

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.

Item Number	Action Date	Voting Results	Subject
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

ATTENDEES	OPEN SESSION
Office of the Board	
Hall, Jeffery	X
Smith, Glen	X
Donner, Mary Alice	X
Stokke, Michael	X
Calhoun, Gaye	X
Lewandrowski, Barbara	X
Waldron, Ashley	X
OCOS	
Coleman, Robert	X
Cunningham, Lesley	X
OEEO	
Burlew, Thais	X
Fish, Tyler	X
Major, Sara Lynn	X
OIT	
Versace, Jerry	X
Matos, Ricardo	X
Rana, Ben	X
Amaya, Victor	X
OCPA	
Mosely, Ben	X
Rezendes, Andrew	X
Shelly, Philip	X
OGC	
Mahini, Seema	X
Griffin, Ward	X
OE	
Duffy, Mike	X
Fennewald, Dan	X
Boston, Robin	X
Greenlee, Angela	X
Arnold, Brandon	X
Haas, Tony	X
West, Tiffany	X
ODAE	
D'Antoni, Jeremy	X
Shields, Dennis	X
Iannetta, Sal	X
Kaiser, Rebecca	X
OIG	

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

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 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, 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



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 12th 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

Economic Conditions Affecting the Farm Credit System

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

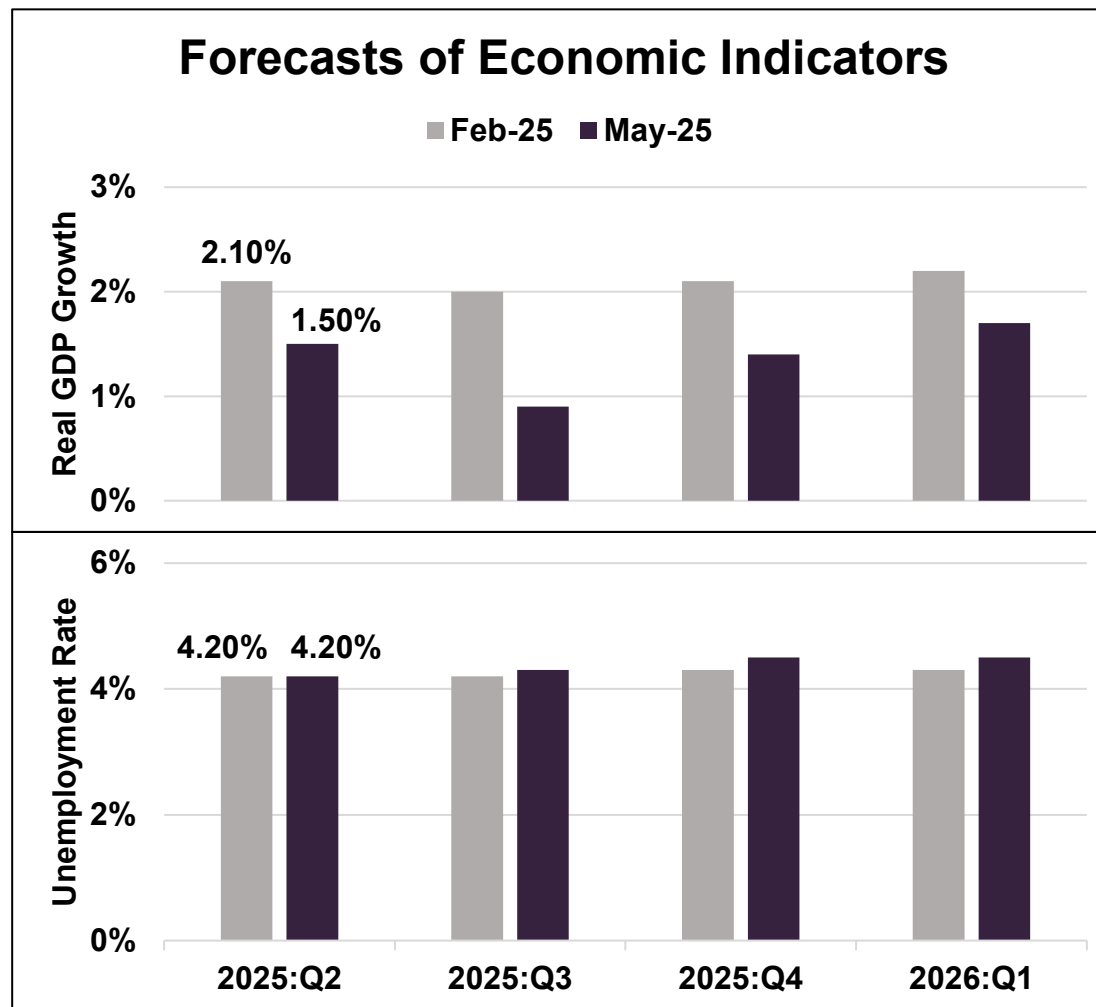
Farm Credit System Condition and Performance

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



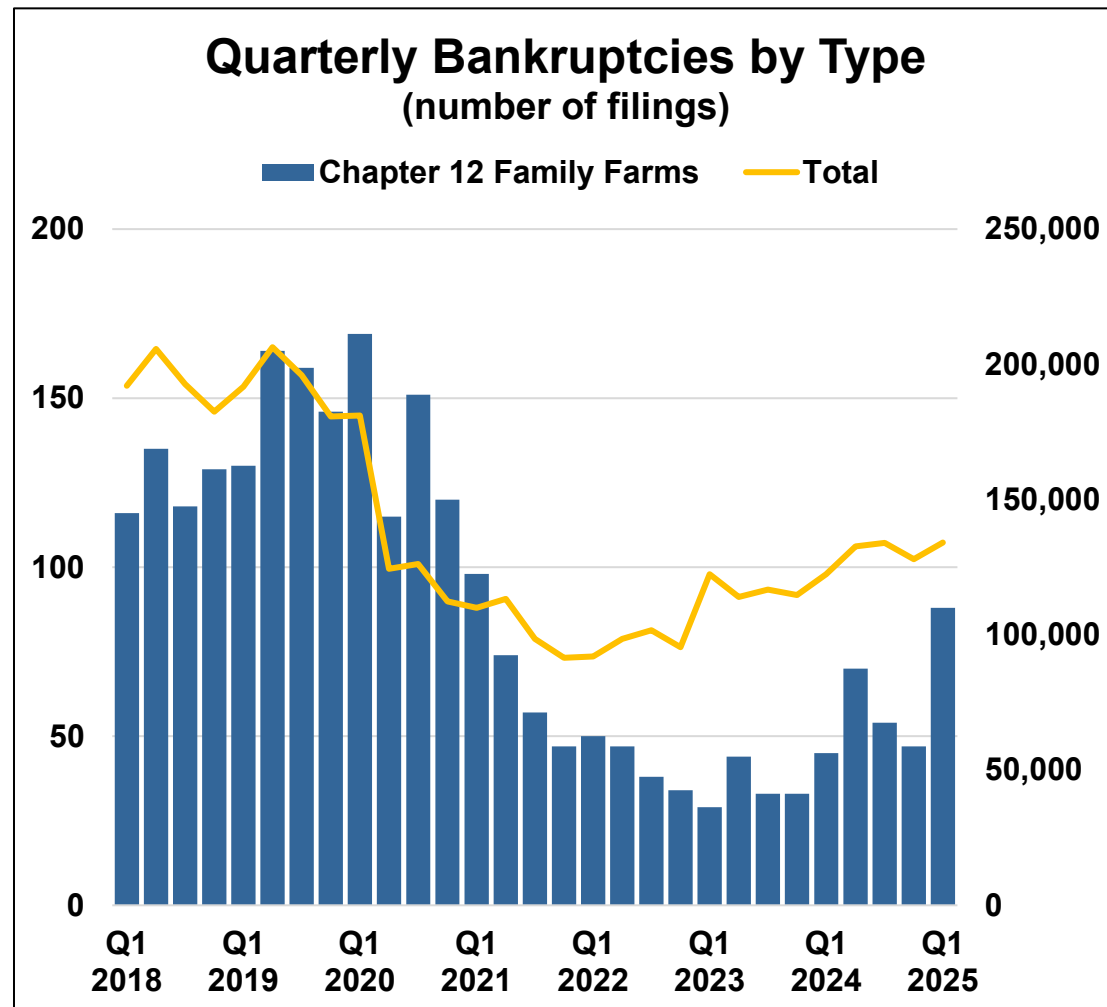
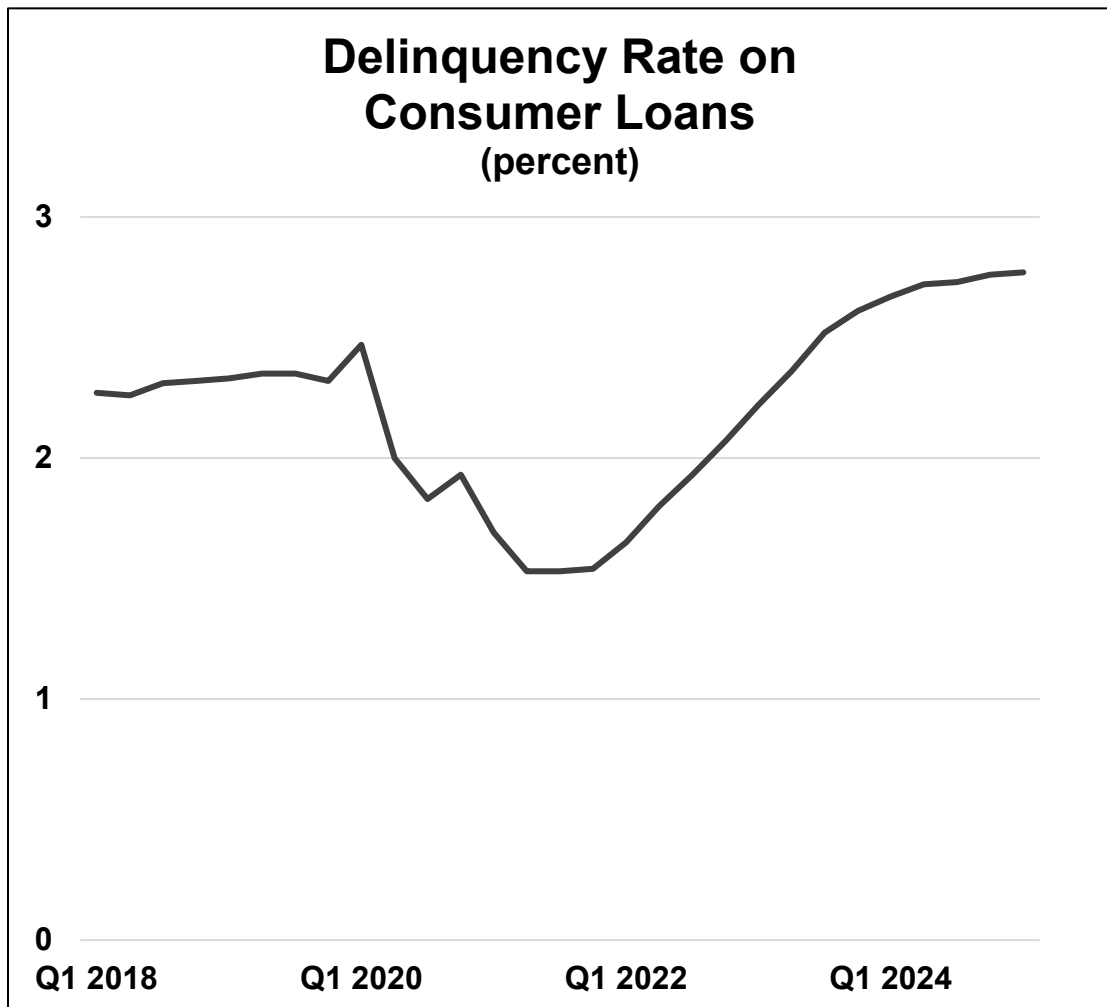
Macroeconomic projections show slowdown ahead

