

**Statement on the Final Rule on Service to
Young, Beginning, and Small
Farmers and Ranchers
Glen R. Smith
FCA Board Member
Farm Credit Administration Board Meeting
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Today is a proud day for our agency and a meaningful step toward ensuring the long-term prosperity of American agriculture. My office staff also informs me that it is National Farmers Day — especially significant given that this is the group we ultimately serve.

I offer my heartfelt thanks to Chairman Vincent Logan and Board Member Jeff Hall for their steadfast efforts to get the final rule across the finish line. And, finally, I would like to convey my deep appreciation to the FCA staff members who have worked tirelessly toward this day.

Why is the rule so important?

Extending credit to young, beginning, and small (YBS) farmers and ranchers may not be considered as efficient as lending to large established entities, and it may also carry increased risk. However, those factors do not diminish the responsibility of Farm Credit System institutions to serve these groups as mandated by Congress in the Farm Credit Act of 1971, as amended.

That responsibility is just as important today, during relatively prosperous economic times, but even more important during downturns like the one we experienced in the '80s. The final rule we approved here today updates the FCA regulations that address that congressional mandate.

What does the rule accomplish?

Hazem and Jessica did a fine job of describing the mechanics of the rule. But, before going further, I want to say I've been impressed by the commitment many System institutions have shown in serving YBS producers and the men and women who have dedicated their careers to advancing this noble cause. I've seen this firsthand.

During my first two years on the board, I traveled extensively around the country to familiarize myself with different aspects of agriculture. My favorite part of those travels was visiting literally dozens upon dozens of YBS operations and learning what it took to make them successful.

My hope is that the enhanced requirements of the YBS rule will encourage System institutions to share those successes and best practices in serving YBS producers.

How did we get here?

We've come a long way together. This final rule is the culmination of over five years of hard work at the agency, starting with the recognition that the accuracy of the YBS data submitted annually to FCA needed to improve. In February of 2019, the FCA board adopted an advance notice of proposed rulemaking to improve on this process.

When I was named chairman later that year, advancing service to YBS producers became my top priority. Soon thereafter we created the Office of Data Analytics and Economics to improve the collection, evaluation, and reporting of YBS data — a process that continues to this day.

Despite the challenges of COVID in the next couple of years, Board Member Hall and I continued to provide guidance to staff, and FCA issued the proposed rule in June of 2022 following a very successful national YBS Conference in Colorado. When Chairman Logan joined the FCA board a year ago, he contributed his unique perspective and leadership to the rule, particularly in the area of outreach to underserved groups.

What makes this final rule so exciting is that it's a "rule of opportunity." With time and accumulated data analysis, it will represent a valuable tool in helping Farm Credit boards direct their resources to best serve YBS producers in their individual territories. It gives Farm Credit institutions an opportunity to build a strong borrower base for tomorrow's customers. But most of all, it will help fulfill the dreams and aspirations of young, beginning, and small agriculturalists for generations to come.