

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  
June 12, 2025**

These minutes reflect the business transacted at the June 12, 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 10:54 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 13 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 May 8, 2025**

**(BM-12-JUN-25-01)**

**Board Member Smith** moved to approve the minutes for the May 8, 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-12-JUN-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**

**Rebecca Kaiser** of the **Office of Data Analytics and Economics** and **Tony Haas** 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**

**Brandon Arnold** and **Tiffany West** 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 10:54 a.m.

### **NOTATIONAL VOTE ACTIONS**

There was one notational vote action approved by the FCA Board from May 8, 2025, through June 11, 2025.

<b>Item Number</b>	<b>Action Date</b>	<b>Voting Results</b>	<b>Subject</b>
NV 25-10	5/24/2025	Approved	Farm Credit Administration FY 2025 Assessment Reduction

The undersigned hereby certify that the foregoing minutes are the official minutes of the regular meeting of the Farm Credit Administration Board held on June 12, 2025.

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

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

Approved: July 10, 2025

**BOARD AND STAFF PRESENT AT THE  
FCA REGULAR BOARD MEETING  
June 12, 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
Donner, Mary Alice	X
Stokke, Michael	X
Calhoun, Gaye	X
Lewandowski, Barbara	X
Waldron, Ashley	X
<b>OCOS</b>	
Coleman, Robert	X
Cunningham, Lesley	X
<b>OEEO</b>	
Burlew, Thais	X
Fish, Tyler	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, Philip	X
<b>OGC</b>	
Mahini, Seema	X
Griffin, Ward	X
<b>OE</b>	
Duffy, Mike	X
Fennewald, Dan	X
Boston, Robin	X
Greenlee, Angela	X
Arnold, Brandon	X
Haas, Tony	X
West, Tiffany	X
<b>ODAE</b>	
D'Antoni, Jeremy	X
Shields, Dennis	X
Iannetta, Sal	X
Kaiser, Rebecca	X
<b>OIG</b>	

<b>ATTENDEES</b>	<b>OPEN SESSION</b>
Novak, Nick	X
Cerne, Sonya	X
<b>OSMO</b>	
Fay, Thomas	X
Hudson, Bruce	X
Crotts, Jeremy	X
McGee, Brianna	X
<b>ORP</b>	
Kramp, Kevin	X
Agans, Autumn	X
Leist, Ryan	X
<b>OCFO</b>	
Peterman, Mary	X
Soares, Ily	X
<b>OAS</b>	
Bell, Vonda	X
<b>FCSIC</b>	
Simonson, John	X
Wynn, Wade	X
Morgan, Matthew	X
<b>GENERAL PUBLIC</b>	13

## **Farm Credit Administration**

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

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### **PUBLIC ANNOUNCEMENT OF MEETING SUBJECT TO THE GOVERNMENT IN THE SUNSHINE ACT**

#### **Farm Credit Administration Board Regular Meeting June 12, 2025**

**TIME AND DATE:** 10 a.m., Thursday, June 12, 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 May 8, 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

May 29, 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 May 8, 2025, Regular Board Meeting**

**BM-12-JUN-25-01**

**Effective Date:** June 12, 2025

**Impact on Prior Board Actions:** None

#### **THE FCA BOARD HEREBY:**

- Approves the minutes for the May 8, 2025, regular Board meeting, as presented.

**DATED THIS 12<sup>th</sup> DAY OF JUNE 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

June 12, 2025

Rebecca Kaiser – Senior Economist  
Office of Data Analytics and Economics

Tony Haas – Supervisory Examiner  
Office of Examination







# Topics for Open Session

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

- ▶ Macroeconomic and tariff update
- ▶ Livestock markets and crop progress
- ▶ Farm asset price trends

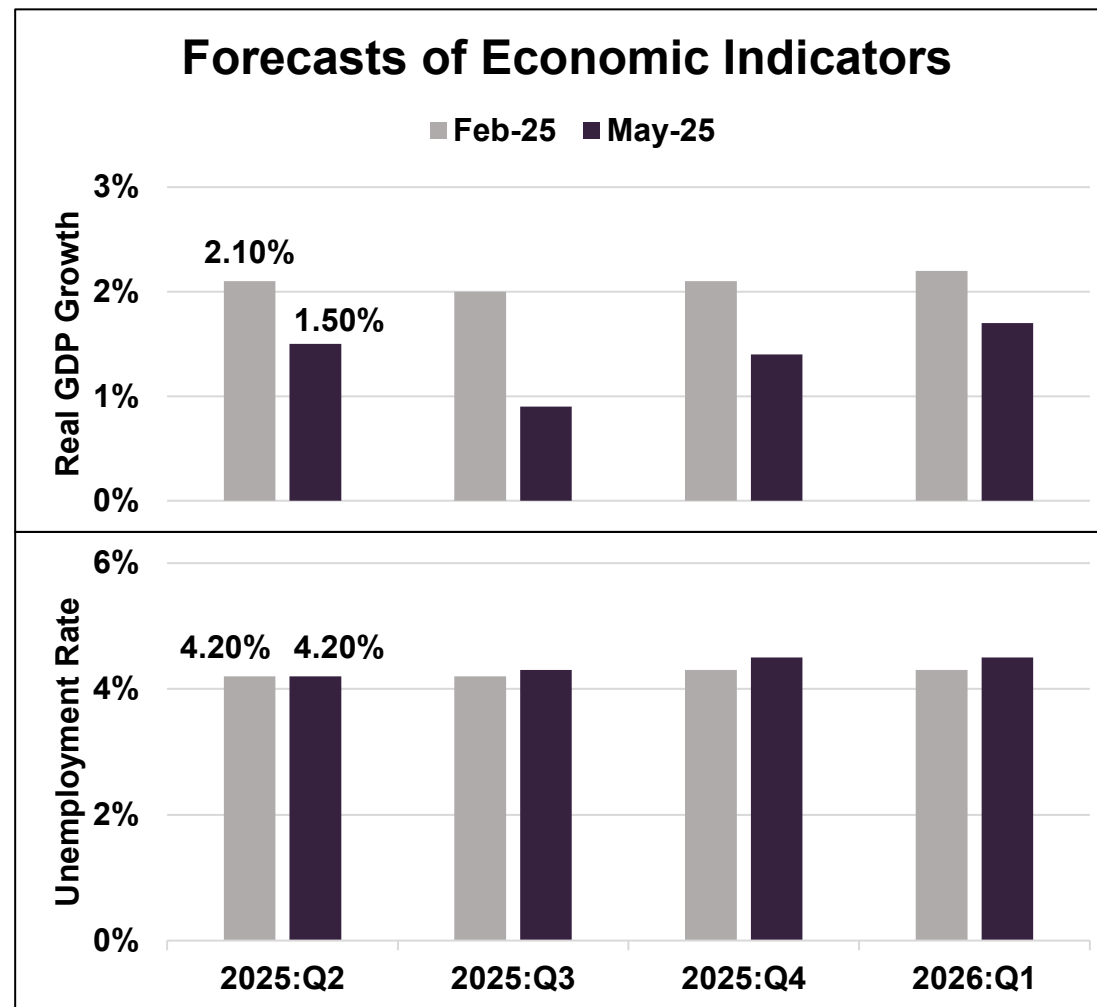
## **Farm Credit System Condition and Performance**

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



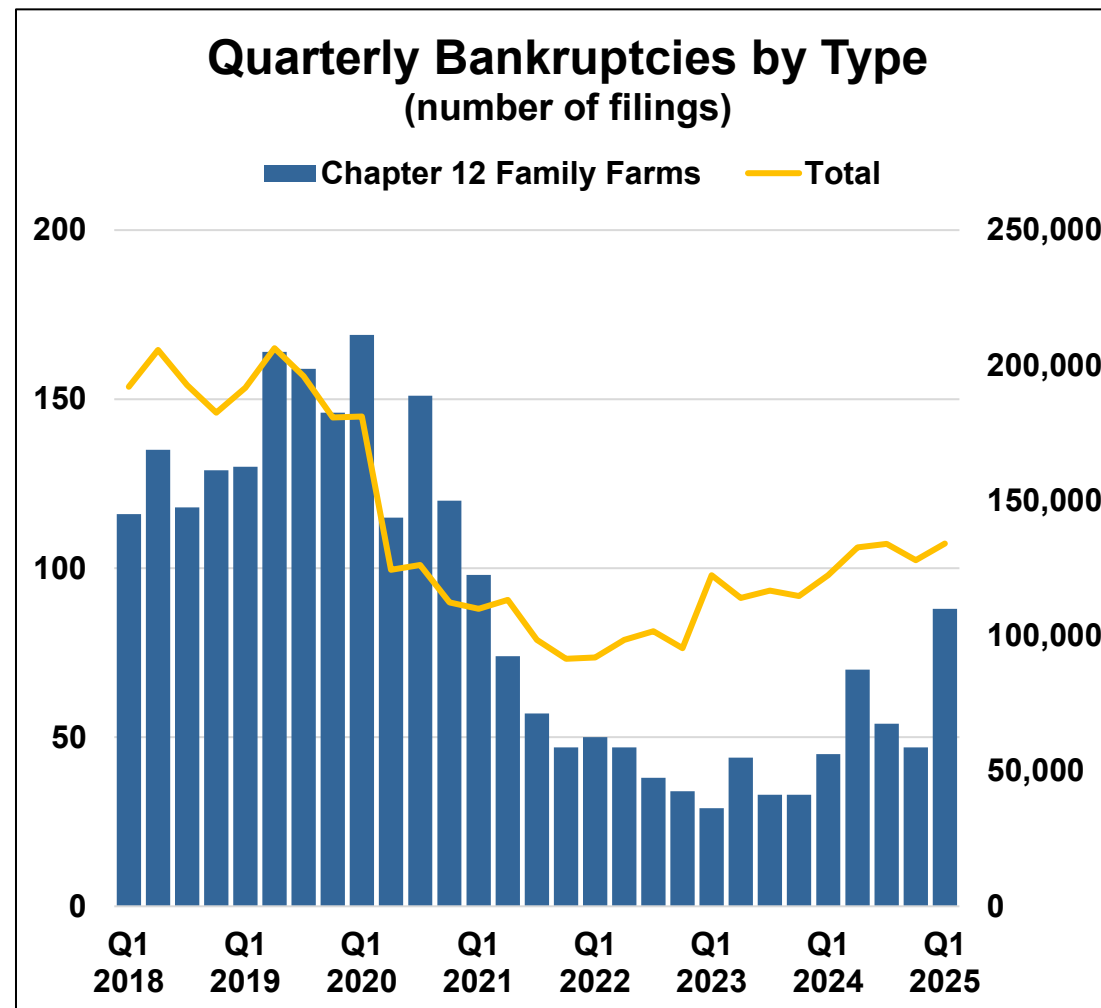
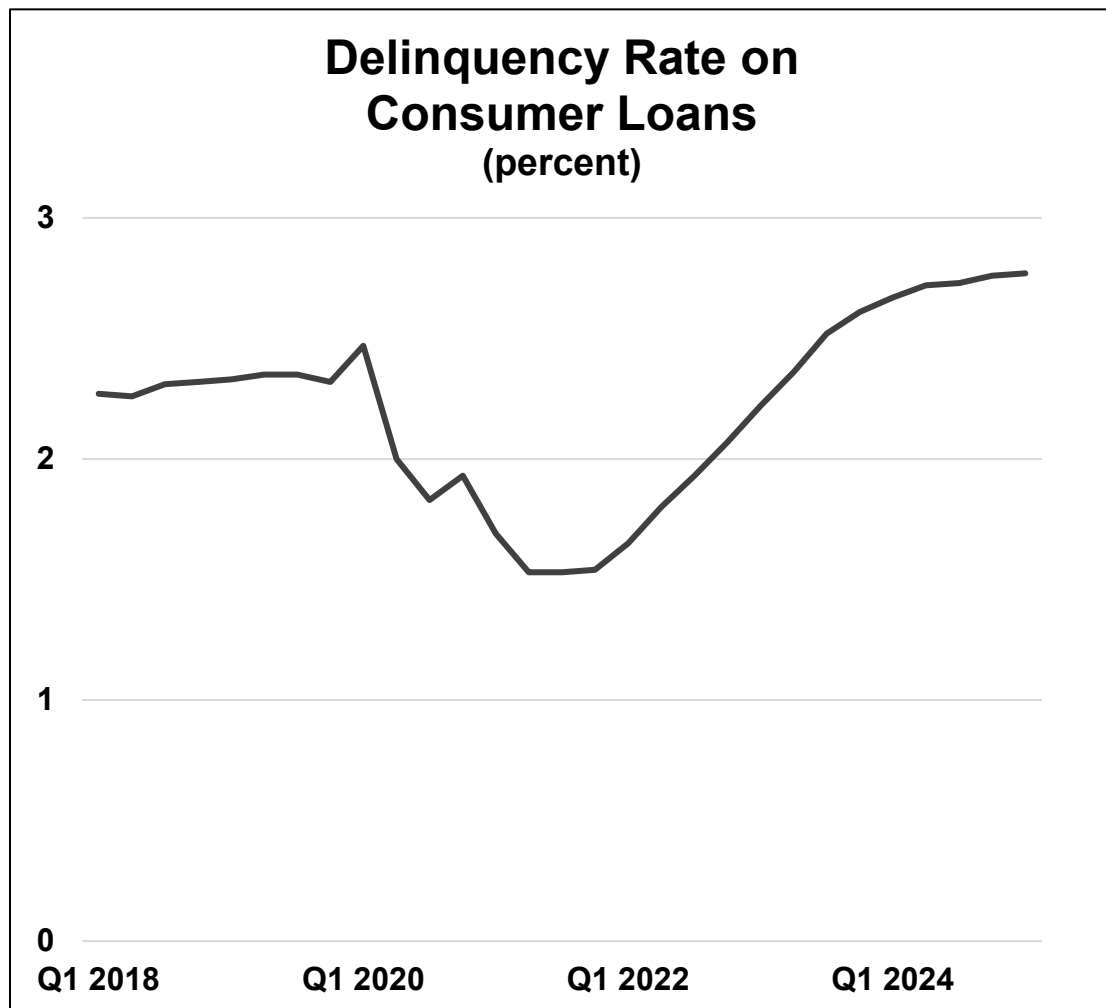
# Macroeconomic projections show slowdown ahead