- ▶ 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?

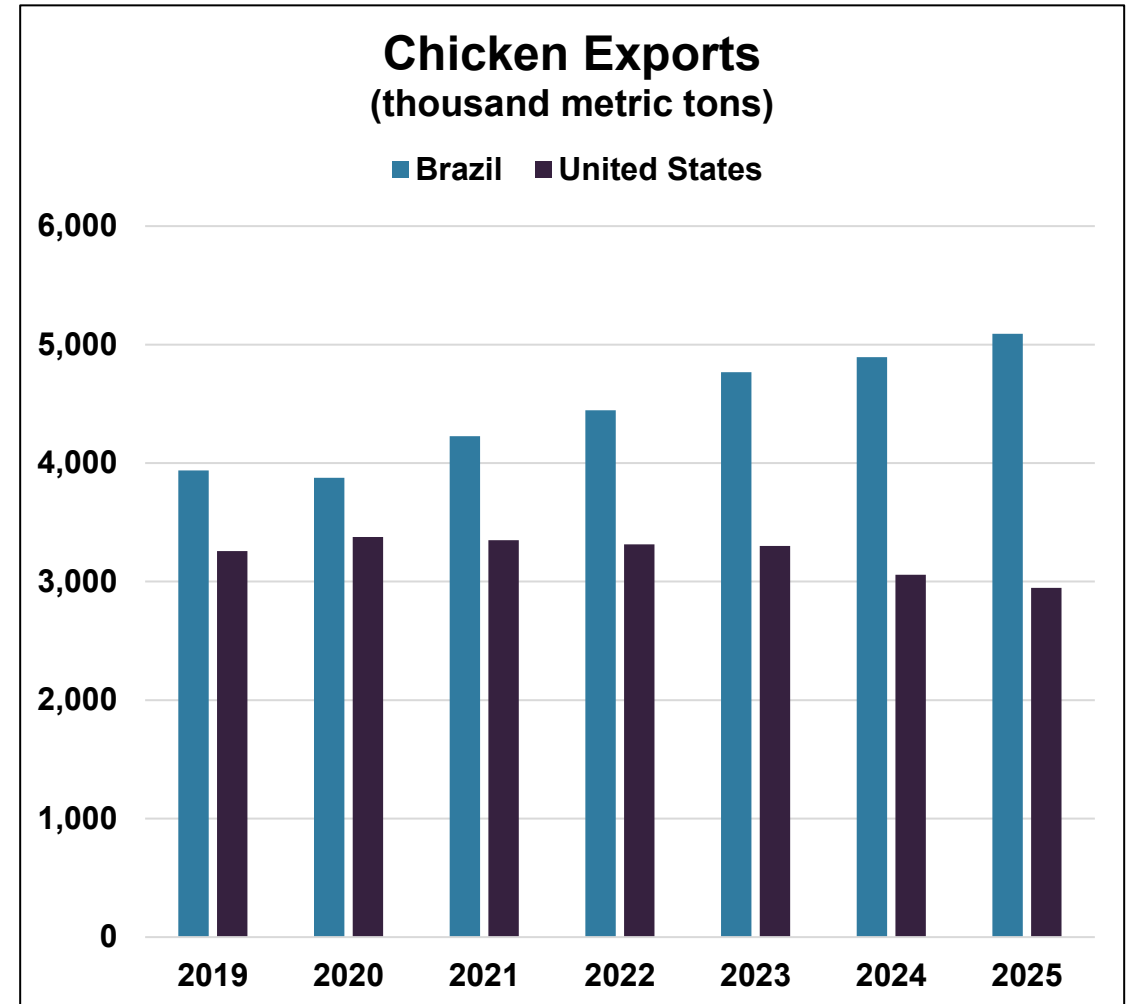


Sources: Board of Governors of the Federal Reserve; US Courts



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

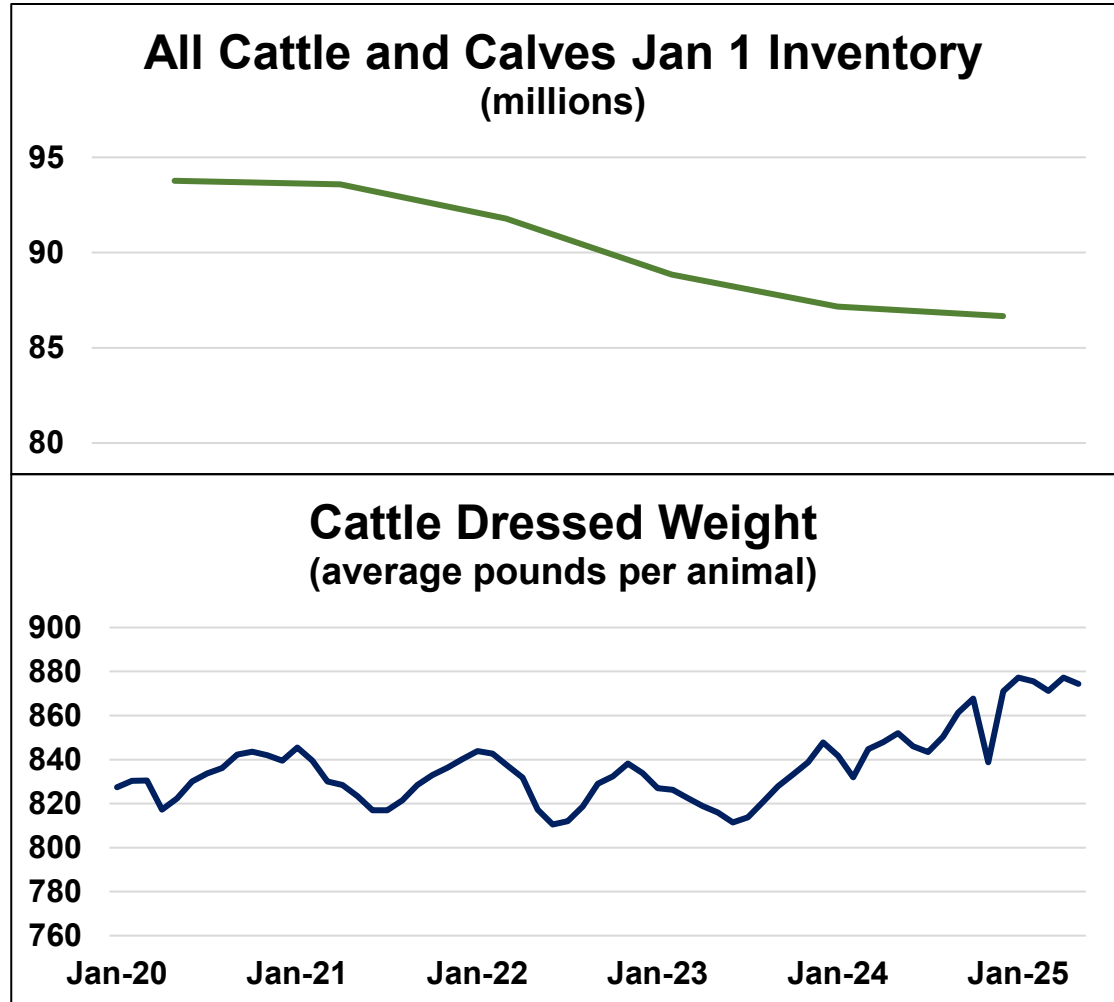
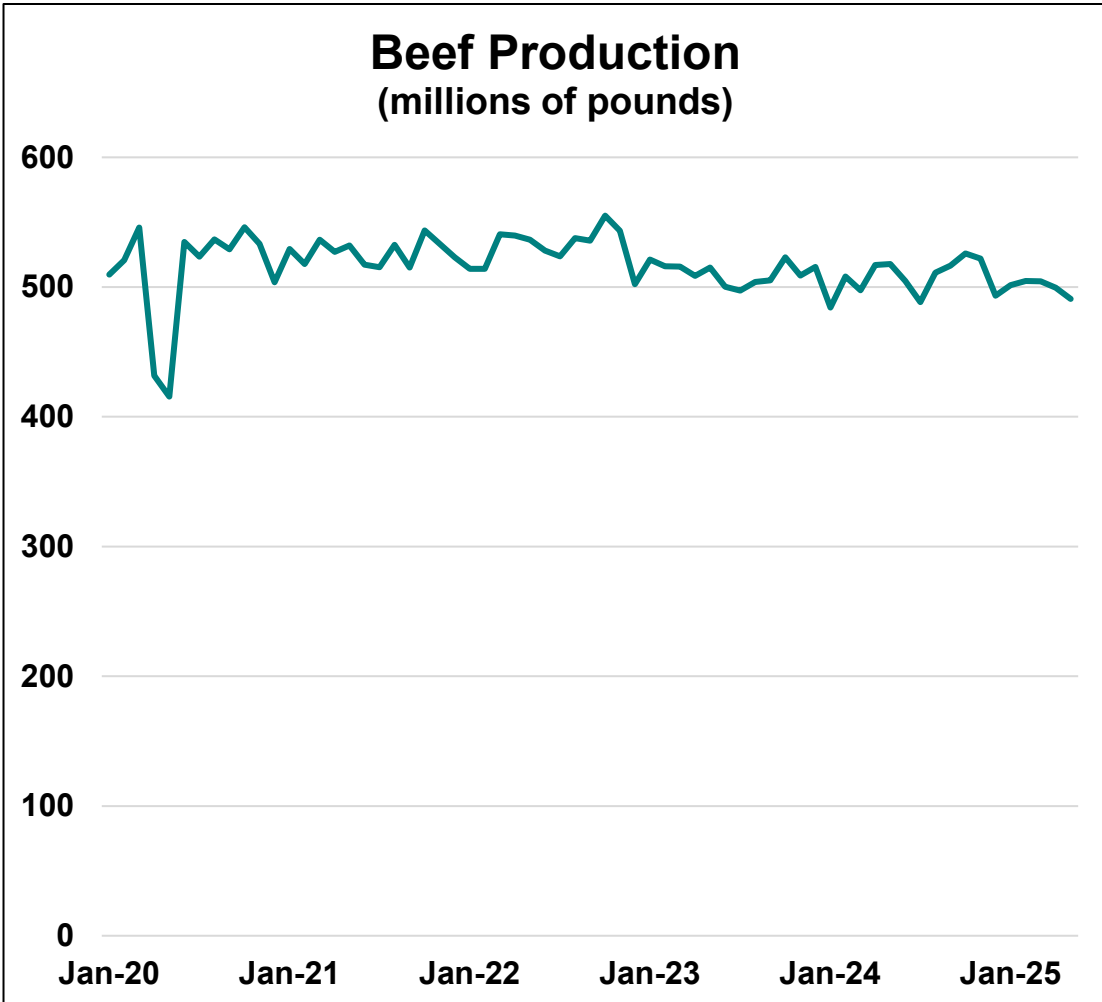
- ▶ Highly Pathogenic Avian Influenza (HPAI) has slowed in the U.S., allowing poultry and egg producers to rebuild flocks.
- ▶ HPAI detected at commercial operations in Brazil, which presents opportunity for U.S. producers to increase exports.



