

Jeffery S. Hall, Chairman and Chief Executive Officer (CEO)



MINUTES OF THE FARM CREDIT ADMINISTRATION INFORMATIONAL MEETING September 10, 2026

An informational meeting was held on September 10, 2026, at the Farm Credit Administration (FCA) office in McLean, Virginia. The meeting began at 10:00 a.m. and concluded at 10:38 a.m. It was a hybrid physical/virtual meeting.

Those present included **Jeffery S. Hall**, Chairman and CEO; **Ashley Waldron**, Secretary to the Board; **Seema Mahini**, General Counsel; and staff of the FCA and Farm Credit System Insurance Corporation (FCSIC). There were four 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.

Chairman Hall made comments in recognition of the 25th anniversary of the September 11, 2001, terrorist attacks.

The **Secretary to the Board** addressed technical and protocol items, including announcing that with only one Board Member currently the General Counsel determined the Government in the Sunshine Act did not apply to this meeting.

AGENDA

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

REPORTS

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

Greg Lyons of the **Office of Data Analytics and Economics** and **Lori Parker** 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 C.)

ADJOURNMENT

Chairman Hall adjourned the meeting at 10:38 a.m.

NOTATIONAL VOTE ACTIONS

From August 13, 2026, through September 9, 2026, the FCA Board approved one notational vote action.

Item Number	Action Date	Voting Results	Subject
NV 26-20	9/9/2026	Approved	Minutes of the August 13, 2026, Regular Meeting of the Farm Credit Administration Board

The undersigned hereby certify that the foregoing minutes are the official minutes of the Farm Credit Administration informational meeting held on September 10, 2026.

_____/s/
Jeffery S. Hall
Chairman and CEO

_____/s/
Ashley Waldron
Secretary to the Board

Approved: September 21, 2026

**BOARD AND STAFF PRESENT AT THE
FCA INFORMATIONAL MEETING
September 10, 2026**

Jeffery S. Hall, Chairman and CEO

ATTENDEES	
Office of the Board	
Hall, Jeffery	
Hunter, Karen	
Greer, Kristin	
Waldron, Ashley	
Bolding, Gabe	
OCOO	
Duffy, Mike	
Cunningham, Lesley	
OEE0	
Burlew, Thais	
Fish, Tyler	
OIT	
Versace, Jerry	
Shelsta, Janice	
Matos, Ricardo	
Rana, Ben	
Amaya, Victor	
Samuel, Natnael	
OCPA	
Newman, Colin	
Rezendes, Andrew	
Shelly, Philip	
Borke, Brandon	
OGC	
Mahini, Seema	
Griffin, Ward	
OE	
Fennewald, Dan	
Tomlinson, Brianna	
Greenlee, Angela	
Holmes, Graham	
Parker, Lori	
ODAE	
D'Antoni, Jeremy	
Shields, Dennis	
Iannetta, Sal	
Lyons, Greg	
OIG	
Miller, Kevin	

ATTENDEES	
OSMO	
Fay, Thomas	
Hudson, Bruce	
ORP	
Kramp, Kevin	
OCFO	
Soares, Ily	
Willard, Shana	
OAS	
Bell, Vonda	
Adkins, Byron	
FCSIC	
Simonson, John	
Smith, Gregory	
Wynn, Wade	
Morgan, Matt	
Bowen, Mark	
GENERAL PUBLIC (4)	

Farm Credit Administration

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



PUBLIC ANNOUNCEMENT OF INFORMATIONAL MEETING

**Farm Credit Administration
September 10, 2026**

SUMMARY: Notice of the forthcoming Farm Credit Administration informational meeting is hereby given.

DATES: 10 a.m., Thursday, September 10, 2026.

ADDRESSES: 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](https://www.fca.gov), select "Newsroom," then select "Events." From there, access the linked "Instructions for meeting visitors" and complete the described registration process.

FOR FURTHER INFORMATION CONTACT: 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.

SUPPLEMENTARY INFORMATION: This meeting will be open to the public. The following matters will be considered:

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

_____/s/
Ashley Waldron
Secretary to the Board

September 1, 2026

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



September 10, 2026

Greg Lyons – Senior Economist
Office of Data Analytics and Economics

Lori Parker – Supervisory FCA Examiner
Office of Examination





Topics for open session

Economic Conditions affecting the Farm Credit System

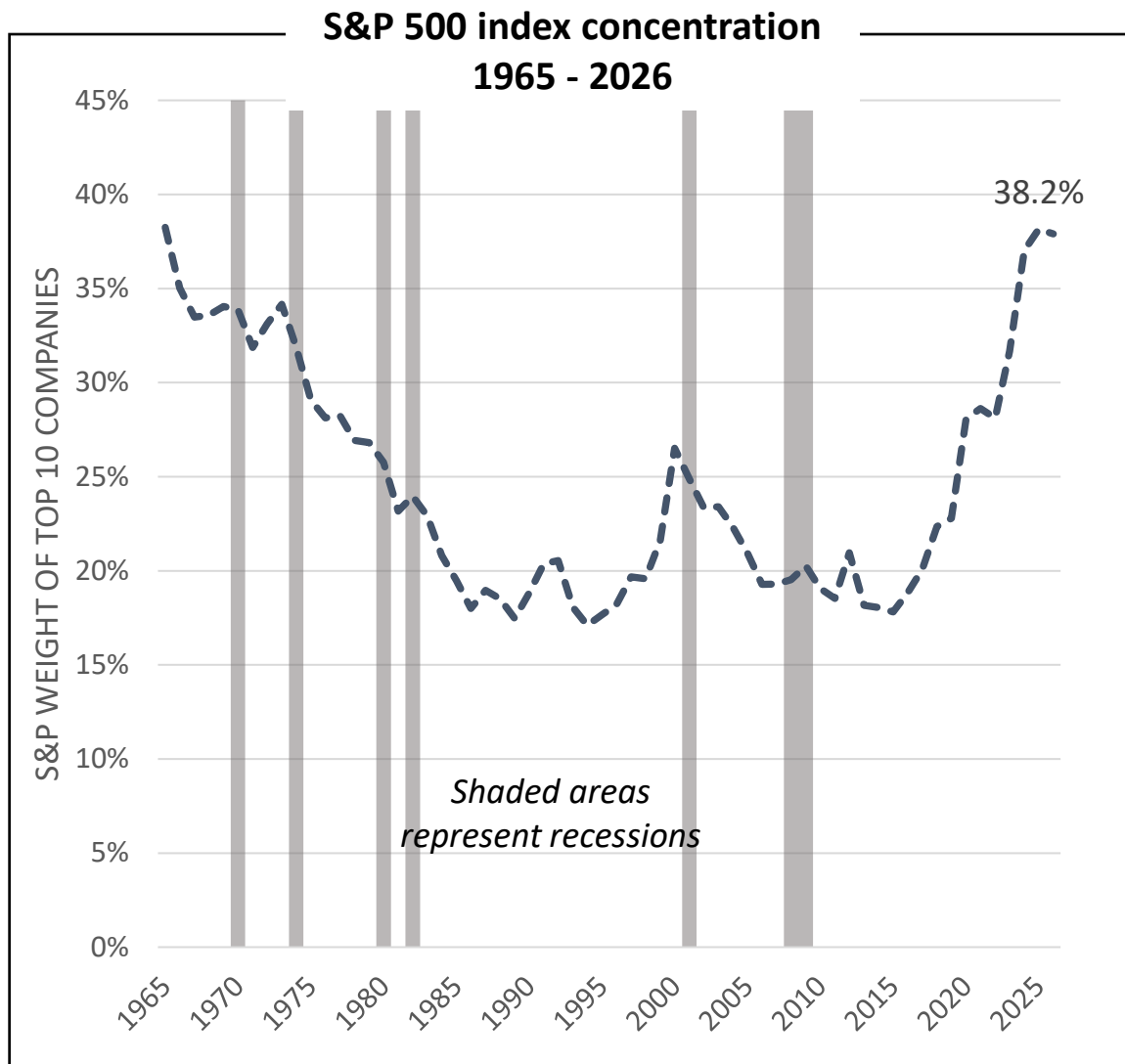
- Macroeconomic update
- Farm income and financial conditions
- Farmland values

Farm Credit System Condition and Performance

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



Continued economic growth is closely tied to AI investment



Source: S&P Global Research and Insights

Intensity of AI buildout is unprecedented

- AI investments dwarf prior emerging technologies
- Estimated \$1.2 trillion in spending in 2026, 2027
- AI equities dominate index earnings, performance

AI wealth effects may be supporting consumption

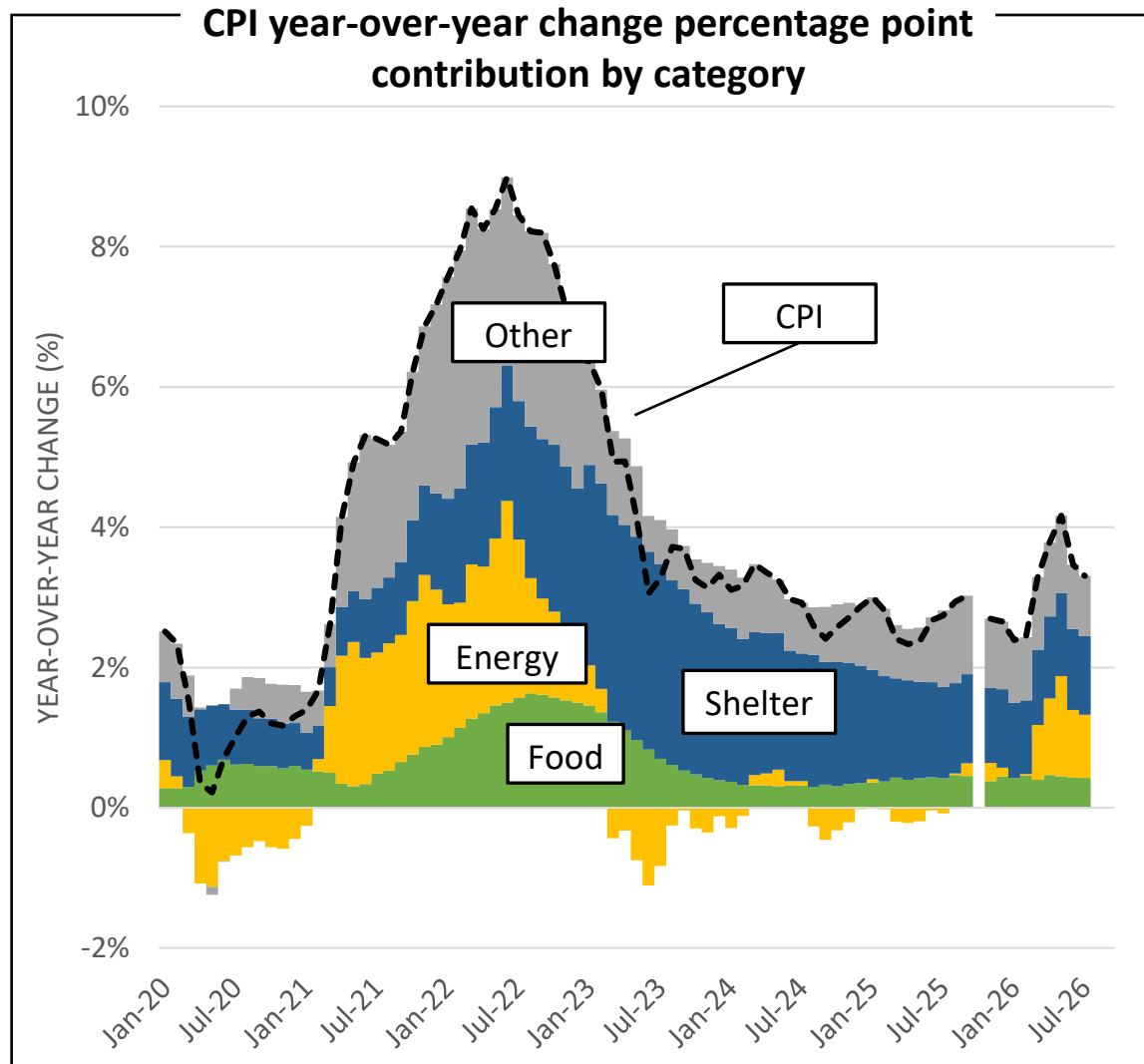
- Personal consumption, disposable income diverge
- 35% of U.S. household net worth is in equities
- Sentiment closely tracks equity ownership

Stable economy with some downside risk

- Debt utilization, potential for rising interest rates
- Slower productivity growth than anticipated
- A fragile wealth effect



Inflation cools as energy prices fall off recent peaks



Source: U.S. Bureau of Labor Statistics Consumer Price Index, ODAE calculations

Energy markets look for direction

- Inventories, spreads suggest strain
- Relief from physical deficits and global imports
- Short vs. medium term trends, but with volatility

