

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



**MINUTES OF THE REGULAR MEETING
OF THE
FARM CREDIT ADMINISTRATION BOARD
April 9, 2026**

These minutes reflect the business transacted at the April 9, 2026, regular meeting of the Farm Credit Administration (FCA) Board pursuant to the Government in the Sunshine Act, 5 U.S.C. § 552b, and the regulations of the FCA adopted thereunder.

The meeting was held at the FCA office in McLean, Virginia. The meeting began at 10:00 a.m. and concluded at 10:44 a.m. The meeting was a hybrid physical/virtual meeting.

Members of the Board present were:

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

The above named constitute the full Board.

Others present included **Ashley Waldron**, Secretary to the Board; **Seema Mahini**, General Counsel; and staff of the FCA and Farm Credit System Insurance Corporation (FCSIC). There were five members of the general public in attendance. (A list of Board and staff attendees is attached as Exhibit A.)

Chairman Hall called the meeting to order.

The **Secretary** addressed technical and protocol items and read a statement that announced the meeting would be conducted according to Government in the Sunshine Act requirements.

ADOPTION OF AGENDA

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

Board Member Smith moved to adopt the agenda as published.

Chairman Hall seconded the motion.

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

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

CONSIDERATION TO CLOSE PORTIONS OF THE MEETING

Board Member Smith noted that the agenda did not include 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 Hall seconded the motion.

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

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

OPEN SESSION

Approval of Minutes

Minutes for March 12, 2026

(BM-9-APR-26-01)

Board Member Smith moved to approve the minutes for the March 12, 2026, FCA regular board meeting, as presented.

Chairman Hall seconded the motion.

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

The **Secretary** polled the Board Members, and the motion carried unanimously. (BM-9-APR-26-01)

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

Reports

Quarterly Report on Economic Conditions and Farm Credit System Condition and Performance

Rebecca Kaiser of the **Office of Data Analytics and Economics** and **John Stephens** of the **Office of Examination** presented the Quarterly Report on Economic Conditions and Farm Credit System Condition and Performance.

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

ADJOURNMENT

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

Board Member Smith moved that the meeting be adjourned.

Chairman Hall seconded the motion.

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

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

The meeting adjourned at 10:44 a.m.

NOTATIONAL VOTE ACTIONS

There were two notational vote actions approved by the FCA Board from March 12, 2026, through April 8, 2026.

Item Number	Action Date	Voting Results	Subject
NV 26-06	3/16/2026	Approved	Farm Credit Administration Board Policy Statement 62 – Equal Employment Opportunity
NV 26-07	3/16/2026	Approved	Farm Credit Administration Budget Reallocation

The undersigned hereby certify that the foregoing minutes are the official minutes of the regular meeting of the Farm Credit Administration Board held on April 9, 2026.

_____/s/
Jeffery S. Hall
Chairman and CEO

_____/s/
Ashley Waldron
Secretary to the Board

Approved: May 14, 2026

**BOARD AND STAFF PRESENT AT THE
FCA REGULAR BOARD MEETING
April 9, 2026**

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

ATTENDEES	OPEN SESSION
Office of the Board	
Hall, Jeffery	X
Smith, Glen	X
Hunter, Karen	X
Iannetta, Sal	X
Greer, Kristin	X
Waldron, Ashley	X
OCOO	
Duffy, Mike	X
Coleman, Robert	X
Cunningham, Lesley	X
OEEO	
Burlew, Thais	X
Fish, Tyler	X
Major, Sara Lynn	X
OIT	
Versace, Jerry	X
Rana, Ben	X
Amaya, Victor	X
OCPA	
Mosely, Ben	X
Shelly, Philip	X
OGC	
Mahini, Seema	X
Griffin, Ward	X
OE	
Fennewald, Dan	X
Hanson, Angela	X
Holmes, Graham	X
Peek, Nicole	X
Stephens, John	X
ODAE	
D'Antoni, Jeremy	X
Shields, Dennis	X
Kaiser, Rebecca	X
OIG	
Ravas, Stephen	X
Miller, Kevin	X
OSMO	
Fay, Thomas	X

ATTENDEES	OPEN SESSION
Hudson, Bruce	X
ORP	
Kramp, Kevin	X
Agans, Autumn	X
Tulman, Sarah	X
OCFO	
Peterman, Mary	X
Soares, Ily	X
Willard, Shana	X
OAS	
Bell, Vonda	X
Keller, Josh	X
Adkins, Byron	X
Adams, Corey	X
Blackmon, Leticia	X
FCSIC	
Simonson, John	X
Smith, Gregory	X
Wynn, Wade	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 April 9, 2026

TIME AND DATE: 10 a.m., Thursday, April 9, 2026.

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

STATUS: This meeting will be open to the public.

MATTERS TO BE CONSIDERED: The following matters will be considered:

- Approval of March 12, 2026, Minutes
- Quarterly Report on Economic Conditions and Farm Credit System Condition and Performance

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

_____/s/
Ashley Waldron
Secretary to the Board

March 26, 2026

Farm Credit Administration

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

BOARD ACTION ITEM



FCA BOARD ACTION ON

Minutes for March 12, 2026, Regular Board Meeting

BM-9-APR-26-01

Effective Date: April 9, 2026

Impact on Prior Board Actions: None

THE FCA BOARD HEREBY:

- Approves the minutes for the March 12, 2026, regular Board meeting, as presented.

DATED THIS 9th DAY OF APRIL 2026

BY ORDER OF THE BOARD

_____/s/
Ashley Waldron
Secretary to the Board

Quarterly Report on Economic Conditions and Farm Credit System Condition and Performance

April 9, 2026

Rebecca Kaiser – Senior Economist
Office of Data Analytics and Economics

John Stephens – Supervisory Examiner
Office of Examination





Topics for Open Session

Economic Conditions Affecting the Farm Credit System

- ▶ Macroeconomic update
- ▶ Farm income trends
- ▶ Crop and livestock profitability

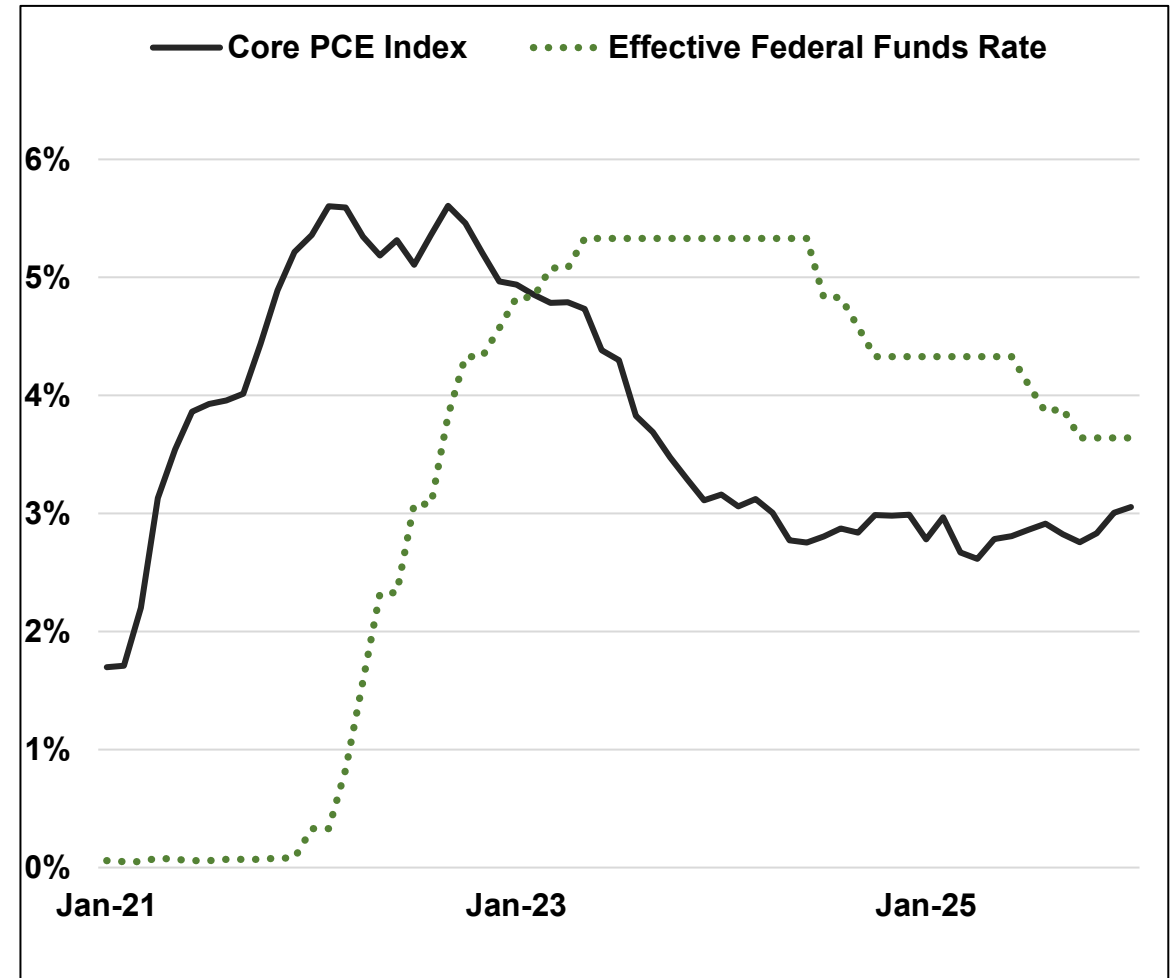
Farm Credit System Condition and Performance

- ▶ System growth and loan portfolio
- ▶ Earnings and capital
- ▶ Financial Institution Rating System (FIRS)



Macro indicators show potential challenges ahead

- ▶ PCE inflation stability will be tested with recent volatility in energy markets.
- ▶ Job market shows signs of softening with recent revisions.
- ▶ Real GDP growth slowed to 0.7% in Q4 2025 due to a prolonged government shutdown and reduced exports.
- ▶ Changes to the federal funds rate have been paused.

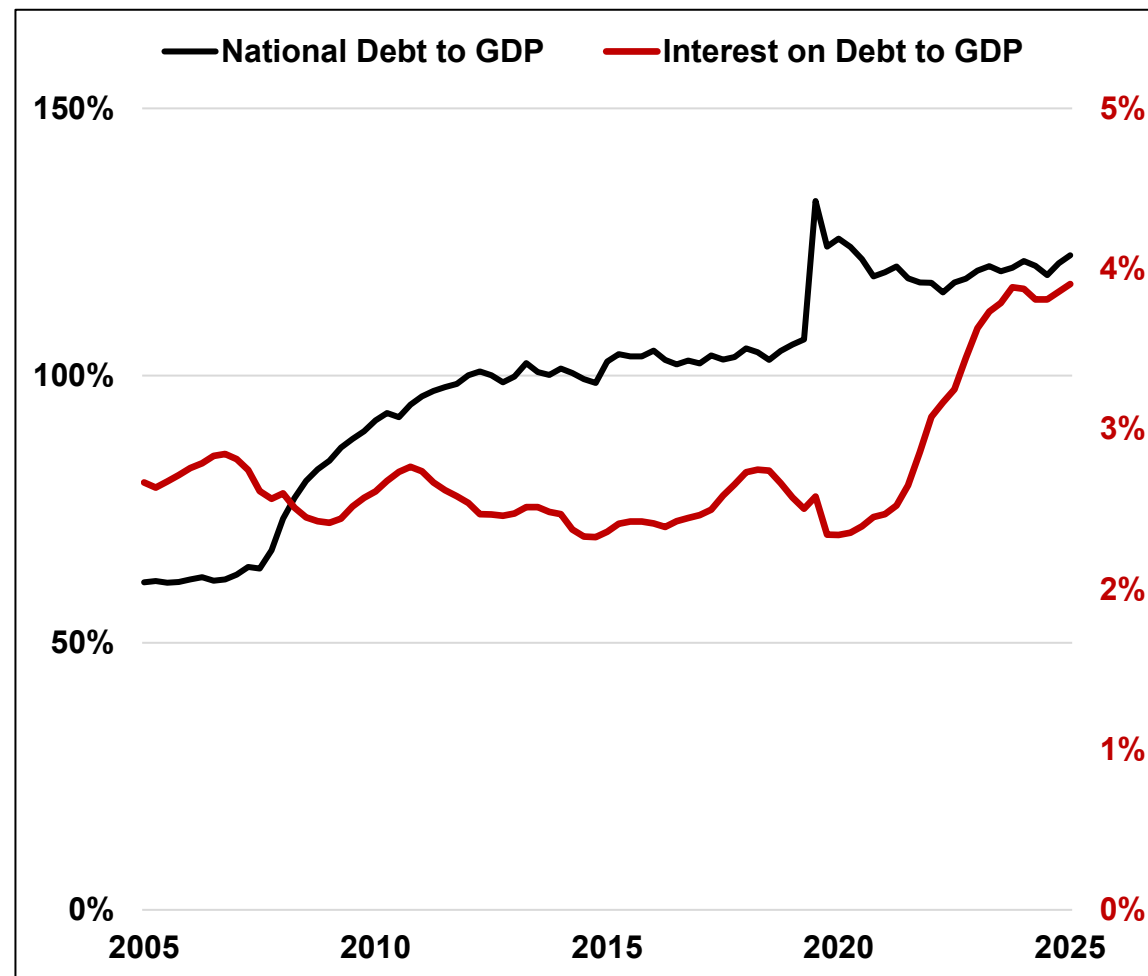


Sources: Bureau of Labor Statistics; Board of Governors of the Federal Reserve System



