

Kenneth A. Spearman, Board Chairman and Chief Executive Officer
Dallas Tonsager, Board Member
Jeffery S. Hall, Board Member



**MINUTES OF THE REGULAR MEETING
OF THE
FARM CREDIT ADMINISTRATION BOARD
November 10, 2016**

These minutes reflect the business transacted at the November 10, 2016, Regular Meeting of the Farm Credit Administration Board (FCA Board) pursuant to the Government in the Sunshine Act (Act), 5 U.S.C. § 552b, and the regulations of the Farm Credit Administration (FCA) adopted thereunder.

The FCA Board meeting was held at the FCA office in McLean, Virginia, beginning at 9:00 a.m. and concluding at 9:48 a.m. Members of the Board present were:

Dallas Tonsager, Presiding Chairman
Jeffery S. Hall, Member

The above named constituted a quorum of the Board.

Others present included **Charles Rawls**, General Counsel; **Dale Aultman**, Secretary to the Board; staff of the FCA and Farm Credit System Insurance Corporation (FCSIC); and two members of the general public. (A list of staff attendees is attached as Exhibit A.)

Before starting the meeting **Presiding Chairman Tonsager** asked staff to keep Board Chairman Spearman in their thoughts as he is recovering from surgery. **Mr. Hall** expressed best wishes for Board Chairman Spearman's speedy recovery from surgery.

Presiding Chairman Tonsager opened the meeting indicating that in accordance with FCA Board Policy Statement Number 64, Article I, Section 2, with Chairman Spearman unavailable this day, Mr. Tonsager will be the Presiding Chairman for the meeting.

The **Secretary** read a statement that announced the meeting would be conducted according to the requirements of the Government in the Sunshine Act.

Presiding Chairman Tonsager reviewed the published Agenda. (A copy of the Public Announcement publishing the Agenda for the meeting is attached as Exhibit B.)

Mr. Hall moved to adopt the Agenda as published.

Presiding Chairman Tonsager seconded the motion.

There being no further discussion, **Presiding Chairman Tonsager** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously.

Mr. Hall noted that the Agenda did include portions of the meeting that should be closed to the public as permitted by the Government in the Sunshine Act and therefore moved that the meeting be closed at that point.

Presiding Chairman Tonsager seconded the motion.

There being no further discussion, **Presiding Chairman Tonsager** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously.

OPEN SESSION

Approval of Minutes

Minutes for October 13, 2016 Regular Board Meeting (BM-10-NOV-16-01)

Mr. Hall moved to approve the minutes for October 13, 2016, FCA Regular Board Meeting.

Presiding Chairman Tonsager seconded the motion.

There being no further discussion, **Presiding Chairman Tonsager** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously. **(BM-10-NOV-16-01)**

(A copy of the official "Board Action Item" is attached as Exhibit C.)

Report

Update on the Farm Credit System's Young, Beginning and Small Farmer Reporting

Steve Koenig of the **Office of Regulatory Policy** presented the Update on the Farm Credit System's Young, Beginning and Small Farmer Reporting.

Presiding Chairman Tonsager asked if there were any questions or further discussion from the Board.

There were no further questions or discussion.

(A copy of the PowerPoint presentation is attached as Exhibit D.)

CLOSED SESSION

Presiding Chairman Tonsager noted that this was a Closed Session and ensured that members of the public and nonessential FCA and FCSIC staff were not in the room so the Board could meet with Office of Secondary Market Oversight (OSMO) in Closed Session.

Presiding Chairman Tonsager convened the closed session of the meeting at 9:24 a.m. and instructed the **Secretary** to activate the electronic recording device so that the proceedings of the closed session were properly recorded as required by the Government in the Sunshine Act.

Presiding Chairman Tonsager then instructed the **General Counsel** to furnish the **Secretary** with a certification, pursuant to 5 U.S.C. § 552b(f), that the portions of the meeting held in closed session may be properly closed to the public.

(A copy of the Certification is attached hereto as Exhibit E.)

Members of the Board present were:

Dallas Tonsager, Presiding Chairman
Jeffery S. Hall, Member

The above named constituted a quorum of the Board.

Others present included **Dale Aultman**, Secretary to the Board; and **Charles Rawls**, General Counsel. (A list of staff attendees is attached as Exhibit A).

Office of Secondary Market Oversight Quarterly Report

Bruce Hudson and **Clarke Cheeke** presented the OSMO Quarterly Report.

Presiding Chairman Tonsager asked if there were any questions or further discussion from the Board.

There were no further questions or discussion and the closed session ended at 9:47 a.m.

ADJOURNMENT

There being no further business to come before the Board, **Presiding Chairman Tonsager** indicated he would entertain a motion to adjourn the meeting.

