A strong farm bill provides stability for the volatile farm sector and incorporates important policies, such as price-support programs, crop insurance and loan guarantee programs.

**Healthy Farm Bill. Healthy Rural America.**

3k

Number of community banks with an agricultural portfolio of at least $5 million

76%

of all agriculture loans are made by community banks under $5 billion in assets

42%

of all ag production loans are provided by commercial banks — the largest percentage of any credit provider

### A Key Linchpin of the Farm Safety Net

#### Crop Insurance

**Current Agriculture Climate**

Farmers pay $3.5 to $4 billion per year in premiums

Cuts to program would limit participation and raise rates

CI provides timely payments when widespread crop losses occur whereas ad hoc disaster bailouts by taxpayers do not

Mid-size to large farmers pay a much greater amount of premiums into the risk pool than small farmers due to farming larger acreages, keeping rates low

**USDA Loan Programs**

**Direct Loan Programs**

Prohibit “investments” that go beyond the lending constraints of the Farm Credit Act

- FCS should not be allowed to make hotel loans or Main Street business loans and call them investments

Oppose FCS proposal requesting blanket authority to approve their own investments

- Need prior approval by regulator, FCA

- Better define FCA authority over investments — not to exceed statutory lending purposes

- Solve conflicts between banks and loans

- Change NAFB administrative requirement — requiring FCS entities to make up 95% of all RBICs

Restrict “Similar Entity” authority

- Similar entities must be located in rural areas and not be fortune 500 companies located in large cities

Ensure FCS loans are true mission related purposes — lending to bona-fide farmers and providers of on-farm services

- Type assessment of loan at loan close

- Apply Act’s current prohibition on below market pricing to all FCS lending and investing activities

Require greater transparency of FCS activities

- Ensure public transparency of all fraud and accounting irregularities

- Require FCS to publish illegal actions of any FCS entity

- Require FCS $10 billion line of credit with U.S. Treasury

Focus on Farm Policy

www.icba.org/advocacy

For further information, see ICBA White Paper

Focus on Farm Policy

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