

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 10, 2025**

These minutes reflect the business transacted at the April 10, 2025, 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 10:36 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; **Ward Griffin**, Acting General Counsel; and staff of the FCA and Farm Credit System Insurance Corporation (FCSIC). There were eight 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 13, 2025

(BM-10-APR-25-01)

Board Member Smith moved to approve the minutes for the March 13, 2025, 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-10-APR-25-01)**

(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

Skyler Ocheltree of the **Office of Data Analytics and Economics** and **Gina Chmielewski** 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 10:36 a.m.

NOTATIONAL VOTE ACTIONS

There was one notational vote action approved by the FCA Board from March 13, 2025, through April 9, 2025.

Item Number	Action Date	Voting Results	Subject
NV 25-06	3/19/2025	Approved	Personnel Action

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 10, 2025.

_____/s/
Jeffery S. Hall
Chairman and CEO

_____/s/
Ashley Waldron
Secretary to the Board

Approved: May 8, 2025

**BOARD AND STAFF PRESENT AT THE
FCA REGULAR BOARD MEETING
April 10, 2025**

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

ATTENDEES	OPEN SESSION
Office of the Board	
Hall, Jeffery	X
Smith, Glen	X
Donner, Mary Alice	X
Stokke, Michael	X
Calhoun, Gaye	X
Lewandowski, Barbara	X
Waldron, Ashley	X
OCOS	
Duran, Maribel	X
Coleman, Robert	X
Cunningham, Lesley	X
OEEO	
Burlew, Thais	X
Fish, Tyler	X
OIT	
Versace, Jerry	X
Matos, Ricardo	X
Rana, Ben	X
Amaya, Victor	X
OCPA	
Mosely, Ben	X
Rezendes, Andrew	X
Shelly, Phillip	X
OGC	
Griffin, Ward	X
OE	
Duffy, Mike	X
Fennewald, Dan	X
Greenlee, Angela	X
Chmielewski, Gina	X
ODAE	
D'Antoni, Jeremy	X
Shields, Dennis	X
Iannetta, Sal	X
Ocheltree, Skyler	X
OIG	
Novak, Nick	X
Miller, Kevin	X
OSMO	
Fay, Thomas	X

ATTENDEES	OPEN SESSION
ORP	
Kramp, Kevin	X
Agans, Autumn	X
OCFO	
Peterman, Mary	X
Soares, Ily	X
OAS	
Bell, Vonda	X
Williams, Jennifer	X
Adkins, Byron	X
FCSIC	
Grimaldi, Andrew	X
Simonson, John	X
Wynn, Wade	X
Smith, Gregory	X
Morgan, Matthew	X
GENERAL PUBLIC	8

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 10, 2025

TIME AND DATE: 10 a.m., Wednesday, April 10, 2025.

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 Minutes for March 13, 2025
- 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, 2025

Farm Credit Administration

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

BOARD ACTION ITEM



FCA BOARD ACTION ON

Minutes for March 13, 2025, Regular Board Meeting

BM-10-APR-25-01

Effective Date: April 10, 2025

Impact on Prior Board Actions: None

THE FCA BOARD HEREBY:

- Approves the minutes for the March 13, 2025, regular Board meeting, as presented.

DATED THIS 10th DAY OF APRIL 2025

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 10, 2025



Skyler Ocheltree – Senior Economist, FCA Examiner
Office of Data Analytics and Economics

Gina Chmielewski – Supervisory FCA Examiner
Office of Examination





Topics for Open Session

Economic Conditions Affecting the Farm Credit System

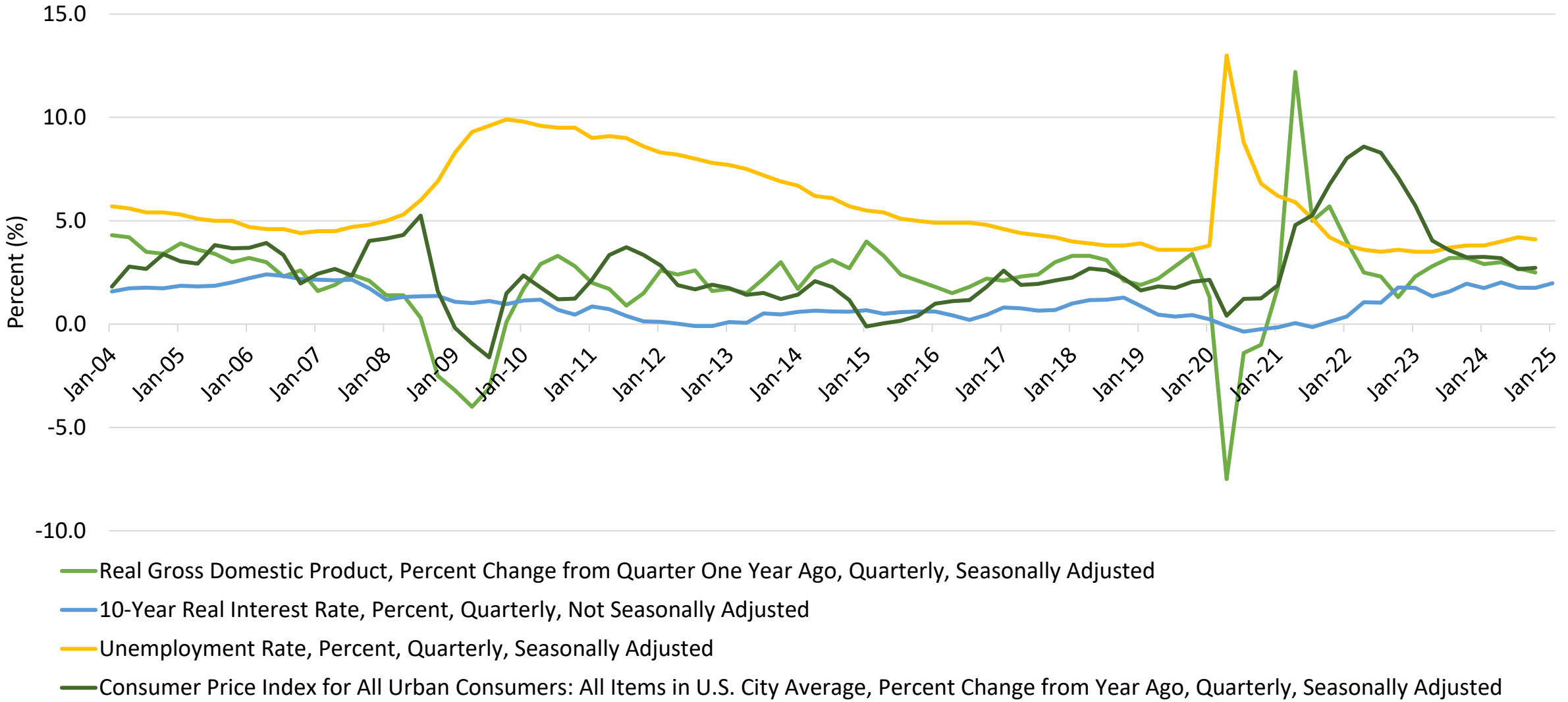
- ▶ Macroeconomic and tariff update
- ▶ Commodity markets and returns
- ▶ Real estate markets and farm financials

Farm Credit System Condition and Performance

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



Favorable economic indicators entering 2025

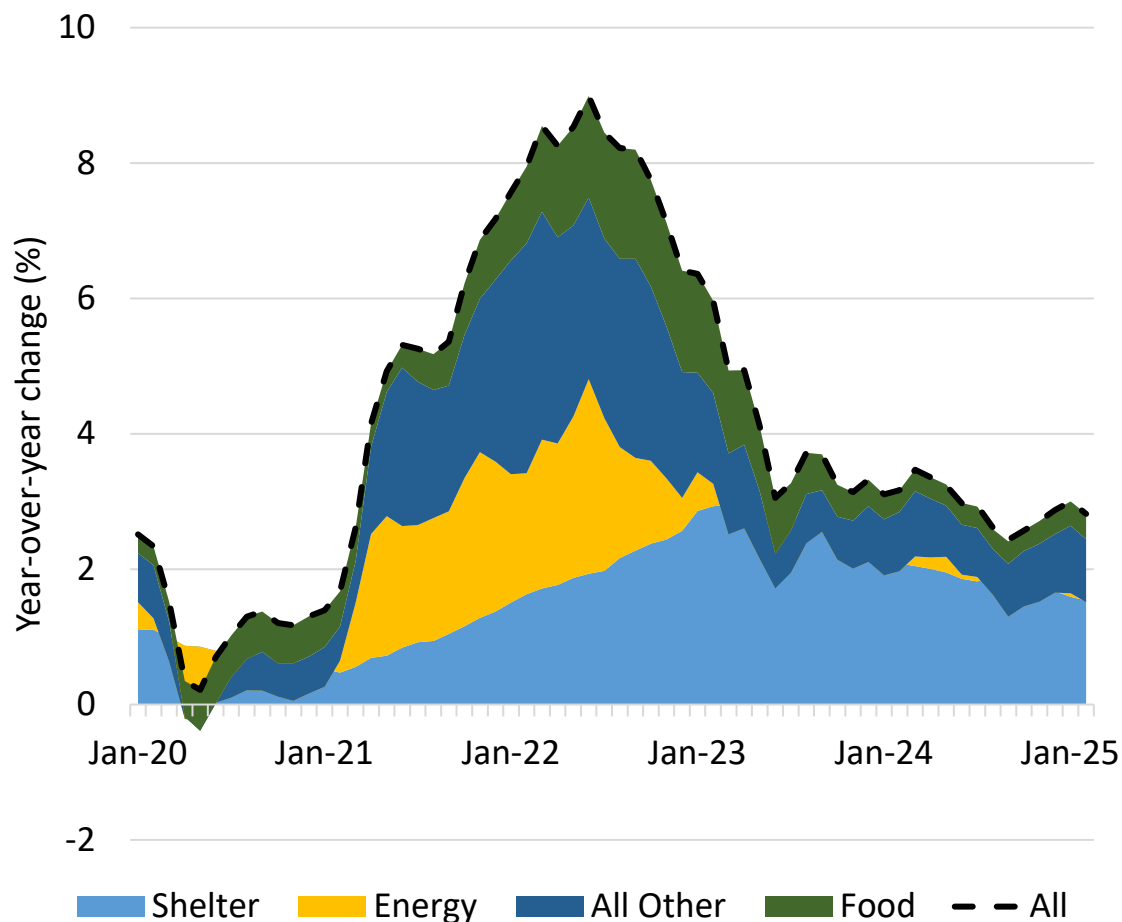


Source: Federal Reserve Economic Data (FRED)

