

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



**MINUTES OF THE REGULAR MEETING  
OF THE  
FARM CREDIT ADMINISTRATION BOARD  
August 12, 2021**

These minutes reflect the business transacted at the August 12, 2021, 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 meeting began at 9:00 a.m. and concluded at 10:06 a.m.

Members of the Board present were:

**Glen R. Smith, Chairman and Chief Executive Officer**  
**Jeffery S. Hall, Member**

Others present included **Clarke Ogilvie** General Counsel; **Dale Aultman**, Secretary to the Board; staff of the FCA and the Farm Credit System Insurance Corporation; and 12 members of the general public. (A list of staff attendees is attached as Exhibit A.)

**Chairman Smith** announced that this meeting of the Board is a hybrid physical / virtual meeting with some personnel in the Board room, and most personnel teleworking due to the COVID 19 pandemic.

**Chairman Smith** asked everyone to say the Pledge of Allegiance with him as the Flag was displayed on the presentation screen.

**Chairman Smith** asked the Secretary to the Board to conduct a roll call and to address a few technical and protocol items.

The **Secretary** conducted a roll call and addressed technical and protocol items.

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

**Chairman Smith** 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.

**Chairman Smith** seconded the motion.

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

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

**Mr. Hall** 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.

**Chairman Smith** seconded the motion.

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

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

## **OPEN SESSION**

### **Approval of Minutes**

#### **Minutes for July 8, 2021 Regular Board Meeting (BM-12-AUG-21-01)**

**Mr. Hall** moved to approve the minutes for the July 8, 2021, FCA Regular Board Meeting.

**Chairman Smith** seconded the motion.

There being no further discussion **Chairman Smith** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously. **(BM-12-AUG-21-01)**

(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: 2020 Results**

**Sal Iannetta** of the **Office of Data Analytics and Economics** presented the Annual Report on the Farm Credit System's Young, Beginning, and Small (YBS) Farmer Mission Performance: 2020 Results.

**Chairman Smith** opened the discussion for questions and comments by the Board.

**Chairman Smith** indicated he had a statement regarding YBS to be attached to the minutes.

(The statement is attached as Exhibit D.)

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

**New Business**  
**Standards of Conduct - Final Rule**  
**(BM-12-AUG-21-02)**

**Lori Markowitz** of the **Office of Regulatory Policy**, and **Laura McFarland** of the **Office of General Counsel** presented the Standards of Conduct – Final Rule.

**Chairman Smith** opened the discussion for questions and comments by the Board.

**Chairman Smith** asked if there was any further discussion and asked staff to provide their recommendation. Staff provided their recommendation.

**Chairman Smith** called for a motion on the staff's recommendation.

**Mr. Hall** moved to approve the Standards of Conduct – Final Rule as recommended by staff.

**Chairman Smith** seconded the motion.

**Chairman Smith** asked if there was any further discussion.

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

The **Secretary** polled the Board Members and the motion carried unanimously. **(BM-12-AUG-21-02)**

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

**Fall 2021 Unified Agenda**  
**(BM-12-AUG-21-03)**

**Jason Moore** of the **Office of Regulatory Policy**, and **Laura McFarland** of the **Office of General Counsel** presented the Fall 2021 Unified Agenda.

**Chairman Smith** opened the discussion for questions and comments by the Board.

**Chairman Smith** asked if there was any further discussion and asked staff to provide their recommendation. Staff provided their recommendation.

**Chairman Smith** called for a motion on the staff's recommendation.

**Mr. Hall** moved to approve the Fall 2021 Unified Agenda as recommended by staff.

**Chairman Smith** seconded the motion.

**Chairman Smith** asked if there was any further discussion.

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

The **Secretary** polled the Board Members and the motion carried unanimously. **(BM-12-AUG-21-03)**

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

## ADJOURNMENT

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

**Mr. Hall** moved that the meeting be adjourned.

**Chairman Smith** seconded the motion.

**Chairman Smith** called the question.

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

The meeting adjourned at 10:06 a.m.

## NOTATIONAL VOTE ACTION

There was one notational vote action approved by the FCA Board from July 9, 2021, through August 11, 2021 as follows:

Item Number	Action Date	Voting Results	Subject
NV 21-19	07/16/2021	Approved	Prior Approval of Farm Credit Leasing Services Corporation dividend payment to CoBank

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 12, 2021.

