

FYs 2022 – 2026 Strategic Plan of the Farm Credit Administration



This strategic plan of the Farm Credit Administration includes the required information and content as prescribed in 210.18 of OMB Circular No. A-11, Part 6 (2021). OMB provided final concurrence with the plan on February 18, 2022.

.AGENCY AND MISSION INFORMATION

Agency overview

The Farm Credit Administration was created through an executive order of President Franklin D. Roosevelt and currently derives its powers and authorities primarily from the Farm Credit Act of 1971, as amended. As an independent agency within the executive branch of the federal government, we are responsible for regulating and supervising the banks, associations, and related entities of the Farm Credit System (FCS or System). We are also regulator of the Federal Agricultural Mortgage Corporation (Farmer Mac).

The FCS is the oldest of the government-sponsored enterprises (GSEs). The Farm Credit Act states that the objective of the FCS is to improve the income and well-being of American farmers and ranchers by furnishing sound, adequate, and constructive credit and

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closely related services to them, their cooperatives, and selected farm-related businesses. In short, the FCS was created to provide an adequate and flexible flow of money to rural areas.

The System includes a nationwide network of borrower-owned, cooperative financial institutions that provide credit and related services to the following:

- Farmers and ranchers
- Producers and harvesters of aquatic products
- Farm-related businesses
- Rural homeowners
- Agricultural and aquatic cooperatives
- Agribusinesses
- Rural utilities

The FCS had \$325.8 billion in outstanding loans to agriculture and rural America as of September 30, 2021.

Farmer Mac is a stockholder-owned, federally chartered instrumentality of the United States, and its authority is derived from Title VIII of the Farm Credit Act. Farmer Mac was established in 1988 to create a secondary market for agricultural real estate loans and rural housing mortgage loans. In 2008, Farmer Mac's secondary market authorities were expanded to include rural utility loans. It provides secondary market services through a network of agricultural lenders and intermediaries, including commercial banks, FCS banks and associations, life insurance companies, mortgage companies, and rural utility cooperatives. As of September 30, 2021, Farmer Mac's outstanding program activity totaled \$23.1 billion.

On a reimbursable basis, we perform examinations of certain entities that are not part of the Farm Credit System. FCA is required by the National Consumer Cooperative Bank Act of 1978, as amended, to examine and report on the condition of the National Consumer Cooperative Bank (NCB). Since the passage of this law, we have conducted safety and soundness examinations of NCB and issued reports of examination to NCB's board of directors. NCB is a federally chartered, privately owned banking corporation. It is not a

federal instrumentality, and it is not part of the FCS. In addition, we provide examination services on behalf of the Farm Credit System Insurance Corporation and the U.S. Department of Agriculture.

The U.S. Senate Committee on Agriculture, Nutrition, and Forestry and the U.S. House of Representatives Committee on Agriculture oversee the FCS, Farmer Mac, and FCA. Our operations are funded through assessments paid by the System institutions and by our reimbursable activities; we do not receive a federal appropriation.

Mission statement

FCA's mission is to ensure that System institutions and Farmer Mac are safe, sound, and dependable sources of credit and related services for all creditworthy and eligible persons in agriculture and rural America. To fulfill this mission, we issue regulations and conduct examinations of FCS institutions and Farmer Mac to evaluate and oversee the safety and soundness of their activities.

Our examinations evaluate whether institutions are complying with laws and regulations and are operating in a safe and sound manner. They also evaluate institutions' compliance with the congressional mandate requiring System institutions to have programs to make credit and services available to young, beginning, and small (YBS) farmers and ranchers. In addition, we research, develop, and adopt rules, regulations, and other guidelines that govern how institutions conduct their business and interact with customers.

If any System institution, including Farmer Mac, violates laws or regulations, or if we determine that its operations are unsafe or unsound, we may use our enforcement authority to ensure that the problem is corrected in a timely manner. We also ensure that the rights of certain borrowers are protected.

Other statutory duties require us to issue and amend FCS institution charters, to report to Congress on the System's and Farmer Mac's financial condition and performance, and to approve the issuance of debt obligations by System banks.

FCA board and governing philosophy

Our policy and regulations are established by a full-time, three-person board whose members are appointed by the president of the United States with the advice and consent of the Senate. They serve staggered six-year terms and may not be reappointed to succeed themselves after serving a full term or more than three years of a previous member's unexpired term. A board member may serve after expiration of his or her term until a successor has been appointed and qualified. The president designates one member as chairman of the board; this member serves as chairman until the end of his or her term. The board chairman also serves as the agency's chief executive officer.

The FCA board approves charters of FCS institutions, oversees the agency’s supervision and examination of those institutions, and issues enforcement actions. The governing philosophy of the FCA board is grounded in the Farm Credit Act. The board believes that the principles on which the System was founded are just as important today as they were in the early decades of the 20th century.

The chairman of the FCA board serves as the chief executive officer (CEO). The CEO enforces the rules, regulations, and orders of the FCA board. He or she directs the implementation of policies and regulations adopted by the FCA board. The Office of the Chief Executive Officer plans, organizes, directs, coordinates, and controls FCA's day-to-day operations and leads the agency’s efforts to achieve and manage a diverse workforce.

Organizational structure

FCA has approximately 300 full- and part-time employees who work together to ensure that the Farm Credit System remains a dependable source of credit for agriculture and rural America. The agency has two primary responsibilities:

- Issuing regulations and other guidance for FCS institutions to follow
- Examining FCS banks and associations to ensure their safety, soundness, and compliance with laws and regulations

The Office of Regulatory Policy performs the first responsibility, and the Office of Examination, with its headquarters in McLean, Virginia, and its four field offices (in Bloomington, Minnesota; Dallas, Texas; Denver, Colorado; and Sacramento, California), performs the second. The other offices support the agency in meeting its mission. Following are detailed descriptions of each office reflected in Figure 1.

Chief Operating Officer

The chief operating officer (COO) has broad responsibility for planning, directing, and controlling the operations of the Offices of Agency Services, Examination, Regulatory Policy, Data Analytics and Economics, Information Technology, Chief Financial Officer, and General Counsel in accordance with the operating philosophy and policies of the FCA board. He or she supervises and provides policy direction to the executive staff responsible for managing these offices. The COO oversees and coordinates the development and implementation of the agencywide strategic, operating, and budget plans and activities. The COO also coordinates the resolution of internal policy, personnel, and program issues with agency executive leadership and the FCA board.

