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Fact Sheet on Farm Credit System Young, Beginning, and Small Farmer Lending Results for 2012

The following information summarizes the Farm Credit System's (System's) 2012 lending activity to young (Y), beginning (B), and small (S) farmers and ranchers.¹ Both the number of new YBS loans made and the dollar volume of those loans increased in 2012 from that of 2011.² The increase in new lending to the three YBS categories exceeded the pace of overall System lending to farmers. The numbers and volume of YBS loans outstanding also rose in 2012.

Young—In 2012, the System made 56,659 loans to young farmers—that is, to those who are 35 years old or younger. The volume of total new loans to young farmers amounted to \$8.8 billion. During 2011, the System made 52,800 loans to young borrowers, totaling \$7.5 billion. The loans made to young borrowers in 2012 represented 16.5 percent of all farm loans the System made during the year and 11.7 percent of the dollar volume of loans made. At the end of 2012, the System had \$23.1 billion in loans outstanding to young farmers, compared with \$21.3 billion at the end of 2011.

Beginning—The System made 69,304 loans to beginning farmers—that is, to those who have been farming for 10 years or less. The volume of total new loans to beginning farmers amounted to \$11.5 billion in 2012. During 2011, the System made 61,995 loans, totaling \$9.6 billion, to beginning borrowers. The loans made to beginning farmers in 2012 represented 20.2 percent of all farm loans made during the year and 15.2 percent of the dollar volume of loans made. At the end of 2012, the System had \$35.7 billion in outstanding loans to beginning farmers, compared with \$34.1 billion at the end of 2011.

Small—FCS institutions made 143,200 loans, totaling \$13.2 billion, to small farms (those with gross annual sales of less than \$250,000) in 2012. By comparison, the System made 137,529 loans, totaling \$11.2 billion, to small farmers in 2011. The loans made in 2012 to farmers in this

¹ Because the totals for the categories are not mutually exclusive, you cannot add young, beginning, and small totals to count total YBS lending.

² Not all System loans are subject to YBS reporting. The main exceptions are certain leases and participations in loans made under the System's cooperative lending authority. YBS volumes include actual advances as well as loan commitments.

category represented 41.7 percent of all farm loans made during the year and 17.4 percent of the dollar volume of all farm loans made. At the end of 2012, the System had \$44.1 billion in loans outstanding to small farmers, compared with \$42.9 billion at the end of 2011.

The YBS information is reported separately for each of the three YBS borrower categories because the YBS mission is focused on each borrower group separately. Also, loans cannot be added across categories because some loans belong in more than one category. If, for example, a borrower is less than 35 years old, sells less than \$250,000 in farm products per year, and has farmed for less than 10 years, the borrower's loan would be included in every category. Therefore, adding the categories together would produce a misleading measurement of the System's YBS lending involvement.

YBS Loans Outstanding as of December 31, 2012					
	Number of loans	Percentage of total number of System farm loans	Dollar volume of loans in millions	Percentage of total volume of System farm loans	Average loan size
Young farmers/ranchers	170,875	18.1	\$23,110	11.4	\$135,247
Beginning farmers/ranchers	243,354	25.8	\$35,733	17.7	\$146,834
Small farmers/ranchers	477,248	50.6	\$44,123	21.8	\$92,453

YBS Loans Made During 2012					
	Number of loans	Percentage of total number of System farm loans	Dollar volume of loans in millions	Percentage of total volume of System farm loans	Average loan size
Young farmers/ranchers	56,659	16.5	\$8,840	11.7	\$156,014
Beginning farmers/ranchers	69,304	20.2	\$11,483	15.2	\$165,697
Small farmers/ranchers	143,200	41.7	\$13,197	17.4	\$92,161

Sources: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the Farm Credit Banks.

Note: A "young" farmer/rancher is defined as 35 years old or younger when the loan is made; a "beginning" farmer/rancher has been operating for not more than 10 years; and a "small" farmer/rancher generates less than \$250,000 in annual sales of agricultural or aquatic products. Because the totals are not mutually exclusive, you cannot add across young, beginning, and small categories to count total YBS lending.

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