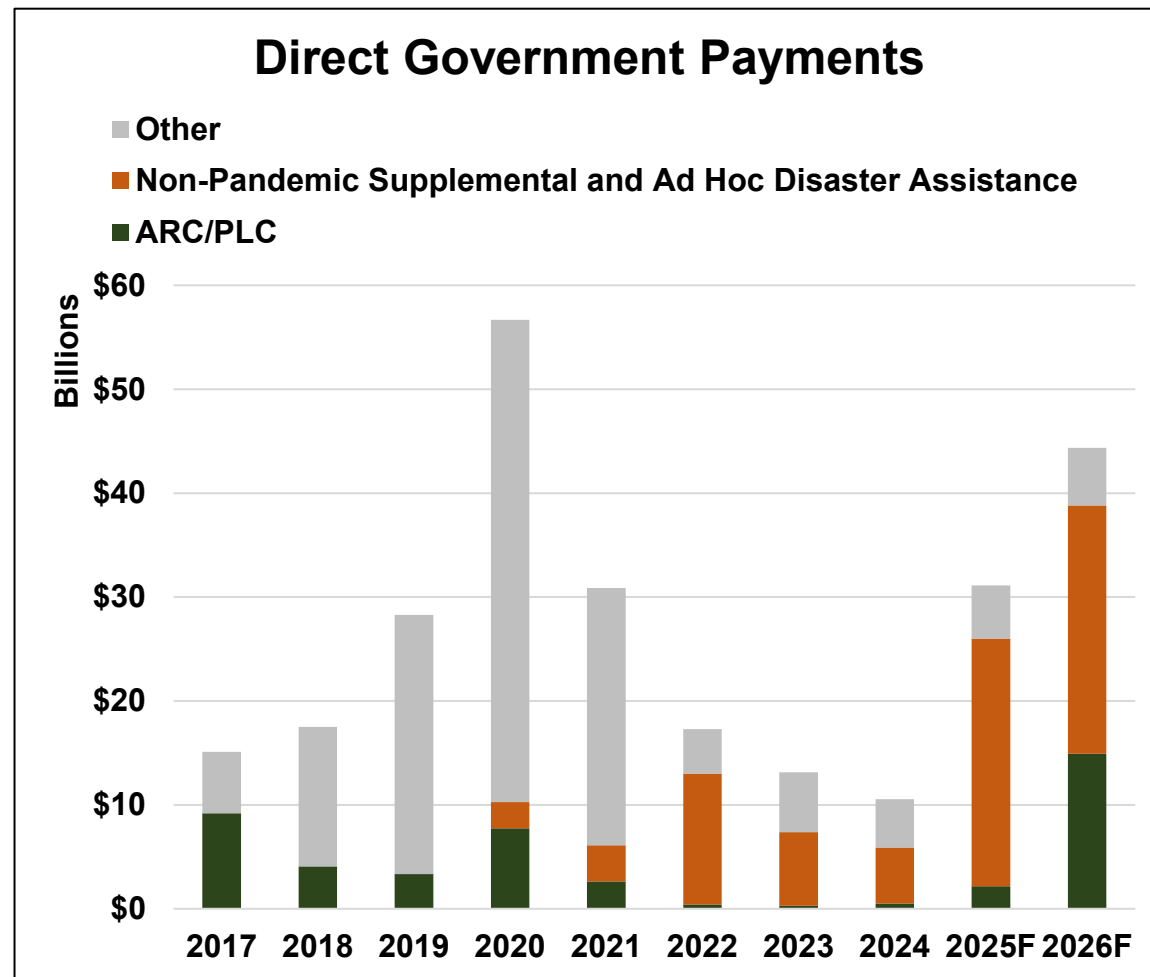
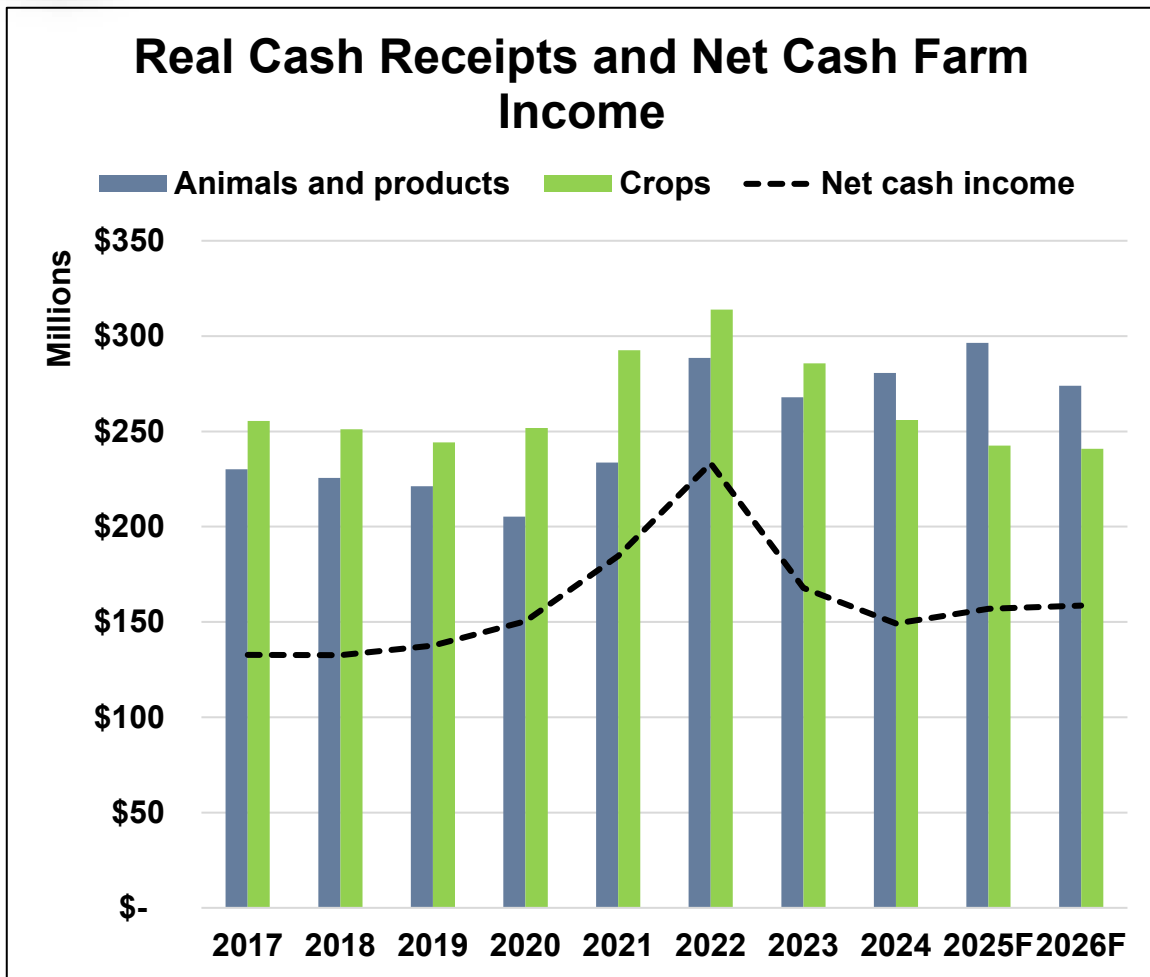
Historical perspectives on government debt

- ▶ Government spending increased sharply in response to recessions in 2008-2009 and 2020.
- ▶ The national debt recently hit \$39 trillion.
- ▶ Debt to GDP ratio has been relatively stable for the past 5 years, but the interest on debt to GDP ratio has been increasing.
- ▶ Private debt as a percentage of GDP has been declining since 2020.





Real farm income expected to be steady



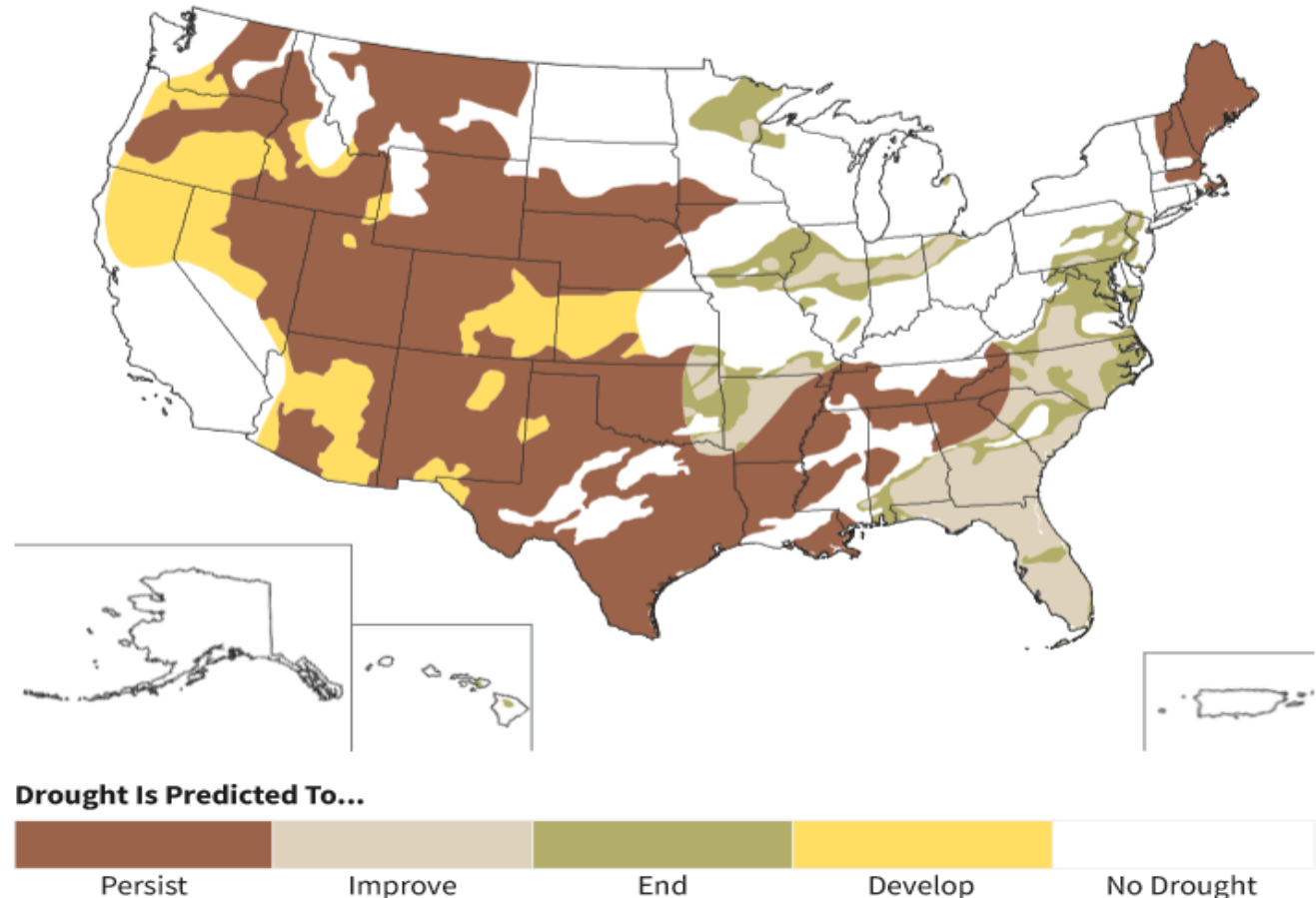
Source: USDA ERS Farm Income and Wealth Statistics



Weather outlook ahead of spring planting

- ▶ Only 23% of the country has no level of drought and 30% is within D2-D4 categories, but many areas expected to improve.
- ▶ Warmest winter on record in the West means possible issues with water availability.
- ▶ Spring planting season is just beginning, with estimated acres for 2026 shifting from corn to soybeans.

