

YBS Results



YBS Loans Outstanding

As of December 31, 2019

	Number of loans	Percentage of total number	Dollar volume of loans in millions	Percentage of total volume
Young farmers / ranchers	177,590	19.4%	\$31,043	11.1%
Beginning farmers / ranchers	272,654	29.8%	\$48,645	17.4%
Small farmers / ranchers	459,894	50.3%	\$51,869	18.5%

YBS Loans Made During 2019

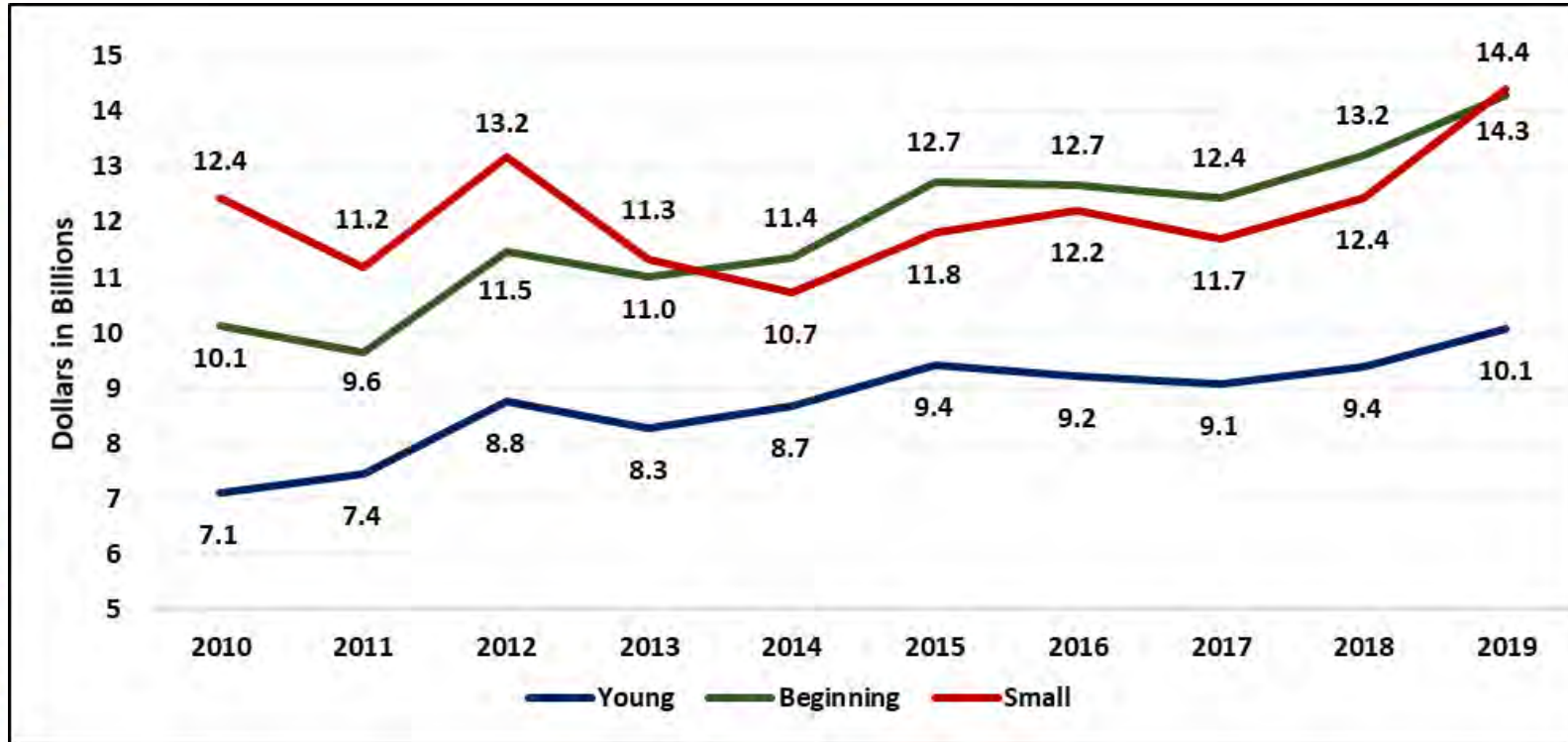
As of December 31, 2019

	Number of loans	Percentage of total number	Dollar volume of loans in millions	Percentage of total volume
Young farmers / ranchers	49,104	18.2%	\$10,085	11.1%
Beginning farmers / ranchers	67,088	24.9%	\$14,283	15.7%
Small farmers / ranchers	123,494	45.7%	\$14,421	15.9%

Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks



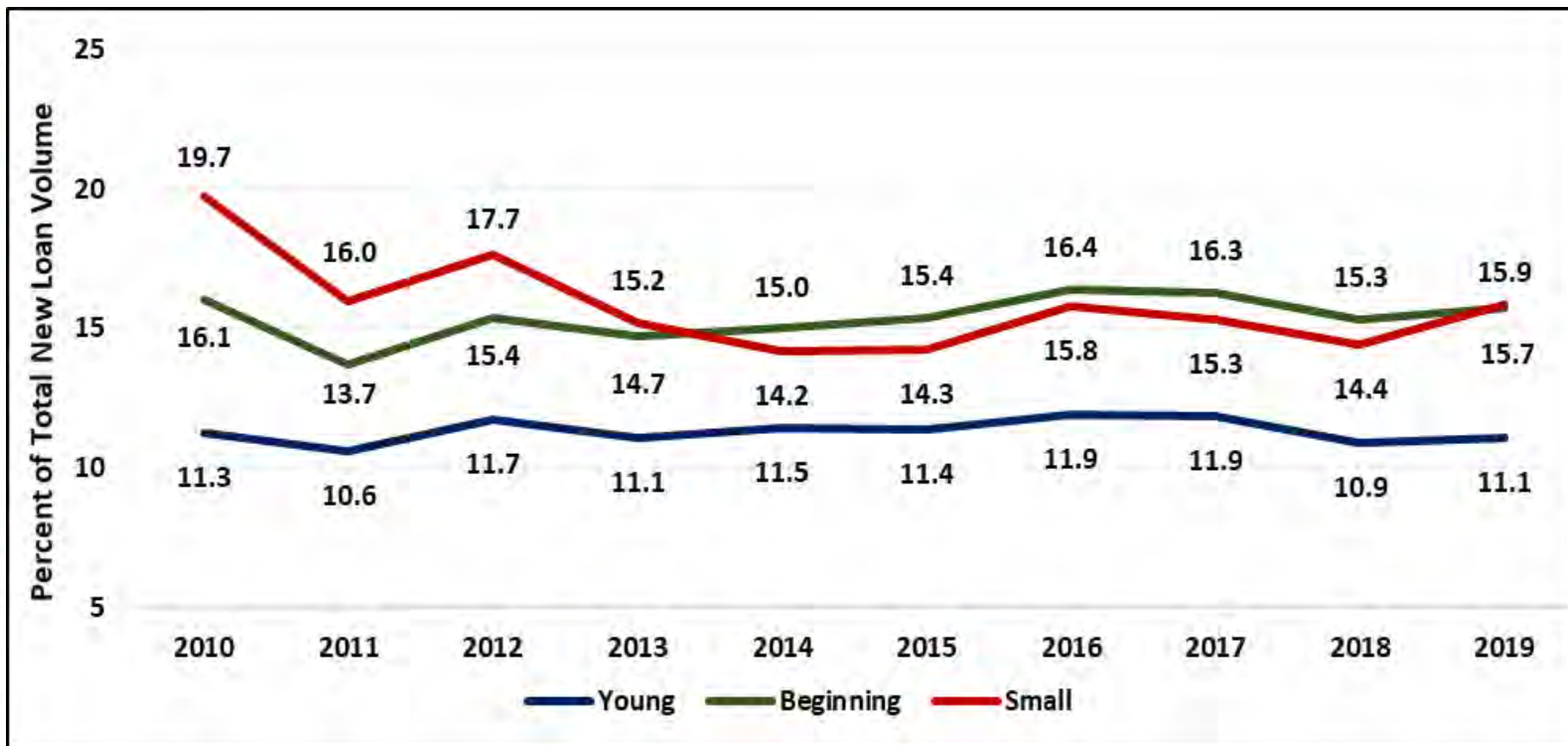
New YBS Loan Volume



Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks



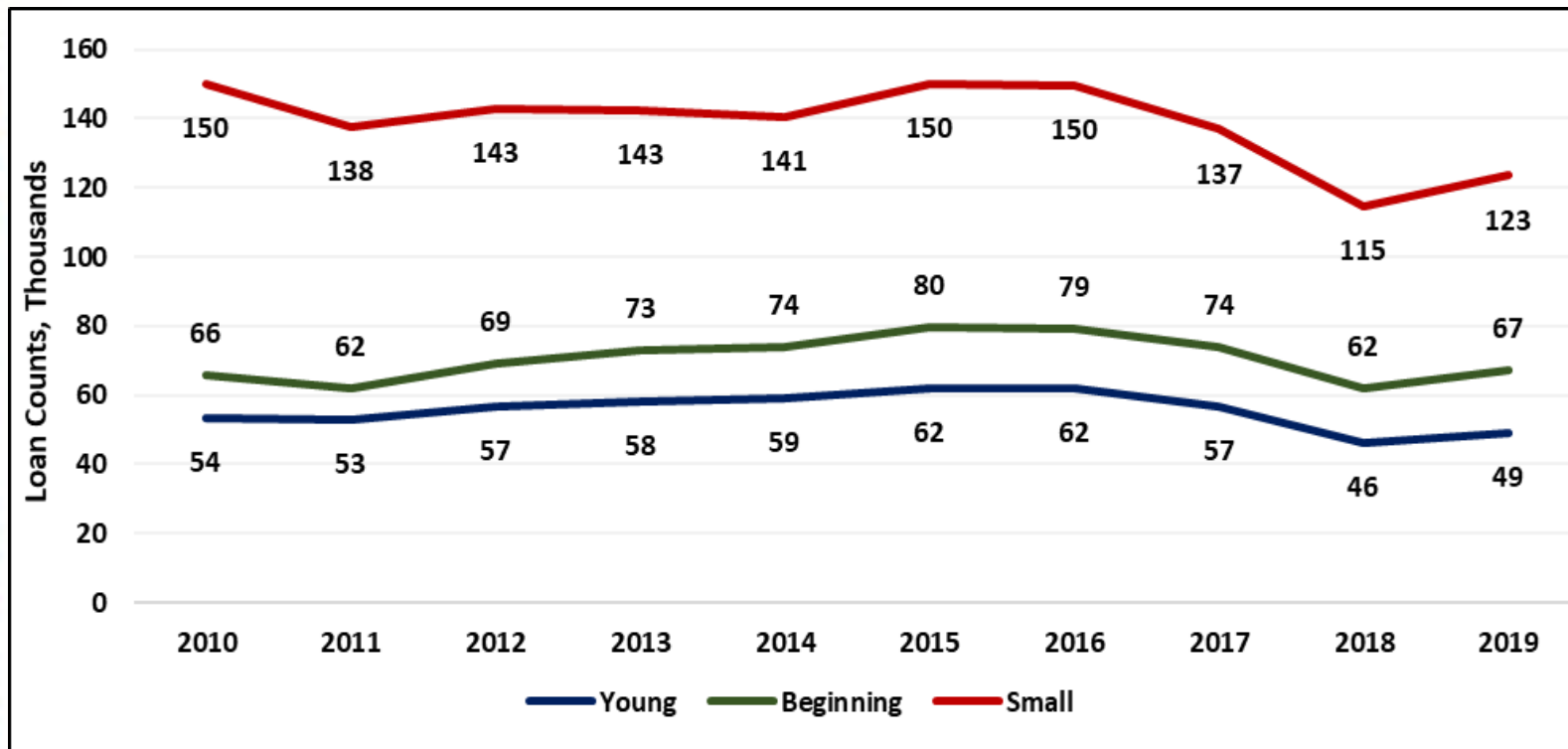
YBS Share of Total New Loan Volume



Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks



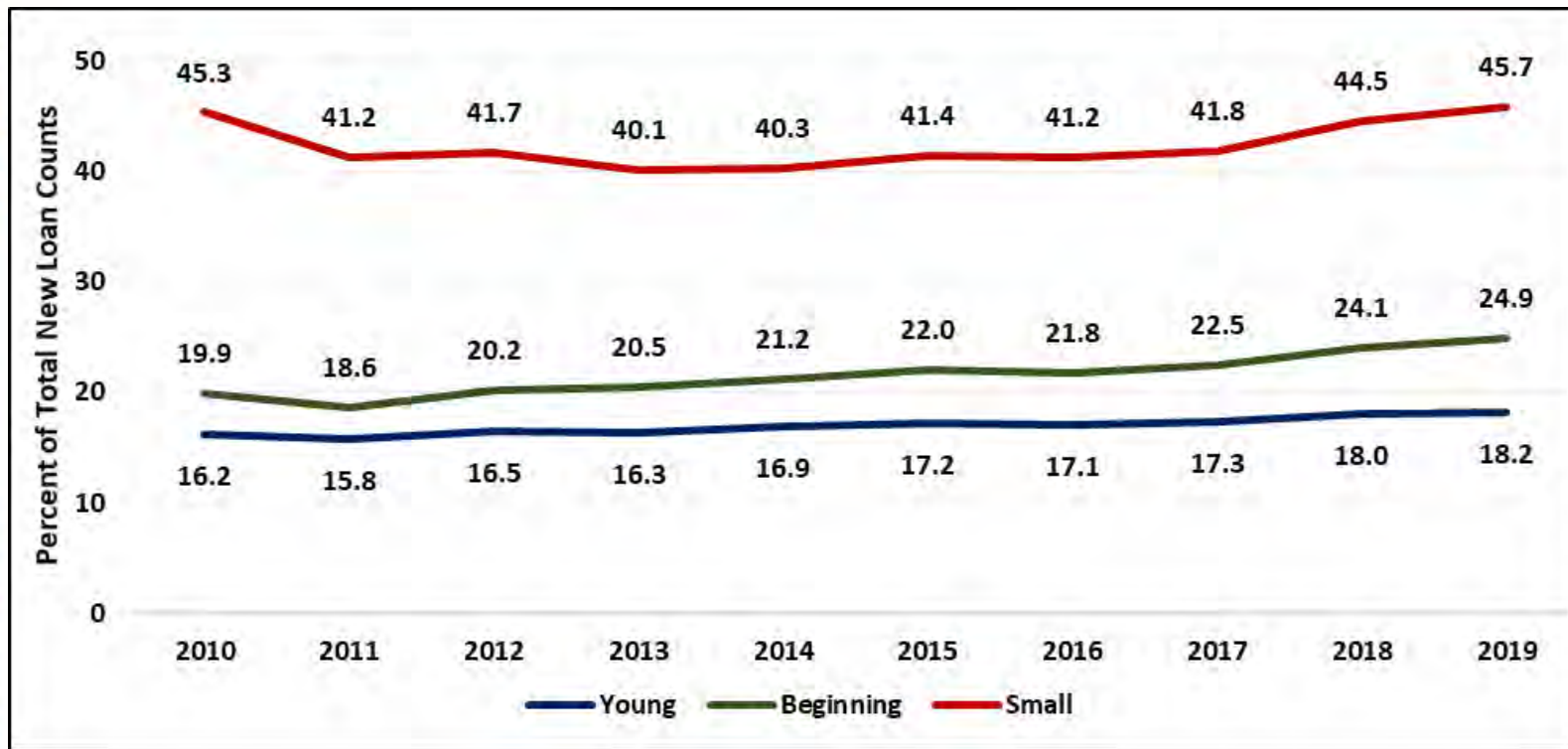
New YBS Loan Counts



Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks



YBS Share of Total New Loan Counts



Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks



YBS Initiatives Update



- Improved the Agency's ability to track FCS service to YBS producers and identifying best practices used to serve YBS producers.
- Working to modernize and reduce burden for FCS reporting of YBS lending data.
- Engaged with FCS data workgroups and attended FCS YBS focused events.
- Working with other Government Agencies for the benefit of YBS producers.

Investment Eligibility Final Rule

David Lewandrowski – ORP
Richard Katz – OGC



Farm Credit Administration



Final Rule

- The final rule amends § 615.5140(b)(2) and (b)(3) to allow Farm Credit System associations to purchase in the secondary market, the portions of loans that non-FCS institutions originate and that the USDA fully and unconditionally guarantees or insures as to both principal and interest.



Final Rule

- Objectives of the Final Rule:
 - ✓ Augment the liquidity of rural credit markets;
 - ✓ Reduce the capital burden on community banks and other non-System lenders who choose to sell their USDA guaranteed portions of loans, so they may extend additional credit in rural areas; and
 - ✓ Enhance the ability of associations to manage risk.





NEWS

For Immediate Release

Media Contacts

Aleis Stokes

aleis.stokes@icba.org

202-821-4457

@AleisStokes

Nicole Swann

nicole.swann@icba.org

202-821-4458

@ICBA_nswann

ICBA Supports Bill Offering Tax Relief for Rural Lending

Legislation promotes access to credit amid era of weak commodities prices

