

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  
December 11, 2025**

These minutes reflect the business transacted at the December 11, 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 10:50 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 six 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 November 13, 2025

(BM-11-DEC-25-01)

**Board Member Smith** moved to approve the minutes for the November 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-11-DEC-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 **Nicole Yaddof** 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.)

### Semiannual Report on Office of Examination Operations

**Jessica Campbell** and **Nicole Peek** of the **Office of Examination** presented the Semiannual Report on Office of Examination Operations.

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

## 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 10:50 a.m.

### NOTATIONAL VOTE ACTIONS

There were three notational vote actions approved by the FCA Board from November 13, 2025, through December 10, 2025.

Item Number	Action Date	Voting Results	Subject
NV 25-20	11/18/2025	Approved	2026 FCS Building Association Budget
NV 25-21	11/24/2025	Approved	Farm Credit Administration Budget Reallocation
NV 25-22	12/10/2025	Approved	2026 Farm Credit Administration Compensation Program

The undersigned hereby certify that the foregoing minutes are the official minutes of the regular meeting of the Farm Credit Administration Board held on December 11, 2025.

\_\_\_\_\_/s/  
Jeffery S. Hall  
Chairman and CEO

\_\_\_\_\_/s/  
Ashley Waldron  
Secretary to the Board

Approved: January 8, 2026

**BOARD AND STAFF PRESENT AT THE  
FCA REGULAR BOARD MEETING  
December 11, 2025**

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

<b>ATTENDEES</b>	<b>OPEN SESSION</b>
<b>Office of the Board</b>	
Hall, Jeffery	X
Smith, Glen	X
Boston, Robin	X
Greer, Kristin	X
Lewandrowski, Barbara	X
Waldron, Ashley	X
<b>OCOS</b>	
Stokke, Michael	X
Coleman, Robert	X
Cunningham, Lesley	X
<b>OEEO</b>	
Burlew, Thais	X
Major, Sara Lynn	X
<b>OIT</b>	
Versace, Jerry	X
Matos, Ricardo	X
Rana, Ben	X
Amaya, Victor	X
<b>OCPA</b>	
Mosely, Ben	X
Rezendes, Andrew	X
Shelly, Phillip	X
<b>OGC</b>	
Mahini, Seema	X
Griffin, Ward	X
<b>OE</b>	
Duffy, Mike	X
Fennewald, Dan	X
Greenlee, Angela	X
Holmes, Graham	X
Campbell, Jessica	X
Johnson, Hal	X
Peek, Nicole	X
Yaddof, Nicole	X
<b>ODAE</b>	
D'Antoni, Jeremy	X
Shields, Dennis	X
Iannetta, Sal	X
Ocheltree, Skyler	X

<b>ATTENDEES</b>	<b>OPEN SESSION</b>
<b>OIG</b>	
Miller, Kevin	X
<b>OSMO</b>	
Fay, Thomas	X
Hudson, Bruce	X
<b>ORP</b>	
Kramp, Kevin	X
<b>OCFO</b>	
Peterman, Mary	X
Soares, Ily	X
<b>OAS</b>	
Bell, Vonda	X
Adams, Corey	X
Hill, Damien	X
<b>FCSIC</b>	
Simonson, John	X
Wynn, Wade	X
Smith, Gregory	X
Bowen, Mark	X
<b>GENERAL PUBLIC</b>	6

# 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 December 11, 2025**

**TIME AND DATE:** 10 a.m., Thursday, December 11, 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](http://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 November 13, 2025
- Quarterly Report on Economic Conditions and Farm Credit System Condition and Performance
- Semiannual Report on Office of Examination Operations

**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

December 1, 2025

# 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 November 13, 2025, Regular Board Meeting

**BM-11-DEC-25-01**

**Effective Date:** December 11, 2025

**Impact on Prior Board Actions:** None

#### THE FCA BOARD HEREBY:

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

**DATED THIS 11<sup>th</sup> DAY OF DECEMBER 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



December 11, 2025

Skyler Ocheltree – Senior Economist  
Office of Data Analytics and Economics

Nicole Yaddof – Financial Analyst  
Office of Examination





# Topics for open session

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## **Economic Conditions affecting the Farm Credit System**

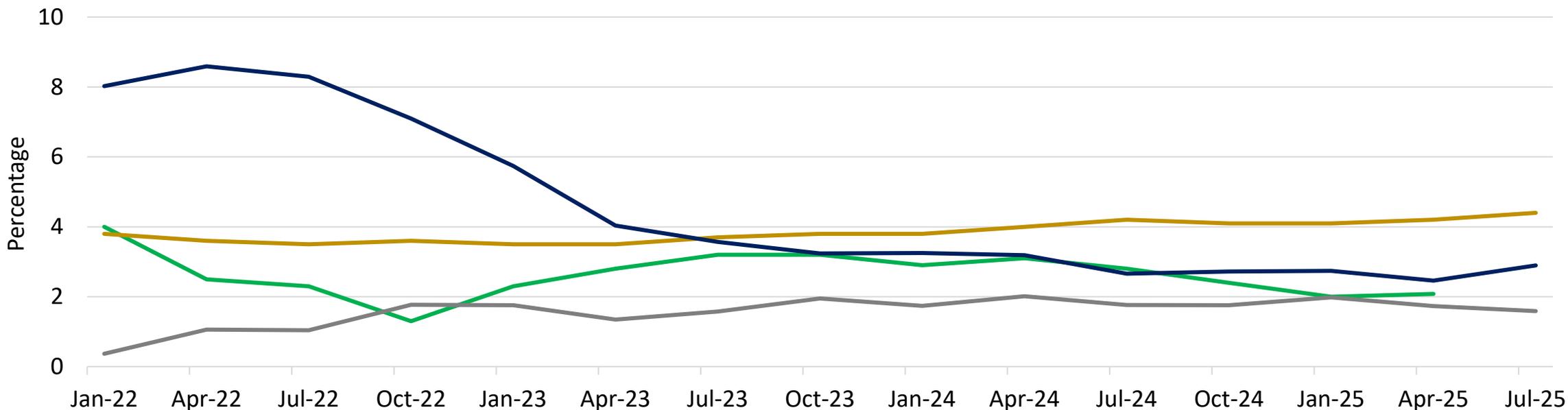
- ▶ Macroeconomic update
- ▶ Commodity update
- ▶ Farm income

## **Farm Credit System Condition and Performance**

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



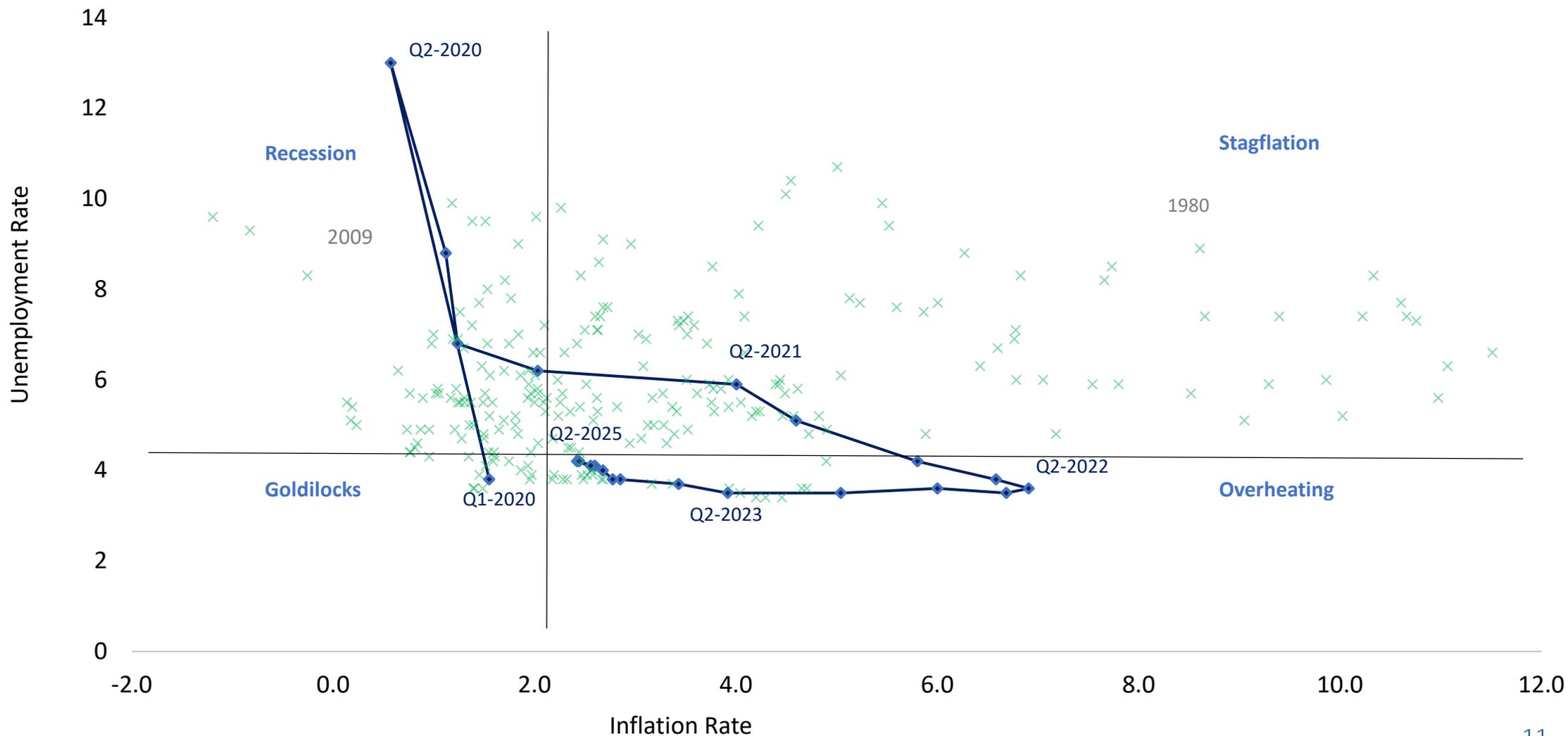
# Stable economic indicators in 2025



- Real Gross Domestic Product, percent change from quarter one year ago, quarterly, seasonally adjusted
- 10-Year real interest rate, percent, quarterly, not seasonally adjusted
- Unemployment rate, percent, quarterly, seasonally adjusted
- Consumer Price Index for All Urban Consumers: All Items in U.S. City Average, Percent Change from Year Ago, Quarterly, Seasonally Adjusted