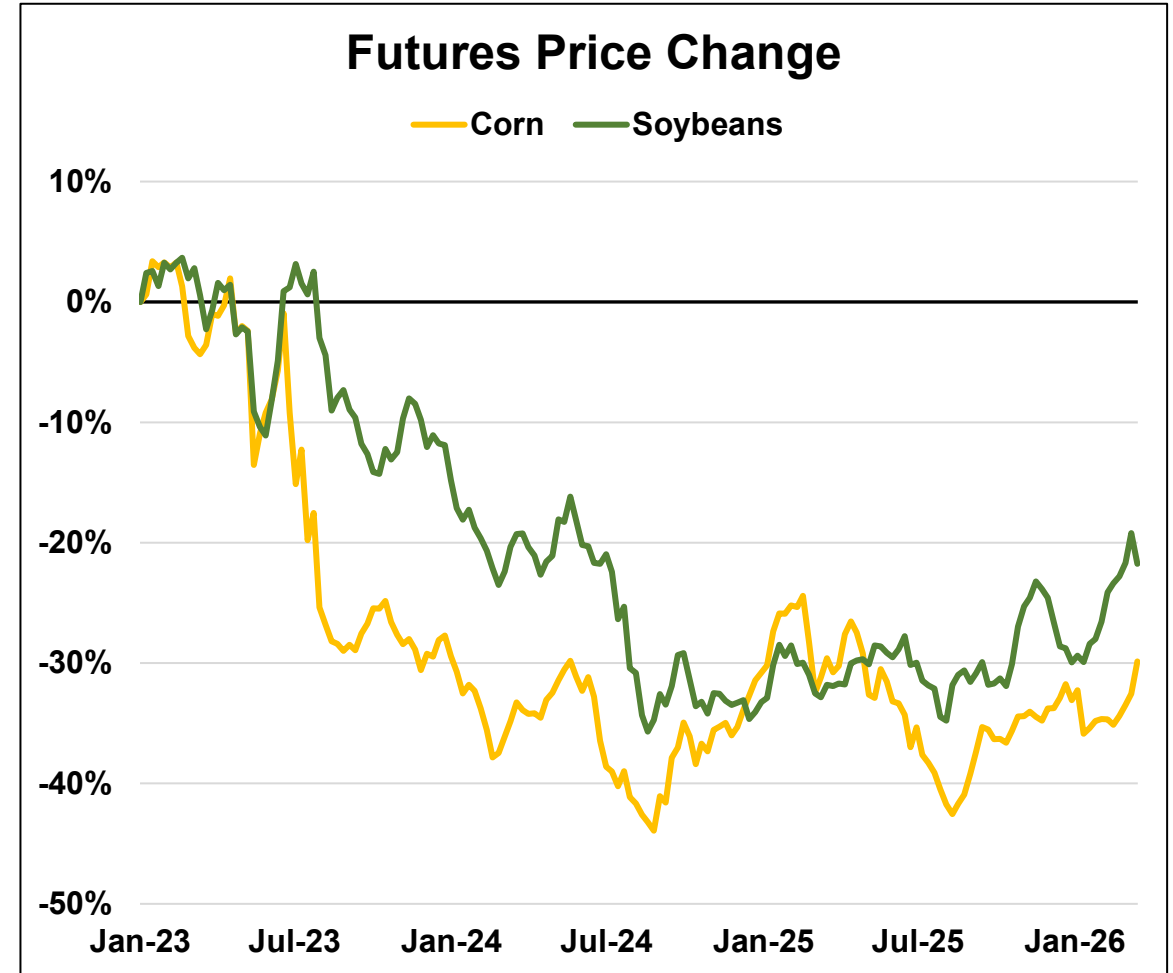
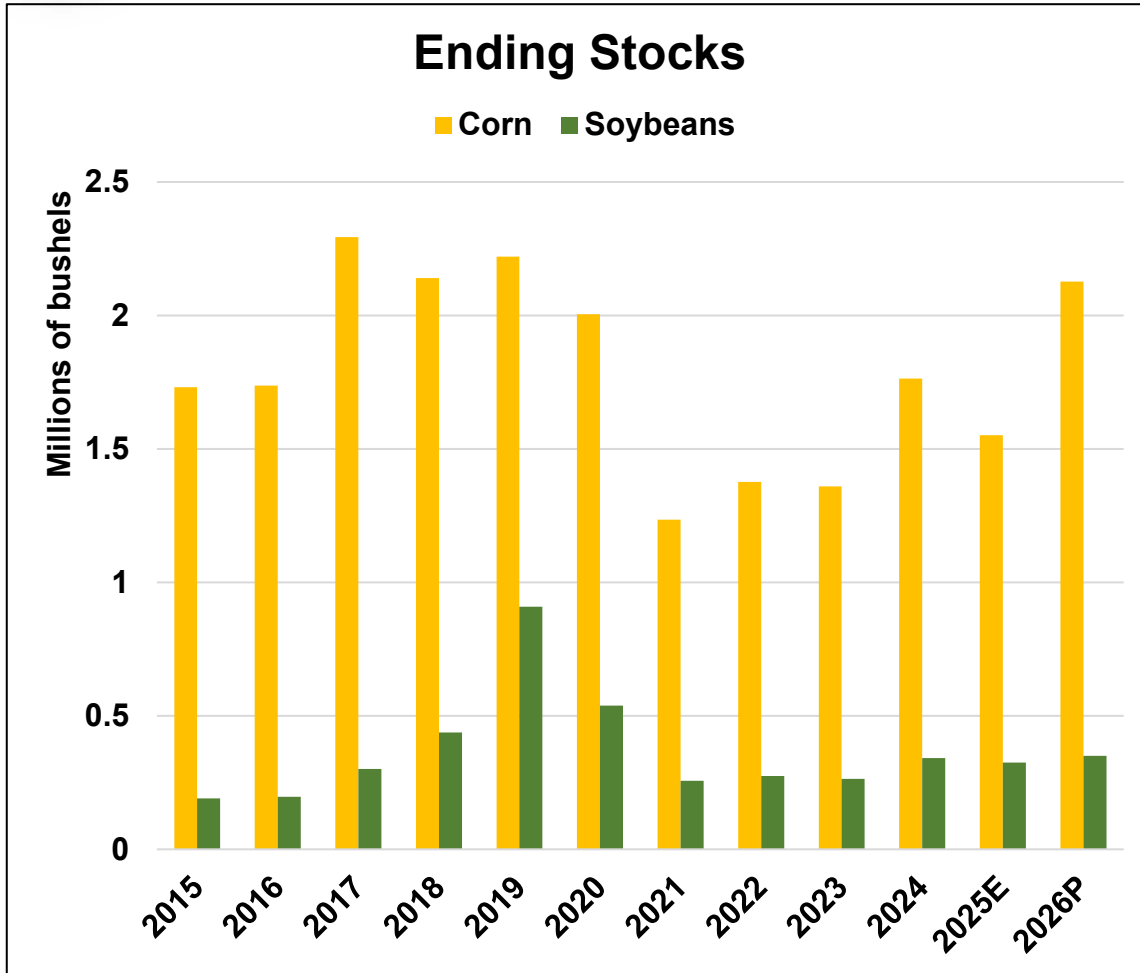
Seasonal (3-Month) Drought Outlook for March 19–June 30, 2026



Source: NOAA Climate Prediction Center



Tight margins projected again for crop farmers

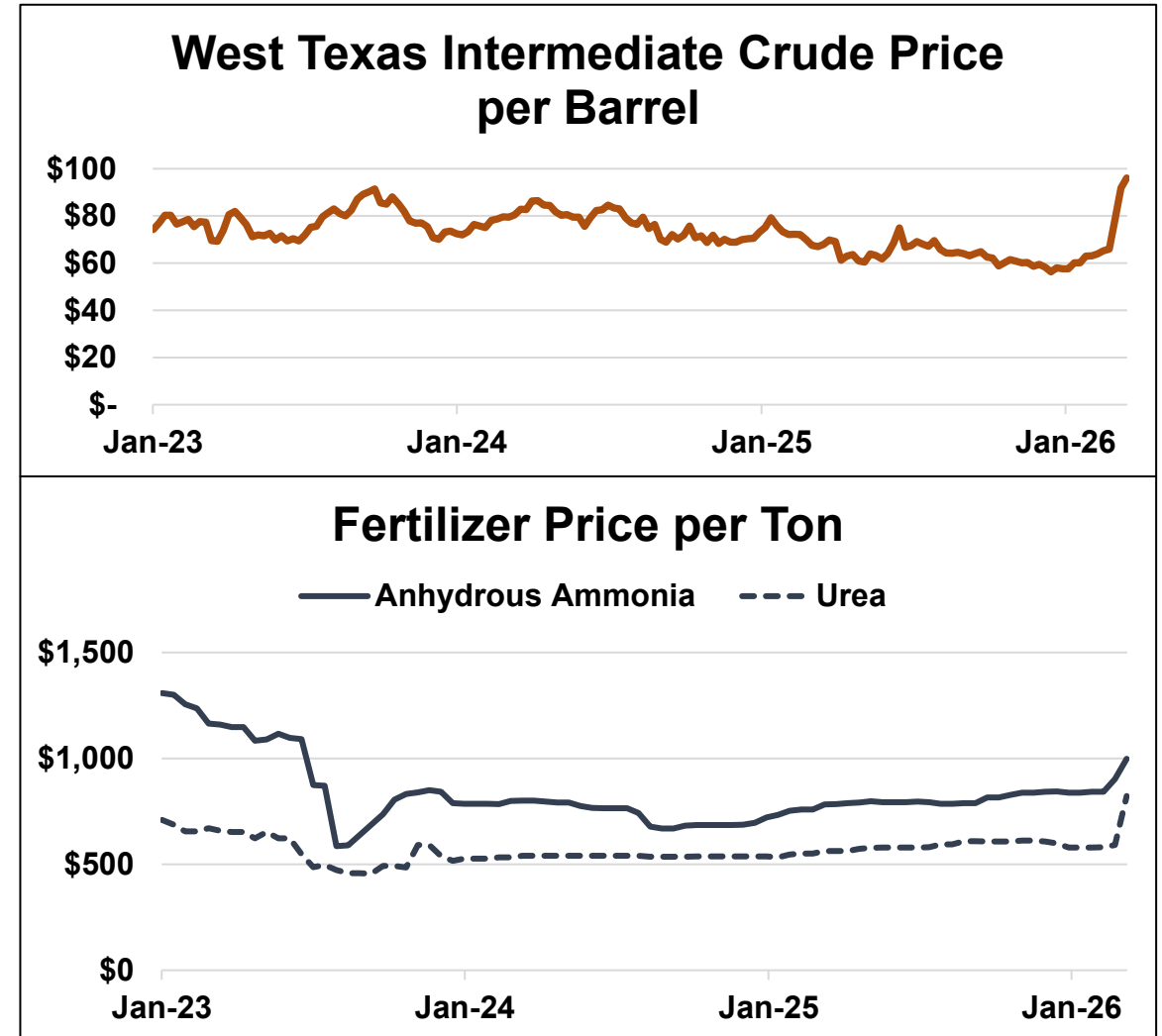


Sources: USDA World Agricultural Supply and Demand Estimates (values for 2025 are estimates and 2026 are projections); CME Futures compiled by LMIC



Conflict in Iran disrupts oil and fertilizer markets

- ▶ Global energy markets have increased sharply.
- ▶ About 25% of seaborne oil trade and 19% of global liquefied natural gas trade passes through the Strait of Hormuz.
- ▶ Prices of two major farm inputs, nitrogen fertilizer and diesel, track changes in crude oil prices.
- ▶ Farmers with unhedged inputs face higher prices this spring.