Source: USDA National Agricultural Statistics Service



Beef production remains relatively level despite inventory declines

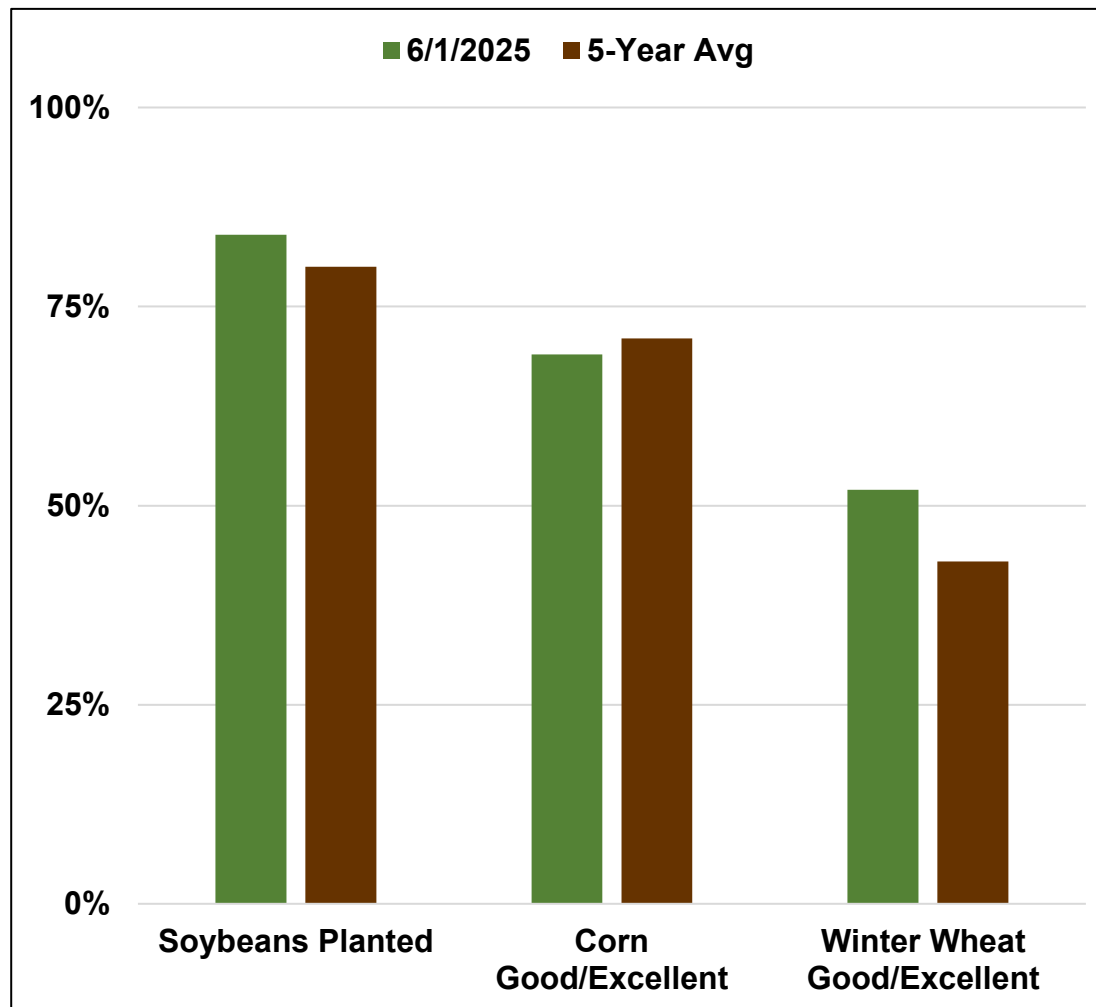


Sources: USDA AMS compiled by LMIC



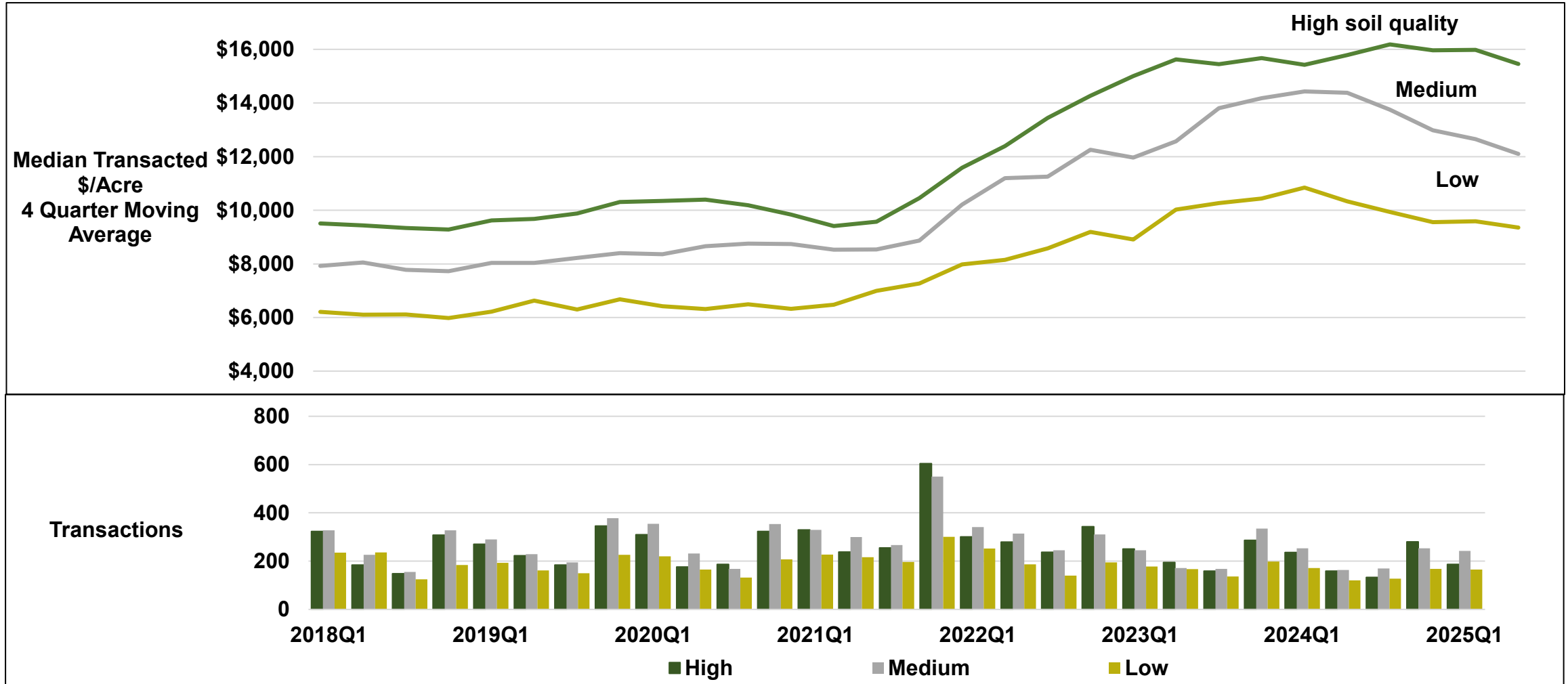
Crop progress and conditions look good

- ▶ 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.