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Office of Agency Services

The Office of Agency Services manages and delivers human capital, operational, and workforce development for the agency. The office consists of three service delivery teams: Human Resources Division, Operations Division, and Learning and Organizational Change Team. Services provided include strategic human capital management, recruiting, workforce planning, succession management, staffing and placement, job evaluation, compensation and benefits, payroll administration, performance management, awards, employee relations, employee training and development, property management, personnel security, continuity of operations and emergency preparedness, supply services, and mail service.

Office of the Chief Financial Officer

The Office of the Chief Financial Officer (OCFO) supports FCA's operations by providing financial management policy advice, reporting the agency's financial results, and supporting the agency's strategic planning efforts. The office manages the agency's compliance with federal financial management requirements. It also reports on the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded, and the adequacy of internal controls to detect and prevent material financial misstatements. It oversees the agency's budget, the investments committee, the FCS assessments, and the agency's purchasing, credit card, and travel/relocation programs. It also facilitates the agency's risk management and internal control efforts to help ensure operational and fiscal effectiveness and efficiency.

Office of Congressional and Public Affairs

The Office of Congressional and Public Affairs (OCPA) serves as the agency's principal office for communicating with Congress, the media, other government agencies, FCS institutions, employees, System borrowers, and the public. The office develops and monitors legislation pertinent to FCA and the FCS, serves as the agency's congressional liaison, facilitates intergovernmental relations, and prepares testimony for the chairman and other board members. It also provides information to external audiences through news releases, fact sheets, reports, videos, and other publications. The office cultivates relationships with media representatives who report on matters related to agriculture and rural credit, and it manages the content of the FCA website and social media channels. It also organizes special meetings, briefings for international visitors, and field hearings.

Office of Data Analytics and Economics

The Office of Data Analytics and Economics (ODAE) evaluates strategic risks to the System and agency using data, analytics, economic trends, and other riskfactors. Its staff members serve as stewards for agency data and provide information to the board and management for objective, evidence-based decision-making across FCA. The office facilitates an agencywide strategy for analytics and collaborates on business intelligence tools and the development of models to meet the strategic needs of the agency.

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Office of Equal Employment Opportunity and Inclusion

The Office of Equal Employment Opportunity and Inclusion manages and directs the agencywide diversity, inclusion, and equal employment opportunity (EEO) program for FCA. The office serves as the chief liaison with the Equal Employment Opportunity Commission and the Office of Personnel Management on all EEO, diversity, and inclusion issues. The office provides counsel and leadership to agency management to carry out its continuing policy and program of nondiscrimination, affirmative action, and diversity.

Office of Examination

The Office of Examination is responsible for examining and supervising each FCS institution in accordance with the Farm Credit Act and applicable regulations. The office develops oversight plans; conducts examinations; monitors the System's condition and current and emerging risks to the System; and develops supervisory strategies to ensure that the FCS operates in a safe and sound manner, complies with the law and regulations, and fulfills its public policy purpose.

Office of General Counsel

The Office of General Counsel provides the FCA board and staff with legal counsel as well as guidance on the Farm Credit Act and general corporate, personnel, ethics, and administrative matters. The office supports the agency's development and promulgation of regulations, enforcement of applicable laws and regulations, and implementation of conservatorships and receiverships. It represents and advises the agency on civil litigation. It also serves as the liaison to the Federal Register, administers the agency's ethics program, and handles Freedom of Information Act requests.

Office of Information Technology

The Office of Information Technology supports the information solutions and IT infrastructure that empower FCA to fulfill its mission. It is a respected partner in fulfilling FCA's mission through innovative solutions. The office is responsible for protecting agency technology assets, planning and controlling information technology investments, leading change to improve the efficiency and effectiveness of agency operations, and maintaining compliance with IT regulatory mandates. It is responsible for continuing to leverage FCA's investment in technology by collaborating across agency offices to identify and re-engineer business applications, data systems, and processes.

Office of Inspector General

The Office of Inspector General provides independent and objective oversight of agency programs and operations through audits, inspections, evaluations, investigations, and the review of proposed legislation and regulations. The office promotes economy and

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efficiency within FCA and seeks to prevent and detect fraud, waste, abuse, and mismanagement in the agency's programs and operations.

Office of Regulatory Policy

The Office of Regulatory Policy manages policy and regulation development activities, at the direction of the FCA board, to ensure the safety and soundness of the FCS and support the System's mission. Policy and regulation development activities include the analysis of policy and strategic risks to the System based on economic trends and other risk factors. The office also evaluates all regulatory and statutory prior approvals for System institutions on behalf of the FCA board, including chartering and other corporate approvals as well as funding approvals.

Office of Secondary Market Oversight

The Office of Secondary Market Oversight provides for the examination, regulation, and supervision of the activities of Farmer Mac to ensure its safety and soundness and the accomplishment of its public policy purpose as authorized by Congress. It also ensures that Farmer Mac complies with applicable laws and regulations, and it manages FCA's enforcement activities with respect to Farmer Mac.

FCA organizational chart as of April 2022



Risk-based examination and supervision

We design examination and supervision processes to address material risks and emerging issues at the institution level and Systemwide. We base our examination and supervision strategies on institution size, existing and prospective risk exposure, and the scope and nature of each institution’s business model. In evaluating each institution’s business model, we must ensure the

institution fulfills its public mission as a government-sponsored enterprise. In addition to overseeing and examining individual institutions, we also identify and evaluate Systemwide emerging risk and allocate examination resources to matters of highest priority and potential risk.

We have developed a comprehensive regulatory and supervisory framework to promote and help ensure the System's safety and soundness and its compliance with laws and regulations. This approach recognizes each institution's responsibility and ability to identify and manage both institution-specific and systemic risks. Our examination and supervision program promotes accountability in System institutions for their programs, policies, procedures, and controls. System institutions have developed effective risk-management cultures in response to our examination and supervision programs and our policies and regulations. These programs, policies, and regulations continue to set high standards for the System.

