

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



**MINUTES OF THE REGULAR MEETING
OF THE
FARM CREDIT ADMINISTRATION BOARD
March 10, 2022**

These minutes reflect the business transacted at the March 10, 2022, 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 10:35 a.m.

Members of the Board present were:

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

Others present included **Ashley Waldron**, Secretary to the Board; **Clark Ogilvie**, General Counsel; staff of the FCA and the Farm Credit System Insurance Corporation (FCSIC). Also, there were 10 members of the general public registered to attend. (A list of the FCA and FCSIC staff in attendance is attached as Exhibit A.)

Chairman Smith announced that this meeting of the Board is a hybrid physical/virtual meeting 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* include portions of the meeting closed to the public as permitted by the Government in the Sunshine Act and therefore moved that the meeting be closed at that point as shown on the agenda.

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 February 10, 2022, Regular Board Meeting (BM-10-MAR-22-01)

Mr. Hall moved to approve the minutes for the February 10, 2022, 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-10-MAR-22-01)**

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

New Business

Spring 2022 Unified Agenda (BM-10-MAR-22-02)

Jason Moore of the **Office of Regulatory Policy** and **Heather LoPresti** of the **Office of General Counsel** presented the Spring 2022 Unified Agenda.

Chairman Smith asked if there were any questions or comments from the Board.

There being no further questions or comments, **Chairman Smith** asked the staff to provide their recommendation. The staff provided their recommendation.

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

Mr. Hall moved to approve the staff's recommendation regarding the Spring 2022 Unified Agenda.

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-10-MAR-22-02)**

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

Reports

Funding Conditions for the Farm Credit System

David Lewandrowski of the **Office of Regulatory Policy** presented the report on Funding Conditions for the Farm Credit System.

Chairman Smith asked if there were any questions or comments from the Board.

There were no further questions or comments.

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

CLOSED SESSION

Chairman Smith thanked members of the public for attending and noted that this was a Closed Session.

Chairman Smith asked members of the public to disconnect from the virtual portion of the meeting or exit the Board Room, and asked FCA and FCSIC staff to leave the meeting (by disconnecting or exiting the Board Room) if they do not normally observe the Closed Session.

Chairman Smith asked **OIT staff** to confirm that the public had been disconnected so the Board could meet in Closed Session. **OIT staff** provided that confirmation.

Chairman Smith convened the Closed Session of the meeting at 9:53 a.m. and asked **OIT staff** to confirm that the proceedings of the Closed Session were being recorded as required by the Government in the Sunshine Act. **OIT staff** provided that confirmation.

Chairman Smith then instructed the **General Counsel** to furnish the **Secretary** with a certification, pursuant to 5 U.S.C. § 552b(f), that the portions of the meeting held in Closed Session may be properly closed to the public.

The **Secretary** noted the start time of the Closed Session, indicated she had the certification from the **General Counsel**, and called the roll. (Attendees are shown in Exhibit A.) (A copy of the certification is attached hereto as Exhibit F.)

Office of Secondary Market Oversight Periodic Report

Bruce Hudson and **Joe Connor** of the **Office of Secondary Market Oversight** presented the Office of Secondary Market Oversight Periodic Report.

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

There were no further questions or discussion.

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 10:35 a.m.

NOTATIONAL VOTE ACTIONS

There was one notational vote action approved by the FCA Board from February 10, 2022, through March 9, 2022, as follows:

Item Number	Action Date	Voting Results	Subject
NV 22-05	02/21/2022	Approved	FCA Strategic Plan for Fiscal Years 2022 – 2026

The undersigned hereby certify that the foregoing minutes are the official minutes of the Regular Meeting of the Farm Credit Administration Board held on March 10, 2022.