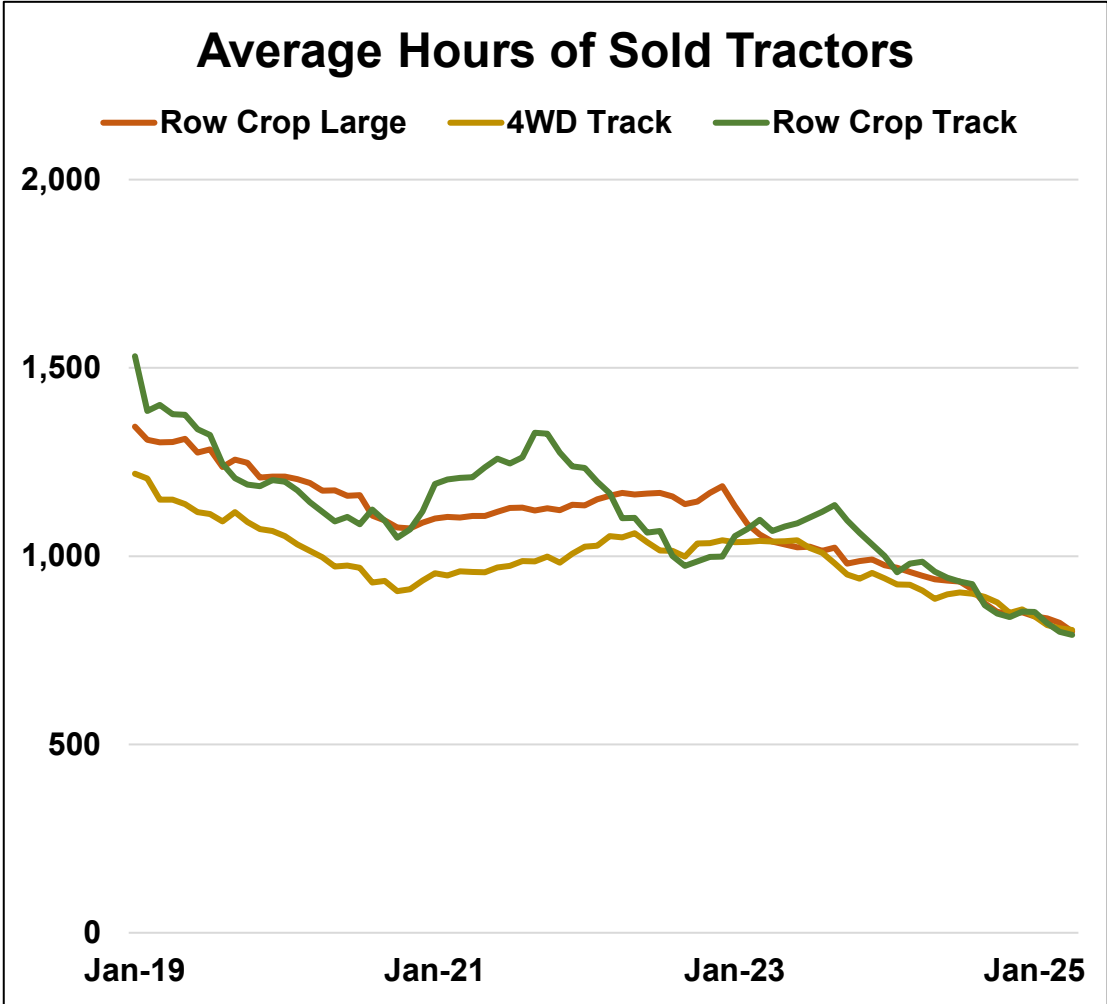
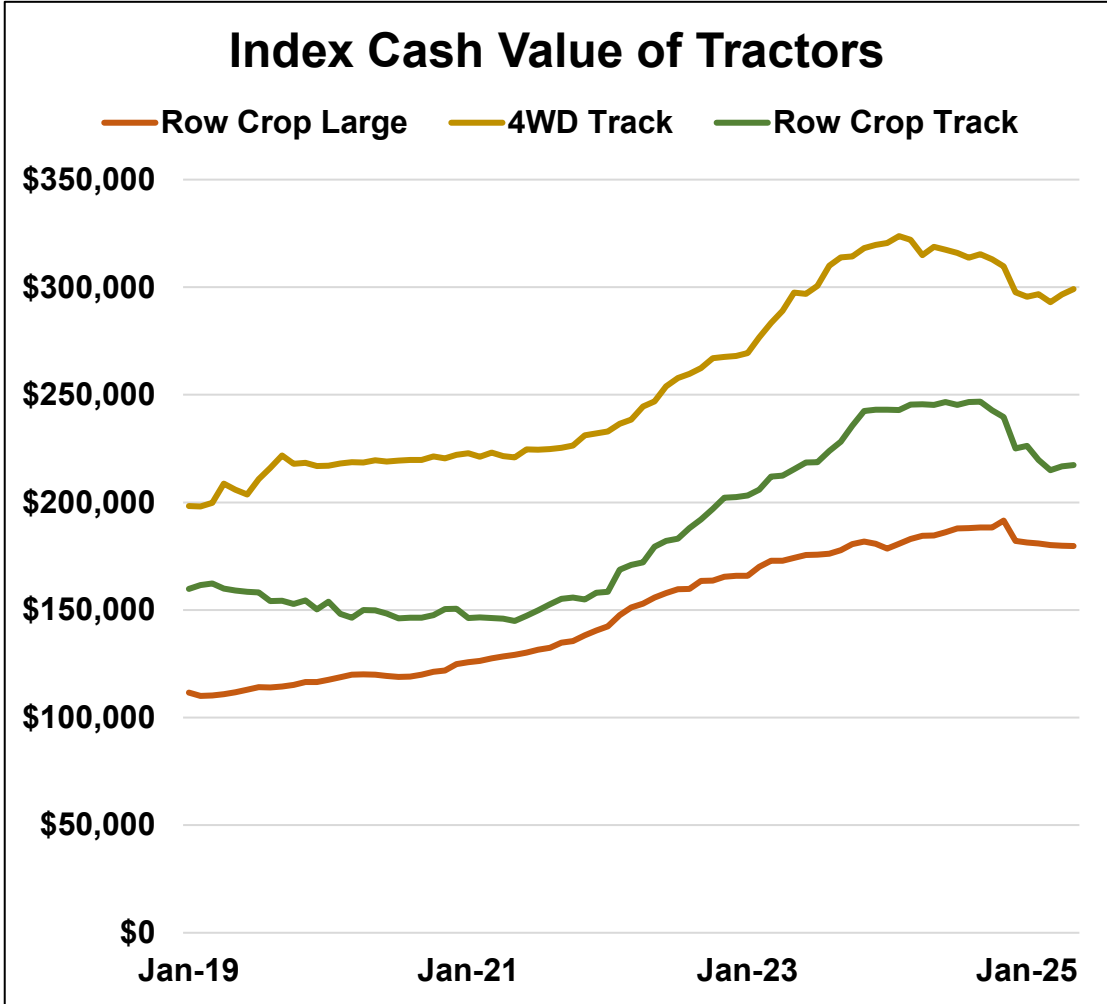
Iowa farm real estate prices have declined for medium- and low-quality land



Source: ODAE calculations using CoreLogic data



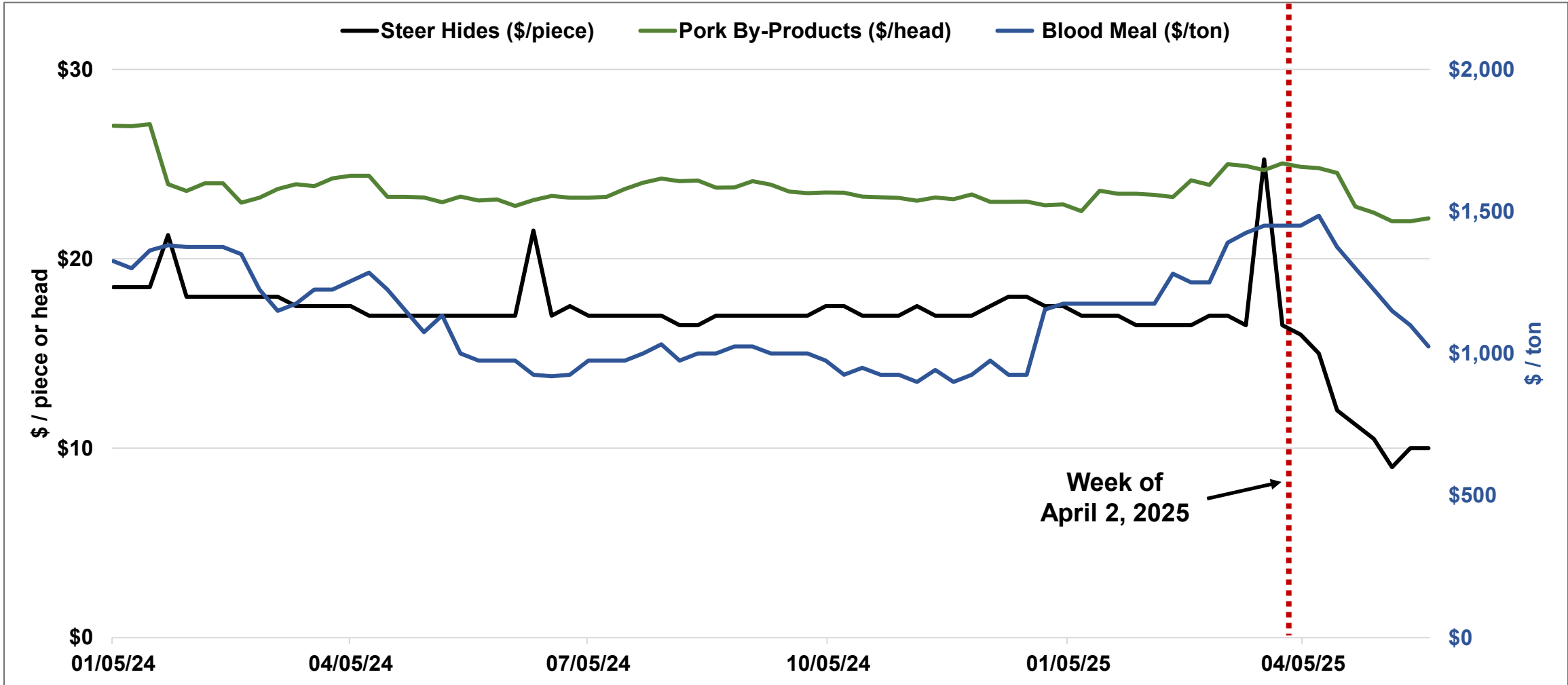
Farm equipment prices and average age trend down



