

Vincent G. Logan, Chairman and Chief Executive Officer (CEO)
Jeffery S. Hall, Board Member
Glen R. Smith, Board Member



**MINUTES OF THE REGULAR MEETING
OF THE
FARM CREDIT ADMINISTRATION BOARD
July 11, 2024**

These minutes reflect the business transacted at the July 11, 2024, regular meeting of the Farm Credit Administration (FCA) Board pursuant to the Government in the Sunshine Act, 5 U.S.C. § 552b, and the regulations of the FCA adopted thereunder.

The meeting was held at the FCA office in McLean, Virginia. The meeting began at 10:00 a.m. and concluded at 10:33 a.m. The meeting was a hybrid physical/virtual meeting.

Members of the Board present were:

Vincent G. Logan, Chairman and CEO
Jeffery S. Hall, Member
Glen R. Smith, Member

The above named constitute the full Board.

Others present included **Ashley Waldron**, Secretary to the Board; **David Grahn**, General Counsel; and staff of the FCA and Farm Credit System Insurance Corporation (FCSIC). There were seven members of the general public in attendance. (A list of Board and staff attendees is attached as Exhibit A.)

Chairman Logan called the meeting to order.

The **Secretary** addressed technical and protocol items and read a statement that announced the meeting would be conducted according to Government in the Sunshine Act requirements.

ADOPTION OF AGENDA

Chairman Logan reviewed the published agenda. (A copy of the Public Announcement publishing the agenda for the meeting is attached as Exhibit B.)

Mr. Hall moved to adopt the agenda as published.

Mr. Smith seconded the motion.

There being no further discussion, **Chairman Logan** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously.

CONSIDERATION TO CLOSE PORTIONS OF THE MEETING

Mr. Smith noted that the agenda did not include portions of the meeting that should be closed to the public as permitted by the Government in the Sunshine Act and therefore moved that the entire meeting remain open.

Mr. Hall seconded the motion.

There being no further discussion, **Chairman Logan** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously.

OPEN SESSION

Approval of Minutes

Minutes for June 13, 2024

(BM-11-JUL-24-01)

Mr. Hall moved to approve the minutes for the June 13, 2024, FCA regular board meeting, as presented.

Mr. Smith seconded the motion.

There being no further discussion, **Chairman Logan** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously. **(BM-11-JUL-24-01)**

(A copy of the official "Board Action Item" is attached as Exhibit C.)

Reports

Update on Farm Credit System Funding Conditions

Xahra Pollard and **David Lewandrowski** of the **Office of Regulatory Policy** presented the Update on Farm Credit System Funding Conditions.

(A copy of the PowerPoint presentation is attached as Exhibit D.)

ADJOURNMENT

There being no further business to come before the Board, **Chairman Logan** indicated he would entertain a motion to adjourn the meeting.

Mr. Smith moved that the meeting be adjourned.

Mr. Hall seconded the motion.

There being no further discussion, **Chairman Logan** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously.

The meeting adjourned at 10:33 a.m.

NOTATIONAL VOTE ACTIONS

There were three notational vote actions approved by the FCA Board from June 13, 2024, through July 10, 2024.

Item Number	Action Date	Voting Results	Subject
NV 24-10	6/28/2024	Approved	Revision of Bookletter-064 – Investment Asset Management
NV 24-11	6/28/2024	Approved	Revision of Bookletter-070 – Revised Capital Treatment for Certain Rural Water and Wastewater Facility Exposures
NV 24-12	7/1/2024	Approved	Farm Credit Administration Budget Reallocation

The undersigned hereby certify that the foregoing minutes are the official minutes of the regular meeting of the Farm Credit Administration Board held on July 11, 2024.