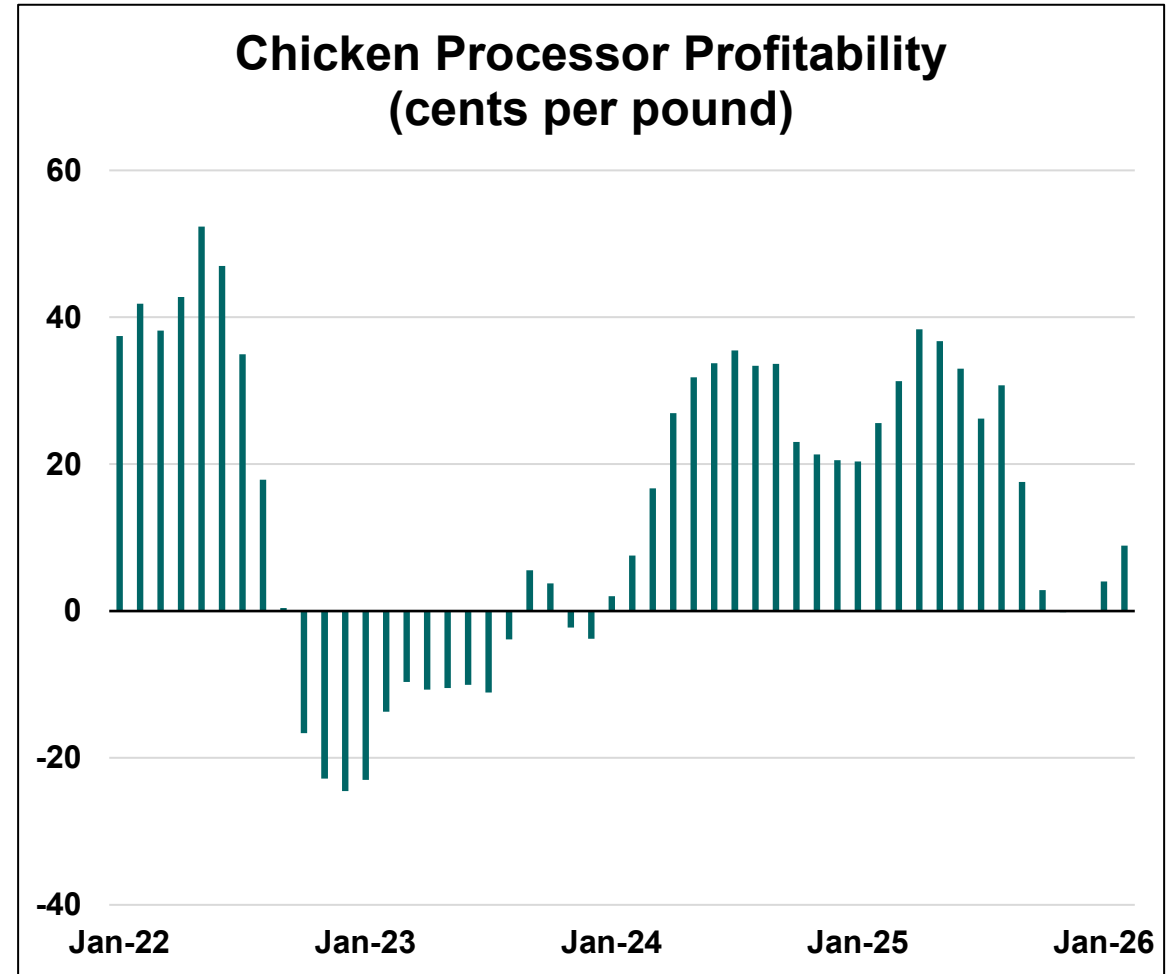


Sources: U.S. Energy Information Administration; USDA AMS



Chicken profitability drops as prices soften

- ▶ Chicken prices are lower than last year and back near 2020-2024 averages following recent increases in output.
- ▶ Despite high prices for competing proteins, consumer demand for chicken has been not as robust expected.
- ▶ Highly Pathogenic Avian Influenza cases in 2026 are down compared to last year.

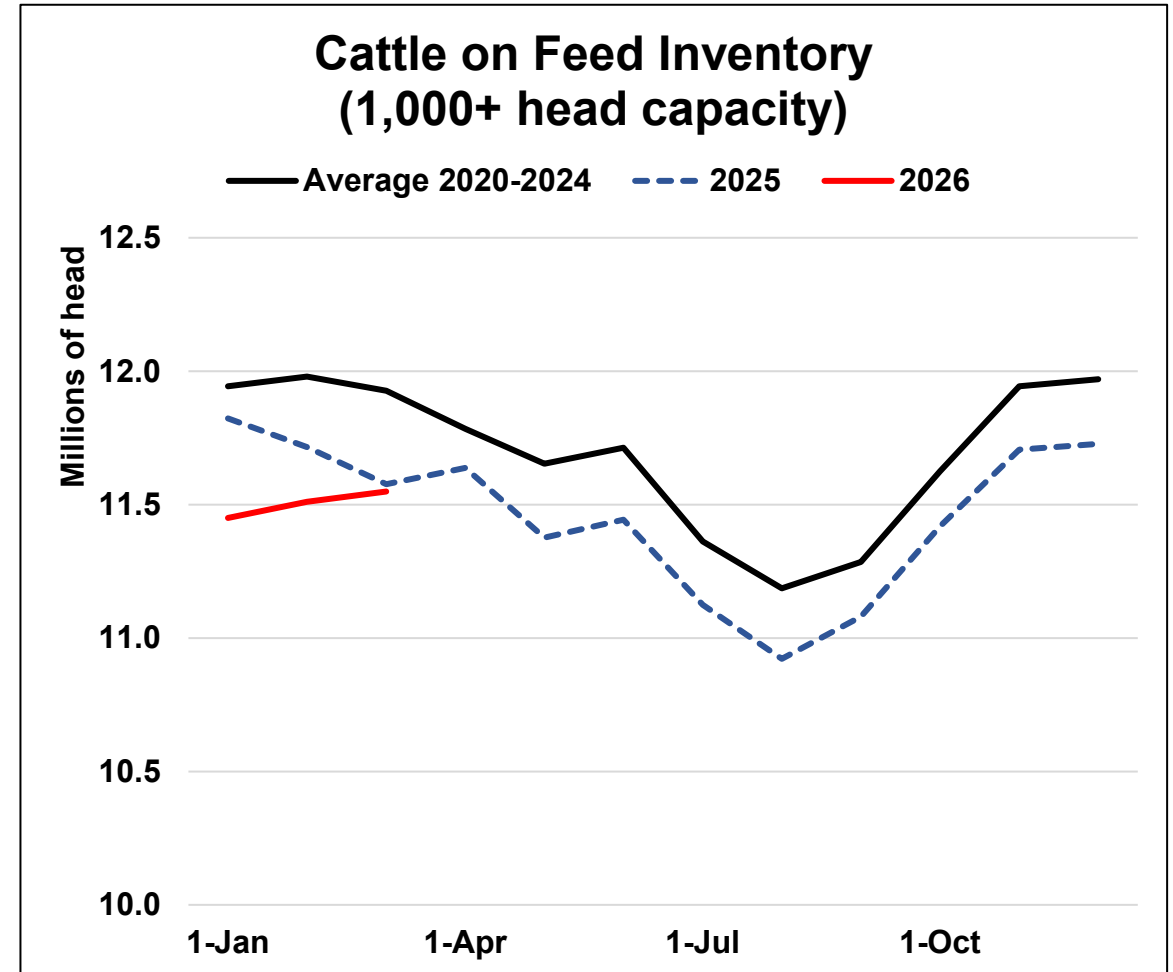


Source: Livestock Marketing Information Center



Cattle markets stay strong

- ▶ Prices for cattle remain high amidst inventory lows and high consumer demand.
- ▶ Drought conditions and high opportunity costs are leading to individual herd liquidations.
- ▶ The recent Cattle on Feed report shows inventory on par with 2025 as higher placements offset lower marketings.



Source: USDA NASS Cattle on Feed



Ongoing challenges to the farm economy

▶ Producer confidence

- About 44% of producers surveyed think their operations are in worse shape than one year ago.
- Farmer Bridge Assistance payments meant to help farmers weather the storm will mostly be used for paying down debt and improving working capital.
- Despite low confidence in current conditions, most producers and economists surveyed believe producers will find a way through these challenging times.

▶ Trade uncertainty

- All tariffs issued under the International Emergency Economic Powers Act (IEEPA) were declared invalid by the Supreme Court.
- Joint review of the United States-Mexico-Canada Agreement (USMCA) must begin by July 1.
- Trade talks with China have been rescheduled.



Questions?



Farm Credit System Condition and Performance as of December 31, 2025

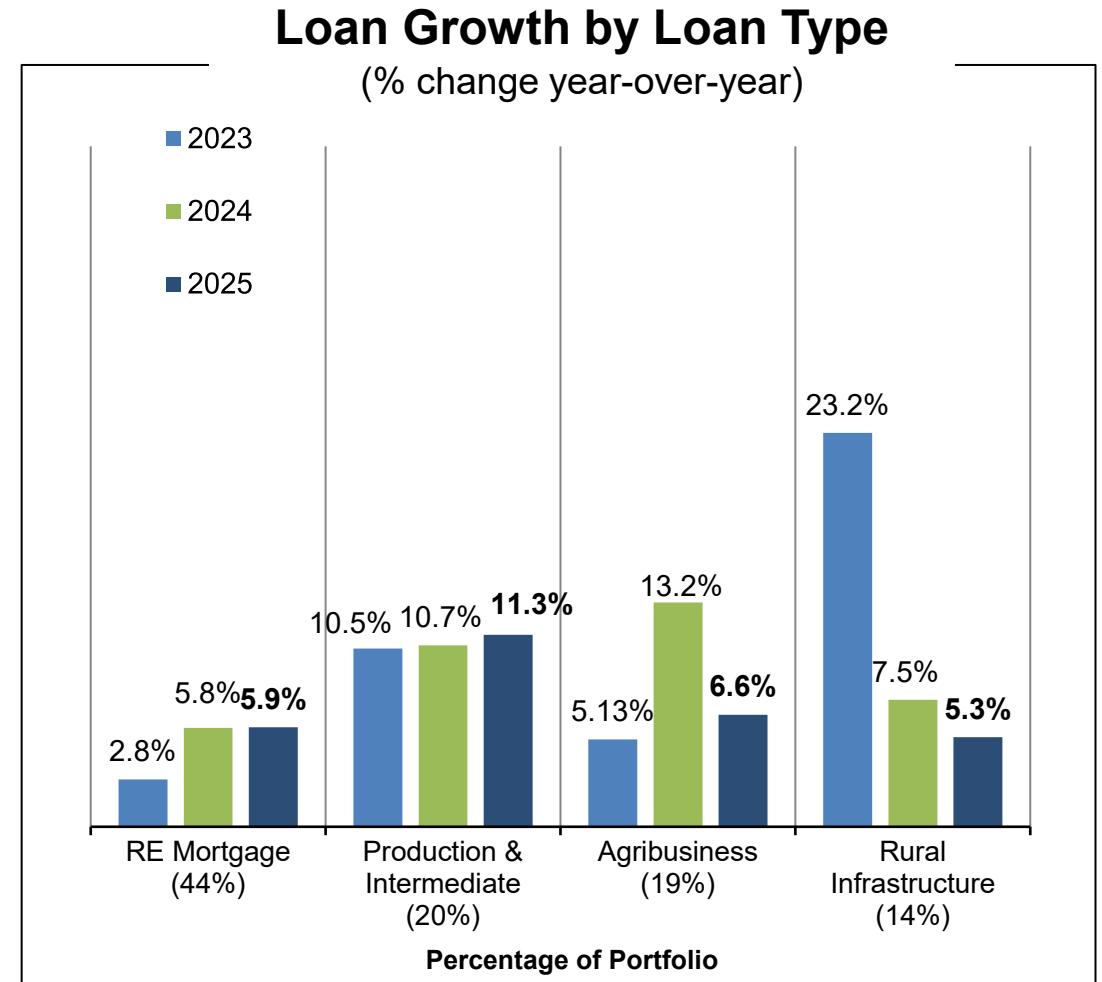
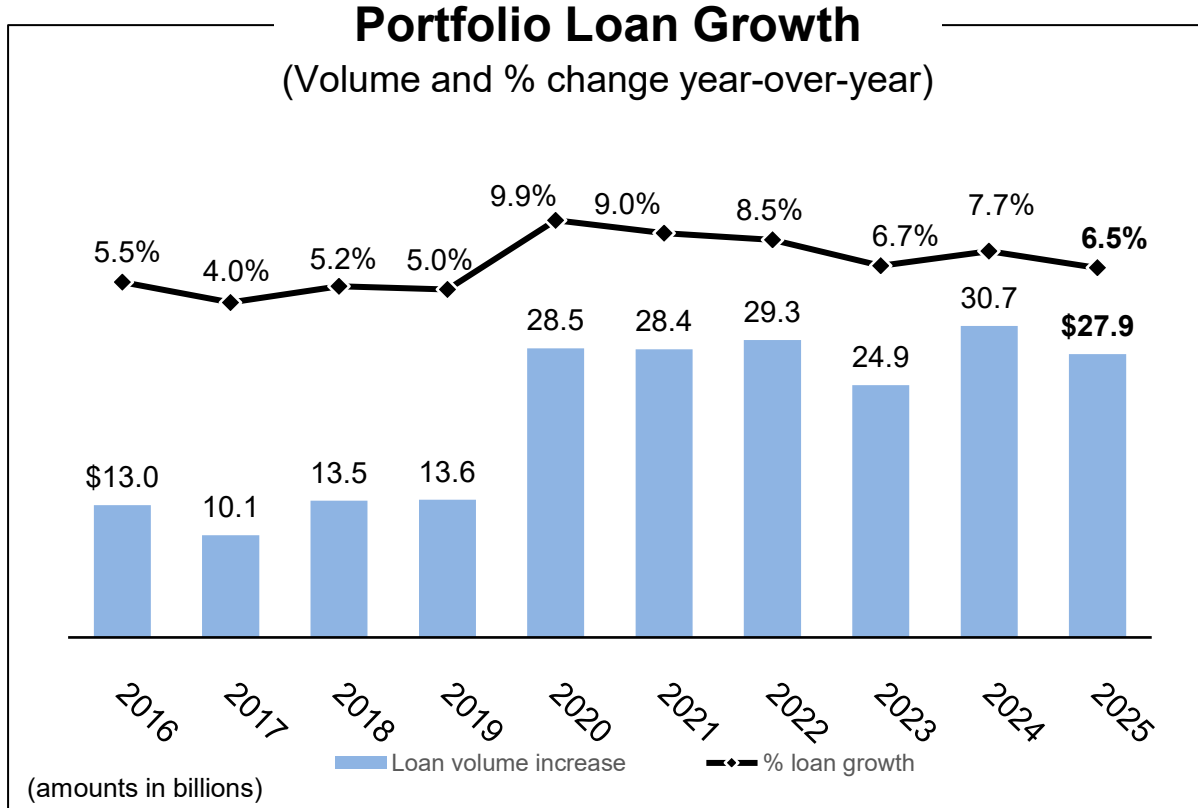
John Stephens
Supervisory FCA Examiner
Office of Examination