- ▶ Real GDP growth is expected to be lower for 2025 after Q1 2025 posted negative growth.
- ▶ Projections for major economic indicators remain favorable overall but worsened slightly from early 2025.
- ▶ Tariff update





# Signs of weaknesses or return to status quo?

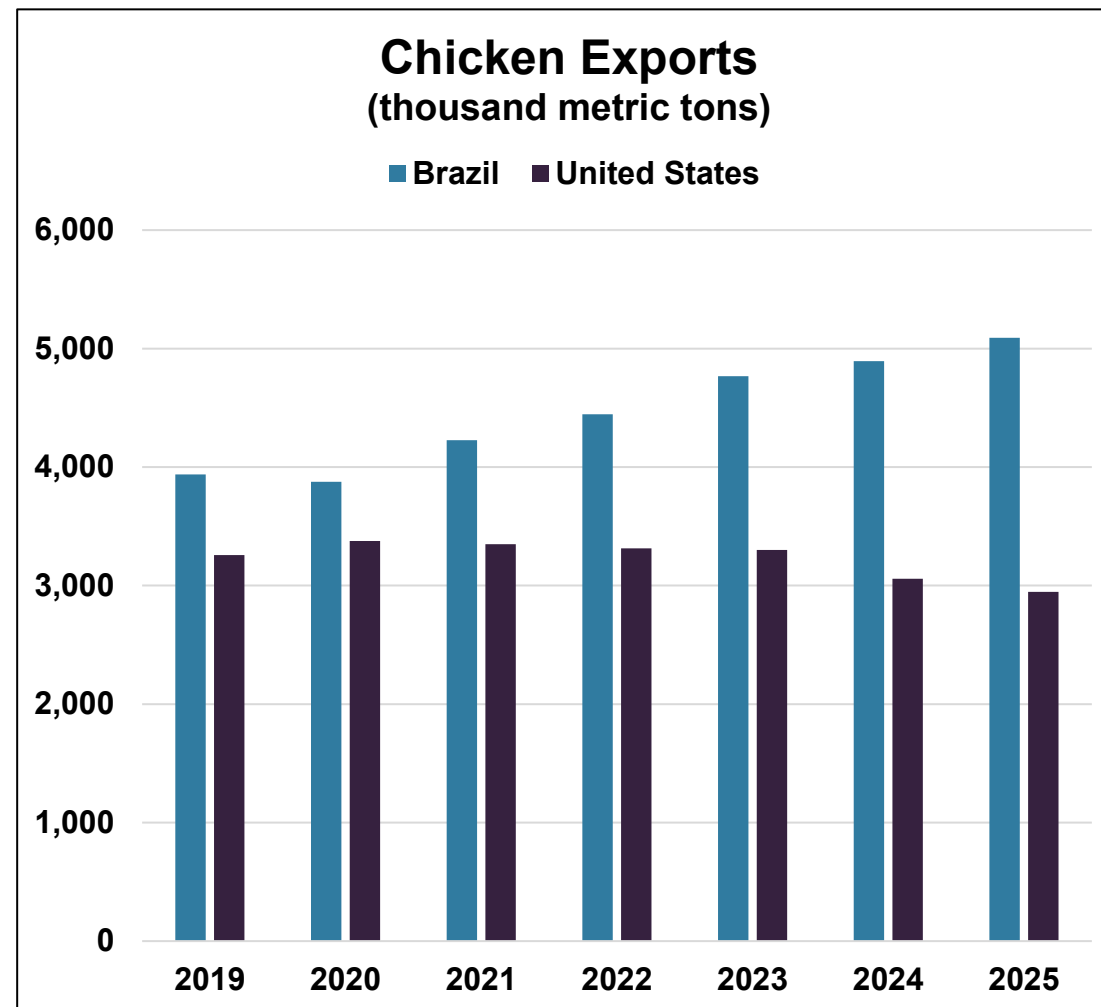


Sources: Board of Governors of the Federal Reserve; US Courts



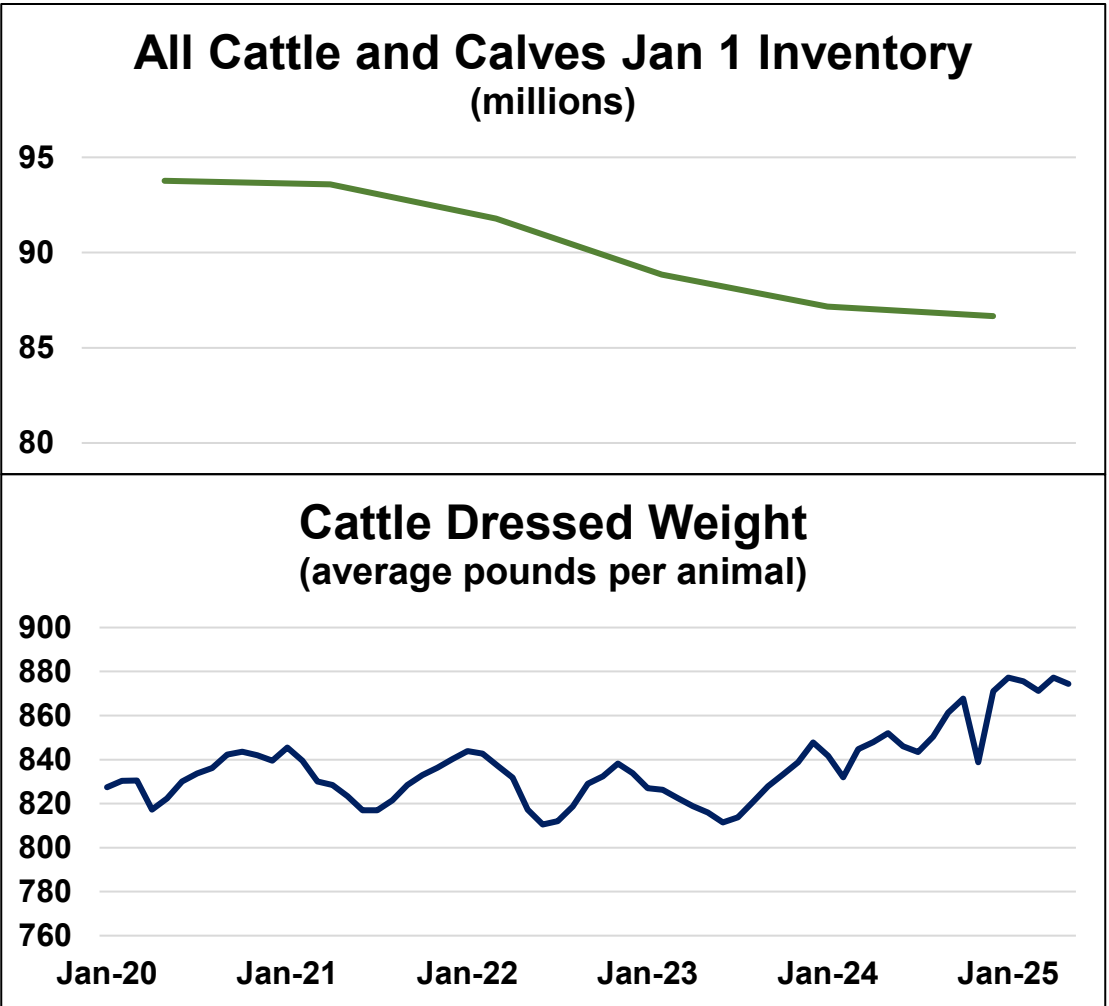
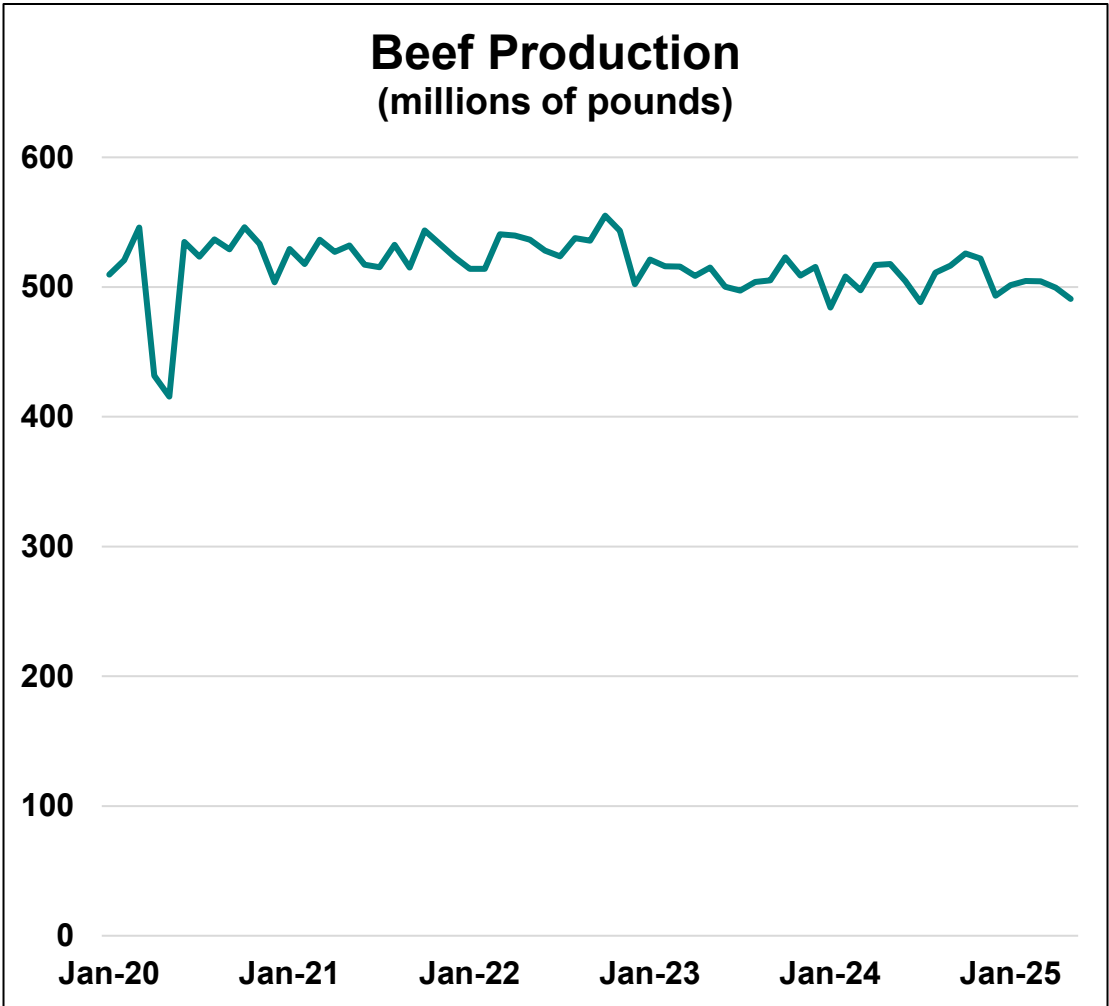
# HPAI slows in the U.S., appears in Brazilian broilers

