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


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.
NOTATIONAL VOTE ACTIONS

There were two notational vote actions approved by the FCA Board from July 12, 2018, through August 8, 2018 as follows:

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Action Date</th>
<th>Voting Results</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>NV 18-10</td>
<td>07/20/2018</td>
<td>Approved</td>
<td>Fall 2018 Abstract of the Unified Agenda of Regulatory and Deregulatory Actions and Fall 2018 Regulatory Projects Plan</td>
</tr>
<tr>
<td>NV 18-11</td>
<td>08/06/2018</td>
<td>Approved</td>
<td>Special assessment on Farm Credit Banks to cover the expenses for the Farm Credit Administration Building</td>
</tr>
</tbody>
</table>

The undersigned hereby certify that the foregoing minutes are the official minutes of the Regular Meeting of the Farm Credit Administration Board held on August 9, 2018.

/s/       /s/
Dallas P. Tonsager Dale L. Aultman
Board Chairman and Chief Executive Officer Secretary to the Board

Approved: September 13, 2018
### 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

<table>
<thead>
<tr>
<th>OFFICE</th>
<th>OPEN SESSION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Office of the Board</strong></td>
<td></td>
</tr>
<tr>
<td>Aultman, Dale</td>
<td>X</td>
</tr>
<tr>
<td>Batta, Todd</td>
<td>X</td>
</tr>
<tr>
<td>Kramp, Kevin</td>
<td>X</td>
</tr>
<tr>
<td>Morris, James</td>
<td>X</td>
</tr>
<tr>
<td>Corey, Kathryn</td>
<td>X</td>
</tr>
<tr>
<td>Calhoun, Gaye</td>
<td>X</td>
</tr>
<tr>
<td><strong>COO</strong></td>
<td></td>
</tr>
<tr>
<td>Hoffman, William</td>
<td>X</td>
</tr>
<tr>
<td><strong>OIT</strong></td>
<td></td>
</tr>
<tr>
<td>Golley, Jerald</td>
<td>X</td>
</tr>
<tr>
<td><strong>EEOI</strong></td>
<td></td>
</tr>
<tr>
<td>Burlew, Thais</td>
<td>X</td>
</tr>
<tr>
<td><strong>OCPA</strong></td>
<td></td>
</tr>
<tr>
<td>Stokke, Michael</td>
<td>X</td>
</tr>
<tr>
<td>Middleton, Russell</td>
<td>X</td>
</tr>
<tr>
<td>DeLancy, Toni</td>
<td>X</td>
</tr>
<tr>
<td><strong>OSMO</strong></td>
<td></td>
</tr>
<tr>
<td>Rea, Laurie</td>
<td>X</td>
</tr>
<tr>
<td>Duckett, Teagan (intern)</td>
<td>X</td>
</tr>
<tr>
<td><strong>OGC</strong></td>
<td></td>
</tr>
<tr>
<td>Rawls, Charles</td>
<td>X</td>
</tr>
<tr>
<td>Strickland, Joy</td>
<td>X</td>
</tr>
<tr>
<td>Donner, Mary Alice</td>
<td>X</td>
</tr>
<tr>
<td><strong>OE</strong></td>
<td></td>
</tr>
<tr>
<td>Coleman, Robert</td>
<td>X</td>
</tr>
<tr>
<td>Paulsen, Roger</td>
<td>X</td>
</tr>
<tr>
<td><strong>OIG</strong></td>
<td></td>
</tr>
<tr>
<td>Laguarda, Wendy</td>
<td>X</td>
</tr>
<tr>
<td><strong>ORP</strong></td>
<td></td>
</tr>
<tr>
<td>Van Meter, Gary</td>
<td>X</td>
</tr>
<tr>
<td>Mardock, Barry</td>
<td>X</td>
</tr>
<tr>
<td>Iannetta, Sal</td>
<td>X</td>
</tr>
<tr>
<td>Potter, Jessica</td>
<td>X</td>
</tr>
<tr>
<td>Johansen, Mark</td>
<td>X</td>
</tr>
<tr>
<td>D’Antoni, Jeremy</td>
<td>X</td>
</tr>
<tr>
<td><strong>OCFO</strong></td>
<td></td>
</tr>
<tr>
<td>Smith, Stephen</td>
<td>X</td>
</tr>
<tr>
<td>Gandy, Doug</td>
<td>X</td>
</tr>
<tr>
<td>OFFICE</td>
<td>OPEN SESSION</td>
</tr>
<tr>
<td>--------------</td>
<td>--------------</td>
</tr>
<tr>
<td>FCSIC</td>
<td></td>
</tr>
<tr>
<td>Wynn, Wade</td>
<td>X</td>
</tr>
<tr>
<td>Rubin, Howard</td>
<td>X</td>
</tr>
<tr>
<td>GENERAL PUBLIC</td>
<td>5</td>
</tr>
</tbody>
</table>
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

________/s/__________
Date
July 30, 2018

/s/
Dale L. Aultman
Secretary to the Board
FCA BOARD ACTION ON

Minutes for July 12, 2018 Regular Board Meeting

BM-9-AUG-18-01

Effective Date: August 9, 2018

Effect on Previous Action: None

THE FCA BOARD HEREBY:

Approves the minutes for July 12, 2018, Regular Board Meeting as submitted.

DATED THIS 9th DAY OF AUGUST 2018

BY ORDER OF THE BOARD

________________________
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.

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

Bookletters
– 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.
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

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of loans</th>
<th>Percentage of total number</th>
<th>Dollar volume of loans in millions</th>
<th>Percentage of total volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young farmers / ranchers</td>
<td>187,156</td>
<td>18.6%</td>
<td>$ 29,105</td>
<td>11.2%</td>
</tr>
<tr>
<td>Beginning farmers / ranchers</td>
<td>279,027</td>
<td>27.7%</td>
<td>$ 45,073</td>
<td>17.3%</td>
</tr>
<tr>
<td>Small farmers / ranchers</td>
<td>489,694</td>
<td>48.7%</td>
<td>$ 48,668</td>
<td>18.7%</td>
</tr>
</tbody>
</table>

## YBS Loans Made During 2017
### As of December 31, 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of loans</th>
<th>Percentage of total number</th>
<th>Dollar volume of loans in millions</th>
<th>Percentage of total volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young farmers / ranchers</td>
<td>56,705</td>
<td>17.3%</td>
<td>$ 9,072</td>
<td>11.8%</td>
</tr>
<tr>
<td>Beginning farmers / ranchers</td>
<td>73,752</td>
<td>22.5%</td>
<td>$ 12,445</td>
<td>16.2%</td>
</tr>
<tr>
<td>Small farmers / ranchers</td>
<td>136,910</td>
<td>41.8%</td>
<td>$ 11,688</td>
<td>15.2%</td>
</tr>
</tbody>
</table>

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

Source: YBS Questionnaire
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.

Source: YBS Questionnaire
Quantitative Targets

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

Source: YBS Questionnaire
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

Source: YBS Questionnaire
Qualitative Goals (continued)

Outreach and Education:

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

Source: YBS Questionnaire
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