Mr. Hall moved that the meeting be adjourned.

Presiding Chairman Tonsager seconded the motion and called the question.

The **Secretary** polled the Board Members and the motion carried unanimously.

The meeting adjourned at 9:48 a.m.

NOTATIONAL VOTE ACTIONS

There were two notational vote actions approved by the FCA Board from October 14, 2016, through November 9, 2016 as follows:

Item Number	Action Date	Voting Results	Subject
NV 16-20	10/14/2016	Approved	Flood Insurance – Interagency Proposed Rule
NV 16-21	10/14/2016	Approved	Oversight and Examination Plan, Office of Examination, FY 2017

The undersigned hereby certify that the foregoing minutes are the official minutes of the Regular Meeting of the Farm Credit Administration Board held on November 10, 2016.

_____/s/
Dallas Tonsager
Board Chairman and Chief Executive Officer

_____/s/
Dale L. Aultman
Secretary to the Board

Approved: December 8, 2016

**STAFF PRESENT AT THE
FCA REGULAR BOARD MEETING
November10, 2016**

Dallas Tonsager, Presiding Chairman for the Meeting
Jeffery S. Hall, Board Member

OFFICE	OPEN SESSION	CLOSED SESSION
Office of the Board		
Aultman, Dale	X	X
Middleton, Russell	X	
Laguarda, Wendy	X	X
Kramp, Kevin	X	X
Calhoun, Gaye	X	
Corey, Kathryn	X	
COO		
Hoffman, William	X	X
OIT		
Golley, Jerald	X	X
OCPA		
Stokke, Mike	X	X
Meaux, Willy	X	X
OSMO		
Rea, Laurie	X	X
Connor, Joe	X	X
Hudson, Bruce	X	X
Cheeke, Clarke (on rotation)	X	X
Del Moral, Jeremy		X
OGC		
Rawls, Charles	X	X
Donner, Mary Alice	X	X
Strickland, Joy	X	X

OFFICE	OPEN SESSION	CLOSED SESSION
OE		
Coleman, Robert	X	X
Paulsen, Roger	X	X
EEOI		
Burlew, Thais	X	X
OIG		
Dean, Elizabeth	X	X
ORP		
Van Meter, Gary		X
Mardock, Barry	X	X
Koenig, Steve	X	
Johansen, Mark	X	
Gabriel, Stephen	X	X
Iannetta, Salvatore	X	
OCFO		
Smith, Stephen	X	X
OAS		
Fowlkes, Jerome	X	X
FCSIC		
Rubin, Howard	X	X
Pfitzinger, Rick	X	X
GENERAL PUBLIC	2	

**PUBLIC ANNOUNCEMENT OF
MEETING SUBJECT TO THE GOVERNMENT IN THE SUNSHINE ACT
Farm Credit Administration Board
Regular Meeting
November 10, 2016**

Summary: Notice is hereby given, pursuant to the Government in the Sunshine Act (5 U.S.C. Sec. 552b (e) (1)), of the forthcoming regular meeting of the Farm Credit Administration Board.

Date and Time: The regular meeting of the Board will be held November 10, 2016. The meeting is scheduled to be held at the office of the Farm Credit Administration in McLean, Virginia, from 9:00 a.m. until such time as the Board may conclude its business.

Address: Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia 22102-5090. Submit attendance requests via e-mail to VisitorRequest@FCA.gov. See SUPPLEMENTARY INFORMATION for further information about attendance requests.

For Further Information Contact: Dale L. Aultman, Secretary to the Farm Credit Administration Board (703) 883-4009. TTY is (703) 883-4056.

Supplementary Information: Parts of this meeting of the Board will be open to the public (limited space available), and parts will be closed to the public. Please send an e-mail to VisitorRequest@FCA.gov at least 24 hours before the meeting. In your e-mail include: name, postal address, entity you are representing (if applicable), and telephone number. You will receive an e-mail confirmation from us. Please be prepared to show a photo identification when you arrive. If you need assistance for accessibility reasons, or if you have any questions, contact Dale L. Aultman, Secretary to the Farm Credit Administration Board, at (703) 883-4009. The matters to be considered at the meeting are:

OPEN SESSION

- Approval of Minutes**
- 1 October 13, 2016

- Reports**
- 2 Update on Farm Credit System’s Young, Beginning and Small Farmer Reporting

CLOSED SESSION

- 4 Office of Secondary Market Oversight Quarterly Report¹

November 1, 2016
Date

/s/
Dale L. Aultman
Secretary to the Board

¹Session Closed-Exempt pursuant to 5 U.S.C. Section 552b(c)(8) and (9).