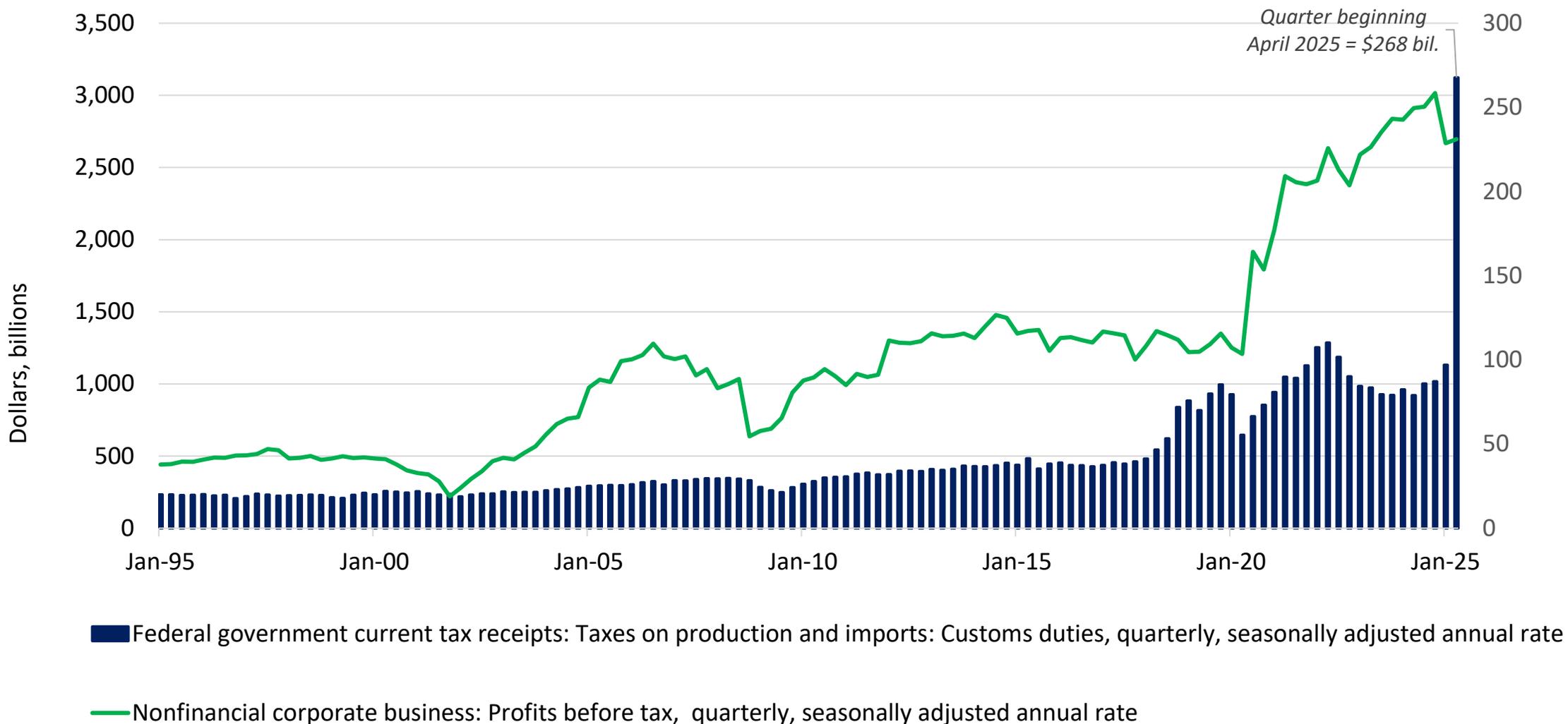


# Economic conditions relative to Fed's dual mandate



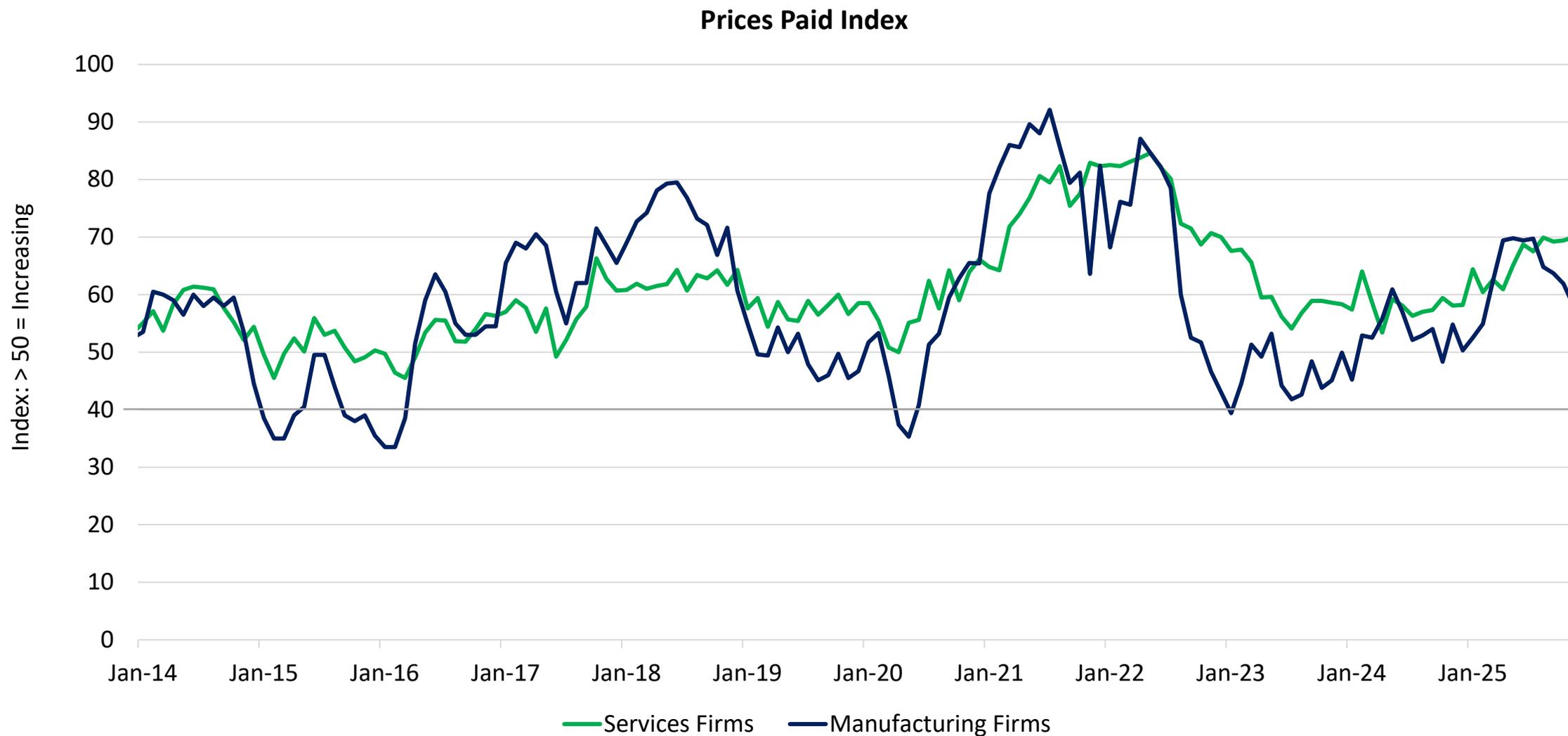


# Tariff revenues increase as corporate profits drop



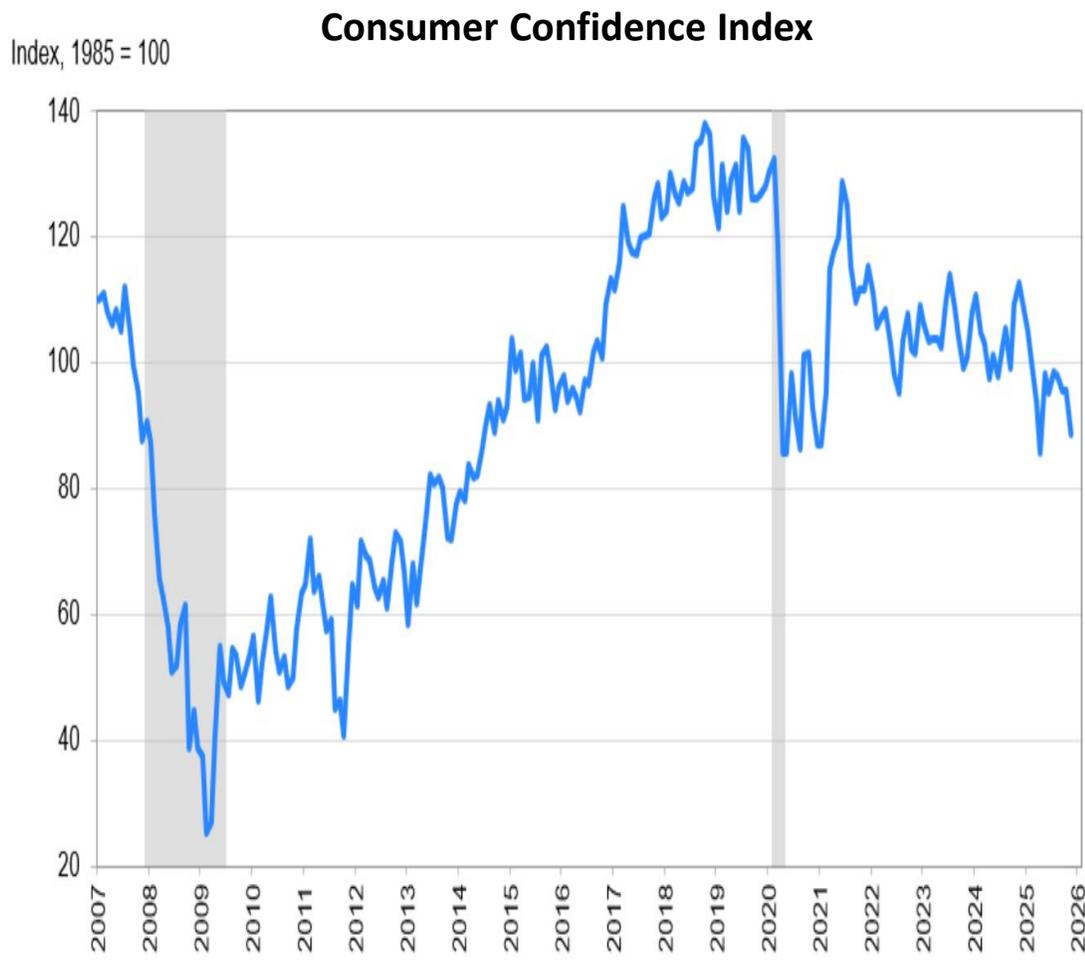


# Input prices continue to rise across most sectors

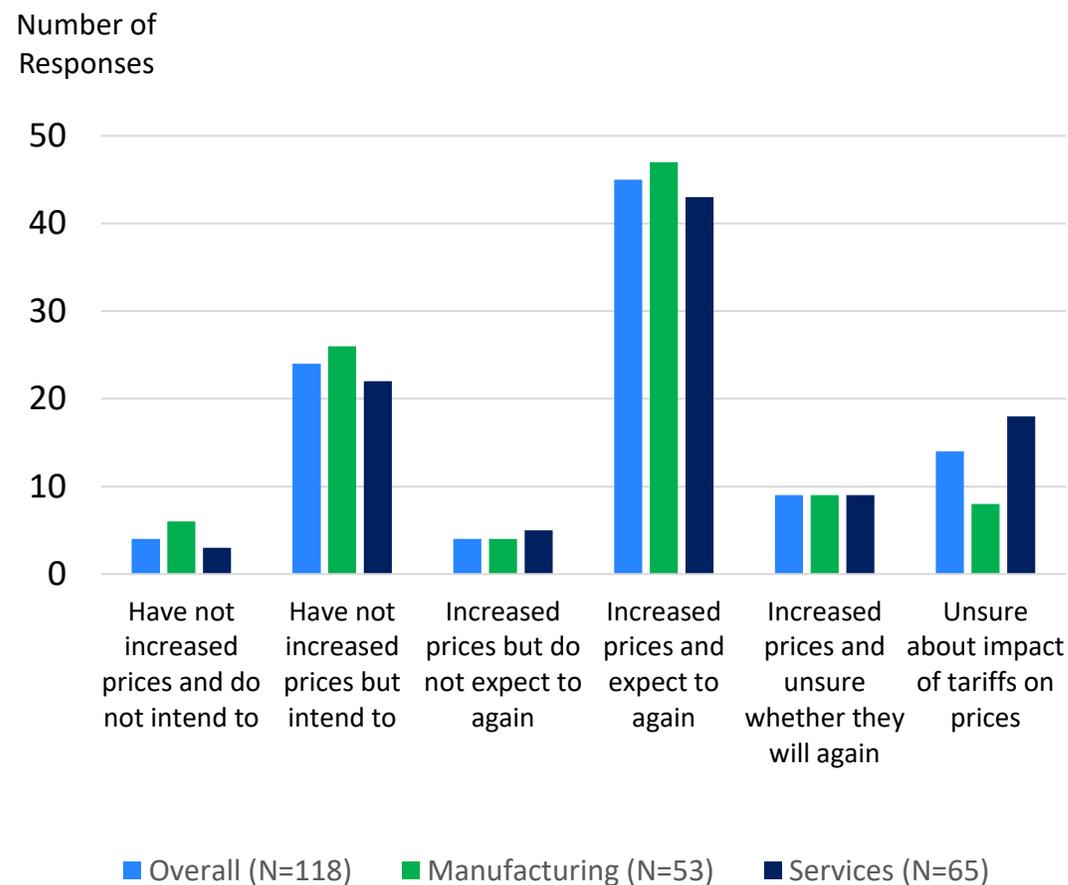




# Demand environment affects pass-through prices



## Have firms raised prices due to tariffs?





# Commodity update

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- ▶ Bumper crops generate marketing challenges
- ▶ Strong livestock prices provide management opportunities and risk taking
- ▶ Export prospects and new opportunities
- ▶ Continued stress in grain, tree nut, and wine sectors



