

# Unraveling the Results of the 2023 ABA-Farmer Mac Ag Lender Survey



Farmer Mac Webinar  
December 12, 2023



# Agenda

- 1** Introduction to Our Speakers  
*Experts on the line*
- 2** Introduction to the Survey  
*Quick level set*
- 3** Overview of Top Concerns  
*What's on our respondents' minds*
- 4** Three Themes  
*Big ideas throughout*
- 5** Q&A  
*Stump our panelists*



# Meet Our Panelists



***Blaine Nelson***  
***Senior Economist***  
***Farmer Mac***



***Tyler Mondres***  
***Senior Director, Research***  
***American Bankers Association***



***Caleb Hopkins***  
***Loan Production Officer***  
***First Dakota National Bank,***  
***Dakota Mac***



# About the Survey

Collaboration

Targeted  
Intelligence

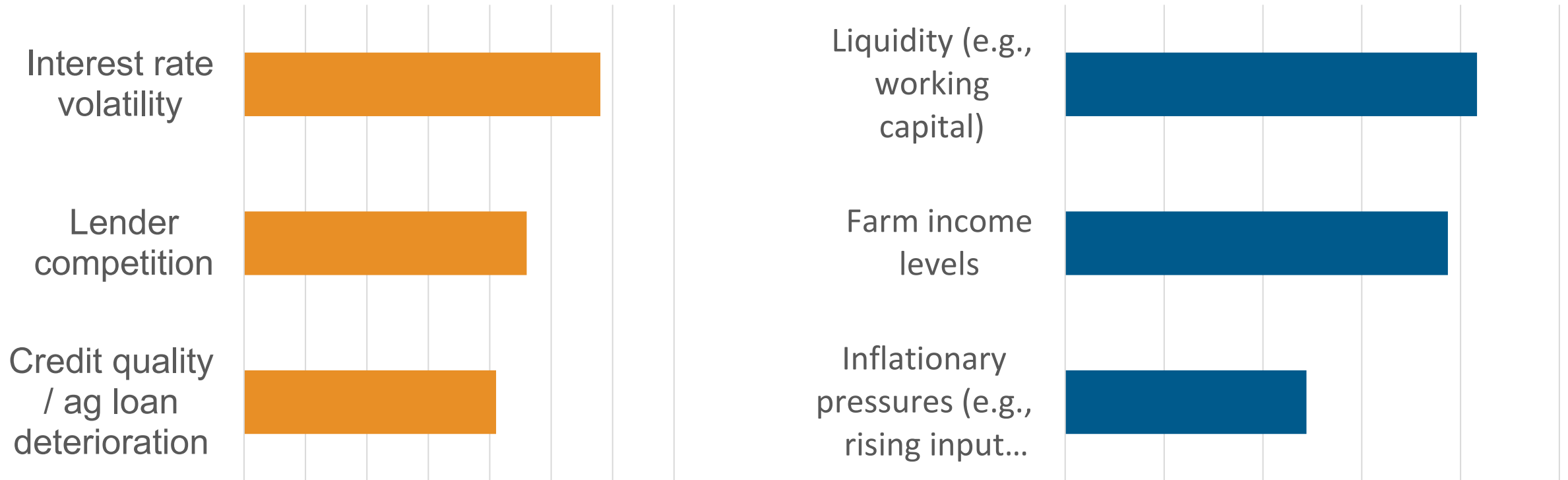
Farm  
Economy

Lending  
Conditions

Thank you!