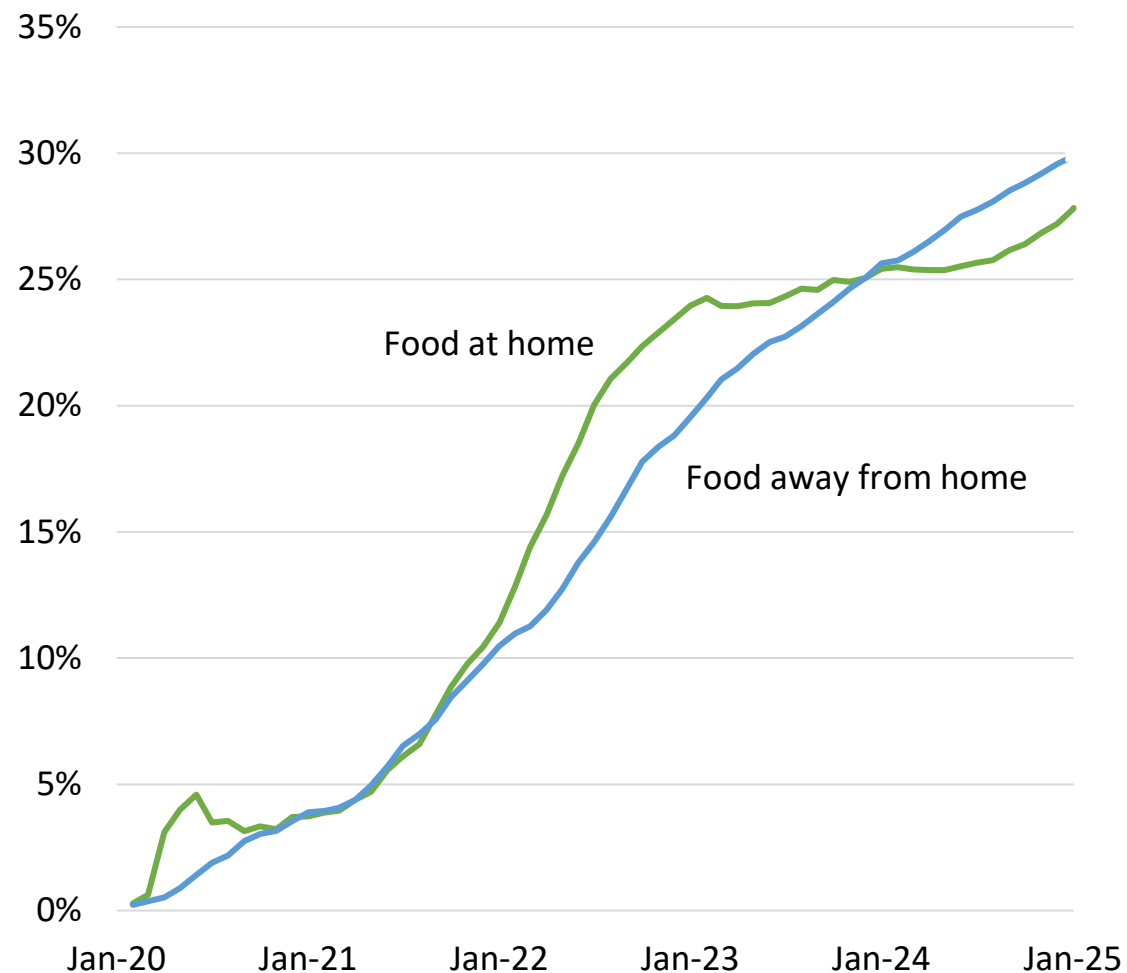


Inflation nearing Fed's mandate

CPI Year-over-year change percentage point contribution by category



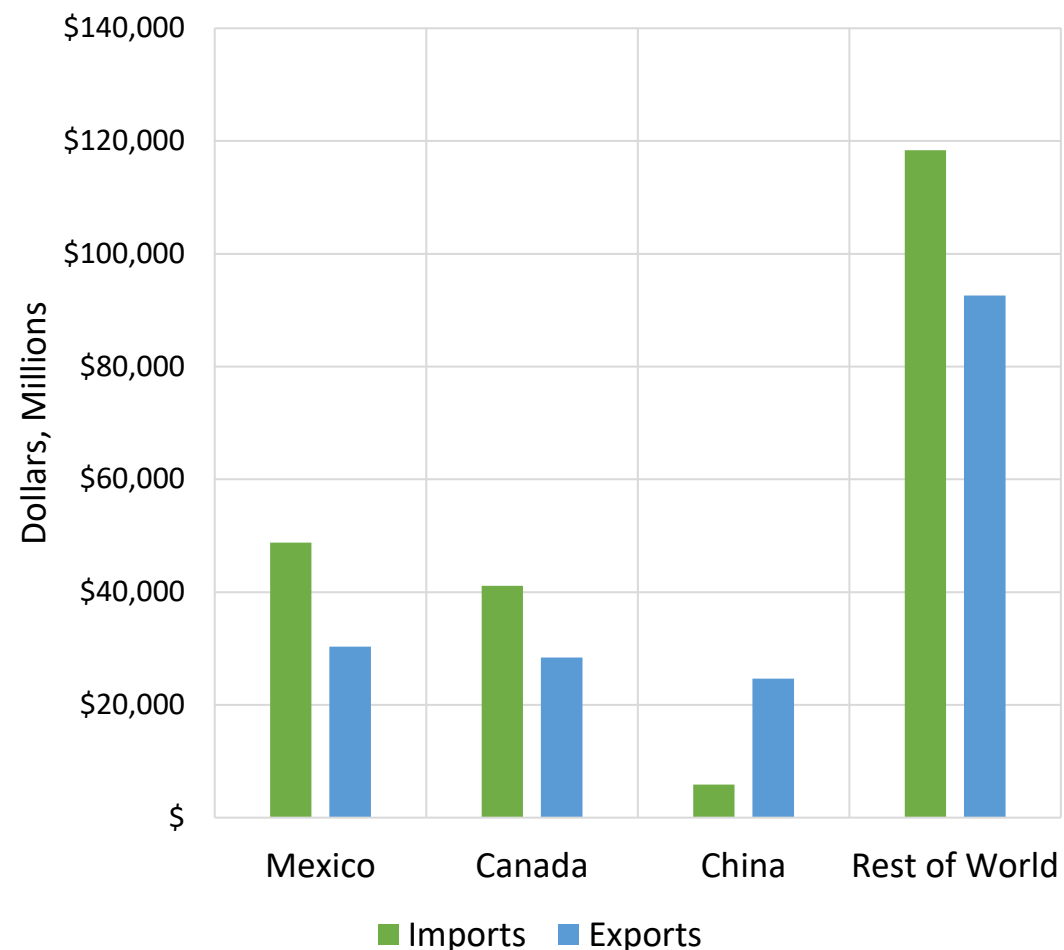
Cumulative Price Change (%)



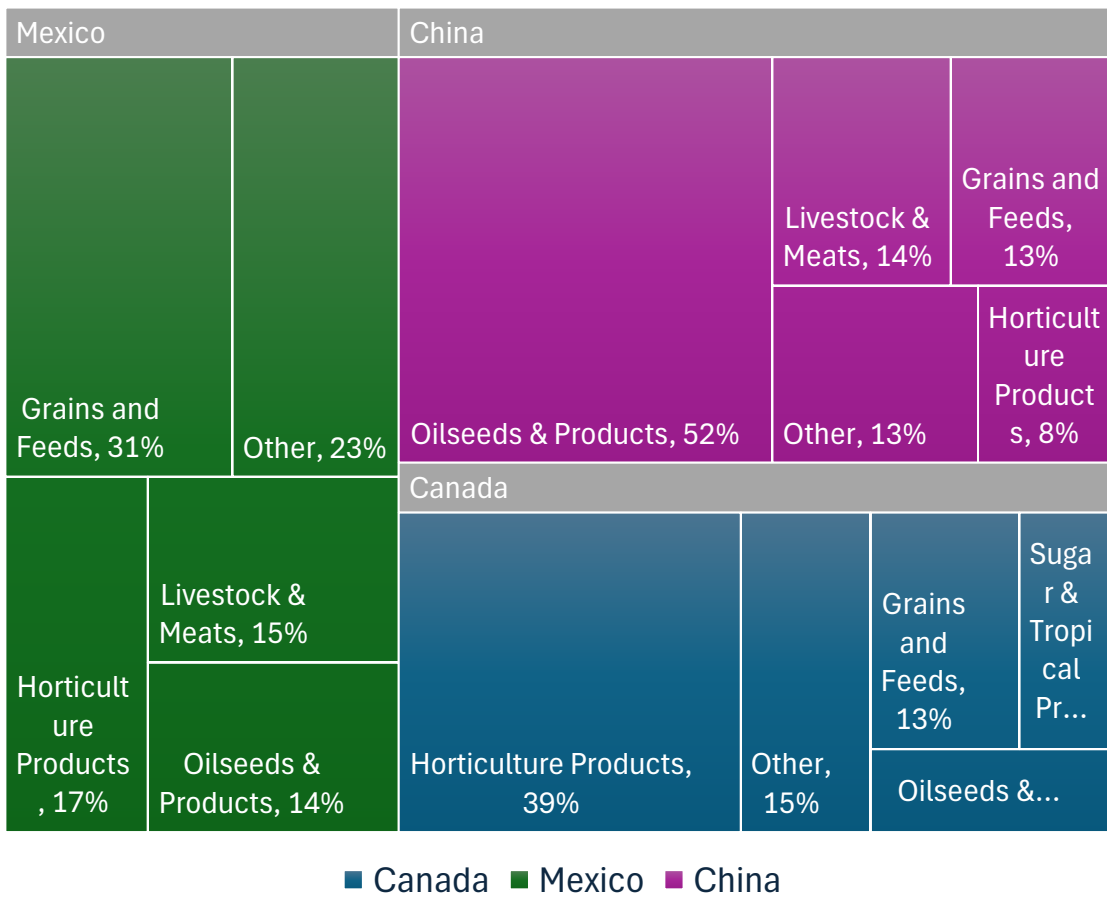


Trade uncertainty rises in the economy and ag sector

U.S. Ag Trade Balance



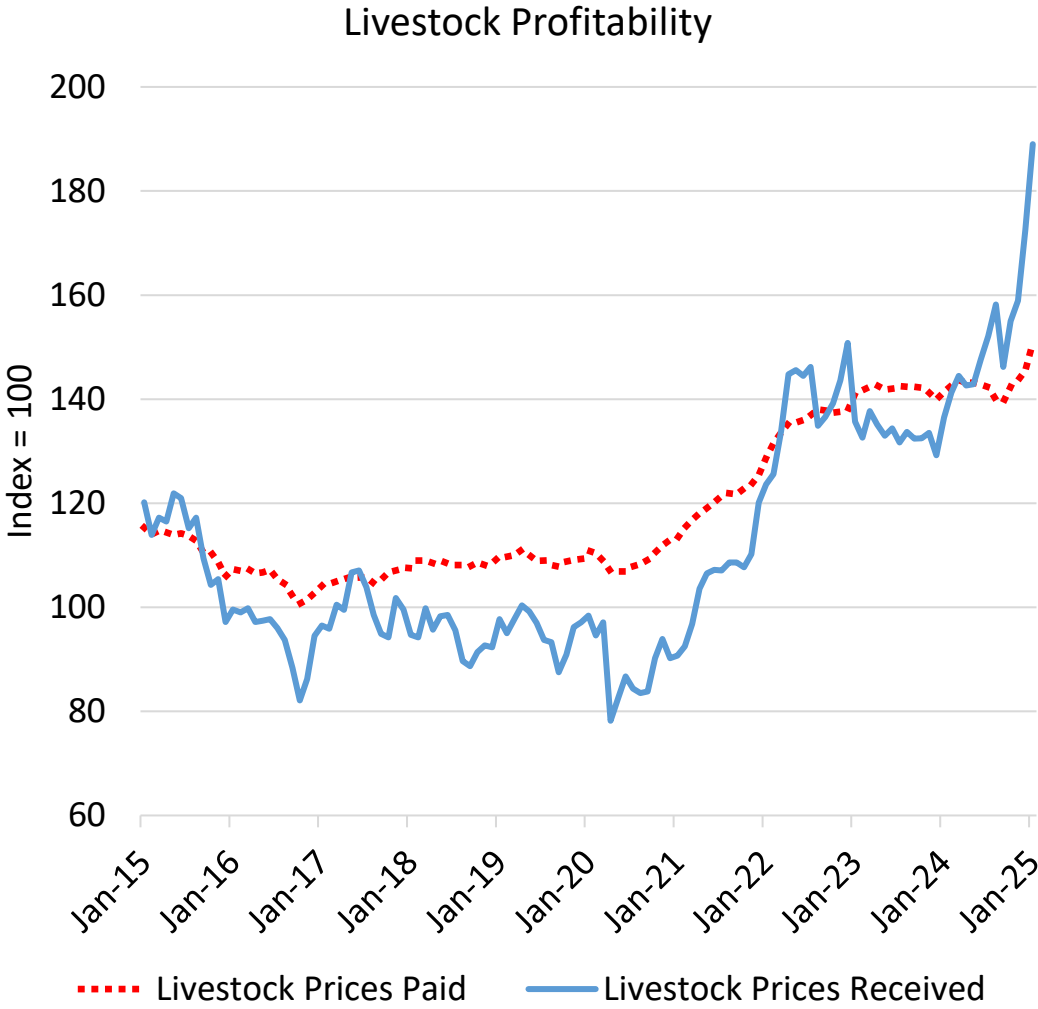
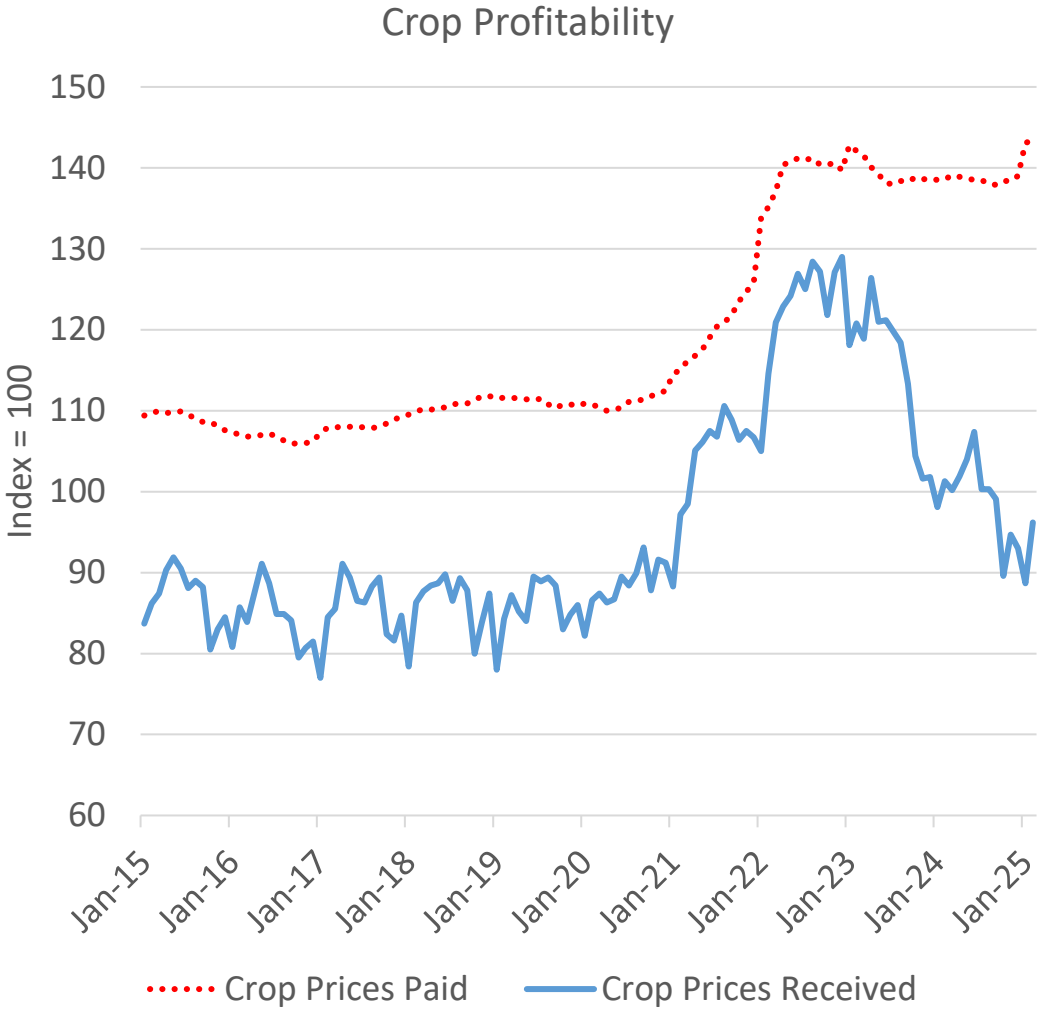
2024 Ag Export Composition to Mexico, Canada, and China