# Crop producers under price pressure

## Soybeans Futures, Dollars per Bushel



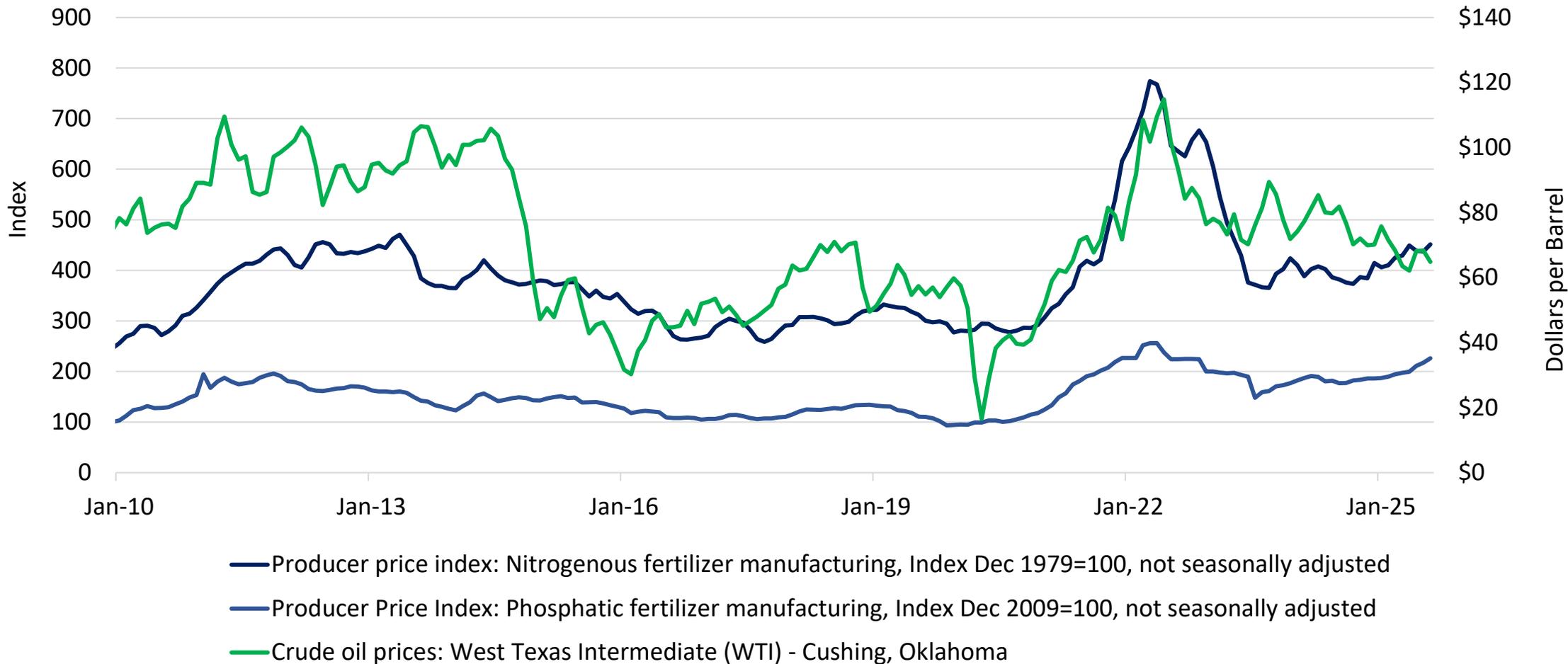
## Corn Futures, Dollars per Bushel





# Crop input prices also squeeze producer margins

### Crop input prices

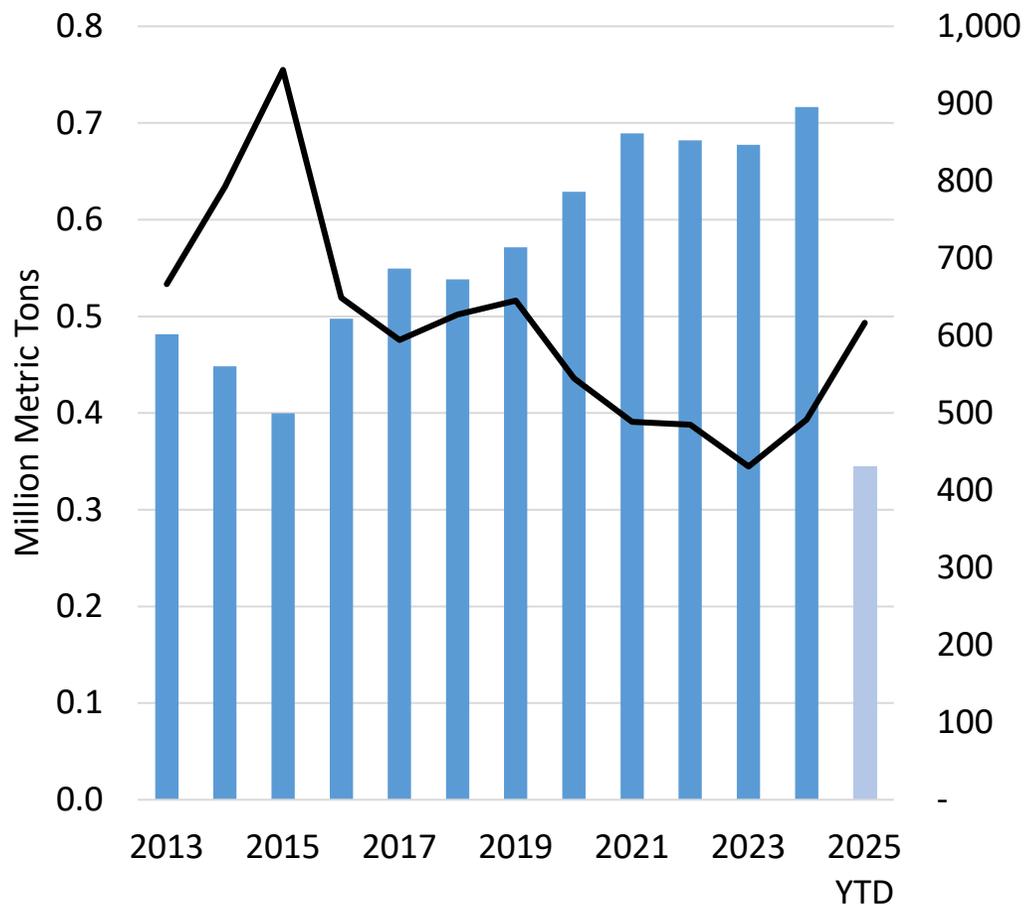


Sources: U.S. Bureau of Labor Statistics; U.S. Energy Information Administration



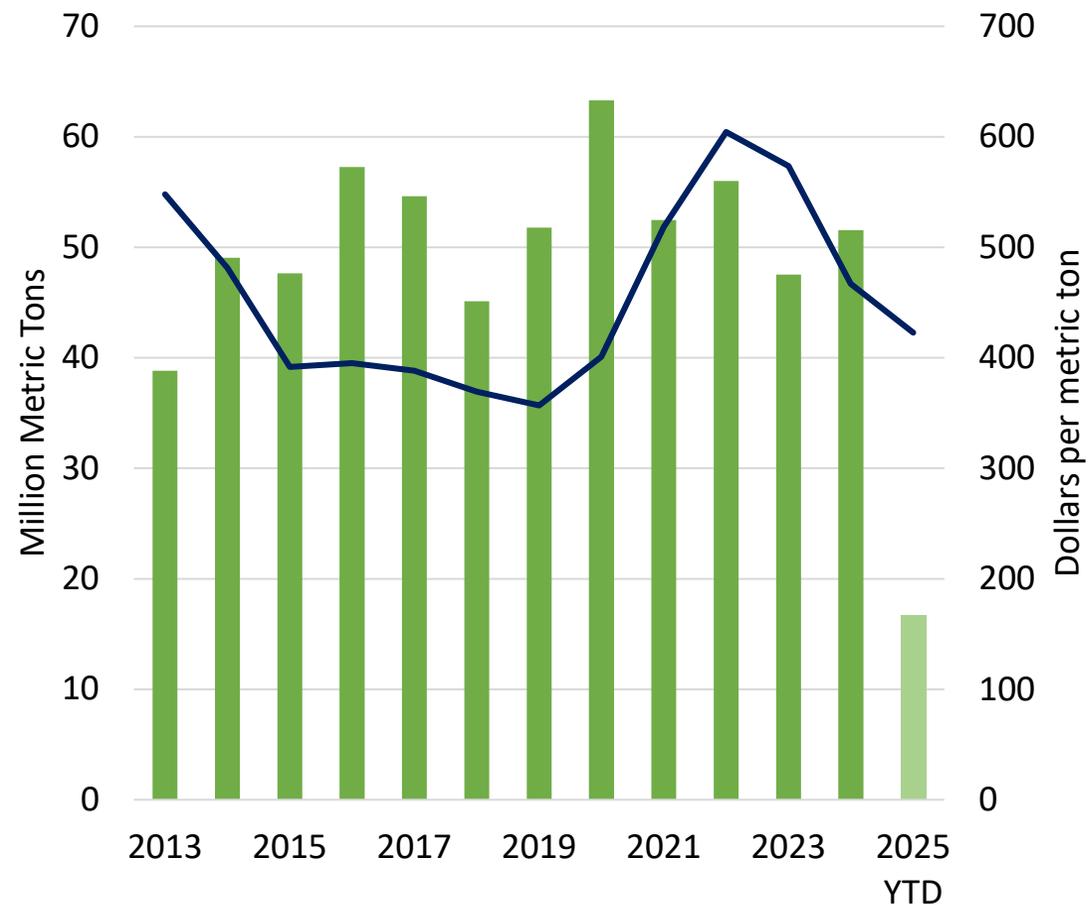
# Market uncertain for export-dependent crops

### U.S. almonds exports



■ Almonds, Shelled (t)    — Almonds, Shelled (Unit Value)

