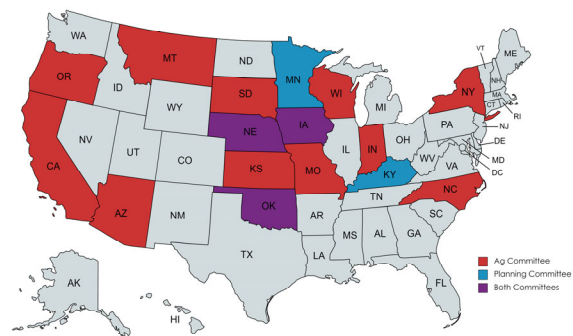




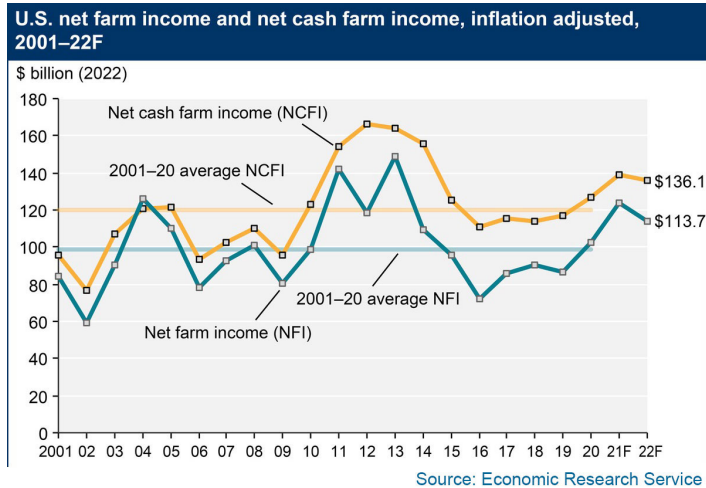
Building Success. Together.

## 109 Years Ago the ABA Agricultural and Rural Bankers Committee was Formed

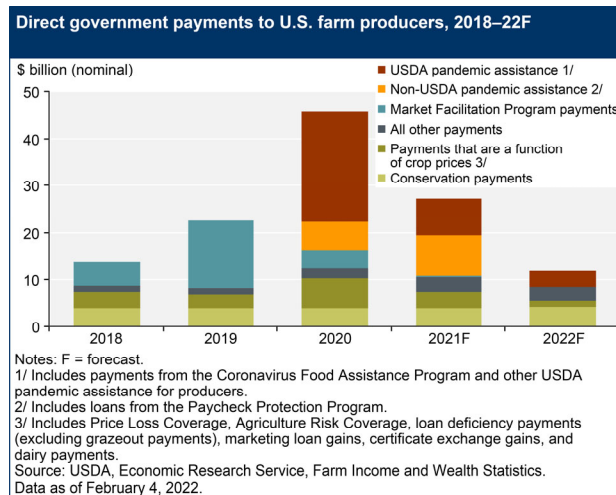
- The First National Bank in Champaign, IL was founded by Benjamin Franklin Harris in 1865.
- B.F. Harris, the bank founder's grandson, served as the first Chairman of the ABA Agricultural Bankers Committee from 1912-1916.



## Net Farm Income Increasing

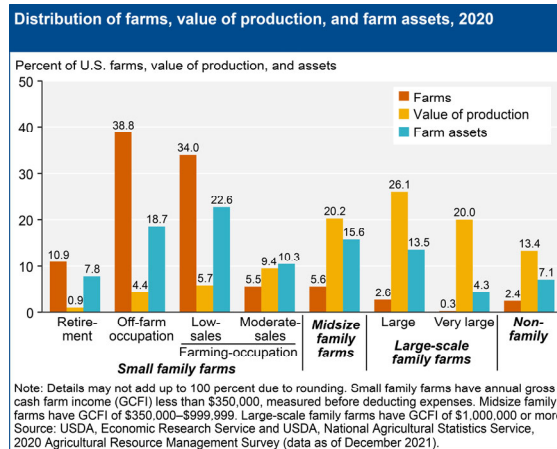


## Payments to Farmers to Decline in 2021



## Farm Size and Production Continues to Change

- 9% of farms account for 66% of production and 33% of assets
- 89% of farms are small and hold 60% of assets
- Where do your farm or ranch customers fall on this spectrum?