Source: USDA.gov/GATS



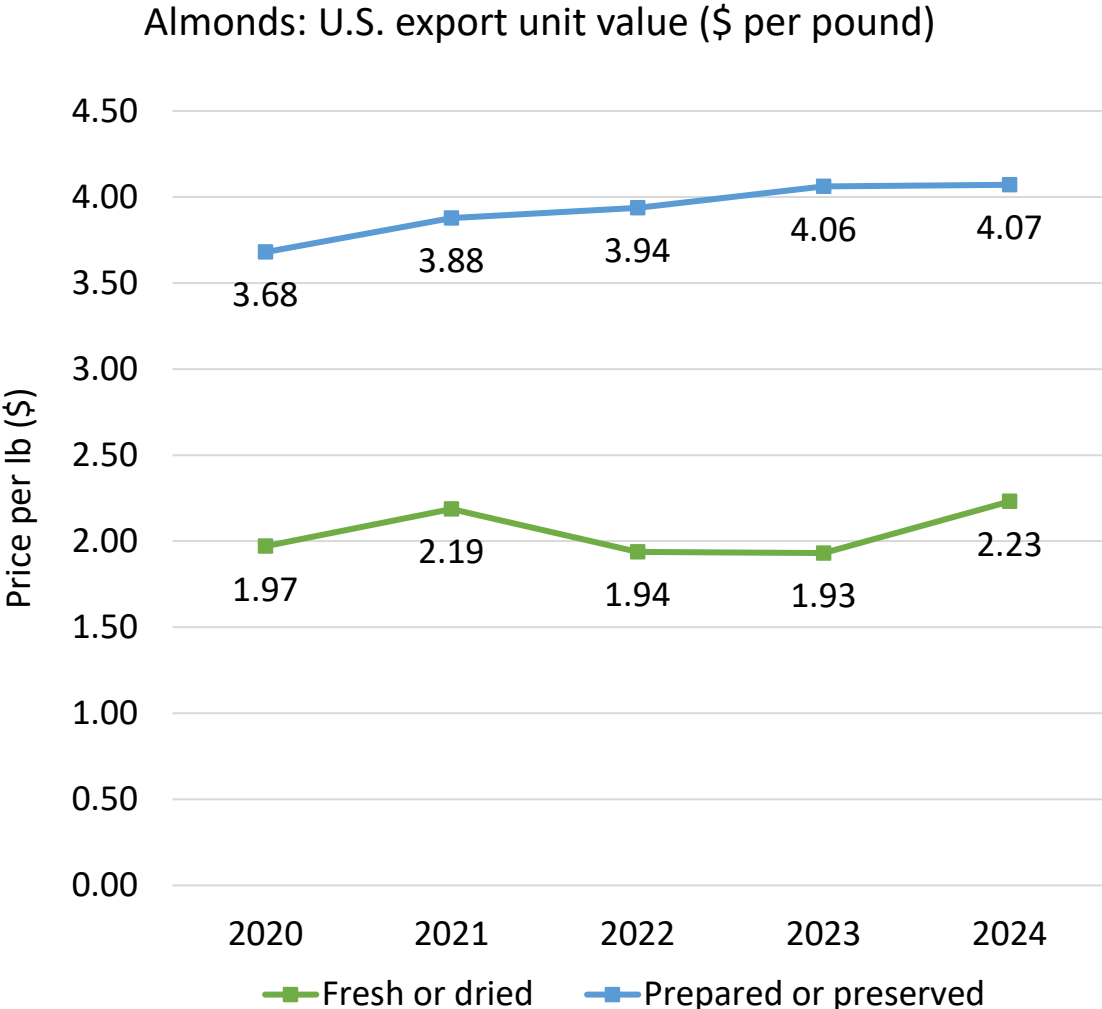
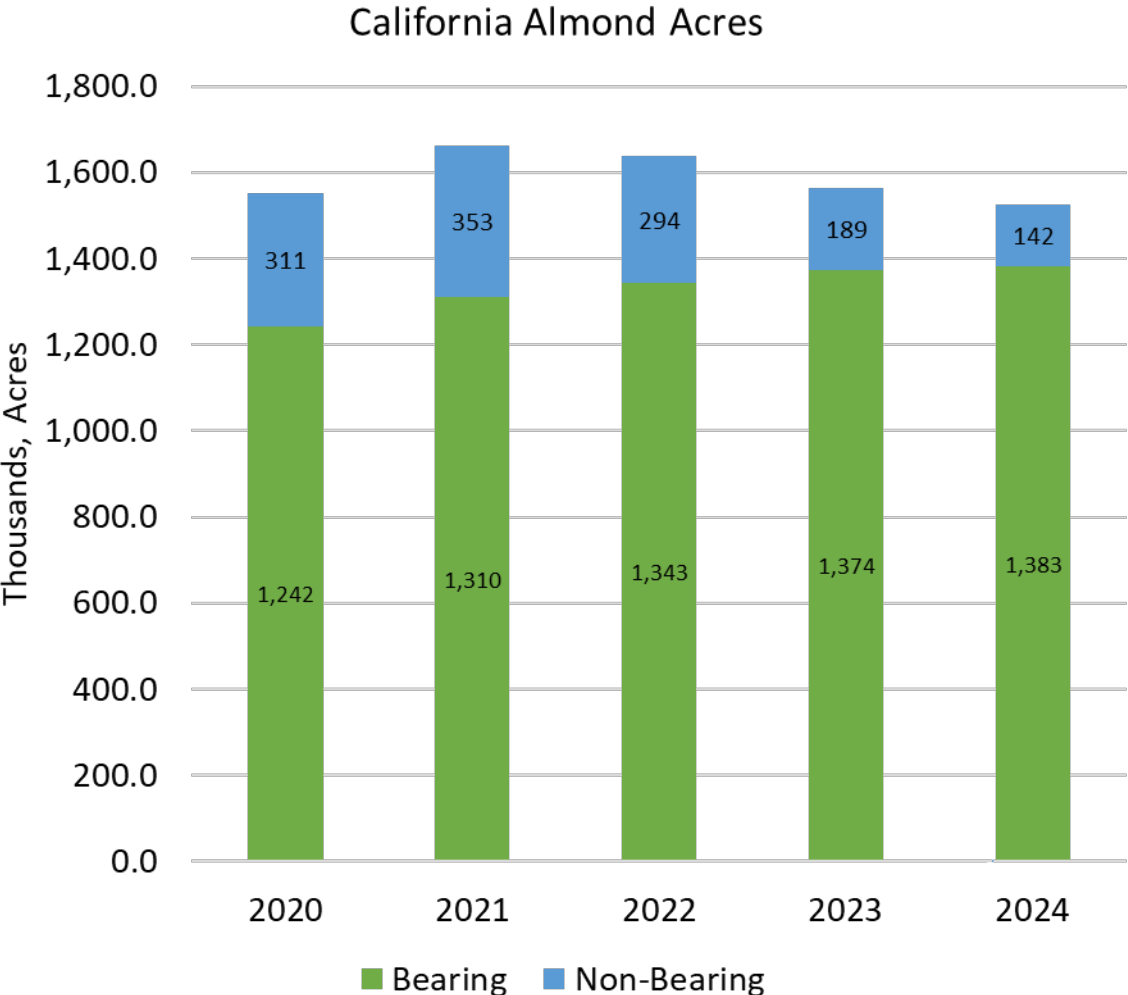
U.S. crop and livestock industries experience opposing market conditions



Source: USDA National Agricultural Statistics Service



Tree nut prices showing slight improvement with declining acreage

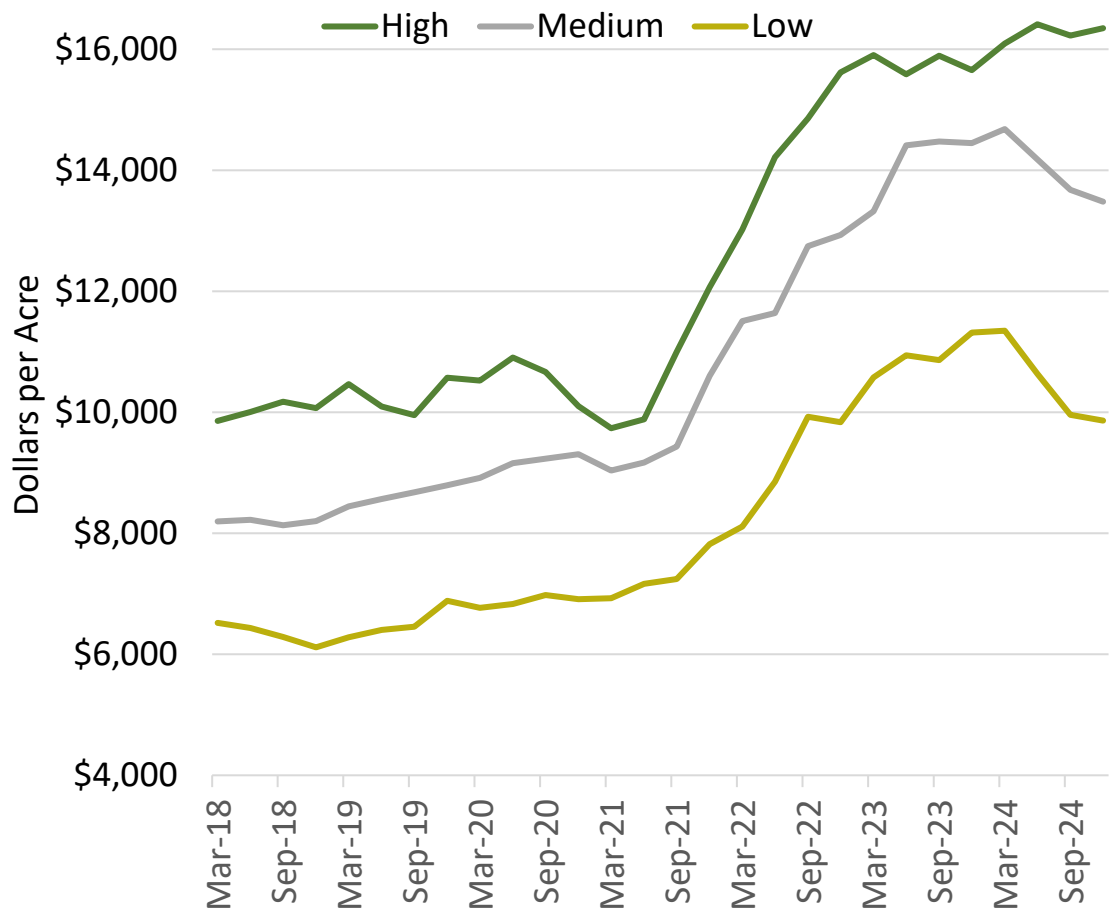


Sources: Almond Board of California, USDA, Economic Research Service, using data from U.S. Department of Commerce, Census Bureau.

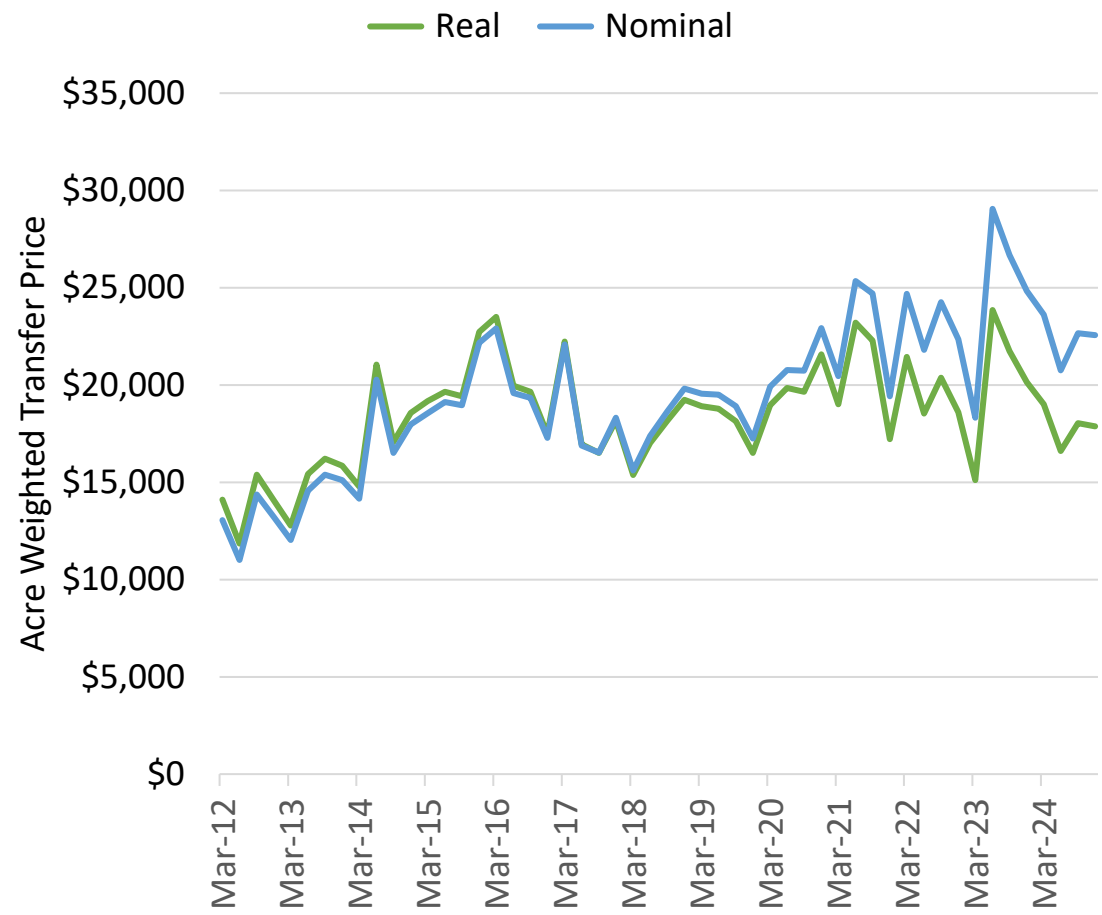


Real estate price declines in lower quality ground

Four Quarter Moving Average of Median Transacted Agricultural Parcels by Land Quality