Farm Credit Administration

1501 Farm Credit Drive
McLean, Virginia 22102-5090
(703) 883-4000

BOARD ACTION ITEM



FCA BOARD ACTION ON

Minutes for October 13, 2016 Regular Board Meeting

BM-10-NOV-16-01

Effective Date: November 10, 2016

Effect on Previous Action: None

THE FCA BOARD HEREBY:

Approves the minutes for October 13, 2016, Regular Board Meeting as submitted.

DATED THIS 10th DAY OF NOVEMBER 2016

BY ORDER OF THE BOARD

/s/
Dale L. Aultman
Secretary to the Board



Update on the Farm Credit System's Young, Beginning, and Small Farmer Reporting

**Office of Regulatory Policy
FCA Board Meeting
November 10, 2016**

Steven Koenig, Senior Economist

Exhibit D



Outline

- **Review of the System's Young, Beginning, and Small Farmer (YBS) Reporting**
- **Demographic Trends and Definitions of YBS Farmers and Ranchers**
- **Considerations When Evaluating YBS Definitions and Reporting**



YBS Reporting

- **Farm Credit Act – 1980 Amendments**
 - FCS institutions must have programs to serve YBS customers
 - Requires the reporting of YBS Program activities to FCA
- **Regulation – 614.4165 (2004)**
 - Directs annual reporting requirements of YBS program for System institutions
- **Bookletter – 040 (2007)**
 - Specifies the current definitions for Young, Beginning, and Small Farmers
- **YBS Call Report Instructions**
 - Provides specific details, definitions, and guidance on YBS reporting



YBS Program Reporting

- **Each System institution reports annually to FCA for each YBS category on the counts and dollar volumes of loans made during the year and the outstanding loans at yearend**
- **For the small farmer category each System institution also reports on 4 loan sizes for new and outstanding loan counts and dollar volumes**



FCA's YBS Definitions

- **Young Farmer: age 35 or younger**
- **Beginning Farmer: 10 years or less farming experience**
- **Small Farmer: annual gross agricultural sales less than \$250,000**

Notable YBS Reporting Details:

- **Data are reported separately for each category**
- **Borrowers may qualify under more than one category**
- **Loan counts are reported and not borrower counts**
- **Dollar volumes include advances and commitments**



YBS Reporting Review

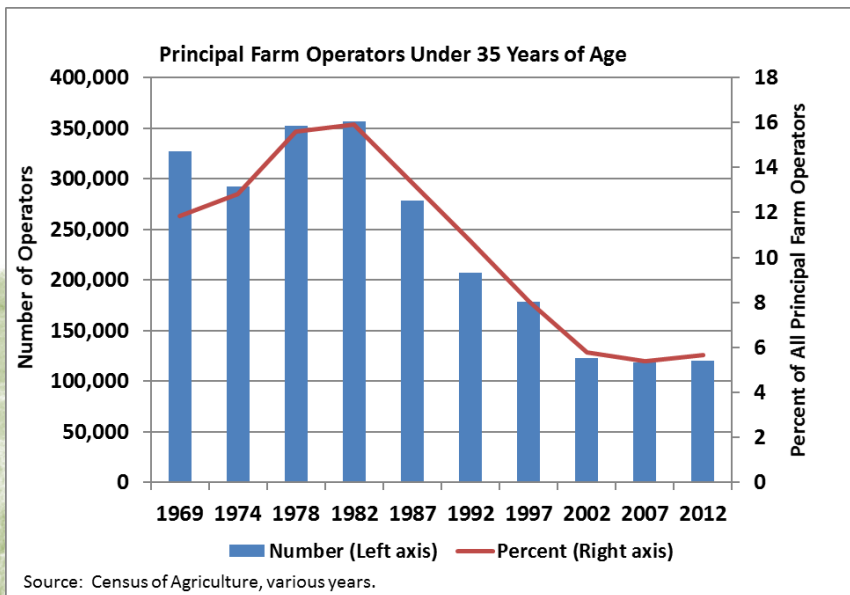
- **Specific Definitions for Young, Beginning, and Small Farmers and Ranchers**
- **Terms and Definitions**
- **Call Reporting Procedures**



