

Dallas P. Tonsager, Chairman and Chief Executive Officer
Jeffery S. Hall, Board Member
Glen R. Smith, Board Member



**MINUTES OF THE REGULAR MEETING
OF THE
FARM CREDIT ADMINISTRATION BOARD
August 9, 2018**

These minutes reflect the business transacted at the August 9, 2018, Regular Meeting of the Farm Credit Administration Board (FCA Board) pursuant to the Government in the Sunshine Act, 5 U.S.C. § 552b, and the regulations of the Farm Credit Administration (FCA) adopted thereunder.

The FCA Board meeting was held at the FCA office in McLean, Virginia, beginning at 9:00 a.m. and concluding at 9:45 a.m. Members of the Board present were:

Dallas P. Tonsager, Chairman and Chief Executive Officer
Jeffery S. Hall, Member
Glen R. Smith, Member

The above named constitute the full Board.

Others present included **Charles Rawls**, General Counsel; **Dale Aultman**, Secretary to the Board; staff of the FCA and the Farm Credit System Insurance Corporation; and five members of the general public. (A list of staff attendees is attached as Exhibit A.)

The **Secretary** read a statement that announced the meeting would be conducted according to the requirements of the Government in the Sunshine Act.

Board Chairman Tonsager reviewed the published Agenda. (A copy of the Public Announcement publishing the Agenda for the meeting is attached as Exhibit B.)

Mr. Hall moved to adopt the Agenda as published.

Mr. Smith seconded the motion.

There being no further discussion, **Board Chairman Tonsager** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously.

Mr. Smith noted that the Agenda *did not* include any portions of the meeting that should be closed to the public as permitted by the Government in the Sunshine Act and therefore moved that the entire meeting remain open.

Mr. Hall seconded the motion.

There being no further discussion, **Board Chairman Tonsager** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously.

OPEN SESSION

Approval of Minutes

Minutes for July 12, 2018 (BM-9-AUG-18-01)

Mr. Hall moved to approve the minutes for the July 12, 2018, FCA Regular Board Meeting.

Mr. Smith seconded the motion.

There being no further discussion, **Board Chairman Tonsager** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously. **(BM-9-AUG-18-01)**

(A copy of the official "Board Action Item" is attached as Exhibit C.)

Report

Annual Report on the Farm Credit System's Young, Beginning, and Small Farmer Mission Performance: 2017 Results

Sal Iannetta and **Jessica Potter** of the **Office of Regulatory Policy** presented the Annual Report on the Farm Credit System's Young, Beginning, and Small Farmer Mission Performance: 2017 Results.

Board Chairman Tonsager asked if there were any questions or further discussion from the Board.

There were no further questions or discussion.

(A copy of the presentation is attached as Exhibit D.)

ADJOURNMENT

There being no further business to come before the Board, **Board Chairman Tonsager** indicated he would entertain a motion to adjourn the meeting.

Mr. Smith moved that the meeting be adjourned.

Mr. Hall seconded the motion.

Board Chairman Tonsager called the question.

The **Secretary** polled the Board Members and the motion carried unanimously.

The meeting adjourned at 9:45 a.m.

**STAFF PRESENT AT THE
FCA REGULAR BOARD MEETING
August 9, 2018**

Dallas P. Tonsager, Chairman and Chief Executive Officer
 Jeffery S. Hall, Board Member
 Glen R. Smith, Board Member

OFFICE	OPEN SESSION
Office of the Board	
Aultman, Dale	X
Batta, Todd	X
Kramp, Kevin	X
Morris, James	X
Corey, Kathryn	X
Calhoun, Gaye	X
COO	
Hoffman, William	X
OIT	
Golley, Jerald	X
EEOI	
Burlew, Thais	X
OCPA	
Stokke, Michael	X
Middleton, Russell	X
DeLancy, Toni	X
OSMO	
Rea, Laurie	X
Duckett, Teagan (intern)	X
OGC	
Rawls, Charles	X
Strickland, Joy	X
Donner, Mary Alice	X
OE	
Coleman, Robert	X
Paulsen, Roger	X
OIG	
Laguarda, Wendy	X
ORP	
Van Meter, Gary	X
Mardock, Barry	X
Iannetta, Sal	X
Potter, Jessica	X
Johansen, Mark	X
D'Antoni, Jeremy	X
OCFO	
Smith, Stephen	X
Gandy, Doug	X