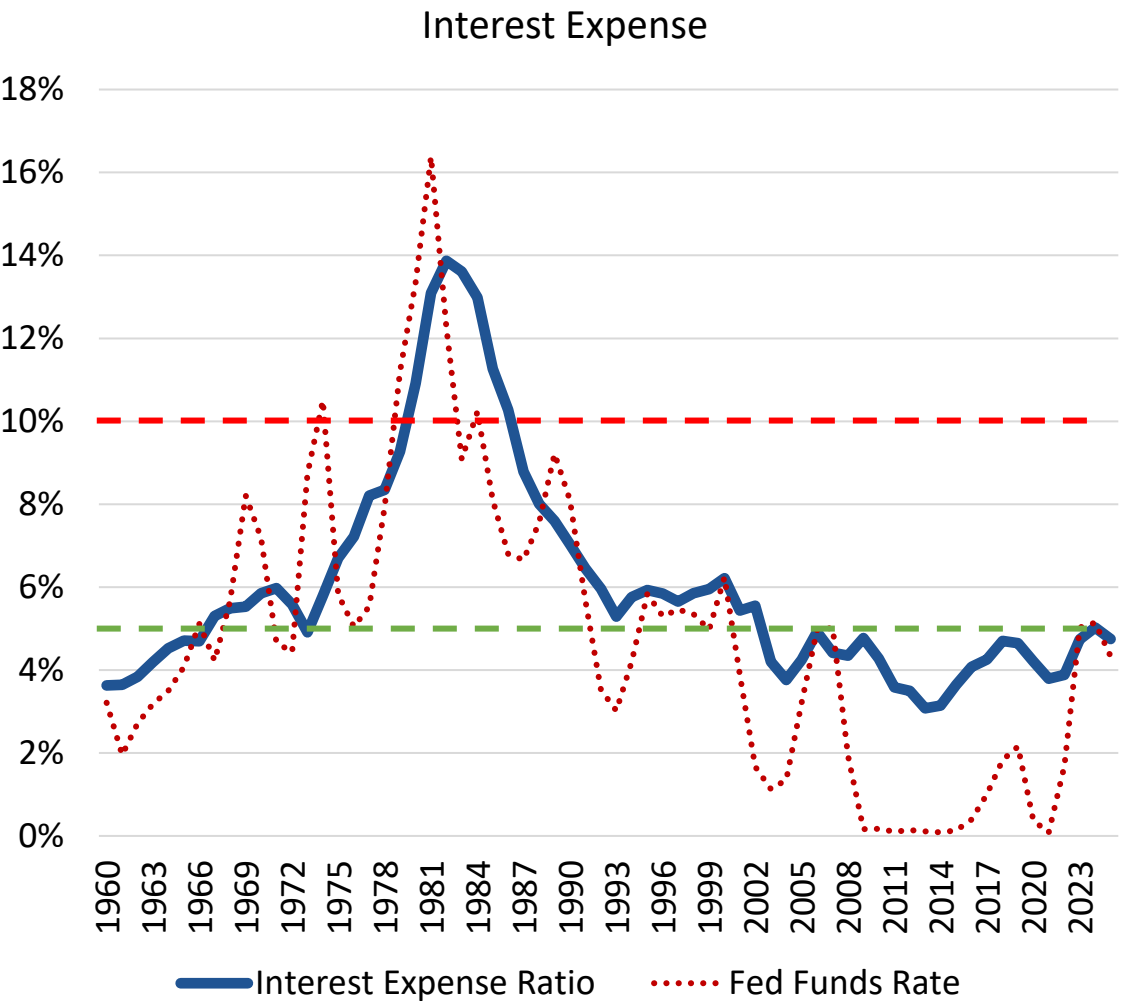
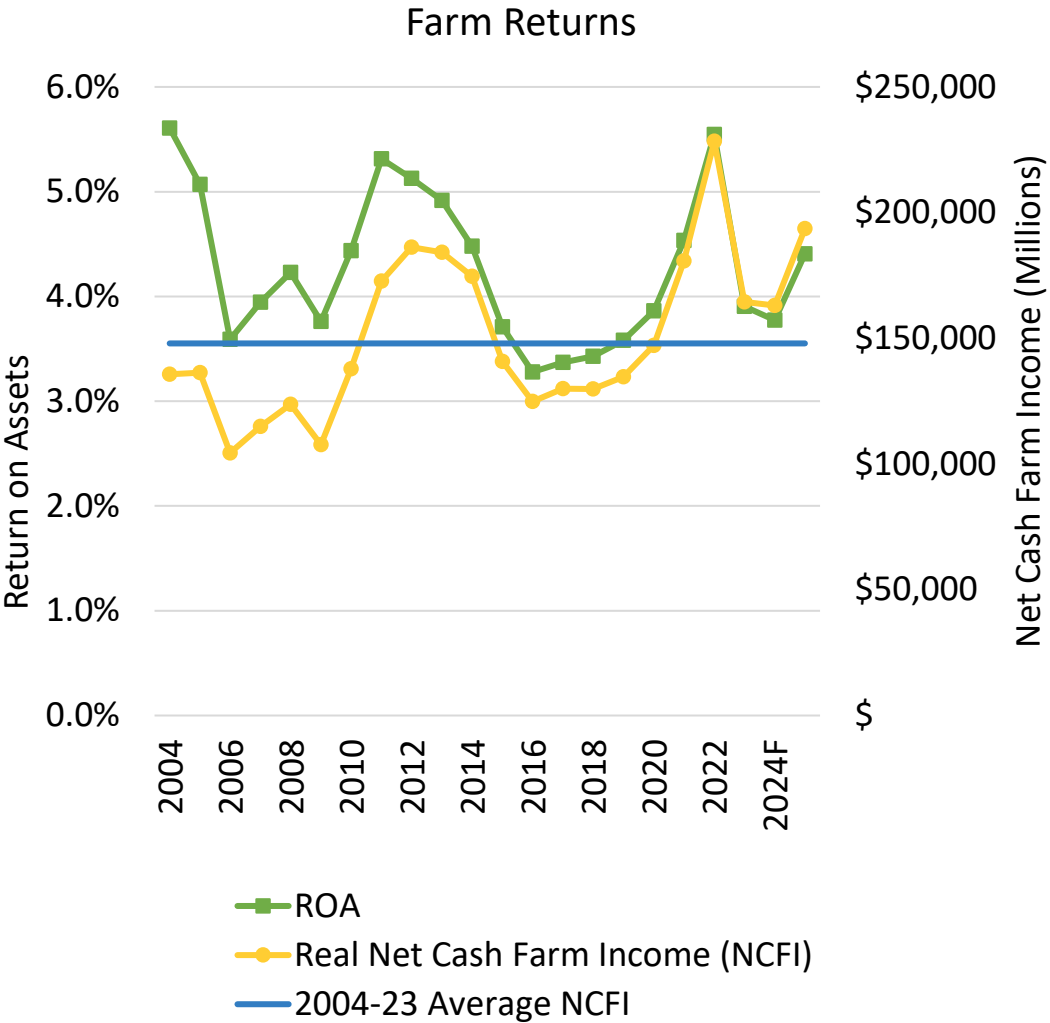
Weighted Per Acre Price of Parcels with Almonds in 2023



Source: CoreLogic



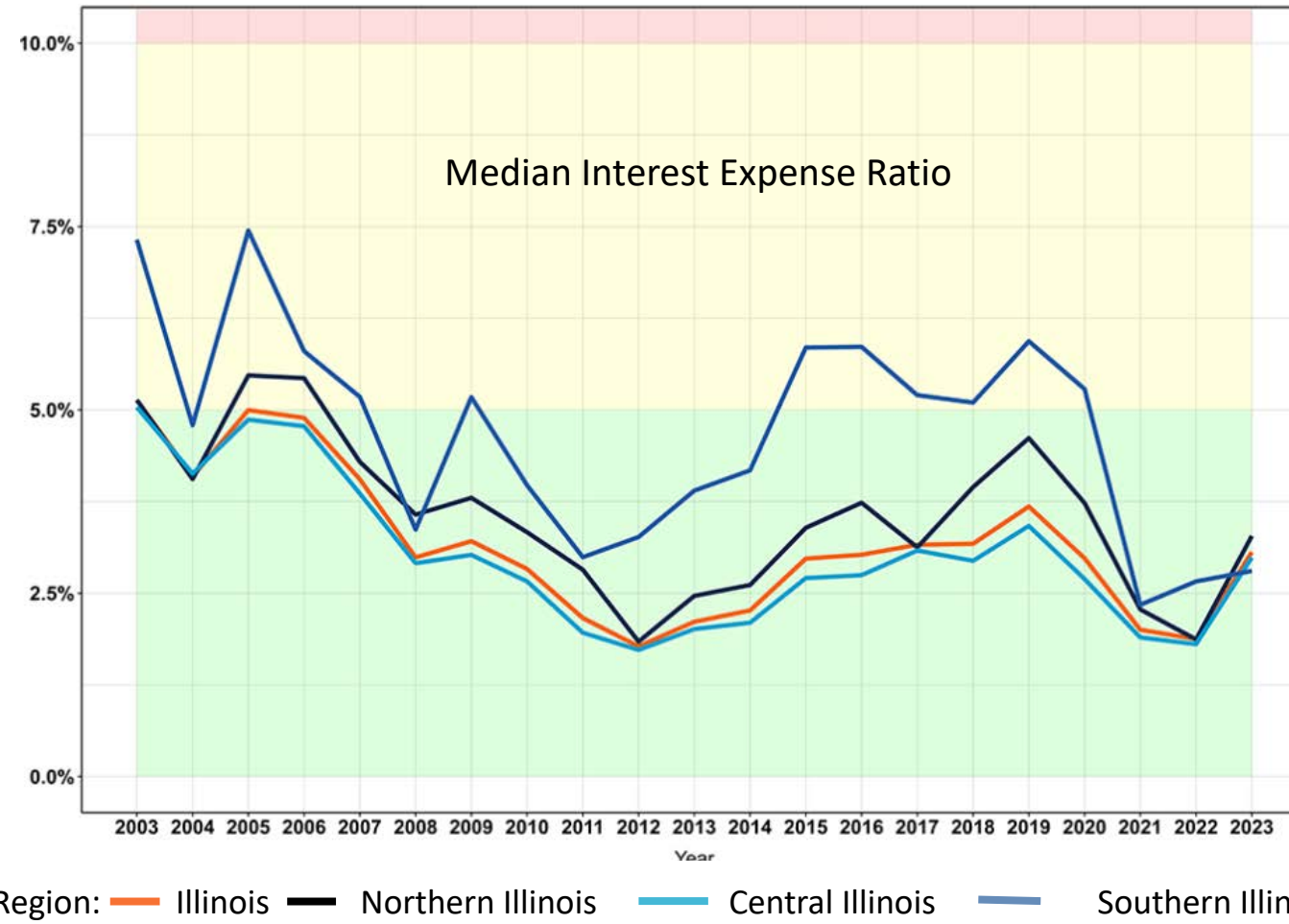
U.S. farm income to rise in 2025 with boost in government payments



Source: USDA ERS Income and Wealth Statistics, Farm Financial Standards Council



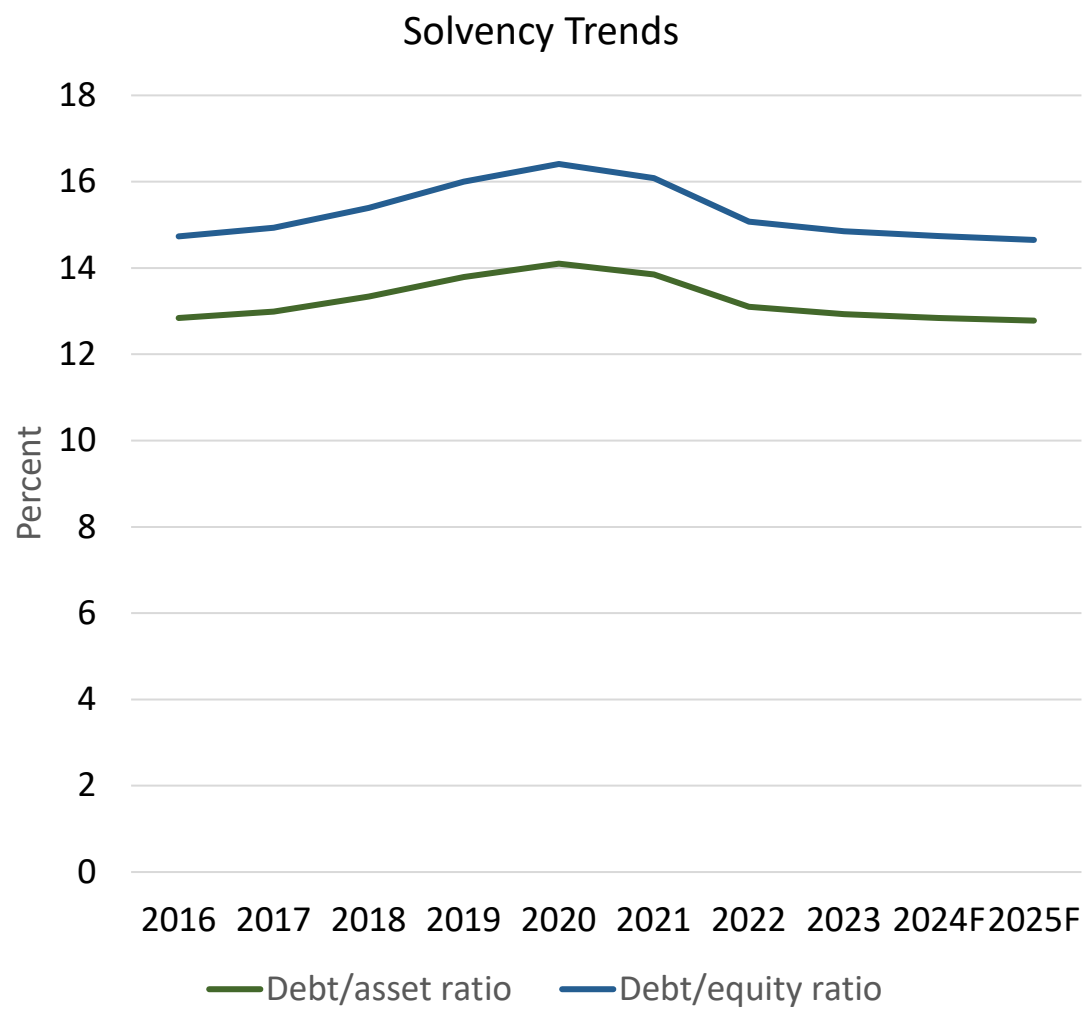
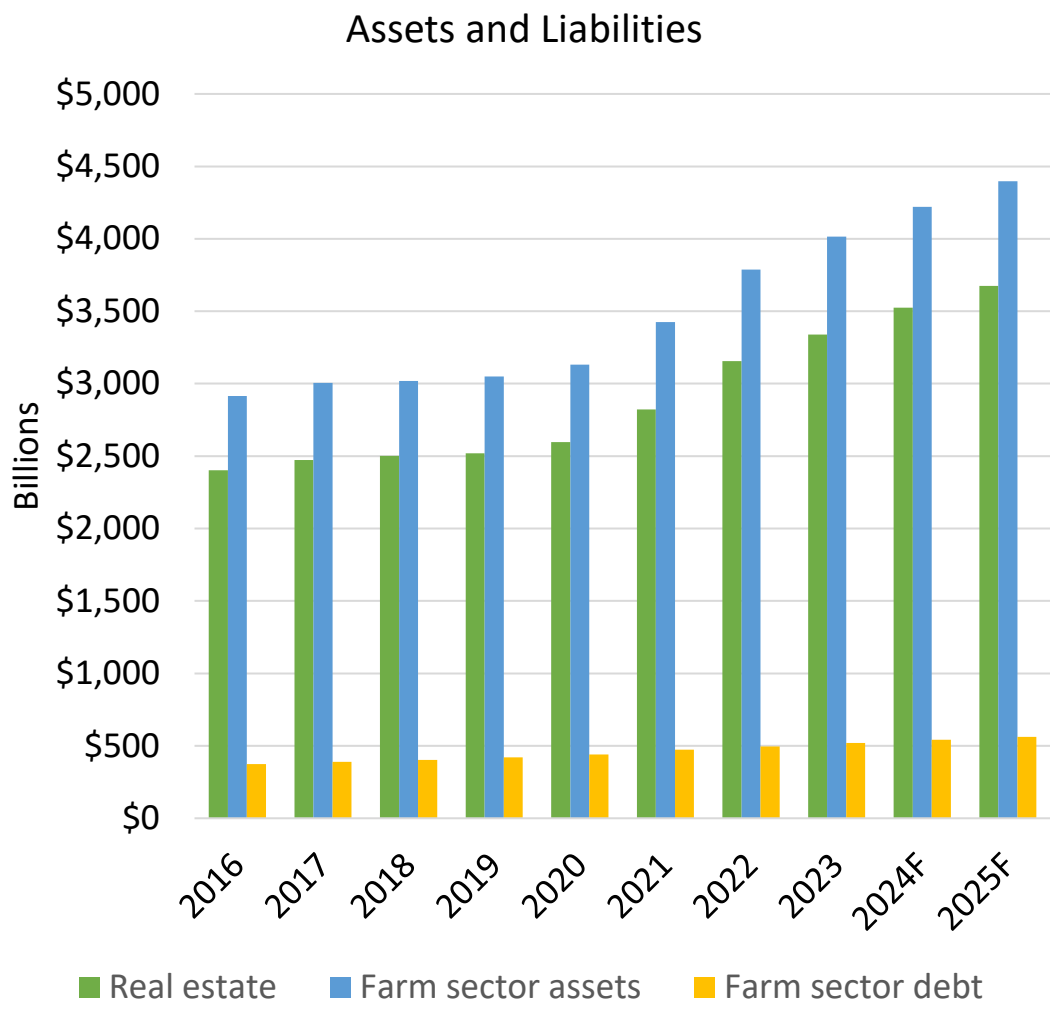
Illinois: Interest expense ratios by region