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

_____/s/_____
Ashley Waldron
Secretary to the Board

Approved: April 14, 2022

**STAFF PRESENT AT THE
FCA REGULAR BOARD MEETING
March 10, 2022**

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

	OPEN SESSION	CLOSED SESSION
Office of the Board		
Smith, Glen	X	X
Hall, Jeff	X	X
Morris, James	X	X
Donner, Mary Alice	X	X
Lewandrowski, Barbara	X	X
Roque-Brehm, Awilda	X	X
Calhoun, Gaye	X	
Waldron, Ashley	X	X
COO		
Coleman, Robert	X	X
OIT		
Golley, Jerry	X	X
Versace, Jerry	X	X
Rana, Ben	X	X
OCPA		
Stokke, Mike	X	X
Middleton, Russell	X	X
Meaux, Willy	X	X
OGC		
Ogilvie, Clark	X	X
Griffin, Ward	X	X
Cohn, Jennifer	X	
LoPresti, Heather	X	X
OE		
Duffy, Mike	X	X
Fennewald, Dan	X	X
Greenlee, Angela	X	X
ODAE		
D'Antoni, Jeremy	X	X
Shields, Dennis	X	X
OIG		
Laguarda, Wendy	X	X
Miller, Kevin	X	X
OSMO		
Rea, Laurie	X	X
Hudson, Bruce	X	X
Connor, Joe	X	X
Del Moral, Jeremy	X	X

	OPEN SESSION	CLOSED SESSION
West, Tiffany	X	X
Thomas, Elu	X	X
Michel, Kevin	X	X
ORP		
Kramp, Kevin	X	X
Agans, Autumn	X	X
Lewandowski, David	X	
Moore, Jason	X	X
Edelstein, Jeremy	X	
Leist, Ryan	X	
OCFO		
Walters, Sandra	X	X
Gandy, Doug	X	X
OAS		
Bell, Vonda	X	X
Clark, Patrina	X	X
FCSIC		
Rubin, Howard	X	
Simonson, John	X	X
Wynn, Wade	X	X
GENERAL PUBLIC	10	N/A

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 March 10, 2022

TIME AND DATE: 9:00 a.m., Thursday, March 10, 2022.

PLACE: You may physically, at 1501 Farm Credit Drive, McLean, Virginia 22102-5090, or virtually observe the open portions of this meeting. If you would like to observe, at least 24 hours in advance, visit FCA.gov, select "Newsroom," and then select "Events." From there, access the linked "Instructions for board meeting visitors" and complete the described registration process.

STATUS: Parts of this meeting will be open to the public. The rest of the meeting will be closed to the public.

MATTERS TO BE CONSIDERED:

Portions Open to the Public

- Approval of February 10, 2022, Minutes
- Spring 2022 Unified Agenda
- Funding Conditions for the Farm Credit System

Portions Closed to the Public

- Office of Secondary Market Oversight Periodic Report¹

CONTACT PERSON FOR MORE INFORMATION: If you need more information or assistance for accessibility reasons, or if you have questions, contact Ashley Waldron, Secretary to the Board. Telephone: 703-883-4009. TTY: 703-883-4056.

_____/s/_____
Ashley Waldron
Secretary to the Board

February 24, 2022

¹ Session Closed-Exempt pursuant to 5 U.S.C. Section 552b(c)(8) and (9).

Farm Credit Administration

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

BOARD ACTION ITEM



FCA BOARD ACTION ON

Minutes for February 10, 2022

BM-10-MAR-22-01

Effective Date: March 10, 2022

Impact on Prior Board Actions: None

THE FCA BOARD HEREBY:

- Approves the minutes for February 10, 2022.

DATED THIS 10th DAY OF MARCH 2022

BY ORDER OF THE BOARD

_____/s/
Ashley Waldron
Secretary to the Board

Farm Credit Administration

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

BOARD ACTION ITEM



FCA BOARD ACTION ON

Spring 2022 Unified Agenda

BM-10-MAR-22-02

Effective Date: March 10, 2022

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 Spring 2022 Abstract Update of the Unified Agenda of Federal Regulatory and Deregulatory Actions and Spring 2022 Regulatory Plan.
- Authorizes staff to submit the preamble and information from the Spring 2022 updated Abstract of the Unified Agenda to the Office of Management and Budget's Office of Information and Regulatory Affairs.
- Authorizes staff to publish the Spring 2022 Regulatory Plan on FCA's external website after the Spring 2022 Update of the Unified Agenda submissions have been accepted by the Office of Information and Regulatory Affairs.
- Authorizes staff to make any technical or grammatical changes that may be necessary for publication of FCA's submission to the government-wide Spring 2022 Update of the Unified Agenda and any other changes that may be required by the Office of Information and Regulatory Affairs prior to publication.