Washington, D.C. (March 27, 2019)—The Independent Community Bankers of America® (ICBA) today expressed support for legislation to support farmers, ranchers and rural homeowners. Authored by Rep. Steve Watkins (R-Kan.) and co-sponsored by Rep. Roger Marshall (R-Kan.), the Enhancing Credit Opportunities in Rural America Act (H.R. 1872) would allow community banks to lower loan rates and more efficiently serve borrowers by exempting interest income on farm real estate and rural mortgage loans from taxation.

“ICBA strongly supports the Enhancing Credit Opportunities in Rural America Act, which will allow community banks to offer lower rates to rural borrowers and homeowners in communities across the nation,” ICBA President and CEO Rebeca Romero Rainey said. “Community banks, which make 80 percent of all agricultural loans across the banking industry, should play on the same level playing field as other providers of credit in rural America that already enjoy these same advantages.”

Under ECORA, interest earned on loans secured by agricultural real estate would not be taxable. The bill would provide similar relief to interest on loans secured by rural single-family homes that are the principal residence of the borrower in towns with a population of less than 2,500. Together, these provisions will offer community bankers greater flexibility to work with farmers who may have trouble servicing their debt while giving lenders a strong incentive to remain in the rural farming and housing markets.

The legislation would implement a recommendation in ICBA’s [Community Focus 2020](#) policy platform, a multifaceted agenda designed to promote greater access to financial services and economic opportunity throughout local communities.

About ICBA