Because of volatility in the agricultural and credit markets, as well as significant changes in the financial markets, ensuring the safety and soundness of the System is more important and challenging than ever. To address these challenges, we annually identify and use risk topics to set examination priorities, identify potential regulatory issues, allocate resources, and evaluate emerging risk exposures. The examination and supervision program includes strategies for addressing these emerging risks and communicating our expectations to both internal and external audiences. Risk topics for 2022 are as follows:

- Cybersecurity in an increasing threat environment
- Loan underwriting in a period of significant volatility

When our examiners identify unsafe and unsound practices or conditions within a System institution or find that an institution has violated a law or regulation, we outline the corrective actions the institution must take in a Report of Examination or other form of communication. If necessary, we use our enforcement powers to bring about changes in an institution's policies and practices to correct unsafe or unsound conditions or violations of law or regulations. However, in most cases, we achieve corrective action without the use of formal enforcement powers.

Developing regulations and policies

FCA routinely issues regulations, informational memorandums, policy statements, and other guidance to ensure that the System complies with the law, operates in a safe and sound manner, and efficiently carries out its statutory mission.

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We are committed to providing a flexible regulatory environment that allows the System to offer high-quality, reasonably priced credit and related services to farmers and ranchers, their cooperatives, rural residents, and other entities on which farming operations depend.

We strive to develop balanced, well-reasoned, and flexible regulations, always considering both the benefits and the costs of these regulations to System institutions. Our objectives are to ensure that the System’s activities remain consistent with the law and safety and soundness principles and to encourage participation by member-borrowers in the management, control, and ownership of their institutions.

Young, beginning, and small farmers and ranchers

FCA supports the Farm Credit System’s mission to serve young, beginning, and small (YBS) farmers, ranchers, and producers and harvesters of aquatic products. We define young farmers as those who are 35 years old or younger, beginning farmers as those who have been farming for 10 years or less, and small farmers as those with less than \$250,000 in annual sales.

The System’s YBS mission is outlined in the Farm Credit Act of 1971, as amended, and we have adopted regulations to implement the YBS provisions of the act. The Farm Credit Act and FCA regulations require each FCS bank to have written policies that direct each association to have the following:

- A program for furnishing sound and constructive credit and financially related services to YBS farmers
- A mission statement describing the program’s objectives and specific means to achieve the objectives
- Annual quantitative targets for credit to YBS farmers
- Outreach efforts and annual qualitative goals for offering credit and related services that meet the needs of YBS farmers

An association’s board oversight and reporting are key parts of every YBS program. Each institution must report annually to FCA on the operations and achievements of its YBS program. Each association also must establish an internal controls program to ensure that it provides credit in a safe and sound manner.

In addition, FCA regulations require association business plans to include a marketing plan and strategies with specific outreach toward diversity and inclusion within each market segment. Operational and strategic business plans must include the goals and

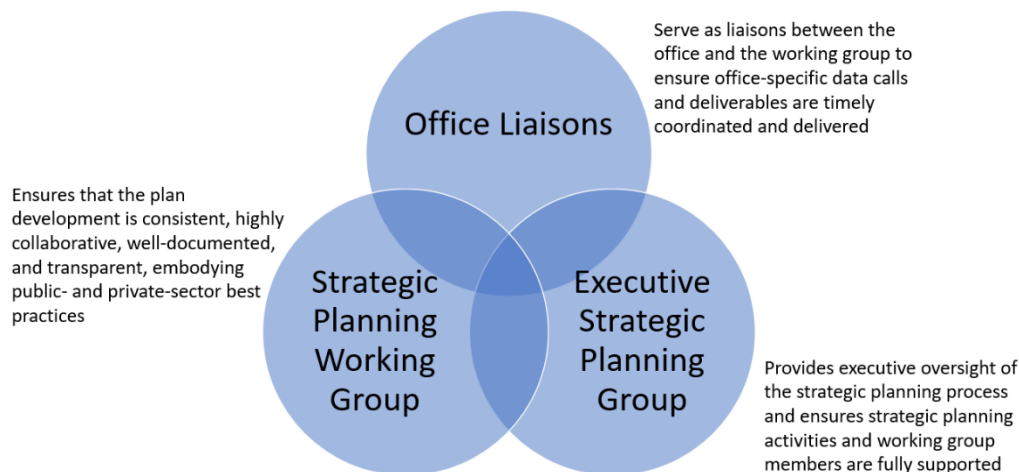
targets for the association’s YBS lending. System institutions must also coordinate with other government and private sources of credit in implementing their YBS programs. FCA’s oversight and examination activities monitor each institution’s assessment of its performance and market penetration in the YBS area.

Stakeholder engagement in developing our strategic plan

Our stakeholder engagement efforts were integral to our strategic planning process and closely aligned with OMB’s guidance to agencies.¹ In its guidance, OMB emphasized the importance of engaging with a diverse set of stakeholders — both inside and outside the agency — to take advantage of a broad range of perspectives.

As a federal agency, FCA is bound to serve the interests of the American public. FCA is a small agency whose purpose is to ensure the safety, soundness, and mission fulfillment of the Farm Credit System, and certain groups of external stakeholders take particular interest in our work. They include the following:

- The institutions we regulate
- Farmers, ranchers, and others who are eligible to borrow from the System
- The banking community, including large commercial banks and small community banks
- Rural communities
- Congress, especially the committees that oversee FCA and the System



¹ Source: Memorandum for Heads of Executive Departments and Agencies: Evidence-Based Policymaking: Learning Agendas and Annual Evaluation Plans (June 30, 2021)

Since we recognize our employees are our greatest resource, we also value the perspective of internal stakeholders. The individuals who were the most engaged in our strategic planning process included those responsible for developing regulatory policy, examining regulated entities, designing and evaluating programs, and ensuring agency operations run smoothly. At the beginning of FCA’s planning process, we formed three groups to support engagement with our internal stakeholders:

- The Executive Strategic Planning Group, which consisted of senior managers
- A Strategic Planning Working Group, which included representatives from various agency offices
- Office liaisons, who ensured that office-specific activities were integrated into the plan

To kick off FCA’s strategic planning process, we held a meeting with FCA board members and the three planning groups. The board members shared their high-level priorities and focus areas. Our subject-matter experts presented OMB planning requirements and the FCA planning process, the evidence-supported goals and objectives, and policy initiatives linked to the high-level priorities and focus areas. The kickoff also provided an opportunity for all participants to brainstorm to identify stakeholders and how best to engage them.

Members of the three planning groups have been involved in every aspect of FCA’s strategic planning, including brainstorming, drafting, and providing input on the strategic goals, the strategic objectives, the stewardship objectives, the performance goals, and the plan narrative.

In addition, FCA formed a planning outreach subgroup that developed and implemented outreach to our external and internal (employee) stakeholder communities for their input on our draft strategic focus areas. FCA sought this input so that we could better understand the interests of our stakeholders and be transparent and inclusive in our planning.