Source: IronSolutions Iron Monthly Index



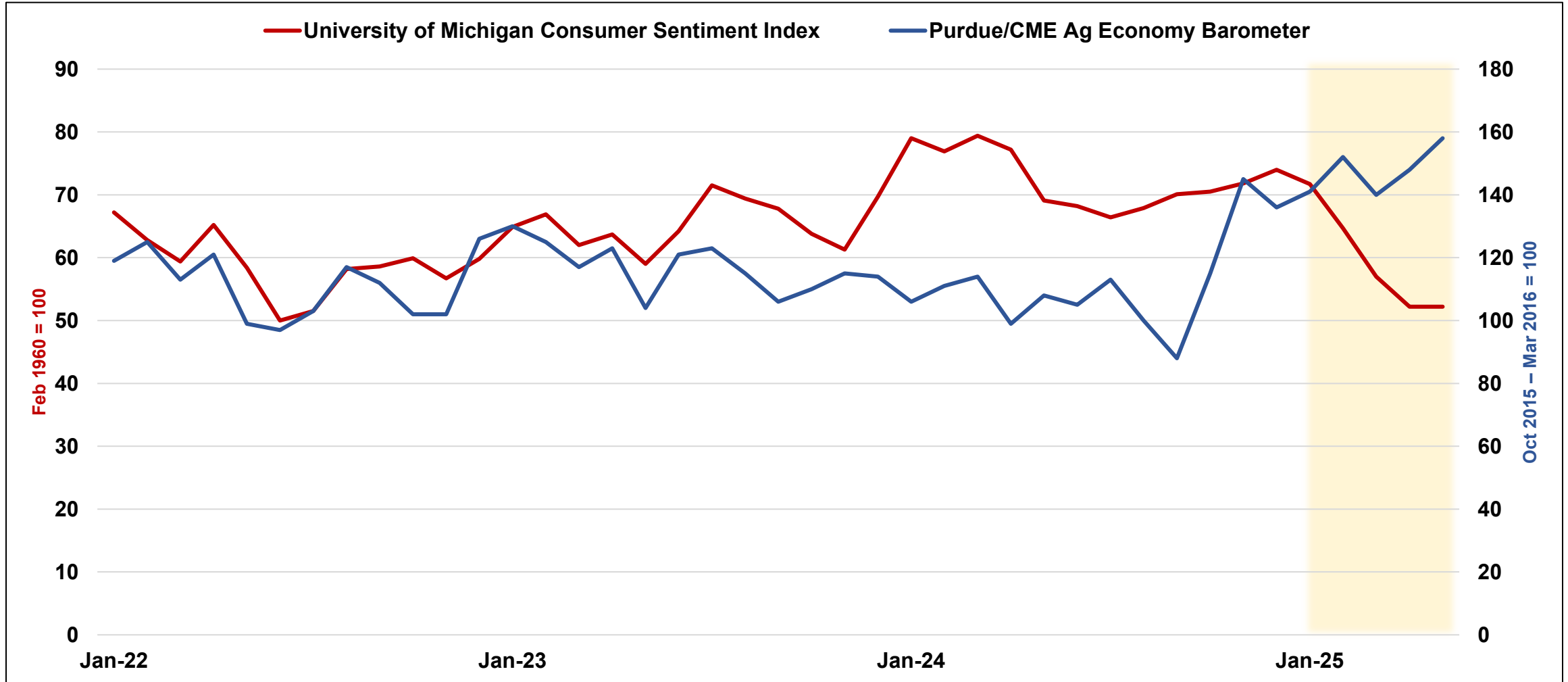
Prices of livestock by-products have declined



Source: USDA AMS compiled by LMIC



Consumer and farm producer sentiment diverge



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



Questions?



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

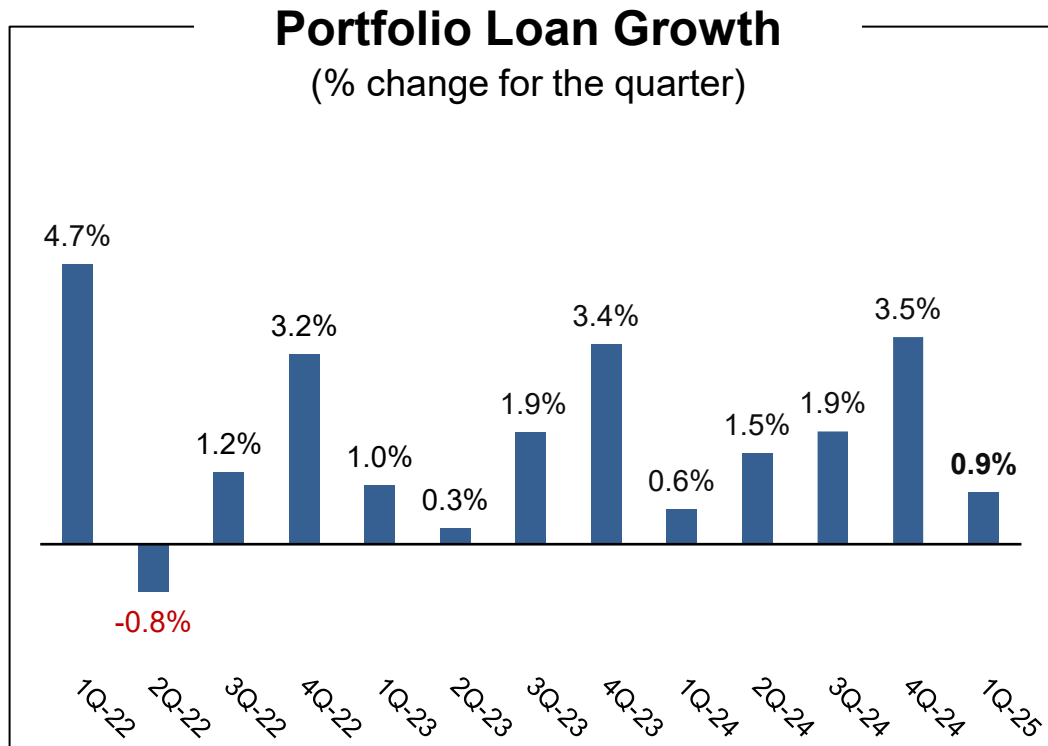
Tony Haas
Supervisory FCA Examiner
Office of Examination





Seasonal factors drive portfolio growth in the first quarter

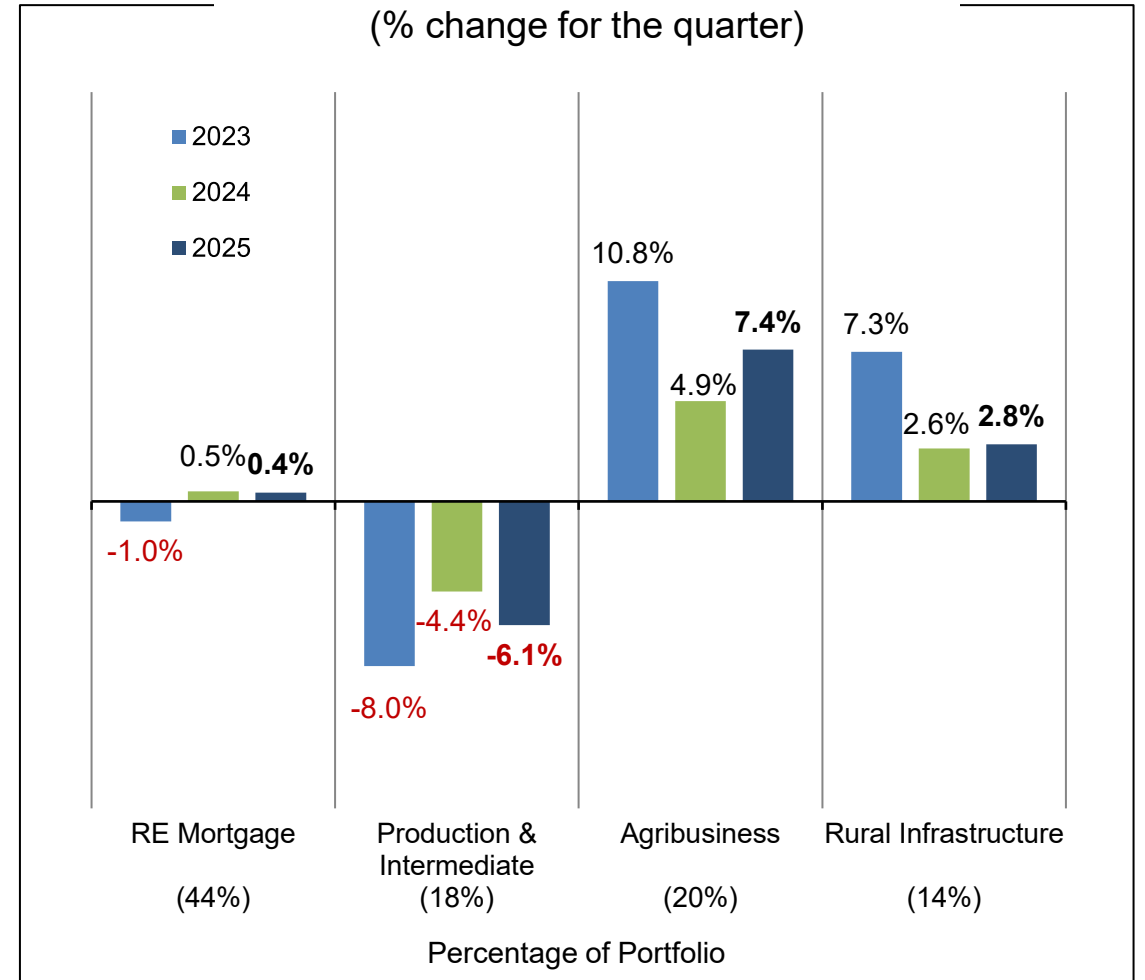
Total Assets 03/31/25	\$548.5 billion	+0.8% Qtr +8.7% 12M	Gross Loans 03/31/25	\$432.7 billion	+0.9% Qtr +8.0% 12M
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Source: Federal Farm Credit Banks Funding Corporation Information Statements