The Independent Community Bankers of America® creates and promotes an environment where community banks flourish. With more than 52,000 locations nationwide, community banks constitute 99 percent of all banks, employ more than 760,000 Americans and are the only physical banking presence in one in five U.S. counties. Holding more than \$4.9 trillion in assets, \$3.9 trillion in deposits, and \$3.4 trillion in loans to consumers, small businesses and the agricultural community, community banks channel local deposits into the Main Streets and neighborhoods they serve, spurring job creation, fostering innovation and fueling their customers’ dreams in communities throughout America. For more information, visit ICBA’s website at www.icba.org.

###

Sustaining Credit & Promoting Prosperity in Rural America

Overview

The purpose of the ECORA Act (the Act) is to support American farmers and ranchers and residents of rural communities by creating a new, targeted tax incentive for agricultural real estate and rural residential lending. The Act would promote greater access to credit and reduce borrowing costs for qualified borrowers as they adapt to an environment of weak commodities prices.

What the Act Would Do

The Act would benefit rural borrowers of agricultural real estate and rural home mortgage loans through lower interest rates and greater access to credit. Specifically, when community banks provide loans to farmers and ranchers secured by agricultural real estate, the interest earned from such loans would be exempt from taxes. Likewise, this exemption would apply to single family home mortgage loans in rural communities with a population of 2,500 residents or less.

Need for Action

Agricultural production and the prosperity of farmers and ranchers is critical to the economy of many agricultural states. Approximately one in every five jobs in many farm states, for example, is directly connected to agriculture. However, low commodities prices pose a serious threat to agriculture and the thousands of jobs connected to the sector. Furthermore, rural America has unique challenges not faced by urban residents due to less dense populations, outmigration, challenges in job creation, and housing markets that are less uniform than in larger cities.

