



Annual Report on the Farm Credit System's Young, Beginning, and Small Farmer Mission Performance

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2023 YBS Guidance and Reporting Updates

- Final rule on FCS service to YBS approved by FCA Board in October 2023
- YBS Bookletter was revised and issued by FCA in December 2023
- YBS non-lending report (NLR) survey questions updated to incorporate final rule
- YBS program reporting collection changes
- Began new lending data collection process with year-end 2023 data
- View of YBS programs through two lenses: Program features and lending data



2023 YBS Non-lending Report (NLR) Overview

The NLR survey provides insight into services and outreach used by institutions:

- Non-lending capital commitments
- Related services
- Scholarships
- Grants
- Education
- Marketing and outreach



2023 YBS NLR Results

- In 2023, the FCS provided \$358 million in services to YBS
 - \$319 million on investments and leases
 - \$3 million on financially related services
 - \$36 million on scholarships, grants, educational services, and marketing and outreach
- Additional FCS YBS program characteristics reported in 2023
 - Use of advisory committees, dedicated staff, and program training
 - YBS board members
 - Use of interest rate concessions



2023 YBS Lending Data Collection Changes

New YBS collection framework:

- Leverages existing data systems in the FCS and uses agreed upon data dictionary for standardized loan information
- Designed to be automated – ease reporting burden long term
- Collects eight mutually exclusive YBS and non-YBS groups
- Ensures loans are only counted once when aggregated to System level
- Provides FCA and System with additive lending results across all eight categories



Loan Count and Current Commitment Volume: Loans Made During 2023

Category	Loan Counts	Volume in Millions	Percent of Total Loan Counts	Percent of Total Volume
Young Only	8,129	\$3,271	3.2%	2.7%
Young and Beginning	13,760	\$5,453	5.4%	4.5%
Young and Small	4,419	\$393	1.7%	0.3%
Beginning Only	9,030	\$5,303	3.6%	4.4%
Beginning and Small	22,245	\$4,673	8.8%	3.8%
Small Only	54,409	\$6,070	21.5%	5.0%
YBS	20,898	\$2,625	8.3%	2.2%
Non-YBS	119,975	\$93,967	47.4%	77.2%
System Total	252,865	\$121,756	100%	100%



Distribution of YBS Loans Made by YBS Category During 2023

YBS Category	Percent of YBS Loan Counts	Percent of YBS Volume
Young Only	6.1%	11.8%
Young and Beginning	10.4%	19.6%
Young and Small	3.3%	1.4%
Beginning Only	6.8%	19.1%
Beginning and Small	16.7%	16.8%
Small Only	40.9%	21.8%
YBS	15.7%	9.4%
Total for YBS Category	100%	100%



Loan Count and Current Commitment Volume: Loans Outstanding as of December 31, 2023

Category	Loan Counts	Volume in Millions	Percent of Total Loan Counts	Percent of Total Volume
Young Only	30,557	\$9,512	2.9%	2.5%
Young and Beginning	48,108	\$16,018	4.6%	4.2%
Young and Small	21,582	\$2,104	2.1%	0.6%
Beginning Only	31,477	\$16,254	3.0%	4.3%
Beginning and Small	145,371	\$28,325	13.8%	7.4%
Small Only	224,970	\$27,076	21.3%	7.1%
YBS	106,357	\$13,609	10.1%	3.6%
Non-YBS	446,517	\$269,135	42.3%	70.5%
System Total	1,054,939	\$382,032	100%	100%



YBS and Non-YBS Loans Outstanding — As of December 31, 2023

Distribution of YBS Loans by YBS Category Outstanding as of December 31, 2023

YBS Category	Percent of YBS Loan Counts	Percent of YBS Volume
Young Only	5.0%	8.4%
Young and Beginning	7.9%	14.2%
Young and Small	3.5%	1.9%
Beginning Only	5.2%	14.4%
Beginning and Small	23.9%	25.1%
Small Only	37.0%	24.0%
YBS	17.5%	12.1%
Total for YBS Category	100%	100%



Conclusions

- Loans to YBS categories accounted for more than half of the number of FCS loans made and loans outstanding at year-end
- Additive and mutually exclusive YBS categories provide meaningful insights into FCS lending to YBS
- Analyzing both non-lending survey results and more detailed lending data from the improved collection framework will help FCA and the System better understand how the System is meeting its YBS mission
- Effective January 1, 2024, the definition cutoff for small farmers increased from \$250,000 to \$350,000. It is now aligned with USDA and more reflective of current agricultural landscape