### U.S. soybeans exports



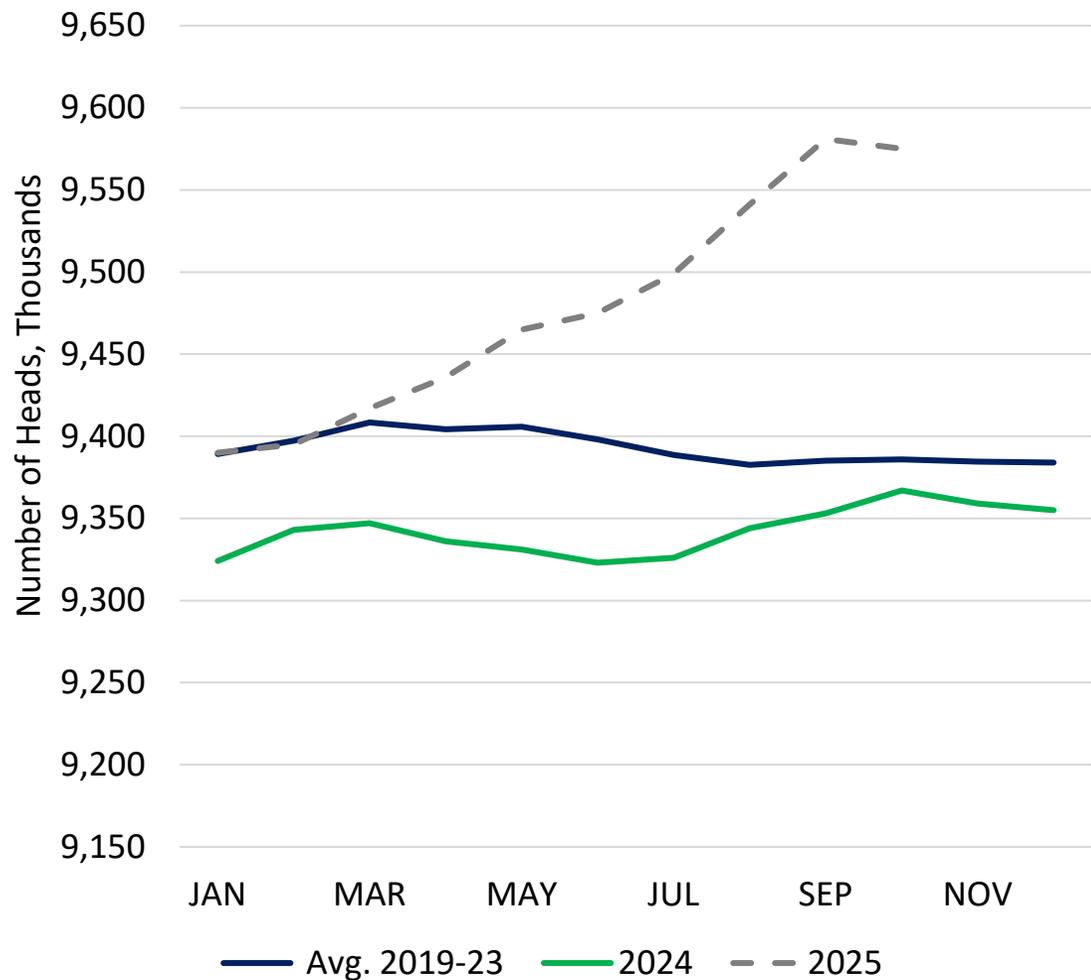
■ Soybean exports    — Soybean unit value (price)

Source: US Census Bureau US Trade Online; YTD figures are calendar year

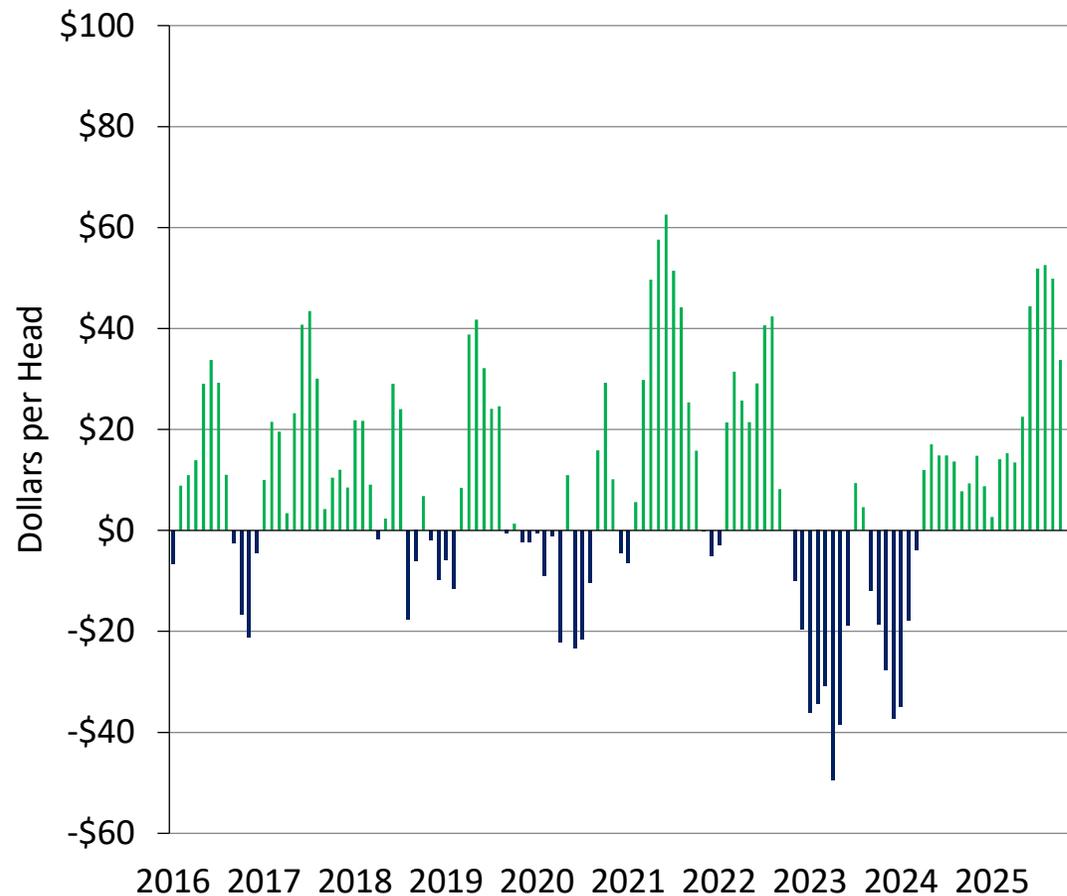


# Dairy inventory climbs and hogs turn profitable

### Dairy herd inventory



### Iowa hog profitability, farrow-to-finish



Sources: USDA National Ag Statistics Service (NASS); Iowa State University



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# Questions?