_____/s/
Vincent G. Logan
Chairman and CEO

_____/s/
Ashley Waldron
Secretary to the Board

Approved: August 8, 2024

**BOARD AND STAFF PRESENT AT THE
FCA REGULAR BOARD MEETING
July 11, 2024**

Vincent G. Logan, Chairman and CEO
Jeffery S. Hall, Board Member
Glen R. Smith, Board Member

ATTENDEES	OPEN SESSION
Office of the Board	
Logan, Vincent	X
Hall, Jeffery	X
Smith, Glen	X
Lund, Zachary	X
Donner, Mary Alice	X
Stokke, Michael	X
Greer, Kristin	X
Calhoun, Gaye	X
Lewandrowski, Barbara	X
Waldron, Ashley	X
OCOS	
Duran, Maribel	X
Coleman, Robert	X
Diaz, Mauricio	X
OEEOI	
Burlew, Thais	X
Fish, Tyler	X
OIT	
Versace, Jerry	X
Matos, Ricardo	X
Rana, Ben	X
Amaya, Victor	X
OCPA	
Reuschel, Trevor	X
Rezendes, Andrew	X
OGC	
Grahn, David	X
Griffin, Ward	X
OE	
Duffy, Mike	X
Fennewald, Dan	X
Greenlee, Angela	X
ODAE	
D'Antoni, Jeremy	X
Iannetta, Sal	X
OIG	
Laguarda, Wendy	X
Miller, Kevin	X

ATTENDEES	OPEN SESSION
OSMO	
Fay, Thomas	X
Hudson, Bruce	X
McGee, Brianna	X
ORP	
Kramp, Kevin	X
Agans, Autumn	X
Leist, Ryan	X
Pollard, Xahra	X
Lewandrowski, David	X
OCFO	
Gandy, Doug	X
Soares, Ily	X
OAS	
Bell, Vonda	X
Clark, Patrina	X
FCSIC	
Simonson, John	X
Wynn, Wade	X
Morgan, Matt	X
GENERAL PUBLIC	7

Farm Credit Administration

1501 Farm Credit Drive
McLean, VA 22102-5090
(703) 883-4000



PUBLIC ANNOUNCEMENT OF MEETING SUBJECT TO THE GOVERNMENT IN THE SUNSHINE ACT

Farm Credit Administration Board Regular Meeting July 11, 2024

TIME AND DATE: 10 a.m., Thursday, July 11, 2024.

PLACE: You may observe this meeting in person at 1501 Farm Credit Drive, McLean, Virginia 22102-5090, or virtually. If you would like to observe, at least 24 hours in advance, visit [FCA.gov](https://www.fca.gov), select "Newsroom," then select "Events." From there, access the linked "Instructions for board meeting visitors" and complete the described registration process.

STATUS: This meeting will be open to the public.

MATTERS TO BE CONSIDERED: The following matters will be considered:

- Approval of Minutes for June 13, 2024
- Update on Farm Credit System Funding Conditions

CONTACT PERSON FOR MORE INFORMATION: If you need more information or assistance for accessibility reasons, or have questions, contact Ashley Waldron, Secretary to the Board. Telephone: 703-883-4009. TTY: 703-883-4056.

_____/s/
Ashley Waldron
Secretary to the Board

June 28, 2024

Farm Credit Administration

1501 Farm Credit Drive
McLean, VA 22102-5090
(703) 883-4000

BOARD ACTION ITEM



FCA BOARD ACTION ON

Minutes for June 13, 2024, Regular Board Meeting

BM-11-JUL-24-01

Effective Date: July 11, 2024

Impact on Prior Board Actions: None

THE FCA BOARD HEREBY:

- Approves the minutes for the June 13, 2024, regular Board meeting, as presented.

DATED THIS 11th DAY OF JULY 2024

BY ORDER OF THE BOARD

_____/s/
Ashley Waldron
Secretary to the Board



Update on the Farm Credit System Funding Conditions





Recent Financial Headlines

**“Swiss Central Bank Cuts Rate
for Second Time, Underlining
European Divergence”**





Recent Financial Headlines

**“Fed Holds Rates Steady,
Projects One Cut This Year”**





Recent Financial Headlines

“Will Debt Sink the American Empire?”