Mixed signals from core inflation measures

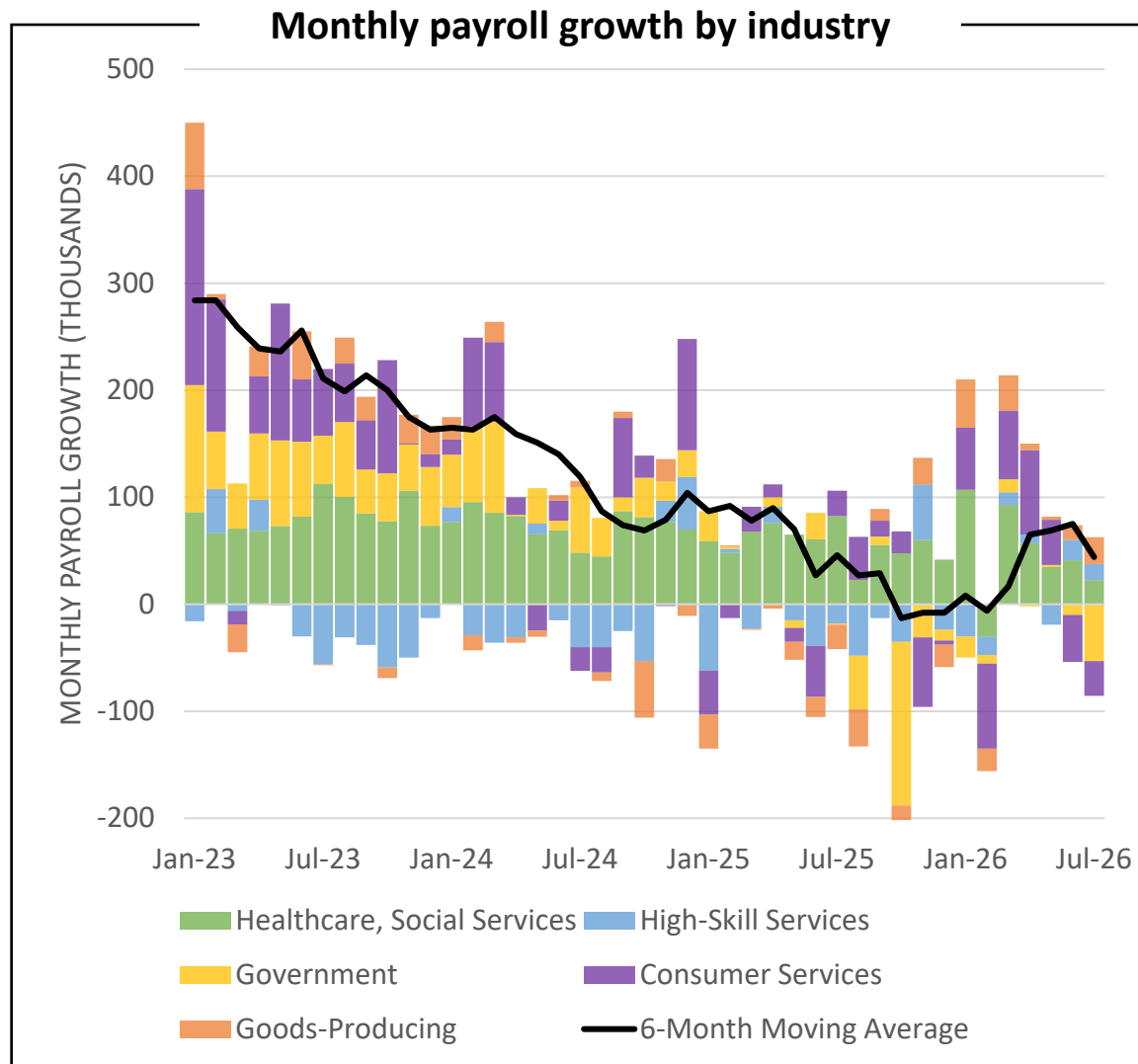
- Shelter disinflation may be bottoming out
- Select services drive core PCE inflation
- Core PPI signals “broad-based” modest inflation

Tariff update

- Goods pass-through may be largely complete
- Additional impacts may occur as policy changes



Labor force gets smaller while turnover stabilizes



Source: U.S. Bureau of Labor Statistics Employment Situation

Civilian labor force is shrinking

- 2.4 million fewer workers than Nov 2025 peak
- Youngest and oldest cohorts shrank the most
- Unemployment rates near recent lows

Hires, fires still stuck in stasis

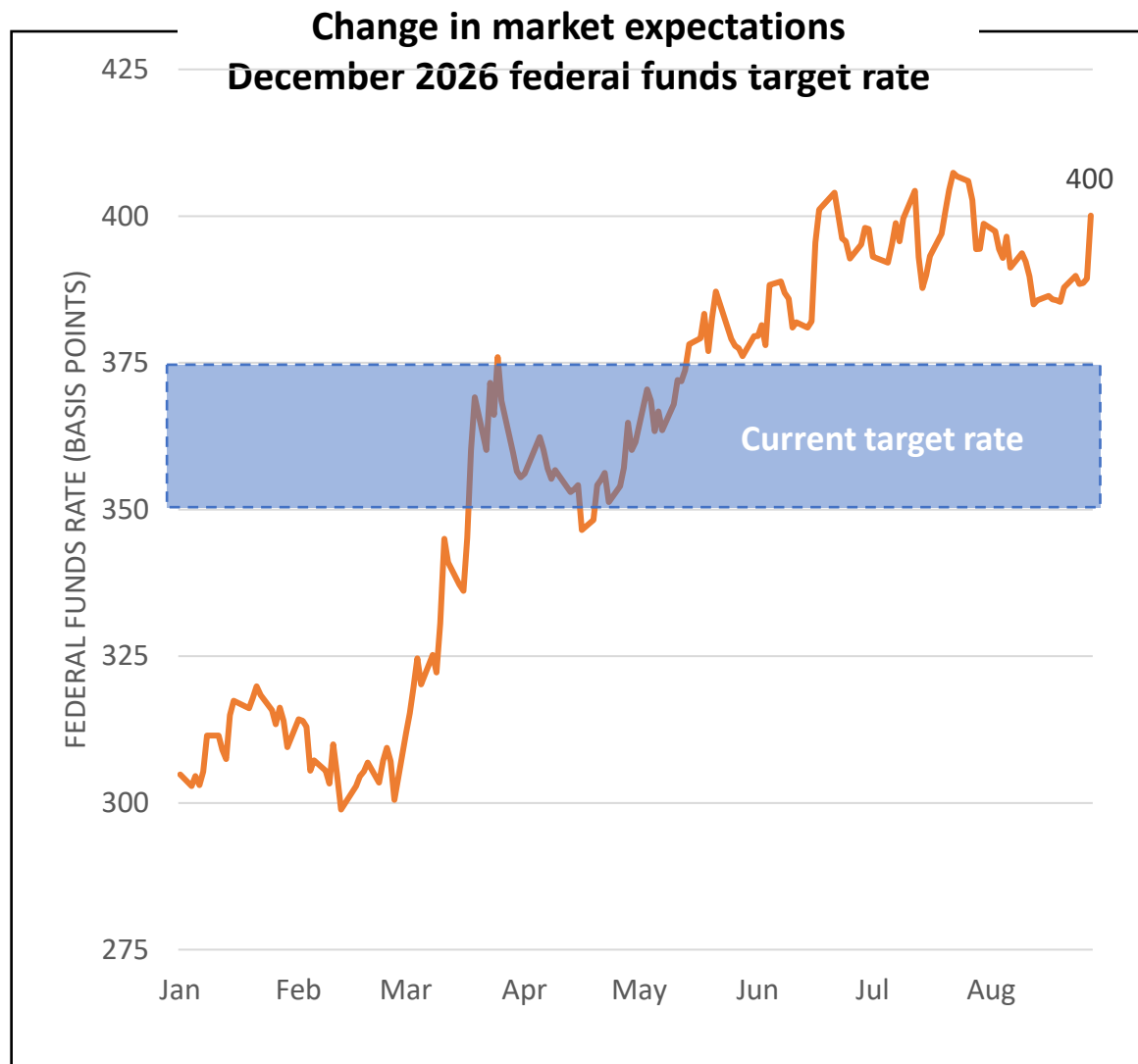
- Quit, layoff rates remain near cycle lows
- Hire rates have shown modest improvements
- Job switching premiums have begun to recover

Job quality recovers from late 2025

- Underemployment/marginally attached flatline
- Temporary employment rebounds
- Multiple jobholders rise, but off Nov 2025 peak



Federal Reserve continues to emphasize price stability



Source: CME FedWatch, ODAE calculations

Inflation takes center stage of dual mandate

- Consumption, investment continue to grow
- Low unemployment, strong productivity growth
- 65 months of sticky, broad-based inflation

“...while this summer's PCE and CPI readings were better than expected, they do not tell me that underlying trends have meaningfully improved..”

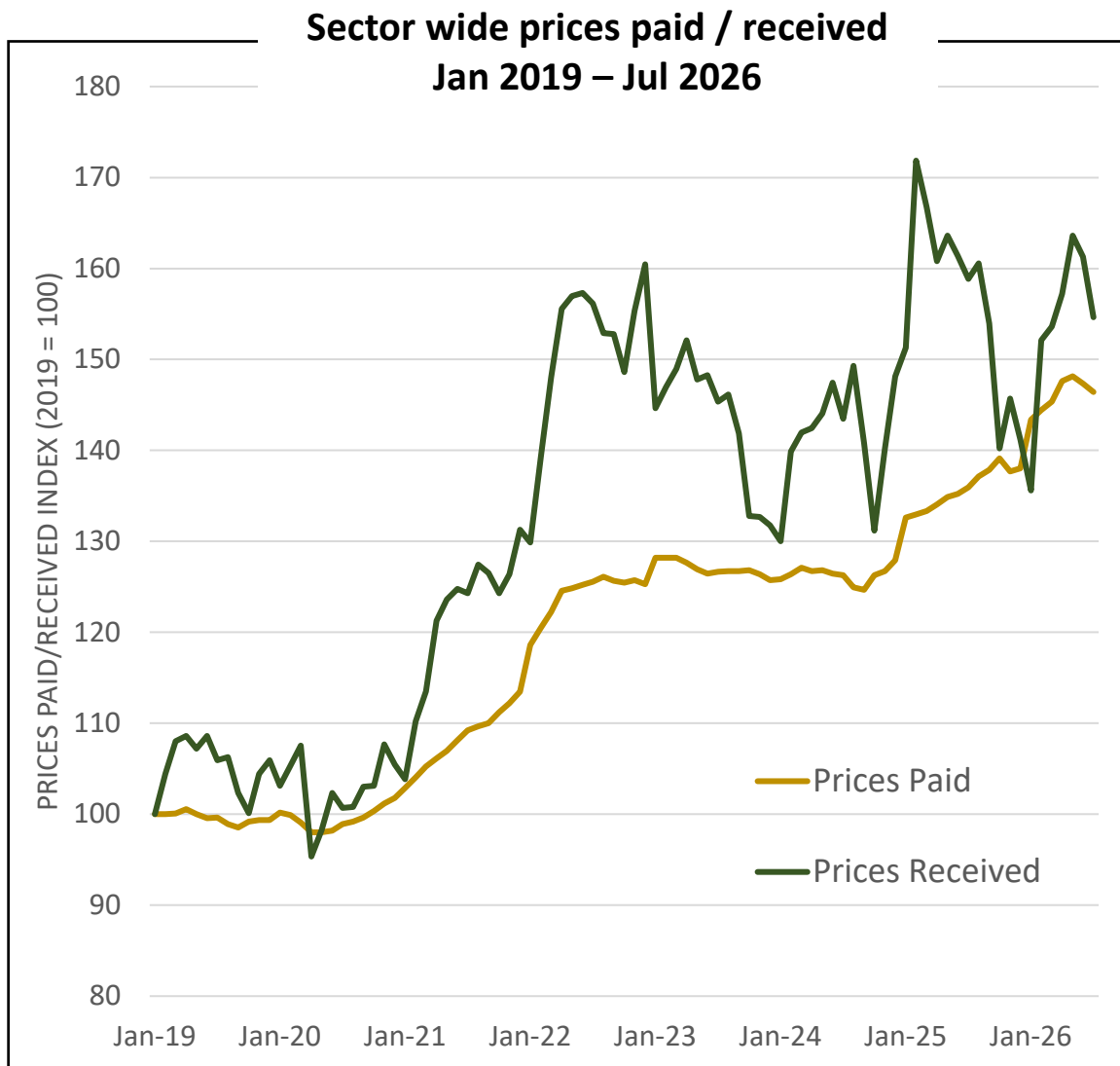
Chairman Kevin Warsh, August 28, 2026

Long-end pressure in the Treasury market

- Longer-dated instruments hit highs
- Multifaceted demand factors
- Policy and fiscal uncertainty premiums



Margin compression drives 2026 farm income expectations



Source: USDA National Agricultural Statistics Service Prices Paid/Received Index

High 2026F incomes based on govt support

- Cash receipts have fallen since 2025
- Expenses are still trending sideways or up
- Marketing opportunities offer relief

Liquidity continues to be the 2026 pain point

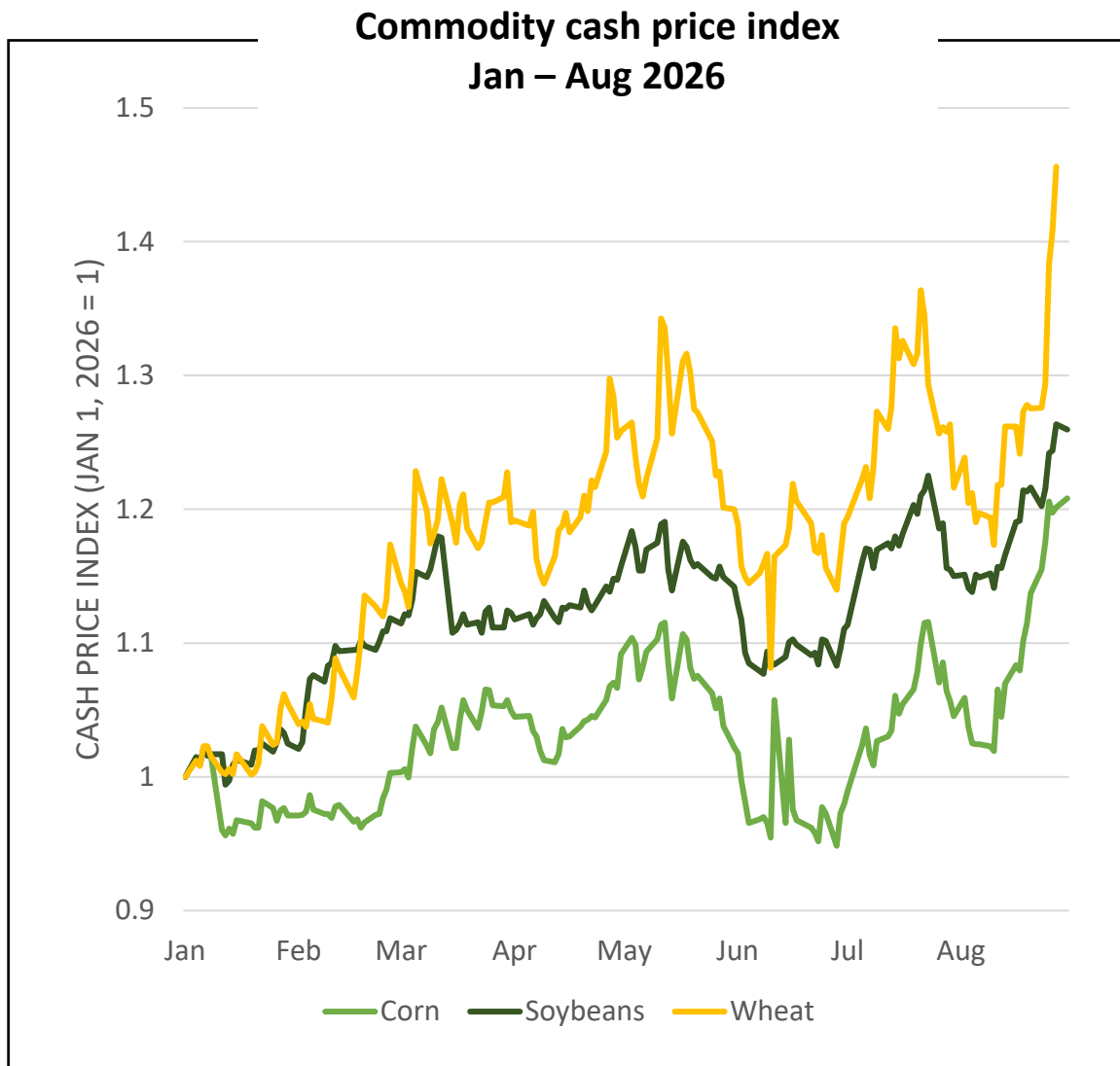
- Working capital forecast to decline in 2026
- Farm debt repayment continues to fall
- Sector solvency impacts limited to date