System portfolio growth moderated in 2025

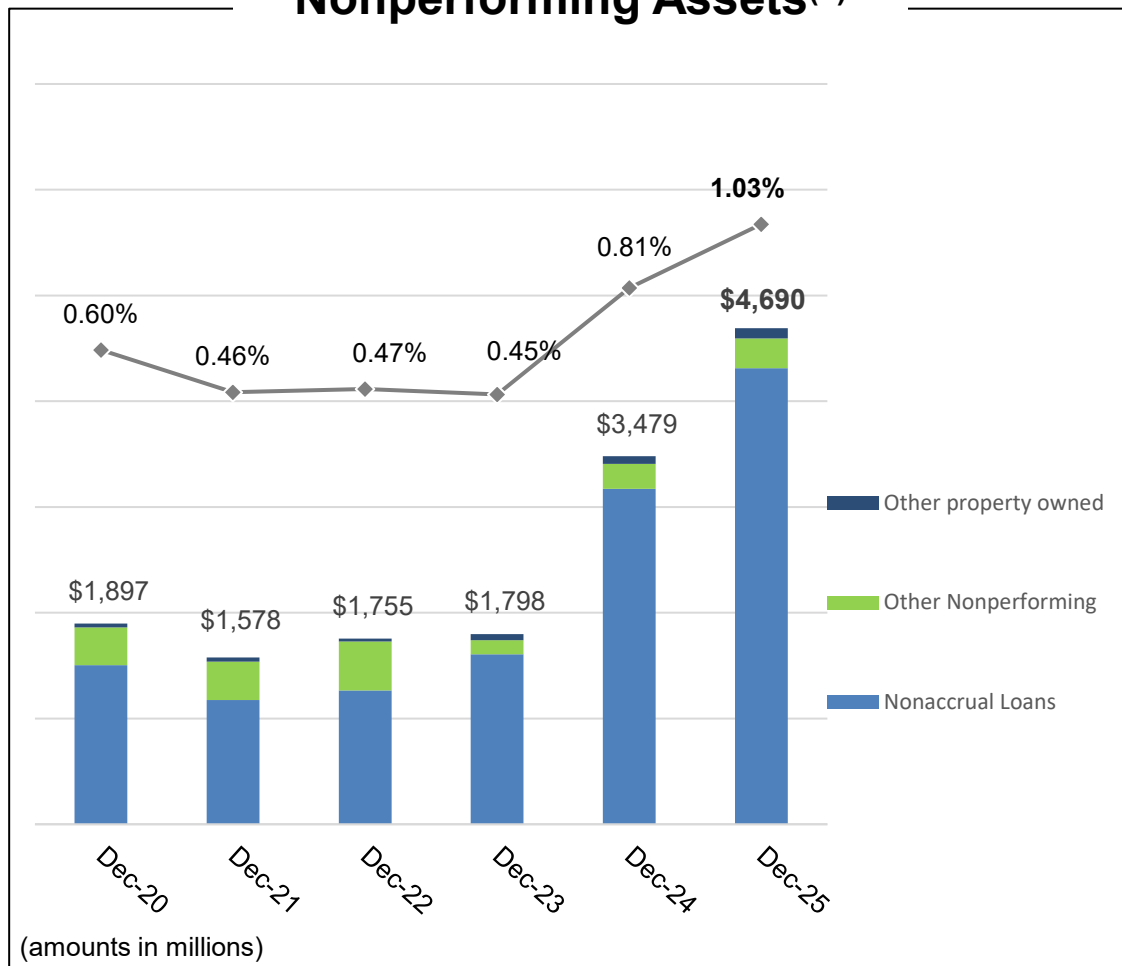
Total Assets 12/31/25	\$582.3	+3.8% Qtr	Gross Loans 12/31/25	\$456.9	+4.3% Qtr
	billion	+7.0% 12M		billion	+6.5% 12M



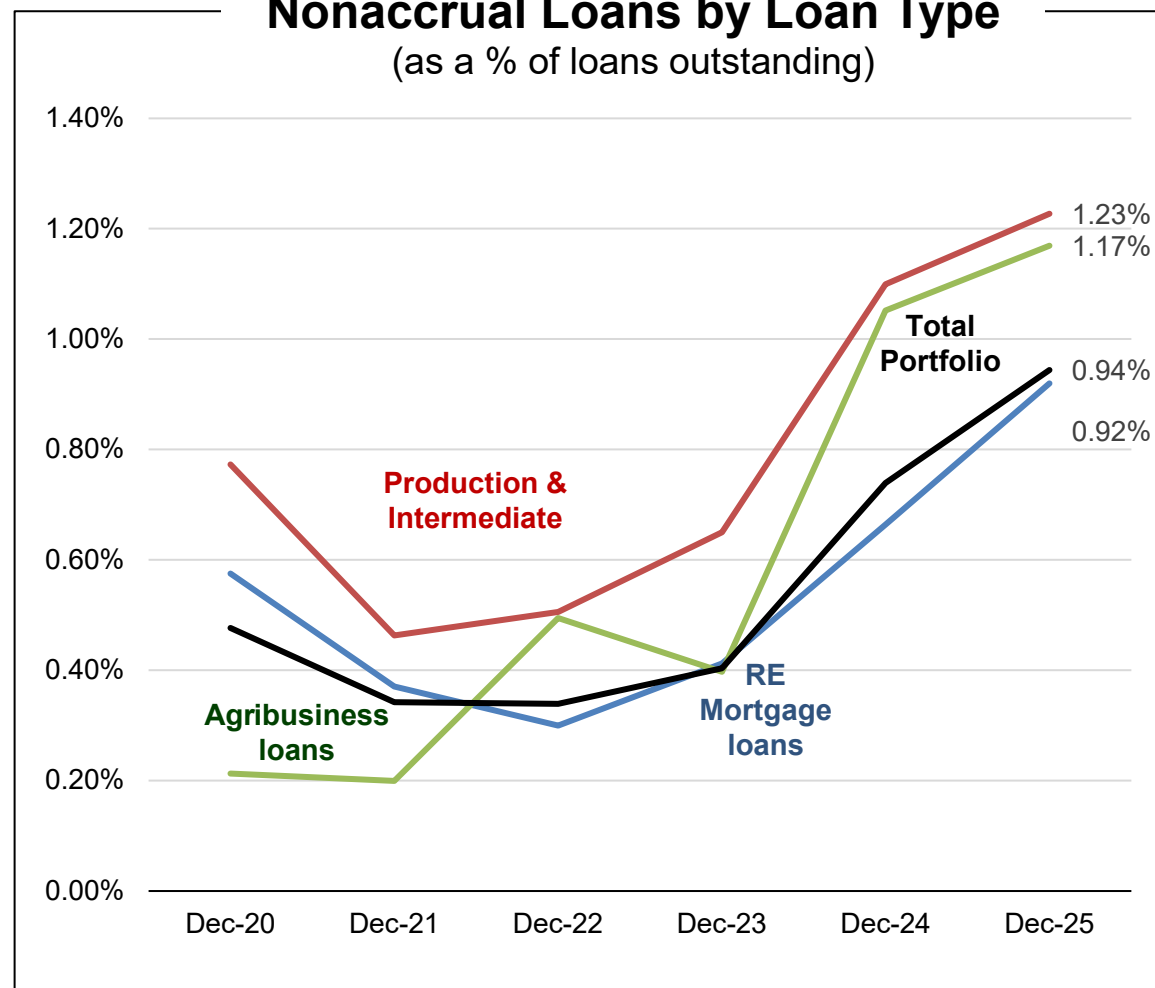


Nonperforming assets increased

Nonperforming Assets⁽¹⁾



Nonaccrual Loans by Loan Type (as a % of loans outstanding)



(1) Prior to the adoption of CECL on 1/1/23, nonperforming assets included accruing restructured loans

