



June 10, 2010

Contact: Michael Stokke or Christine Quinn,
703-883-4056
E-mail: info-line@fca.gov
Website: www.fca.gov

Fact Sheet on Farm Credit System Young, Beginning, and Small (YBS) Farmer Lending Results for 2009

The following information summarizes 2009 lending for each of the three YBS categories.¹

Young—The System's extension of credit to young farmers, those aged 35 or younger, consisted of 157,708 loans and totaled \$20.4 billion at year-end 2009, up 4.7 percent from year-end 2008. During 2009, 50,689 loans totaling \$6.6 billion were made to young borrowers. These loans made represented 16.4 percent of all loans made to farmers by System associations during the year and 11.3 percent of the dollar volume of all loans made. The average loan size made to young farmers was \$130,915. The number of loans made to young farmers during 2009 was 4.1 percent lower than in 2008, and the volume of loans made was 13.4 percent lower.

Beginning—Loans to beginning farmers, defined as those with 10 or fewer years of farming experience, numbered 223,311 and totaled \$34.1 billion outstanding as of year-end 2009, up 3.4 percent from year-end 2009. During 2009, 61,387 loans, totaling \$9.5 billion, were made to beginning borrowers. Loans made to beginning farmers represented 19.9 percent of all loans made and 16.2 percent of the dollar volume of all loans made. The average size of the loans made to beginning farmers was \$154,169. The number of loans made to beginning farmers during 2009 was 7.8 percent lower than in 2008, and the volume of loans made was 20.9 percent lower.

Small²—At the end of 2009, FCS institutions had 474,762 loans outstanding totaling \$42.8 billion to small farmers, defined as those with gross annual sales of less than \$250,000; this figure was up 0.2 percent from 2008. During 2009, 145,618 loans were made to small borrowers for a total of \$11.9 billion. Loans made to small farmers represented 47.2 percent of all loans

¹ Not all System loans are subject to YBS reporting; most association lending is included. The main exceptions are rural home loans and certain leases and participations in loans made under the cooperative lending authority of banks. YBS volumes include actual advances as well as loan commitments.

² Since the small farmer definition is not indexed to inflation, rising farm commodity prices have pushed some small farmers to sales levels above the small category.

made and 20.3 percent of the dollar volume of all loans made. The average size of loans made to small farmers was \$81,713. The number of small loans made during 2009 was down 3.4 percent from 2008, and the volume of small loans made decreased 16.4 percent.

YBS Loans Outstanding As of December 31, 2009					
	Number of loans	Percentage of total number	Dollar volume of loans in millions*	Percentage of total volume	Average loan size
Young Farmers/Ranchers	157,708	18.4	\$20,424	11.7	\$129,507
Beginning Farmers/Ranchers	223,311	26.0	\$34,109	19.5	\$152,743
Small Farmers/Ranchers	474,762	55.3	42,756	24.4	\$90,057

YBS Loans Made During 2009 As of December 31					
	Number of loans	Percentage of total number	Dollar volume of loans in millions*	Percentage of total volume	Average loan size
Young Farmers/Ranchers	50,689	16.4	\$6,636	11.3	\$130,915
Beginning Farmers/Ranchers	61,387	19.9	\$9,464	16.2	\$154,169
Small Farmers/Ranchers	145,618	47.2	\$11,899	20.3	\$81,713

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

Note: Since the totals are not mutually exclusive, one cannot add across young, beginning, and small categories to count total YBS lending.

* The volume figures for loans made and loans outstanding include both advances and commitments.

Trends in YBS Lending, 2001–2009

The YBS definitions and reporting requirements we currently use became mandatory in 2001, so we now have a nine-year trend of performance data for the young, beginning, and small farmer loan categories on the FCA website for the System as well as for individual associations. The results show a continual upward trend over the period in dollars of loans outstanding for each category at each year end. The trend is similar for loans made, except for the dip in 2009, which was in step with the 15.2 percent decline in volume of overall lending to farmers.

Comments on the YBS Market

The YBS target market, that is, the potential population of YBS farm loan customers, has been shrinking. Demographic and economic trends have led to a declining percentage of young, beginning, and small farmers in the general farmer population as a comparison of USDA Census of Agriculture data over the past decade shows.

###