Loan Growth by Loan Type

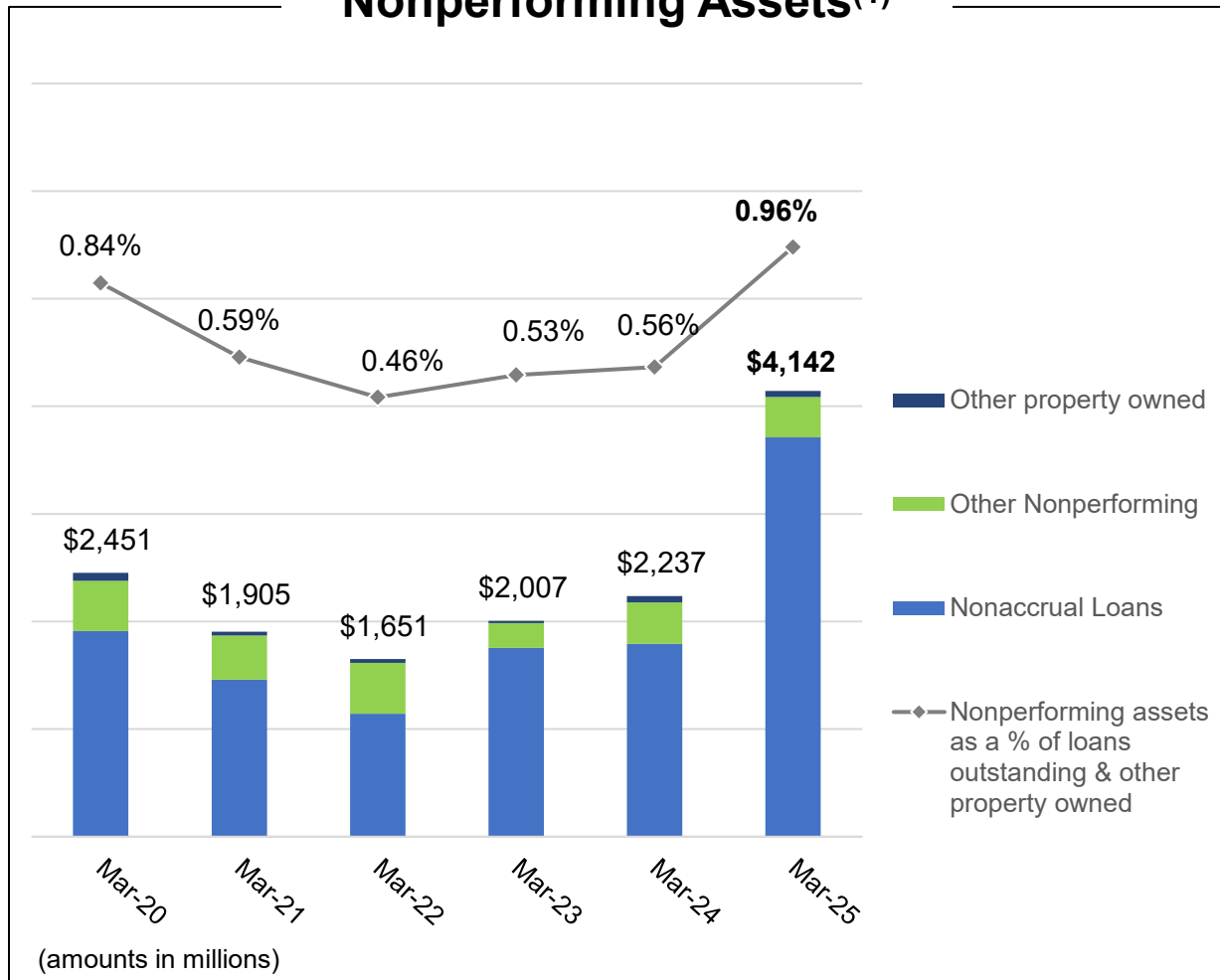
(% change for the quarter)



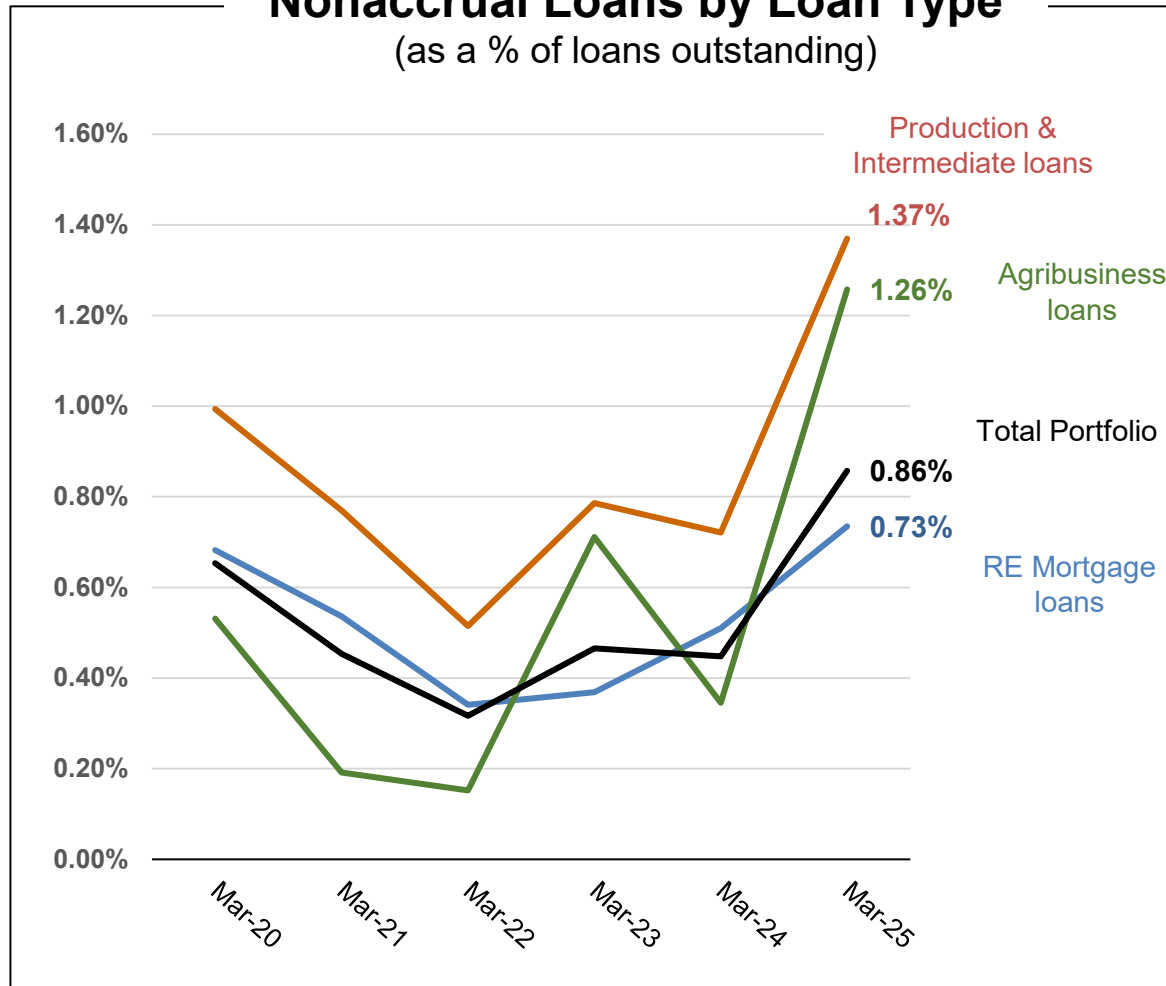


Nonperforming assets increase; portfolio loan quality remains sound

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



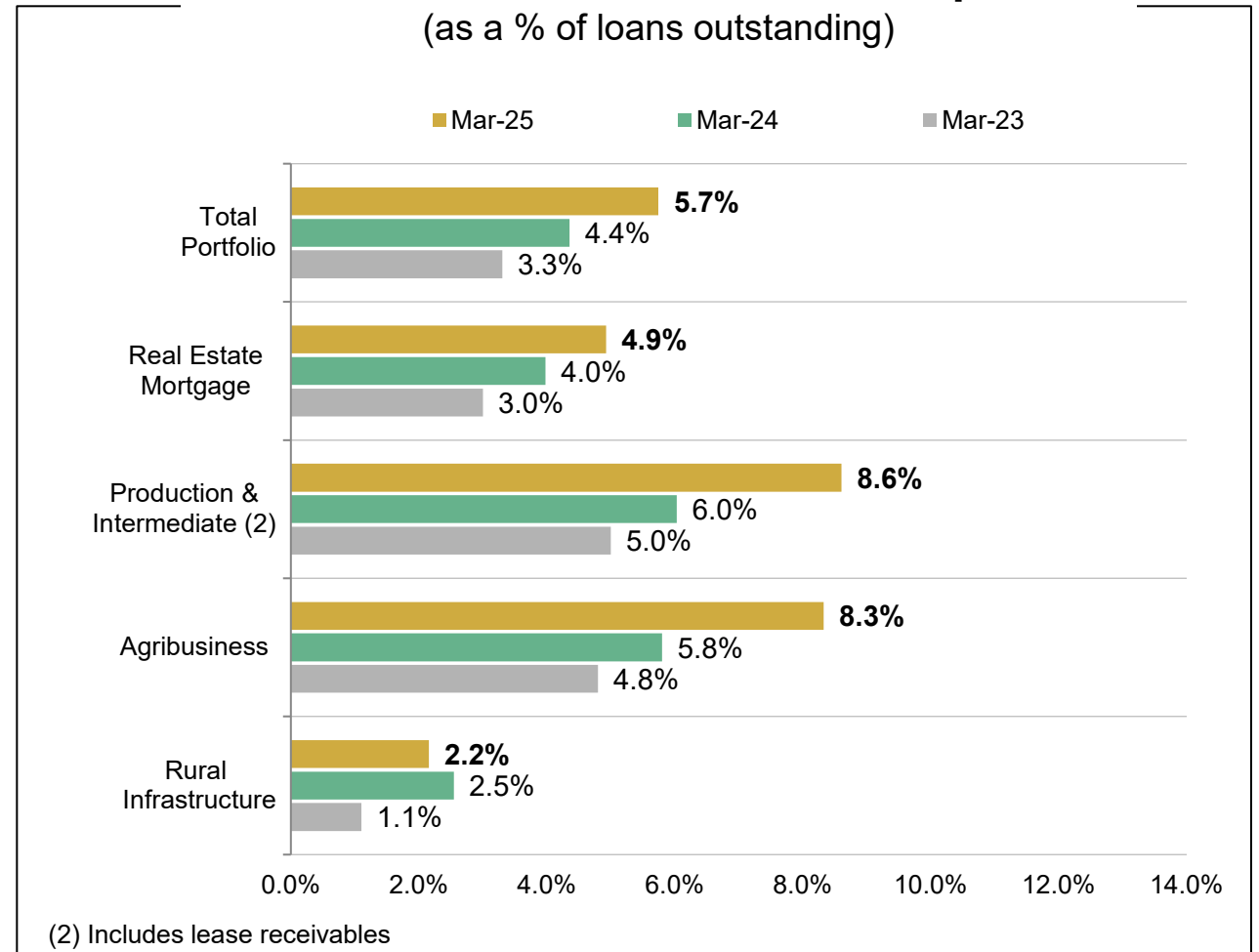
Less than Acceptable loans trend higher

- ▶ 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⁽¹⁾ 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.