DATED THIS 10th DAY OF MARCH 2022

BY ORDER OF THE BOARD

_____/s/
Ashley Waldron
Secretary to the Board



Exhibit E

Funding Update for the Farm Credit System





Recent Financial Headlines

“Why Realtors Have Embraced Brutal Honesty, *Smells Like a Farmtown*”

- Lots of Americans have relocated during the Covid-19 pandemic, sometimes sight unseen. Real-estate agents are doing some truth-telling in advance.





Recent Financial Headlines

“U.S. National Debt Exceeds \$30 Trillion for First Time”

- Increase from pre-pandemic levels fueled by trillions of dollars spent on aid programs for small businesses, workers and others.





Recent Financial Headlines

“U.S. Treasury Yields Rise After Positive Jobs Data ”

- Move extends a recent climb in government bond yields.





Recent Financial Headlines

“U.S. Inflation Accelerates to 40-Year High”

- Consumer-price index rose at 7.5% annual rate in January





Recent Financial Headlines

“Bank of England Enacts First Back-to-Back Rate Rises Since 2004”

- Four of the rate-setting panel’s nine members wanted a bigger increase to tame inflation.





Recent Financial Headlines

“Treasury Yields Hit 2% After Inflation Data”

- Yields on shorter-term Treasuries led gain.





Recent Financial Headlines

“As Inflation Soars, Central Banks Scramble to Lift Rates”

- Bank of England raises rates while ECB leaves door open to tighter monetary policy; facing a ‘trade-off between strong inflation and weakening growth’





Recent Financial Headlines

“China’s Property Crisis Has Investors in Green Bonds Seeing Red”

- Chinese real-estate firms sold close to \$10 billion of green bonds in 2021





Recent Financial Headlines

“Eurozone Inflation Climbs to Fresh High as Russian Invasion Confronts ECB With Dilemma”

- Pickup in inflation driven by higher energy prices, with further increases likely





Recent Financial Headlines

“Oil Briefly Tops \$115”

- European natural-gas prices rise as Russian ruble continues to fall





Funding Update Topics

- Global Market
- Agency Debt Market
- Funding Corporation Activity
- Yields & Spreads on FCS Debt
- FCS Liquidity
- LIBOR/SOFR
- War in Eastern Europe





Global Market

- Federal Reserve
- E.C.B., Bank of England, Bank of Japan
- U.S. Treasury
- China
- War in Eastern Europe





System High Level Financials



- Assets – \$ 436.0 billion (+ 8.8%)
- Loans – \$ 343.9 billion (+ 9.0%)
- A.L.L. – \$ 1.6 billion (- 9.1%)
- Cash & Invt. – \$ 80.8 billion (+ 8.9%)
- Capital – \$ 69.5 billion (+ 6.0%)
- Net Income – \$ 6.8 billion (+13.2%)



Credit Rating Agencies - Outlook for the United States

- Standard & Poors – AA+
Outlook – Stable
- Moody's – Aaa
Outlook – Stable
- Fitch – AAA
Outlook – *Negative*





Agency Debt Issuance

Billions of Dollars	2017	2018	2019	2020	2021
F.H.L.B.	\$2,499	\$2,856	\$2,739	\$1,975	\$1,467
FCS	278	308	364	421	415
Freddie Mac	480	413	558	465	22
Fannie Mae	710	556	572	369	50
Total	\$3,967	\$4,133	\$4,233	\$3,230	\$1,954