Funding Update Topics

- Global Market
- Agency Debt Market
- Funding Corporation Activity
- Yields & Spreads on FCS Debt
- FCS Liquidity
- Potential Impacts from Military Conflicts





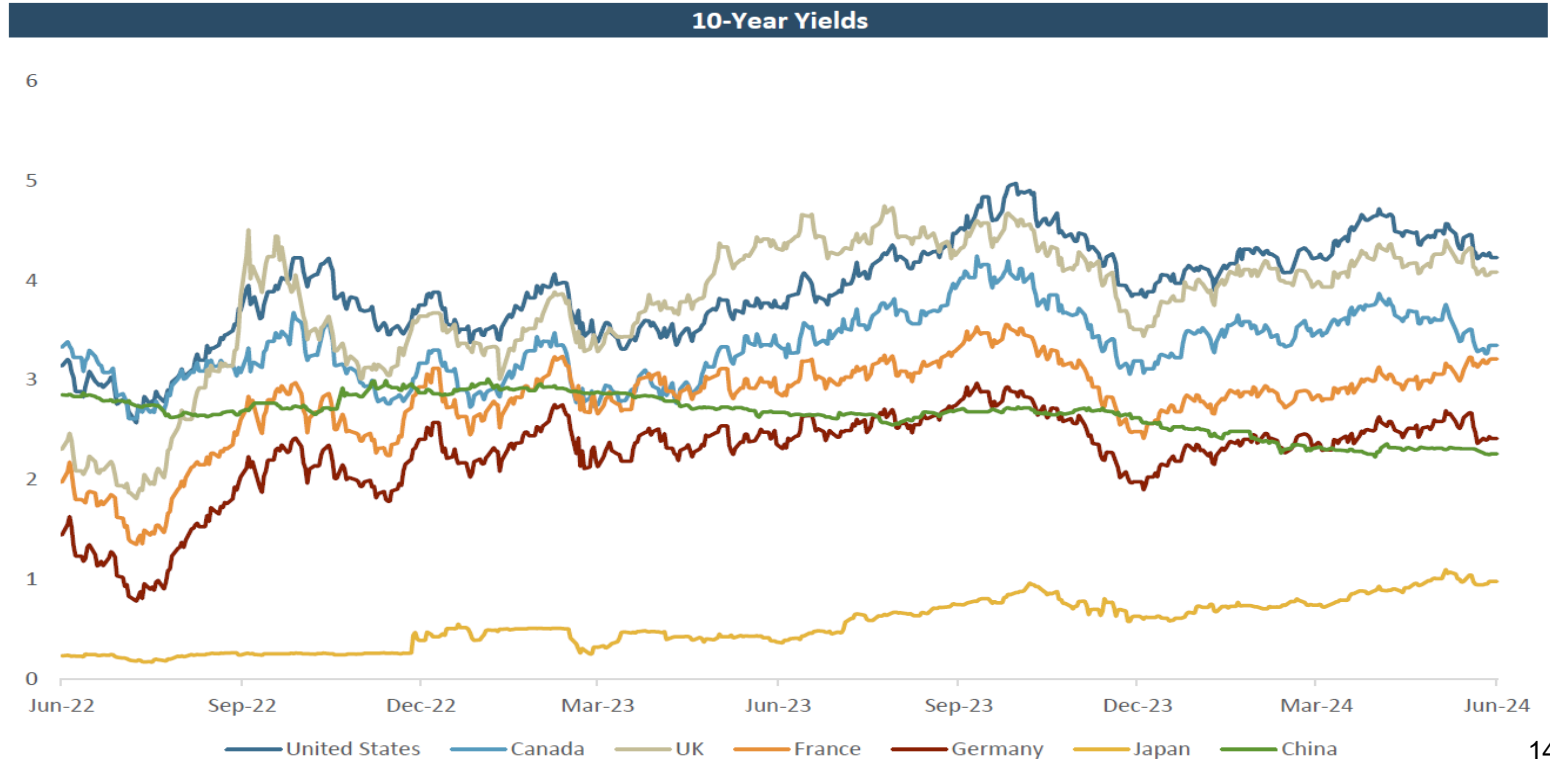
Global Market

- Federal Reserve
- E.C.B., Bank of England, Bank of Japan
- U.S. Treasury
- China
- Impact from ongoing military conflicts





Global Yields At Inflection Point





Credit Rating Agencies - Outlook for the United States

- Standard & Poors – AA+
Outlook – *Stable*
- Moody's – Aaa
Outlook – *Negative*
- Fitch – *AA+*
Outlook – *Stable*