Loans Classified Less than Acceptable

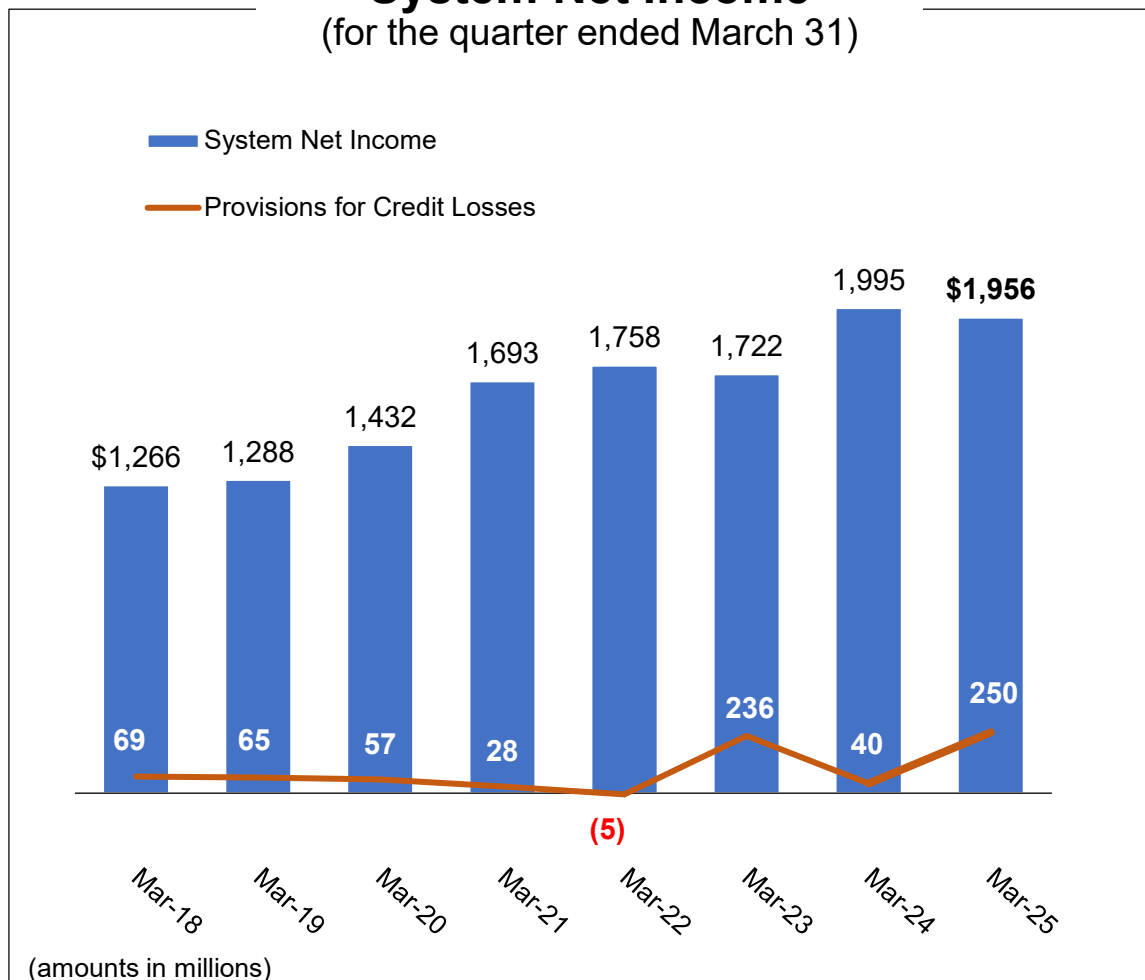
(as a % of loans outstanding)





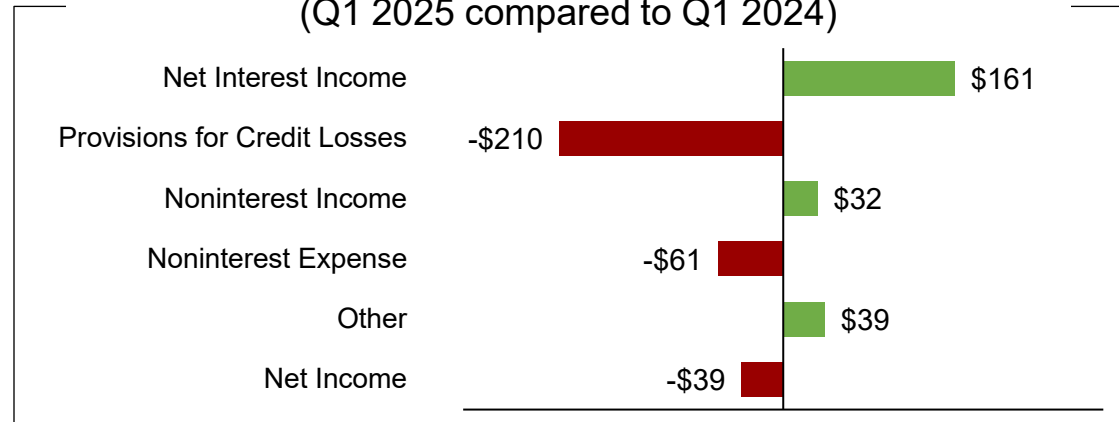
System earnings were steady, but provisions for credit losses increased

System Net Income
(for the quarter ended March 31)