Net farm income (NFI) peaked in 2013 at approximately \$124 billion and has declined precipitously since then. For 2018, NFI was recently projected to be only \$66.3 billion, a 12 percent decline from 2017 and a 46 percent decline from the 2013 peak. The 2018 net farm income forecast is substantially below the 10-year average of \$86.9 billion. In fact, the change in state-level NFI (Avg. 2016-2017 vs. Avg. 2011-2013) in many states declined by 49-76 percent!¹

Just as important as addressing agriculture's short-term needs, the ECORA Act will help ensure a stable long-term economy for thousands of remote and rural areas of our country. ECORA will allow rural community banks to assist farm and ranch borrowers who may have trouble servicing existing debt by lowering their interest rates and qualifying for loans they might otherwise be unable to obtain.

The Act will also help community banks sustain the rural housing market. Rural mortgage lending is a challenge for lenders because rural properties are often mixed use, consisting of large or multiple parcels of land and varying ownership structures which could include multiple family members. Community banks have long been a major source of credit for these borrowers due to their firsthand knowledge of the local market and economy. Community banks hold these loans in portfolio as the unique characteristics of the properties and borrower qualifications make selling these loans into the secondary market impractical. Recent regulatory relief legislation will help make it easier for community banks to make and retain these loans in portfolio and be compliant with the CFPB's QM/ability-to-repay, escrow, and appraisal rules. With ECORA, home owners will be able to receive lower interest rates on mortgages, allowing many to refinance existing mortgages and many others to finance their first home and build their dreams for the future.

¹ Agriculture Economic Insights, "*Where the Farm Economy Slowdown Has Hit the Hardest*", posted Jan 14, 2019 at: <https://ageconomists.com/2019/01/14/where-the-farm-economy-slow-down-has-hit-hardest/>

H.R.1872 - ECORA Act of 2019

116th Congress (2019-2020)

Cosponsor	Date Cosponsored
Rep. Marshall, Roger W. [R-KS-1]*	03/26/2019
Rep. Miller, Carol D. [R-WV-3]	04/08/2019
Rep. Banks, Jim [R-IN-3]	04/12/2019
Rep. Rigglesman, Denver [R-VA-5]	04/30/2019
Rep. Reschenthaler, Guy [R-PA-14]	05/01/2019
Rep. Comer, James [R-KY-1]	05/22/2019
Rep. King, Steve [R-IA-4]	05/23/2019
Rep. Moolenaar, John R. [R-MI-4]	06/03/2019
Rep. Estes, Ron [R-KS-4]	06/05/2019
Rep. Palazzo, Steven M. [R-MS-4]	06/25/2019
Rep. Van Drew, Jefferson [D-NJ-2]	07/09/2019
Rep. Abraham, Ralph Lee [R-LA-5]	07/09/2019
Rep. Brooks, Mo [R-AL-5]	11/18/2019
Rep. Smith, Jason [R-MO-8]	12/04/2019
Rep. Bacon, Don [R-NE-2]	01/15/2020
Rep. Armstrong, Kelly [R-ND-At Large]	03/09/2020
Rep. Wittman, Robert J. [R-VA-1]	03/10/2020

Cosponsors: S.1641 — 116th Congress (2019-2020)

[All Information](#) (Except Text)

Sponsor: [Sen. Roberts, Pat \[R-KS\]](#)

Cosponsor	Date Cosponsored
Sen. Moran, Jerry [R-KS]*	05/23/2019
Sen. Hoeven, John [R-ND]*	05/23/2019
Sen. Cramer, Kevin [R-ND]*	05/23/2019
Sen. Paul, Rand [R-KY]	06/12/2019
Sen. Rounds, Mike [R-SD]	07/18/2019

BE HEARD.

ICBA GRASSROOTS



Tell Congress to Help Community Banks Serve Rural America

Agricultural production and the prosperity of farmers are crucial to rural economies where thousands of jobs are connected to the sector, and Community Banks are a critical partner.

Legislation has been introduced in both the House and Senate that will **allow community banks to help farmers** remain viable in a sometimes-challenging environment. It exempts interest on loans--secured by agricultural real estate--from taxable income, giving **lenders more flexibility** to work with farmers, ranchers and rural homeowners and providing lenders with a strong incentive to continue to make these loans. The bill helps level the competitive environment for community banks by providing similar tax benefits already enjoyed by other lenders in rural communities.

Please review the letter and talking points and **ask your members of Congress** to support rural America and the community banks who serve them by cosponsoring the *Enhancing Credit Opportunities in Rural America Act* (the ECORA Act, H.R. 1872 and S. 1641). Thank you for your support.

If the members of Congress pulled do not match your home address, you will need to update your address in the system, which you can do [here](#).

Act now!

 Sign up with Facebook

Or Register Below

First Name

Last Name

Address

Email

Submit

TAB 3

- Hemp Program
Updates



Risk Management Agency

Actual Production History Hemp

Fact Sheet
February 2020

Crop Insured

Hemp is insurable if:

- You have a share in the crop;
- You have at least one year of history producing the crop;
- It is a type listed in the actuarial documents;
- Premium rates are provided by the actuarial documents;
- It is grown under a processor contract executed by the applicable acreage reporting date;
- It is grown under an official certification or license issued by the applicable governing authority that permits production of the hemp;
- It is planted for harvest as hemp in accordance with the requirements of the processor contract and production management practices of the processor; and
- It is planted to an adapted variety and not a variety prohibited by the applicable governing authority. Refer to the Hemp Crop Provisions.