\_\_\_\_\_/s/\_\_\_\_\_  
Glen R. Smith  
Board Chairman and Chief Executive Officer

\_\_\_\_\_/s/\_\_\_\_\_  
Dale Aultman  
Secretary to the Board

Approved: September 9, 2021

**STAFF PRESENT AT THE  
FCA REGULAR BOARD MEETING  
August 12, 2021**

Glen R. Smith, Board Chairman / CEO  
Jeffery S. Hall, Board Member

<b>OFFICE</b>	<b>OPEN SESSION</b>
<b>Office of the Board</b>	
Smith, Glen	X
Hall, Jeff	X
Morris, James	X
Donner, Mary Alice	X
Roque-Brehm, Awilda	X
Calhoun, Gaye	X
Aultman, Dale	X
<b>COO</b>	
Coleman, Robert	X
<b>OIT</b>	
Matos, Ricardo	X
Versace, Jerry	X
<b>OCPA</b>	
Stokke, Michael	X
Middleton, Russell	X
Meaux, Willy	X
<b>OGC</b>	
Ogilvie, Clark	X
Griffin, Ward	X
McFarland, Laura	X
<b>OE</b>	
Paulsen, Roger	X
Waldron, Ashley	X
Wondra, Craig	X
<b>ODAE</b>	
D'Antoni, Jeremy	X
Iannetta, Sal	X
Shields, Dennis	X
<b>OIG</b>	
Laguarda, Wendy	X
Miller, Kevin	X

<b>OFFICE</b>	<b>OPEN SESSION</b>
<b>OSMO</b>	
Rea, Laurie	X
<b>ORP</b>	
Kramp, Kevin	X
Markowitz, Lori	X
Moore, Jason	X
Gibbs, Paul	X
Livernois, Aaron	X
Johansen, Mark	X
Potter, Jessica	X
<b>OCFO</b>	
Smith, Stephen	X
Gandy, Doug	X
<b>OAS</b>	
Bell, Vonda	X
Clark, Patrina	X
<b>FCSIC</b>	
Rubin, Howard	X
Grimaldi, Andrew	X
<b>GENERAL PUBLIC</b>	12

## 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 12, 2021**

**SUMMARY:** Notice is hereby given, pursuant to the Government in the Sunshine Act, of the forthcoming regular meeting of the Farm Credit Administration Board.

**DATE:** The regular meeting of the Board will be held August 12, 2021, from 9:00 a.m. until such time as the Board may conclude its business.

**ADDRESSES:** *Because of the COVID-19 pandemic, we will conduct the board meeting virtually. If you would like to observe the open portion of the virtual meeting, see instructions in SUPPLEMENTARY INFORMATION for board meeting visitors.*

**FOR FURTHER INFORMATION CONTACT:** Dale Aultman, Secretary to the Farm Credit Administration Board (703) 883-4009. TTY is (703) 883-4056.

**SUPPLEMENTARY INFORMATION:** Instructions for attending the virtual meeting: This meeting of the Board will be open to the public. If you wish to observe, at least 24 hours before the meeting, go to [FCA.gov](https://www.fca.gov), select "Newsroom," then "Events." There you will find a description of the meeting and a link to "Instructions for board meeting visitors." If you need assistance for accessibility reasons or if you have any questions, contact Dale Aultman, Secretary to the Farm Credit Administration Board, at (703) 883-4009.

The matters to be considered at the meeting are as follows:

#### **OPEN SESSION**

##### **Approval of Minutes**

- 1 July 8, 2021

##### **Report**

- 2 Annual Report on the Farm Credit System's Young, Beginning, and Small Farmer Mission Performance: 2020 Results

##### **New Business**

- 3 Standards of Conduct – Final Rule
- 4 Fall 2021 Unified Agenda

/s/

Dale Aultman  
Secretary to the Board

August 2, 2021

Date

# **Farm Credit Administration**

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

## **BOARD ACTION ITEM**

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### **FCA BOARD ACTION ON**

**Minutes for July 8, 2021**

**BM-12-AUG-21-01**

**Effective Date:** August 12, 2021

**Effect on Previous Action:** None

#### **THE FCA BOARD HEREBY:**

Approves the minutes for July 8, 2021.