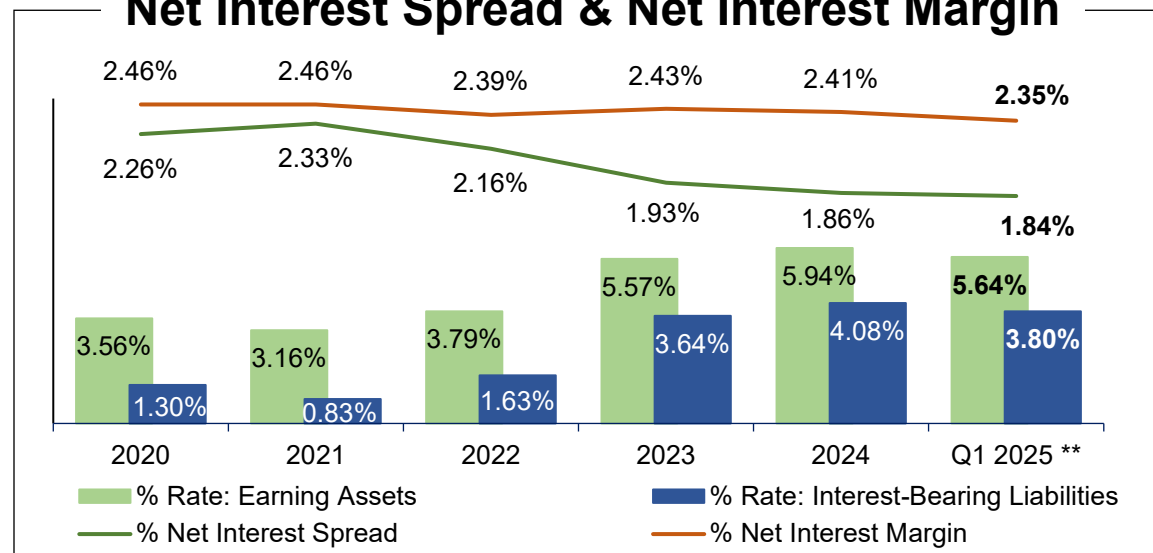


Source: Federal Farm Credit Banks Funding Corporation Information Statements

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



Net Interest Spread & Net Interest Margin



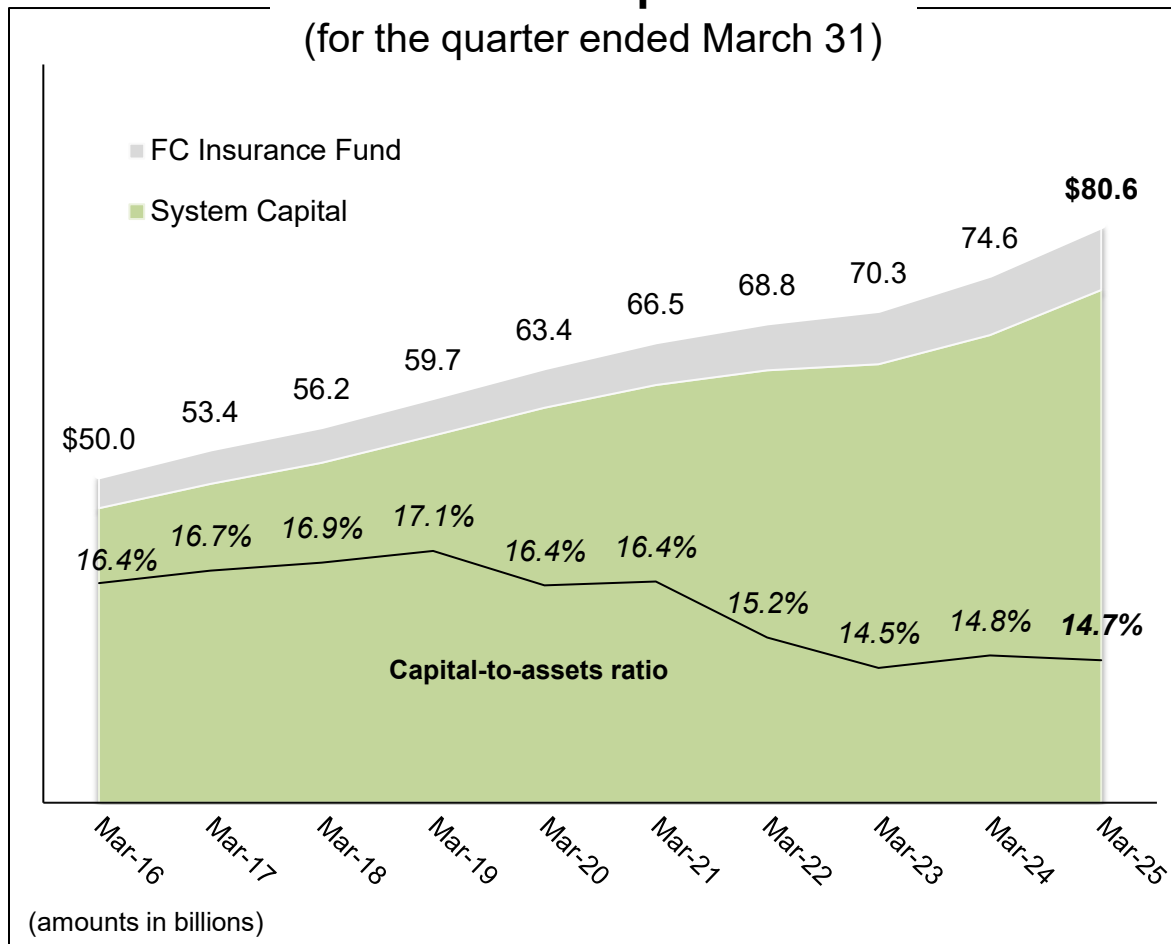
** annualized



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

Total Capital

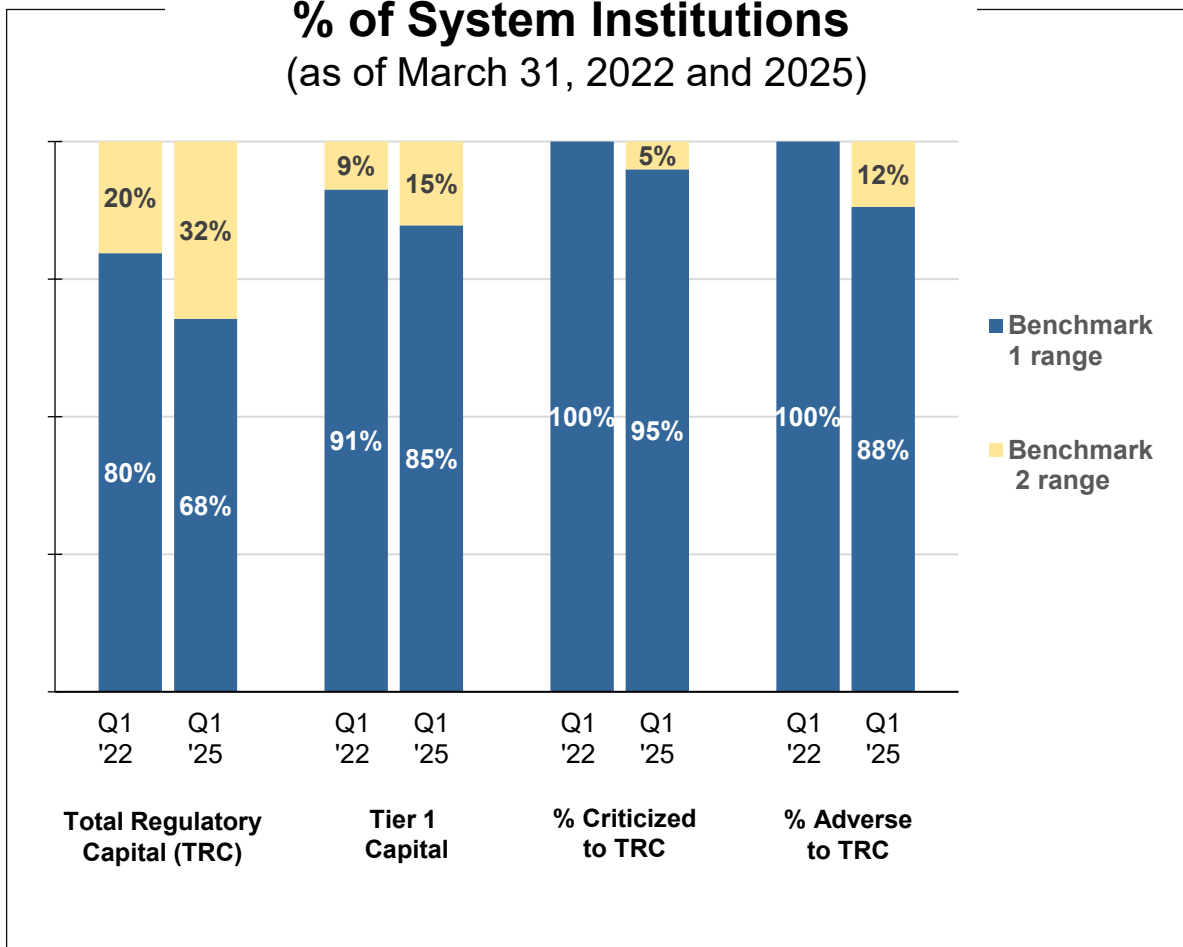
(for the quarter ended March 31)



Capital Benchmark Ratings

% of System Institutions

(as of March 31, 2022 and 2025)



Source: Federal Farm Credit Banks Funding Corporation Information Statements

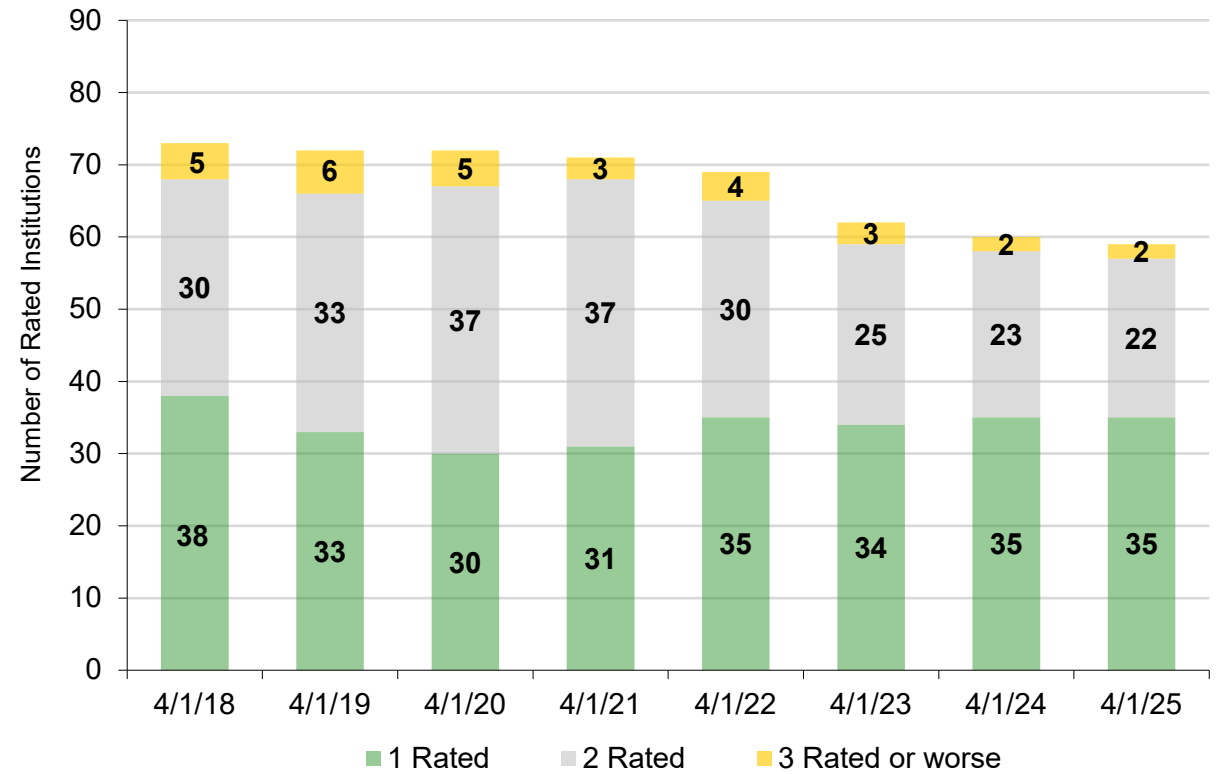


Composite FIRS ratings remain stable

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

- ▶ 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



- ▶ 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

- ▶ 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



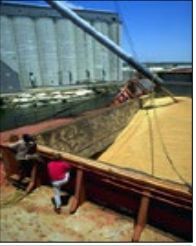
Public Mission



- ▶ 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



- ▶ 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

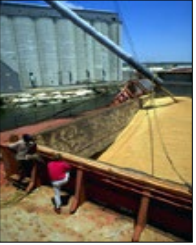


- ▶ We will not meet hiring and retention targets for FY 25
 - The Deferred Resignation Program (DRP) and the hiring freeze impacted our plans.
 - We lost 15 staff to the DRP and are projecting an attrition rate of 12% by fiscal yearend.
 - We onboarded 9 associate examiners instead of the 14 initially 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)



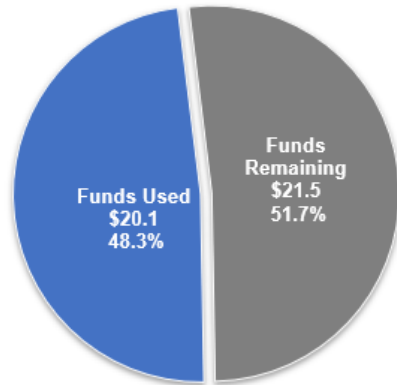
OE Budget Results



► 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

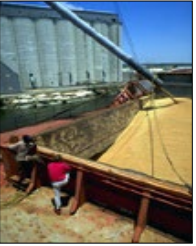
FY 2025 OE Budget
As of 3/31/2025



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



Summary



- ▶ 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



THANK YOU