Causes of Loss

- Adverse weather conditions, including natural perils such as drought and excess precipitation;
- Earthquake;
- Failure of the irrigation water supply, if caused by an insured peril during the insurance period;
- Fire;
- Insects and plant disease, except for insufficient or improper application of pest or disease control measures;
- Wildlife; or
- Volcanic eruption.

Additionally, we will not insure against:

- Levels of tetrahydrocannabinol (THC) in excess of 0.3 percent on a dry weight basis, in accordance with the Agriculture Improvement Act of 2018 and applicable Federal regulations;
- Failure to follow requirements contained in the processor contract;
- Any harvested production infected by mold, yeast, fungus, or other microbial organisms after harvest; or



- Any damage or loss of production due to the inability to market the hemp for any reason other than actual physical damage to the hemp from an insurable cause of loss.

Insurance Period

Coverage begins at the later of when we accept your application or the date when the crop is planted in the field, and ends with the earliest occurrence of one of the following:

- Total destruction of the crop;
- Harvest of the unit;
- Final adjustment of loss;
- Abandonment of the crop; or
- October 31.

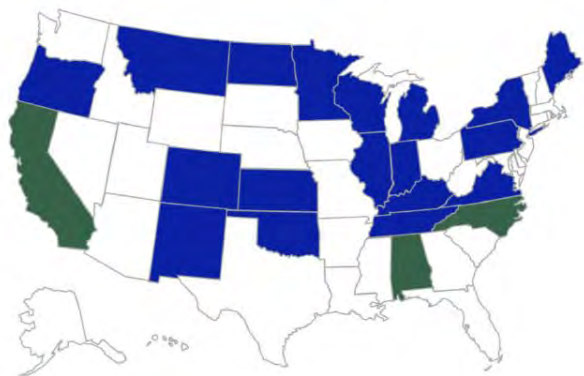
See Crop Provisions for additional information.

Important Dates

Sales Closing (2020)	March 15
(2021 and later)	February 28 or March 15
Acreage Report Due	August 15
Cancellation	February 28 or March 15

ACTUAL PRODUCTION HISTORY HEMP - FEBRUARY 2020

Sales Closing Dates*



■ 2/28 ■ 3/15

**Program may not be available in all counties. Sales closing date for all counties where program is available will be 3/15 for initial crop year of 2020.*

Acreage Reporting Requirements

You must file a report of hemp acreage with your crop insurance agent by the acreage reporting date. Consult your crop insurance agent for more information and specific reporting requirements.

Duties in the Event of Damage or Loss

If a damage or loss occurs you must:

- Provide to our loss adjuster a copy of your certification form or official license for the current crop year for the applicable insured county prior to the completion of any claim;
- Protect the crop from further damage by providing sufficient care;
- Notify your crop insurance agent within 72 hours of your initial discovery of damage, but not later than 15 days after the end of the insurance period;
- Leave representative samples for each field of the damaged unit; and
- If insured acreage of the insured type is damaged during the insurance period by an insured cause of loss, and you intend to harvest the acreage before the final THC level is determined by the applicable governing authority, you must provide us notice so we may inspect the damaged acreage to determine appraised production to count.

Coverage Levels and Premium Subsidies

The premium subsidy percentages and available coverage levels, if electing basic units, are shown below. Your share of the premium will be 100 percent minus the subsidy amount.

	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

You may only select one coverage level for each insured type in the county insured under this policy. You must select the coverage level, by type, on your application by the sales closing date.

If you do not select a coverage level for all insurable types specified in the actuarial documents, and you plant one or more additional insurable types, the lowest coverage level you select on your application for any insurable type will apply to each additional insurable type you plant.

The Catastrophic Risk Protection Endorsement (CAT) limits coverage to 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of \$655, per crop, per county.

Insurance Units

Basic, Optional, and Enterprise units are available in select hemp counties. Premium discounts apply for basic and enterprise units. Additional subsidy is available for enterprise units.

Coverage Options

You may buy crop insurance coverage under one of the insurance plans offered: Catastrophic Risk Protection or Actual Production History.

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA web site at www.rma.usda.gov/Information-Tools/Agent-Locator-Page.



Preston L. Kennedy, *Chairman*
Noah W. Wilcox, *Chairman-Elect*
Robert M. Fisher, *Vice Chairman*
Kathryn Underwood, *Treasurer*
Alice P. Frazier, *Secretary*
Timothy K. Zimmerman, *Immediate Past Chairman*
Rebeca Romero Rainey, *President and CEO*

January 29, 2020

Via Electronic Submission: www.regulations.gov

Bill Richmond
Chief
U.S. Domestic Hemp Production Program
Specialty Crops Program, AMS
U.S. Department of Agriculture
1400 Independence Avenue SW, Stop 0237
Washington, DC 20250-0237

RE: Interim Final Rule / Establishment of a Domestic Hemp Production Program / Federal Register / Vol. 84, No. 211 / Doc. No. AMS–SC–19–0042 / 10-31-2019 / page 58522

Dear Mr. Richmond:

On behalf of the nation's community banks, with over 52,000 locations, the Independent Community Bankers of America (ICBA) writes to share our views regarding the USDA's Agricultural Marketing Service's (AMS) Interim Final Rule (IFR) titled "*Establishment of a Domestic Hemp Production Program*" as required by the 2018 farm bill.