Source: Mashange, G. and B. Zwilling. "[The Financial Efficiency of Illinois Grain Farms: Interest Expense Ratio](#)." *farmdoc daily* (15):39, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, February 28, 2025.



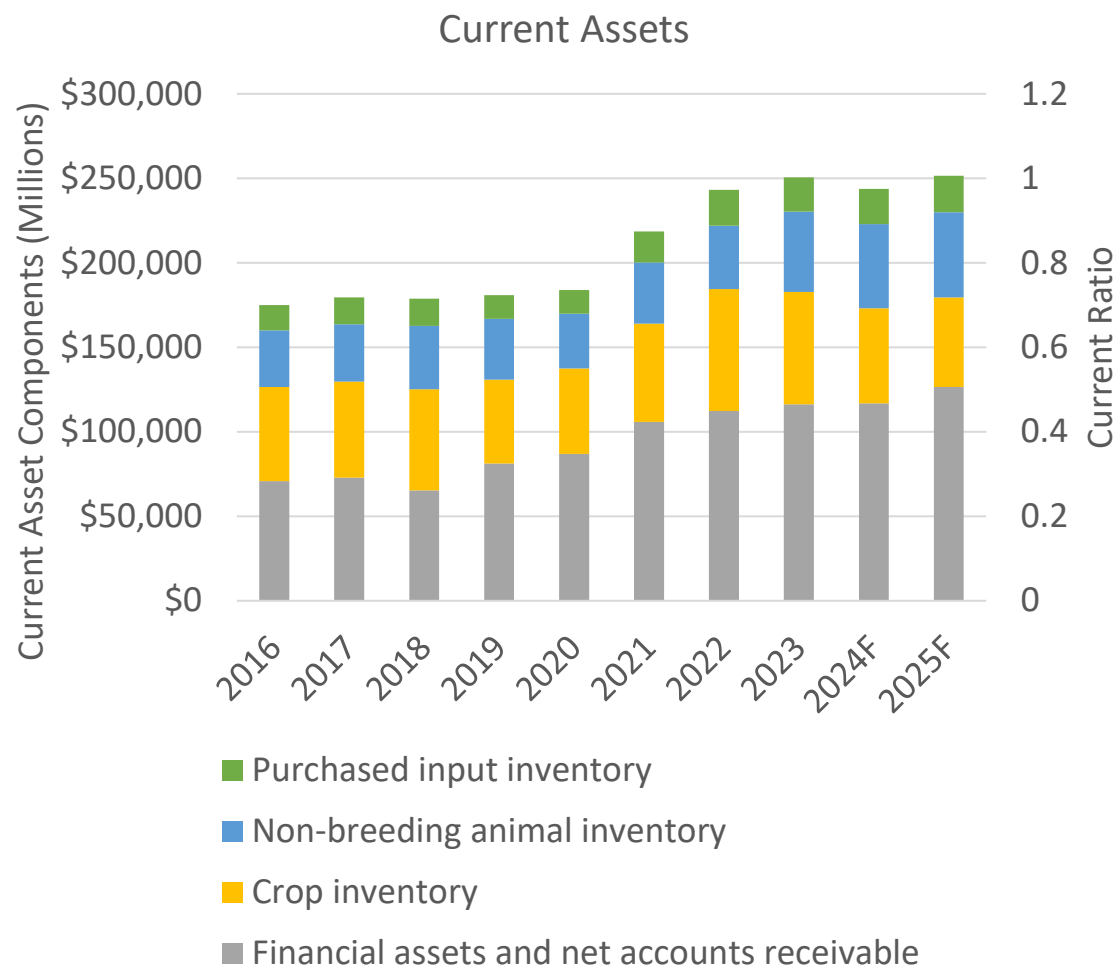
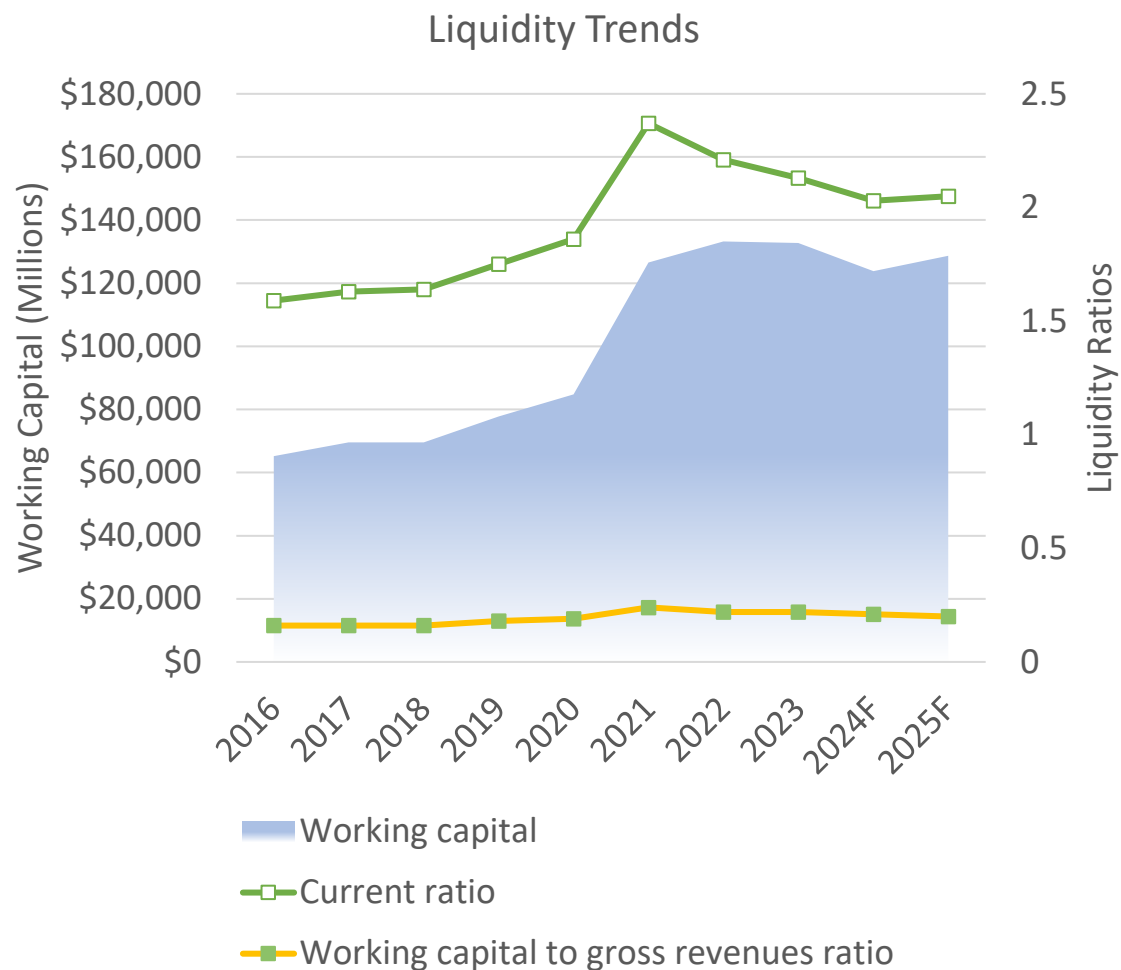
U.S. farm sector balance sheet remains strong



Source: USDA Income and Wealth Statistics

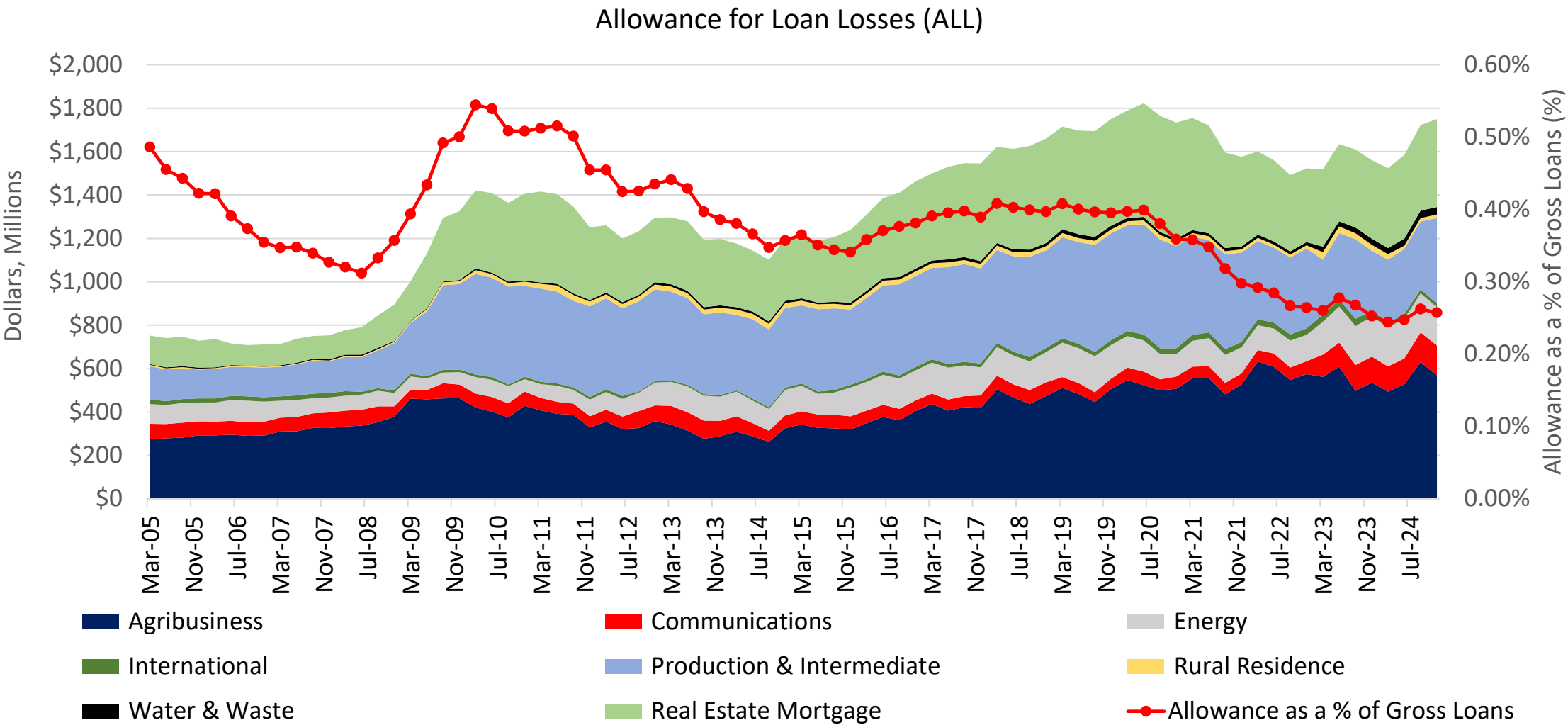


U.S. farm sector flexibility is well positioned





Economic uncertainty and allowance levels begin to rise



Source: CRS Data



Questions?