- ▶ Highly Pathogenic Avian Influenza (HPAI) has slowed in the U.S., allowing poultry and egg producers to rebuild flocks.
- ▶ HPAI detected at commercial operations in Brazil, which presents opportunity for U.S. producers to increase exports.





# Beef production remains relatively level despite inventory declines

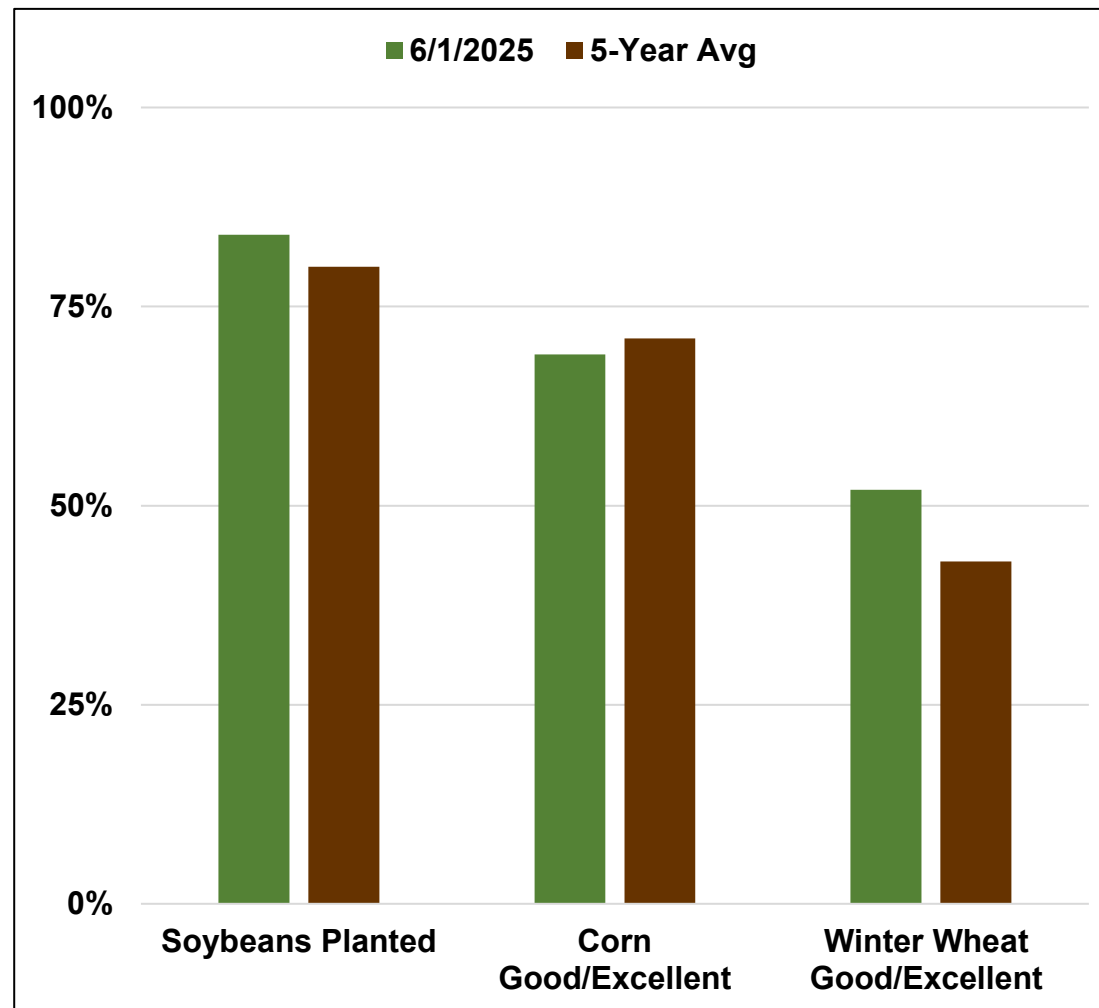


Sources: USDA AMS compiled by LMIC



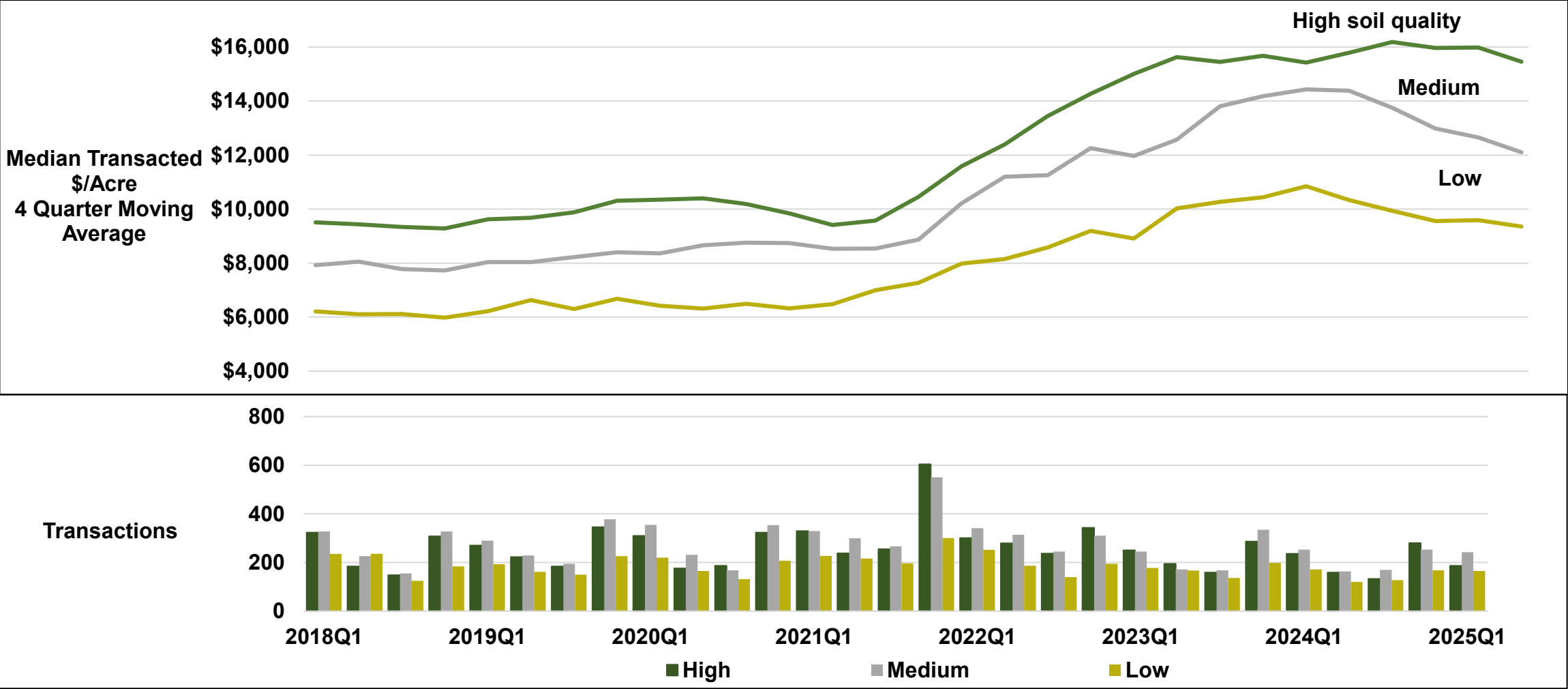
# Crop progress and conditions look good

- ▶ Plantings of corn and soybeans are ahead of 5-year averages.
- ▶ Winter wheat conditions show potential for increased average yields, partially offsetting decrease in planted acres.
- ▶ Drought in the Great Plains and flooding in the Eastern U.S. create challenging conditions for producers.