Regional and commodity variation persists

- Arkansas rice/cotton and logistical concerns
- Historically low wheat production
- Egg, dairy margin compression



Many crop prices rise on varied global factors



Source: Barchart Commodity Prices

Cash grains see multiple concurrent supports

- Black sea exports halt due to strikes on ports
- EU heat waves and El Niño
- Uptick in global demand

Many fruits, tree nuts driven by the supply side

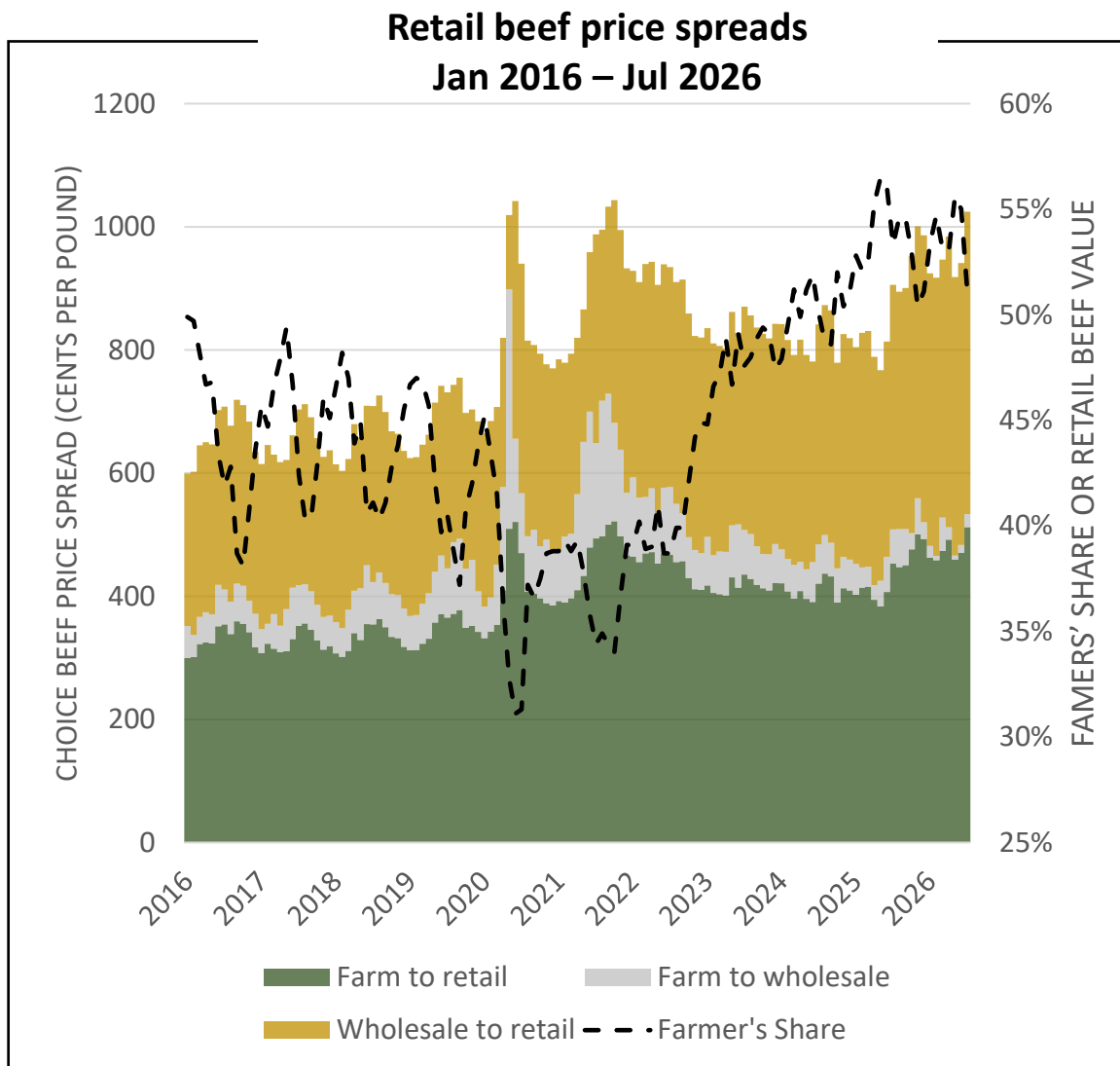
- Greening hits global citrus crop
- Almond prices rebound on lower supply
- Grapes continue balancing on softer demand

Other commodities to watch

- Cotton stocks at lowest since 2011/2012
- Sugar: South American weather, policy



Profitability tightens in parts of the livestock sector



Source: USDA Economics Research Service Meat Price Spreads

Cattle markets remain tight

- Market uncertainties limit herd growth
- Feeders, processors face narrow margins
- Screwworm containment may ease pressure

Supplies cut into margins for other livestock

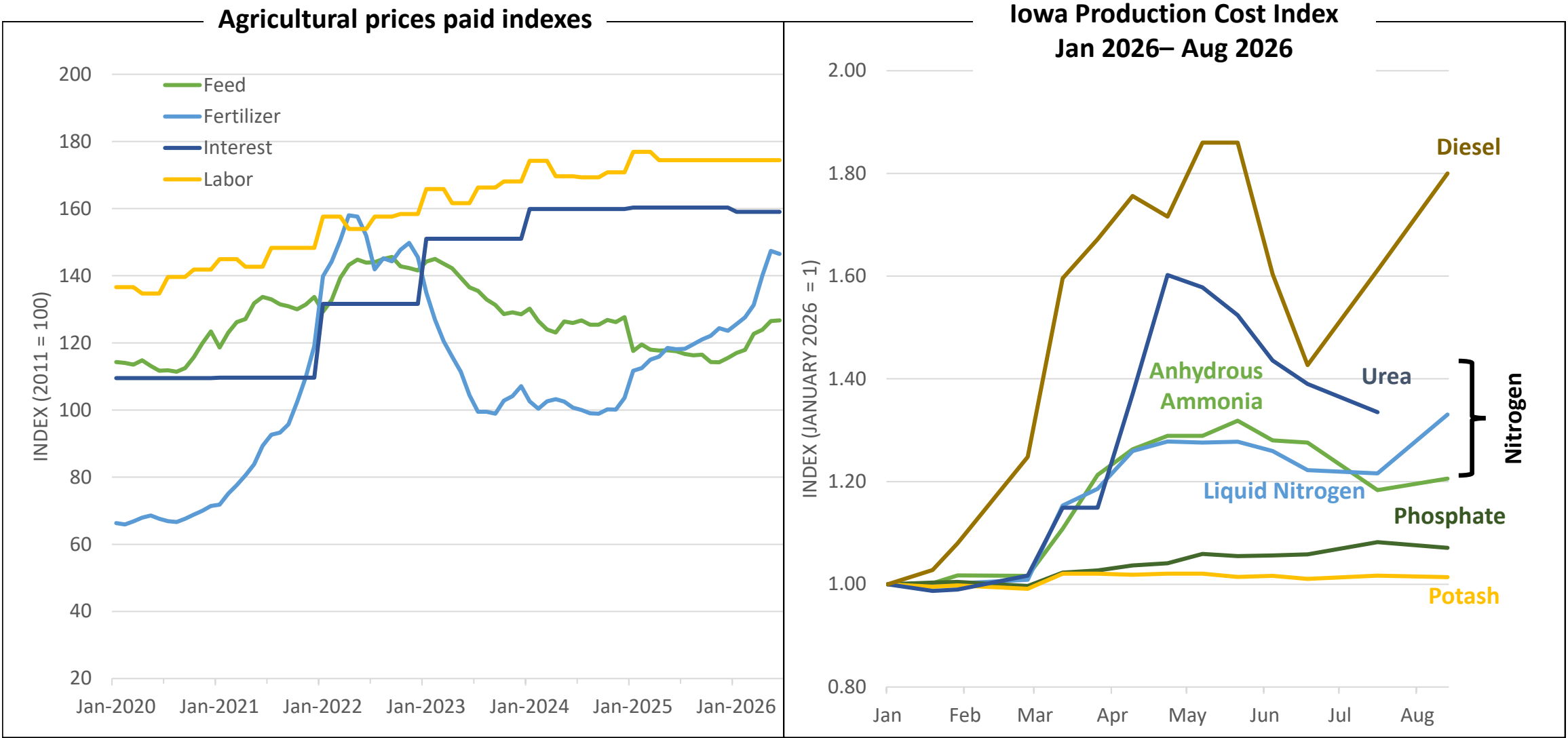
- Dairy herd at multi-decade high
- Pork production near top of historic range
- Broiler/turkey/egg production higher

Emerging headwinds for the livestock sector

- Feed costs rise across the sector
- Drought creates poor pasture conditions
- Dollar strength cuts into export demand



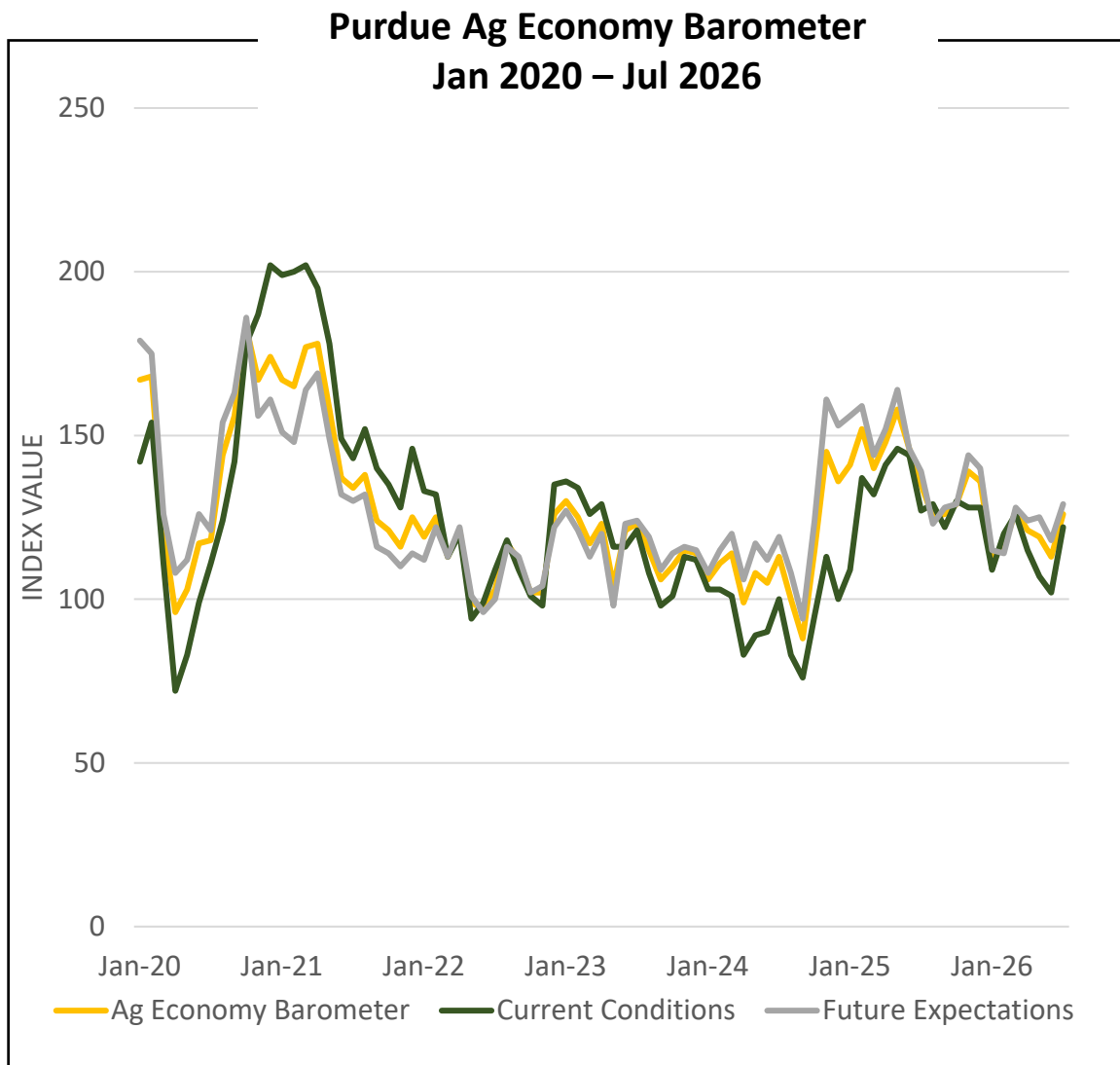
Farm expenses climb heading into harvest season