Source: Agency Websites



Agency Debt Outstanding

Billions of Dollars	2017	2018	2019	2020	2021
F.H.L.B.	\$ 1,034	\$1,044	\$ 1,005	\$ 737	\$653
FCS	265	280	292	322	353
Fannie Mae	278	204	158	275	202
Freddie Mac	317	274	254	284	182
Farmer Mac	16	16	19	22	23
Tenn. V.A.	25	23	22	21	21
Total	\$1,935	\$1,941	\$1,750	\$1,661	\$1,434

Source: Agency Websites



Funding Activity by FCS



(\$ millions)	Discount Notes	Designated Bonds	Fixed Rate Bonds		Floating Rate Bonds			Retail Bonds	Other ¹	Total
			Callable	Non-Callable	LIBOR	SOFR	Prime, FF, 91-day,			
2/28/2022	22,734	11,100	110,407	98,981	1,916	86,517	30,062	19	148	361,883
12/31/2021	24,280	9,100	104,071	100,600	2,141	79,747	32,797	20	151	352,906
12/31/2020	23,524	3,100	78,971	90,084	39,437	56,595	29,712	42	148	322,464
12/31/2019	17,459	0	77,903	79,068	80,613	7,957	28,657	122	159	291,938
12/31/2011	13,647	21,450	46,429	43,986	36,155	0	21,461	356	66	183,549
¹ Includes Linked Deposits										

Source: FFCBFC Website



Designated Bonds

- GSE Benchmark Issue
- Six Issuances in 2021
- \$1 Billion, 2 & 3 yr. Maturities
- Barclays Aggregate Bond Index
- Dealer Performance/Investor Base