Farm Credit System Condition and Performance as of December 31, 2024

Gina Chmielewski
Supervisory FCA Examiner
Office of Examination

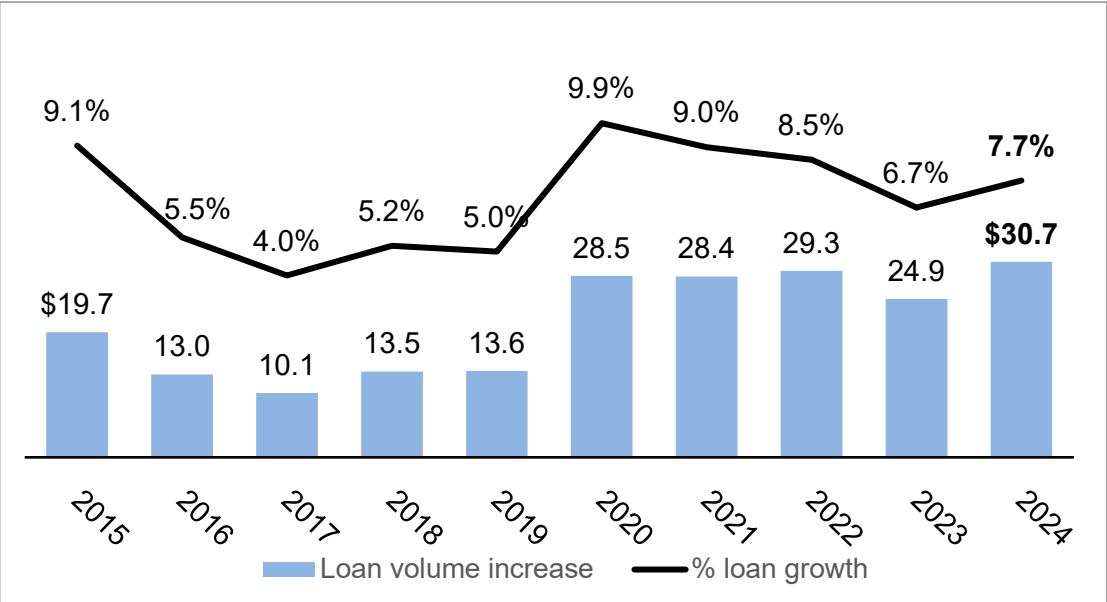




System showed strong portfolio growth in 2024

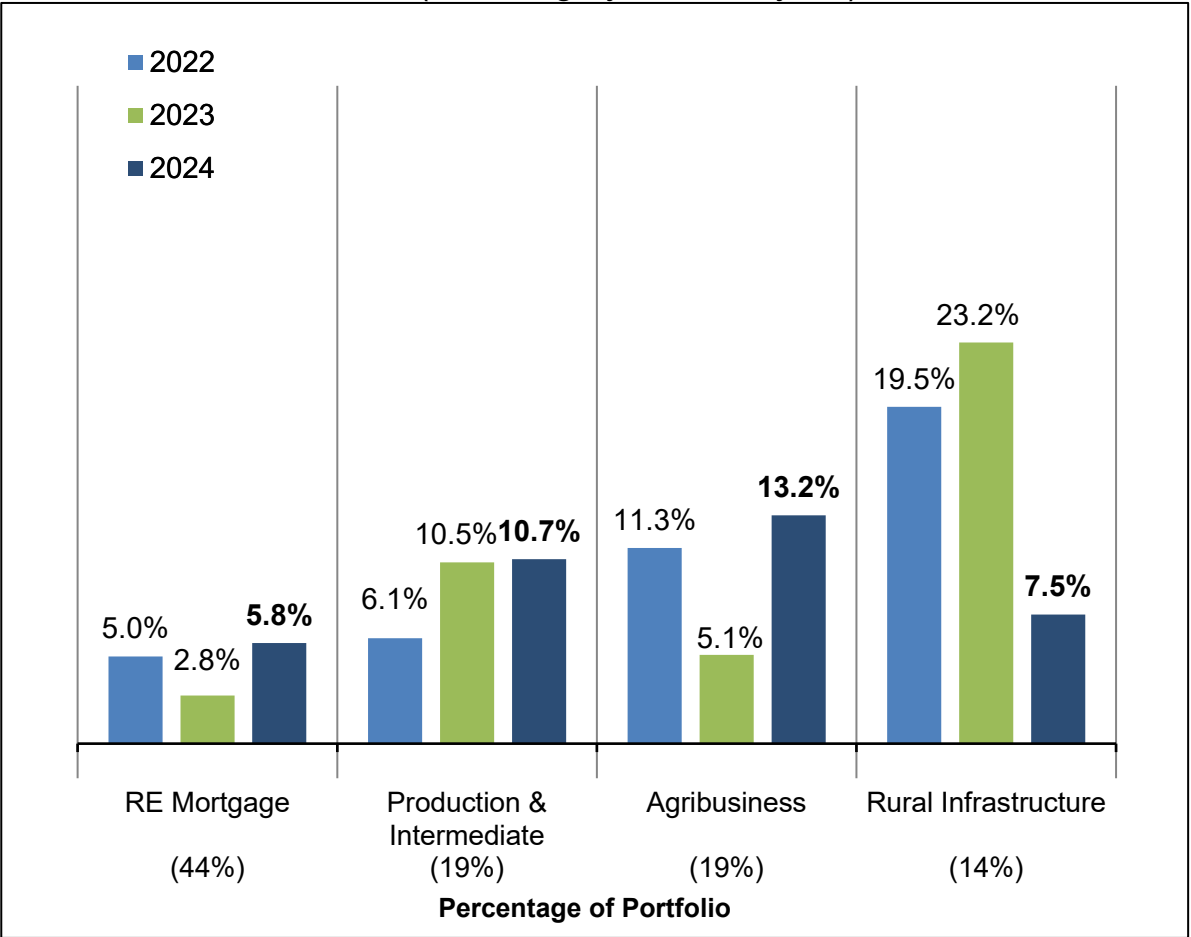
Total Assets 12/31/24	\$544.4 billion			Gross Loans 12/31/24	\$428.9 billion		
	+3.1% Qtr				+3.5% Qtr		
	+7.2% 12M				+7.7% 12M		

Portfolio Loan Growth
(Volume and % change year-over-year)



(amounts in billions)

Loan Growth by Loan Type
(% change year-over-year)

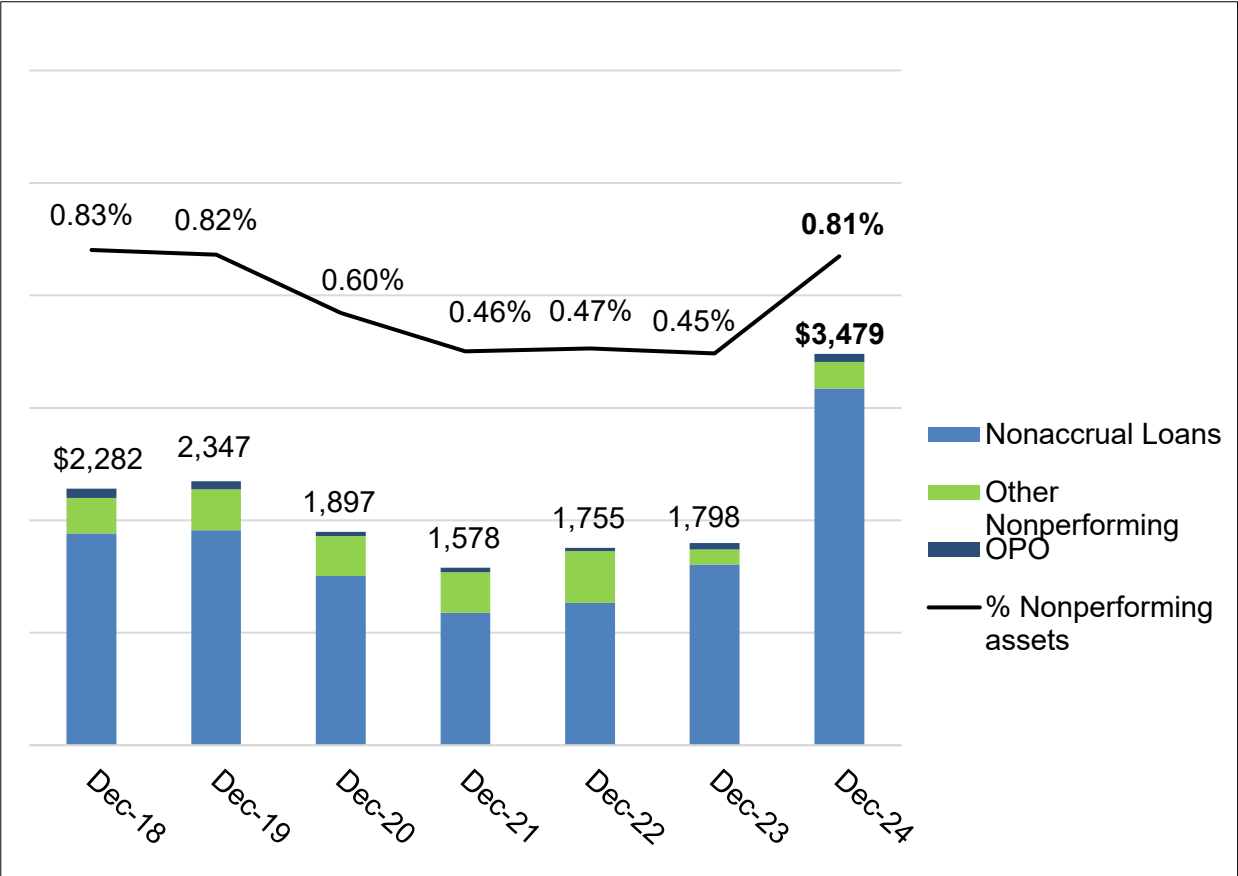




Credit risk measures trended higher in 2024; portfolio loan quality remained sound

Nonperforming Assets⁽¹⁾

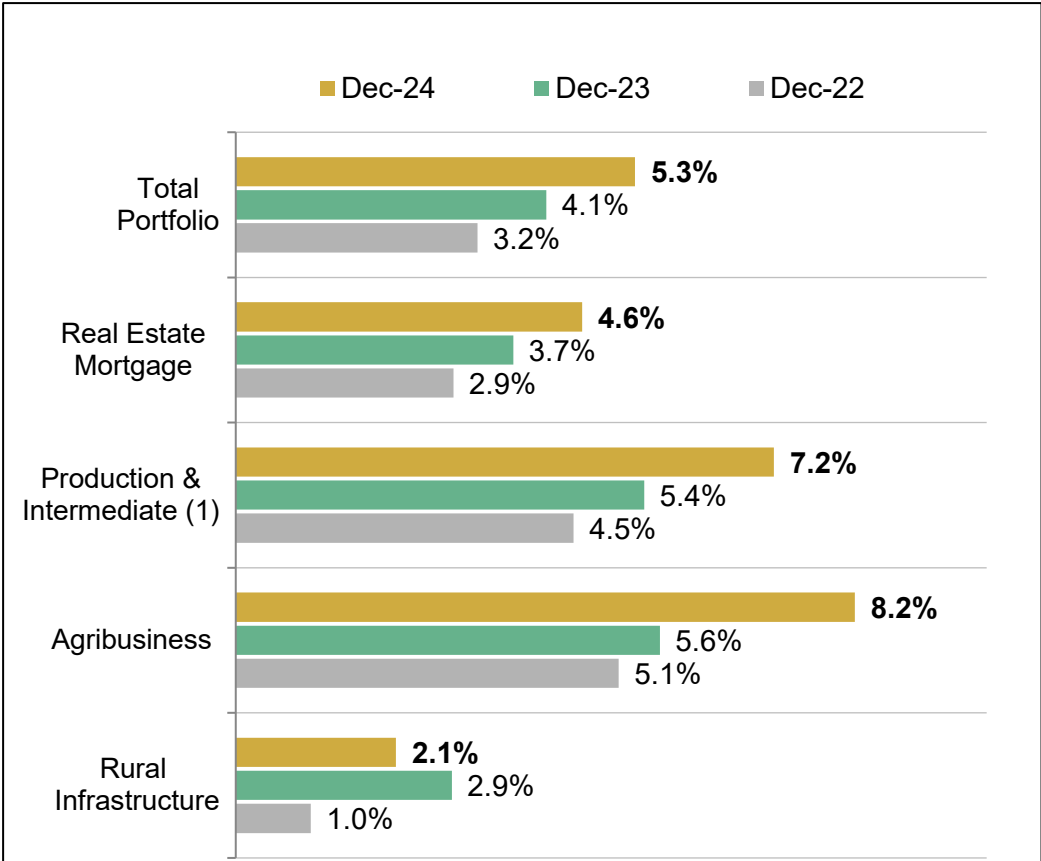
(Volume and % of loans outstanding and other property owned)



(amounts in millions)

Loans Classified Less than Acceptable

(as a % of loans outstanding)