# Top Concerns





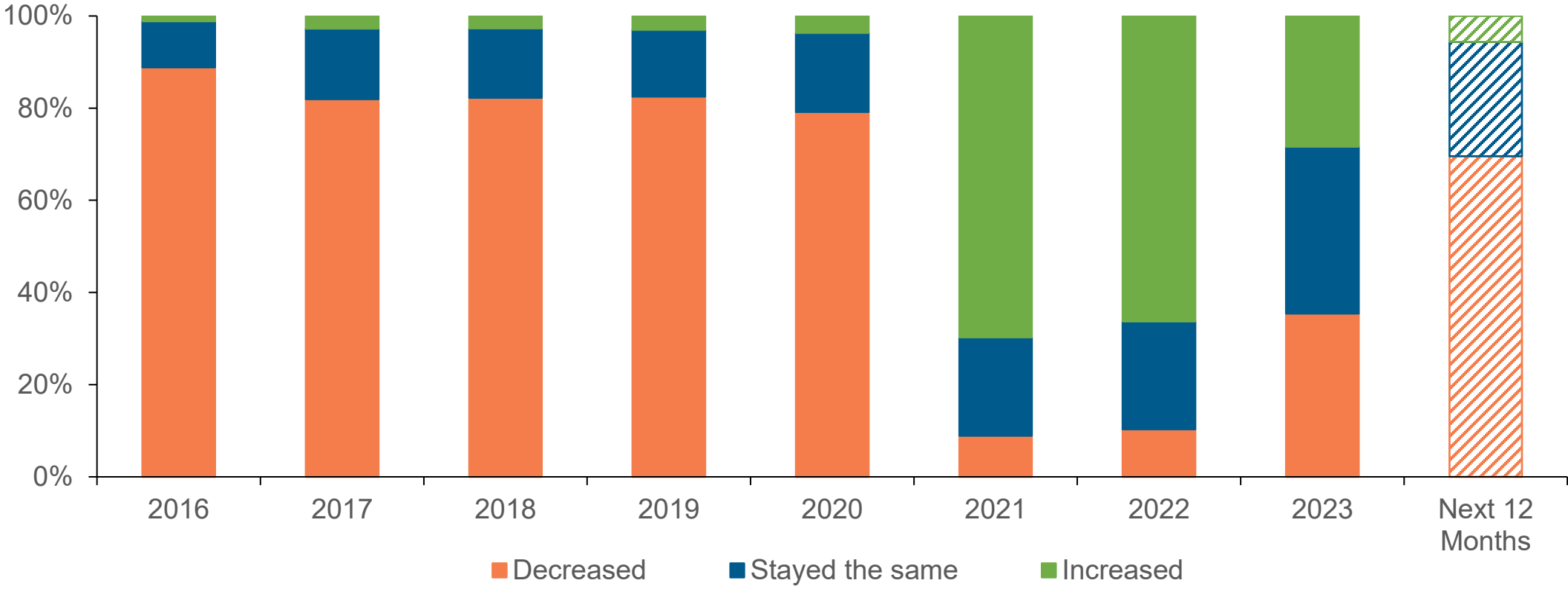
# **Theme 1: Profits and Credit Holding in 2023 but Concern for '24**

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# Profitability Slows, Still Not 2019/20 Levels

*Overall Farm Profitability Decreased in 2023*

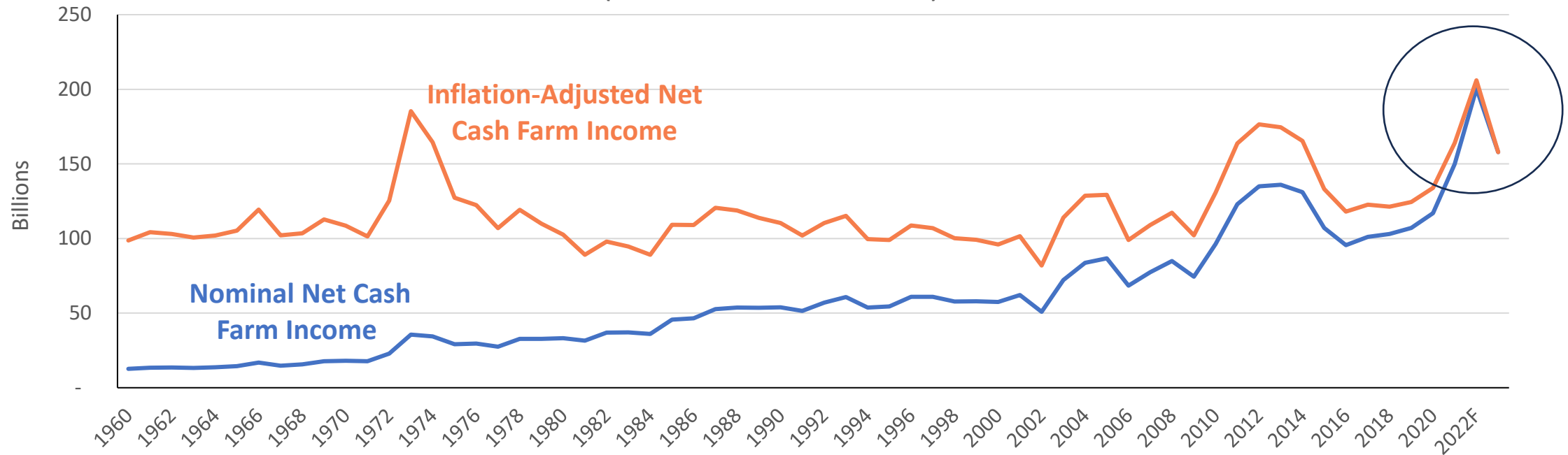


Source: ABA-Farmer Mac Agricultural Lenders Survey August 2023.