# Farm Credit System Condition and Performance as of September 30, 2025

Nicole Yaddof  
Financial Analyst  
Office of Examination



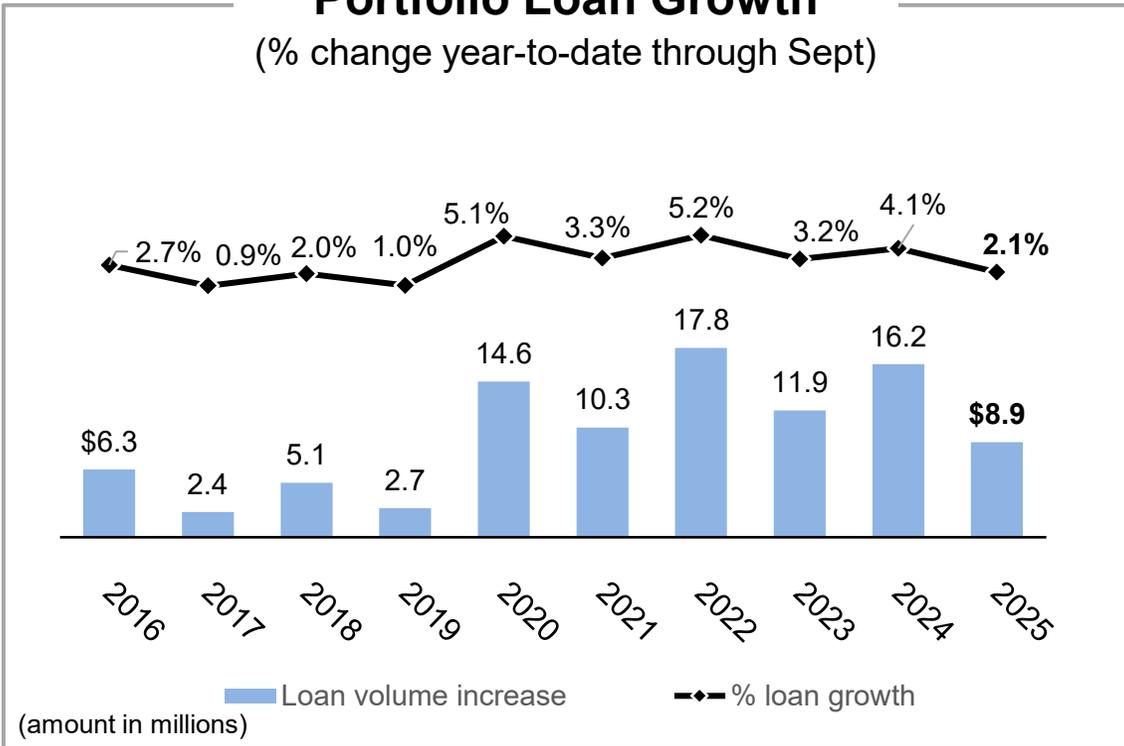


# Year-to-date loan growth slows

<b>Total Assets</b> 09/30/25	<b>\$561.2</b> billion	+0.8%	Qtr	<b>Gross Loans</b> 09/30/25	<b>\$437.8</b> billion	+0.3%	Qtr
		+3.1%	YTD			+2.1%	YTD
		+6.3%	12M			+5.7%	12M

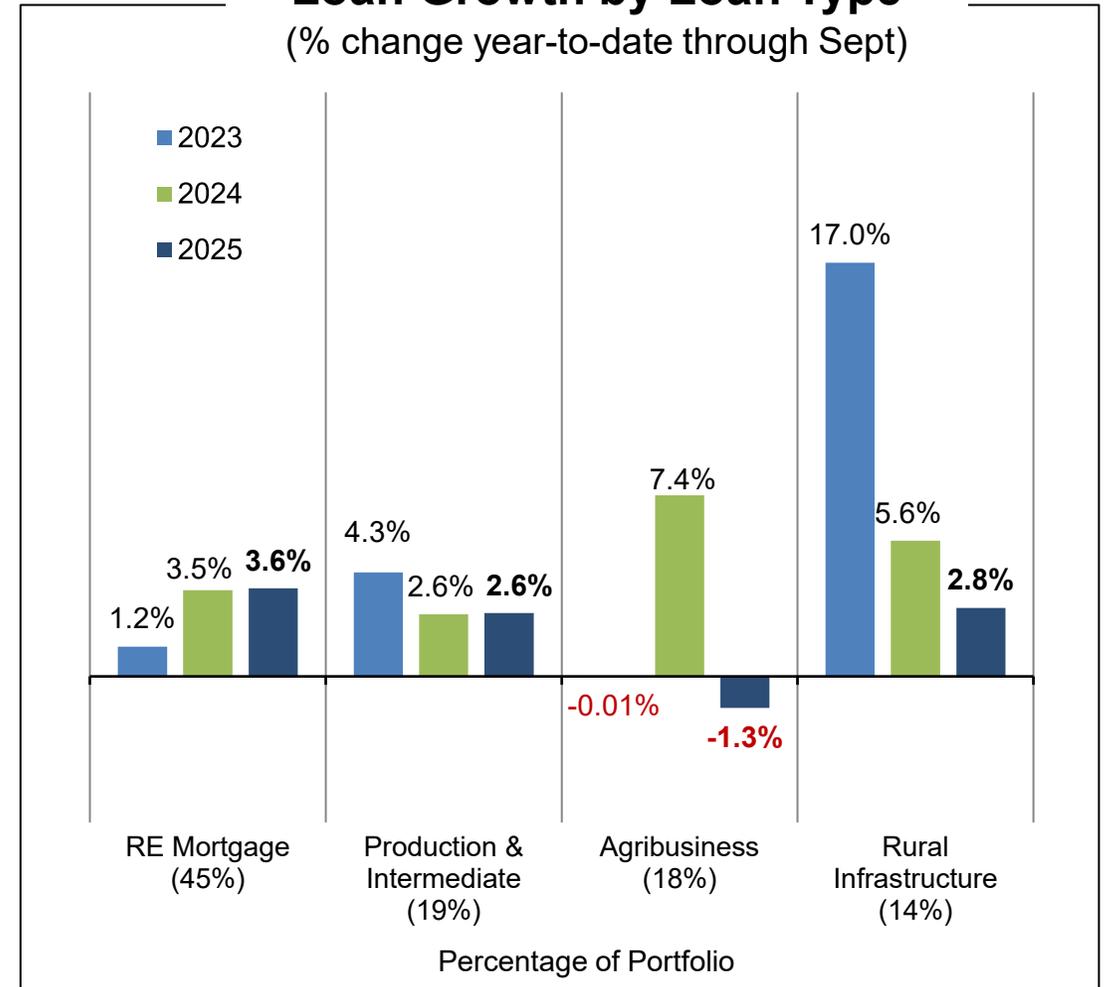
## Portfolio Loan Growth

(% change year-to-date through Sept)



## Loan Growth by Loan Type

(% change year-to-date through Sept)