## ABA Agricultural Finance Issues in DC

- USDA Leadership and Policy
- House and Senate Agriculture Committees
- ECORA
- Farm Credit System
- Rural Development
- Hemp/Cannabis Financing
- Carbon Credits/Climate
- Crop Insurance

## Agriculture Leadership

USDA Secretary Tom Vilsack (D), Iowa

USDA Deputy Secretary Jewel Bronaugh (D), Virginia

- Positions Filled: General Counsel, FPAC, MRP, NEE, RD, Congressional
- Not Filled: CFO, FNS, Food Safety, REES, Trade, Civil Rights, CCC Board, RUS

Senate Agriculture Committee

- Chair: Debbie Stabenow (D), Michigan
- Ranking Member: John Boozman (R), Arkansas

House Agriculture Committee

- Chair: David Scott (D), Georgia
- Ranking Member: Glenn Thompson (R), Pennsylvania

## 2022 Agriculture Committee Agenda

- Farm Bill Hearings
  - Farm Bill expires in 2023
  - Hearings will likely cover all topics surrounding the Farm Bill, including credit
- Hearings held in 2022
  - Electric Vehicles in Rural America
  - Rural Economy
  - Farm Bill Conservation Programs
  - Sustainability in the Livestock Sector: Environmental Gain and Economic Viability
  - Farm Policy
  - Review of Office of Civil Rights
  - Commodity Group Perspectives on Title 1
  - The Role of USDA in Addressing Climate Change

## Enhancing Credit Opportunities in Rural America

- Also known as ECORA
- Reintroduced in the House as H.R. 1977 by Rep. Ron Kind (D-WI) and Rep. Randy Feenstra (R-IA)
- Reintroduced in the Senate as S. 2202 by Senator Jerry Moran (R-KS)
- Removes taxation on farm real estate loans
- Any residence in a rural area or city of less than 2,500 is eligible
- There have been multiple grassroots pushes and we need all bankers to participate

## Enhancing Credit Opportunities in Rural America

What can you do to help move ECORA?

- Contact your Members of Congress and Senators
- Go to the ABA website for letters and talking points
  - <https://secureamericanopportunity.com/issues/rural-credit-access/>
- Work with your state association
  - Many are looking into state level ECORA legislation
- Have conversations with your local, state and national farm groups
  - This legislation will help farmers, but most farm groups are neutral on ECORA

## Farm Credit System

- The Farm Credit System has grown to over \$365 billion in assets
  - Has grown from \$229 billion in 2010, a 63% increase
- FCS is a government sponsored enterprise (GSE) that competes directly with community banks.
- FCS tax rate is under 3%
- ABA is closely monitoring FCS and its regulator the Farm Credit Administration
- ABA is advocating for yearly oversight hearings
- Visit [reformfarmcredit.org](http://reformfarmcredit.org) for blogs and other information

## Rural Development

OneRD was effective October 1, 2020

- Allows one set of documents for:
  - Water and Waste Disposal Guaranteed Loan Program
  - Community Facilities Guaranteed Loan Program
  - Business and Industry Loan Guarantee Program
  - Rural Energy for America Guaranteed Loan Program
- Common application and consistent forms
- Check out [rd.usda.gov/onerdguarantee](http://rd.usda.gov/onerdguarantee) for more information
- Rural Development continues to grow and add programs

## Small Meat Processor Program

- Part of the American Rescue Plan with Rural Development Business and Industry Loan Programs
- Announced in July
  - \$500 million to help construct smaller meat processing plants
  - \$55 million to strengthen existing small and very small meat processors
  - \$100 million to help small and very small processors weather the volatility from COVID
- Additional \$100 million in loan guarantees announced on October 4<sup>th</sup>
- Administration is looking into anti-trust and market competition issues

## Other Agricultural Issues

### Carbon Credit Markets

- Carbon credit markets may provide new income opportunities for farmers
- Legislation has been introduced in the House and the Senate to create carbon credit markets

### Crop Insurance

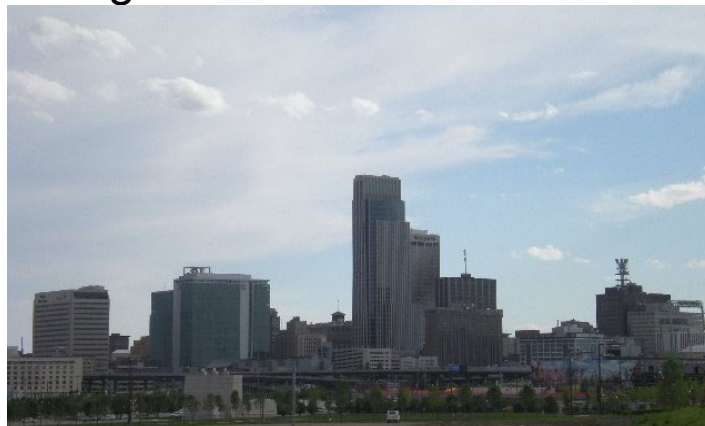
- ABA is part of a larger crop insurance coalition
- ABA continues to fight for crop insurance as a risk management tool that protects producers

## ABA Agricultural Banking Resources

ABA.com/agbanking

- Agricultural Lending Education
  - Online class offered yearly
  - Discussions on offering a graduate level school
- Webinars
- ABA Agricultural Banks Performance Scorecard
- Agricultural Lender Survey
- Bi-monthly ABA Ag Journal

## ABA National Agricultural Bankers Conference



Jon Clew - <https://commons.wikimedia.org/w/index.php?curid=98970774>

November 6-9, Omaha, NE