



Farm Credit Facts

How does Farm Credit serve young, beginning and small farmers?

An historic mission and mandate

As rural America's customer-owned partner, Farm Credit has an historic mission to serve U.S. agriculture. What's more, since 1980 the Farm Credit Act has required each Farm Credit System lender to have programs in place focused specifically on meeting the credit and related services needs of young, beginning and small farmers. System institutions annually report their lending activity to the Farm Credit Administration, the independent federal safety and soundness regulatory agency that oversees the System's activities.

A record of success

- Young farmers are defined as those 35 years of age or younger. In 2006, Farm Credit made 46,651 loans totaling more than \$5.4 billion to young farmers.
- Beginning farmers are defined as those having 10 years or less of experience. Farm Credit made 58,101 loans to beginning farmers in 2006 totaling more than \$9.2 billion.
- Small farmers are those defined as having annual gross agricultural sales of \$250,000 or less. In 2006, Farm Credit provided \$11.5 billion benefiting small farmers by funding 149,449 loans.
- The 2002 Census of Agriculture showed that about 93 percent of all farms are small, and that fewer than half of all small farms had interest paid as a farm business expense, meaning that more than half of all small farms had no farm debt. The Farm Credit System reported that slightly more than 60 percent of the total number of loans outstanding in association portfolios were held by small farmers. Taking into account the fact that small farms are less likely to carry debt than larger farms, this figure indicates a strong commitment by the FCS to serving the credit needs of small producers.

Supporting the future of U.S. agriculture

Because System institutions are guided by boards of directors who are themselves agricultural producers, many of whom have sons and daughters involved in agriculture, they are highly sensitive and responsive to the needs of young and beginning farmers. 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.

In addition to direct lending activities, System institutions serve young, beginning and small farmers by spending millions of dollars and hundreds of hours 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, see the Farm Credit Council's website at www.fccouncil.com.