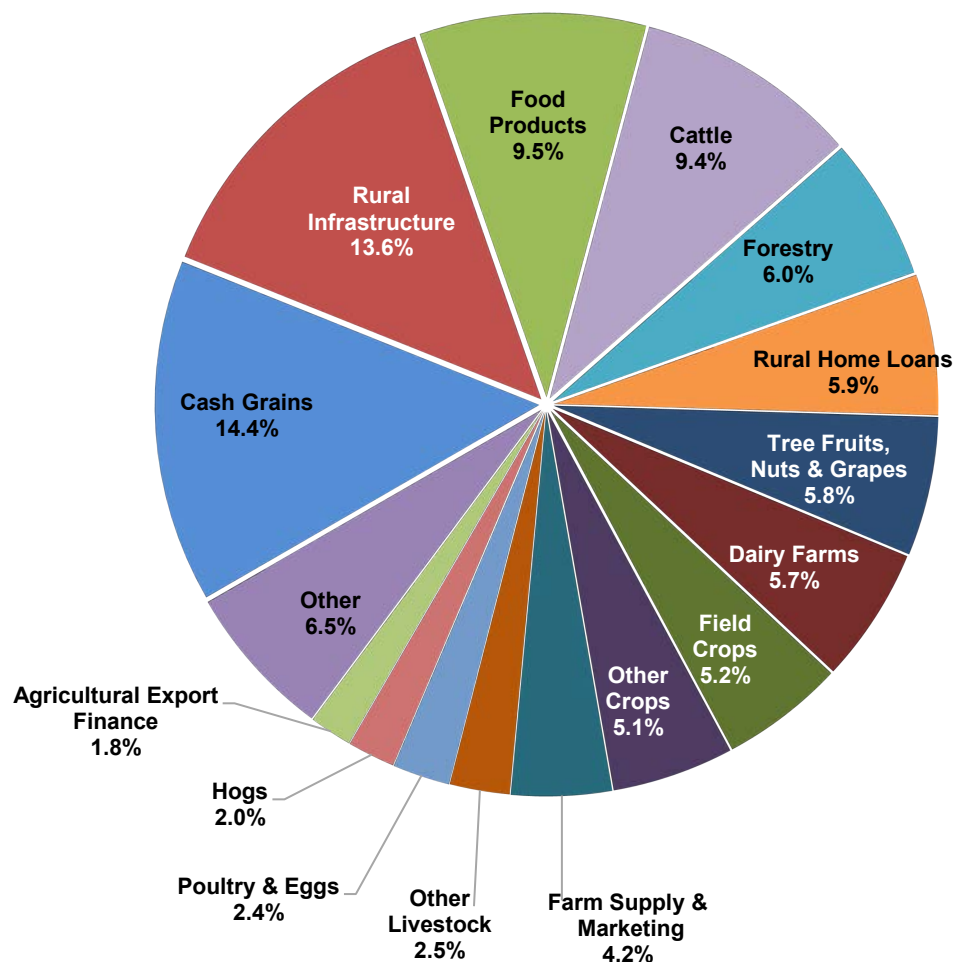
(1) Includes lease receivables

(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



System portfolio is diversified by commodity

Loan Portfolio by Major Commodity Concentration



System Loan Portfolio (amounts in millions)	Dec-24	% of Total Portfolio	% chg. yr. over yr.
Cash Grains	61,743	14.4%	8.1%
Tree Fruits, Nuts & Grapes	24,910	5.8%	3.9%
Field Crops	22,253	5.2%	9.3%
Other Crop Production	21,734	5.1%	6.2%
Total Crop Production	130,640	30.5%	7.2%
Cattle	40,168	9.4%	10.5%
Dairy Farms	24,491	5.7%	4.6%
Poultry & Eggs	10,339	2.4%	4.6%
Hogs	8,409	2.0%	(2.7%)
Other Livestock	10,744	2.5%	5.5%
Total Animal Production	94,151	22.0%	6.4%
Rural Infrastructure	58,522	13.6%	7.5%
Food Products	40,859	9.5%	10.1%
Rural Home Loans	25,354	5.9%	7.7%
Forestry	25,657	6.0%	6.4%
Farm Supply & Marketing	17,820	4.2%	21.8%
Agricultural export finance	7,612	1.8%	(9.6%)
Other	28,298	6.6%	10.8%
Total	428,913	100.0%	7.7%

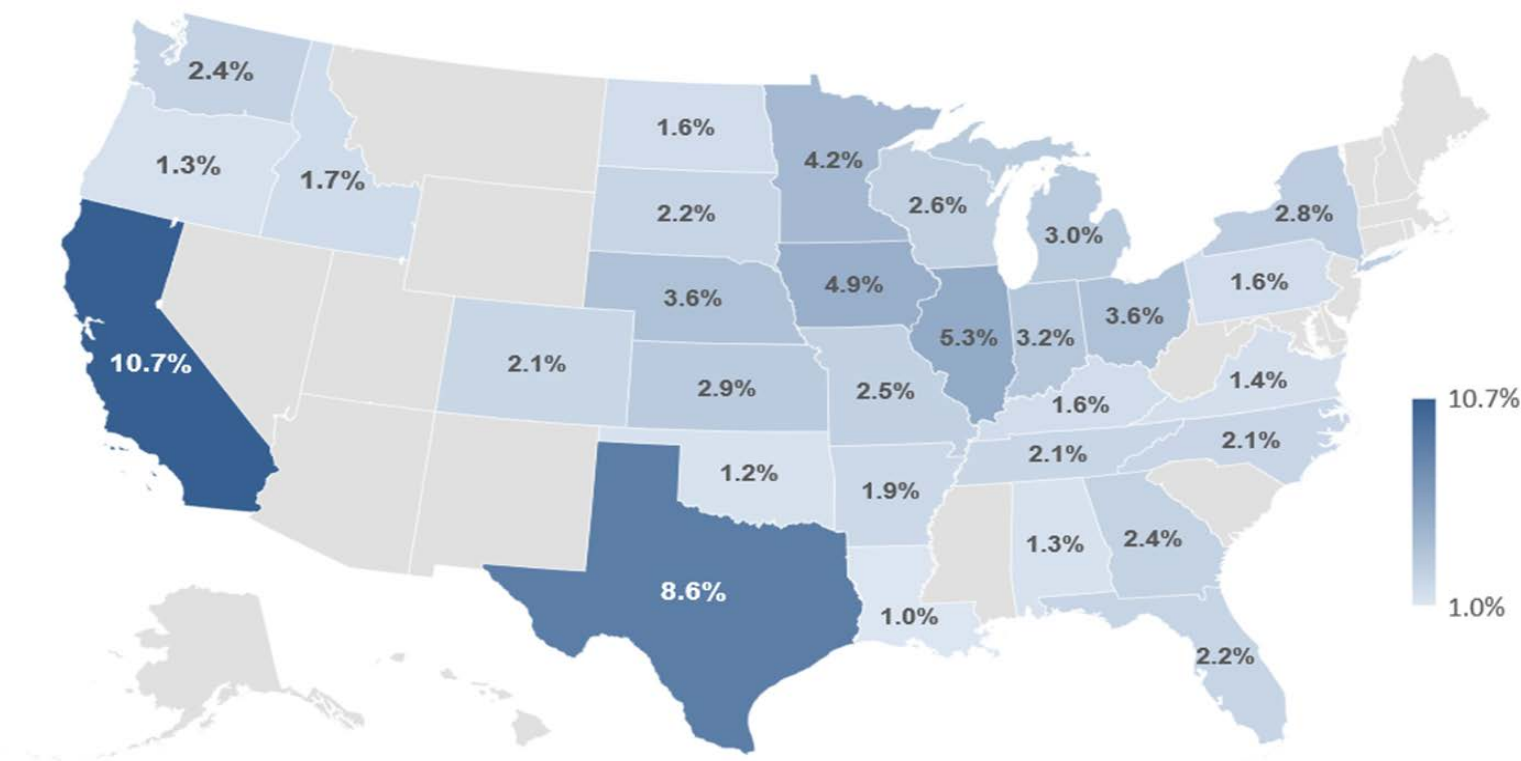
Source: Federal Farm Credit Banks Funding Corporation Information Statements



Portfolio volume is geographically dispersed

Percentage of System Loan Volume by State as of Dec. 31, 2024

(only states with at least 1% are displayed)

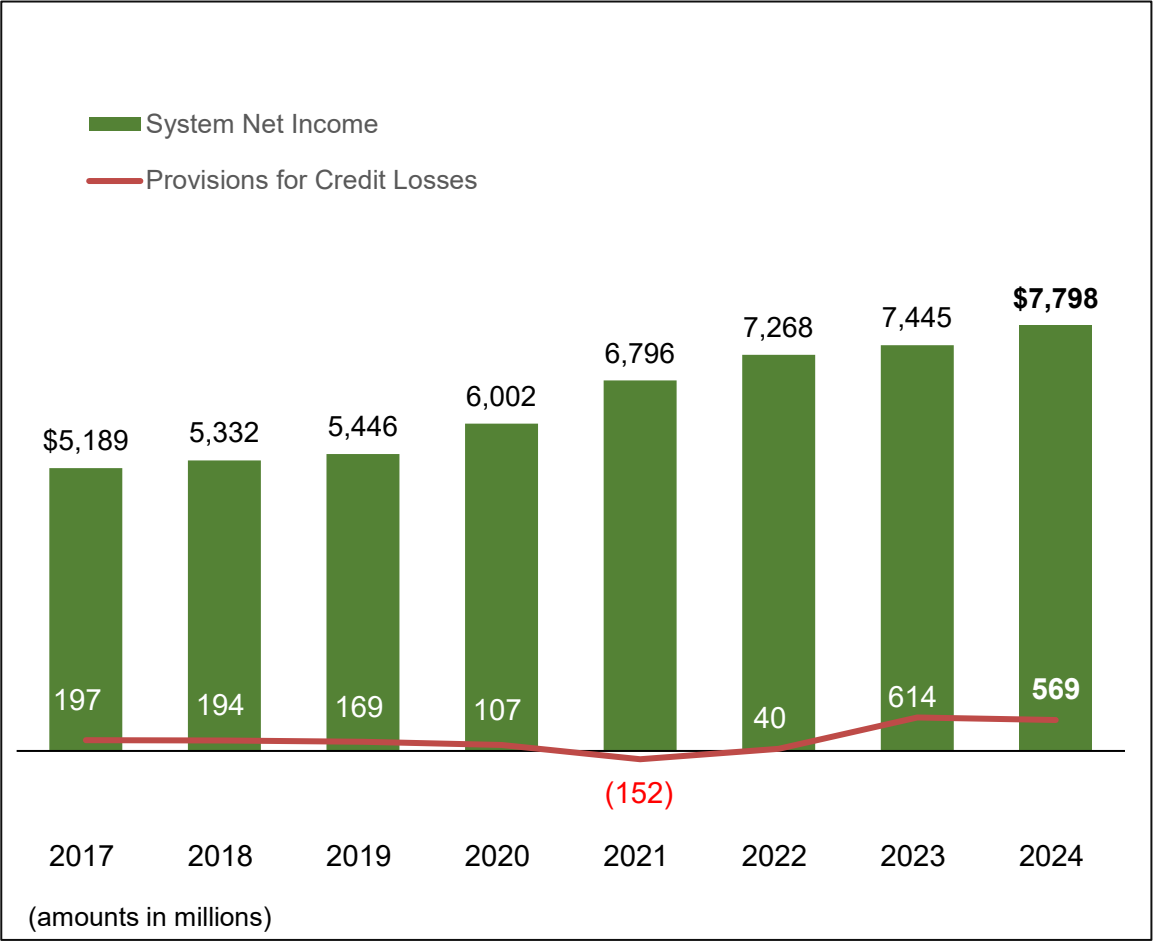


Source: Federal Farm Credit Banks Funding Corporation Information Statements



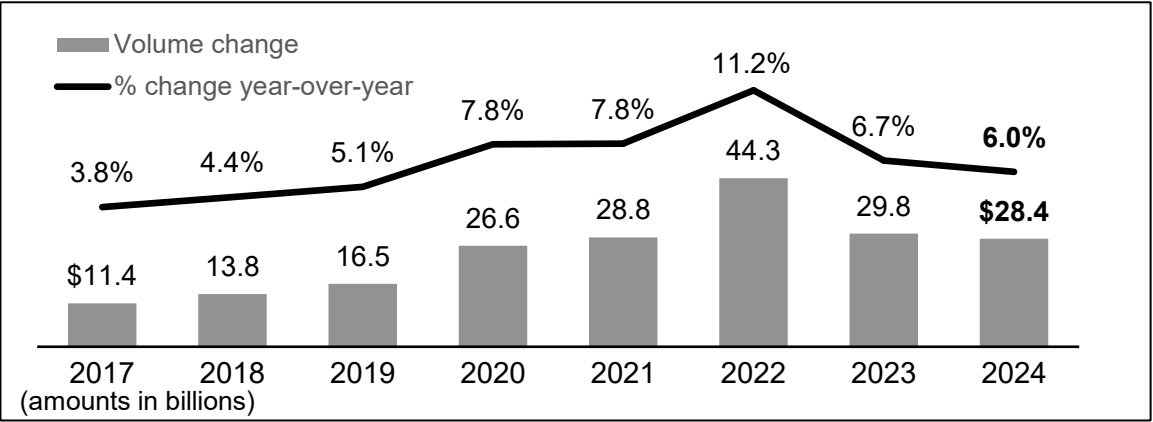
System earnings rise, driven by growth in net interest income

System Net Income
(for the year ended Dec. 31)