**DATED THIS 12th DAY OF AUGUST 2021**

**BY ORDER OF THE BOARD**

\_\_\_\_\_/s/  
**Dale Aultman**  
**Secretary to the Board**



**Statement of FCA Board Chairman  
Glen Smith on Young, Beginning, and Small Farmers  
FCA August 12, 2021 Board Meeting**

My wife and I started out as young, beginning farmers in the early 80's, so I am extremely sensitive to credit needs of Young, Beginning, and Small Farmers and Ranchers. The Farm Credit Act imposes responsibilities on the Farm Credit System concerning service to Young, Beginning, and Small Farmers. Section 4.19 of the Act requires each FCS association to have a program "for furnishing sound and constructive credit and related services to young, beginning, and small farmers and ranchers." In addition, Section 4.19 requires that FCS banks report annually to FCA about the operations and achievements of the associations' lending and service programs for YBS Farmers.

These provisions were added to the Act during the 1980's -- difficult times for agriculture. I personally believe these provisions were added to help address the decline in numbers of farmers by ensuring the availability of credit necessary to develop a new generation of farmers. Many years have passed since the 1980's. The Farm Credit System has made consistent efforts to serve YBS farmers; but the average age of American farmers has continued to rise. USDA reported in 2017 that the average age of U.S. farm producers was 57.5 years, up 1.2 years from 2012. There obviously is work to be done in continuing to improve and advance the System's YBS programs. It makes sense from a business development standpoint. It makes sense for the security of American agriculture.

Over the past year FCA staff has been considering revisions to our YBS regulations. In February 2019, FCA issued an Advance Notice of Proposed Rulemaking.

FCA staff has been working to:

- 1) modernize collection and reduce burden for reporting of YBS lending data
- 2) improve our ability to track FCS service to YBS producers and identify best practices used to serve YBS producers
- 3) coordinate with other government agencies to serve YBS borrowers, and
- 4) develop metrics for understanding and ultimately evaluating programs.

FCA staff is now working on a proposed YBS rule for FCA Board consideration. I anticipate that the proposed rule will be designed to result in a rating system that evaluates each institution's program and measures each institution's year over year progress in lending and non-lending support provided to the YBS population.

I look forward to hearing more from staff in the coming months.



**2020 Results:**  
**FCA's Annual Report on the Farm Credit  
System's Young, Beginning, and Small  
Farmer Mission Performance**

**FCA Board Meeting  
August 12, 2021  
Salvatore Iannetta, FCA Senior Analyst  
Office of Data Analytics and Economics**



# YBS Program Guidance

## Farm Credit Act of 1971 as Amended

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

## Regulation 614.4165 – 2004

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

## Bookletters – 2007 and 2012

- BL 040 – Provides flexibility on lending opportunities for YBS.
- BL 066 – 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.

## Advance Notice of Public Rulemaking (ANPRM) – 2019



# YBS Definitions and Data Clarifications



## 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 less than \$250,000.

## Important Data Clarifications:

- YBS data is currently reported separately for each category.
- Borrowers may qualify under more than one category.
- Combining Y,B, and S total does not produce an accurate measure of YBS lending as borrowers can be in one or more categories.
- Dollar volumes include advances and commitments.



# YBS Reporting Guidance for Lending Data

## Current Guidance for New Business Activity

- A loan that was closed during the calendar year. This includes loans that were renegotiated or refinanced during the year meeting at least one of the following conditions:
  - Commits additional funds.
  - Substitutes or adds different borrower or lessee.
  - Has substantially different terms or conditions.
  - Involves a new or separate credit decision.

## Current Guidance for Reporting Outstanding Loans

- Extension of (or the commitment) to extend credit authorized by the Act. This includes loans outstanding, including undisbursed commitments to lend.





# YBS Results



## YBS Loans Outstanding—As of December 31, 2020

	Number of loans	Percentage of total number	Dollar volume of loans in millions	Percentage of total volume
Young	181,378	19.2%	\$33,586	10.8%
Beginning	283,936	30.0%	\$54,779	17.6%
Small	470,836	49.8%	\$58,587	18.8%

