



CELEBRATING 95 YEARS OF FARM CREDIT



HOW FARM CREDIT SERVES YOUNG, BEGINNING AND SMALL FARMERS AND RANCHERS

AN HISTORIC MISSION

The Farm Credit System has an historic mission to serve U.S. agriculture and rural America. In support of that mission, Farm Credit institutions are leading providers of credit to young, beginning and small farmers and ranchers. The Farm Credit Act requires that Farm Credit lenders have programs specially focused on meeting the needs of young, beginning and small farmers and ranchers, and Farm Credit lenders annually report their lending activity in these areas to the Farm Credit Administration, the independent federal regulatory agency that oversees the Farm Credit System.

Farm Credit's Lending Activity to Young, Beginning and Small Farmers in 2010*:

- **Young farmers** are defined as those 35 years of age or younger. In 2010, Farm Credit made 53,470 loans totaling \$7.3 billion to young borrowers, compared with 50,689 loans totaling \$6.6 billion the previous year. In 2010, these loans represented 16.2 percent of all loans made to farmers by Farm Credit associations during the year and 11.4 percent of the dollar volume of all loans made. The average loan size made to young borrowers in 2010 was \$136,917, up 4.6 percent from the previous year. At year-end 2010 Farm Credit had \$21.1 billion in outstanding loans to young farmers as compared with \$20.4 billion at year-end 2009.
- **Beginning farmers** are defined as those having 10 years or less of experience. In 2010, Farm Credit made 65,653 loans totaling \$10.3 billion to beginning farmers, compared with 61,387 loans totaling \$9.5 billion the previous year. These loans represented 19.9 percent of all loans made and 16.0 percent of the dollar volume of all loans made by Farm Credit associations in 2010. The average size of loans made to beginning farmers in 2010 was \$156,557, up 1.5 percent from the previous year. At year-end 2010 Farm Credit had \$34.3 billion in outstanding loans to beginning borrowers as compared with \$34.1 billion at year-end 2009.
- **Small farmers** are those defined as having annual gross agricultural sales of \$250,000 or less. During 2010, Farm Credit made 155,371 loans to small farmers totaling \$13.1 billion, compared with 145,618 loans totaling \$11.9 billion the previous year. These loans represented 47.0 percent of all loans made and 20.4 percent of the dollar volume of all loans made by Farm Credit associations in 2010. The average size of loans made to small farmers in 2010 was \$84,243, up 3.1 percent from the previous year. At year-end 2010 Farm Credit had \$43.7 billion in outstanding loans to small farmers as compared with \$42.8 billion at year-end 2009.

SUPPORTING THE FUTURE OF U.S. AGRICULTURE

Because Farm Credit System institutions are guided by boards of directors composed of agricultural producers, many of whom have sons and daughters involved in agriculture, they are highly sensitive and responsive to the needs of young, beginning and small farmers. And since Farm Credit's institutions are cooperatives, their earnings are either retained to help capitalize additional lending to agriculture or they are paid out in the form of patronage dividends to the farmers and cooperatives who own the Farm Credit System.

In addition to direct lending activities, Farm Credit System institutions serve young, beginning and small farmers through contributions and volunteer efforts in support of organizations such as FFA and 4-H, by conducting training programs, management seminars and educational retreats for young farmers, and by supporting scholarship programs for farm youth entering college.

For more information, please contact The Farm Credit Council at (202) 626-8710 or visit www.fccouncil.com.

NOTE: Since the totals are not mutually exclusive, it is not possible to add across young, beginning and small categories to count total lending to young, beginning and small farmers and ranchers.