Source: Federal Farm Credit Banks Funding Corporation Information Statements



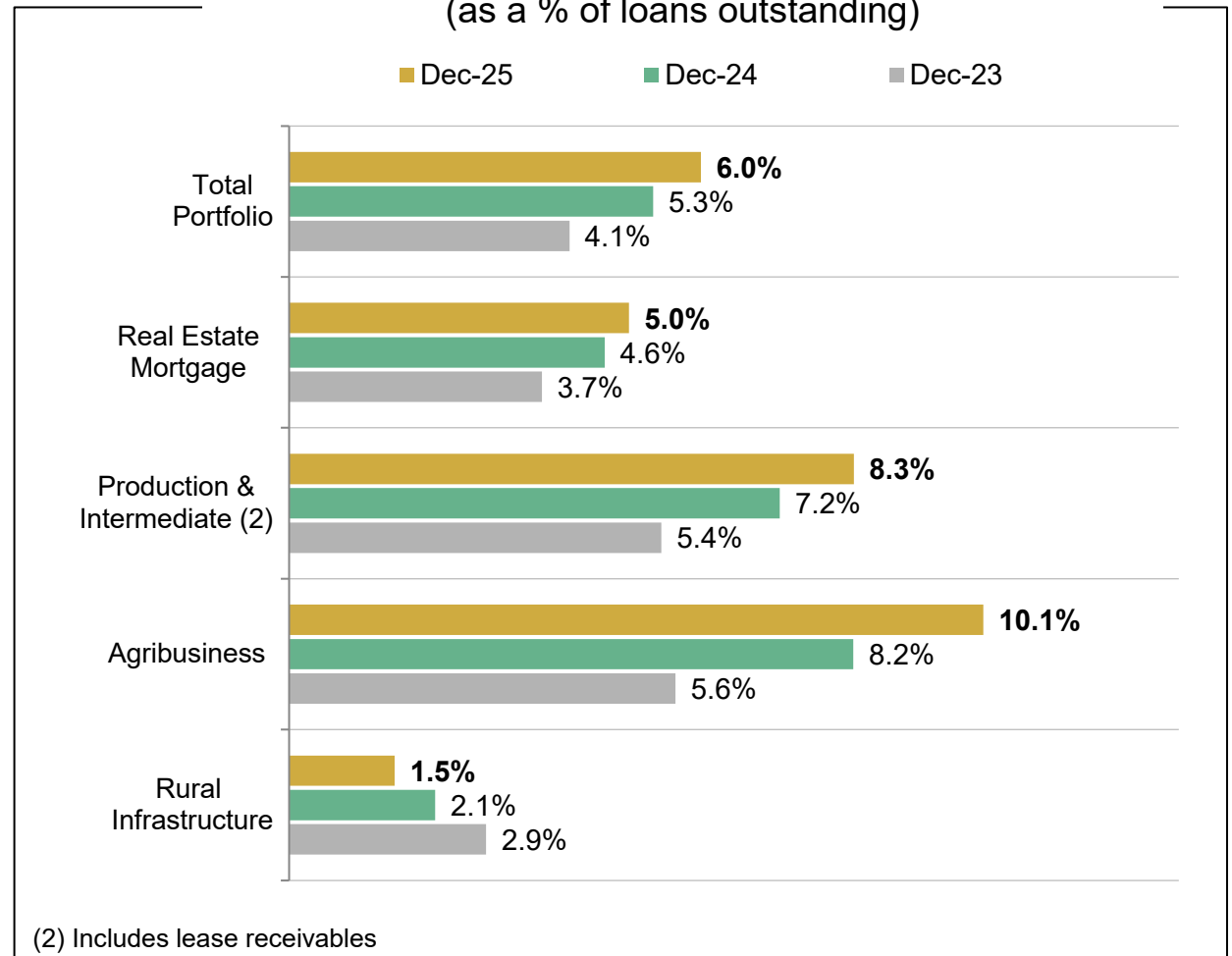
Less than Acceptable loans also increased

- ▶ The percentage of loans classified less than Acceptable increased in all loan categories other than rural infrastructure.
- ▶ Agribusiness and Production and Intermediate loan categories continued to have the highest percentage of less than Acceptable loans at just over 10%.
- ▶ Loan delinquencies⁽¹⁾ as a percentage of total accruing loans equaled 0.36% at year end 2025, and yearend 2024.

(1) Defined as accruing loans 30 days or more past due.

Source: Federal Farm Credit Banks Funding Corporation Information Statements

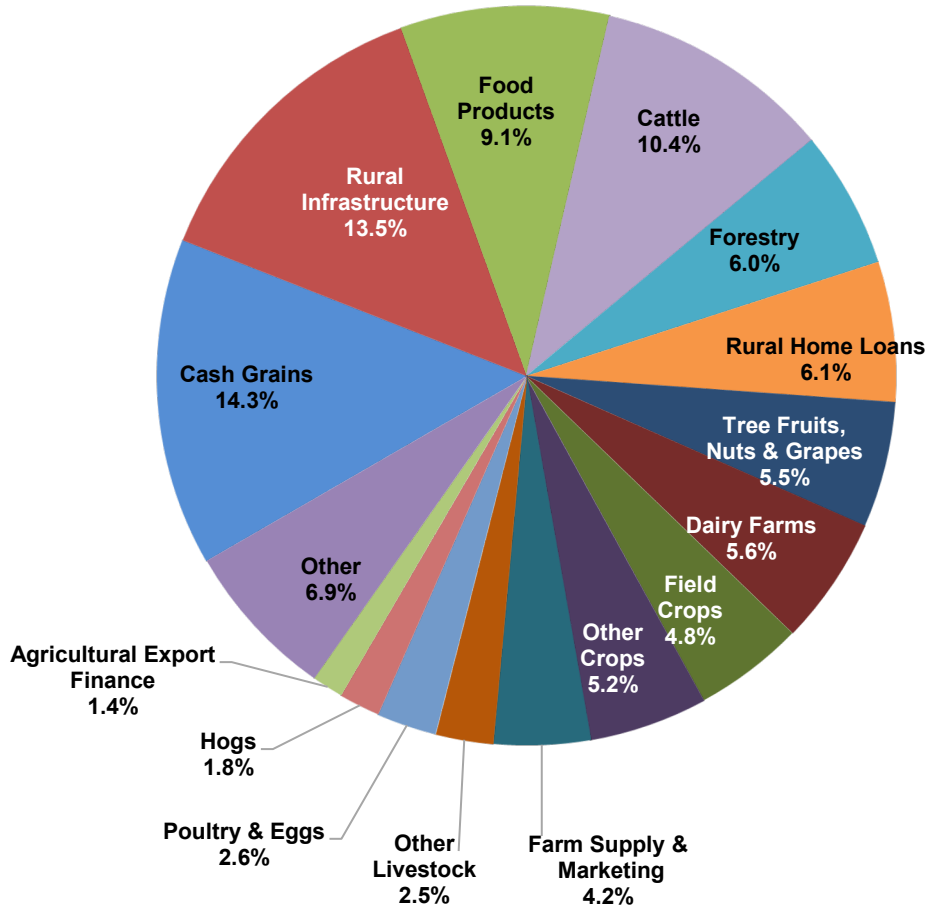
Loans Classified Less than Acceptable (as a % of loans outstanding)





System portfolio was diversified by commodity

Loan Portfolio by Major Commodity Concentration



System Loan Portfolio (amounts in millions)	Dec-25	% of Total Portfolio	% chg. yr. over yr.
Cash Grains	65,463	14.3%	6.0%
Tree Fruits, Nuts & Grapes	25,212	5.5%	1.2%
Field Crops	22,152	4.8%	(0.5%)
Other Crop Production	23,695	5.2%	9.0%
Total Crop Production	136,522	29.9%	4.5%
Cattle	47,309	10.4%	17.8%
Dairy Farms	25,667	5.6%	4.8%
Poultry & Eggs	11,972	2.6%	15.8%
Hogs	8,101	1.8%	(3.7%)
Other Livestock	11,393	2.5%	6.0%
Total Animal Production	104,442	22.9%	10.9%
Rural Infrastructure	61,607	13.5%	5.3%
Food Products	41,770	9.1%	2.2%
Rural Home Loans	27,651	6.1%	9.1%
Forestry	27,305	6.0%	6.4%
Farm Supply & Marketing	19,274	4.2%	8.2%
Agricultural export finance	6,462	1.4%	(15.1%)
Other	31,827	7.0%	12.5%
Total	456,860	100.0%	6.5%

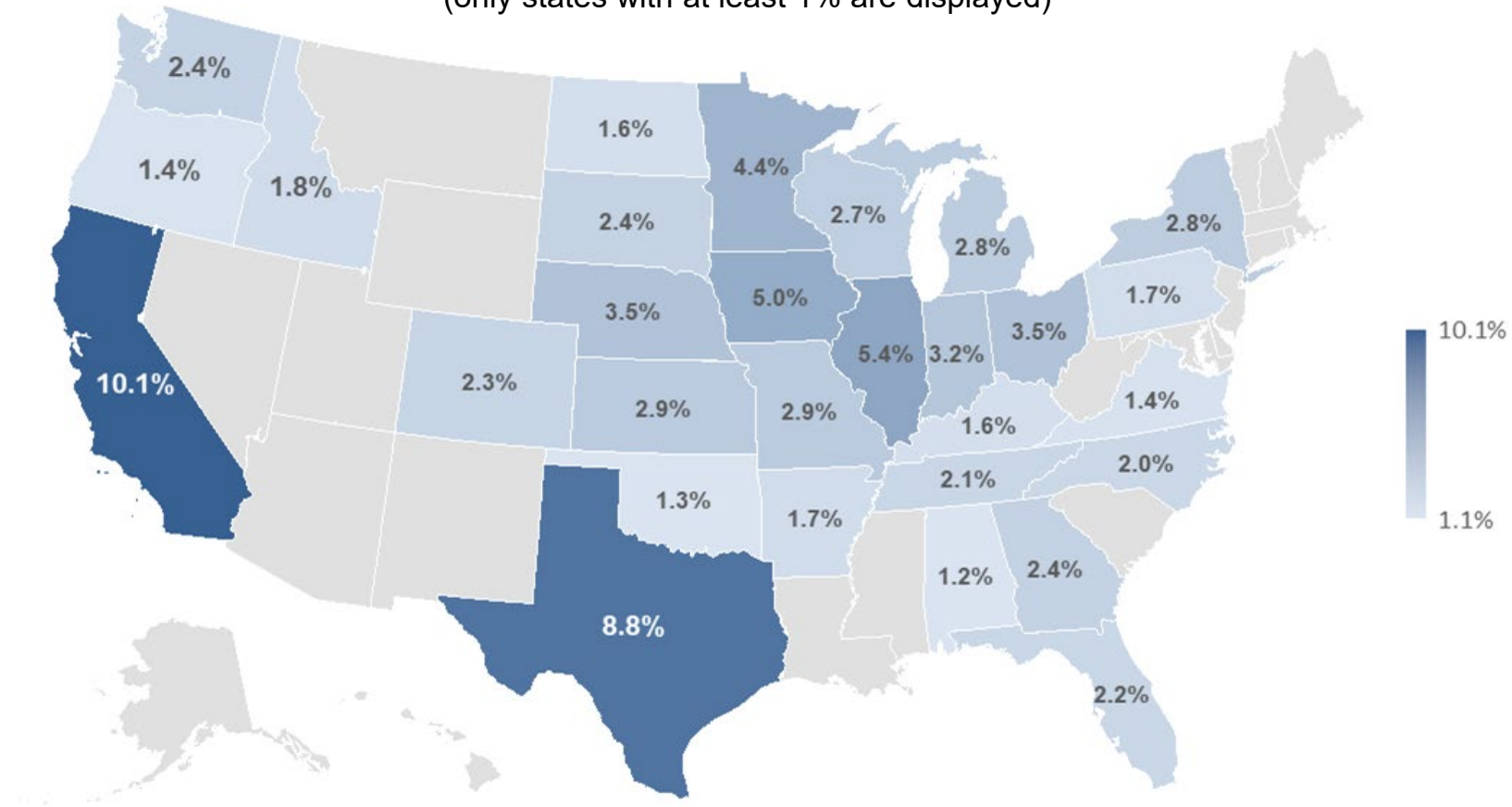
Source: Federal Farm Credit Banks Funding Corporation Information Statements