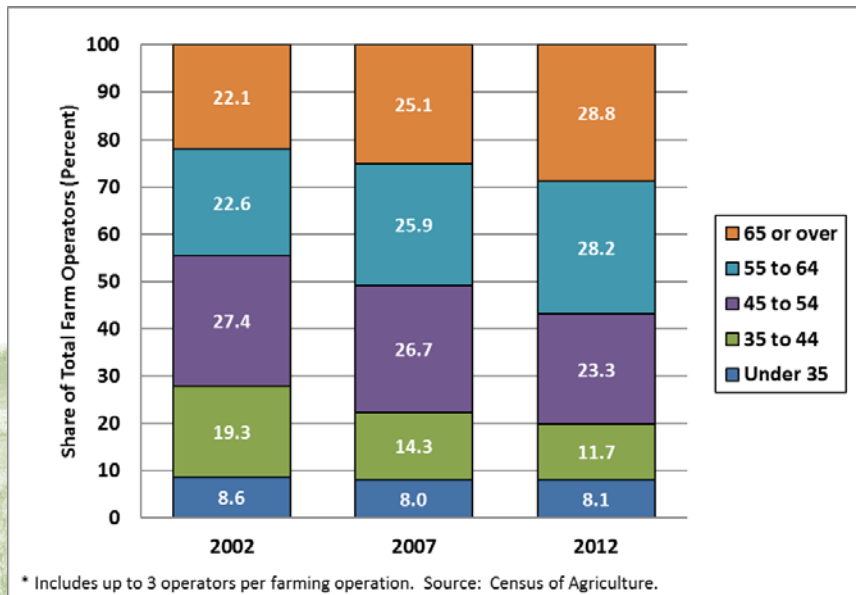


Young Farmer Definition

Principal Operator Trends



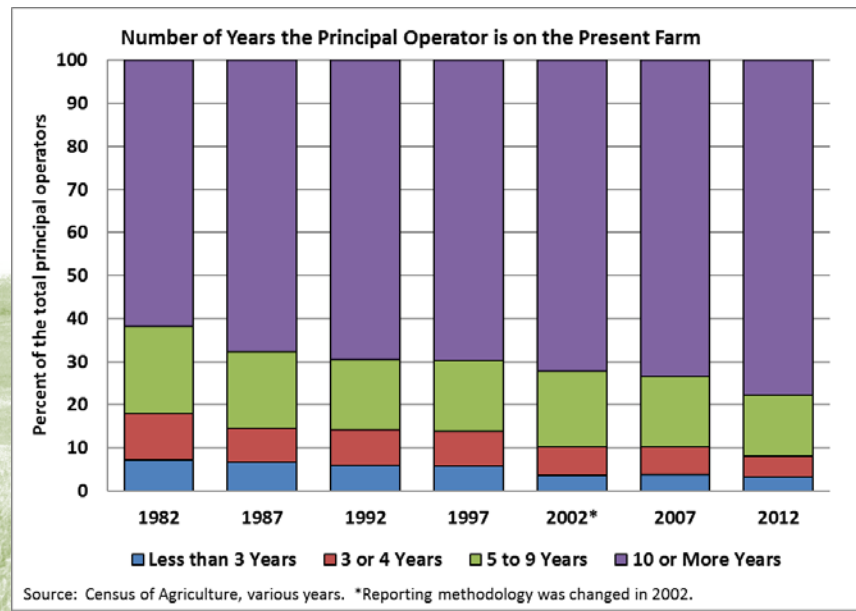
Age of Farm Operators*



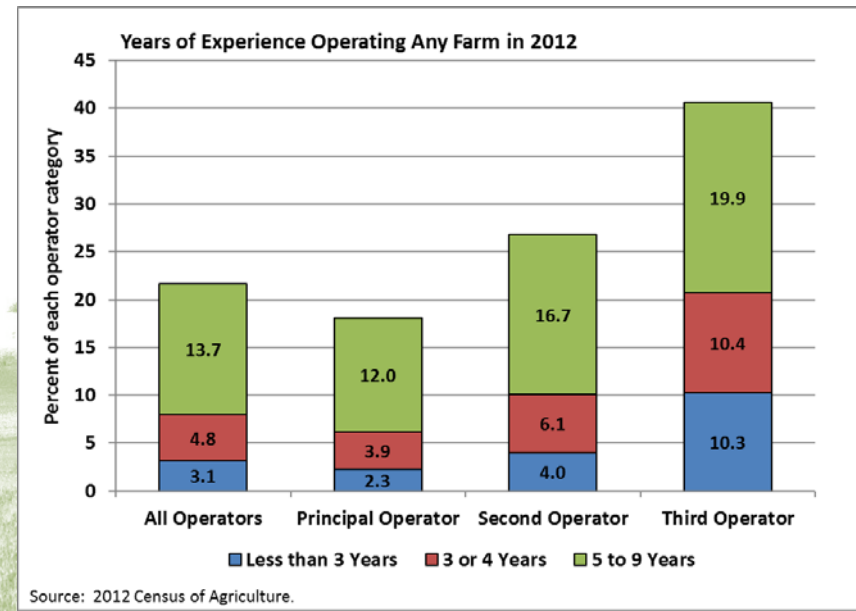