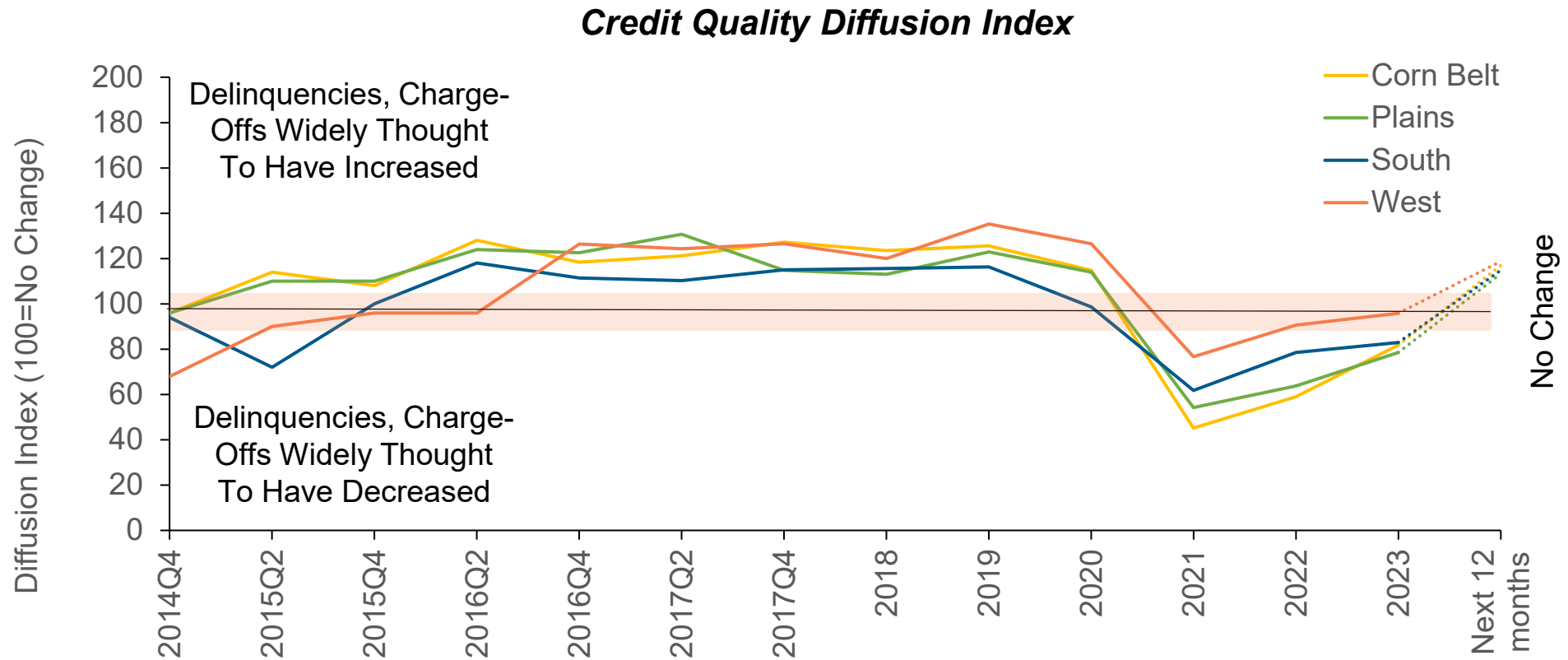
# Survey Results Line Up with USDA

Cash Income less Cash Expenses  
(Net Cash Farm Income)