Portfolio volume was geographically dispersed

Percentage of System Loan Volume by State as of Dec. 31, 2025

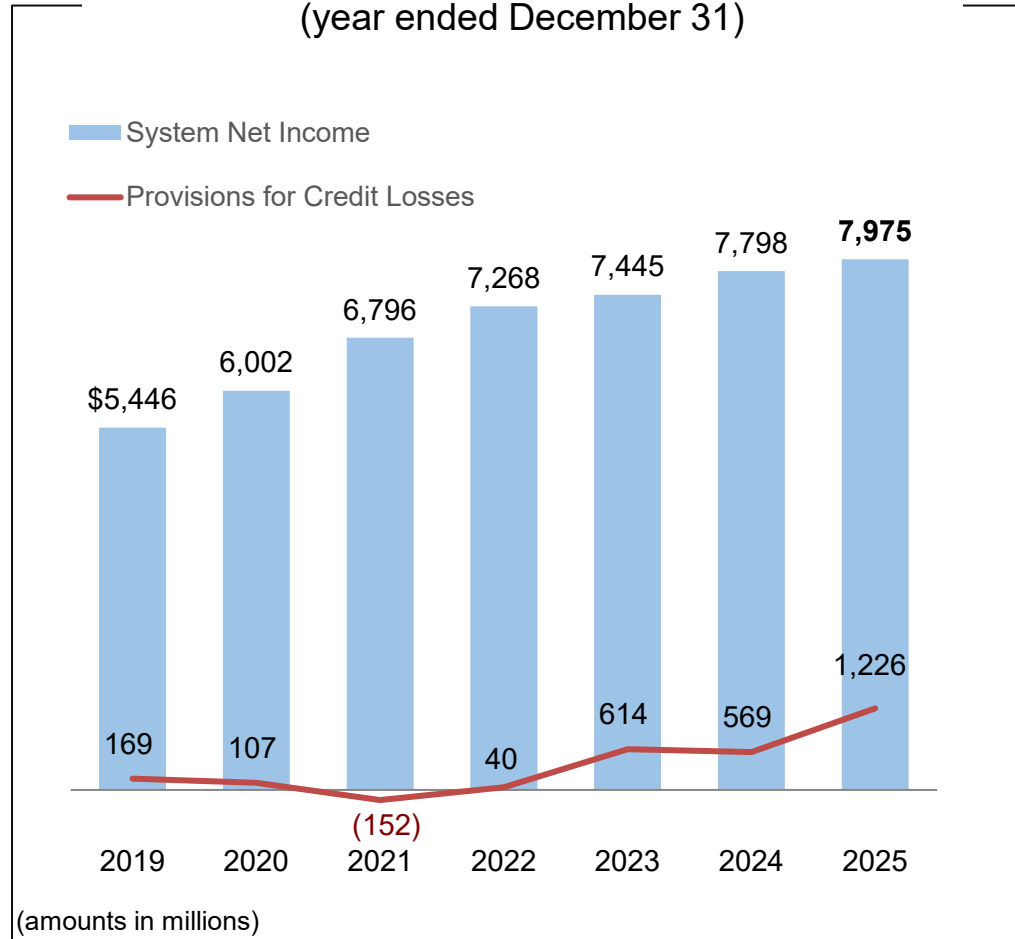
(only states with at least 1% are displayed)



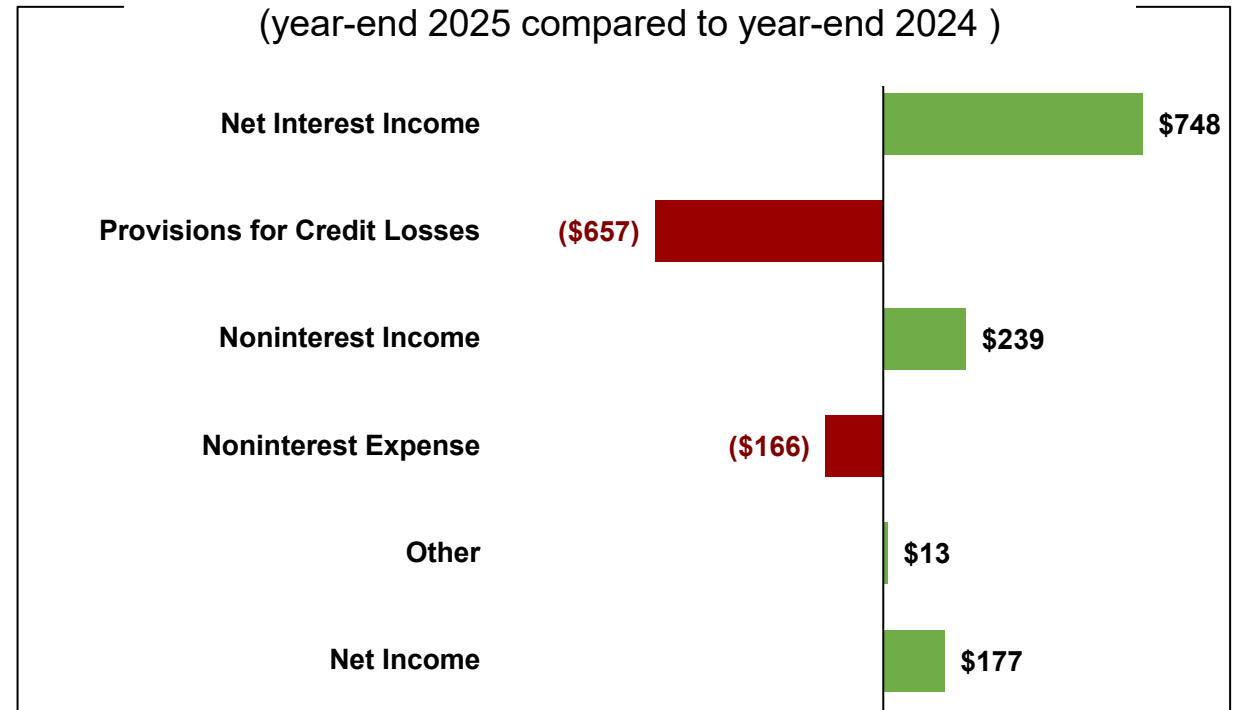


System earnings remained stable

System Net Income
(year ended December 31)



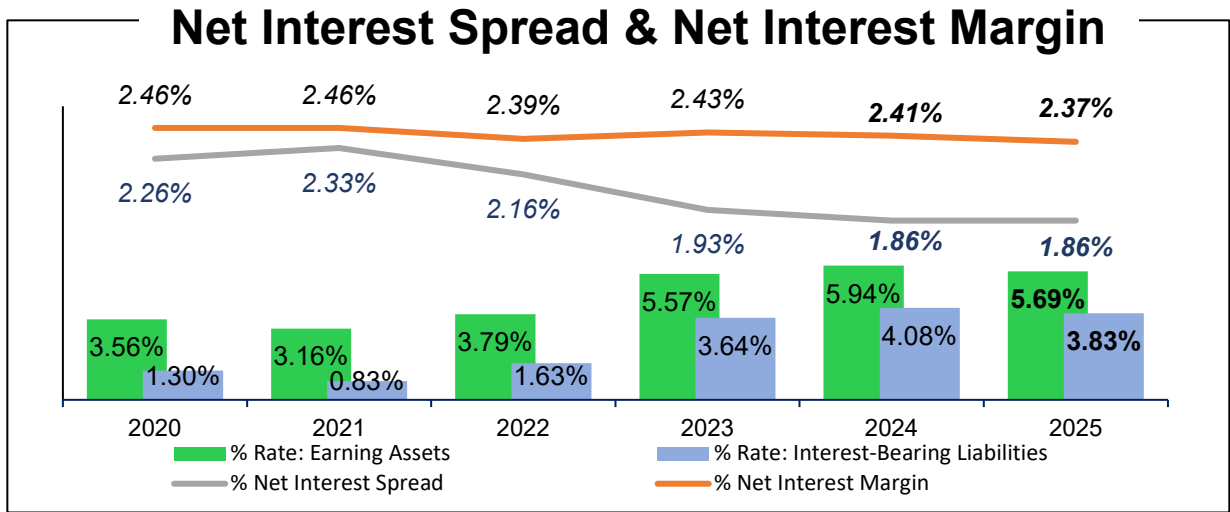
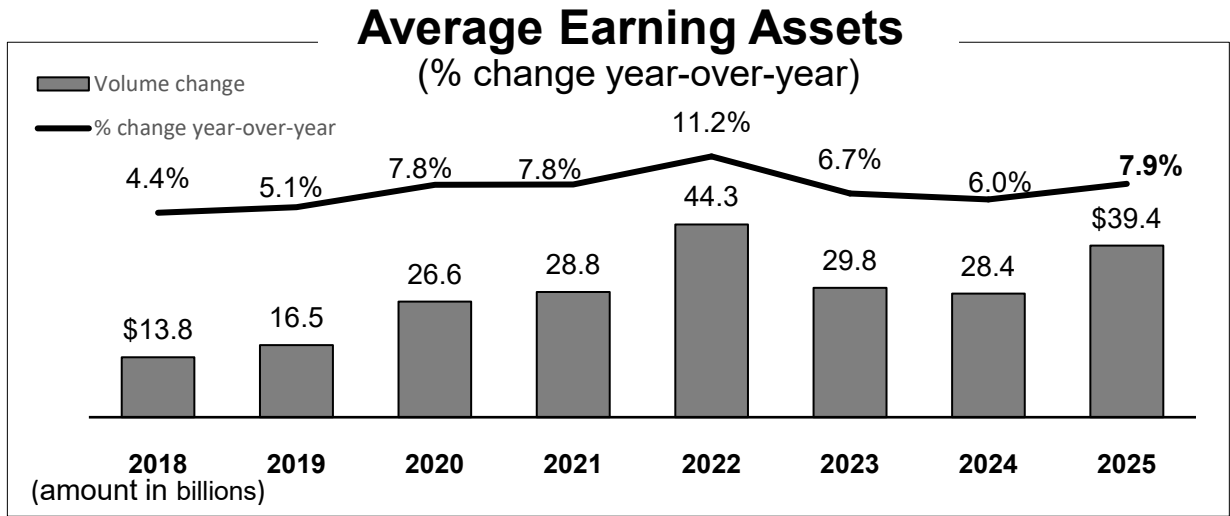
Changes in Key Components of Net Income
(year-end 2025 compared to year-end 2024)





Net interest margin decreased while average earning assets increased

- ▶ Net interest spread at 1.86% remains unchanged from yearend 2024.
- ▶ Net interest margin declined, dropping 4 basis points from yearend 2024.
- ▶ Average earning assets grew 7.9% year over year.

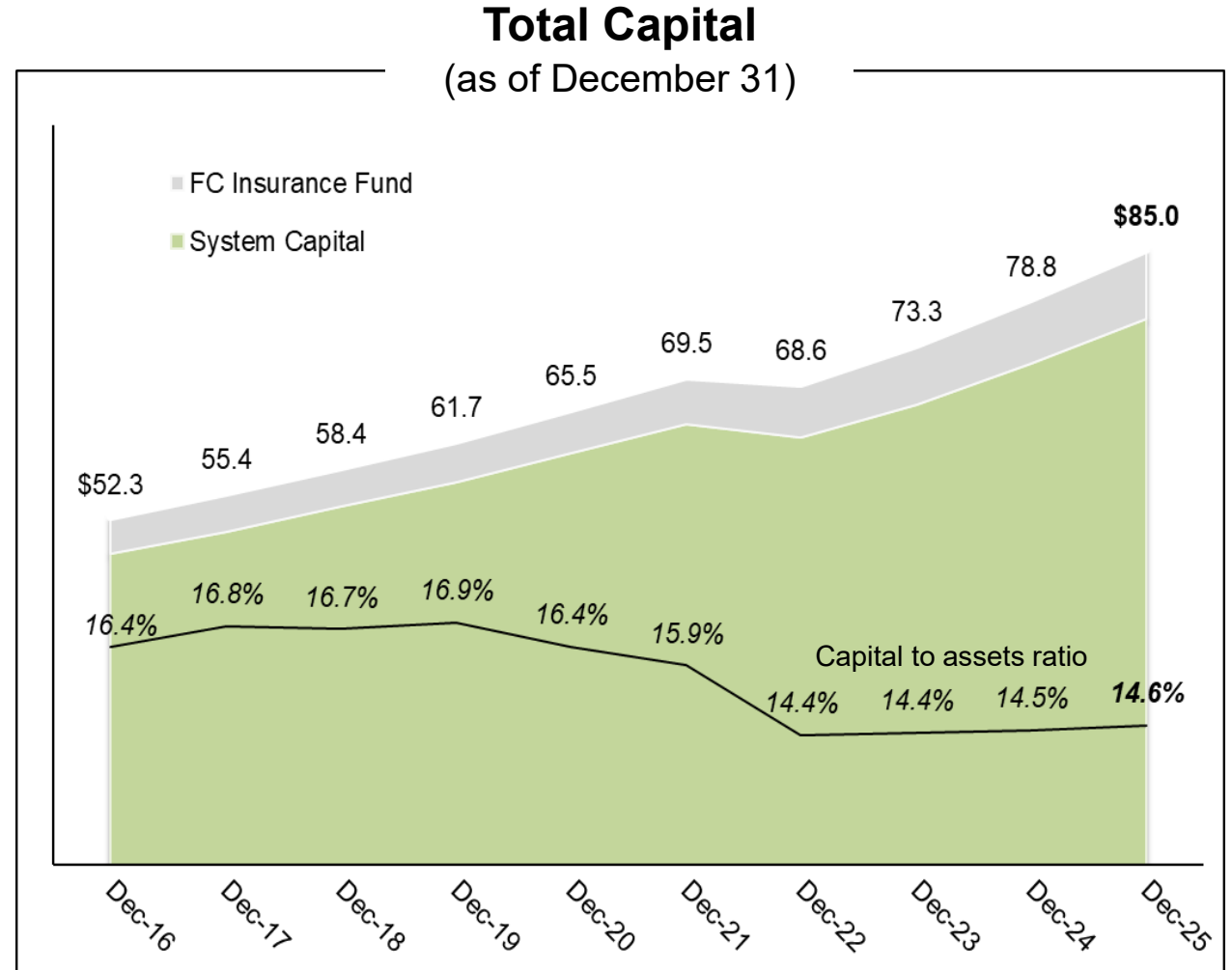


Source: Federal Farm Credit Banks Funding Corporation Information Statements



Capital growth continued while the Capital to asset ratio remained stable

- ▶ In 2025, System capital increased \$6.2 billion or 7.3% year-over-year.
- ▶ The System's capital-to-assets ratio at year-end was 14.6%, up slightly from a year ago.
- ▶ Total regulatory capital ratios were sound.
 - Banks: 13.6% to 16.1%
 - Associations: 12.1% to 36.6%
- ▶ Accumulated other comprehensive loss (AOCL) equaled \$2.4 billion, down from \$3.4 billion a year ago.