External stakeholder engagement

To engage our external stakeholders, we created a dedicated strategic planning page on our public website, www.fca.gov. We also sent out a GovDelivery message to our website subscriber list, which includes approximately 40,000 email addresses. Through our strategic planning web page and our GovDelivery message, we invited individuals to share their input on the following five focus areas:

1. Lending to young, beginning, and small (YBS) farmers and ranchers

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2. Challenges facing small associations in merger proposals
3. Weather and other environmental threats to agricultural finance
4. Cybersecurity risks and mitigation strategies
5. Maintaining FCA’s status as a best place to work

Each focus area was accompanied by questions asking stakeholders to share their opinions on strategies we could use to fulfill our goals. We received input from 17 external stakeholders in total:

- The Farm Credit Council, the trade association of the Farm Credit System.
- Six Farm Credit System institutions.
- Nine non-FCS stakeholders. Two of these stakeholders represented commercial banks, and most of the rest were agriculture-related organizations or individuals.

While not every external stakeholder addressed every focus area and question, collectively the feedback addressed every focus area. The focus area that was most often addressed was YBS lending, which was followed by climate risk and cybersecurity. We will continue to consider this input as we implement our strategic plan.

Internal stakeholder engagement

Input from our staff is critical to effective strategic planning. In addition to engaging staff from across the agency through our planning groups, the office liaisons worked closely with their respective offices to obtain feedback on the plan’s development, including our strategic focus areas, goals, and metrics.

To give all employees the opportunity to participate in the planning process, we published several articles in our internal FCA newsletter. These articles invited employees to provide feedback on our draft strategic and stewardship goals and objectives and to recommend meaningful performance measures in these areas:

- Strategic goals for ensuring the safety and soundness of the Farm Credit System and Farmer Mac, and promoting YBS programs
- Stewardship objectives for supporting workforce development and advancing FCA’s data, technology, and cybersecurity work

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In addition to feedback communicated through the office liaisons, we also received direct feedback from five employees in four different offices. Collectively, the feedback covered every proposed strategic objective and stewardship objective. We incorporated some of this feedback directly into this plan and will consider all of it as we implement the plan.

Strategic goals, strategic objectives, and performance goals

Strategic Goal 1: Ensure a sound financial system that provides a sustainable source of credit for agriculture and rural America
<p><i>This strategic goal directly reinforces FCA’s mission to ensure that Farm Credit System institutions and Farmer Mac are safe, sound, and dependable sources of credit and related services for all creditworthy and eligible persons in agriculture and rural America. This goal also addresses three focus areas for the current planning cycle. First, FCA will consider the challenges facing the System’s small versus large associations when evaluating merger proposals and administering its examination and regulatory programs. Second, FCA will evaluate the effectiveness of the contingency plans of System institutions and Farmer Mac in addressing weather and other environmental threats to agriculture that we identify through scenario testing. Third, FCA will assess the preparedness of System institutions and Farmer Mac for cybersecurity threats and events.</i></p>
<p>Supporting narrative</p> <p>The Farm Credit System and Farmer Mac were established to provide affordable credit and related services to creditworthy and eligible agricultural producers and entities of rural communities. The Farm Credit Administration provides regulatory oversight and examination as well as enforcement over System institutions and Farmer Mac to ensure this vital access to credit remains available. As such, the FCA board consistently references the imperative responsibility in virtually all official communications ranging from speeches, discussions, and testimonies as well as internal messages to FCA staff. Furthermore, recognizing this oversight can only be accomplished with all agency input, leadership met with various subject-matter experts to assist in identifying emerging issues and risks that could impact the System and Farmer Mac. Using this information, the FCA board and senior leaders identified the risk focus areas for the current planning cycle (institution size and merger proposals, weather and environmental threats, and cybersecurity). FCA will continue to actively evaluate not only current conditions but also emerging and prospective risks to ensure the Farm Credit System and Farmer Mac continue to meet their missions in an ever-evolving environment.</p> <p>FCA understands that achieving the goals and corresponding objectives is based on several factors, including regulatory authority, examination oversight, and certain restrictions. As part of developing the plan, we received several comments from external stakeholders including System representatives and agricultural experts who applauded the goals and objectives of the agency over the planning cycle while also offering constructive feedback.</p> <p>Specifically, we heard concerns about regulatory burden and other potential impediments in continuing to meet the mission of the Farm Credit System. Additionally, comments were shared regarding cybersecurity and weather/environmental issues where it was recommended to continue sharing best practices and promoting ongoing dialogue about what the System, Farmer Mac, and the agency are doing to maintain a safe and sound source of credit. Other comments encouraged the continued growth and viability of the System. FCA, the System, and Farmer Mac have a shared, formidable, and foundational tenet – to support American agriculture by ensuring the access of credit to qualified borrowers at competitive rates. As such, our ultimate planned outcome – a continued safe and sound System and Farmer Mac – is something as achievable as it is monumentally important. For our part, FCA has identified strategic objectives, performance goals, and metrics to drive and measure our performance during this planning cycle.</p>

Supporting strategic objectives, performance goals, and metrics

Strategic objectives	Performance goals	Metrics
<p>SO 1.1 — Ensure compliance with laws and regulations that support the sound financial condition and performance of all System institutions.</p>	<p>SO1.1.1 — Ensure policy and regulatory requirements address safety and soundness. (ORP)</p> <p>SO1.1.2 — Evaluate each merger or reaffiliation application for continued safety and soundness for the institution and the System. (ORP)</p> <p>SO1.1.3 — Conduct examination oversight activities to preserve the safety and soundness of individual institutions and the System. (OE)</p>	<p>SO1.1.a — Most objectives listed in the preamble of each final rule were met on the two-year anniversary of the rule’s effective or implementation date. (Target: Yes)</p> <p>SO1.1.b — Percentage of System institutions where supervisory agreement requirements were at least substantially met within 18 months of execution. (Target: >80%)</p> <p>SO1.1.c — Percentage of institutions with satisfactory audit and review programs, including institutions with acceptable corrective action plans. (Target: 100%)</p> <p>SO1.1.d — Percentage of System assets with a 1 or 2 composite FIRS rating. (Target: >98%)</p>
<p>SO1.2 — Ensure the System makes products and services available to all creditworthy and eligible borrowers in an impartial manner.</p>	<p>SO1.2.1 — Identify and eliminate unnecessary regulatory burdens and other barriers to the System’s ability to serve the needs of all eligible borrowers. (ORP)</p> <p>SO1.2.2 — Ensure lending programs continue to serve creditworthy and eligible borrowers. (OE)</p>	<p>SO1.2.a — Percentage of FCS institutions providing products and services to creditworthy and eligible persons. (Target: 100%)</p> <p>SO1.2.b — FCA solicited comments from the public and other interested parties on certain guidance and all regulations issued by the agency. (Target: Yes)</p> <p>SO1.2.c — Percentage of direct-lender institutions with satisfactory consumer and borrower rights compliance. (Target: >90%)</p>