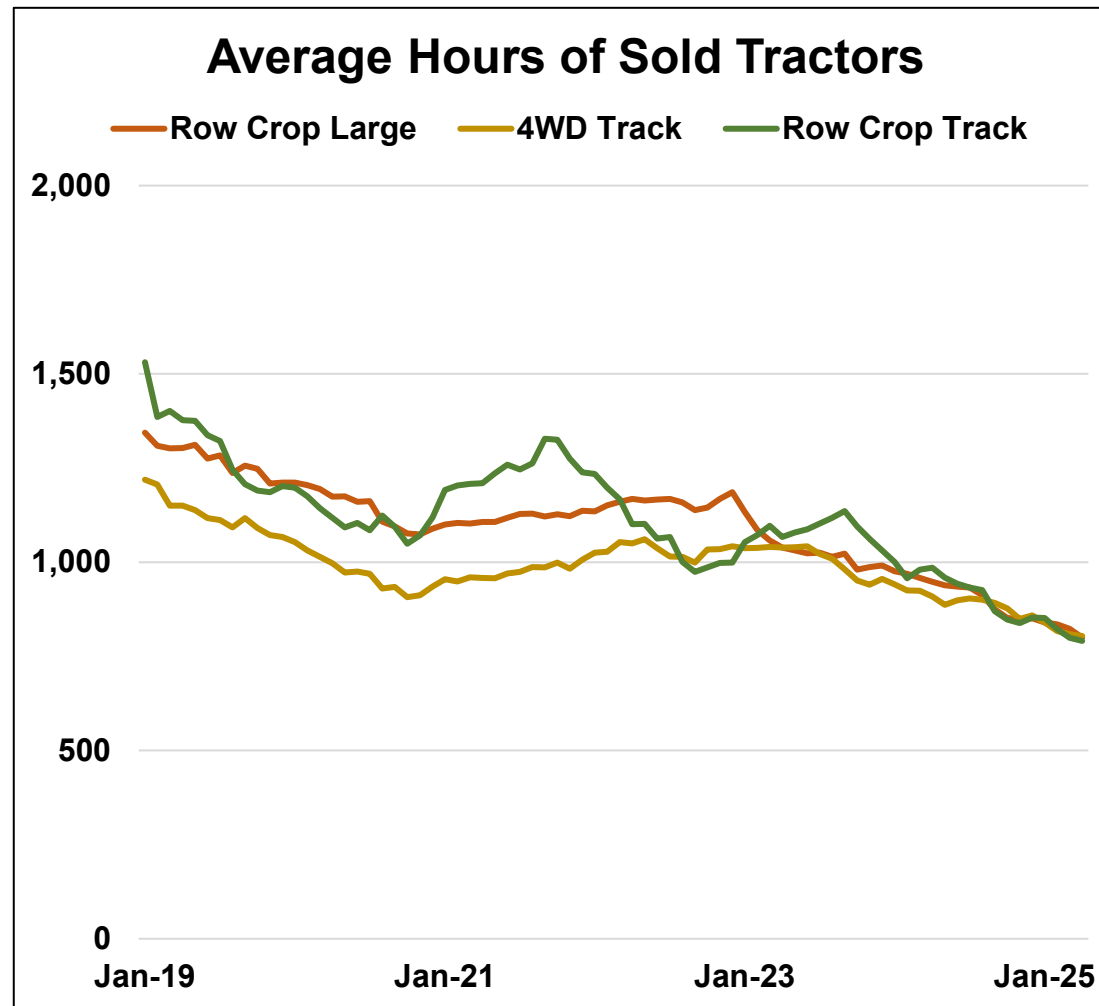
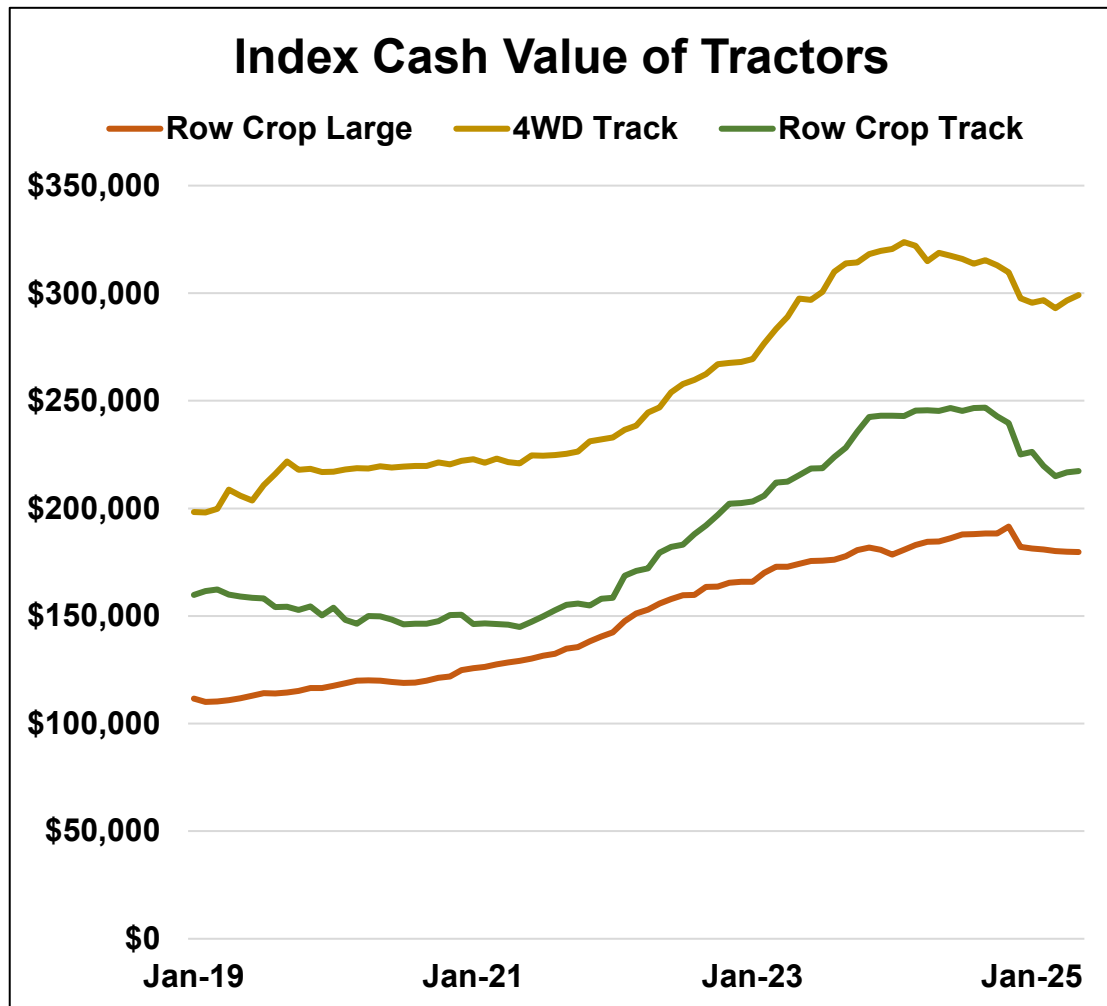
# Iowa farm real estate prices have declined for medium- and low-quality land