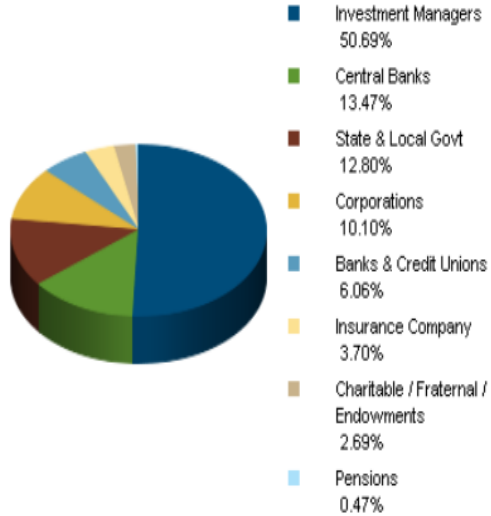




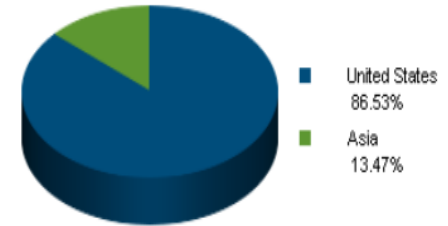
Designated Bond



ACCOUNT DISTRIBUTION*



GEOGRAPHICAL DISTRIBUTION





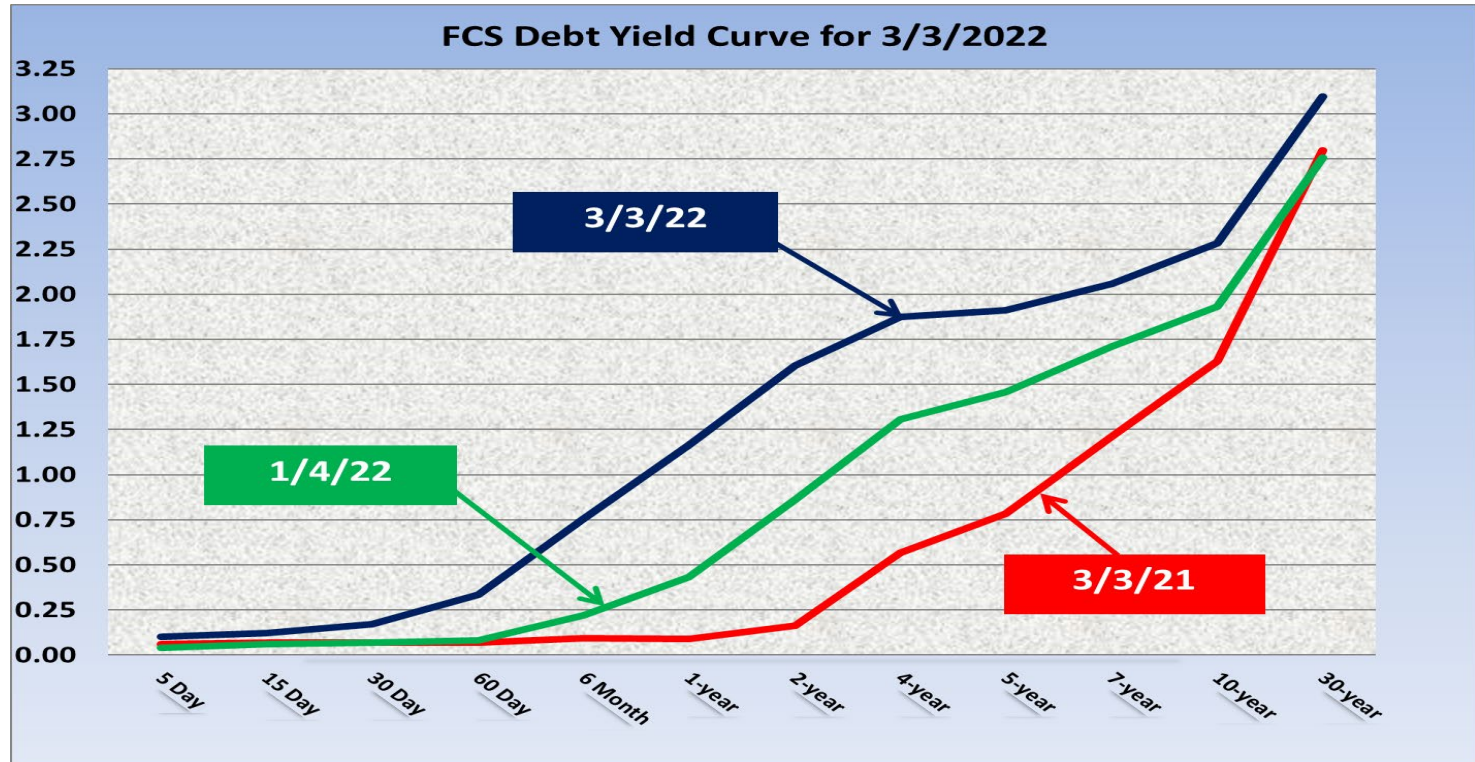
Dealer Group

- **37 Dealer Group Members**
- **MFR Securities, Inc. added in Jan. '22**
 - **Leveraging Equality and Diversity (LEAD)**
 - **9 Overall LEAD Dealer Members**



