



## **Farm Credit Facts**

### **What is Farm Credit's Mission?**

#### **Who we serve**

Farm Credit's mission is to provide sound and dependable credit to American farmers, ranchers, producers or harvesters of aquatic products, their cooperatives, and limited types of farm-related businesses. Farm Credit accomplishes this mission by making capital available to qualified individuals and businesses at competitive rates and providing financial services. Consistent with our mission of serving rural America, we also make loans for the purchase of rural homes; to finance rural communication, energy and water infrastructures; to support agricultural exports; and to finance other eligible entities.

#### **Cooperative ownership and control**

Farm Credit institutions are cooperatively owned by the customers who borrow from them. Customer-owners vote to elect the board members who direct their institution's operations. Importantly, voting stockholders get one vote, regardless of the amount of money they've borrowed. Through its cooperative structure, Farm Credit is constantly responsive to the changing needs of its membership and the marketplace. And as a cooperative, System earnings are either retained to help capitalize additional lending to agriculture or they are paid out in the form of patronage to the farmers and cooperatives that own the System.

#### **Bringing capital to rural America**

Unlike commercial banks, Farm Credit institutions do not take deposits. The System raises its funds through the sale of bonds in the nation's securities markets, bringing capital from the national and international money markets to rural America. These debt securities are the general unsecured joint and several obligations of the Farm Credit Banks and are not guaranteed by the United States government. As the System's customer-owners repay their loans, the bonds are retired and Farm Credit investors are repaid. As a government-sponsored enterprise, Farm Credit has been able to raise funds at competitive rates and terms, in varying economic environments. This ability to raise funds has allowed us to make competitively priced loans to eligible borrowers and accomplish our mission. The System's lending institutions are subject to full examination and regulation by an independent federal agency, the Farm Credit Administration.

#### **Preparing for the future**

To meet the demands of this evolving economy, Farm Credit institutions currently offer a range of financial solutions and programs to benefit all types of agricultural producers, including young, beginning and small farmers, the businesses they rely on, and portions of the rural infrastructure that supports them all. However, as our HORIZONS research has made clear, rural America cannot fully benefit from Farm Credit's financial strength and expertise because of limitations on the System's authorities. More flexible, competitive financial resources for farm-related businesses and rural homeowners will help agricultural producers better compete in the world markets and will help maintain and improve the quality of life in rural America.

**For more information, see the Farm Credit Council's website at [www.fccouncil.com](http://www.fccouncil.com).**