Source: ODAE calculations using CoreLogic data



# Farm equipment prices and average age trend down

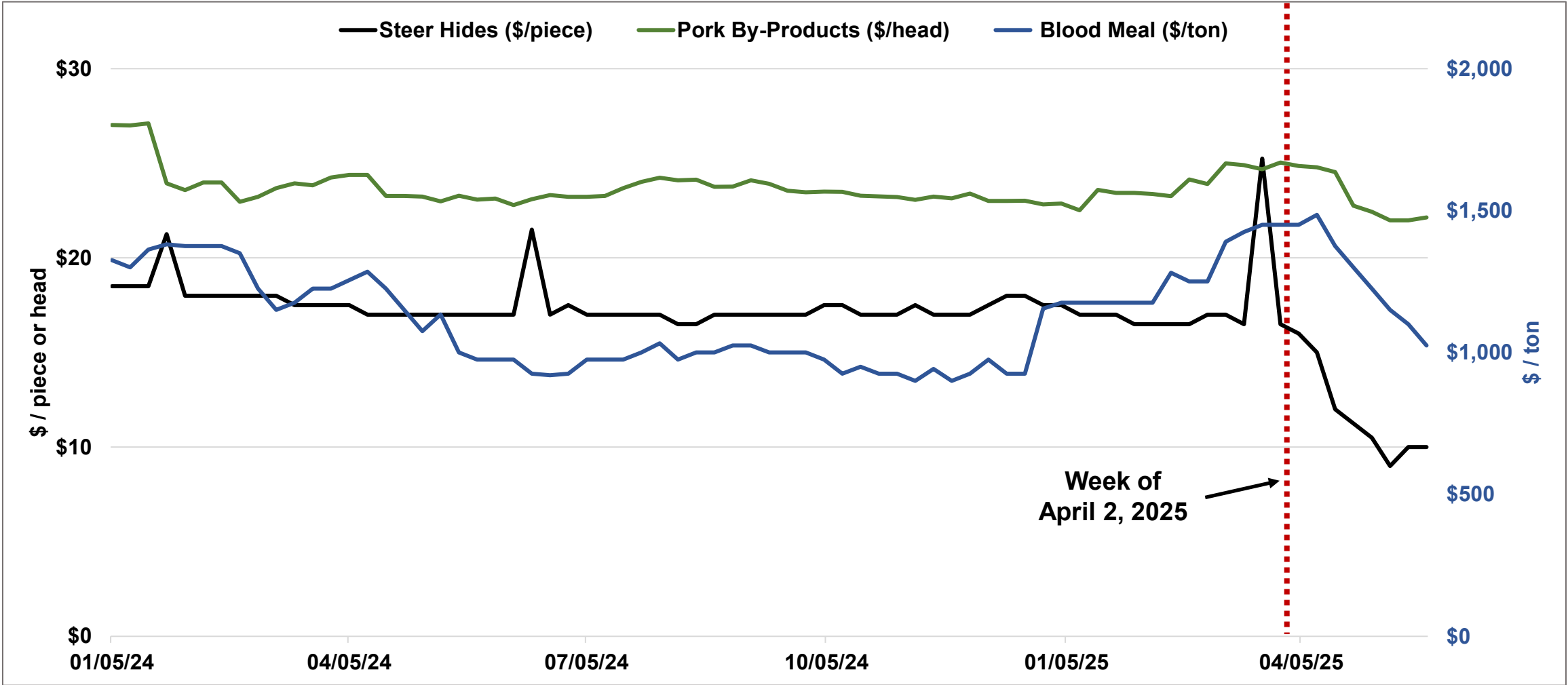


Source: IronSolutions Iron Monthly Index





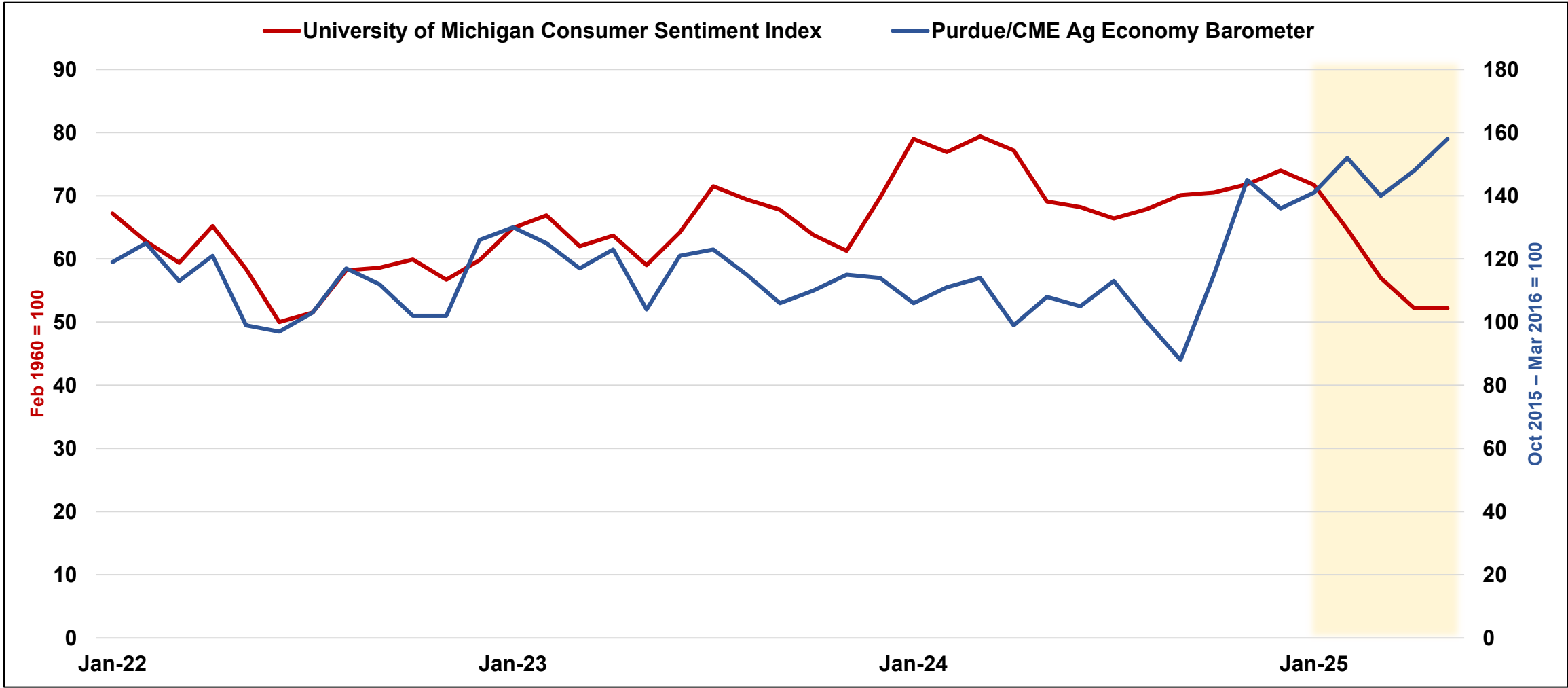
# Prices of livestock by-products have declined



Source: USDA AMS compiled by LMIC



# Consumer and farm producer sentiment diverge



Source: University of Michigan Consumer Survey; Purdue University Ag Barometer



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# Questions?



# Farm Credit System Condition and Performance as of March 31, 2025

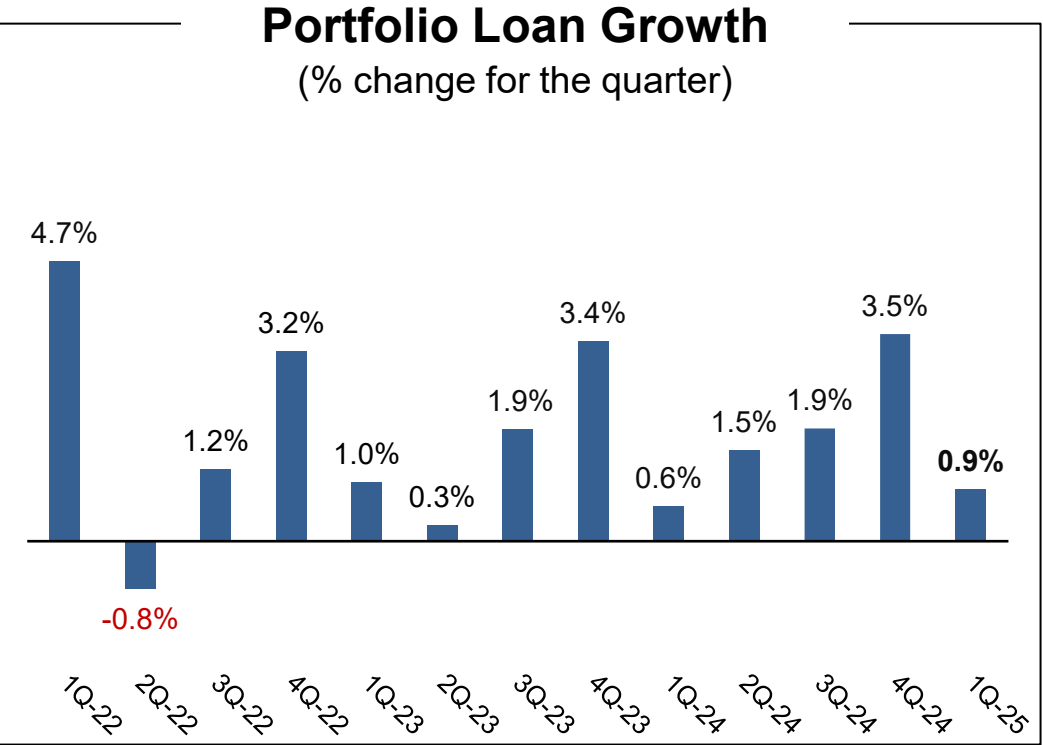
Tony Haas  
Supervisory FCA Examiner  
Office of Examination



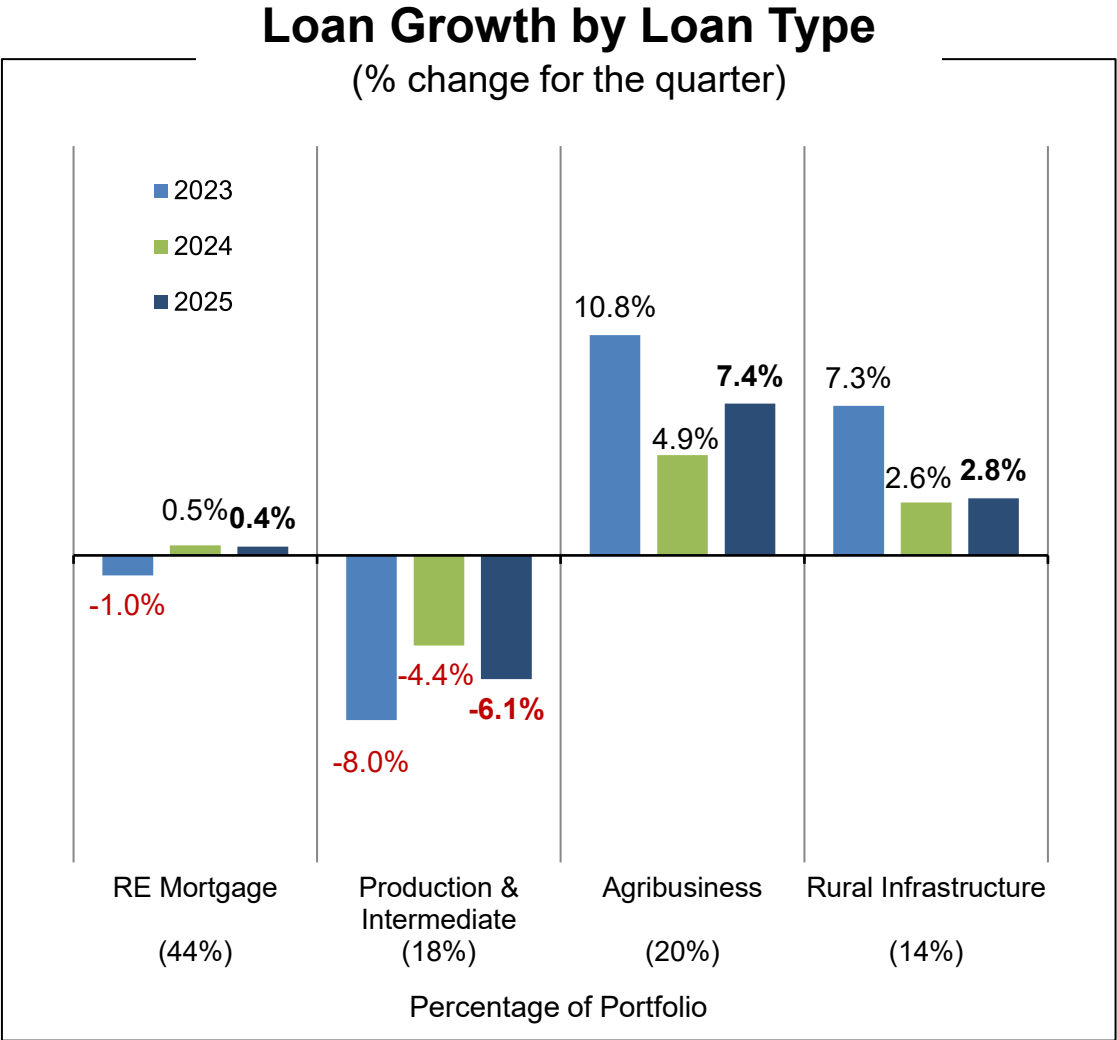


# Seasonal factors drive portfolio growth in the first quarter

Total Assets 03/31/25	\$548.5 billion	+0.8% Qtr +8.7% 12M	Gross Loans 03/31/25	\$432.7 billion	+0.9% Qtr +8.0% 12M



