



August 1, 2022

Autumn R. Agans
Deputy Director, Office of Regulatory Policy, Farm Credit Administration
1501 Farm Credit Drive
McLean, VA 22102-5090

RE: RIN 3052-AD54

On behalf of the Nebraska Bankers Association (NBA), I am submitting the following comments on the Farm Credit Administration (FCA) proposed rule to require Farm Credit institutions to adopt strategic plans for their Young, Beginning and Small farmer and rancher (YBS) lending programs and to reform how these institutions track their lending to YBS farmers and ranchers. The NBA is a trade association representing 158 of the 167 commercial banks and savings institutions in the state of Nebraska.

The Farm Credit Act of 1971, as amended, requires each Farm Credit Association to establish a program to "furnish sound and constructive credit" to YBS farmers and ranchers. Over the years, it has become apparent that Farm Credit has fallen far short of fulfilling their mission in this regard.

The FCA defines young farmers as those who are 35 or younger (young), have been farming for 10 years or less (beginning) and whose gross farm sales are less than \$250,000 (small). While Farm Credit Associations have ventured into many non-agricultural lending activities and focused on larger dollar loans to experienced and well-established farmers, its commitment to YBS farmers and ranchers in recent years has fallen in every category and outstanding loans of less than \$50,000 have plummeted, both in terms of outstanding loans and the aggregate dollar amount of these smaller loans.

Many FCS YBS borrowers may fall into two or even all three categories (Young, Beginning and/or Small). As a result, the FCS YBS loan reports have tended to overstate the scope and impact of their lending activities with YBS farmers and ranchers. It is hoped that the requirement for each affiliated Association's YBS program to be subject to review and approval by their respective funding bank and reported annually to FCA will address this shortcoming in the current system.

We appreciate the opportunity to comment on the proposed rule and encourage the Farm Credit Associations to be more transparent regarding the YBS farmer and rancher lending programs and more proactive in serving YBS farmers and ranchers.

Thank you for your consideration of our comments.

Very Truly Yours,

A handwritten signature in blue ink that reads "Richard J. Baier".

Richard J. Baier
President & CEO

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