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Fact Sheet of Farm Credit System Young, Beginning, and Small Farmer Lending Results for 2011

The following information summarizes Farm Credit System 2011 lending activity to young (Y), beginning (B), and small (S) borrower categories.¹ In 2011, lending to the three YBS categories did not keep pace with the trends in overall System lending to farmers. In general, the number of new YBS loans made and the dollar volume of new YBS loans made declined in 2011 from that of 2010.² The volume of YBS loans outstanding rose slightly in 2011.

Young—In 2011, the System made 52,800 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 \$7.5 billion. During 2010, the System made 53,546 loans to young borrowers, totaling \$7.1 billion. The loans made to young borrowers in 2011 represented 15.8 percent of all farm loans the System made during the year and 10.5 percent of the dollar volume of loans made. The average size of loans made to young farmers in 2011 increased to \$141,360. At the end of 2011, the System had \$21.3 billion in loans outstanding to young farmers as compared with \$20.5 billion at the end of 2010.³

Beginning—The System made 61,995 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 \$9.6 billion in 2011. During 2010, the System made 65,792 loans, totaling \$10.2 billion, to beginning borrowers. The loans made to beginning farmers in 2011 represented 18.6 percent of all farm loans made during the year and 13.5 percent of the dollar volume of loans made. The average size of loans made increased to \$155,406 in 2011. At the end of 2011, the System had \$34.1 billion in outstanding loans to beginning farmers as compared with \$34.0 billion at the end of 2010.

¹ Because the totals for the categories are not mutually exclusive, you cannot add young, beginning, and small totals to count total YBS lending.

² Not all System loans are subject to YBS reporting. The main exceptions are certain leases and participations in loans made under the System's cooperative lending authority. YBS volumes include actual advances as well as loan commitments.

³ We have adjusted 2010 YBS loan numbers and dollar volume to reflect revised data that the System submitted to us in 2012.

Small—FCS institutions made 137,529 loans, totaling \$11.2 billion, to small farms (those with gross annual sales of less than \$250,000) in 2011. By comparison, the System made 150,140 loans, totaling \$12.5 billion, to small farmers in 2010. The loans made in 2011 to farmers in this category represented 41.2 percent of all farm loans made during the year and 15.7 percent of the dollar volume of all farm loans made. The average size of loans made declined to \$81,413 in 2011. At the end of 2011, the System had \$42.9 billion in loans outstanding to small farmers as compared with \$42.6 billion at the end of 2010.

The YBS information is reported separately for each of the three YBS borrower categories because the YBS mission is focused on each borrower group separately. Also, loans cannot be added across categories because some loans belong in more than one category. If, for example, a borrower is less than 35 years old, sells less than \$250,000 in farm products per year, and has farmed for less than 10 years, the borrower's loan would be included in every category. Therefore, adding the categories together would produce a misleading measurement of the System's YBS lending involvement.

YBS Loans Outstanding as of December 31, 2011					
	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 farmers/ranchers	165,605	18.1	\$21,290	11.2	\$128,559
Beginning farmers/ranchers	236,033	25.7	\$34,113	18.0	\$144,525
Small farmers/ranchers	475,310	51.8	\$42,850	22.6	\$90,152

YBS Loans Made During 2011					
	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 farmers/ranchers	52,800	15.8	\$7,464	10.5	\$141,360
Beginning farmers/ranchers	61,995	18.6	\$9,634	13.5	\$155,406
Small farmers/ranchers	137,529	41.2	\$11,197	15.7	\$81,413

Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the Farm Credit Banks.

Note: A "young" farmer/rancher is defined as 35 years old or younger when the loan is made; a "beginning" farmer/rancher has been operating for not more than 10 years; and a "small" farmer/rancher generates less than \$250,000 in annual sales of agricultural or aquatic products. Because the totals are not mutually exclusive, you cannot add across young, beginning, and small categories to count total YBS lending.

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