Source: USDA National Agricultural Statistics Service and USDA Agricultural Marketing Service Iowa Production Cost Report



Producer optimism builds on commodity market rallies



Source: Purdue CME Ag Economy Barometer

Producer sentiment jumps in July

- Increased capital expenditures/ export optimism
- Improved expectations for future financial performance
- High input costs continue remain a drag

Land values as a bridge during lower income period

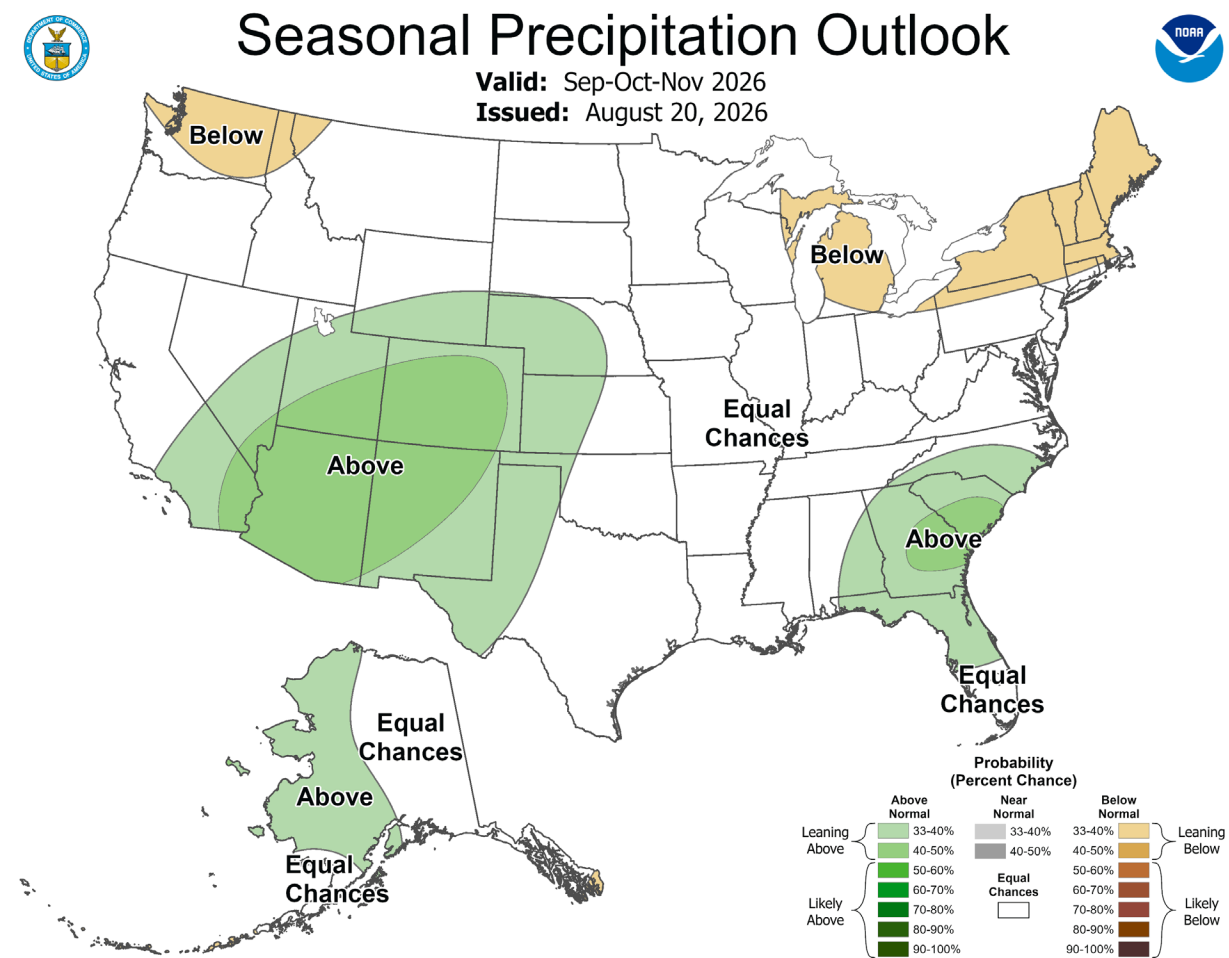
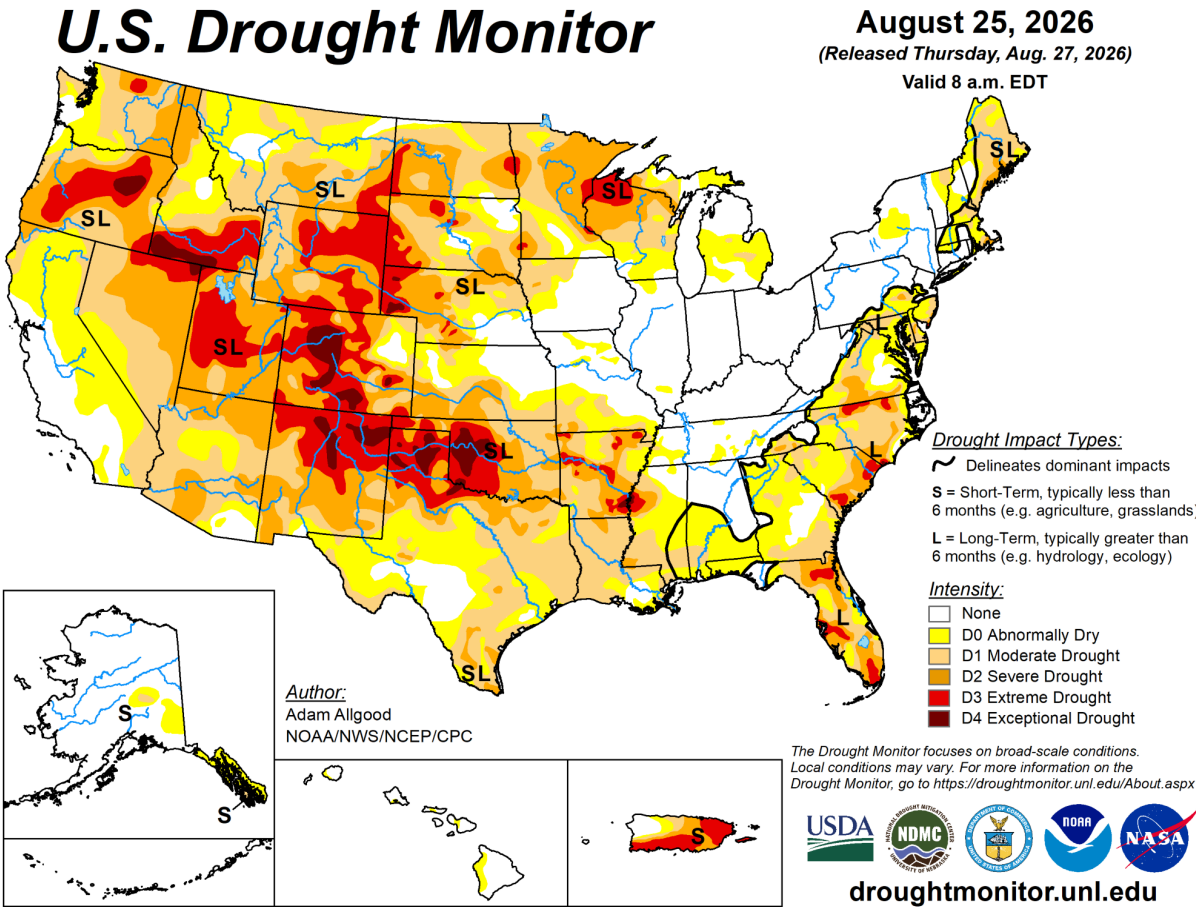
- Pervasive evidence of tight working capital
- Survey data continues to indicate higher land values
- Some evidence of improving financial conditions in Q2

Producers remain in a period of elevated uncertainty

- Uncertain government policy
- Global competition and trade
- Historic El Niño pattern



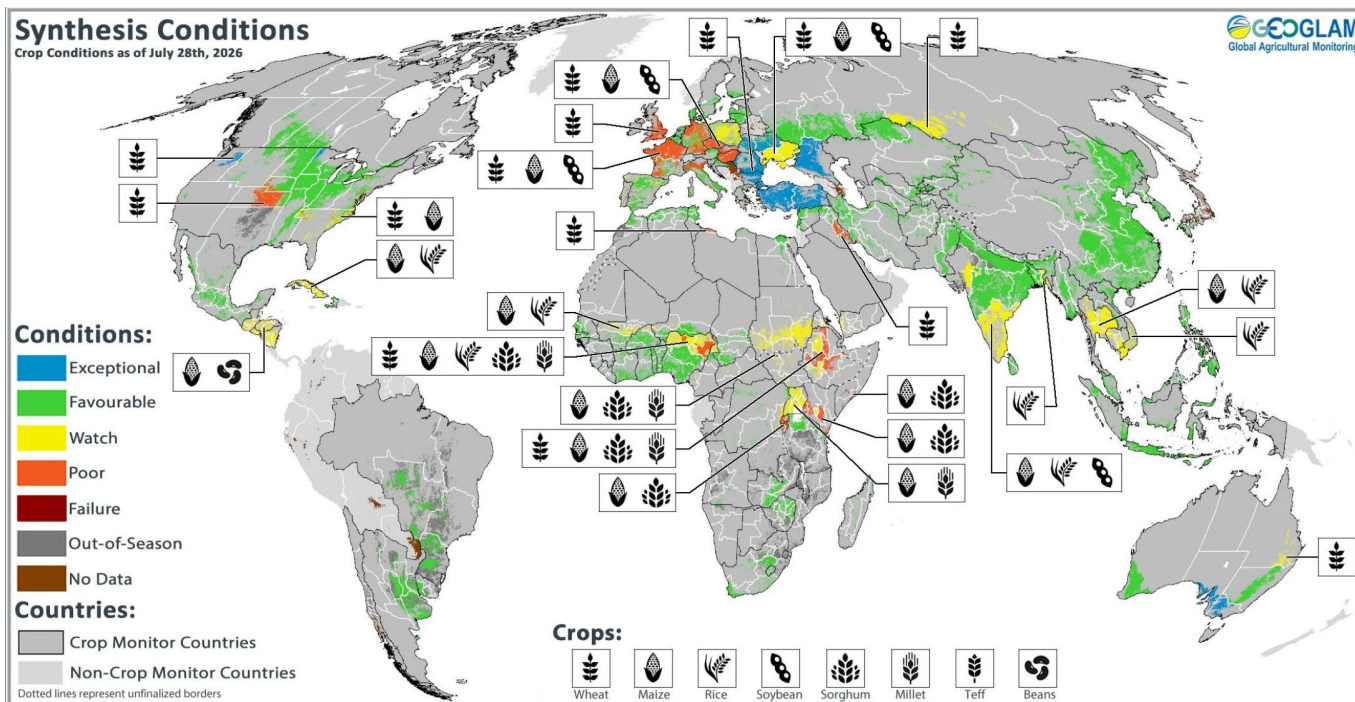
Drought conditions persist across much of the U.S.





Global weather conditions create pockets of stress

Global commodity conditions July 28, 2026



Hot, dry summer with some extreme weather

- European summer crops weaken from high heat and drought conditions
- In China, heatwaves and floods may impact corn and soybean production
- Flooding damages SE Asian rice production

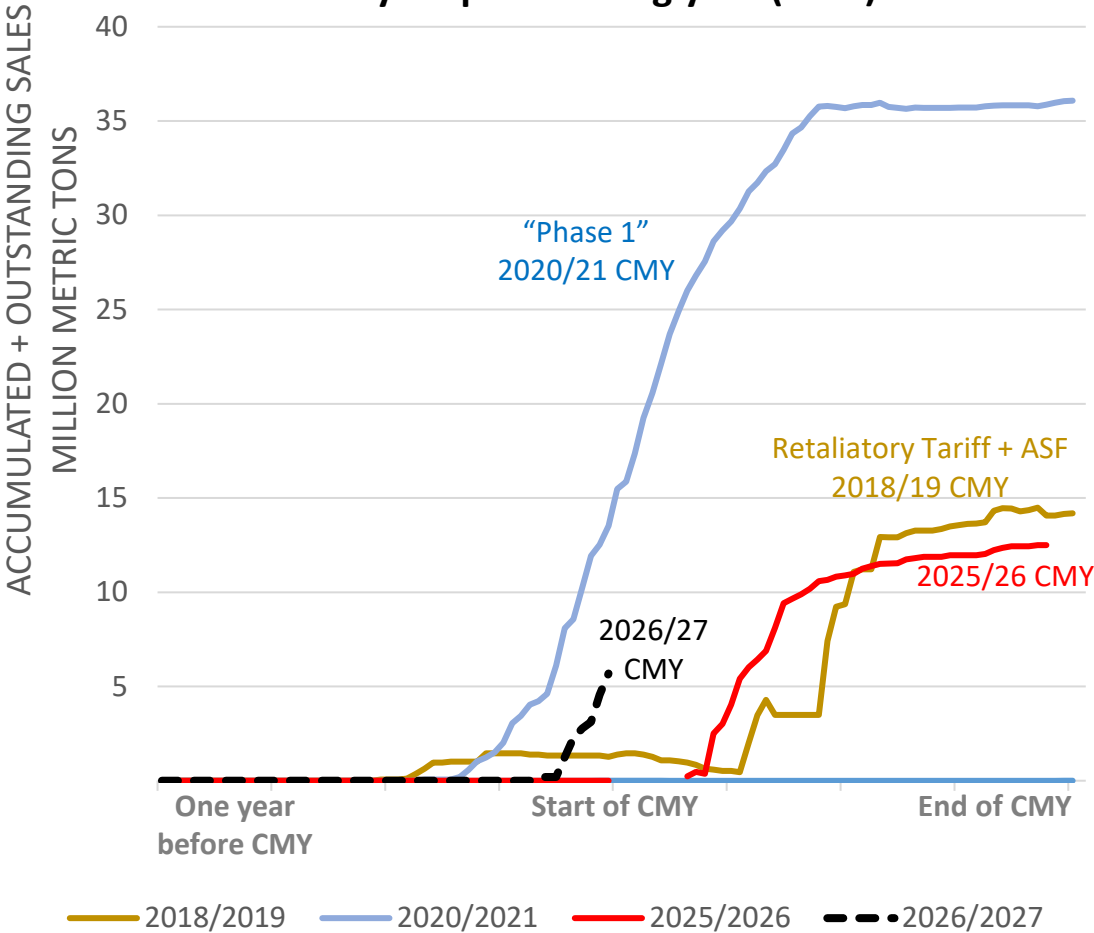
Emerging El Niño pattern may be a record