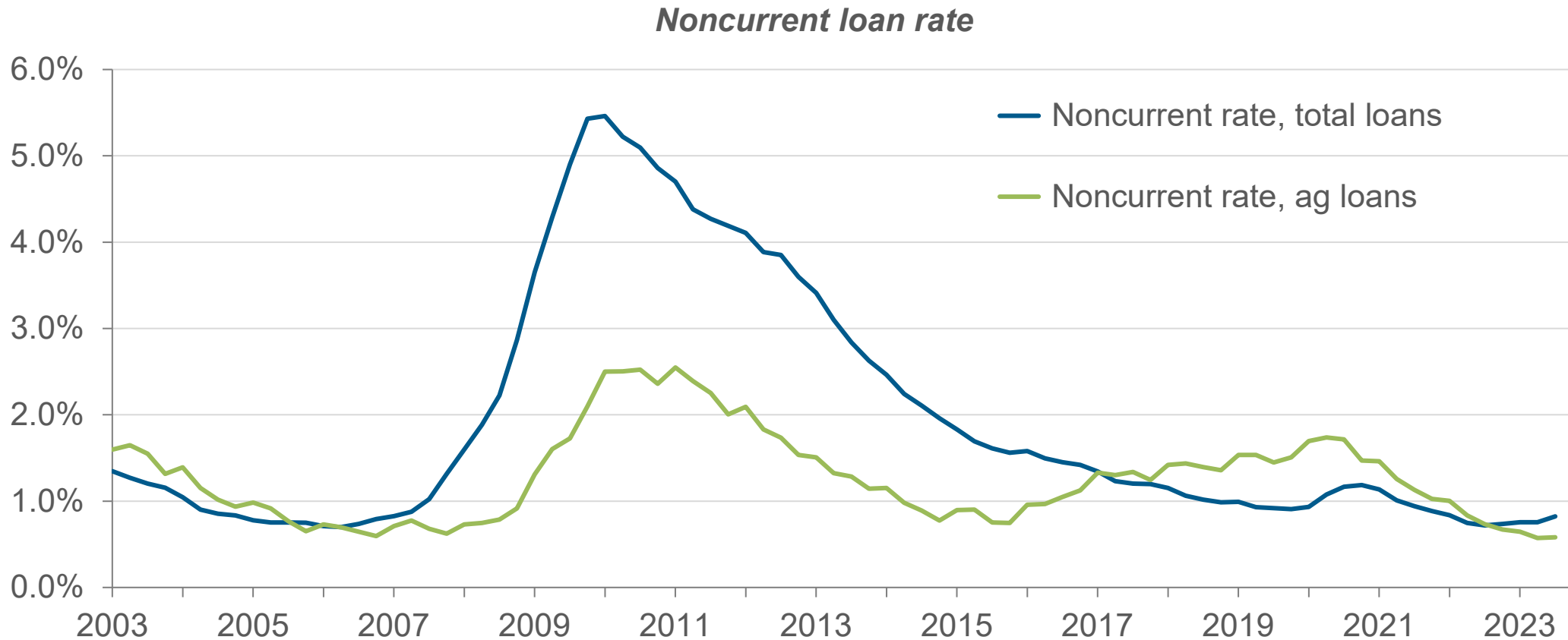


# Credit Quality Expected to Normalize to Pre-Pandemic Levels Over Next 12 Months





# Ag Credit Quality Remains Strong

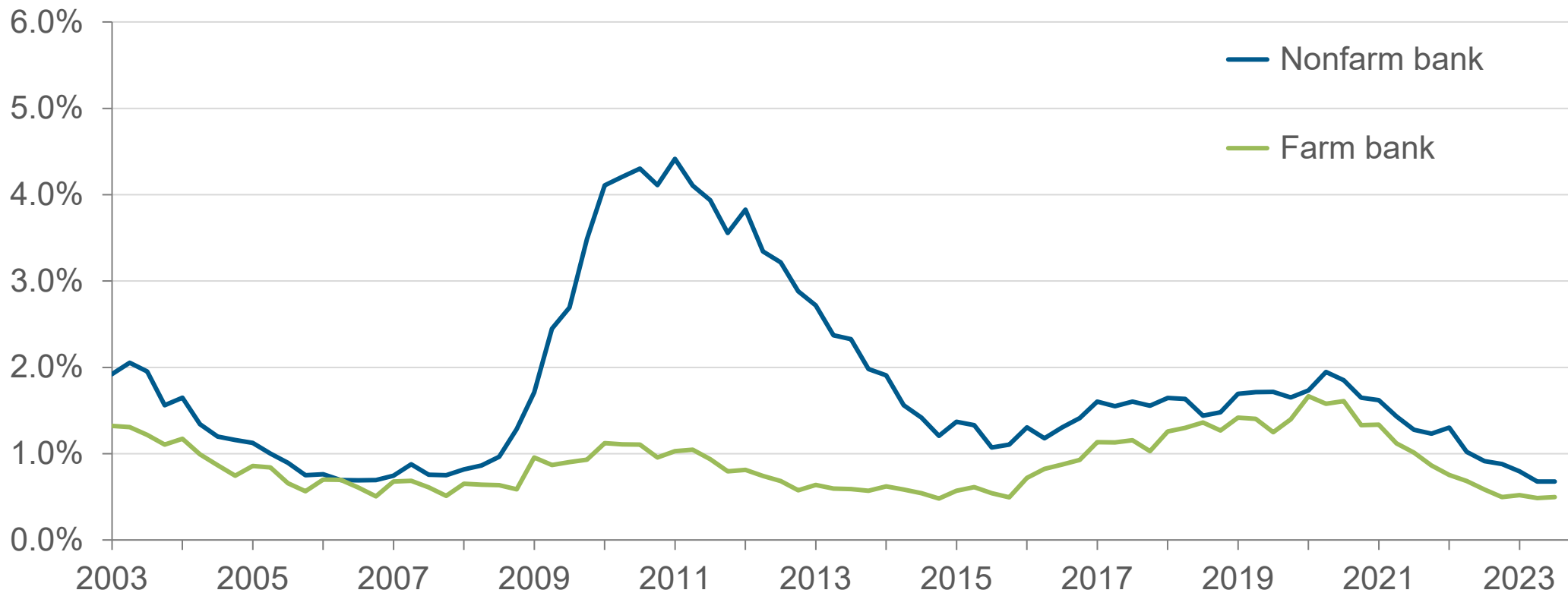


Source: S&P Global, ABA analysis



# Ag Credit Quality Remains Strong

*Noncurrent ag loans as a share of total ag loans*