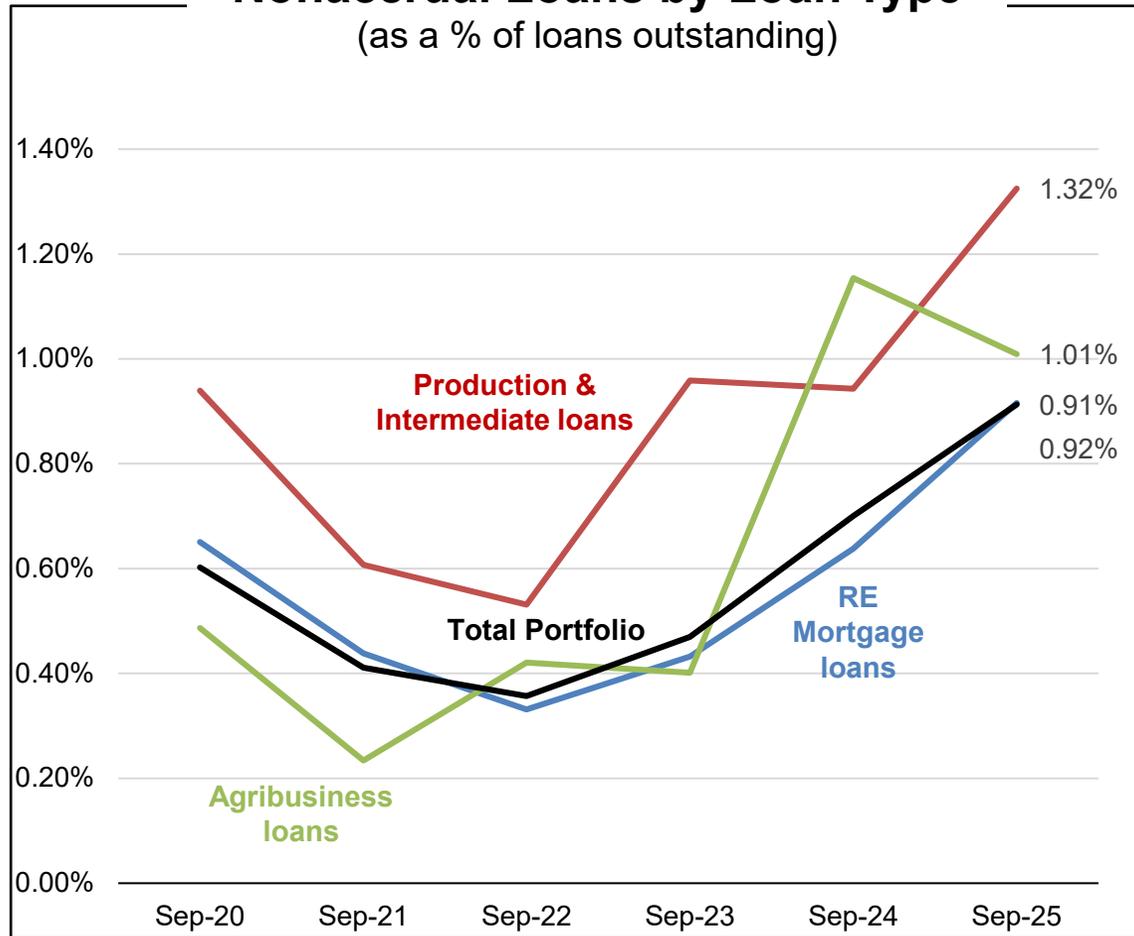


# Nonperforming assets increase, but overall portfolio loan quality remains sound

### Nonperforming Assets<sup>(1)</sup>



### 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

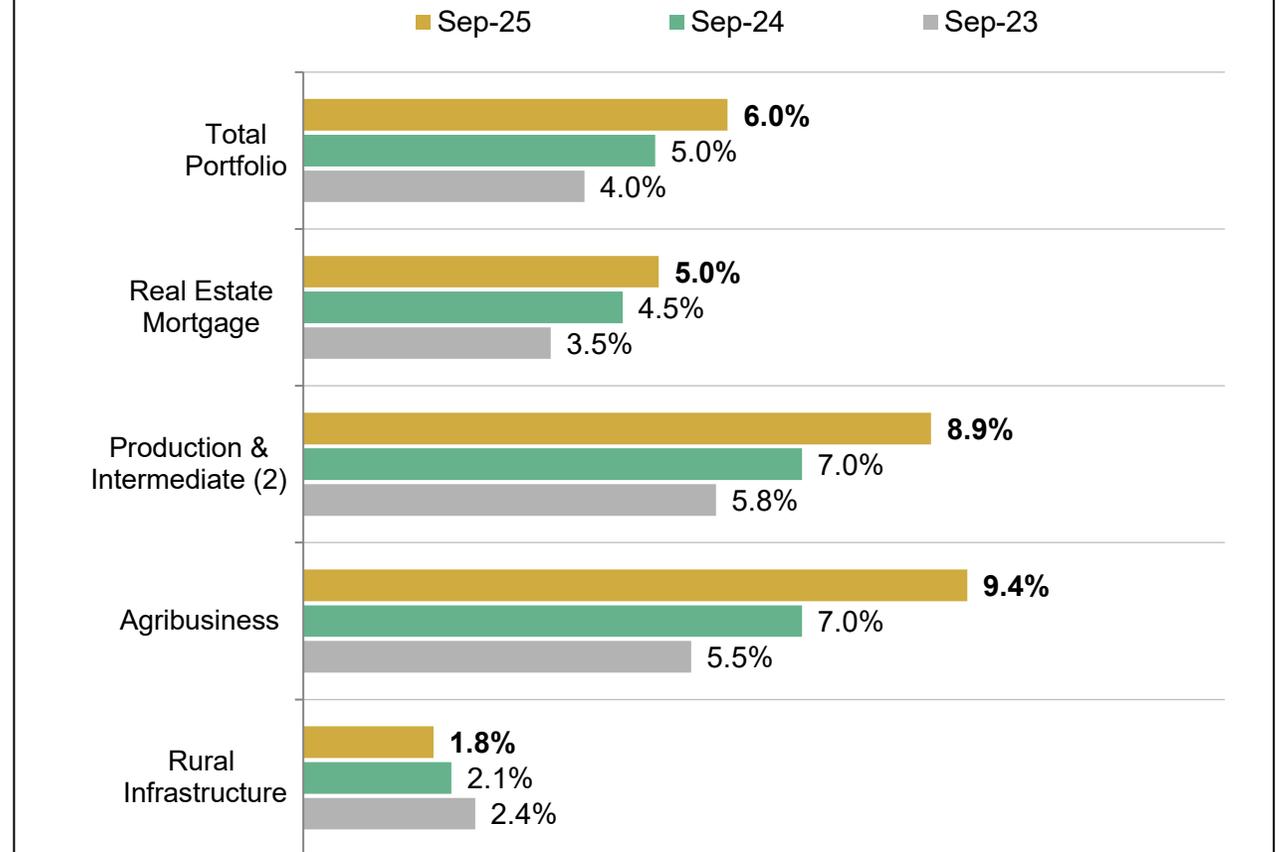


# Less than Acceptable loans increased

- ▶ The percentage of loans classified less than Acceptable increased in all loan categories apart from rural infrastructure.
- ▶ Production & intermediate and agribusiness loan categories continue to have the highest percentage of less than acceptable loans.
- ▶ Loan delinquencies<sup>(1)</sup> as a percentage of total accruing loans equaled 0.39% at September 30, 2025, as compared with 0.36% at year-end and 0.40% at September 30, 2024.