Agency Debt Issuance



Billions of Dollars	2019	2020	2021	2022	2023
F.H.L.B.	\$2,740	\$1,975	\$1,467	\$2,462	\$2,576
FCS	364	421	415	387	281
Freddie Mac	558	465	22	138	146
Fannie Mae	572	370	96	115	236
Total	\$4,234	\$3,231	\$2,000	\$3,102	\$3,239

Source: Agency Websites



Agency Debt Outstanding

Billions of Dollars	2019	2020	2021	2022	2023
F.H.L.B.	\$1,026	\$ 747	\$653	\$ 1,182	\$1,202
FCS	294	322	353	391	416
Freddie Mac	273	286	182	179	172
Fannie Mae	182	290	202	139	128
Farmer Mac	19	22	23	25	27
Tenn. V.A.	22	21	21	20	21
Total	\$1,816	\$1,688	\$1,434	\$1,936	\$1,966

Source: Agency Websites



Funding Activity by FCS



Debt Outstanding (\$ millions)	Discount Notes	Designated Bonds	Fixed Rate Bonds		Floating Rate Bonds			Retail Bonds	Other ¹	Total
			Callable	Non-Callable	SOFR	PRIME	Other Indexes ²			
6/30/2024	13,650	9,700	129,585	106,756	134,476	12,155	14,515	9	426	421,271
12/31/2023	19,364	11,700	130,811	101,995	124,085	12,730	15,010	11	404	416,109
12/31/2022	27,717	12,700	124,924	95,259	99,548	12,975	17,581	17	417	391,138
12/31/2021	24,280	9,100	104,071	100,600	79,747	13,165	21,773	20	151	352,906
12/31/2020	23,524	3,100	79,822	90,084	56,595	11,995	57,153	42	148	322,464
¹ Includes Linked Deposits										
² Includes LIBOR										



Dealer Group

- 34 Dealer Group Members (June 1, 2024)
- 9 Leveraging Equality and Diversity (LEAD)

Dealers:

- Includes certified minority, women and disabled veteran firms
- Broad access to System issuance
- Support goal of further diversification in investor base





Selling Securities

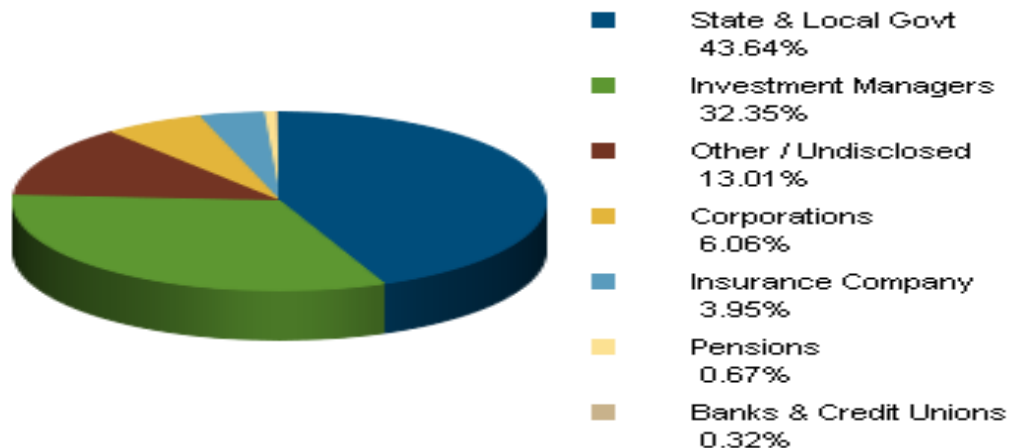
- Dutch Auction
 - Bullets
- Posted
 - Discount Notes
 - Floaters
- Auction/Negotiated
 - Callables
- Reverse Inquiry





