding Loan Volume



YBS Outstanding Loan Count



Conclusions

- Investment in rural communities and off-farm jobs provide essential support for YBS producers.
- Customized lending solutions through the FCS and FSA farm loan programs provide needed capital for YBS.
- New and outstanding YBS lending continued to increase for both volume and loan counts.
- Primary drivers of YBS growth from 2020 continued into 2021 for Beginning and Small.
- FCA can use the lessons learned from directly interacting with young farmers, information from FCS institutions on the educational support they provide young people, and look at how FCA can further support increased lending to the next generation of farmers.