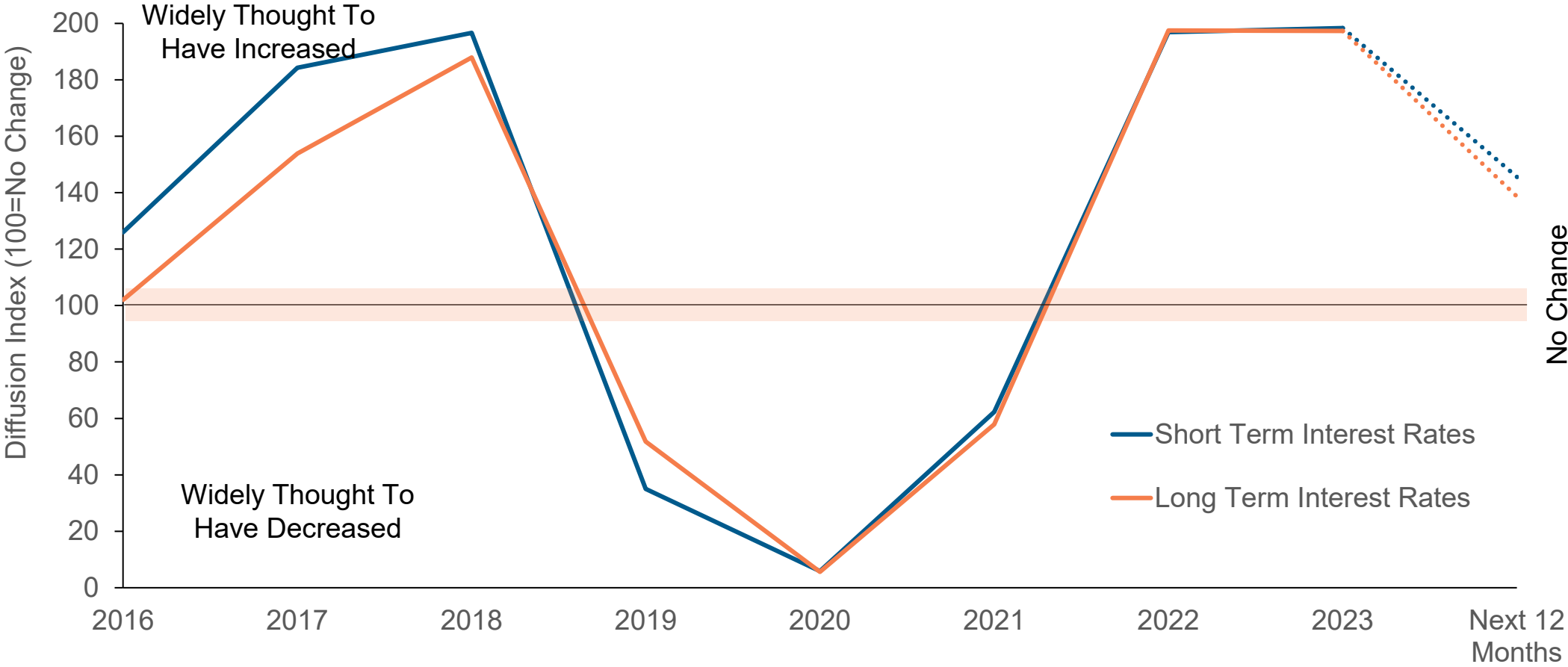
Source: S&P Global, ABA analysis



# **Theme 2: Rate Volatility in Plain Sight**

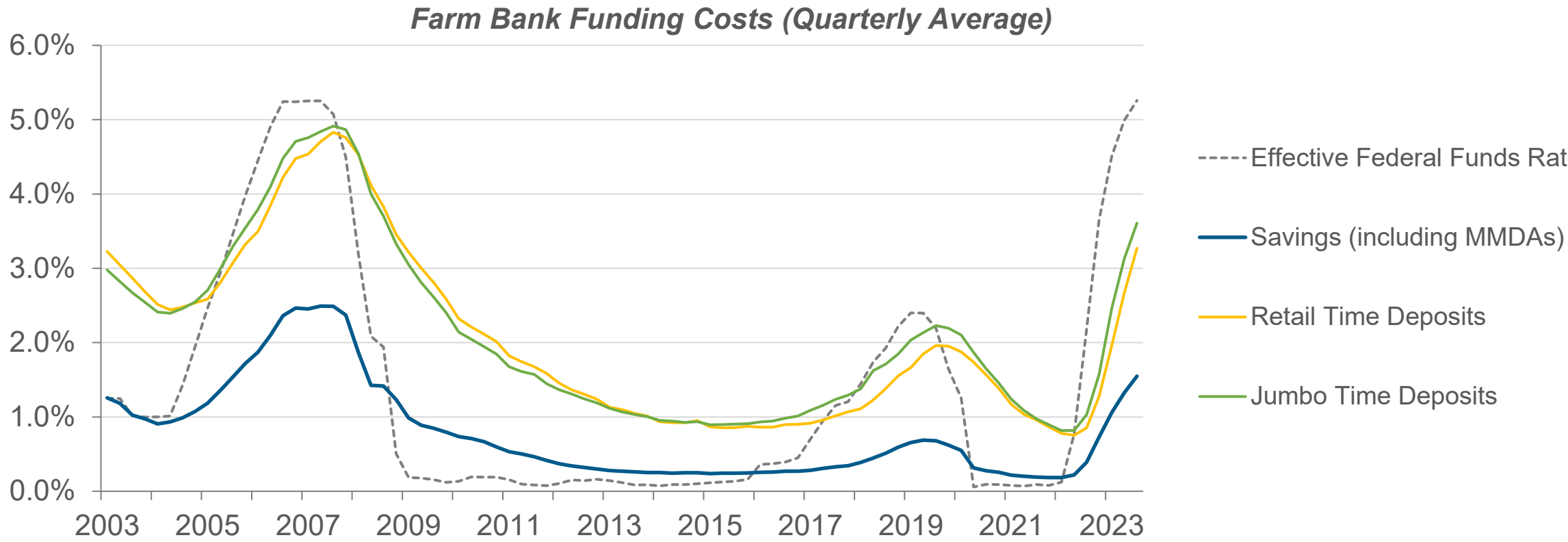


# Higher Rates Expected to Hold or Advance





# Costs of Deposits Reach 15-Year High



Source: S&P Global, Federal Reserve, ABA analysis. ABA defines farm