Beginning Farmer Definition

Principal Operator Trends



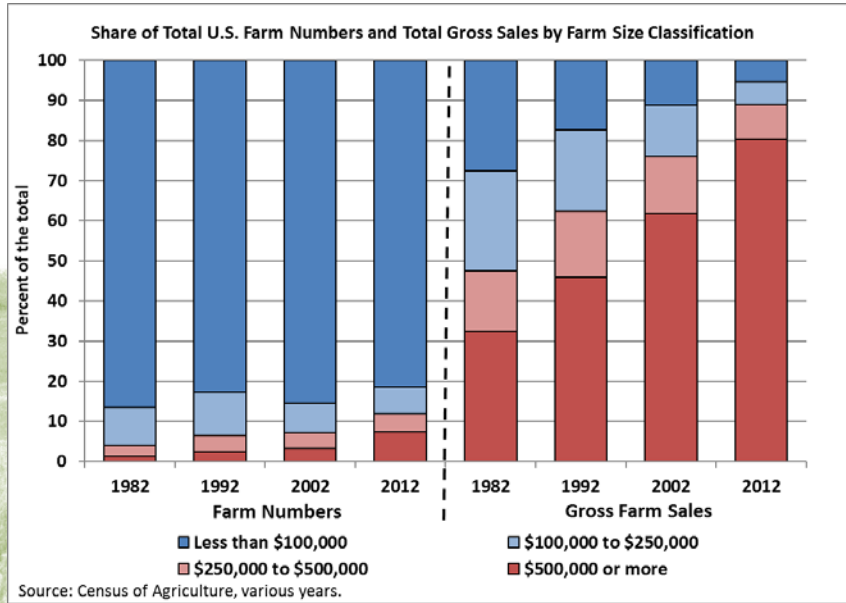
Farm Operator Experience



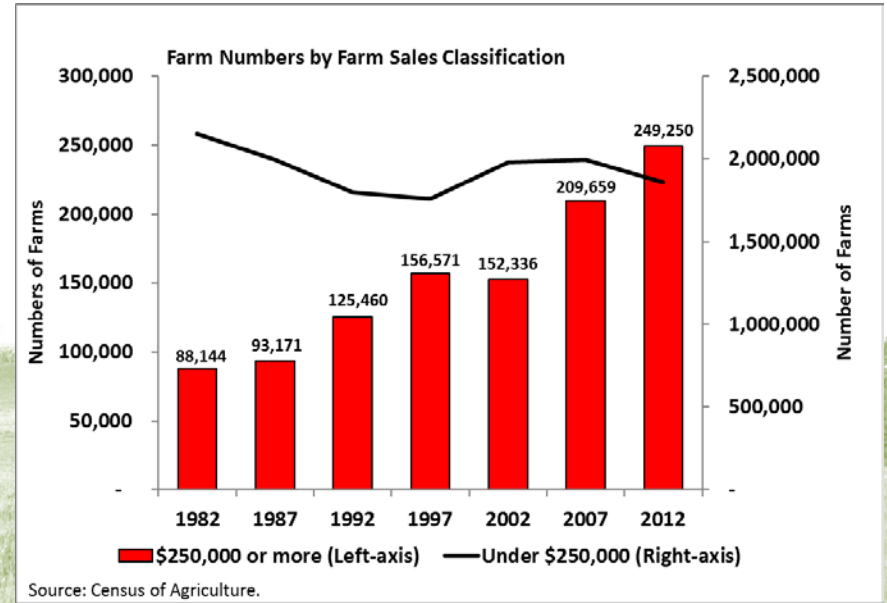


Small Farmer Definition

Small Farm Trends