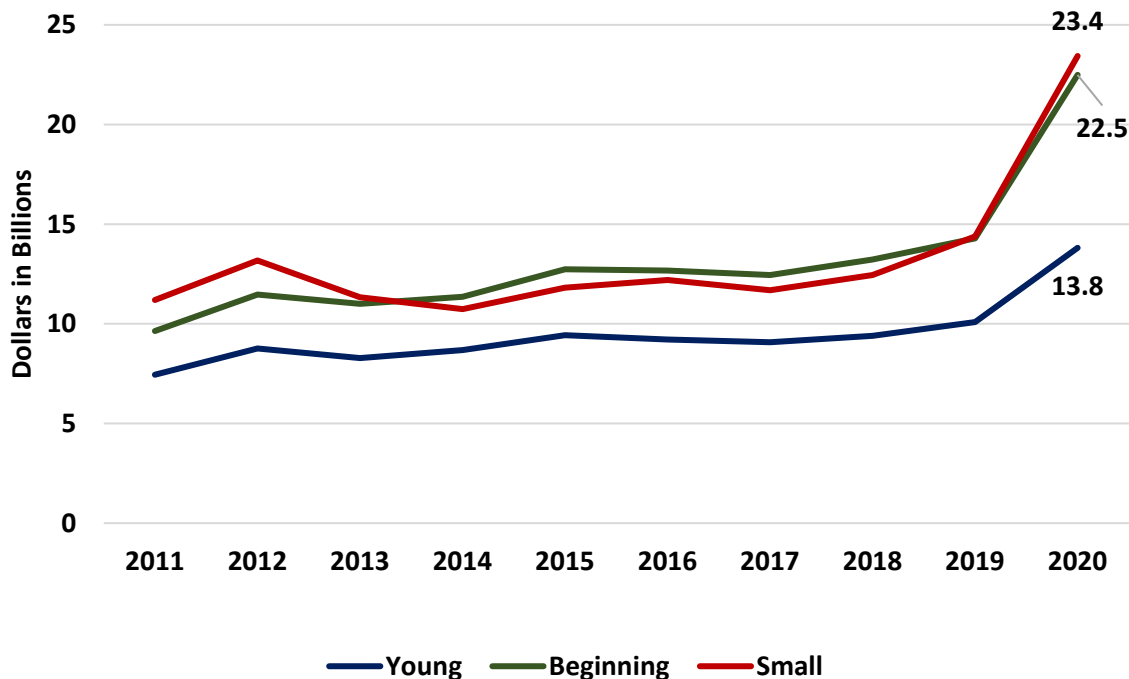
## YBS Made During 2020—As of December 31, 2020

	Number of loans	Percentage of total number	Dollar volume of loans in millions	Percentage of total volume
Young	65,807	17.7%	\$13,810	11.5%
Beginning	94,329	25.4%	\$22,488	18.8%
Small	166,282	44.8%	\$23,437	19.6%

