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Fact Sheet on Farm Credit System Young, Beginning and Small (YBS) Farmer Lending Results for 2016

In 2016, the pace of new lending to YBS farmers remained relatively flat. In terms of dollar volume, the pace of YBS lending slightly exceeded the pace of overall farm lending by Farm Credit System institutions. In terms of loan numbers, the pace of YBS lending lagged slightly behind the pace of overall farm lending.

From 2015 to 2016, the dollar volume of new loans made to small farmers rose 3.3 percent, while the dollar volume of new loans to young and beginning farmers declined by 1.9 percent and 0.3 percent, respectively. However, since the dollar volume of the Farm Credit System's overall farm lending declined by 5.4 percent in 2016, the *proportion* of the System's dollar volume going to every YBS category actually increased slightly.

On the other hand, all three YBS categories experienced slight declines in the *number* of loans made in 2016. The number of loans to young farmers declined by 0.2 percent, to beginning farmers by 0.6 percent, and to small farmers by 0.2 percent. By contrast, the System's overall number of new farm loans grew by 0.5 percent.

For loans outstanding, the dollar volume increased in all three categories. Loan volume to young farmers increased by 2.6 percent, to beginning farmers by 3.2 percent, and to small farmers by 2.1 percent. The System's overall farm loan volume grew by 2.8 percent.

The *number* of YBS loans outstanding presented mixed results. The number of loans outstanding to young farmers grew by 1.2 percent and to beginning farmers by 1.5 percent, while the System's overall number of farm loans grew by only 0.1 percent. However, the number of loans outstanding to *small* farmers decreased by 0.1 percent.

The following information summarizes the System's 2016 lending activity to YBS farmers and ranchers.

Young — In 2016, the System made 62,000 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 \$9.2 billion. The loans to young farmers in 2016 represented 17.0 percent of all farm loans made during the year and 11.7 percent of the dollar volume of loans made. At the end

of 2016, the System had 190,995 loans outstanding to young farmers, totaling \$27.8 billion.

Beginning — The System made 79,166 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 \$12.7 billion in 2016. The loans made to beginning farmers in 2016 represented 21.7 percent of all farm loans made during the year and 16.0 percent of the dollar volume of loans made. At the end of 2016, the System had 279,019 loans outstanding to beginning farmers, totaling \$42.8 billion.

Small — In 2016, FCS institutions made 149,691 loans, totaling \$12.2 billion, to small farmers — that is, to those with gross annual sales of less than \$250,000. The loans made in 2016 to farmers in this category represented 41.1 percent of all farm loans made during the year and 15.4 percent of the dollar volume of all farm loans made. At the end of 2016, the System had 501,874 loans outstanding to small farmers, totaling \$47.7 billion.

Totals reported include loans, advancements, and commitments made to farmers, ranchers, and aquatic producers, and exclude rural home loans, loans to cooperatives, and activities of the Farm Credit Leasing Services Corporation. In 2016, a total of 363,988 new farm loans were made, totaling \$79.261 billion. The total outstanding farm loan numbers at year-end was 1,043,246, amounting to \$252.341 billion.

YBS loans made during 2016

As of December 31

YBS category	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	62,000	17.0	\$9,247	11.7	\$149,143
Beginning	79,166	21.7	\$12,707	16.0	\$160,514
Small	149,691	41.1	\$12,207	15.4	\$81,545

YBS loans outstanding

As of December 31, 2016

YBS category	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	190,995	18.3	\$27,784	11.0	\$145,471
Beginning	279,019	26.7	\$42,817	17.0	\$153,457
Small	501,874	48.1	\$47,699	18.9	\$95,042

Sources: Annual YBS Farmer Reports submitted by each System lender through the Farm Credit banks.

Note: Because the YBS mission is focused on each borrower group separately, data are reported separately for each of the three YBS borrower categories. Since some loans fit more than one category, adding the loans across categories does not produce an accurate measure of the System's YBS lending involvement.

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