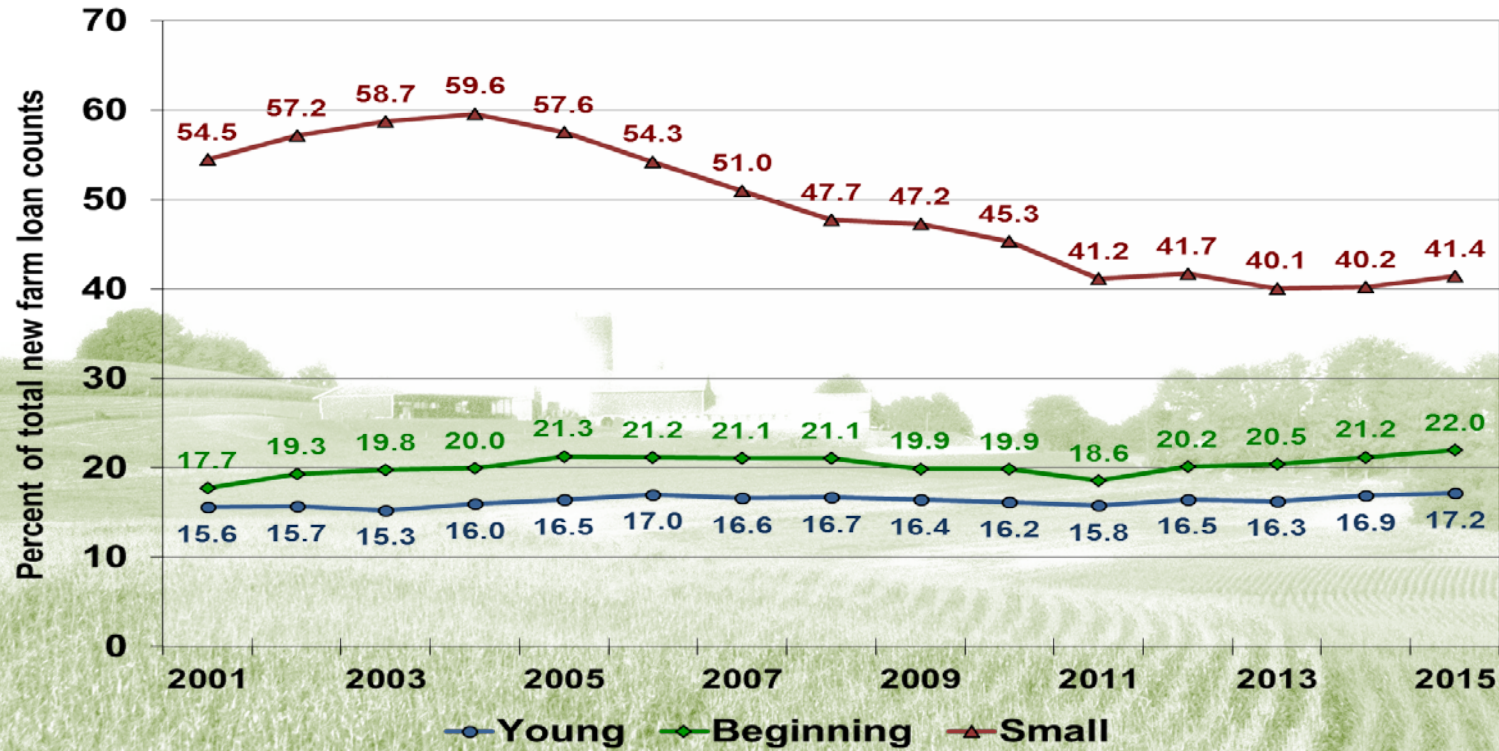


Farm Numbers





YBS New Loan Trends

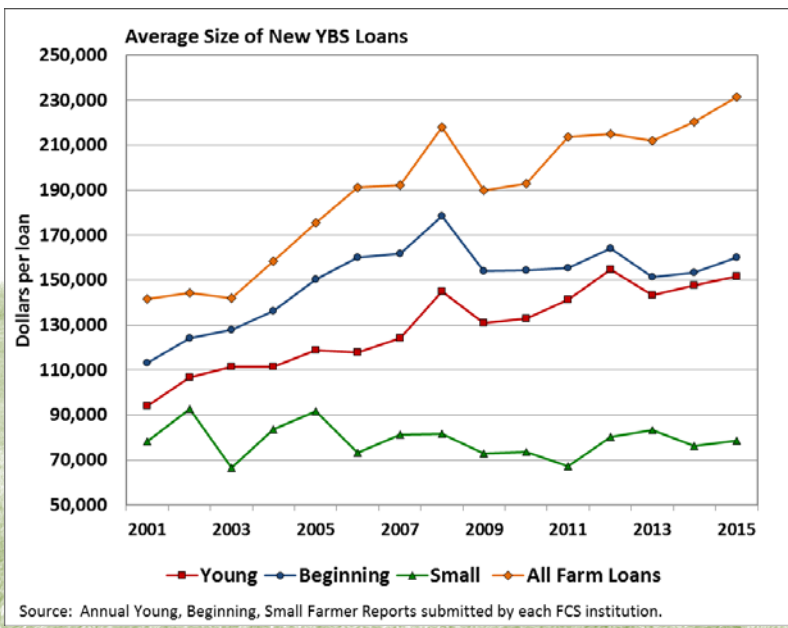


Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through their District Banks.