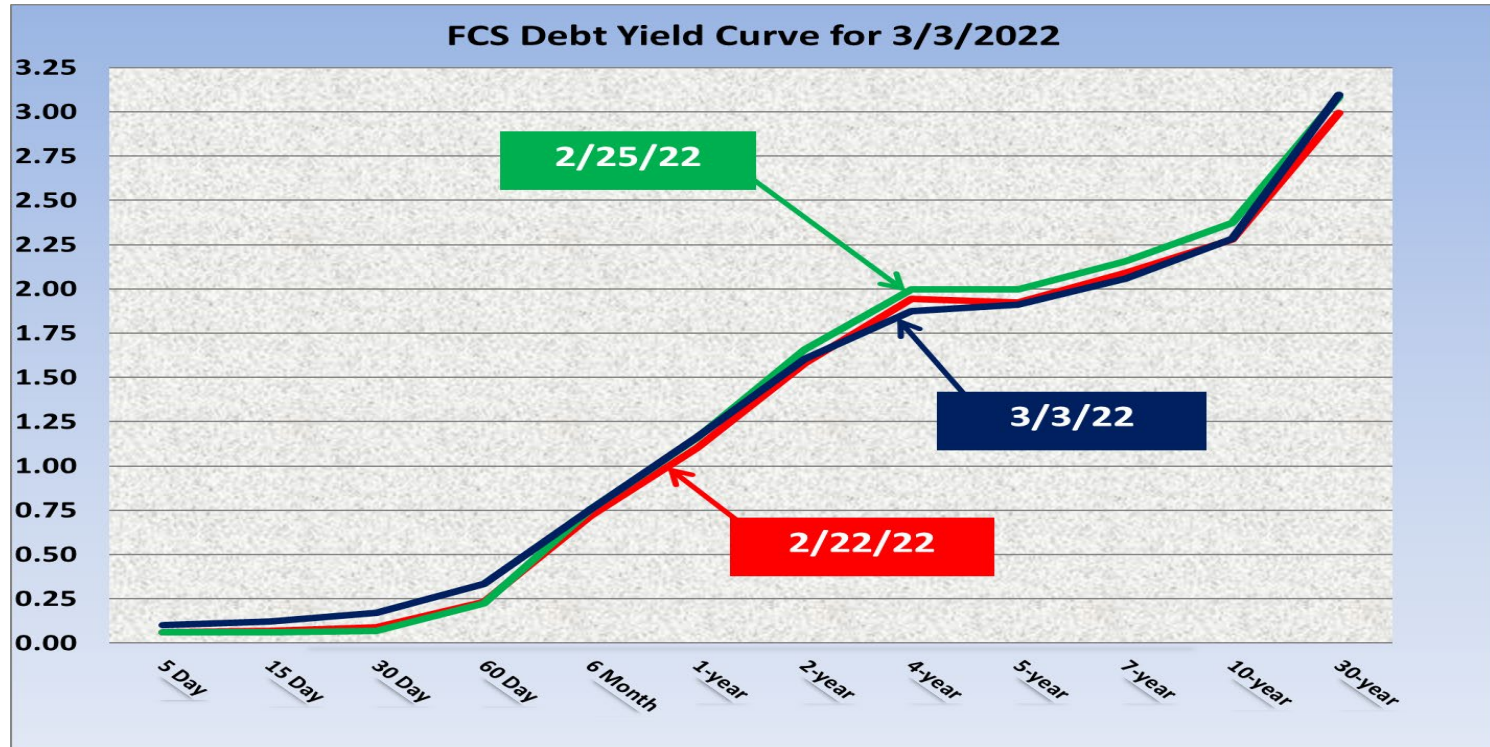


FCS Debt Yields Increasing





Recent FCS Debt Yields

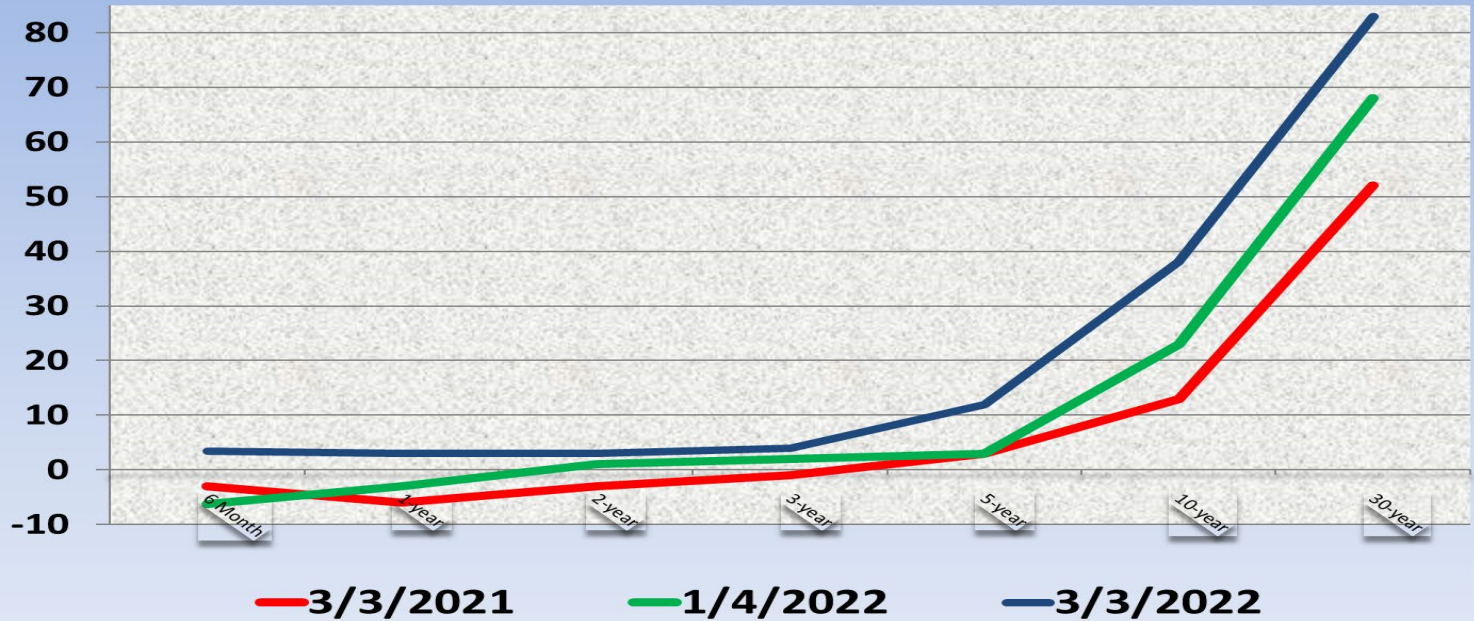




Increased Risk Premiums



FCS Basis Points Spread over Treasuries

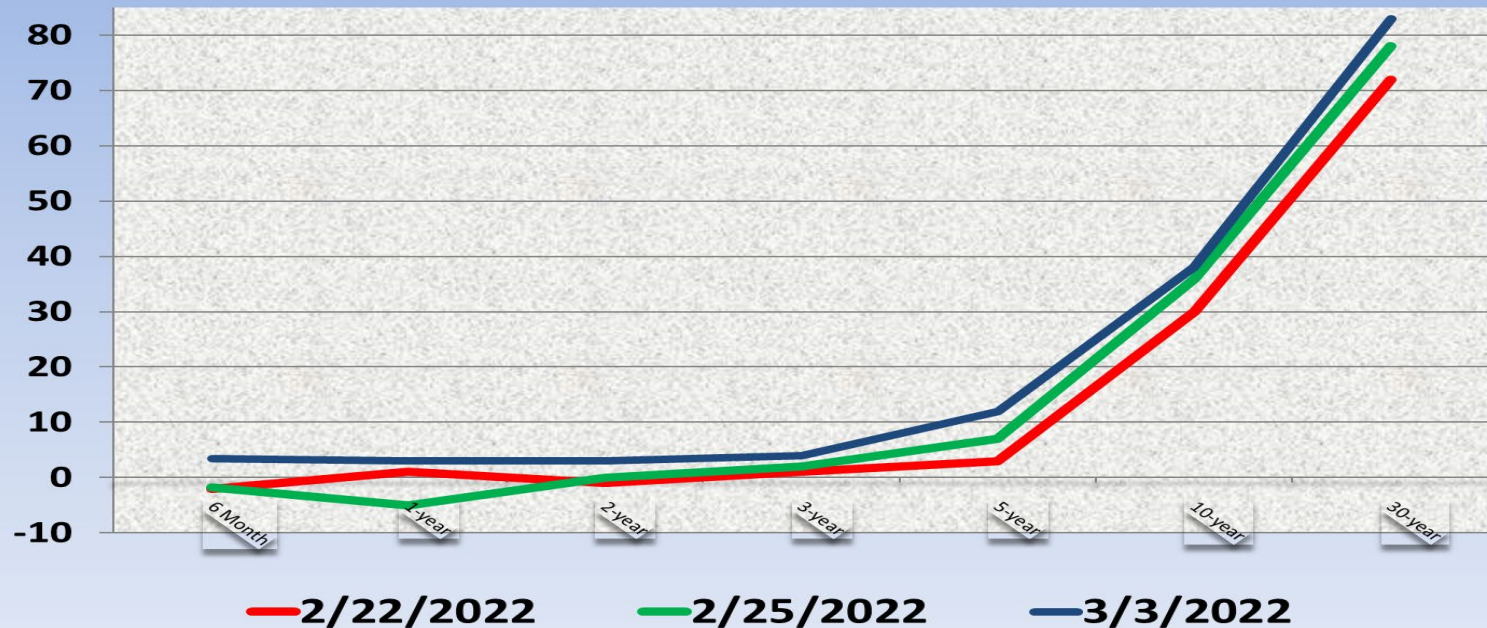




Recent Risk Premiums



FCS Basis Points Spread over Treasuries





Decreased Call Activity

- **Calls in '21 – \$ 35 billion**
- Calls in '20 – \$ 115 billion
- Calls in '19 – \$ 54 million
- Calls in '18 – \$ 29 billion
- Calls in '17 – \$ 5 billion
- Net Interest Spreads
 - **2.33% for '21**, 2.26 % for '20, 2.04% for '19, 2.12% for '18, 2.25% for '17.
- Net Interest Margins
 - **2.46% for '21**, 2.46 % for '20, 2.42% for '19, 2.46% for '18, 2.48% for '17.





Debt Maturity

- Weighted average maturity of FCS Debt
- ❖ **Dec./2021 – 3.14 years**
 - ❖ Dec./2020 – 2.85 years
 - ❖ Dec./2019 – 2.82 years
 - ❖ Dec./2018 – 2.86 years
 - ❖ Dec./2017 – 2.88 years





Debt Maturity