- NOAA: 90% chance of a 'very strong' pattern, and ~70% chance of a record
- Stronger patterns may cause dryer regional conditions in the global south
- Patterns are not uniform or consistent

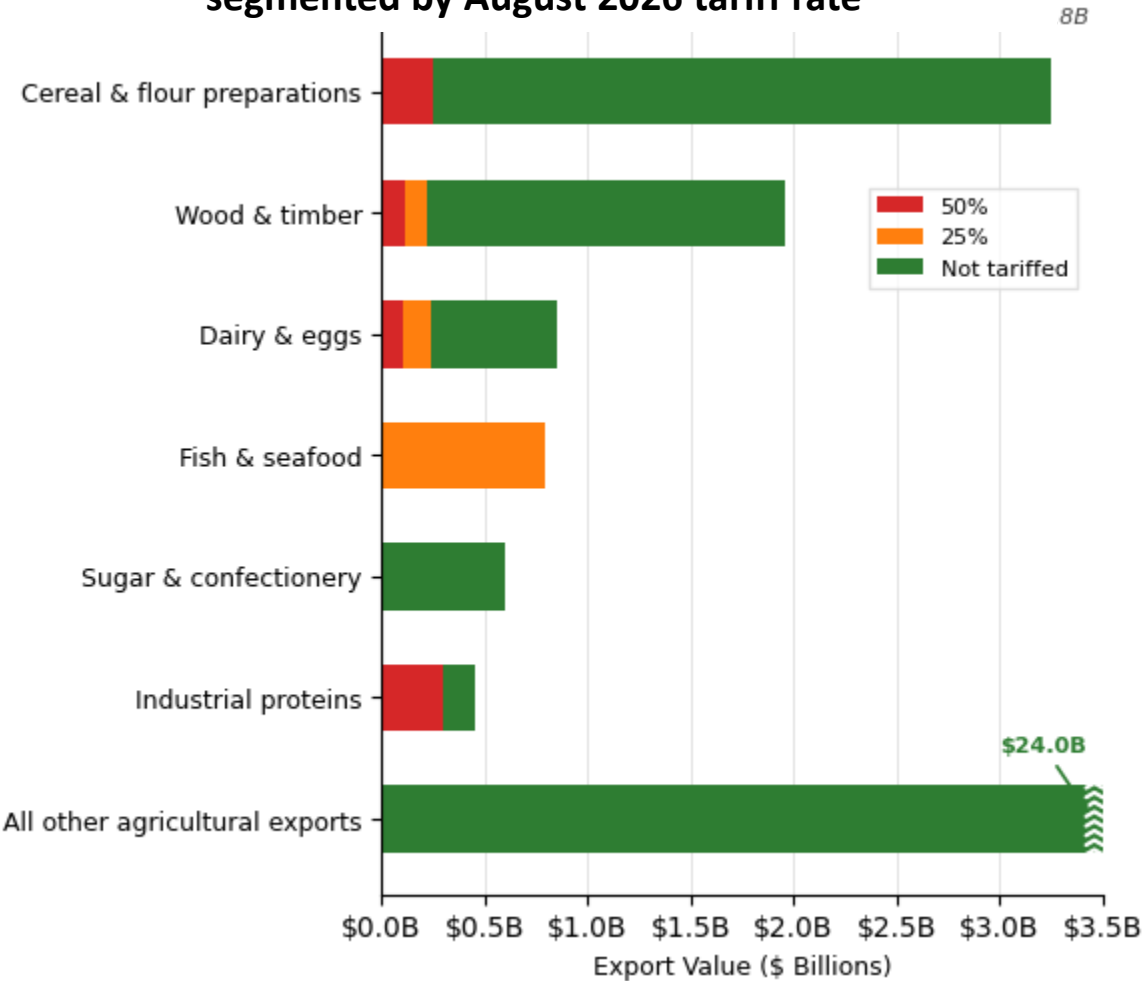


Trade remains a bilateral story

Total soybean sales to China
by crop marketing year (CMY)



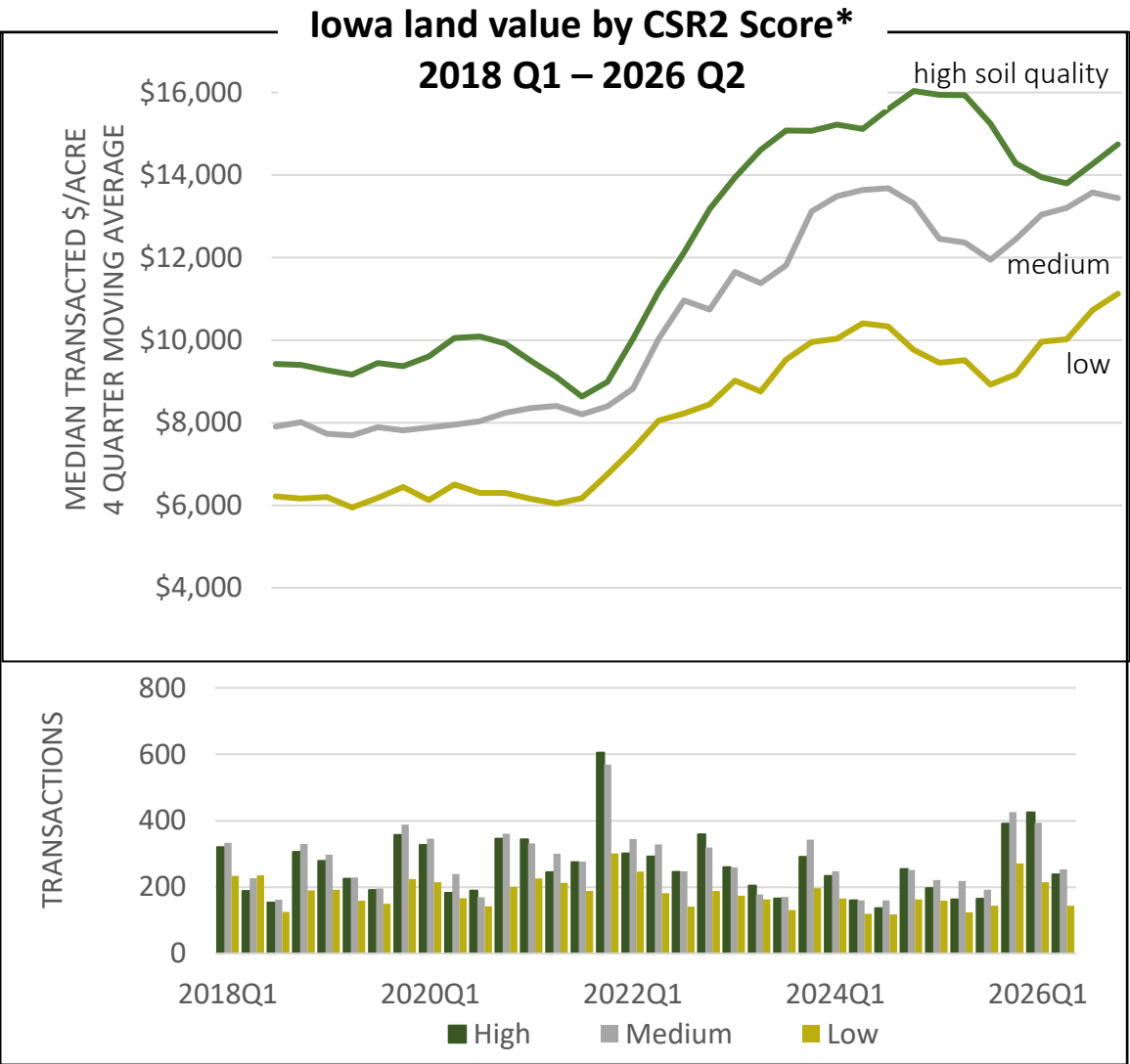
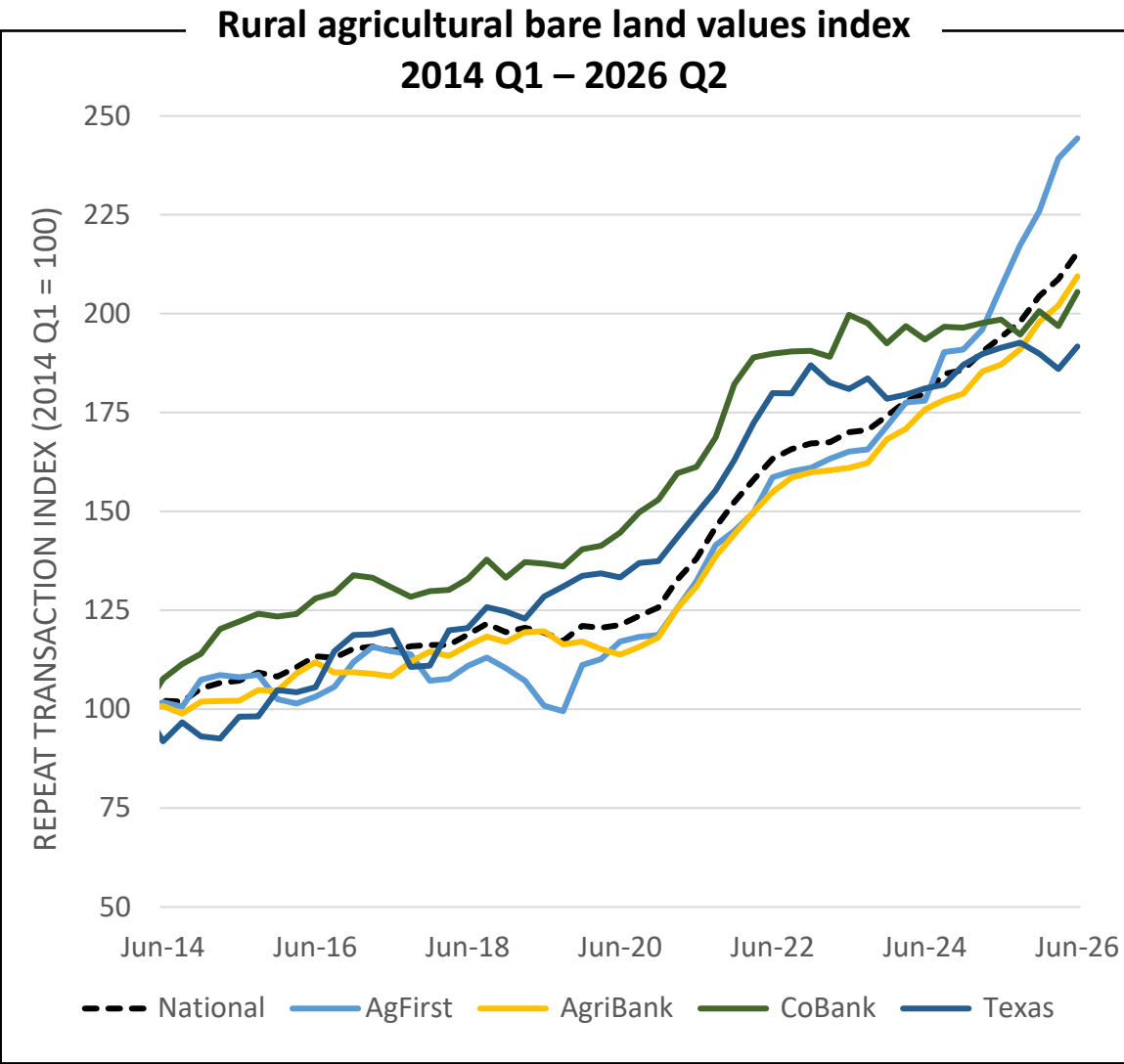
U.S. agricultural exports to Canada in 2025
segmented by August 2026 tariff rate



Source: USDA Foreign Agricultural Service Export Sales Query System, USDA GATS, ODAE Calculations.