OFFICE	OPEN SESSION
FCSIC	
Wynn, Wade	X
Rubin, Howard	X
GENERAL PUBLIC	5

Farm Credit Administration

1501 Farm Credit Drive
McLean, VA 22102-5090
(703) 883-4000



**PUBLIC ANNOUNCEMENT OF
MEETING SUBJECT TO THE GOVERNMENT IN THE SUNSHINE ACT**

**Farm Credit Administration Board
Regular Meeting
August 9, 2018**

Summary: Notice is hereby given, pursuant to the Government in the Sunshine Act (5 U.S.C. Sec. 552b(e) (1)), of the forthcoming regular meeting of the Farm Credit Administration Board.

Date and Time: The regular meeting of the Board will be held August 9, 2018. The meeting is scheduled to be held at the office of the Farm Credit Administration in McLean, Virginia, from 9:00 a.m. until such time as the Board may conclude its business.

Address: Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia 22102-5090. Submit attendance requests via e-mail to VisitorRequest@FCA.gov. See SUPPLEMENTARY INFORMATION for further information about attendance requests.

For Further Information Contact: Dale L. Aultman, Secretary to the Farm Credit Administration Board (703) 883-4009. TTY is (703) 883-4056.

Supplementary Information: This meeting of the Board will be open to the public (limited space available). Please send an e-mail to VisitorRequest@FCA.gov at least 24 hours before the meeting. In your e-mail include: name, postal address, entity you are representing (if applicable), and telephone number. You will receive an e-mail confirmation from us. Please be prepared to show a photo identification when you arrive. If you need assistance for accessibility reasons, or if you have any questions, contact Dale L. Aultman, Secretary to the Farm Credit Administration Board, at (703) 883-4009. The matters to be considered at the meeting are:

OPEN SESSION

Approval of Minutes

1 July 12, 2018

Report

2 Annual Report on the Farm Credit System's Young, Beginning, and Small Farmer Mission Performance: 2017 Results

July 30, 2018
Date

_____/s/
Dale L. Aultman
Secretary to the Board



**2017 Results:
FCA's Annual Report on The Farm Credit System's
Young, Beginning and Small Farmer
Mission Performance**

**FCA Board Meeting
August 9, 2018**

**Salvatore Iannetta, Senior Policy Analyst
Jessica Potter, Senior Policy Analyst**





Outline

- Review the System's YBS Mission
- YBS Results and Trends
- Attributes of YBS Programs



YBS Guidelines

Farm Credit Act - 1980 Amendments

- FCS institutions must have programs to furnish sound and constructive credit and related services to YBS farmers and ranchers.
- Requires the reporting of YBS activities.

Regulation - 614.4165 (2004)

- Sets minimum YBS program components, reporting and disclosure requirements for associations.

Bookletters

- 040 (2007) Provides flexibility on lending opportunities for YBS farmers and ranchers.
- 066 (2012) Provides guidance for serving farmers who market their agricultural products through local or regional food systems.

Informational Memorandum - (2014)

- Provides information on opportunities to coordinate lending, training, and outreach with the Farm Service Agency.



YBS Definitions



Definitions for FCA Reporting:

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

Important Data Clarifications:

- Data are reported separately for each category.
- Borrowers may qualify under more than one category; one should not add Y, B, and S data together.
- Dollar volumes include advances and commitments.