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Strategic objectives	Performance goals	Metrics
<p>SO1.3 — Ensure Farmer Mac provides secondary market programs that increase the availability of credit and liquidity to agriculture, rural communities, and rural infrastructure.</p>	<p>SO1.3.1 — Develop and implement a dynamic examination, oversight, and risk-monitoring program that ensures the safety and soundness of Farmer Mac. (OSMO)</p> <p>SO1.3.2 — Emphasize Farmer Mac’s public purpose and mission through the evaluation of its mission achievement. (OSMO)</p> <p>SO1.3.3 — Assess regulatory and policy guidance for Farmer Mac as new risks emerge, with focus on capital and stress testing policies that promote long-term resiliency. (OSMO)</p>	<p>SO1.3.a — The Office of Secondary Market Oversight (OSMO) effectively identified emerging risks as part of the examination and oversight process. (Target: Yes)</p> <p>SO1.3.b — OSMO took appropriate supervisory and corrective actions. (Target: Yes)</p> <p>SO1.3.c — OSMO evaluated if Farmer Mac’s business plan contains strategies to promote and encourage the inclusion of all qualified loans (including loans to small farms and family farmers) in its secondary market programs. (Target: Yes)</p> <p>SO1.3.d — OSMO evaluated Farmer Mac’s progress toward achieving its mission to provide a source of long-term credit and liquidity for qualified loans. (Target: Yes)</p> <p>SO1.3.e — OSMO assessed the need for new or revised regulatory and policy guidance for Farmer Mac as new risks emerged. (Target: Yes)</p>
<p>SO1.4 — Promote opportunities for stakeholder engagement when establishing and reviewing regulatory and policy proposals.</p>	<p>SO1.4.1 — Continue communication with our stakeholders through meetings, briefings, and written communication. (All offices)</p>	<p>SO1.4.a — FCA requested input from persons outside of FCA for at least 90% of pre-rulemaking projects and proposed rules. (Target: Yes)</p>
<p>SO1.5 — Promote System lending for, and investments in, rural infrastructure to foster the vitality of rural communities.</p>	<p>SO1.5.1 — Reinforce the importance of the Farm Credit System’s role in serving rural infrastructure needs. (ORP)</p>	<p>SO1.5.a — FCA mentioned the importance of rural infrastructure in congressional testimony and public communications. (Target: Yes)</p> <p>SO1.5.b — FCA evaluated System institution requests for compliance with agency regulations and guidance regarding investments in rural infrastructure. (Target: Yes)</p>

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Strategic objectives	Performance goals	Metrics
<p>SO1.6 — Encourage board and workforce diversity at System institutions and Farmer Mac.</p>	<p>SO1.6.1 — Ensure that policy and regulatory initiatives do not hinder the diversity of System institutions’ boards and workforces. (ORP)</p> <p>SO1.6.2 — Ensure that System institutions’ and Farmer Mac’s human capital plans, as part of the annual business planning process, incorporate board and workforce diversity initiatives. (OE & OSMO)</p>	<p>SO1.6.a —FCA responded to comments from System institutions regarding diversity and inclusion challenges. (Target: Yes)</p> <p>SO1.6.b — Percentage of System institutions including Farmer Mac with objectives for addressing board and workforce diversity within the annual business plan. (Target: 100%)</p>
<p>SO1.7 — Ensure the System and Farmer Mac identify and implement safeguards to mitigate the potential impact of established and emerging risks.</p>	<p>SO1.7.1 — Ensure System institutions and Farmer Mac incorporate contingency plans to address weather and other environmental threats to operations. (OE, ORP, & OSMO)</p> <p>SO1.7.2 — Ensure System institutions and Farmer Mac establish controls to address cybersecurity threats and events. (OE & OSMO)</p> <p>SO1.7.3 — Enhance risk analysis and incorporate findings in policymaking and examination. (All offices)</p>	<p>SO1.7.a — Percentage of System institutions including Farmer Mac with contingency plans to preserve capital adequacy, earnings capacity, and access to funding. (Target: 100%)</p> <p>SO1.7.b — Percentage of System institutions including Farmer Mac addressing cybersecurity threats and controls in risk assessments and internal audit plans. (Target: 100%)</p> <p>SO1.7.c —FCA published a semiannual Unified Agenda that outlines the agency’s planned regulatory actions for the next 12 to 24 months. (Target: Yes)</p>

Strategic Goal 2: Foster the long-term viability of the U.S. agricultural economy while supporting young, beginning, and small (YBS) farmers, ranchers, and aquatic producers

This strategic goal underscores the importance of continued agricultural production in the United States. FCA is committed to continue promoting the long-term viability of the U.S. agricultural economy by encouraging Farm Credit System institutions to support YBS farmers, ranchers, and aquatic producers.

Supporting narrative

Congress requires that System institutions maintain programs to provide credit and related services to YBS farmers, ranchers, and aquatic producers. In 2019, the agency improved the reporting and collecting of YBS data to ensure effective YBS lending through reduced regulatory burden and improved efficiency and consistency in YBS reporting. Additionally, the FCA board has continued to promote the initiative on agriculture succession through YBS lending. For example, FCA recently co-sponsored a forum at Colorado State University to discuss the importance of lending to YBS farmers to promote the long-term viability of agriculture. FCA clearly remains committed to supporting the Farm Credit System’s mission to serve YBS producers. In demonstration of this support, FCA will continue to monitor each institution’s assessment of its performance and market penetration in the YBS area. Further, FCA will work with the System to leverage existing data assets to improve usability and consistency of YBS lending data.