Agricultural land values continue slow growth in 2026

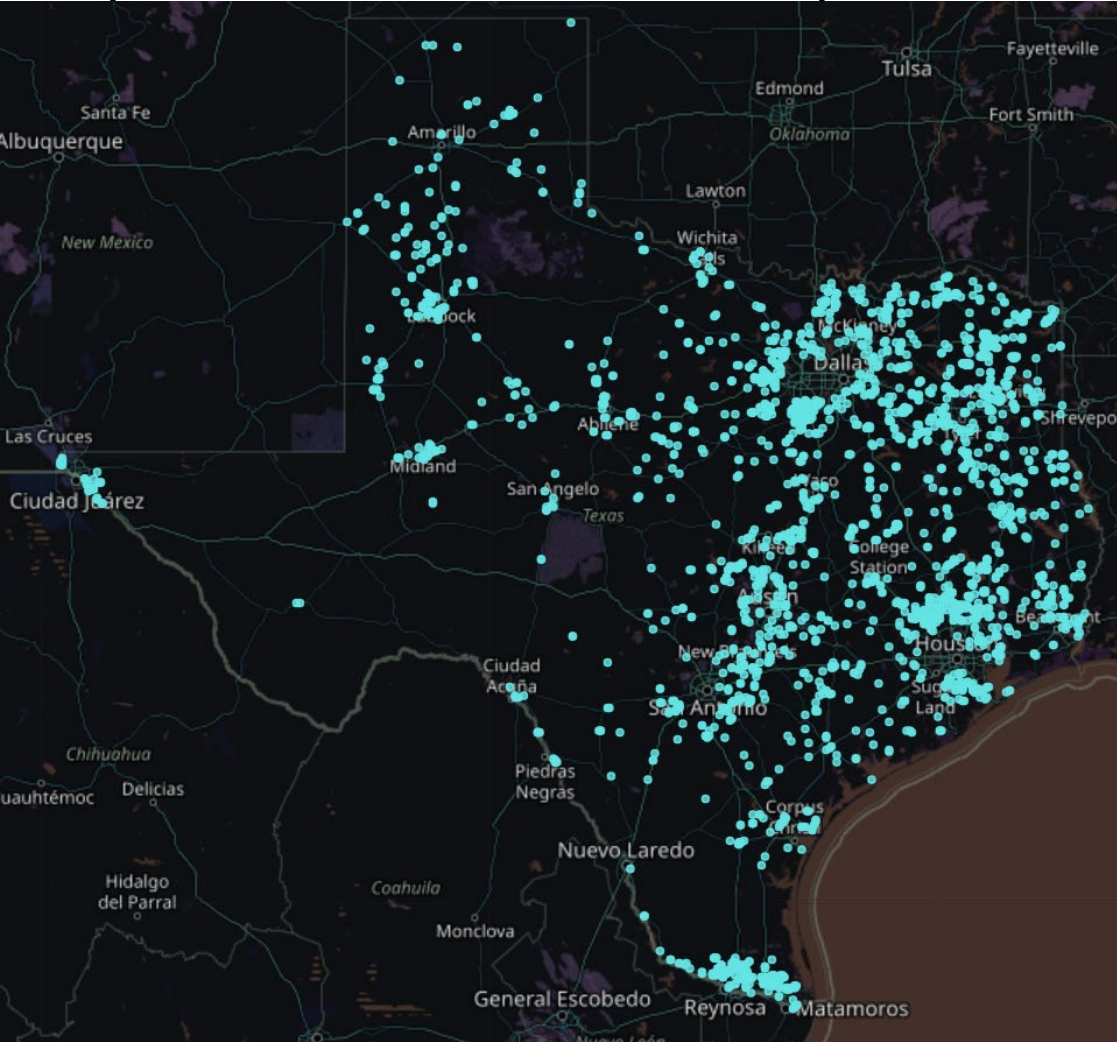


Source: ODAE calculations using data from Cotality (formerly CoreLogic) and USDA gNATSGO. Rural index excludes sales within 30 miles of a metropolitan statistical area. *CSR2 = Corn Suitability Rating 2

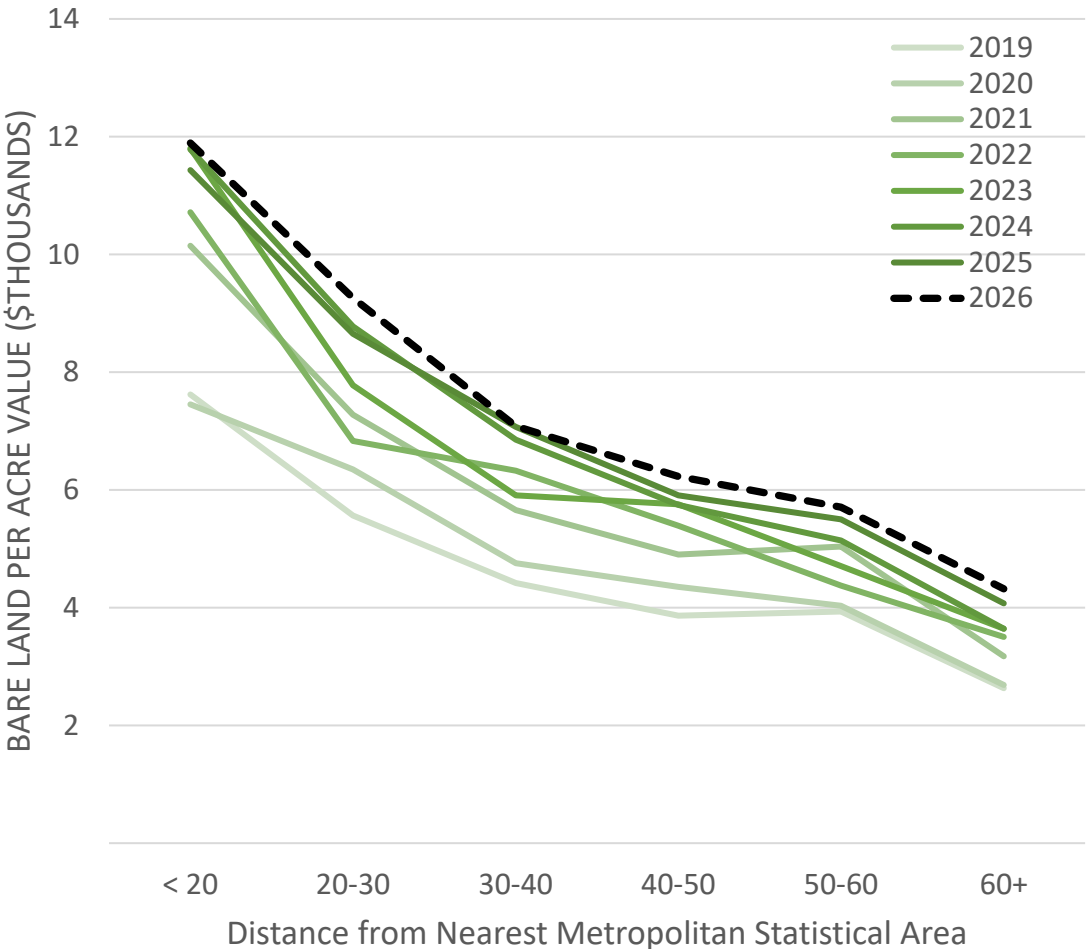


Nonagricultural premiums continue to pressure values

TX pastureland sales that were later developed, 2023 - 2025



U.S. bare land agricultural transaction values by distance to nearest MSA



Source: USDA Cropscape cover layers; ODAE calculations using data from Cotality (formerly CoreLogic)



Questions?

Farm Credit System Condition and Performance as of June 30, 2026



September 10, 2026 FCA Board Meeting

Lori Parker

Supervisory FCA Examiner

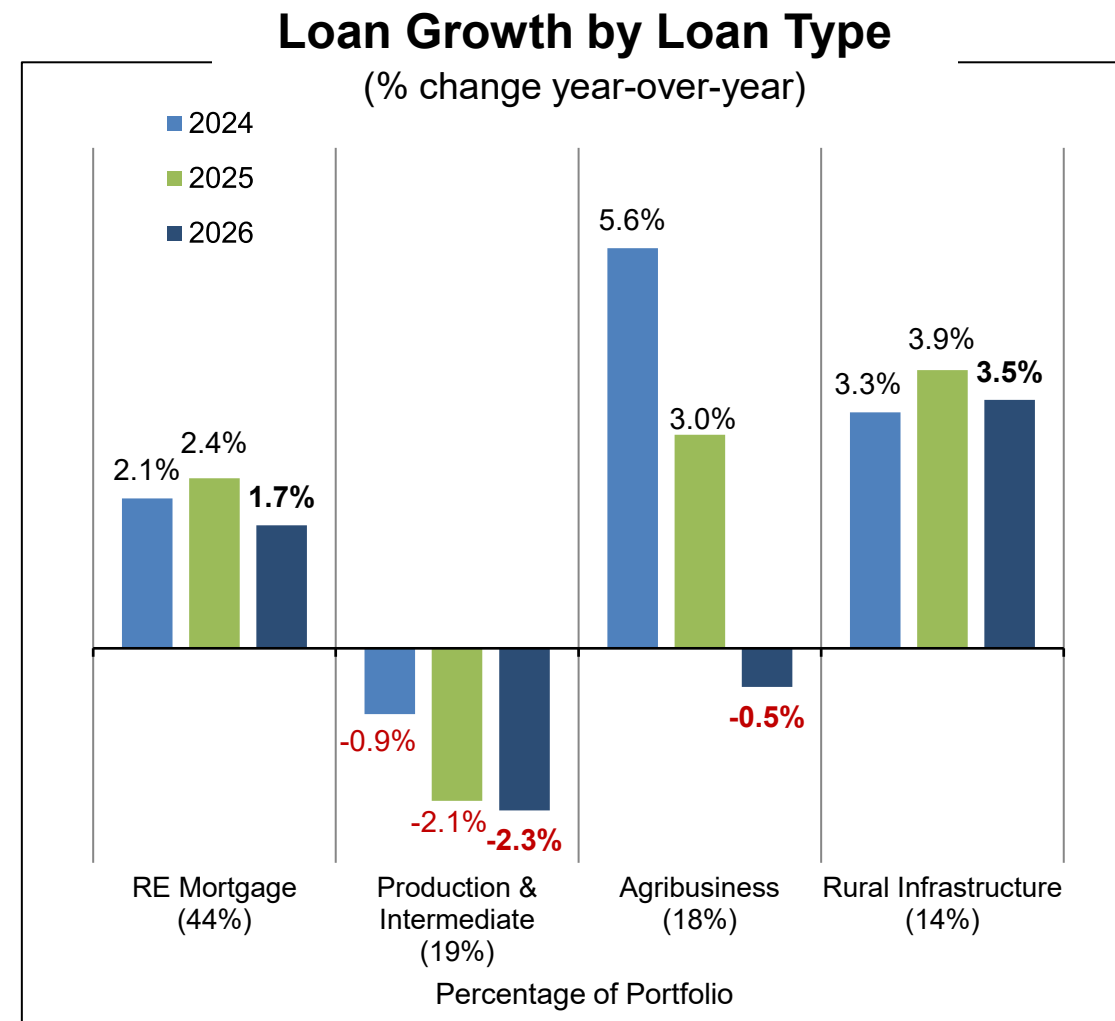
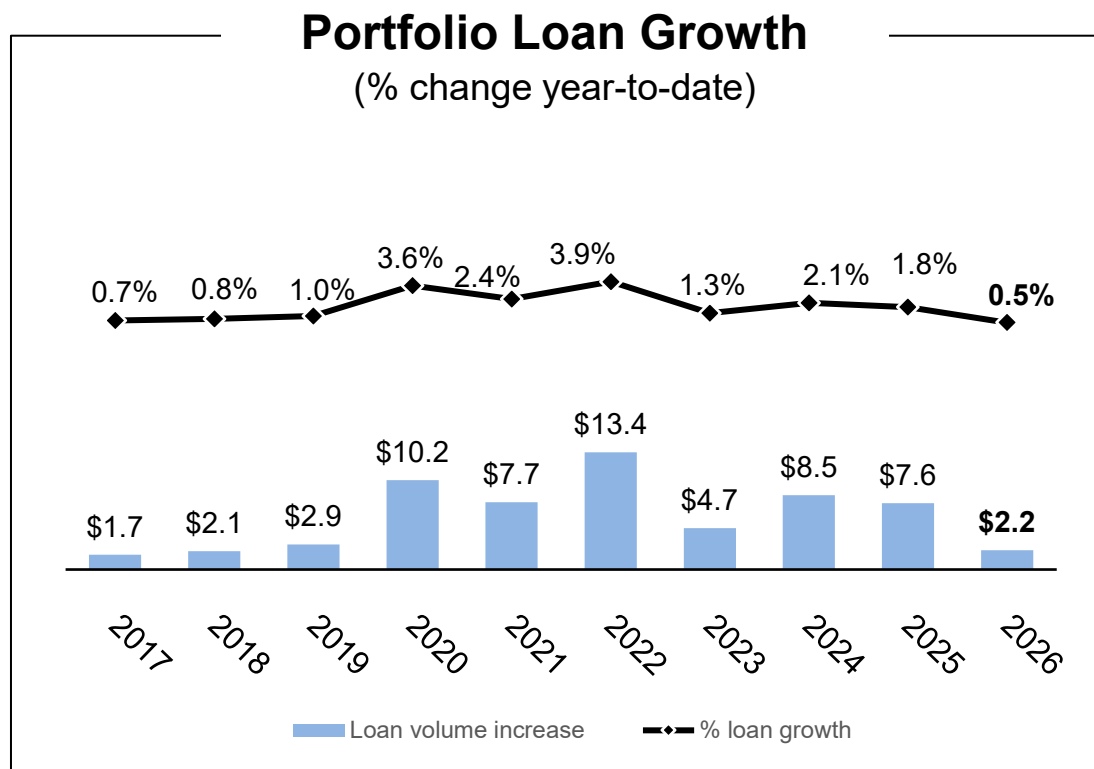
Office of Examination