ICBA believes the production of hemp could introduce a significant new market for our nation's farmers and ranchers and we appreciate USDA's careful drafting and review of these implementing regulations and the invitation to provide comments. ICBA's comments follow.

ICBA'S General Views on USDA's Hemp Regulation

No SARs Reports. From a general standpoint, ICBA appreciates that federal regulators have announced they would not require suspicious activity reports (SARs) from banks that finance hemp producers. This is appropriate since hemp is no longer a Schedule 1 controlled substance and thus no longer illegal.

Crop Insurance. ICBA also appreciates that USDA's Risk Management Agency (RMA) will offer a crop insurance product to help offset the risk to producers and their lenders of growing this new commodity. However, we believe the crop insurance program for hemp should cover those cases where a producer's crop may exceed allowable levels of THC and thus potentially be required by USDA to be destroyed.

The Nation's Voice for Community Banks.®

WASHINGTON, DC
1615 L Street NW
Suite 900
Washington, DC 20036

SAUK CENTRE, MN
518 Lincoln Road
P.O. Box 267
Sauk Centre, MN 56378

866-843-4222
www.icba.org

A hemp crop would be expected to exceed allowable levels due to adverse weather preventing a crop's normal maturity or preventing a farmer from harvesting the crop in a timely manner. The inability to mitigate against such weather related or other unforeseen risks could substantially reduce hemp production plans by producers and their lenders. As the IFR states, "*producers whose cannabis crop is not hemp will likely lose most of the economic value of their investment* (italics added) (pg 58524 *Federal Register*).

Ongoing Recommendations. ICBA appreciates USDA's invitation to offer comments to this IFR as this new program gets underway. However, since production of hemp will be a new endeavor for many producers and their lenders, we believe USDA should seek comments on an annual basis regarding the operation of the hemp program so that proper adjustments can be made as producers gain experience growing, harvesting, and transporting this crop. This would help ensure that the procedures outlined in the IFR will not be overly prescriptive to a degree that could diminish enthusiasm and markets for hemp production.

Testing & Sampling. The IFR requires a sampling deadline of 15 days prior to harvest. We suggest that harvest within 15 days of sampling only be a target for producers who may need to delay harvest due to unforeseen weather events or unavailability of official personnel to sample fields. Producers may need an additional month or more if adverse weather conditions persist.

Acceptable Test Results / THC Levels. The IFR states the acceptable hemp THC level is the application of the 'measurement of uncertainty' to the THC level producing a distribution or range that includes 0.3% or less THC. The testing results presented in the IFR seem problematic as some plants with a higher THC level above 0.3% would be considered hemp while other hemp plants with a lower THC level could be considered marijuana and thus not acceptable.

A buffer above 0.3% is necessary, regardless of the 'measurement of uncertainty' factor, particularly in the first few years of production as producers learn how to grow hemp that meets the federal guidelines and requirements. Producers should be able to retest if the THC level indicated is too high and an automatic buffer above the 0.3% level should be allowed if the producer made a good faith effort to meet the 0.3% level. At least initially, this buffer above 0.3% should be high enough to accommodate most producers seeking to produce hemp in accordance with this regulation.

Several commenters have questioned whether a 0.3% THC level is an appropriate mark to distinguish hemp from marijuana. It may be appropriate for USDA to study and report to Congress whether this level is scientifically defensible or whether it should be adjusted higher. Such a report recommending an appropriate THC level, which may require a legislative change, would be appropriate since USDA will submit annual reports to Congress on the hemp program.

Destroying Crops. We urge USDA to allow producers to not destroy their crops if it tests higher than USDA's permitted THC levels if the crop is not intended for human consumption purposes

and producers made a good faith effort to meet the 0.3% THC level and any buffer that USDA may allow.

Laboratory Approval Program (LAP). To respond to the question of whether a LAP should be established it would seem logical as producers may need to have labs as geographically close to their operations as possible, particularly when time is limited and demand for lab services may be high. We question whether the labs should have to be registered with the Drug Enforcement Agency (DEA) since hemp is no longer considered a controlled substance.

Producer Licenses. The IFR would provide producers a valid license for three years. We suggest this period be lengthened to five years to reduce paperwork requirements both on producers and USDA offices, which may face staffing shortages in future years. Alternatively, producers could be allowed to renew their licenses online indicating what if any changes have occurred since their previous license application.

Safe Harbor Clause. ICBA urges USDA's regulations to provide a "safe harbor" clause in terms of legal and regulatory liabilities for unforeseen occurrences related to the production of hemp. For example, lenders and other industry participants should not face any legal liabilities for financing hemp production or derived products that police or other state or federal officials state have tested with an unacceptable THC level even though initial testing showed the THC levels was satisfactory. Lenders should not be held legally liable for unforeseen or unexpected issues that may arise in the production, processing, marketing or distribution of hemp or hemp related products simply because they provide financial services to the hemp industry.