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



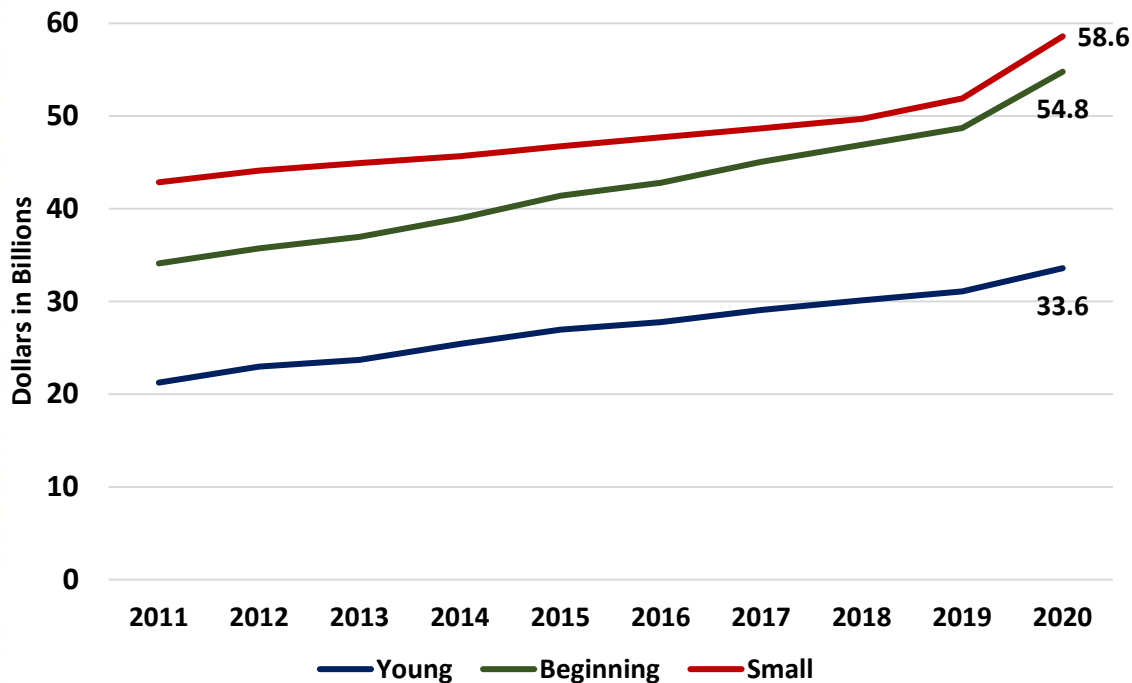
# YBS New Loan Volume



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



# YBS Outstanding Loan Volume

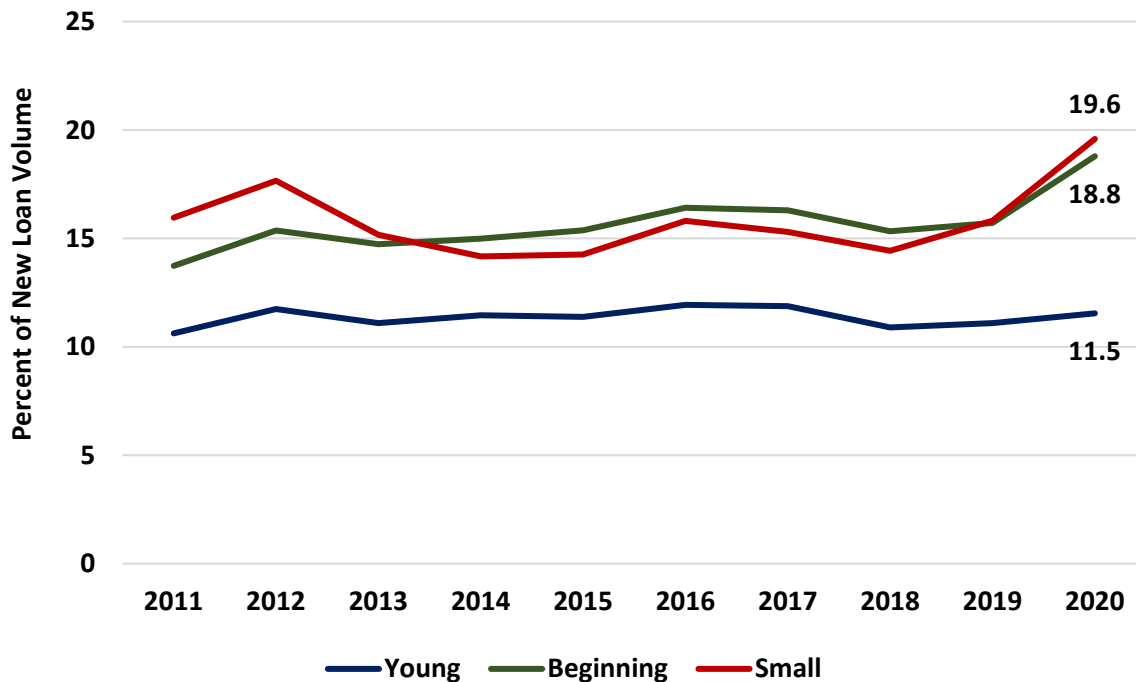


Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks





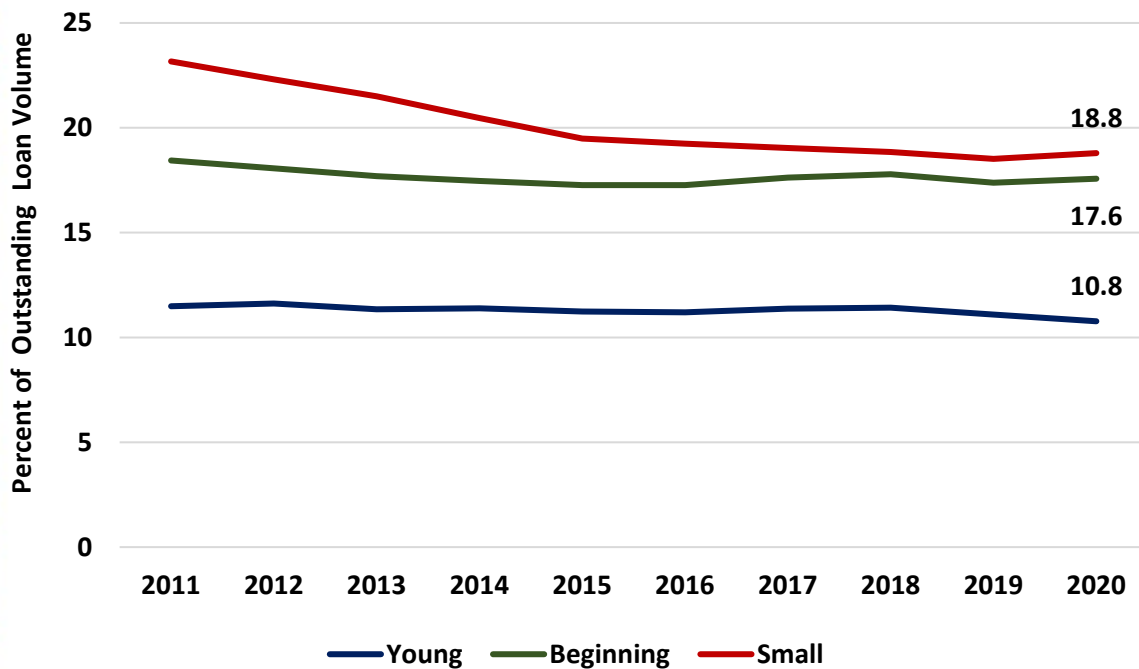
# YBS Share of New Loan Volume



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



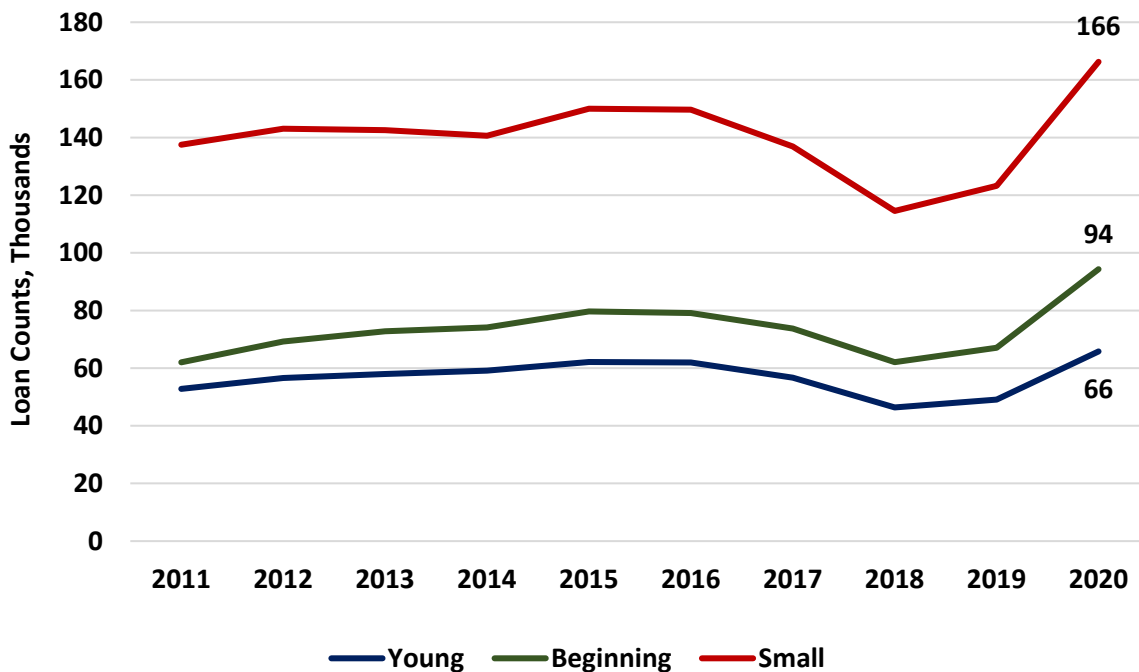
# YBS Share of Outstanding Loan Volume



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



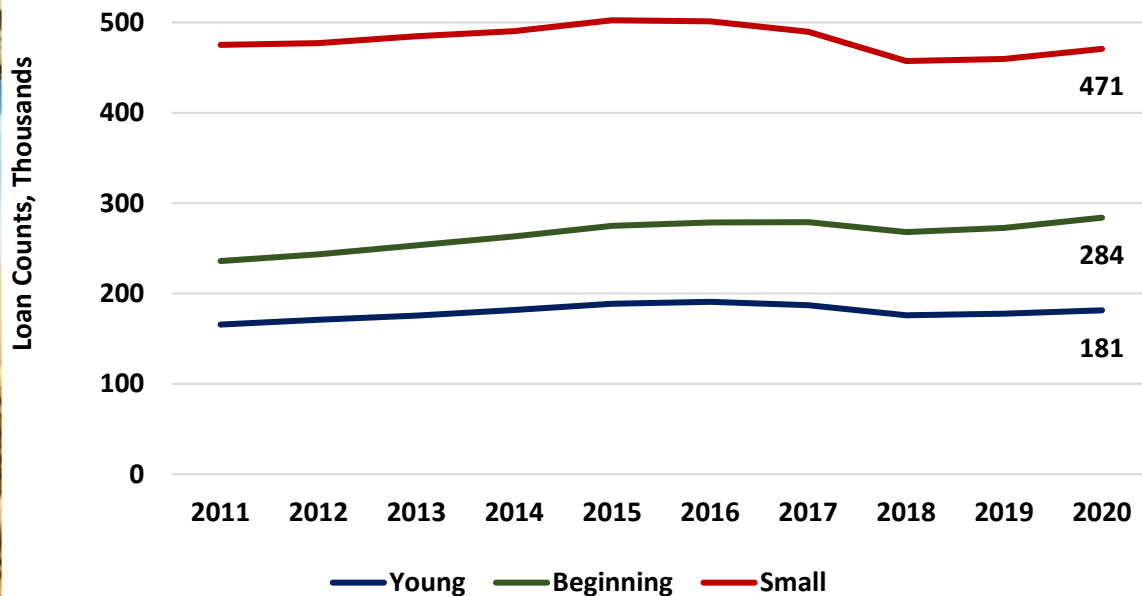
# YBS New Loan Count



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



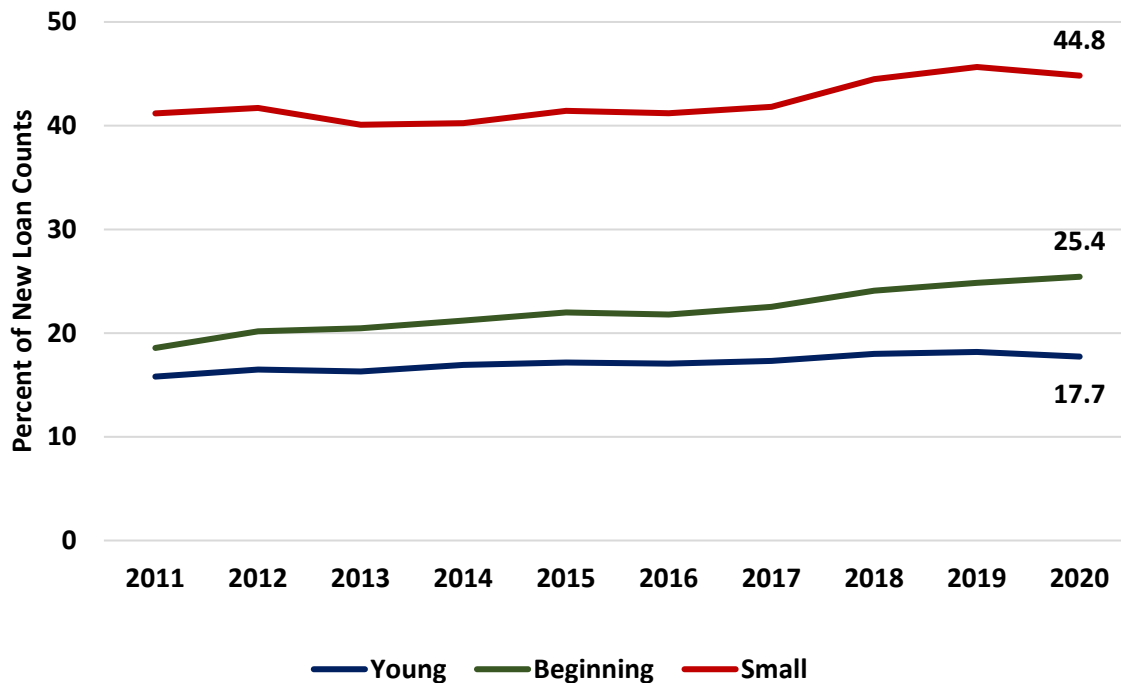
# YBS Outstanding Loan Count



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



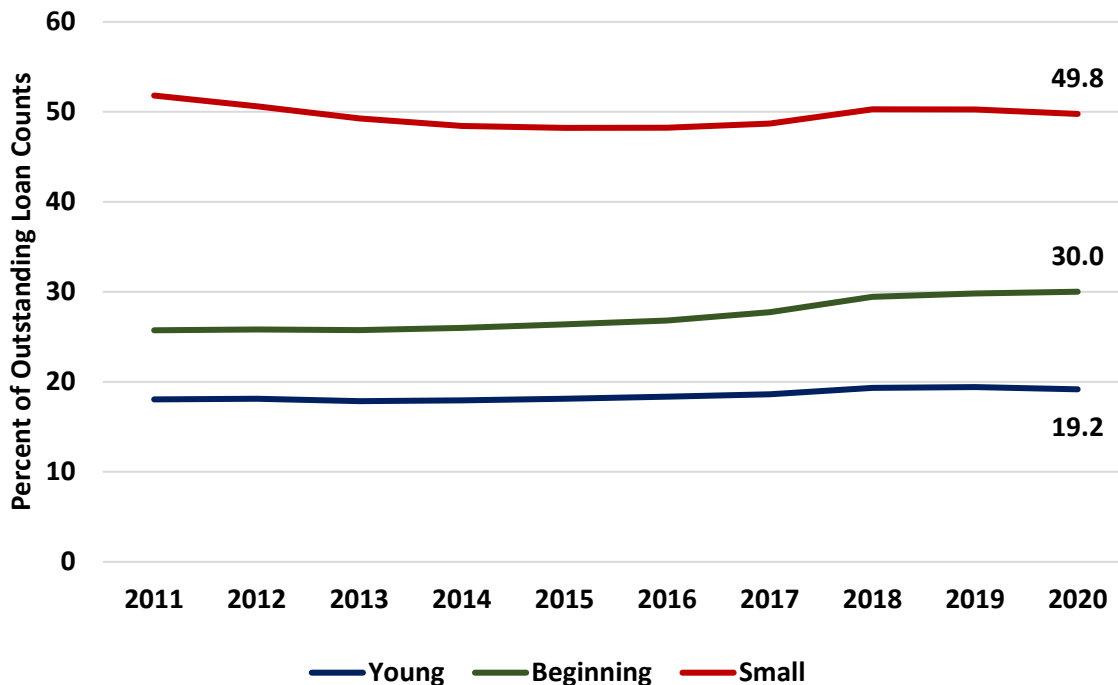