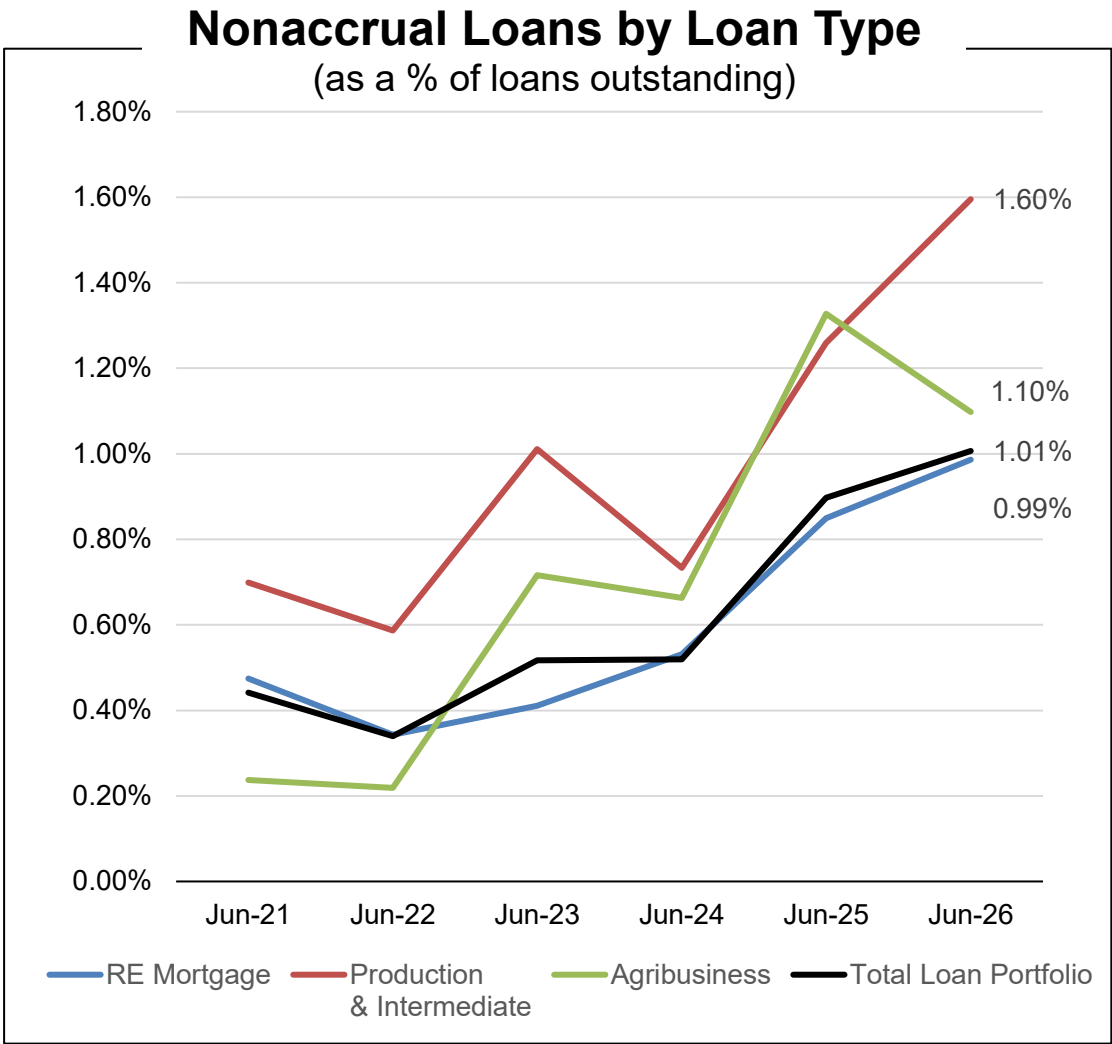
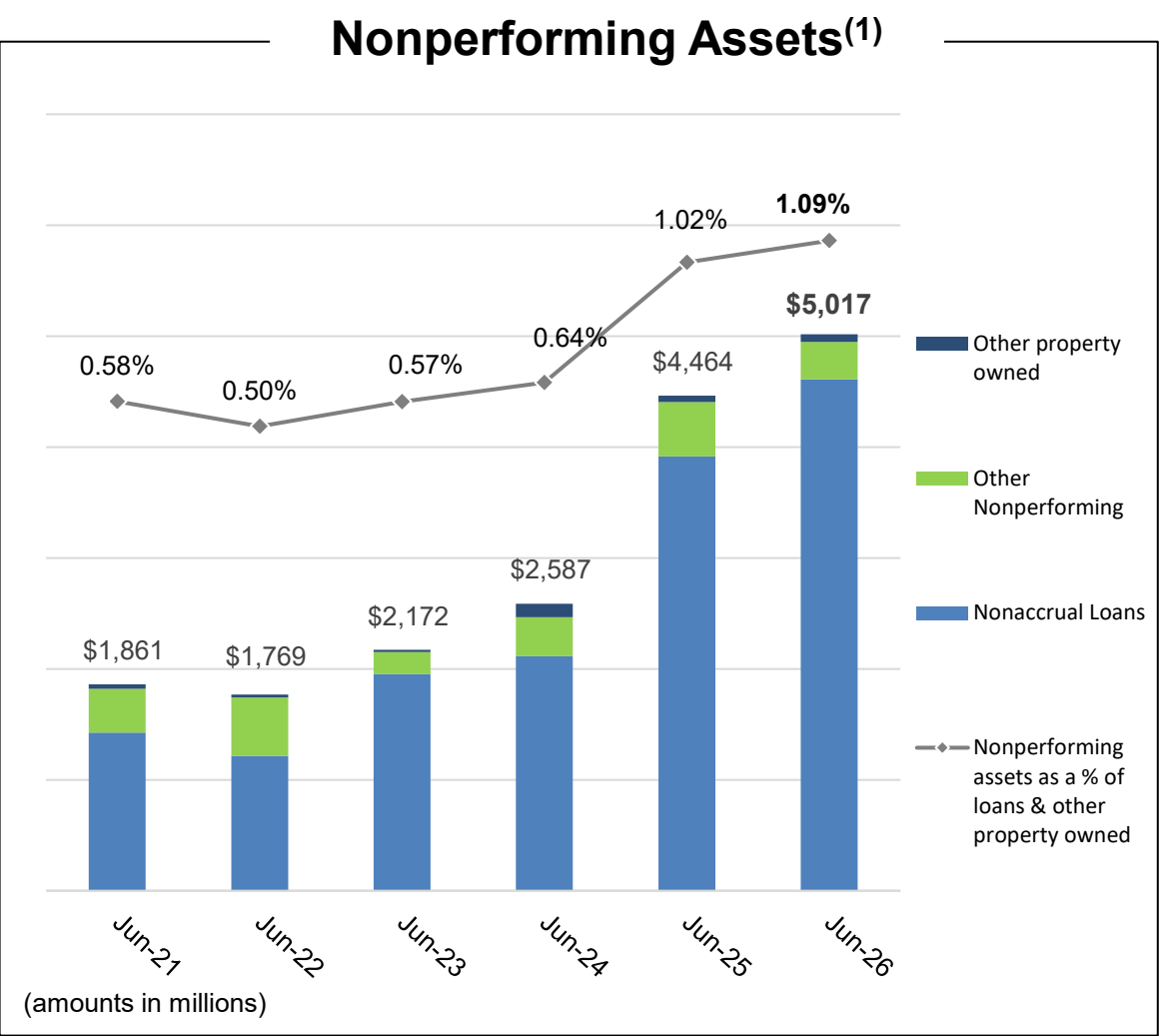
Portfolio loan growth moderated

Total Assets 06/30/26	\$584.4 billion	+0.4% Qtr +5.2% 12M	Gross Loans 06/30/26	\$459.1 billion	+0.5% Qtr +5.2% 12M
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Nonperforming assets increased



(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 trended higher

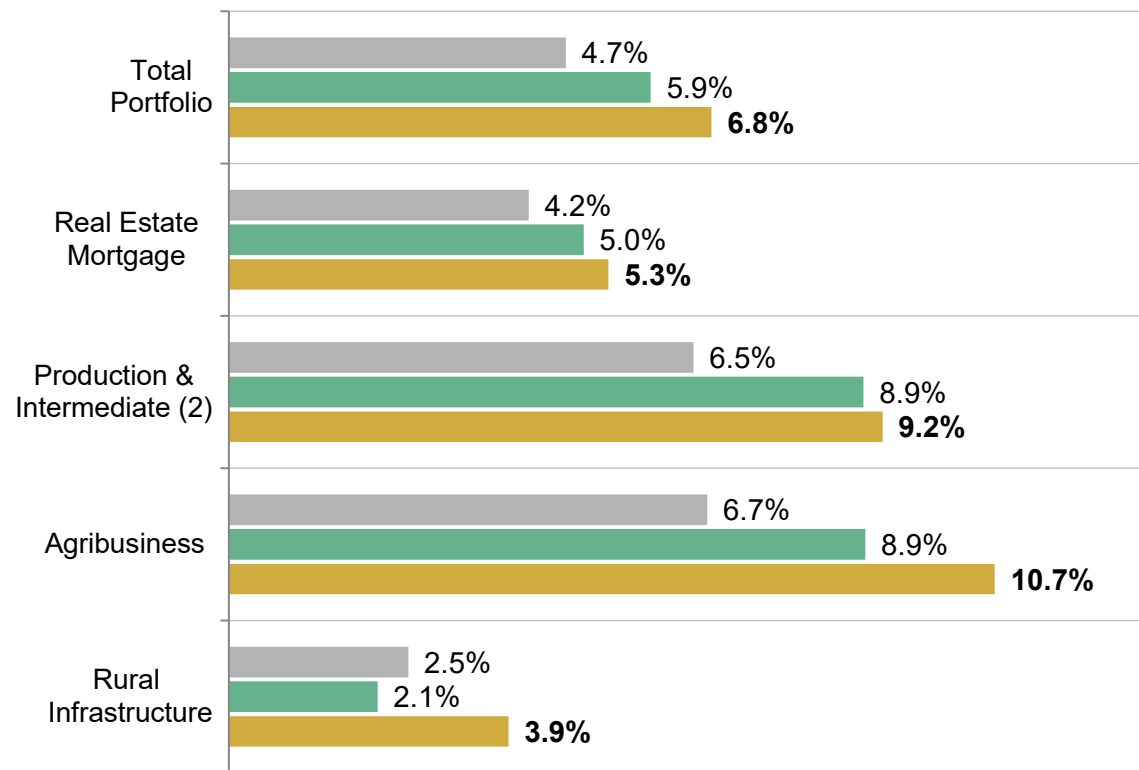
- ▶ The percentage of loans classified less than acceptable increased in all loan categories.
- ▶ Production & Intermediate and Agribusiness loan categories had the highest percentage of less than acceptable loans.
- ▶ Loan delinquencies⁽¹⁾ as a percentage of accruing loans were 0.49% as of June 30, 2026, as compared with 0.47% as of June 30, 2025.

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

Loans Classified Less than Acceptable

(as a % of loans outstanding)

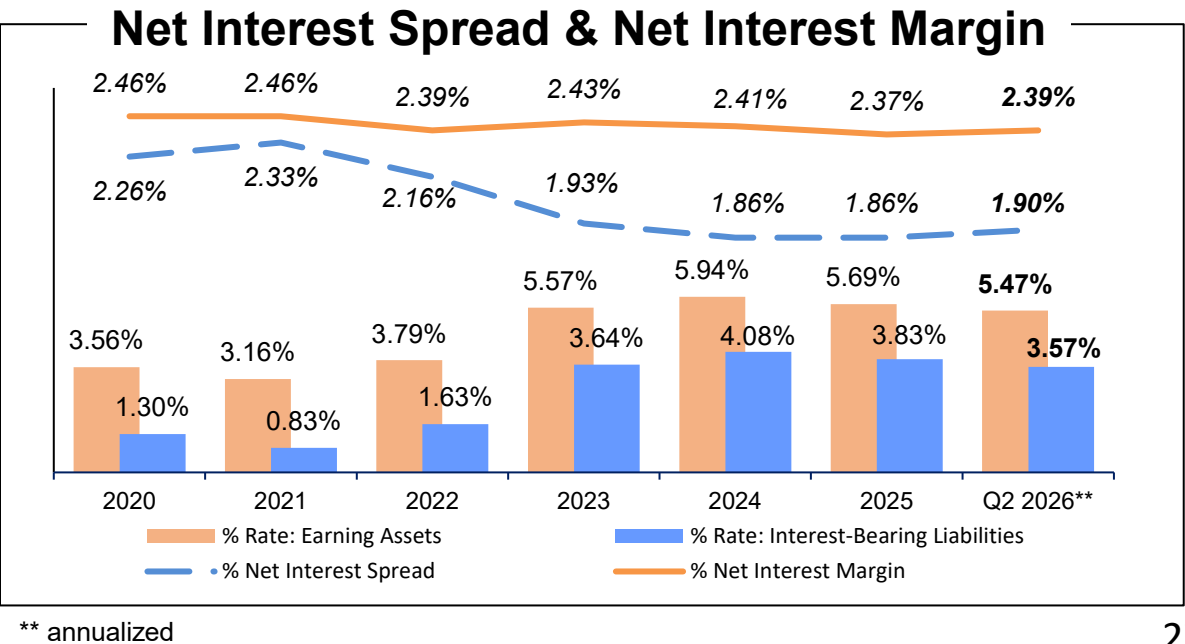
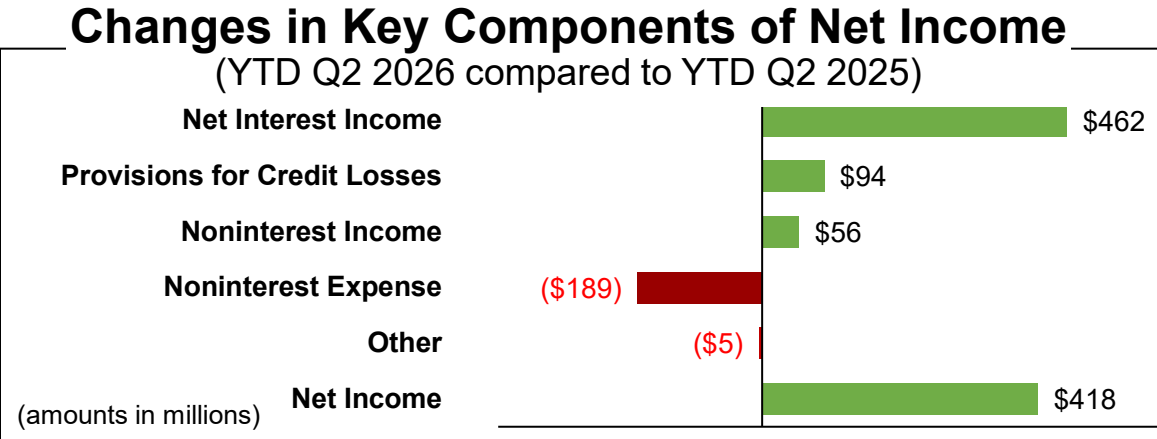
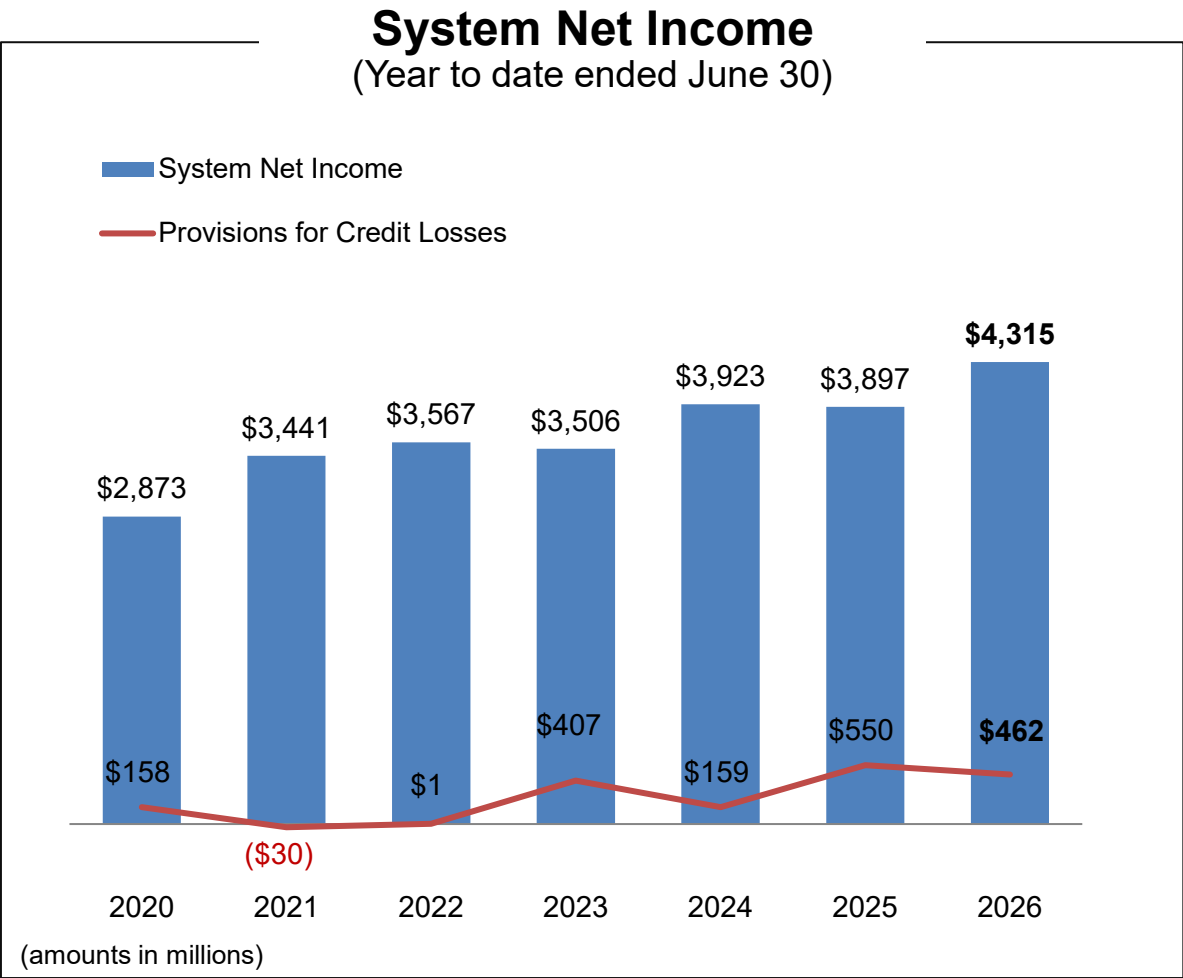
■ Jun-24 ■ Jun-25 ■ Jun-26



