



ICBA Capital Summit

April 29–May 1, 2026 | Washington, D.C.

ICBA Legislative Update:

A Strong Farm Bill Needed to Support Rural America

Developing a new farm bill presents an opportunity to address many needs facing rural America and farmers and ranchers. A strong farm bill allows producers and their community bank lenders to work together for long-term business planning purposes to ensure producers remain viable regardless of their financial challenges or the agricultural economy's outlook.

Serving the Ag Sector. Community banks are vital providers of credit to rural America, providing the majority of agricultural credit from the banking industry – over 80 percent of loans secured by farm real estate and nearly 75 percent of operating debt. Community banks excel in financing small farmers and ranchers, making 90 percent of bank farm real estate loans under \$500,000.

Presence in Rural America. Community banks represent 97 percent of all banks, with \$3.2 trillion in assets and \$2.2 trillion in deposits. Community banks have 72 percent of all bank offices in rural areas. They are four times more likely to operate offices in rural counties and are the only banking presence in one-third of all U.S. counties. In 2021, over 4,000 banks distributed loans to the farm sector.

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ICBA Priorities in the Farm Bill

Protect & Enhance Community Bank Service to Rural America

- The OBBBA enhances the commodity safety net and crop insurance programs. Now Congress should pass a “skinny farm bill” –to address remaining issues—once further modifications are made. The new bill should:
- Increase USDA guaranteed farm real estate loan limits to \$3.5 MM and \$3 MM for guaranteed operating loans. Land prices have risen dramatically as have production costs.
- Require prompt USDA approval of smaller guaranteed loans up to \$1 MM.

Oppose FCS Non-Farm Financing & Reduced Compliance Requests

- The Farm Credit System (FCS), a *government sponsored enterprise*, with \$550 billion in assets, competes against private sector lenders, and if it were a bank, would be one of the top 10 banks in the U.S. FCS’s effective tax rate is only 2 percent.
- FCS seeks broad non-farm financing authorities. Several of these authorities should to be denied outright while others need restraints to ensure this GSE does not push tax-paying community banks off of Main Street.
- FCS’s push for “**essential community facilities**” loans needs to ensure their participation offers to community banks are based on “blended rates” or similar adjustment to balance FCS’s bond funding structure with banks’ financing by deposits. Community banks already make these loans.
- Oppose FCS financing **non-farm** businesses with de-minimis services to **aquaculture**.
- Oppose allowing FCS to own investment corporations providing **non-farm equity financing** for small businesses. Investment corporation ownership would allow FCS to become a major small business financing corporation.
- Oppose expanding FCS **tax-exempt home loans** to towns of 10,000 people (vs 2,500 currently).
- Oppose **FCS examination cycle** of once every two years, creating safety and soundness risks and competitive advantages over banks, most of which are examined every 12-18 months.