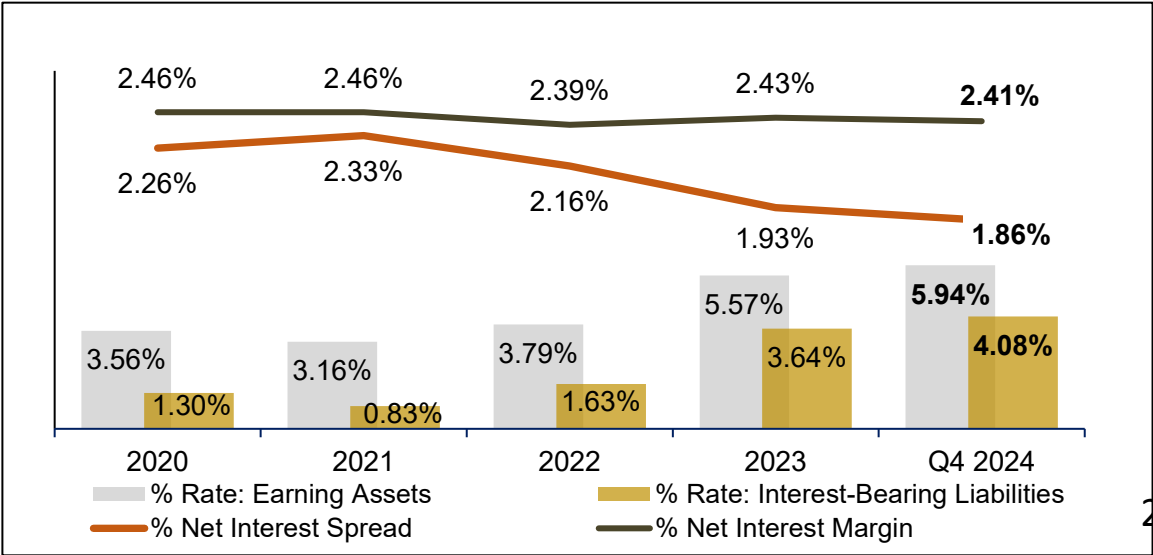


Source: Federal Farm Credit Banks Funding Corporation Information Statements

Average Earning Assets



Net Interest Spread & Net Interest Margin

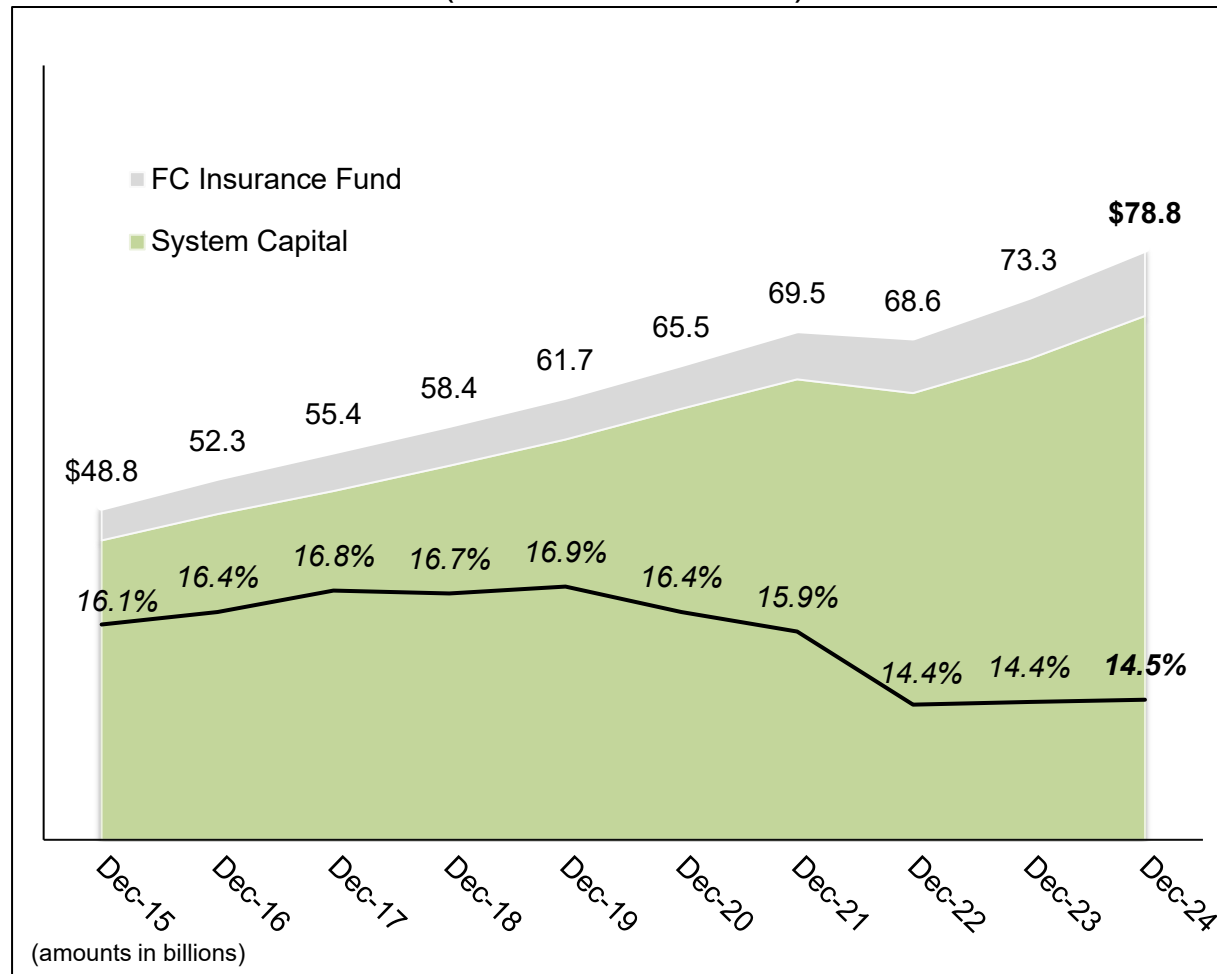




Strong earnings support continued capital growth

- ▶ For 2024, System capital increased \$5.5 billion or 7.5% year-over-year.
- ▶ The System's capital-to-assets ratio at year-end was 14.5%, up slightly from a year ago.
- ▶ Total regulatory capital ratios were sound
 - Banks: 13.3% to 16.1%
 - Associations: 12.3% to 34.6%.
- ▶ As of December 31, accumulated other comprehensive loss (AOCL) equaled \$3.8 billion, down from \$4.5 billion a year ago.

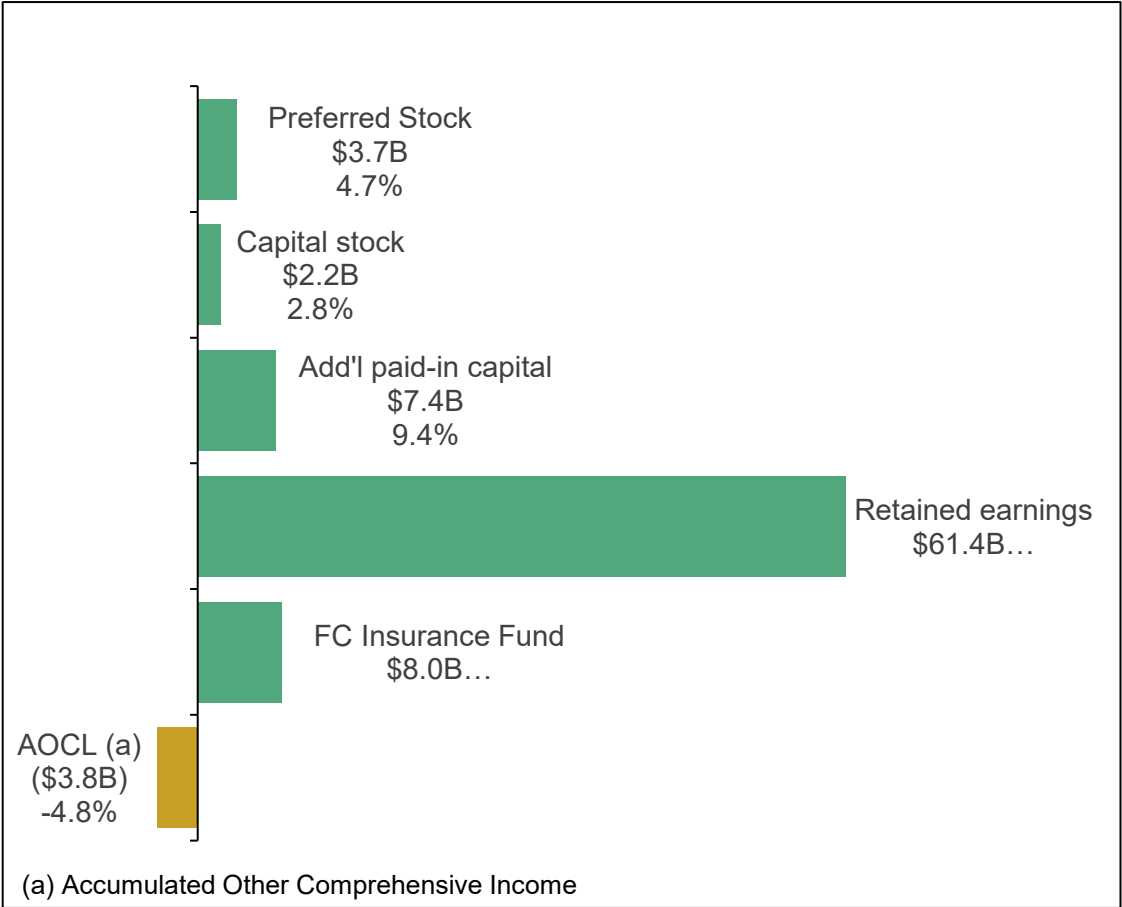
Total Capital
(as of December 31)



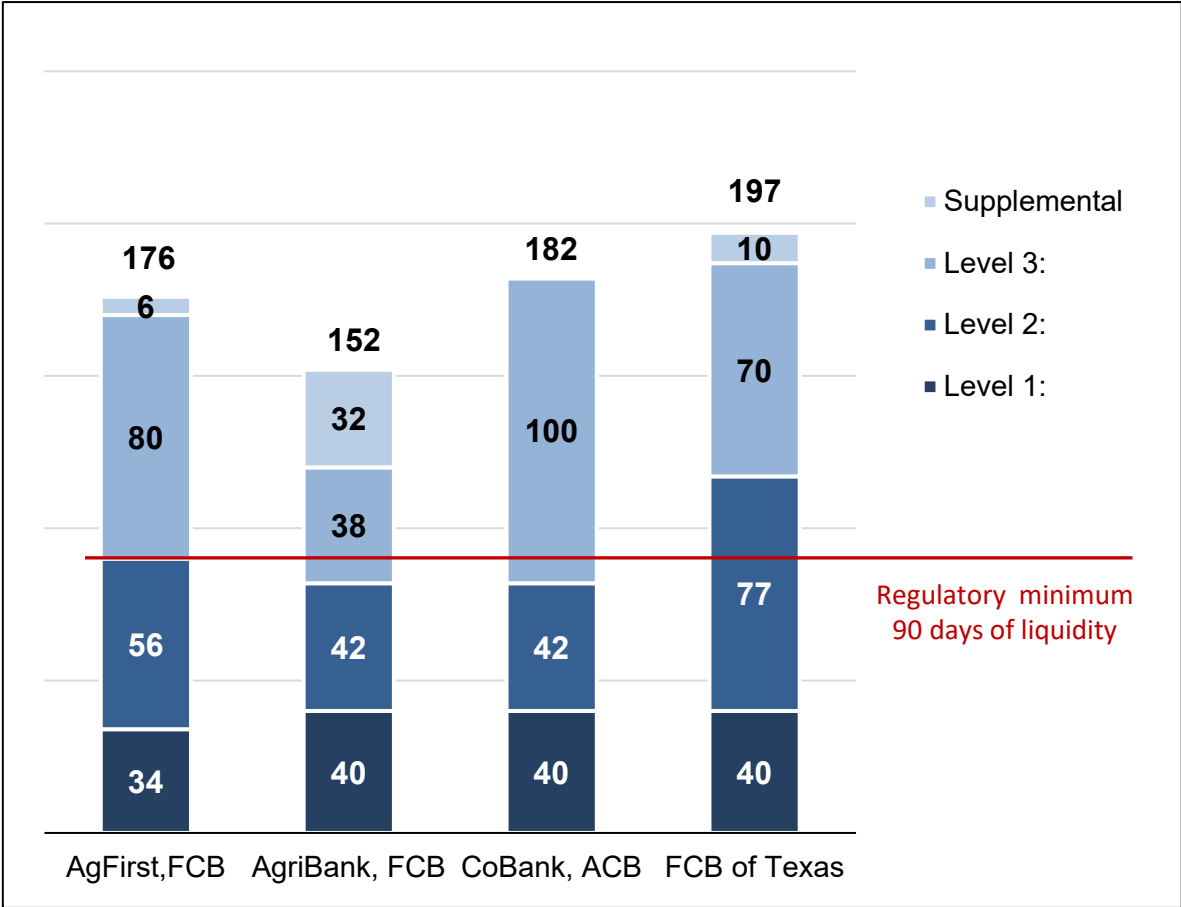


Capital quality and liquidity reserves are strong

Capital Components
(as of December 31, 2024)



Days of Liquidity | Farm Credit System Banks
(as of December 31, 2024)



Source: Federal Farm Credit Banks Funding Corporation Information Statements



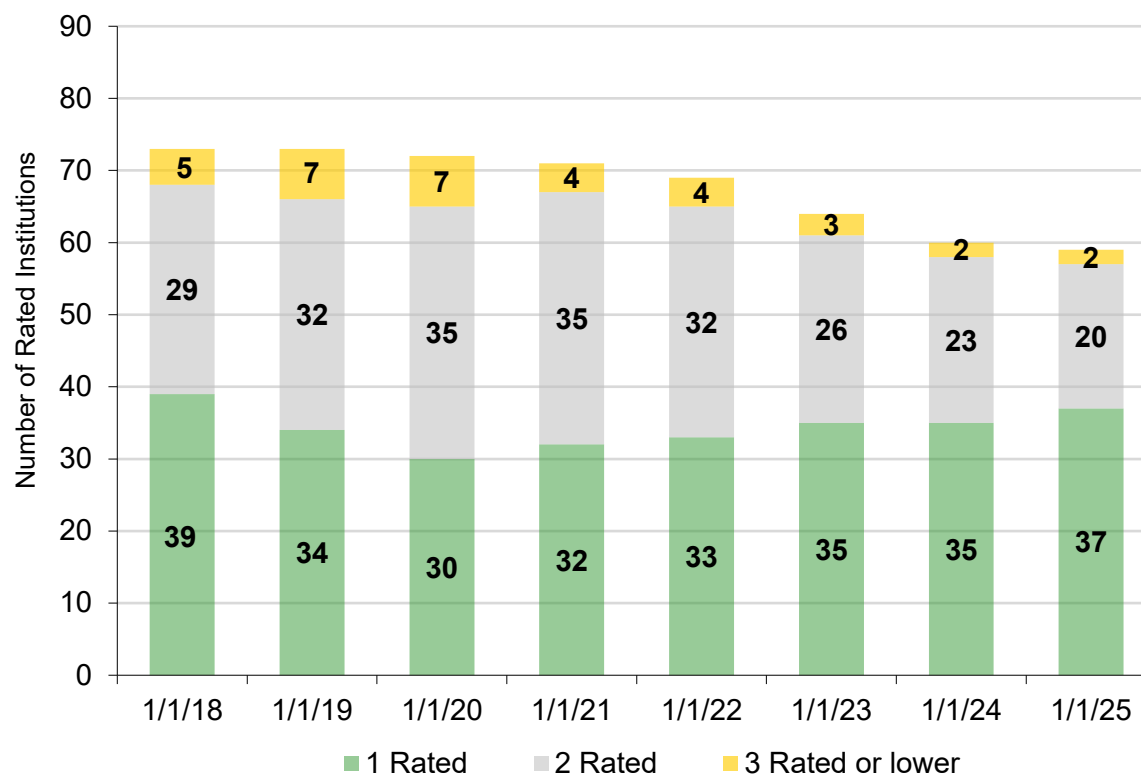
Composite FIRS ratings remained stable

Composite FIRS Ratings

(based on 12/31/24 financial reporting)

- ▶ Composite FIRS ratings reflect the System's sound financial condition.
- ▶ Over 96% of System banks and associations have a Composite FIRS rating of 1 or 2.
- ▶ Institutions rated 3 or lower hold just over 4% 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 face a difficult operating environment in 2025.

- ▶ Implications of an uncertain growth outlook for the U.S. and world economies.
- ▶ Stress in the grain sector as elevated production costs limit returns.
- ▶ Effect of elevated interest rates and lower returns on farmland and collateral values.
- ▶ Potential impact of tariffs, changes to foreign trade policies, avian influenza, and possible farm program changes.