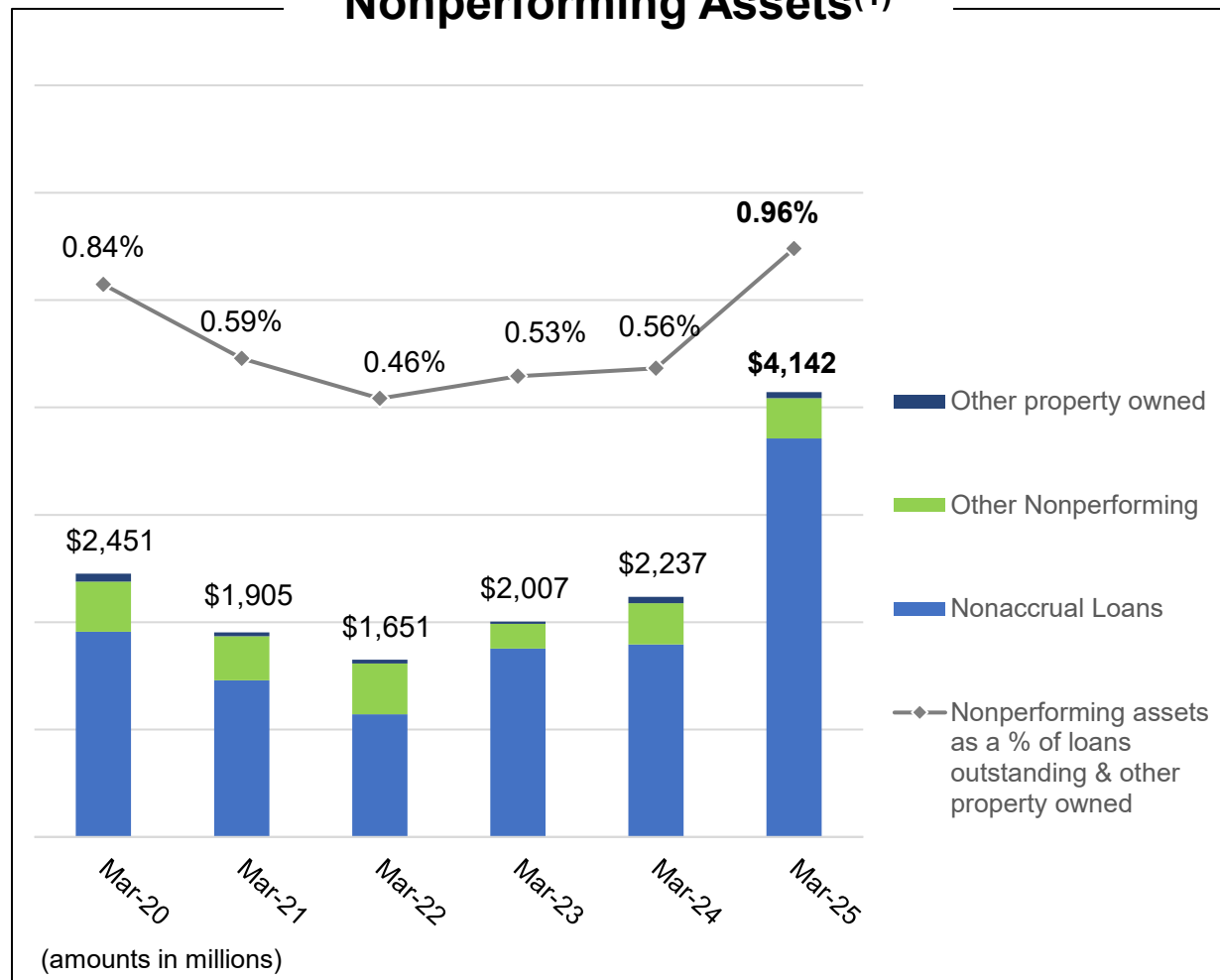
Source: Federal Farm Credit Banks Funding Corporation Information Statements



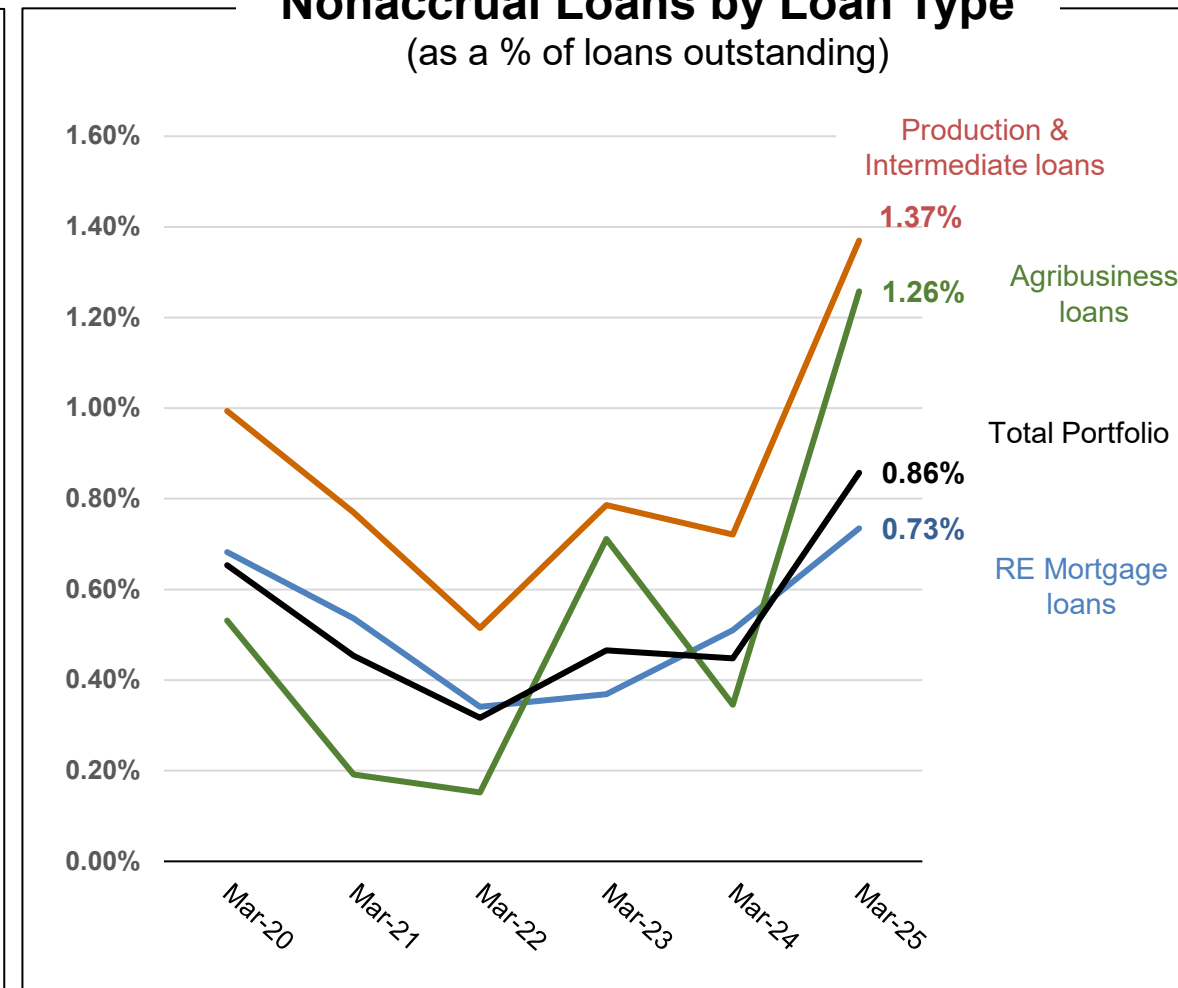


# Nonperforming assets increase; portfolio loan quality remains sound

## 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 trend higher

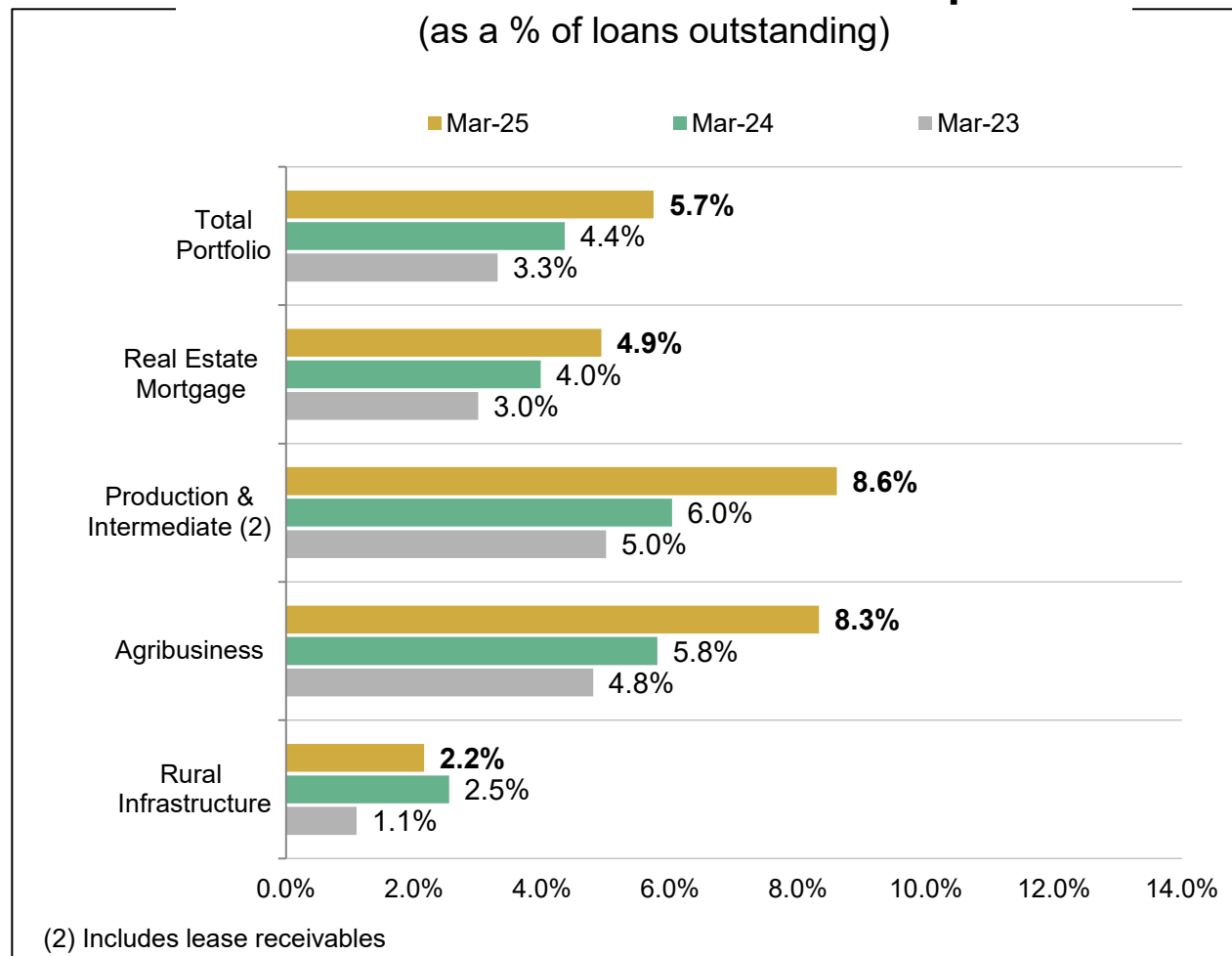
- ▶ The percentage of loans classified less than Acceptable increased in all loan categories apart from rural infrastructure.
- ▶ Production & intermediate and agribusiness loan categories had the highest percentage of less than Acceptable loans at over 8%.
- ▶ Loan delinquencies<sup>(1)</sup> as a percentage of total accruing loans equaled 0.55% at March 31, 2025 as compared with 0.36% at year-end and 0.48% at March 31, 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