# YBS Share of New Loan Count



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



# YBS Share of Outstanding Loan Count



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



## YBS Initiatives Update

- Work with FCS data workgroups to modernize collection and reduce burden for reporting of YBS lending data.
- Improve the Agency's ability to track FCS service to YBS producers and identify best practices used to serve YBS producers, including working with other government agencies for the benefit of YBS producers.
- Evaluate and rate the effectiveness of each institution's program to serve YBS.





**Thank you**

**Questions?**



# **Farm Credit Administration**

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

## **BOARD ACTION ITEM**

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### **FCA BOARD ACTION ON**

#### **Standards of Conduct - Final Rule**

**BM-12-August-21-02**

**Effective Date:** August 12, 2021

#### **THE FCA BOARD HEREBY:**

- Approves the final rule amending Standards of Conduct Regulations in subpart A of Part 612; and
- Authorizes FCA staff to make any technical or grammatical changes that may be necessary for publication in the *Federal Register* or for compliance with the Congressional Review Act.

**DATED THIS 12th DAY OF AUGUST 2021**

**BY ORDER OF THE BOARD**

\_\_\_\_\_/s/  
**Dale Aultman**  
**Secretary to the Board**

## **Farm Credit Administration**

1501 Farm Credit Drive  
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### **BOARD ACTION ITEM**

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### **FCA BOARD ACTION ON Fall 2021 Unified Agenda BM-12-August-21-03**

**Effective Date:** August 12, 2021

**Source of Authority:** Executive Order 12866 and sections 5.9 and 5.17 of the Farm Credit Act of 1971, as amended.

#### **THE FCA BOARD HEREBY:**

- Approves the Fall 2021 Abstract of the Unified Agenda of Federal Regulatory and Deregulatory Actions and Fall 2021 Regulatory Plan;
- Authorizes staff to submit the preamble and information from the Fall 2021 Abstract of the Unified Agenda to the Office of Management and Budget's Office of Information and Regulatory Affairs;
- Authorizes staff to publish the Fall 2021 Regulatory Plan on FCA's external website after the Fall 2021 Unified Agenda submissions have been accepted by the Office of Information and Regulatory Affairs; and
- Authorizes FCA staff to make any technical or grammatical changes that may be necessary for publication of FCA's submission to the government-wide Fall 2021 Unified Agenda and any other changes that may be required by the Office of Information and Regulatory Affairs prior to publication.

**DATED THIS 12th DAY OF AUGUST 2021**

**BY ORDER OF THE BOARD**

\_\_\_\_\_/s/  
**Dale Aultman**  
**Secretary to the Board**