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

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

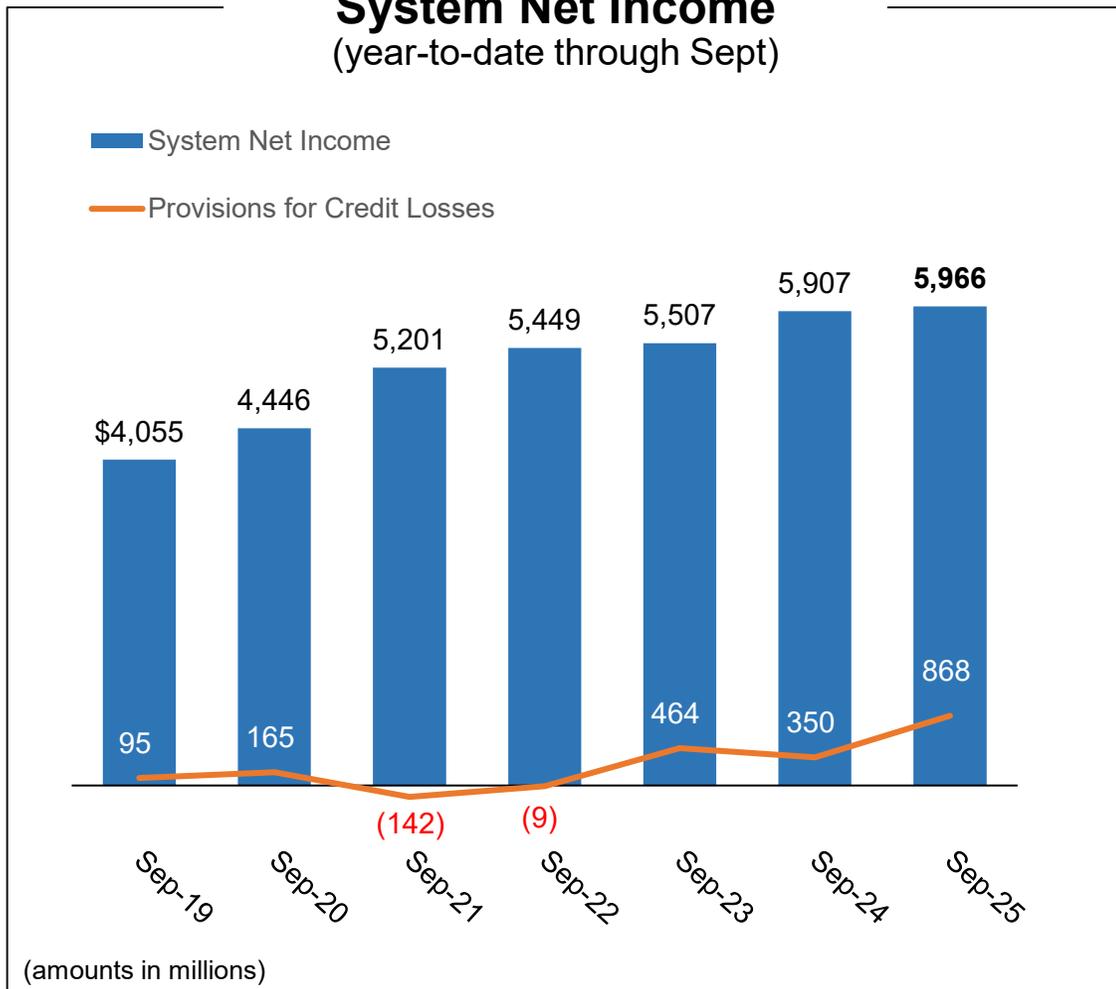


(2) Includes lease receivables



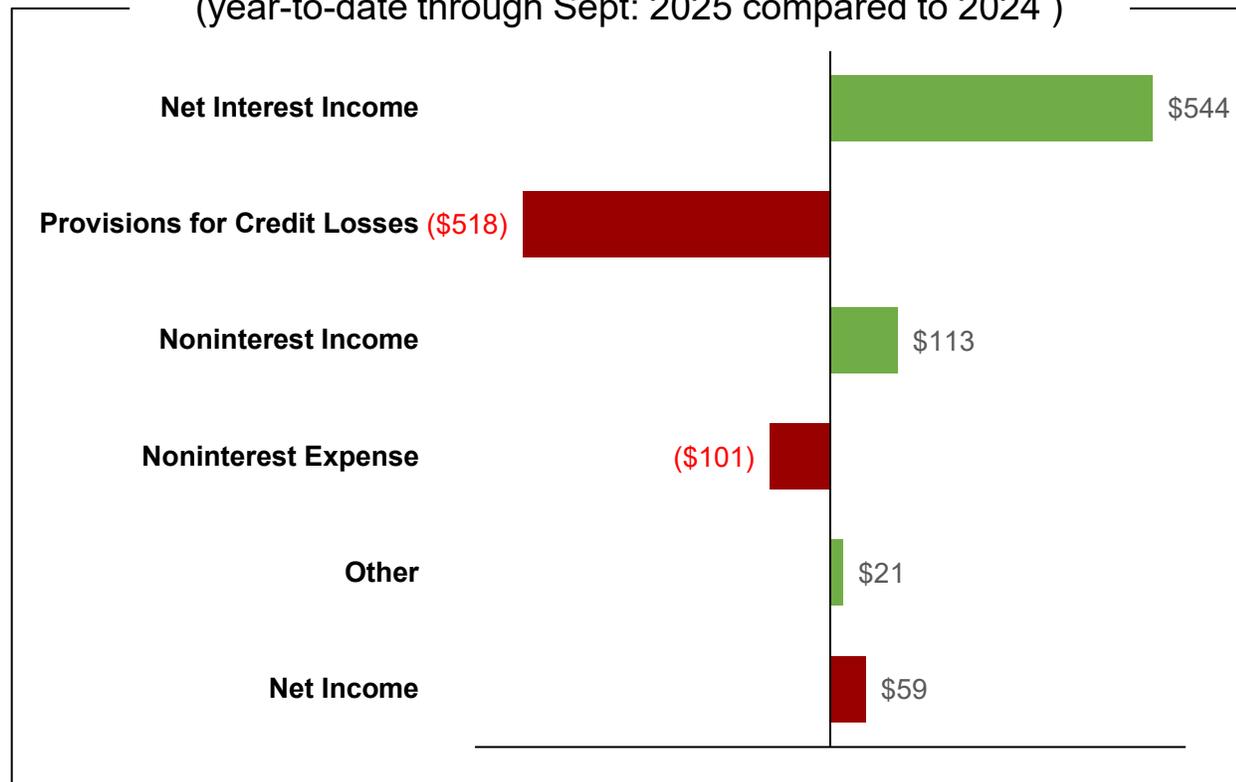
# System earnings remained stable

**System Net Income**  
(year-to-date through Sept)



**Changes in Key Components of Net Income**

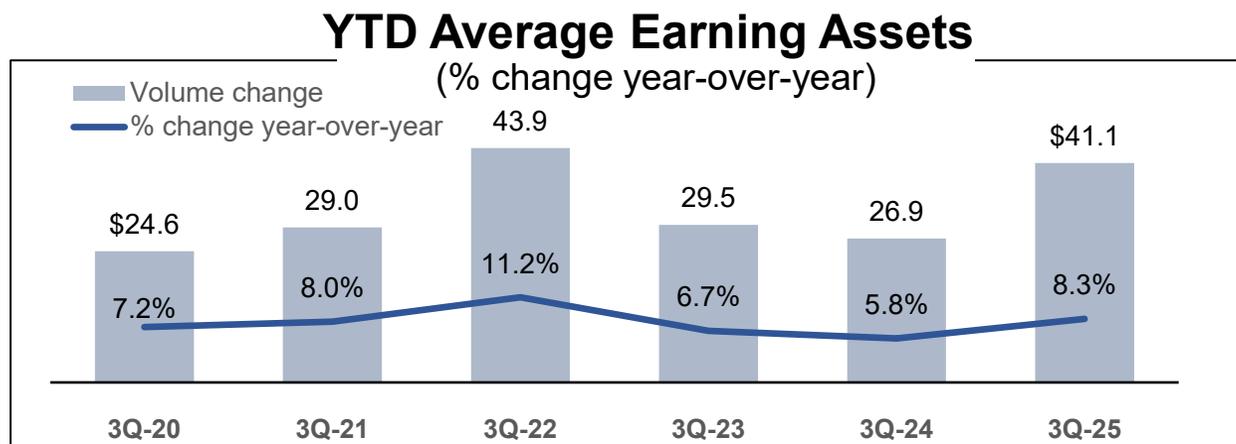
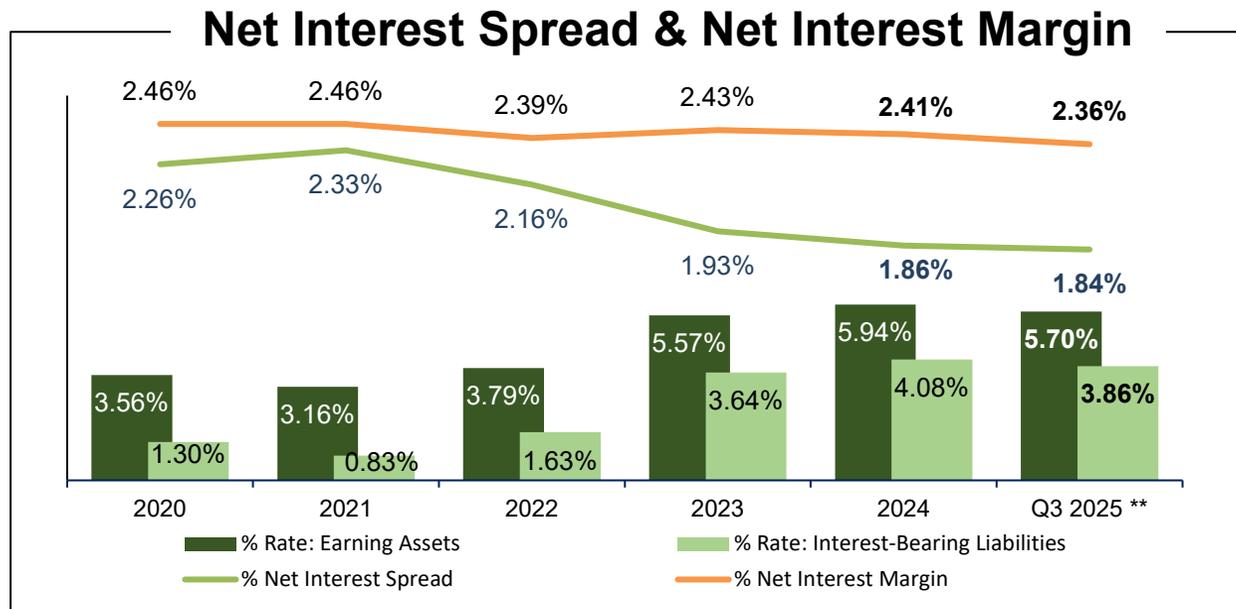
(year-to-date through Sept: 2025 compared to 2024 )





# Net interest spread and net interest margin decreased as average earning assets increased

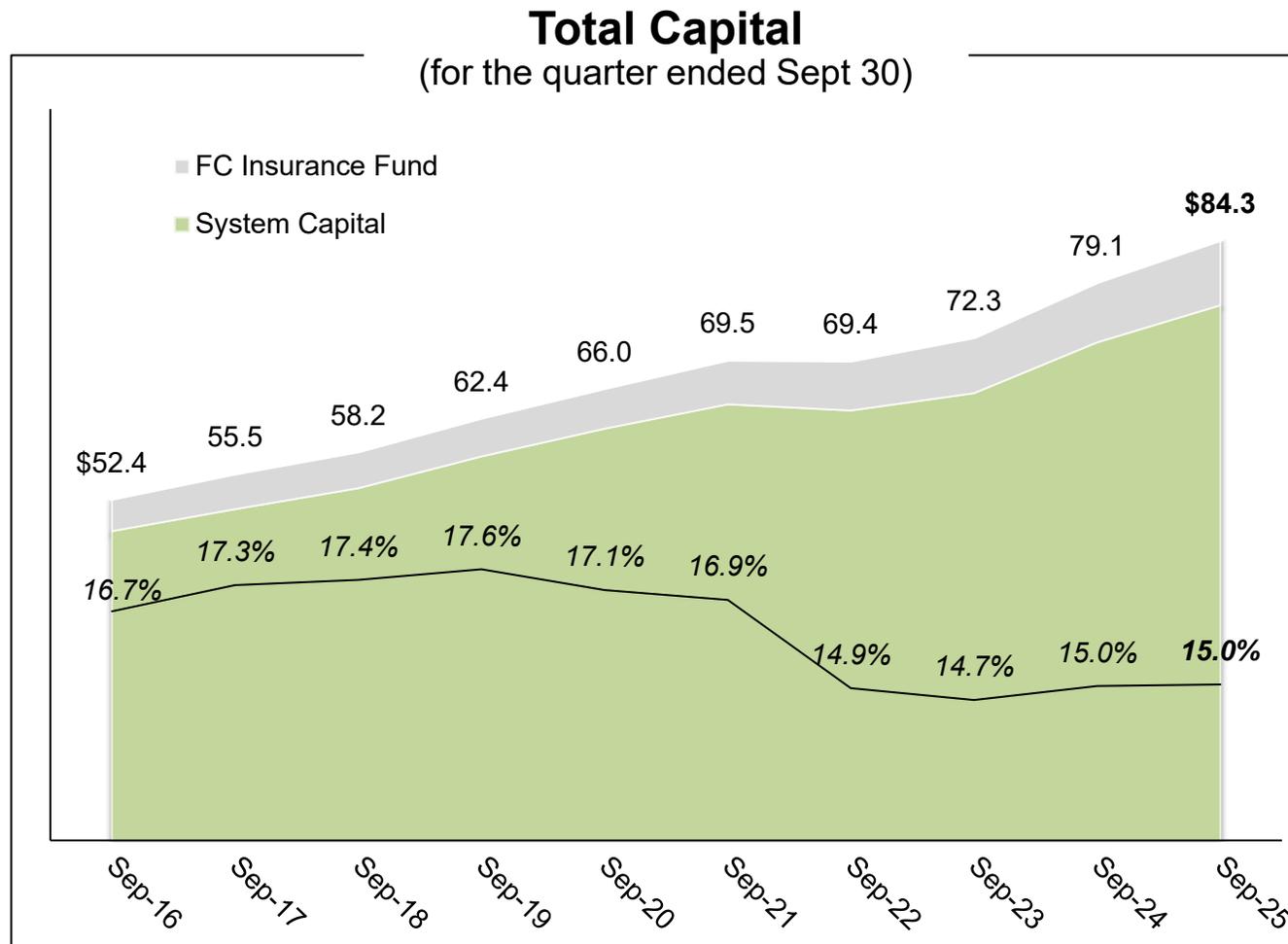
- ▶ Net interest spread continued to compress, dropping 2 basis points.
- ▶ Net interest margin declined, dropping 5 basis point from year-end 2024.
- ▶ Year to date average earning assets grew 8.3% year over year in the third quarter 2025.