➤ Percentage of FCS debt maturing within 1 year.

- ❖ **Dec./2021 – 37.0 percent**
- ❖ Dec./2020 – 38.8 percent
- ❖ Dec./2019 – 38.9 percent
- ❖ Dec./2018 – 38.8 percent
- ❖ Dec./2017 – 39.1 percent





Days of Liquidity

- As of 12/31/21 System = 180(174) days:
 - AgFirst = 235(221) days, AgriBank = 158(146) days, FCB of TX = 185(173) days, CoBank = 180(180)days
- As of 12/31/20 System = 171 (158) days:
 - AgFirst = 196(189) days, AgriBank = 167(136) days, FCB of TX = 182(173) days, CoBank = 174(174) days





LIBOR/SOFR TRANSITION

- Global U.S. LIBOR referenced instruments still dominate.
- **16 mos.** until ALL remaining LIBOR's Tenors R.I.P. date.
- Secured Overnight Financing Rate growing quickly in use.
- System's J & S LIBOR directly based debt down to \$1.9 billion. No new issues. Synthetic derivative exposure notional amount \$44.3 billion versus \$46.2 billion yearend '20.
- FCS issued just over \$46.2 billion in SOFR indexed bonds in 2021. Now dominates FCS indexed debt.





War in Eastern Europe

- Global Issue
- Major Economic Shocks
- Long Term Impacts





Summary

- Strong Demand for FCS Debt
- FCS Debt Yields Moving Higher
- FCS Risk Premiums Rising but Still Favorable
- Solid Financial Performance Continuing
- Substantial Liquidity
- LIBOR/SOFR Transition Progressing
- War in Eastern Europe Global Impact



Farm Credit Administration

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CERTIFICATE OF CLOSED MEETING

The General Counsel, in accordance with the Government in the Sunshine Act, 5 U.S.C. § 552b(f)(1), hereby certifies that the Farm Credit Administration Board regular meeting of March 10, 2022, was properly closed to the public on the basis of the exemption set forth below:

- Supervisory and Oversight Activities of FCS Institution(s) – 5 U.S.C. § 552b(c)(8) and (9).

March 10, 2022
Date

/s/
Clark Ogilvie
General Counsel