Supporting strategic objectives, performance goals, and metrics

Strategic objectives	Performance goals	Metrics
<p>SO2.1 — Promote access to YBS lending programs and financial services for eligible borrowers.</p>	<p>SO2.1.1 — Ensure lending programs continue to serve creditworthy and eligible YBS borrowers. (OE)</p> <p>SO2.1.2 — Identify best practices through enhanced YBS reporting. (OE, ODEA)</p> <p>SO2.1.3 — Evaluate YBS regulations and guidance to support programming that meets the credit and financial services needs of eligible YBS borrowers. (ORP)</p> <p>SO2.1.4 — Continue to enhance YBS data analysis to better evaluate and rate the effectiveness of System institution programs in serving YBS borrowers and to identify further opportunities for improving service to these borrowers. (OE, ODAE)</p>	<p>SO2.1.a — Percentage of direct-lender institutions with YBS programs in compliance with YBS regulations. (Target: 100%)</p> <p>SO2.1.b — FCA published a semiannual Unified Agenda that outlines the agency’s planned regulatory actions, including YBS, for the next 12 to 24 months. (Target: Yes)</p> <p>SO2.1.c — Qualitative and quantitative improvements were made to YBS data. (Target: Yes)</p>
<p>SO2.2 — Encourage effective outreach by System institutions to promote the success of YBS farmers, ranchers, and aquatic producers.</p>	<p>SO2.2.2.1 — Promote outreach efforts and the sharing of best practices to promote the success of YBS farmers, ranchers, and aquatic producers. (OE)</p>	<p>SO2.2.a — Percentage of System institutions identifying outreach efforts for YBS in their annual business plans. (Target: > 90%)</p> <p>SO2.2.b — FCA facilitated sharing of effective YBS practices among System institution decisionmakers. (Target: Yes)</p>

FCA internal operations

The past two years have been a time of profound uncertainty for our workforce. This situation called for us to develop fresh approaches for motivating and engaging staff. Ranked the fifth best place to work among small agencies in the federal government in 2020, we have significant strengths on which to build, and we continue to promote and encourage practices that foster resiliency, creativity, innovation, and accountability.

Human capital management

The agency's Strategic Plan reflects our commitment to maintaining a diverse and capable workforce. Strategic objectives address maintaining a skilled, motivated workforce; ensuring adequate succession planning and knowledge transfer; and promoting diversity, ethics, and engagement in our workforce. We periodically assess external and internal workforce trends and integrate best practices. We also monitor the System's changing environment so that we can adjust staffing levels and maintain the necessary skill sets by hiring additional staff and by providing employee training and development. We review our workforce planning strategies annually.

Professional development

FCA remains committed to developing and delivering world-class learning resources to ensure that our workforce can meet current and future performance needs. During FY 2021, the Office of Agency Services' Learning and Organizational Change Team used several strategies to enhance technical capabilities, leadership competencies, and performance management while the agency operated in a geographically dispersed remote work environment. Examples of these strategies include the following:

- Technical capabilities — Continued to partner with Virginia Tech's Department of Agriculture and Applied Economics to develop and deliver for-credit, graduate level courses and professional development certificates with an emphasis in agricultural business, financial risk management, and data analytics
- Leadership competencies — Continued to provide aspiring leaders the necessary skills and experiences to lead while responding to the challenges of the COVID-19 pandemic by
 - supporting participation in OPM's Leadership Education and Development Institute,
 - acquiring additional licenses from our eLearning service provider to expand access to specialized leadership development courses,
 - coordinating participation of 34 FCA leaders and aspiring leaders in employee-engagement workshops tailored for our agency's needs by the Partnership for Public Service, and
 - collaborating with external service providers and internal stakeholders to develop and deliver a three-day leadership development summit to ensure compliance with 5 CFR 412.202

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- Performance management — Coordinated and delivered three agencywide virtual learning sessions on effective performance management while operating in a hybrid telework environment

Our emphasis on training has contributed to our strong showing in the rankings of the Best Places to Work in the Federal Government. In 2020, we were ranked in the top 5 among small federal agencies. The rankings are based on the results of the annual Federal Employee Viewpoint Survey. According to the 2020 survey results, the agency had made significant strides in improving employees' attitudes toward agency training and readiness:

- 94% of employees reported their work unit has the job-relevant knowledge and skills necessary to accomplish organizational goals — an increase from 90% in 2019.
- 91% of employees reported they are given a real opportunity to improve skills — an increase from 84% in 2019.

Moving forward, FCA's Learning and Organizational Change Team plans to build on existing efforts to develop our workforce by instituting a more systemic and integrated set of learning solutions. Some examples planned for FYs 2022 and 2023 include the following:

- Updating all learning, training, and education policies by modernizing and streamlining procedures to support a more mission-driven and results-oriented approach to meeting the needs of our workforce
- Revising the agency's leadership competency model to reflect a more contemporary framework that supports effective succession management
- Increasing the utility of the agency's eLearning platform by centralizing all required and discretionary learning resources

Examiner commissioning program

Through our Commissioning Program, we are developing the next generation of diverse and highly skilled examiners, ensuring they have the knowledge, skills, and talents necessary to accomplish the agency's mission. The program helps examiners develop their skills in FCA's primary areas of oversight — credit, finance, and operations, as well as examination management.

We also invest in the development of our commissioned examiners through human capital planning, examiner career development, and specialty programs. The specialty programs enable examiners to gain technical expertise and encourage them

to pursue professional development and certification. Various professional development and certification programs are available to help our examiners hone their expertise.

Diversity and inclusion

Because we recognize the value of diversity and inclusion to the agency, we work hard to attract and retain staff with varied backgrounds and skills. Our recruiters regularly visit job fairs at universities with high minority enrollment, and we have several Special Emphasis Programs at the agency to raise awareness about diversity and inclusion in our workforce.

Leveraging technology

We have designed a flexible IT program at FCA that can adapt to changing technical and business needs. The Office of Information Technology holds regular partnership meetings with staff from other business units to ensure that we monitor our IT investments closely and adjust our priorities as needed. Through these partnership meetings, we identify multiyear IT initiatives and include these in our annual Information Resources Management (IRM) Strategic Plan.

The IRM Strategic Plan drives IT spending through the current fiscal year and beyond. In 2022, we will continue to improve FCA's data reporting, dashboard, and analysis capabilities and strengthen our cybersecurity. We will engage contractors when we need specialized expertise, and we will expand use of cloud services where appropriate.

Stewardship objectives

We established three stewardship objectives to guide our ongoing internal operations.