Conclusion

ICBA appreciates the AMS's issuance of an interim final rule with the opportunity for public comment. The introduction of a hemp program ushers in the potential for an exciting new era in production agriculture. However, as USDA's IFR states, "The future of the hemp industry in the United States (U.S.) is anything but certain (page 58539, *Federal Register*)." Therefore, we urge USDA to accommodate producers, their lenders and other industry participants to the greatest extent possible to help ensure that the production of hemp can truly ramp up and establish adequate marketing opportunities to secure a prosperous industry.

Thank you for considering our views. Should you desire to discuss the contents of this letter please feel free to contact our staff at: Mark.scanlan@icba.org.

Sincerely,

/S/

Mark Scanlan
Sr. V.P., Agriculture and Rural Finance

The Nation's Voice for Community Banks.®

WASHINGTON, DC
1615 L Street NW
Suite 900
Washington, DC 20036

SAUK CENTRE, MN
518 Lincoln Road
P.O. Box 267
Sauk Centre, MN 56378

866-843-4222
www.icba.org

TAB 4

- Farmer Mac
Update by Patrick
Kerrigan

TAB 5

- Climate Change & Conservation Initiatives

www.agri-pulse.com/articles/14407-ag-lenders-need-to-take-conservation-into-account-edf-says



Ag lenders need to take conservation into account, report says

Steve Davies (/authors/2-steve-davies)

September 2, 2020

Agricultural lenders should design their loan programs to encourage farmers' adoption of farming practices resilient to the impacts of climate change, the Environmental Defense Fund says in a new report.

But lenders first need more data so they can understand the “financial benefits of and barriers to resilient agricultural practices” such as cover crops and no-till farming, the [report \(https://www.edf.org/ecosystems/how-agricultural-lenders-can-boost-climate-resilience\)](https://www.edf.org/ecosystems/how-agricultural-lenders-can-boost-climate-resilience) says. They cannot let their “unfamiliarity with conservation practices discourage farmers or increase barriers to lending.”

“We have lots of great anecdotes and we're beginning to see more use of bigger datasets, like USDA datasets, to understand” the dollars-and-cents impacts of resilient farming methods, said Maggie Monast, EDF's director of economic incentives, agricultural sustainability.

“But there's still a big gap between the information lenders need to make decisions and what's out there,” she

said. EDF is recommending that lenders familiarize themselves with current conservation information and “collaborate with organizations like ours” to identify information gaps, she told reporters.

“Historically, lenders have placed the heaviest weight on farmers’ financial strength and repayment ability,” Idaho farmer and EDF adviser Dick Wittman wrote in the report’s foreword. “Little consideration has been given in credit scoring models to farmers’ conservation strategies or exposure to climate risk. That needs to change.”

EDF, generally regarded as one of the most effective environmental organizations in the country, works with industry, including agriculture companies and associations, and government on a host of environmental issues, including climate change. The report, it said, “is based on extensive research and interviews with a variety of food and agricultural lenders, including Farm Credit and commercial lenders, as well as multiple other relevant experts.”

In addition to gathering more information about potentially profitable conservation strategies, the report said ag lenders “should assess their exposure to climate risks and adopt and implement strategies to monitor and manage those risks.” The ag lending sector has lagged behind the financial sector in doing so, the report said. “A 2019 survey of 20 banks and seven other financial institutions found that 55% of mainstream financial institutions are currently taking a strategic approach to climate risk, and 95% aim to implement a strategic approach in the future,” the report said. “Despite this trend, most U.S. agricultural lending institutions have not yet integrated climate risk into their risk management frameworks.”

The report also found that “while crop insurance is an important shock absorber for participating farmers and their lenders, it is not sufficient to protect farmers, lenders or the broader agricultural economy from climate risk.”

National Crop Insurance Services, which represents the interests of private crop insurance companies, said it had not yet read the report but pointed to its website’s “Just the Facts” page, which addresses (<https://cropinsuranceinamerica.org/is-crop-insurance-impairing-farmers-ability-to-use-new-conservation-tools-like-cover-crops/>) conservation practices in general.

“The crop insurance industry supports continued agronomic research to determine how farmers can best incorporate cover crops and other Best Management Practices in their operations and to determine what impact those practices may have on the insured crop,” NCIS said. “Farmers interested in exploring how cover crops can fit into their operations are encouraged to discuss all available options with their agronomic advisers and their crop insurance agent to verify their plan follows good farming practices and meets crop insurance requirements.”

Ed Elfmann, the American Bankers Association’s senior vice president for agriculture and rural banking policy, said in a statement that “agricultural lenders, like all lenders, are risk managers at their core and are always looking for ways to reduce risk for their customers. While there is still work to be done to understand the threats posed by climate change, we are collaborating with organizations like EDF and working to educate our members to help bridge the gap between financing and climate resilience. Agriculture is constantly evolving, and we look forward to continuing to work with agricultural groups and other stakeholders to do everything we can to help producers succeed.”

The EDF report said “current loan offerings do not align with the financial attributes of conservation practices, and therefore create challenges for farmers who use or are considering adopting these practices.”

The benefits of some conservation practices “can take several years to materialize,” the report says. “Practices