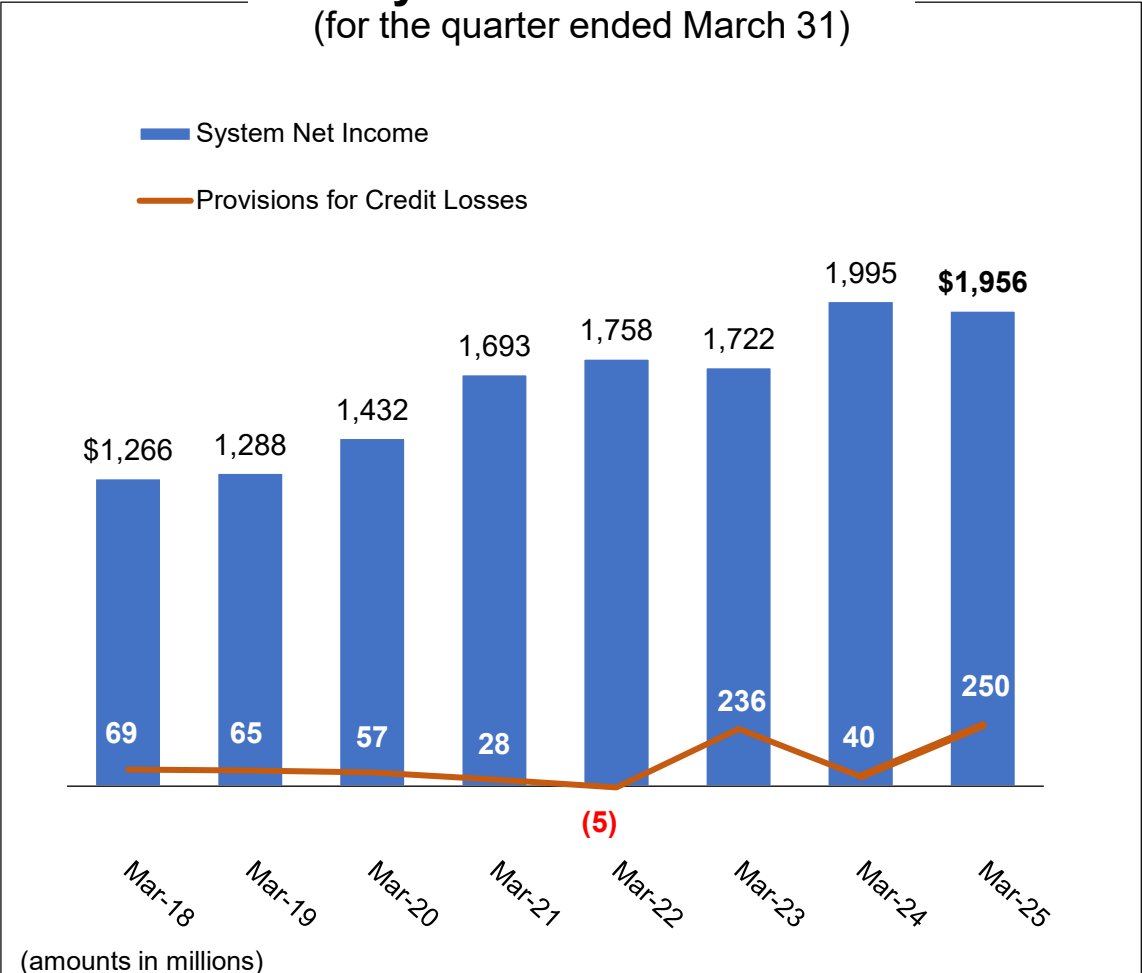
(as a % of loans outstanding)





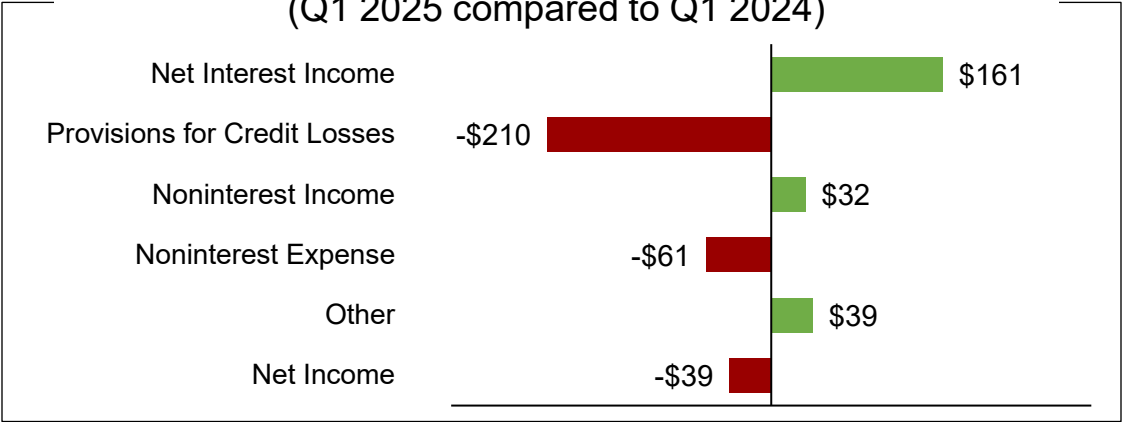
# System earnings were steady, but provisions for credit losses increased