banks defined as any bank whose farm loan concentration was greater than or equal the unweighted industry average. Preliminary data for 2023Q3



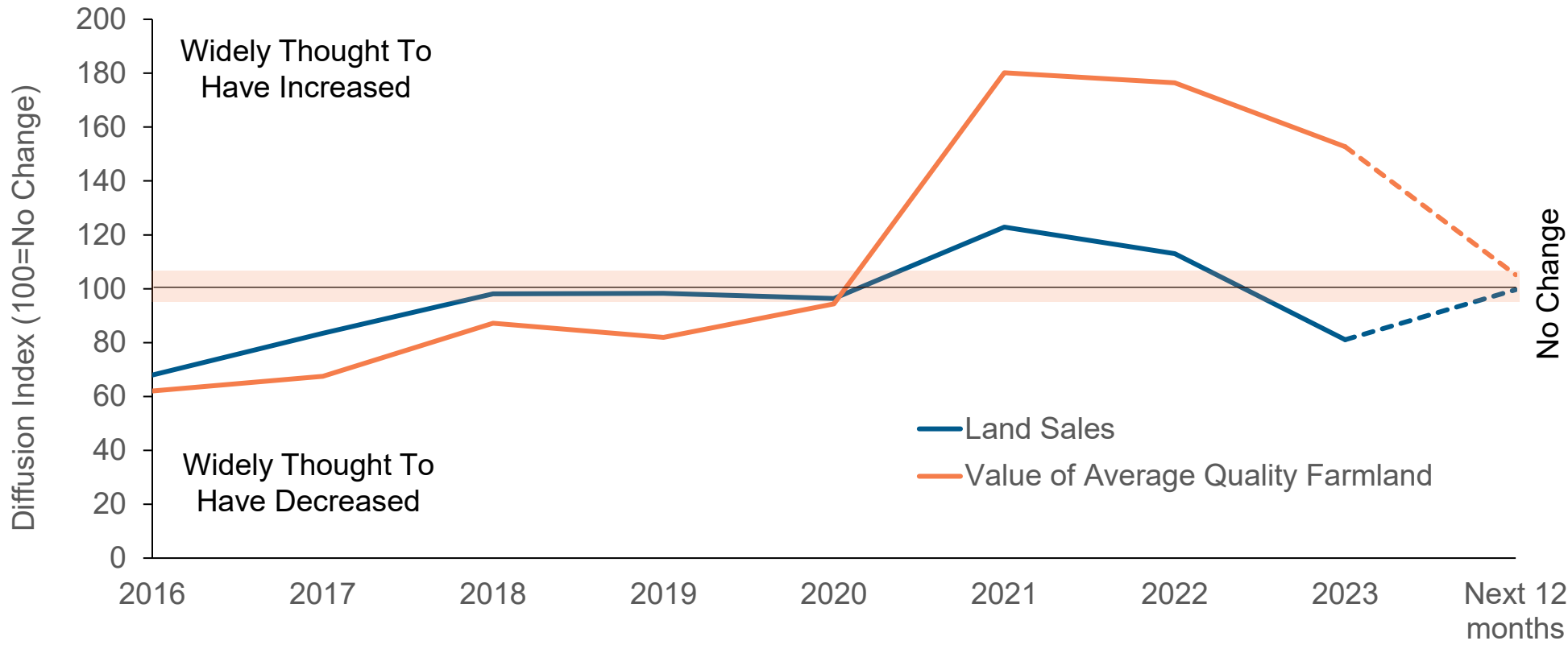
# Theme 3: Land Values, Loan Demand, & Competition, Oh MY

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# Land Values and Loan Sales Slow