Stewardship Objective 1: Ensure a well-trained, engaged, and diverse staff working effectively in a safe, efficient, and modern workplace

FCA has been consistently recognized as one of the top five best small agencies to work for in the federal government. The agency remains committed to fostering an inclusive workplace culture where a diverse group of employees have the resources and skills they need to excel in their positions. We achieve this by implementing strategic workforce initiatives that are responsive to the challenges of motivating, engaging, and retaining a 21st century workforce.

Supporting narrative

To support its mission, FCA will advance organizational excellence and equity through a workforce that reflects the diversity of the American public and maintains and promotes a culture of inclusion and accessibility. The agency will focus on developing a workforce and workplace of the future that will meet the demands of the 21st century.

FCA will strengthen its human capital initiatives that support succession management, employee development, and organizational effectiveness. Further, the agency will continue to prioritize diversity and inclusion in our talent management practices. FCA knows that a well-trained, diverse workforce will allow FCA to maximize organizational performance. Through implementing this stewardship objective, we will continue to foster an organizational culture and workplace climate that values diversity, equality, inclusion, and accessibility.

As the entities that FCA regulates adopt modern technology solutions and use increasingly sophisticated data modeling and analytics, FCA's workforce will need to enhance its advanced analytical and data science skills to ensure that the agriculture credit markets are safe and secure. Further, FCA's leaders and supervisors will need to enhance their proficiency at leading and managing staff as workforce paradigms shift in response to the pandemic and other urgent needs.

Supporting sub-objectives, performance goals, and metrics

Stewardship sub-objectives	Performance goals	Metrics
<p>ST1.1 — Enhance FCA’s workforce diversity.</p>	<p>ST1.1.1 — Enhance FCA’s diversity recruitment efforts.</p> <p>ST1.1.2 — Promote diversity and inclusion initiatives.</p>	<p>ST1.1.a — Ensured recruiting efforts included outreach to academic institutions with active diversity recruitment programs. (Target: Yes)</p> <p>ST1.1.b — Agency score was at least equal to the composite score for all small agencies on Q20 on the Federal Employee Viewpoint Survey (FEVS). (Target: Yes)</p> <p>ST1.1.c — Agency score was at least equal to the composite score for all small agencies on Q34 of the FEVS. (Target: Yes)</p>
<p>ST1.2 – Ensure employees have clear, measurable performance expectations that are aligned with FCA’s mission and strategic plan.</p>	<p>ST1.2.1 — Ensure performance-related policies and procedures are current.</p> <p>ST1.2.2 — Ensure employees receive timely and meaningful performance feedback.</p> <p>ST1.2.3 — Provide training on successfully managing and working in a hybrid telework environment.</p>	<p>ST1.2.a — Performance management-related policies and procedures are current (i.e., updated within past two years). (Target: Yes)</p> <p>ST1.2.b — Percentage of employees whose performance plans were established in a timely manner. (Target: >95%)</p> <p>ST1.2.c — Percentage of employees who received midterm performance reviews in a timely manner. (Target: >95%)</p> <p>ST1.2.d — Percentage of employees who received final rating reviews in a timely manner. (Target: >95%)</p> <p>ST1.2.e — Agency score was at least equal to composite small agency score on Q6 of the FEVS. (Target: Yes)</p> <p>ST1.2.f — Agency score was at least equal to the composite small agency score on Q12 of the FEVS. (Target: Yes)</p> <p>ST1.2.g — At least three training programs were delivered annually on working in a hybrid telework environment. (Target: Yes)</p>

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Stewardship sub-objectives	Performance goals	Metrics
<p>ST1.3 – Ensure employees receive targeted professional training and development opportunities.</p>	<p>ST1.3.1 – Create competency frameworks that support the development of supervisors and employees.</p> <p>ST1.3.2 – Assess employees’ training needs.</p> <p>ST1.3.3 – Deliver training that addresses current skills gaps.</p> <p>ST1.3.4 – Provide developmental opportunities to support emerging skills needs.</p> <p>ST1.3.5 – Encourage collaboration among staff members within and outside assigned offices through rotations, mentoring, and shadowing.</p>	<p>ST1.3.a – Agency score was at least equal to the composite small agency score on Q18 of the FEVS. (Target: Yes)</p> <p>ST1.3.b – Agency score was at least equal to the composite small agency score on Q47 of the FEVS. (Target: Yes)</p>
<p>ST1.4 – Ensure agency policies and practices demonstrate a culture of respect and professionalism toward all individuals, internal and external to FCA.</p>	<p>ST1.4.1 – Foster diversity and inclusion principles and practices.</p> <p>ST1.4.2 – Foster service excellence principles and practices.</p>	<p>ST1.4.a – Agency score was at least equal to the composite small agency score on the FEVS Employee Engagement Index. (Target: Yes)</p> <p>ST1.4.b – Agency score was at least equal to the composite small agency score on Q15 of the FEVS. (Target: Yes)</p> <p>ST1.4.c – Agency score was at least equal to the composite small agency score on Q23 of the FEVS. (Target: Yes)</p>

FEVS questions as metrics

- Q1: I am given a real opportunity to improve my skills in my organization.
- Q6: I know what is expected of me on the job.
- Q12: I know how my work relates to the agency's goals.
- Q15: Employees are protected from health and safety hazards on the job.
- Q18: My training needs are assessed.
- Q19: In my most recent performance appraisal, I understood what I had to do to be rated at different performance levels (for example, Fully Successful, Outstanding).
- Q20: My supervisor is committed to a workforce representative of all segments of society.
- Q23: My supervisor treats me with respect.
- Q34: Policies and programs promote diversity in the workplace (for example, recruiting minorities and women, training in awareness of diversity issues, mentoring).
- Q43: My supervisor provides me with opportunities to demonstrate my leadership skills.
- Q47: Supervisors in my work unit support employee development.

Stewardship Objective 2: Ensure data and technology assets are accessible, protected, and used effectively in a modern environment

This stewardship objective provides for necessary inputs to pursue our mission and two strategic goals.

Supporting narrative

Data and technology assets are necessary inputs for successfully pursuing our mission. While we have made advances in recent years, we must enhance our technology platforms and security, analytic capabilities, and use of data to address ever-changing risks to the Farm Credit System and FCA and to support agency processes and decision-making. We expect to work toward a collaborative agency environment that seamlessly builds and secures an analytic setting that enables both development and sharing of information. A primary expectation is that such an environment will attract high-performing employees who, in turn, will further propel us toward this stewardship objective.