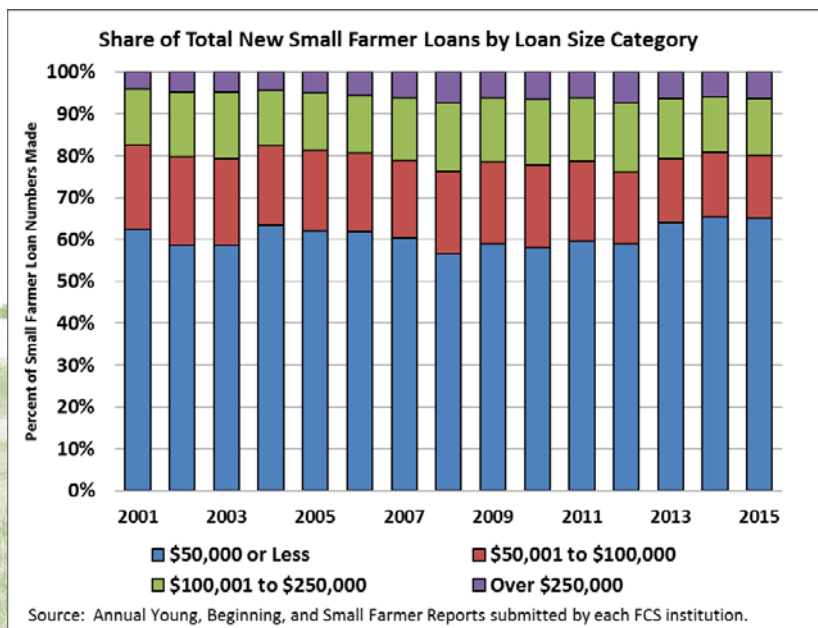


Small Farmer Definition – Loan Sizes

Loan Size Trends

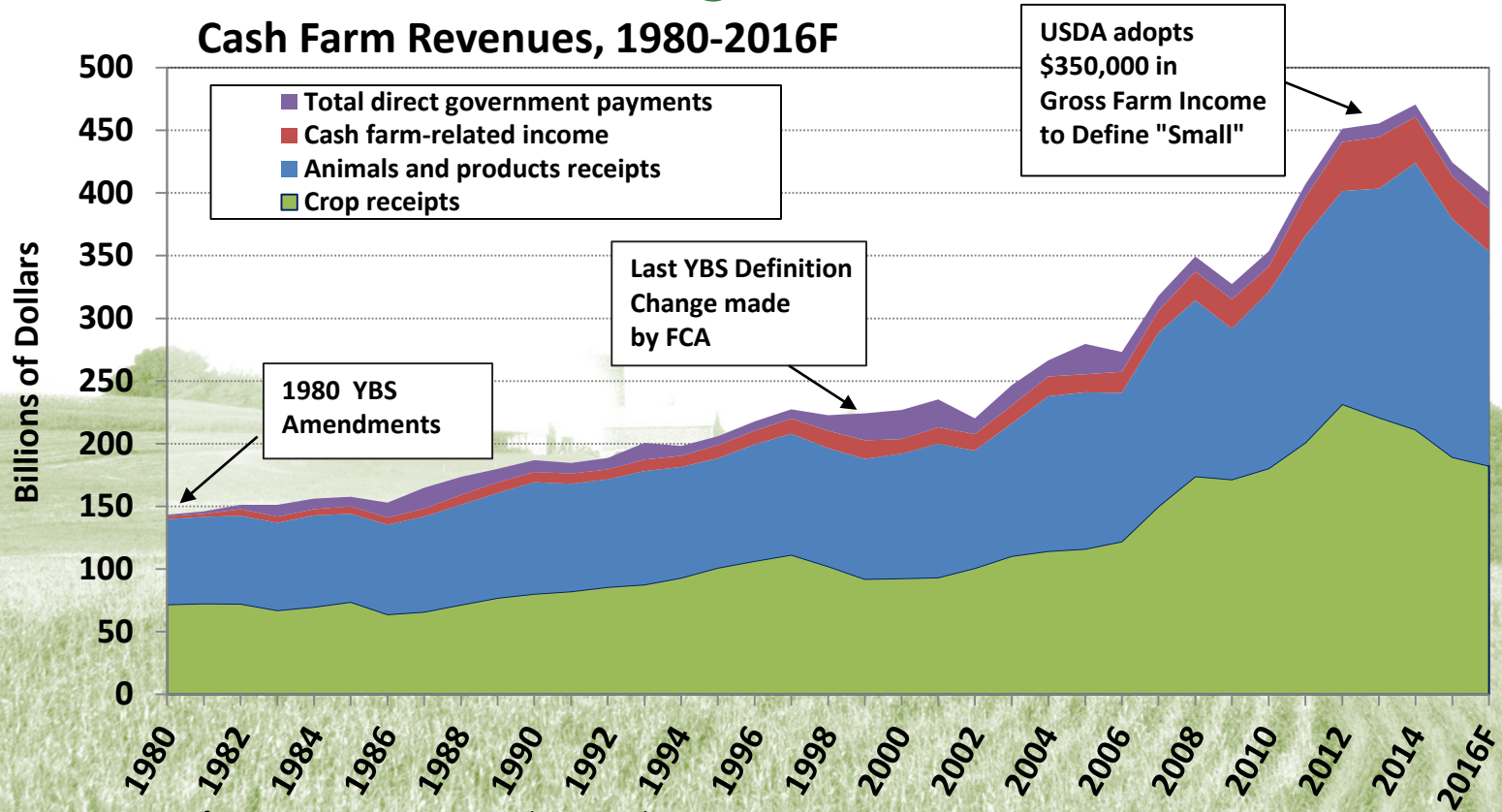


Loan Sizes to Small Farmers





Gross Incomes in Agriculture

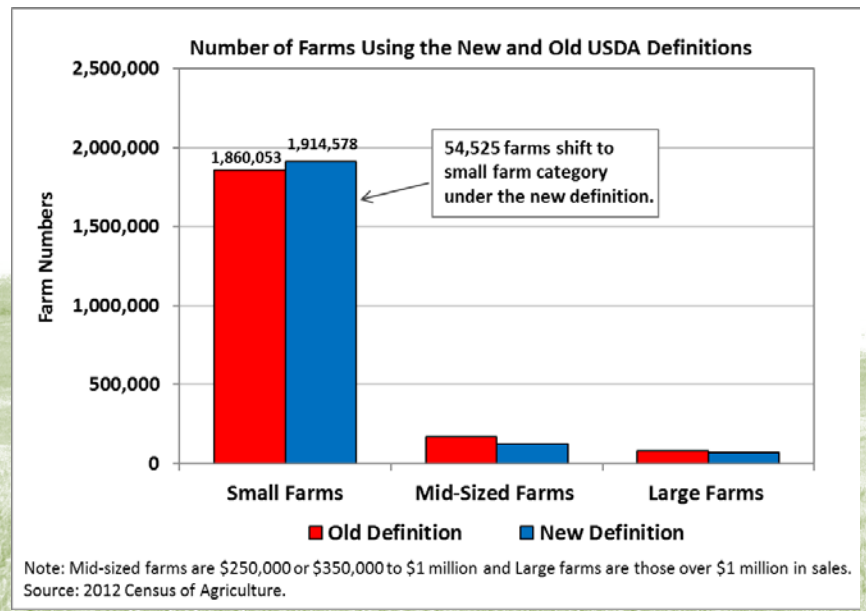


Source: FCA-ORP from USDA Economic Research Service data, August 30, 2016.