**System Net Income**  
(for the quarter ended March 31)

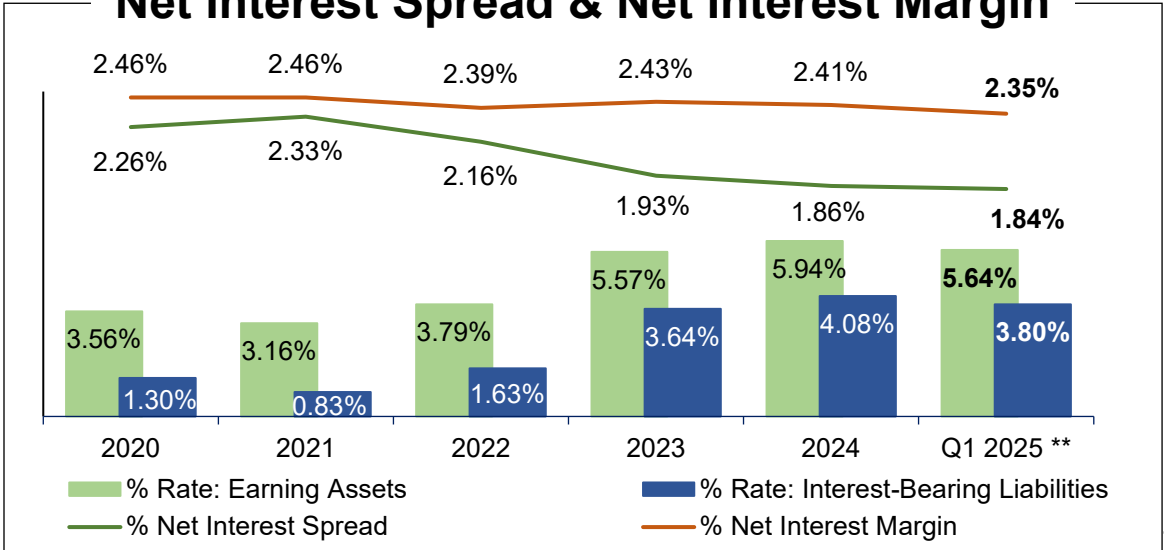


Source: Federal Farm Credit Banks Funding Corporation Information Statements

**Changes in Key Components of Net Income**  
(Q1 2025 compared to Q1 2024)



**Net Interest Spread & Net Interest Margin**



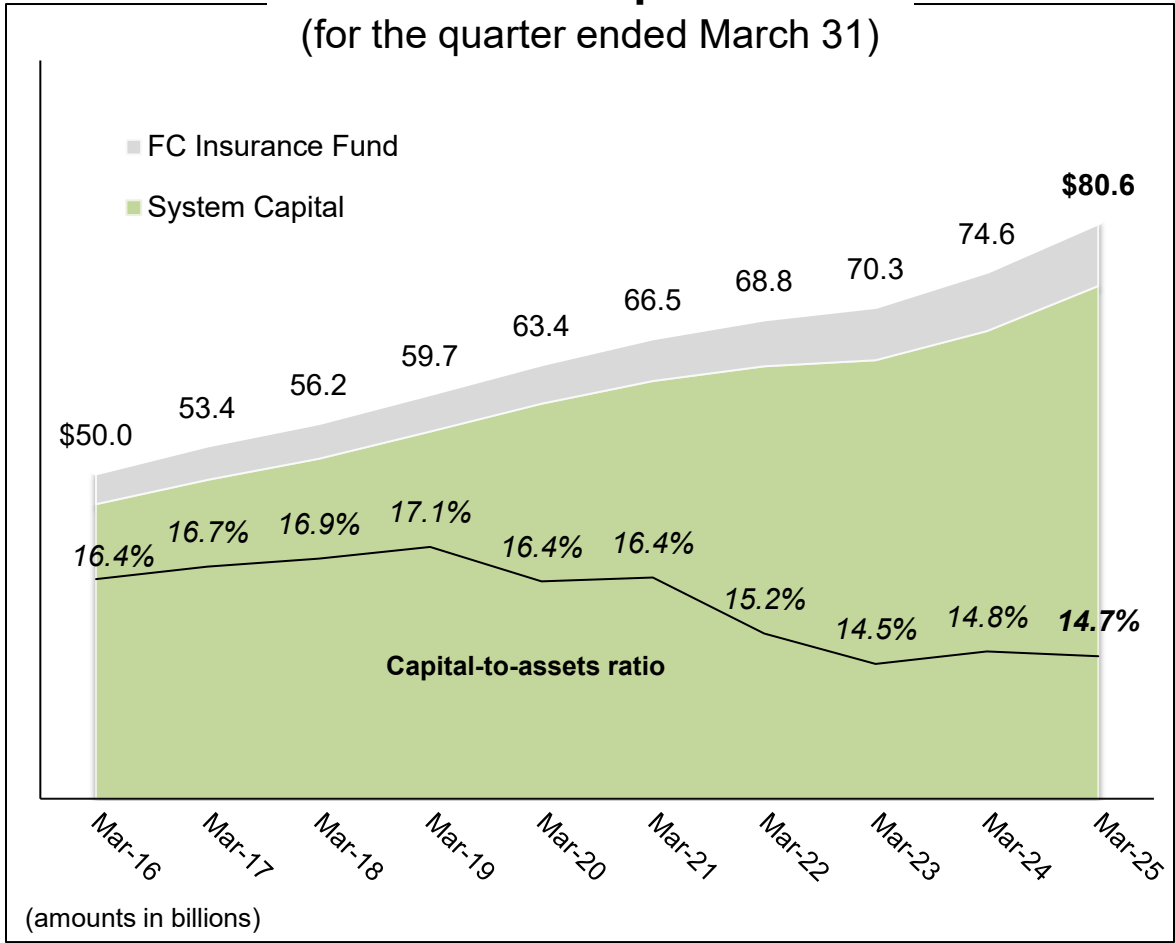




# System capital position sound; institutions have strong risk-bearing capacity

## Total Capital

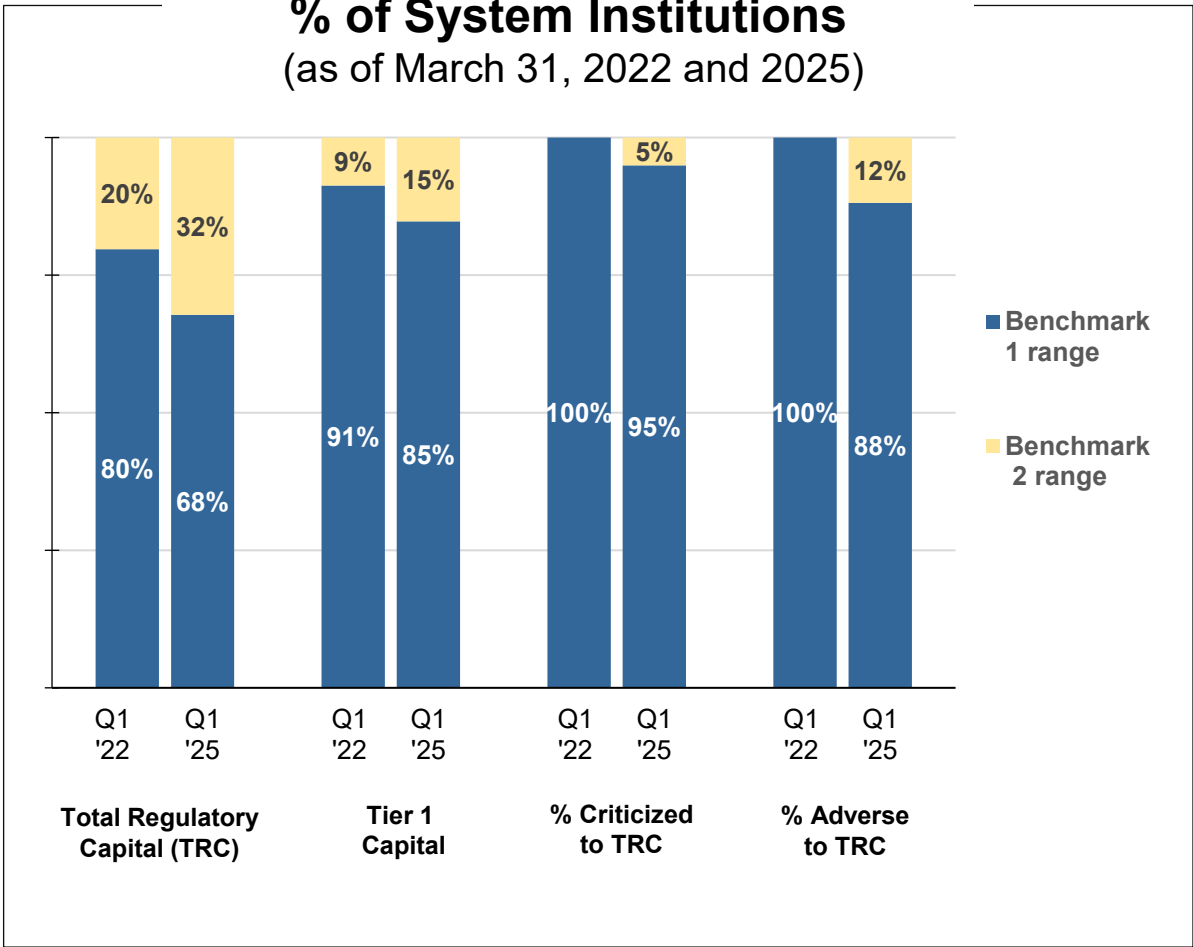
(for the quarter ended March 31)



## Capital Benchmark Ratings

% of System Institutions

(as of March 31, 2022 and 2025)



Source: Federal Farm Credit Banks Funding Corporation Information Statements

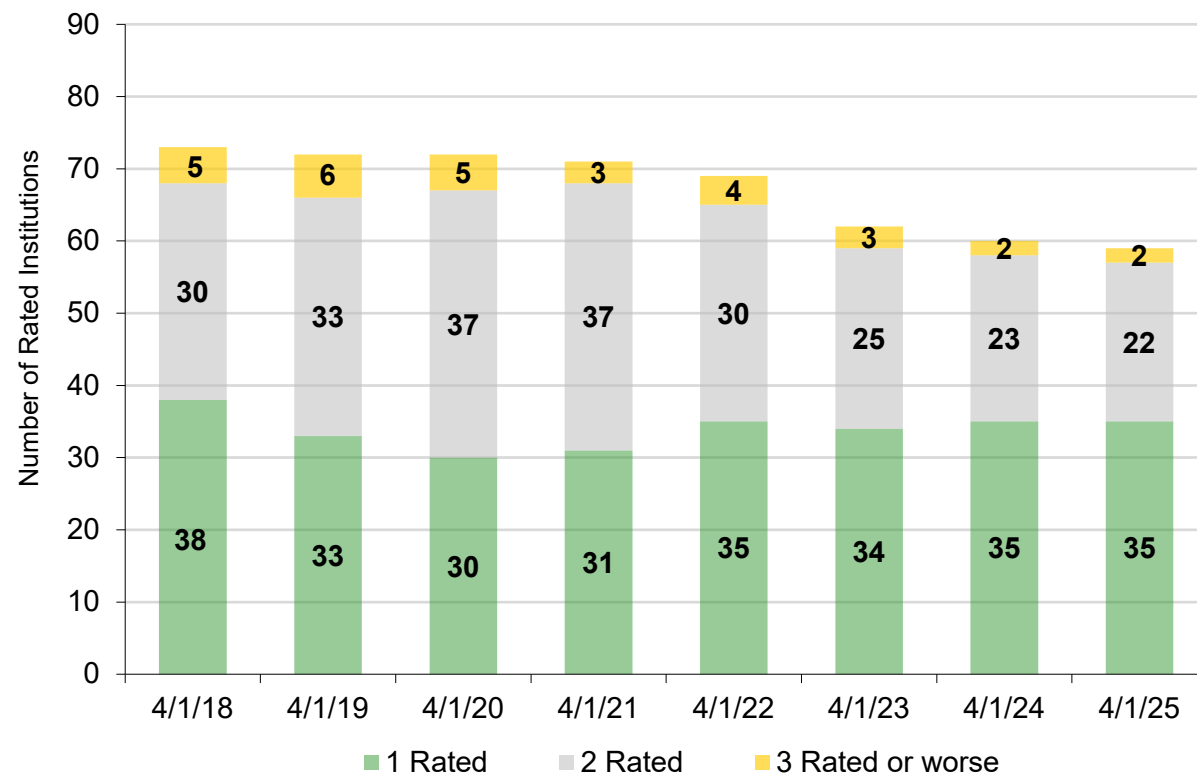


# Composite FIRS ratings remain stable

## Composite FIRS Ratings (based on 3/31/25 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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- ▶ The effect of changes in general economic conditions in the U.S. and abroad on the farm economy.
- ▶ Rising credit risk for agricultural producers and agribusinesses as profit margins remain under pressure from high costs and uncertain demand for some commodities.
- ▶ The impact of weaker margins and a volatile interest rate environment on farmland and collateral values.
- ▶ Consequences of tariffs, changes to foreign trade policies, avian influenza and other changes in government programs supporting agriculture.



# FCA Board Meeting June 2025

Exhibit E

## Semi-Annual Report on Office of Examination Operations June 12, 2025

Brandon Arnold, AEDE Supervisory Examiner  
Tiffany West, EGD Supervisory Examiner  
Office of Examination





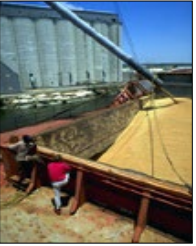
# OE Operations Agenda Topics

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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

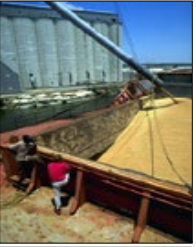




# Risk Supervision & Examination

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- ▶ Conducted **onsite** examination and/or oversight activities as planned at 3 funding banks, 32 associations (57%), and 4 other entities
- ▶ Issued 22 reports of examination, 15 interim activity letters, and 39 FIRS Letters
- ▶ Maintained a higher level of supervisory oversight at 1 System institution
- ▶ Issued examination guidance





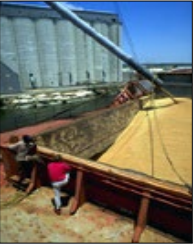
# Risk Supervision & Examination (continued)

- ▶ FY2025 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 or on target to complete the 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 will evaluate compliance during select statutory compliance date examinations
  - Worked with ORP on internal and external YBS FAQs
- ▶ YBS Ratings and Data
  - Examiners are currently reviewing non-lending reports and other materials provided by institutions to provide a qualitative rating, due June 30
  - We continue 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 Automate FCA's GIS Processes





# Human Capital

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- ▶ We will not meet hiring and retention targets for FY 25
  - The Deferred Resignation Program (DRP) and the hiring freeze impacted our plans.
  - We lost 15 staff to the DRP and are projecting an attrition rate of 12% by fiscal yearend.
  - We onboarded 9 associate examiners instead of the 14 initially hired. We were also not able to complete all planned mid-career hiring.
- ▶ We are on target to complete strategies related to training, development, and knowledge transfer



# Human Capital (continued)

- ▶ We are expecting to be significantly below targets on total staff and commissioned examiners at fiscal yearend 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)
Ending FY 2025	189	178	(11)

## Commissioned Examiners

Commissioned Examiners	Planned	Actual	Variance
Beginning FY 2025	85	83	(2)
Attrition   Retirements	(8)	(10)	(2)
Promotion to EMT	(1)	(1)	0
Hirings	3	1	(2)
Newly Commissioned	10	11	1
Ending FY 2025	89	84	(5)

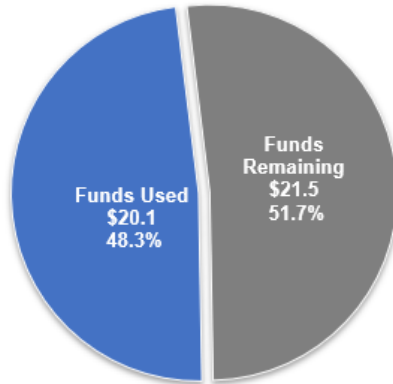


# OE Budget Results

## ► Fiscal YTD as of 3/31/2025

- Actual expenses were in line with our adjusted budget
- Full Time Equivalents (FTEs) are above budget due to the DRP

FY 2025 OE Budget  
As of 3/31/2025



FTEs	
◆ Projected Full Year FTE's	189.33
◆ Budgeted Full Year FTE's	187.02
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Budget Variance	2.31



# Summary

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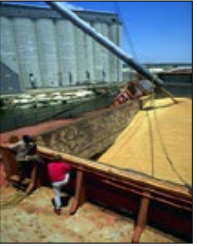
- ▶ Effectively conducted examination and oversight activities through the 1st half of FY 2025
- ▶ On target to complete FY 2025 Operating Plan objectives
- ▶ Focusing on ensuring OE has sufficient highly skilled staff to accomplish our mission
- ▶ Adjusting work scope due to reduced staff numbers
- ▶ Actively managing our budget under the continuing resolution





# Discussion

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**THANK YOU**