YBS Results



YBS Loans Outstanding

As of December 31, 2017

	Number of loans	Percentage of total number	Dollar volume of loans in millions	Percentage of total volume
Young farmers / ranchers	187,156	18.6%	\$ 29,105	11.2%
Beginning farmers / ranchers	279,027	27.7%	\$ 45,073	17.3%
Small farmers / ranchers	489,694	48.7%	\$ 48,668	18.7%

YBS Loans Made During 2017

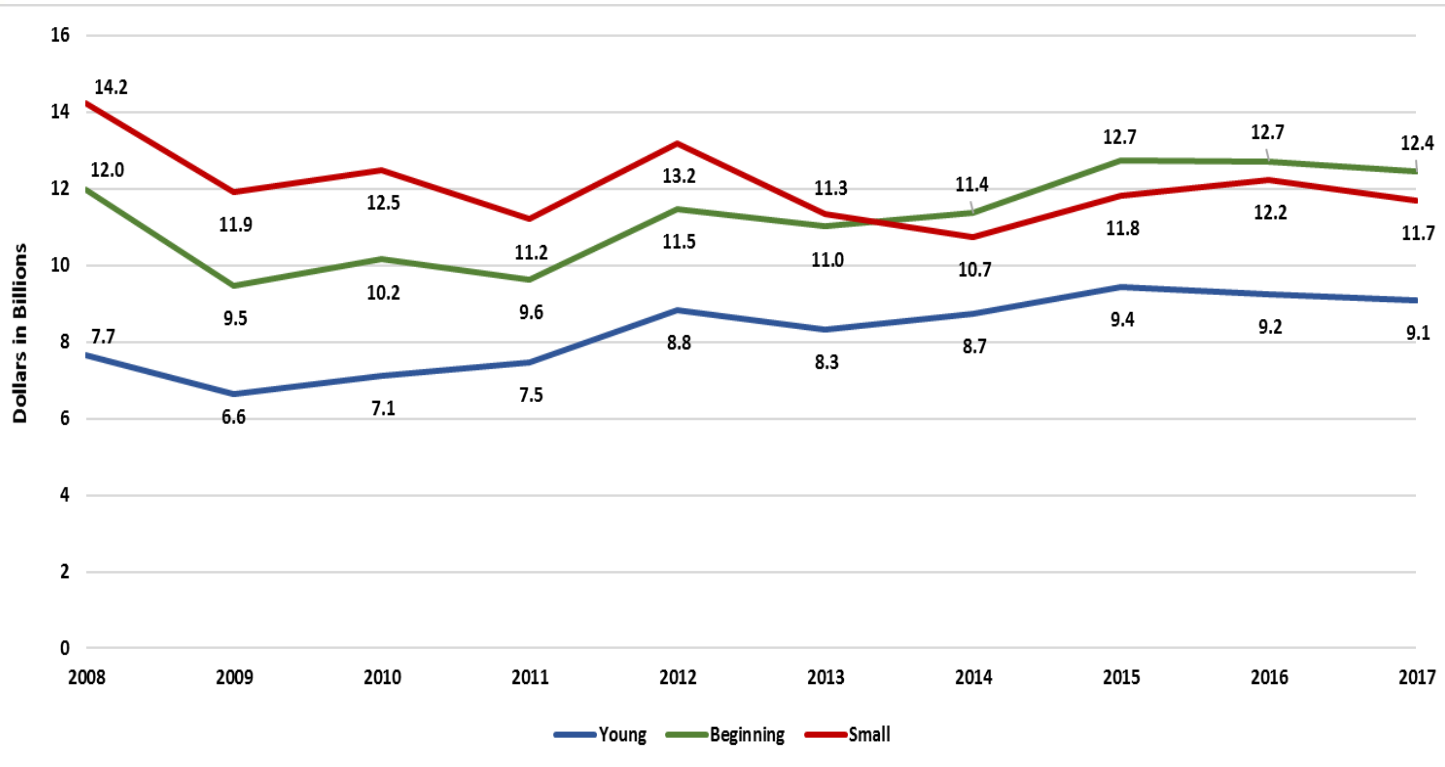
As of December 31, 2017

	Number of loans	Percentage of total number	Dollar volume of loans in millions	Percentage of total volume
Young farmers / ranchers	56,705	17.3%	\$ 9,072	11.8%
Beginning farmers / ranchers	73,752	22.5%	\$ 12,445	16.2%
Small farmers / ranchers	136,910	41.8%	\$ 11,688	15.2%

Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks



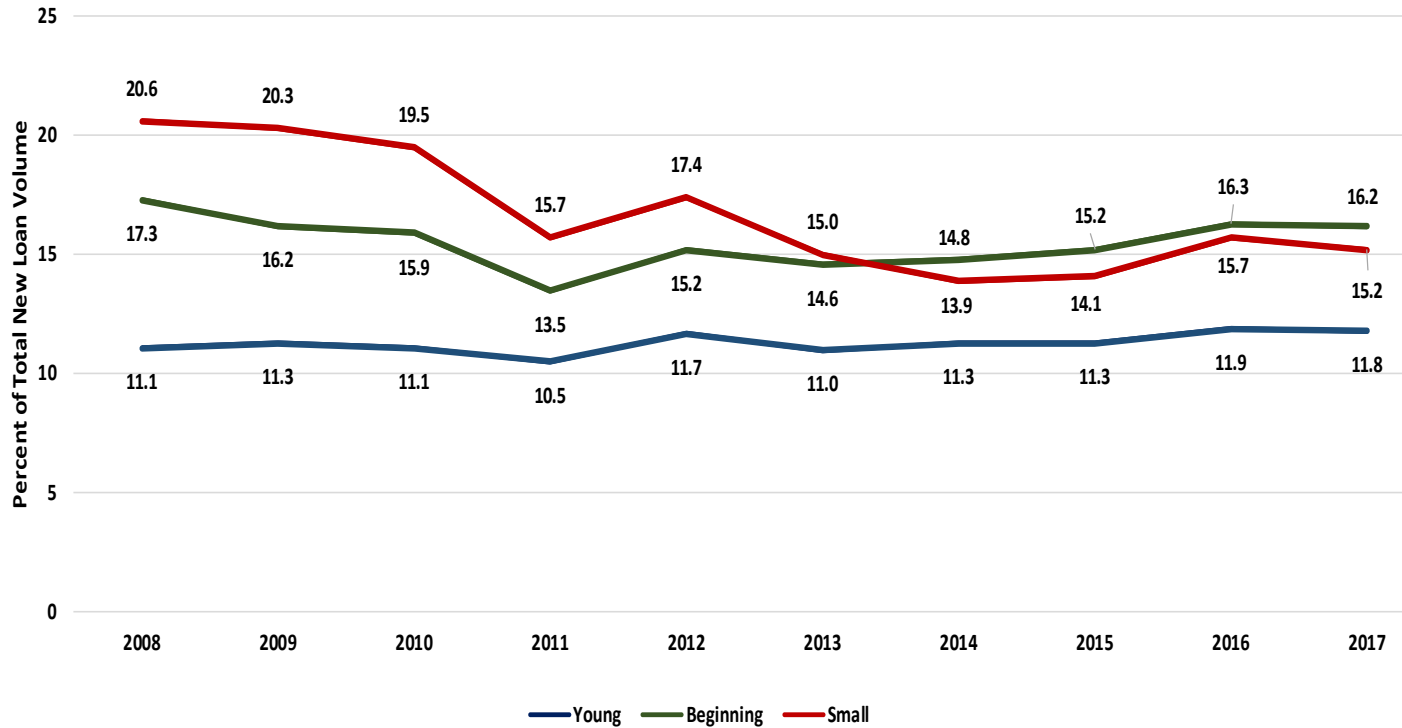
New YBS Loan Volume



Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks



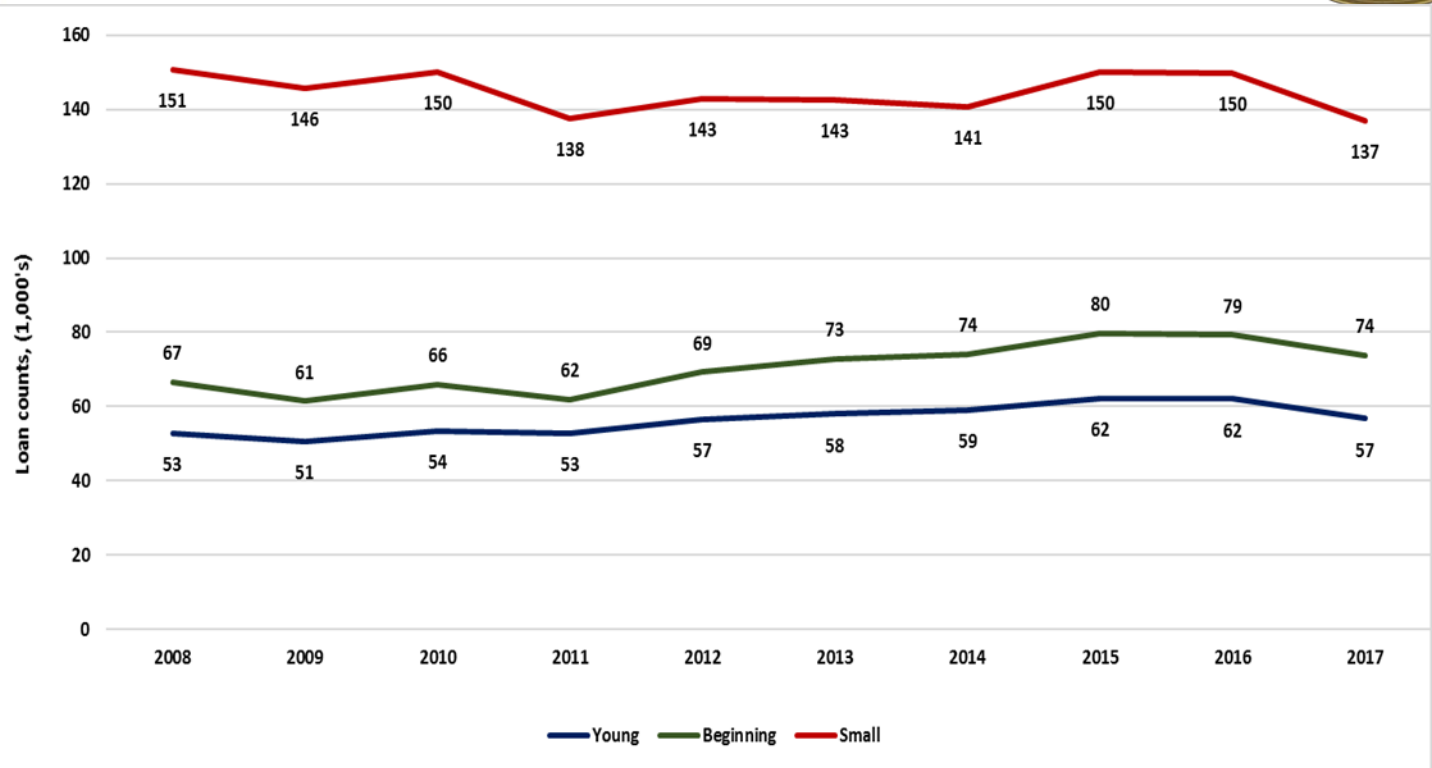
YBS Shares Total New Loan Volume



Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks



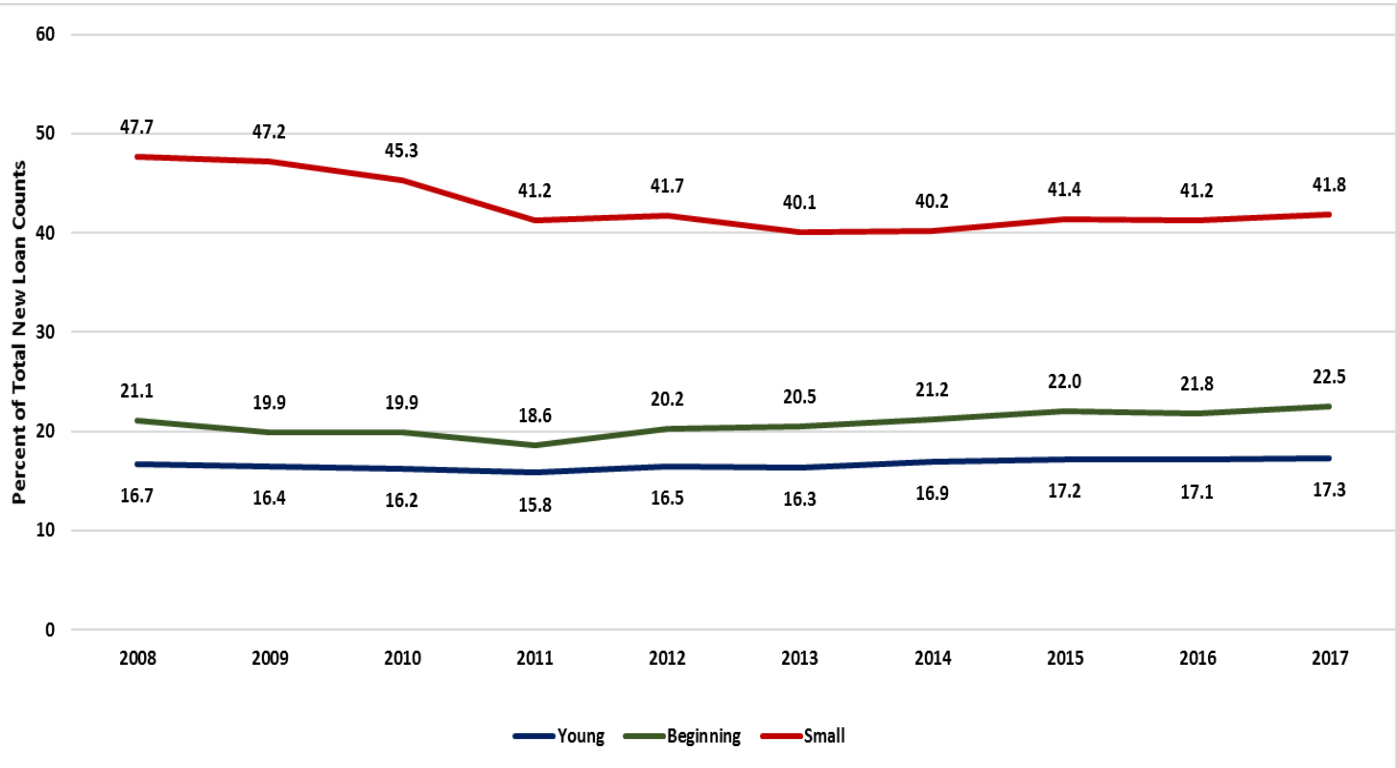
New YBS Loan Counts



Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks



YBS Shares Total New Loan Counts



Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks



2017 YBS Programs Qualitative Results



Components of a YBS Program



FCA Regulation §614.4165:

- Mission Statements
- Annual Quantitative Targets
- Annual Qualitative Goals
- Providing Credit in a Safe and Sound Manner



Mission

How do associations carry out their mission?

- Develop strategies to identify and outreach to creditworthy YBS farmers.
- Understand demographic diversity and financial needs of current and potential YBS farmers.
- Coordinate credit and delivery of related services with third parties.



Quantitative Targets



Quantitative targets are based on an understanding of demographic data for the lending territory.



Qualitative Goals

Institutions have an assortment of qualitative goals:

- Coordinate credit and related services with 3rd parties
- Develop advertising campaigns
- Use advisory committees
- Implement outreach programs
- Provide educational programs



Qualitative Goals (continued)



Outreach and Education:

- Outreach used to connect with current and potential YBS farmers.
- Nature and content of educational programs were comprehensive.



Qualitative Goals (continued)



Associations developed new programs to assist YBS farmers, some of whom are new to agriculture:

- Developed customized programs to assist existing and new YBS farmers.
- Used a multifaceted approach.



Providing Credit in a Safe and Sound Manner

Institutions establish risk parameters:

- YBS specific loan underwriting standards
- State and Federal loan guarantees
- Personal guarantors or co-signers
- Related services (i.e. Crop Insurance)
- YBS capital commitment
- Advisory committee feedback and board member input
- Education – for both staff and borrowers