(2) Includes lease receivables



System earnings grew considerably



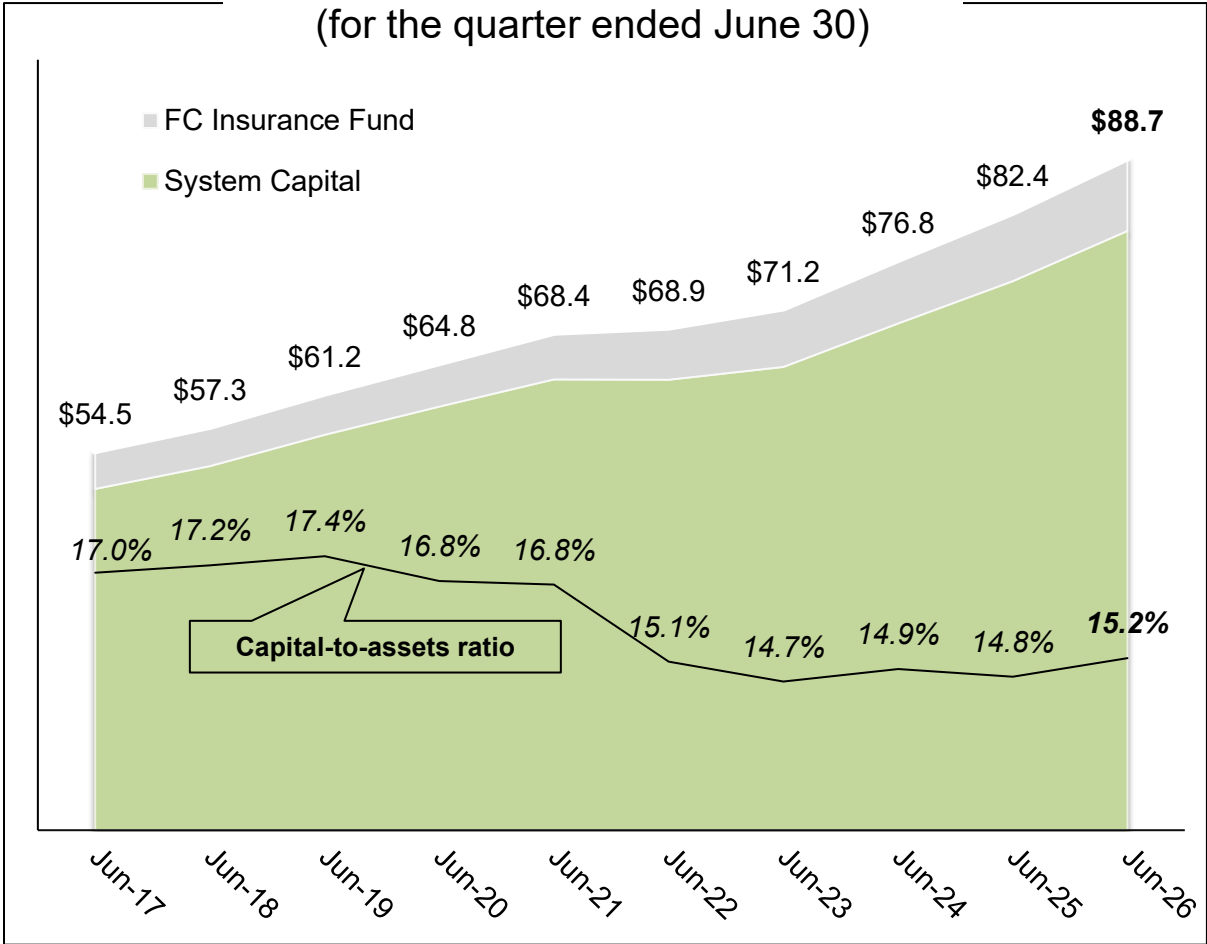
Source: Federal Farm Credit Banks Funding Corporation Information Statements



System capital position was sound

Total Capital

(for the quarter ended June 30)

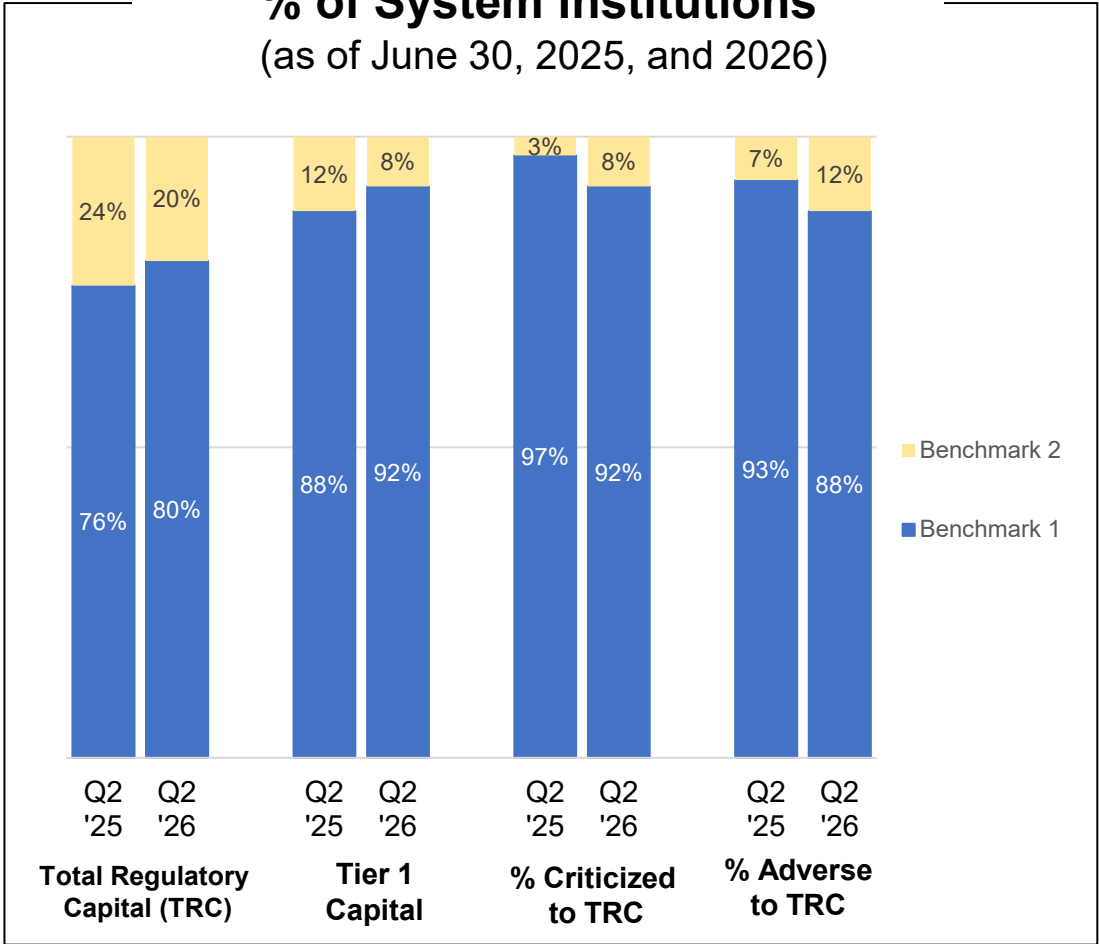


Source: Federal Farm Credit Banks Funding Corporation Information Statements

Capital Benchmark Ratings

% of System Institutions

(as of June 30, 2025, and 2026)





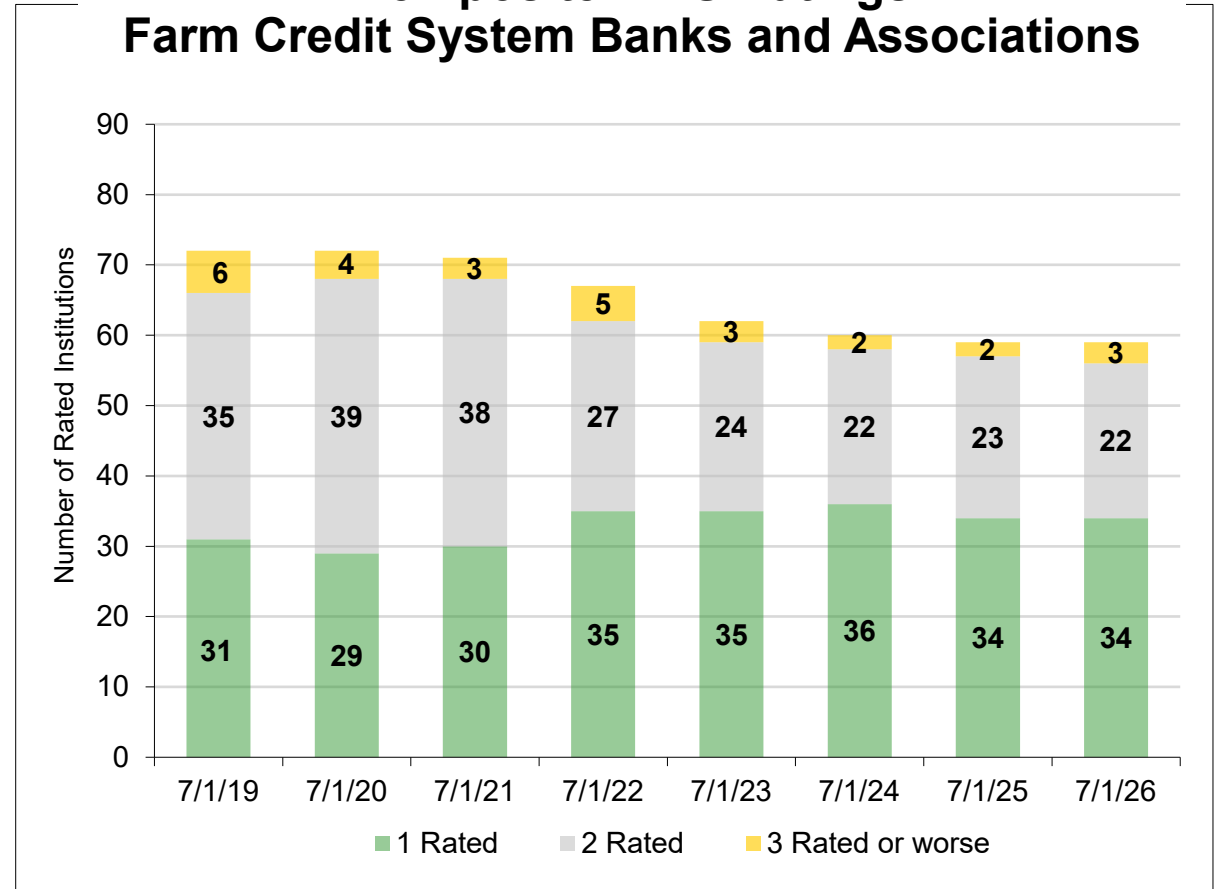
Composite FIRS ratings remained stable

Composite FIRS Rating Data

(based on June 30, 2026 financial reporting)

- ▶ Composite FIRS ratings reflect the System's sound financial condition.
- ▶ Over 94% 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 remain unchanged

Borrowers and System institutions continue to face a challenging operating environment in 2026, including:

- ▶ 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.
- ▶ Weakening margins and a volatile interest rate environment on farmland and other collateral values.
- ▶ Shifting impacts of tariffs, foreign trade policies, changes in government programs supporting agriculture, and disease outbreaks in crop or livestock sectors.