Discount Notes

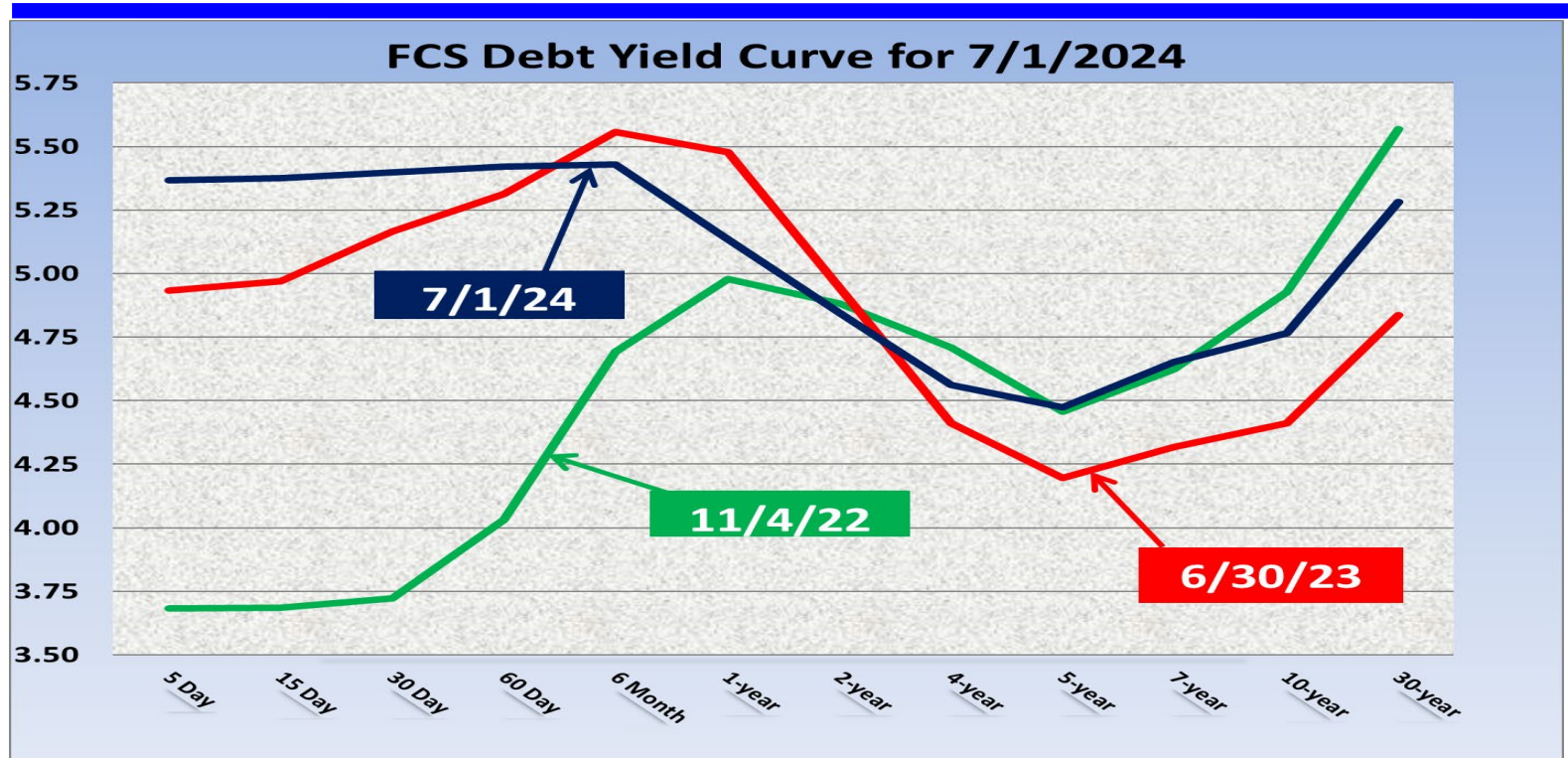
INVESTOR DISTRIBUTION*



Source: FFCBFC Website: June '23 – July '24



FCS Debt Yield Curve Inverts

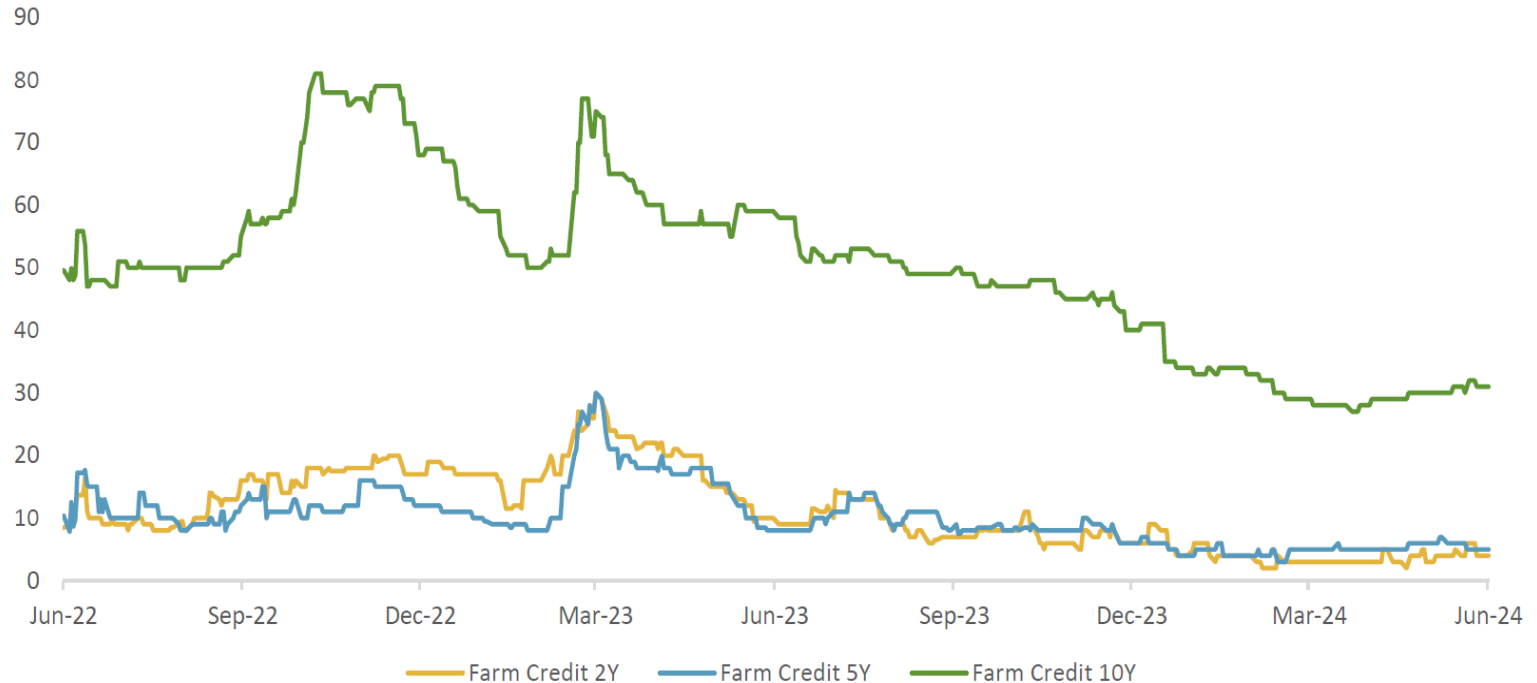




Decreased Risk Premiums



Farm Credit Spreads





Liquidity Scare

- Aggressive Increase in Fed Funds Target Rate
- Prolonged Inverted Yield Curve
- Fixed Rate Investment Portfolios “Paper Losses”
- Sizeable Commercial Bank Failures (SVB, Signature Bank, First Republic)
- Federal Reserve’s Bank Term Funding Program





Days of Liquidity

- As of 3/31/24 System = 176(165) days:
 - AgFirst = 198(183) days, AgriBank = 165(135) days, FCB of TX = 190(172) days, CoBank = 178(178) days
- As of 12/31/23 System = 183(168) days:
 - AgFirst = 219(197) days, AgriBank = 161(129) days, FCB of TX = 200(177) days, CoBank = 196(193) days





Ongoing Military Conflicts

- Global Issue
- Potential Economic Shocks
- Long Term Impacts





Summary

- Overall Strong Demand for FCS Debt, Varies by Type
- Prolonged FCS Debt Yield Curve Inversion
- FCS Risk Premiums Have Fallen
- Solid Secondary Liquidity though Adversely Impacted
- Ongoing Military Conflicts