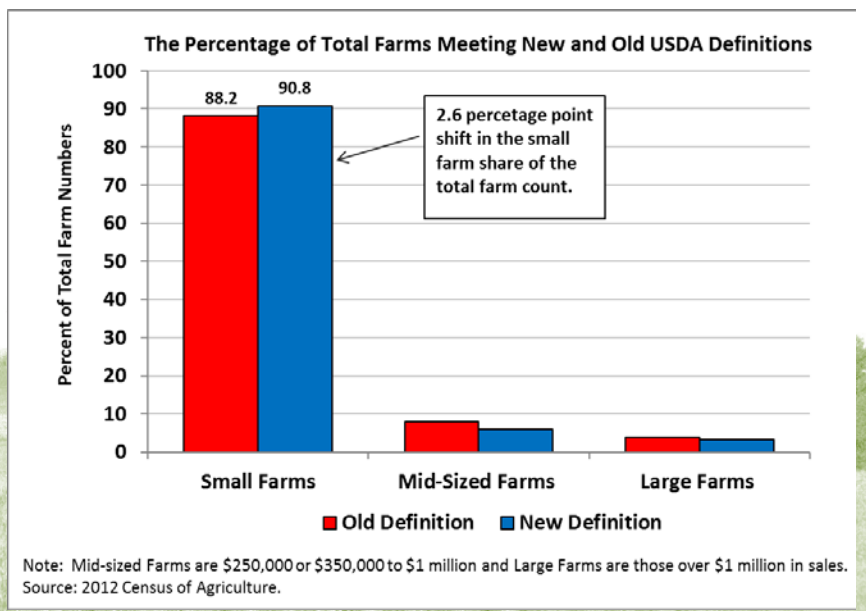


USDA Small Farm Definition Change

Small Farm Numbers



Small Farm Percentages





Considerations When Evaluating YBS Definitions and Reporting

- **Characterization of Mission Performance**
- **Measurement of Mission Performance**
- **Potential Benefits and Costs**





Going Forward