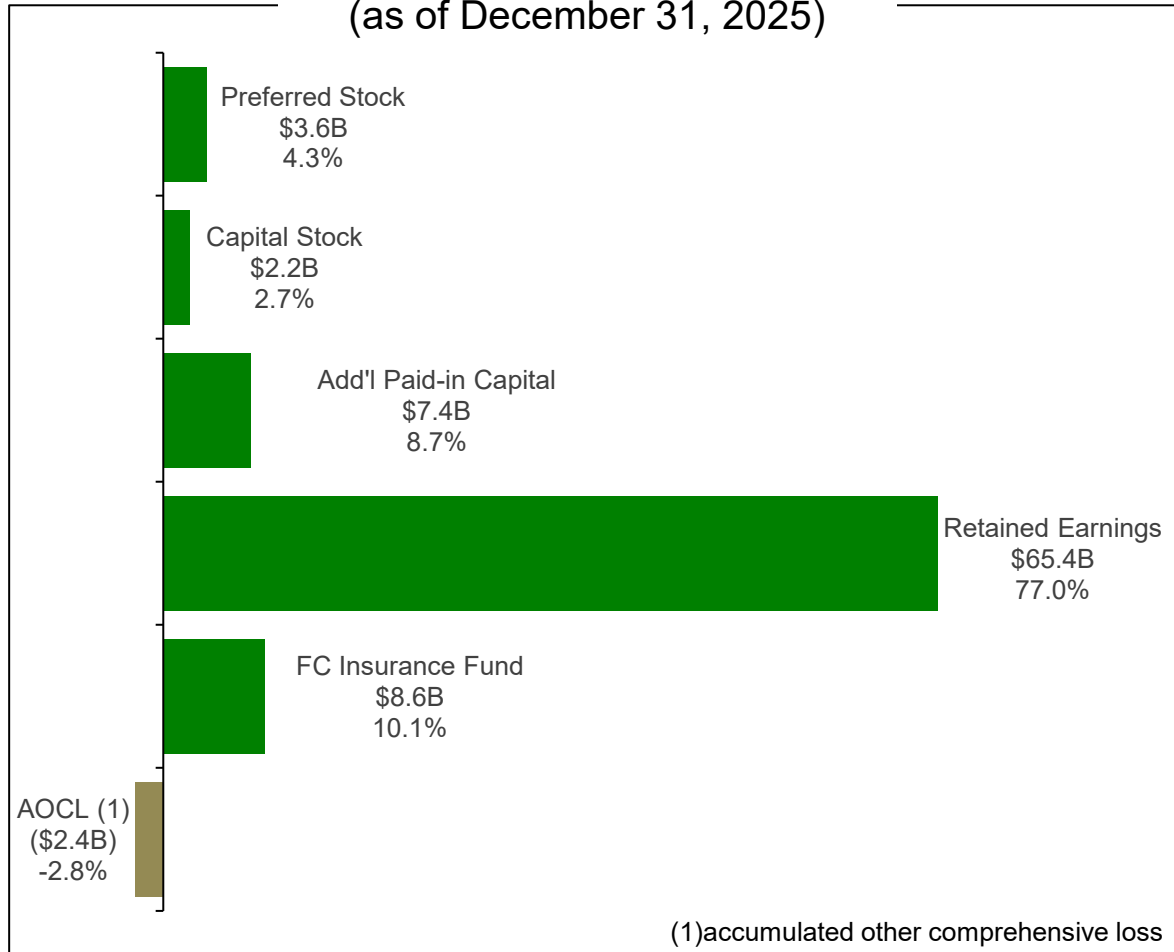


(amounts in billions)

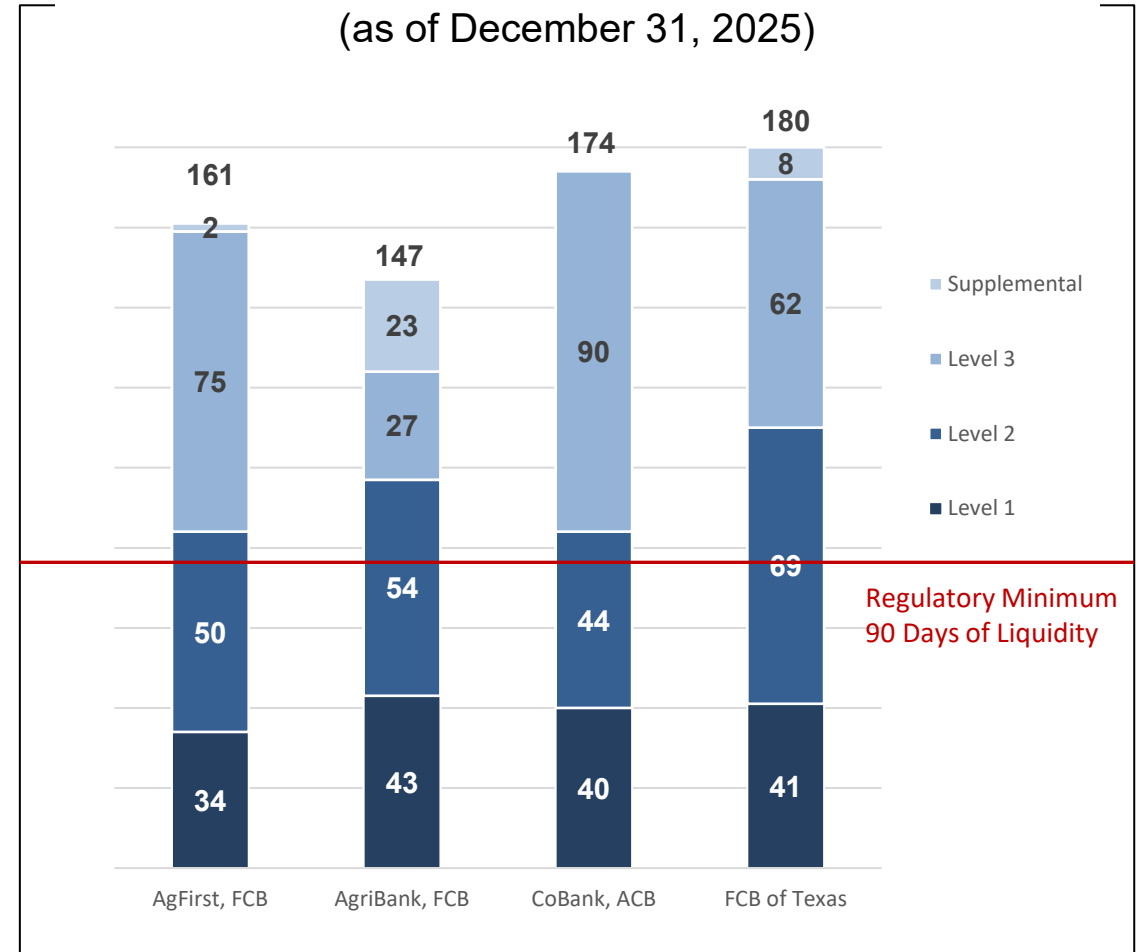


Capital quality and liquidity reserves were strong

Capital Components
(as of December 31, 2025)



Days of Liquidity | Farm Credit System Banks
(as of December 31, 2025)





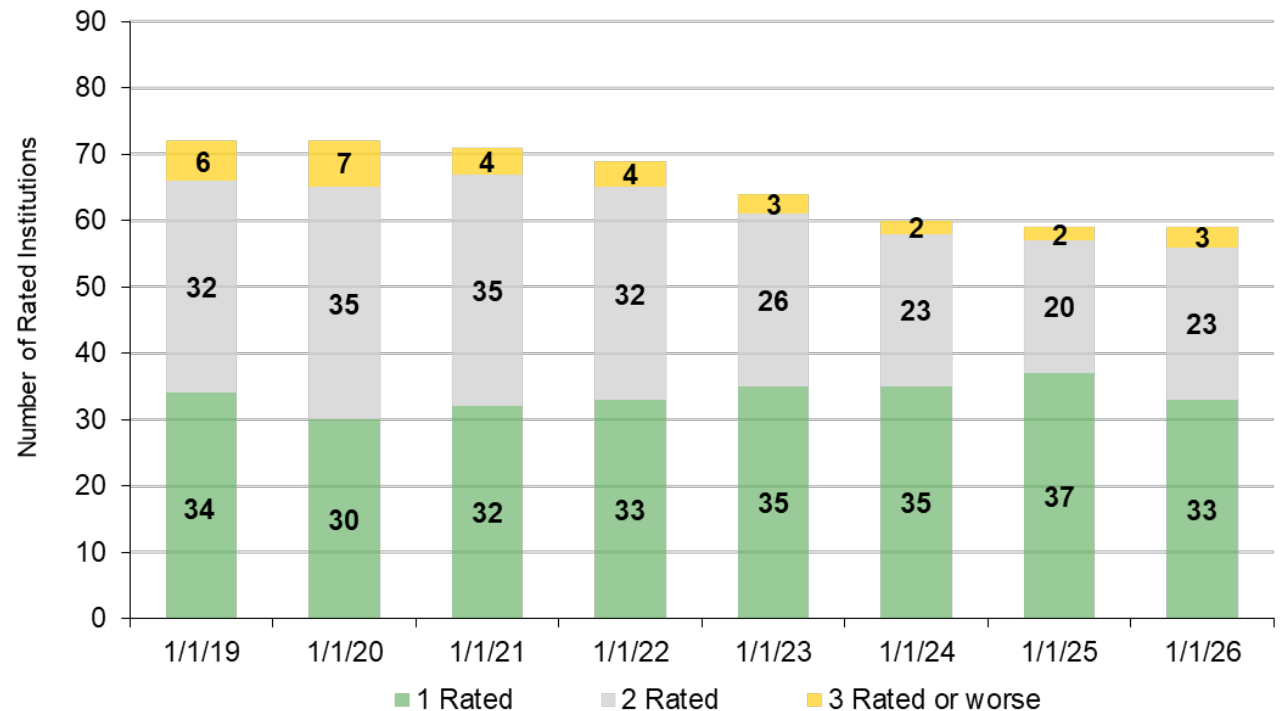
Composite FIRS ratings remained stable

Composite FIRS Ratings

(based on 12/31/25 financial reporting)

- ▶ Composite FIRS ratings reflect the System’s sound financial condition.
- ▶ Over 95% of System banks and associations have a Composite FIRS rating of 1 or 2.
- ▶ Institutions rated 3 or worse hold less than 5% of consolidated System assets.

Composite FIRS Ratings Farm Credit System Banks and Associations



Source: FCA’s FIRS ratings database



Risks we are monitoring

Borrowers and System institutions continue to face a challenging operating environment in 2026.

- ▶ Potential impact of changes in global economic conditions on the farm economy
- ▶ Continuing stress on cash grain sector resulting from volatile commodity prices, high input costs, global production trends, and trade uncertainties
- ▶ Rising credit risk for agribusinesses as profit margins remain under pressure from high costs and uncertain demand
- ▶ The effect of weaker margins and a volatile interest rate environment on farmland and other collateral values
- ▶ Consequences of tariffs, foreign trade policies, rising fuel costs, changes in government programs supporting agriculture, and disease outbreaks in crop or livestock sectors



Questions?