*Loan Demand Diffusion Index*

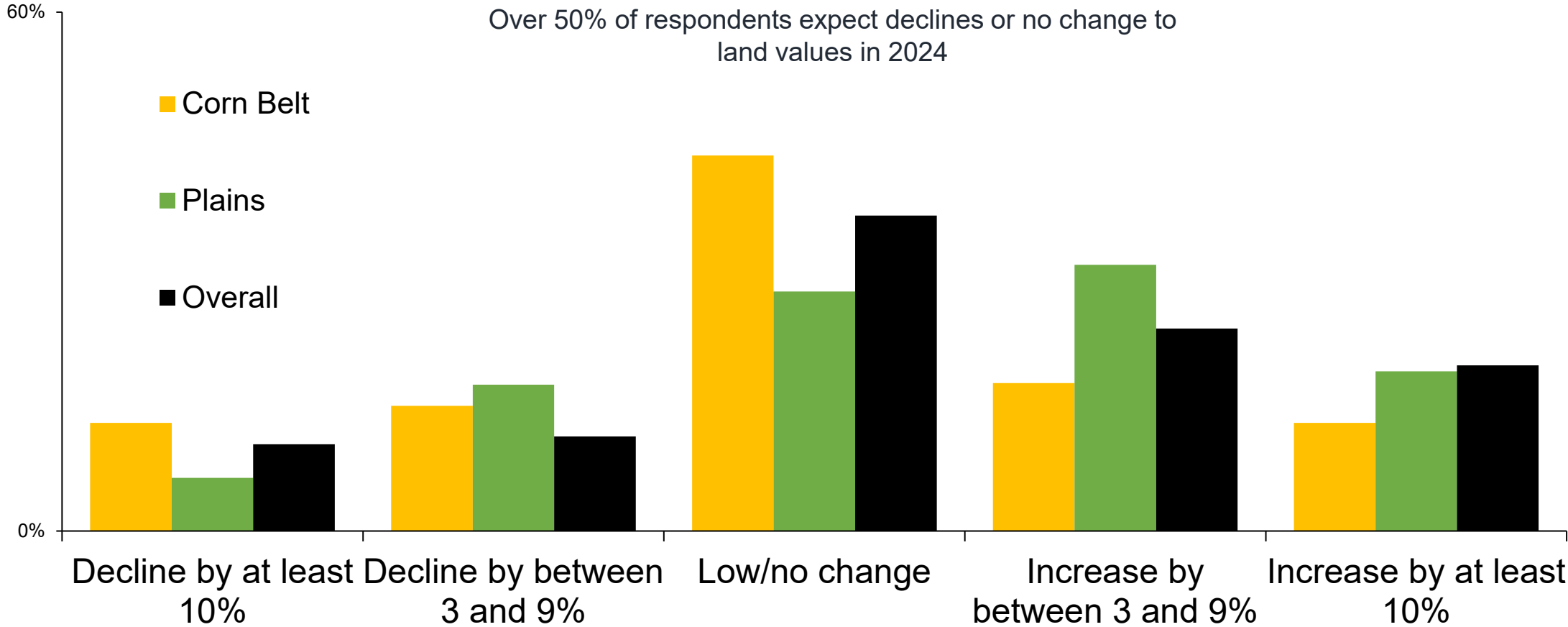


Source: ABA-Farmer Mac Agricultural Lenders Survey August 2023





# Regional Expectations Steady as Well

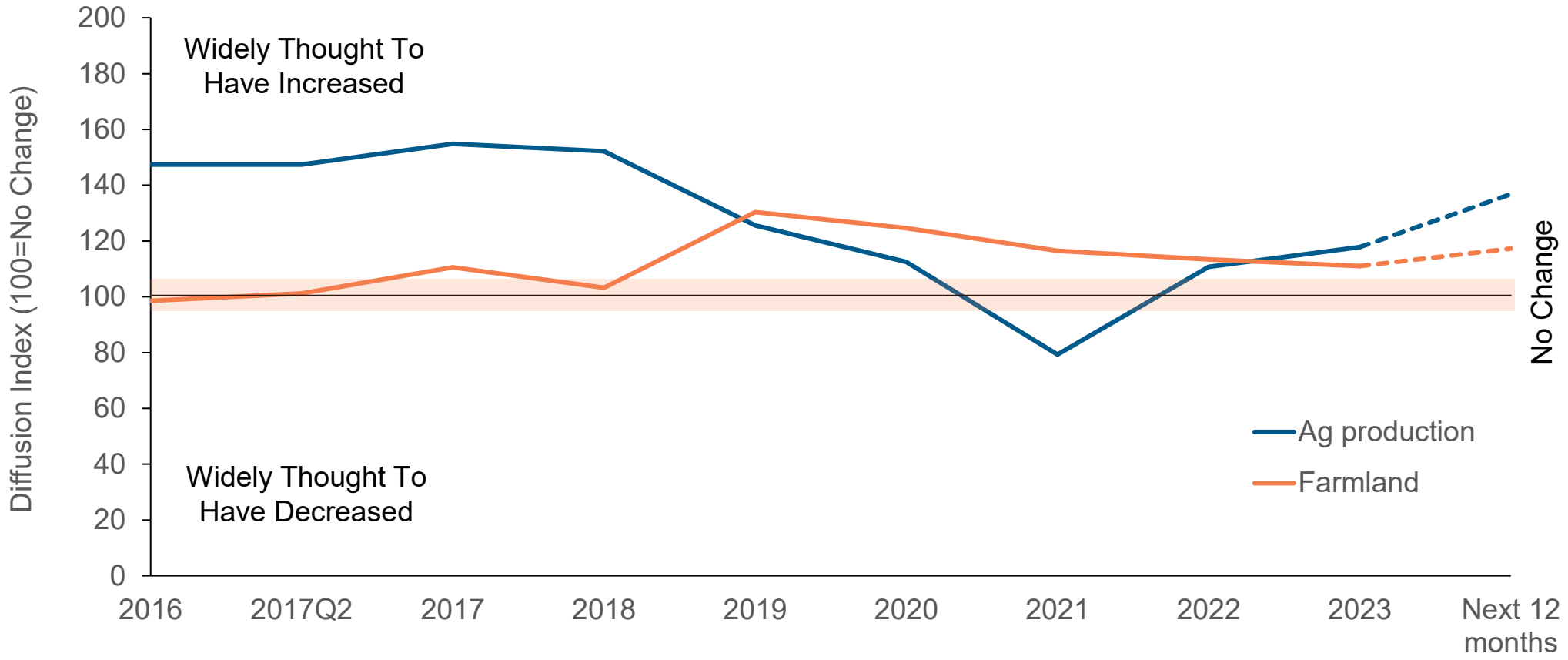


Source: ABA-Farmer Mac Agricultural Lenders Survey August 2023



# Lenders Expect Loan Demand to Grow

*Loan Demand Diffusion Index*

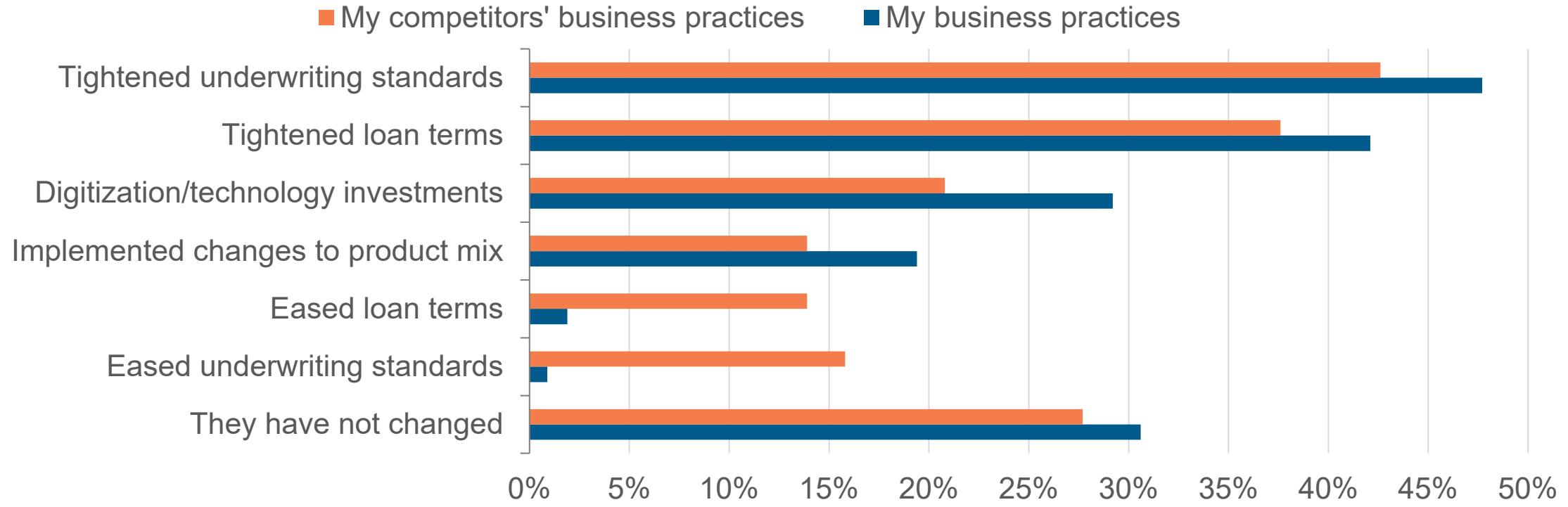


Source: ABA-Farmer Mac Agricultural Lenders Survey August 2023



# Lenders Report Tighter Lending Standards

*How have business practices changed in the last year:*



Source: ABA-Farmer Mac Agricultural Lenders Survey August 2023



# To Learn More...

[Read the Reports](#)



Sign up to Participate in Next Year's Survey (Aug 2024)



**Q&A**

# Coming soon, the New Feed!



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