# The System is well-capitalized with robust risk-bearing capacity

- ▶ Earnings continued to support capital growth.
- ▶ The System's capital-to-assets ratio was 15.0% at quarter-end, unchanged from a year ago.
- ▶ Total regulatory capital ratios:
  - Banks: 14.4% to 15.9%
  - Associations: 11.9% to 34.8%
- ▶ Capital and the allowance for loan credit losses equaled 19.8% of loans outstanding.
- ▶ 73% of System institutions had a 1 rating for Capital and all institutions were in the 1 or 2 range.



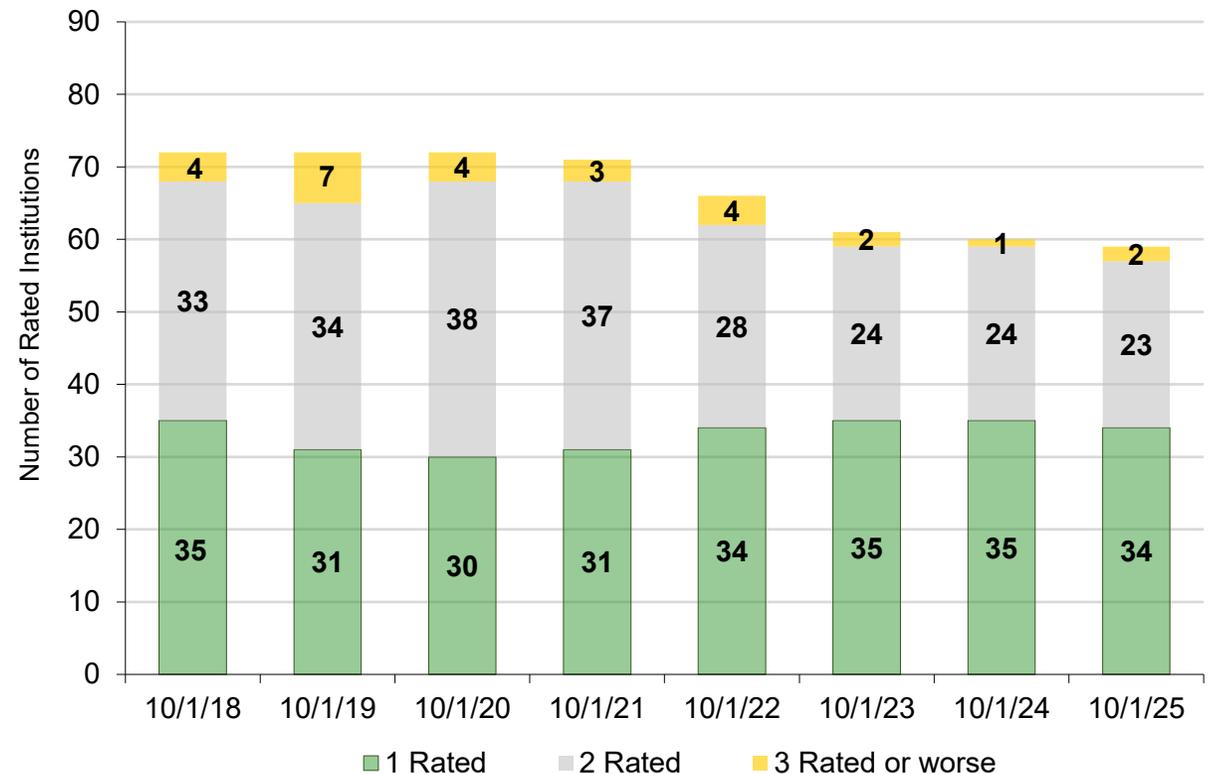


# Composite FIRS ratings remain strong

## Composite FIRS Ratings (based on 9/30/25 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 worse hold about 4% of consolidated System assets.

## Composite FIRS Ratings Farm Credit System Banks and Associations



Source: FCA’s FIRS ratings database



# Risks we are monitoring

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- ▶ Heightened credit risk for agribusinesses as profit margins remain under pressure from high costs and uncertain demand.
- ▶ Continuing stress on cash grain sector resulting from lower prices, elevated production costs, and export uncertainties.
- ▶ Weaker margins and a volatile interest rate environment on farmland and other collateral values.
- ▶ Impacts of changes in global economic conditions on the farm economy.



# FCA Board Meeting December 2025

Exhibit E

## Semi-Annual Report on Office of Examination Operations

December 11, 2025

**Jessica Campbell, Senior Examiner**

**Nicole Peek, Senior Examiner**

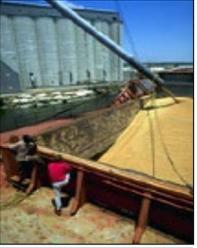
**Office of Examination**





# OE Operations Agenda Topics

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## ▶ Fiscal Year 2025 Operating Plan Objectives

- Risk Supervision and Examination Activities
- Public Mission
- Operational Efficiency and Effectiveness
- Human Capital

## ▶ Office of Examination Budget Results



# Risk Supervision & Examination

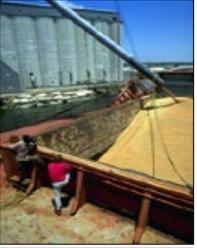
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- ▶ Conducted **onsite** examination and/or oversight activities as planned at 4 funding banks, 50 associations (90%), and 6 other entities
- ▶ Issued 48 reports of examination, 32 interim activity letters, and 66 FIRS Letters
- ▶ Maintained a higher level of supervisory oversight at 1 System institution
- ▶ Issued examination guidance





# Risk Supervision & Examination (continued)



- ▶ FY 2025 National Oversight Plan Focus Areas
  - Sustainability of capitalization practices
  - Innovation through automation and artificial intelligence
  - Mission-focused lending
  - Sound governance
  - Credit and collateral risk exposure
  - Cyber risk management
  
- ▶ Completed all 7 systemic risk strategies and 1 institution risk strategy



# Public Mission

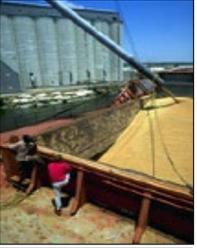


- ▶ Young, Beginning, and Small Farmers (YBS) Final Rule
  - YBS final rule became effective February 1, 2024
  - Examiners evaluated compliance during select statutory compliance date examinations
  - Worked with ORP on internal and external YBS FAQs
- ▶ YBS Ratings and Data
  - Examiners reviewed non-lending reports and other materials provided by institutions and assigned a qualitative rating as of June 30
  - We continued to work internally and with the System to improve usability and consistency of YBS lending and non-lending data



# Operational Efficiency and Effectiveness

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- ▶ Examination Tool Innovations
  - Continued to enhance the EDGe application and reports
- ▶ OE Operational Process Innovations
  - Continued to modernize OE management reporting and planning processes by transitioning reports to PowerBI
- ▶ FCS Loan Database Improvements
  - Continued to work with the System to add new data fields and assess and improve data reliability
- ▶ Further Automated FCA's GIS Processes



# Human Capital



- ▶ We did not meet hiring and retention targets for FY 25
  - The Deferred Resignation Program (DRP) and the hiring freeze impacted our plans
  - Attrition rate was 12% at fiscal yearend which was an increase from the prior year due to the DRP
  - We onboarded 9 associate examiners instead of the 14 initially hired. We were also not able to complete all planned mid-career hiring
- ▶ We completed our strategies related to training, development, and knowledge transfer



# Human Capital (continued)

- ▶ Ended FY 2025 below plan on total staff
- ▶ Remained below optimal target for total staff, commissioned examiners, and technical specialists as of September 30, 2025

## Total OE Staff

Total OE Staff	Planned	Actual	Variance
Beginning FY 2025	189	186	(3)
Attrition   Retirements	(18)	(23)	(5)
Hirings	18	15	(3)
<b>Ending FY 2025</b>	<b>189</b>	<b>178</b>	<b>(11)</b>

## Commissioned Examiners

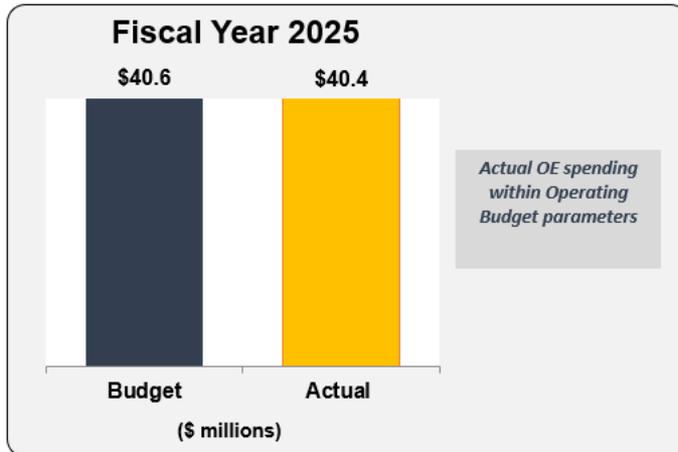
Commissioned Examiners	Planned	Actual	Variance
Beginning FY 2025	85	86	1
Attrition   Retirements	(8)	(10)	(2)
Promotion to EMT	(1)	(2)	(1)
Hirings	3	1	(2)
Newly Commissioned	10	11	1
<b>Ending FY 2025</b>	<b>89</b>	<b>86</b>	<b>(3)</b>





# OE Budget Results

- ▶ Fiscal Year as of September 30, 2025
  - Actual expenses were in line with our adjusted budget while operating under continuing resolution
  - Full Time Equivalents (FTEs) were below budgeted



FTEs	
◆ Budgeted Full Year FTEs	187.2
◆ Actual Full Year FTEs	183.6
Variance	-3.6

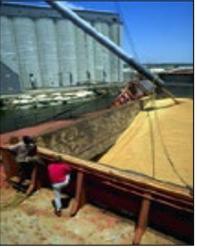




# Summary

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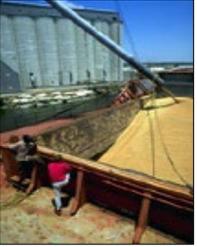
- ▶ Effectively conducted all planned examination and oversight activities
- ▶ Completed FY 2025 Operating Plan and NOP strategies
- ▶ Focused on ensuring OE has sufficient highly skilled staff to accomplish our mission
- ▶ Actively managed our budget under the year-long continuing resolution





# Discussion

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**THANK YOU**