FCA will continue advancing agency efforts to modernize and secure our data and technology platforms by developing data, technology, and cybersecurity initiatives that support FCA’s mission. We will allocate budget and resources for those efforts. FCA will continuously modernize its data and technology platforms, with a strategic focus on giving staff the necessary tools to accomplish FCA’s mission in a hybrid working environment. To support the administration’s efforts (Executive Order 14028: Improving the Nation’s Cybersecurity) to mitigate cybersecurity risks across federal agencies, FCA will further strengthen its internal cybersecurity protections by fostering a security-aware culture and hardening critical information systems to mitigate risks associated with existing and emerging (e.g., supply chain risks) threats.

Supporting sub-objectives, performance goals, and metrics

Stewardship sub-objectives	Performance goals	Metrics
<p>ST2.1 – Safeguard data and technology assets and provide technology platforms designed to enhance employee productivity.</p>	<p>ST2.1.1 – Continue modernizing FCA’s data and technology platforms to deliver enhanced data and technology capabilities that directly support FCA’s mission and meet the computing needs of a hybrid workforce.</p> <p>ST2.1.2 – Improve data standardization and automation.</p> <p>ST2.1.3 – Enhance data analytics capabilities.</p> <p>ST2.1.4 – Sunset outdated development and infrastructure platforms.</p> <p>ST2.1.5 – Continue strengthening FCA’s cybersecurity defenses by implementing the policies, processes, and procedures required to effectively respond to emerging incidents.</p>	<p>ST2.1.a – One aging technology platform was modernized annually. (Target: Yes)</p> <p>ST2.1.b – Achieved and maintained not less than 95% vulnerability compliance for scanned assets that are within FCA’s vulnerability management operating procedures. (Target: Yes)</p> <p>ST2.1.c – Conducted phishing tests in compliance with the frequency outlined in OIT’s Phishing Tests Standard Operating Procedures. (Target: Yes)</p> <p>ST2.1.d – Ensured multifactor authentication of FCA end user accounts unless excepted. (Target: 100%)</p>
<p>ST 2.2 – Advance evidence-based policy and organizational decision making.</p>	<p>ST2.2.1 – Create a new environment (data and analytic tools) for technical staff to assess risks so they can generate new knowledge and insights for advancing agency decision-making. This includes (1) acquiring priority data sets to answer strategic agency questions and (2) continuing to build and secure an analytic environment in a seamless fashion for both development and sharing of information.</p> <p>ST2.2.2 – Build a community of learning and practice in advanced analytics.</p> <p>ST2.2.3 – Use the new data, analytical tools, and community of practice to create new knowledge and insights to advance agency decision-making.</p> <p>ST2.2.4 – Enhance public data assets to provide additional value to stakeholders.</p>	<p>ST2.2.a – Programming languages, analytical tools, and resources were accessible by staff. (Target: Yes)</p> <p>ST2.2.b – Produced quantitative and qualitative deliverables that are responsive to agency needs. (Target: Yes)</p> <p>ST2.2.c – Provided qualitative and quantitative improvements to data inventories and metadata. (Target: Yes)</p>

Stewardship Objective 3: Ensure sound management and oversight of agency financial resources to achieve strategic goals

This stewardship objective underscores the importance of accountability and transparency in the execution of our fiduciary duties.

Supporting narrative

Responsible fiscal stewardship is a fundamental responsibility of all organizations. FCA has a long-established history of outstanding fiscal stewardship, to include implementing financial management improvement priorities, establishing agencywide financial management policies, and carrying out the financial management functions required by Circular A-11. This commitment to stewardship excellence fosters informed decision-making and internal and external confidence in the agency’s financial management.

Most of our revenue is derived from assessments received from Farm Credit System institutions, including Farmer Mac and the System’s service corporations. We calculate the assessments using a formula established by FCA regulation. Those revenues are used to fulfill our primary goals of carrying out our public mission and ensuring the safety and soundness of the System.

In addition to assessments, we receive funds from reimbursable services and interest earned on investments with the U.S. Department of the Treasury. We use interest earned on investments to build and maintain an agency reserve. The reserve ensures that we can effectively and efficiently respond to unexpected, unbudgeted expenses without needing to increase assessments.

Supporting sub-objectives, performance goals, and metrics

Stewardship sub-objectives	Performance goals	Metrics
ST3.1 — Ensure accountability and transparency in the execution of our fiduciary duties and ability to deliver reliable financial information to our stakeholders.	ST3.1.1 — Agency produces complete and accurate financial statements in accordance with U.S. generally accepted accounting principles.	ST3.1.a — Agency received an unmodified audit opinion from independent auditors. (Target: Yes)
ST3.2 — Ensure assessments for Farm Credit System institutions are appropriate based on reasonable costs associated with the agency’s examination and supervision activities.	ST3.2.1 — Agency develops a cost-effective budget that supports our mission and reflects assessments calculated based on FCA regulation. ST3.2.2 — Agency maintains adequate reserves to respond to unexpected, unbudgeted expenses without needing to increase assessments.	ST3.2.a — Assessments met the agency regulatory authority. (Target: Yes) ST3.2.b — Agency maintained interest reserves between two months of operating expenses and less than 30% of agency budget. (Target: Yes)

Stewardship sub-objectives	Performance goals	Metrics
ST3.3 — Promote equitable acquisitions by creating more opportunities for all types of businesses and underserved entrepreneurs to compete for federal contracts.	ST3.3.1 — Agency promotes contracting with small, disadvantaged, minority, or women-owned firms.	ST3.3.a — Agency met governmentwide statutory goals for participation of small businesses in contracting. ² (Target: Yes)

Performance measurement and reporting

Our performance measurement system evaluates our progress in achieving the goals outlined in our Strategic Plan for FYs 2022 to 2026. The system provides a balanced view of our overall performance, considering the inputs used, the products and services produced, and the achievement of desired outcomes. As we have shown in this report, the agency-level measures are tracked at the program activity level and linked to our strategic goals.

Our chief executive officer, with assistance from our chief operating officer and designated office directors, is responsible for measuring performance by collecting and analyzing performance data. The chief executive officer monitors the agency’s progress and results relative to the agency-level measures on a quarterly basis. Periodic performance reports are provided to the FCA board. The annual performance report is incorporated in the FCA Performance and Accountability Report, which is submitted to the president and Congress.

² Although FCA is not subject to the Chief Financial Officers Act, the agency voluntarily aspires to meet this performance goal.