

Farmer Mac Almanac

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The Farmer Mac *Almanac* communicates important upcoming events and announcements to agricultural lenders. You can receive answers to your questions about Farmer Mac by calling 800-879-3276, accessing the Quick Tip Videos through a link on the homepage of the Farmer Mac website (www.farmermac.com) or via opportunities@farmermac.com.

Upcoming Events and News Updates

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- Mar. 20-21: Montana Bankers Association Ag Bankers Conference; Bozeman, MT
- Mar. 25: Oklahoma Bankers Association Rural Bankers/Ag Bankers Conference; Oklahoma City, OK
- Mar. 25-26: American Bankers Association National Ag Credit Committee; Washington, DC
- Apr. 8-9: Nebraska Bankers Association Spring Agri-Business Conference; Kearney, NE
- Apr. 9-11: Texas Bankers Association Ag & Rural Affairs Conference; Austin, TX
- Apr. 9-11: South Dakota Bankers Association Ag Credit Conference; Pierre, SD
- Apr. 15-16: Wisconsin Bankers Association Ag Bankers Conference; Wisconsin Dells, WI
- Apr. 16: Informational Session for Wisconsin Bankers; Wisconsin Dells, WI
- Apr. 17-18: Independent Bankers of Colorado Ag and Natural Resources Conference; Colorado Springs, CO
- Apr. 18: Farmer Mac Rate Lock Desk Closed for Good Friday
- Apr. 28-30: Indiana Bankers Association Mega Conference; Indianapolis, IN
- Apr. 30-May 2: Idaho Bankers Association Ag Bankers Education Conference; Twin Falls, ID
- May 6-7: Washington Bankers Association/Oregon Bankers Association Ag Conference; Vancouver, WA
- May 15-16: Wyoming Bankers Association Ag Bankers Conference; Casper, WY

Dave's GPS



Keeping Up with Dr. David Kohl through Farmer Mac

In his article this month, titled “**Destructive Behaviors**,” Dr. Kohl discusses cycles in the agricultural economy, behaviors influencing those cycles, and perspectives that need to be top-of-mind for ag lenders and producers in 2014.

A well-known and respected leader in the world of agricultural finance, Dr. Kohl is adept at recognizing trends in the world of ag lending. Along with “**Dave's GPS**,” Dr. Kohl also provides a bi-monthly “**Dashboard**” (Lender and Business Dashboard Economic Indicator Assessment). His ten red, yellow and green signals assigned to key economic indicators provide an easy format to help readers reach their own conclusions about the strength and future of the U.S. economy. With two of his indicators (LEI Diffusion Index and Housing Starts) dropping in strength in the last two months, read about Dr. Kohl's insights into both global and domestic economics and what he sees on the road ahead.

Dr. David Kohl is Professor Emeritus in the Department of Agricultural and Applied Economics at Virginia Tech University in Blacksburg, VA. Prior to his current position at the university, Dr. Kohl served as Professor of Agricultural Finance and Small Business Management and Entrepreneurship for 25 years.

View Online: [Dave's GPS and Dashboard](#)

Farmer Mac Credit Corner

LTSPC “Flex” Offers New Flexibility to Long-Term Standby Purchase Commitment Program

Many lenders have loanable funds in amounts that cause them to want to keep ag assets on their books. But, many also want to address sector or borrower concentration issues and look to Farmer Mac's LTSPC for that solution.

The LTSPC program provides the Seller the ability to receive the benefits of keeping qualified farm real estate loans in their portfolio until such time as the loan is sold to Farmer Mac under a purchase agreement. In return for that long-term commitment, lenders pay Farmer Mac an ongoing annual commitment fee of 50 basis points, paid monthly.

Farmer Mac has worked with lenders to add the “Flex” option to our core LTSPC program. If at the time the loan is nominated for the LTSPC the lender chooses the Flex option, the result is that upon approval, the lender can hold that loan in portfolio for an indefinite period of time, all the while having the ability to convert it into any of the Farmer Mac Farm & Ranch rate products at a later date.

New “flex” option guidelines are incorporated into the attached description of the program. Loans in existing LTSPC pools are not eligible for the Flex option unless resubmitted.

A special Farmer Mac Refresh monthly webinar on Wednesday, March 12, featured the program. [Click here](#) to view a recording of the session.

Rate Lock Extension Requests Are Now Automated in AgPower®

Effective immediately, requests for rate lock extensions should be completed through AgPower®. A new rate lock extension tab (Rate Lock Ext Req) now appears in the system once a loan has been rate locked. Clicking on that tab provides the user the information they need to proceed.

Once an extension request is submitted, the system will automatically extend the rate lock for one week, with the new expiration date auto-filled into the field on the screen. Although the extensions are now approved in one-week increments, the final extension fee will apply only to the actual number of days the loan missed the initial expiration date.

A chart showing the history and dates of rate lock extension requests is highlighted for Sellers on the rate lock extension request tab. Sellers are reminded that rate lock extensions cannot exceed the initial expiration date identified in the Preliminary Loan Approval. If a rate lock is extended and the loan never delivered, the pair-off fee will include any accrued extension fees.

Farmer Mac’s Seller/Service Guide Receives Updates

Effective immediately, the Farmer Mac Seller/Service Guide is being updated to reflect changes in processes as follows:

Chapters 401 through 404: Loan Servicing: Central Servicers will no longer be required to submit “Watch List” Reports.

Financial News

Update from Farmer Mac’s Capital Markets Team—Interest Rates... Where Have They Been and Where Are They Going?

2014 has brought in a bit of uncertainty to the markets as the emerging market economies are beginning to struggle with stimulus withdrawal from the Federal Reserve. Much of the capital the Federal Reserve was infusing into the market through its bond buying flowed to these economies. With the Federal Reserve tapering those purchases, that liquidity is drying up. With easy money less accessible, growth in these economies may slow.

Despite this stimulus reduction and the Federal Reserve’s belief that the economy is improving, the deflationary specter of the emerging markets’ problems, especially in China, has caused rates to actually go lower in 2014. As of February 25, the 10 year U.S. Treasury yield is 2.71%, about 0.26% lower than December 30.

General consensus remains that the U.S. economy will overcome any emerging market weakness and long term rates will increase into 2014. The Federal Reserve continues to state that discontinuing the monthly purchase program does not affect short term rate decisions. Therefore, expect short term rates to remain at current levels for at least the next one to two years.



1999 K Street NW
4th Floor
Washington, DC 20006

Phone: 800-879-3276

Fax: 202-872-5540

E-mail: opportunities@farmermac.com

Farmer Mac was chartered by Congress in 1987 and has seen its charter expanded three times, as recently as 2008. Farmer Mac is regulated by the Farm Credit Administration and has always been subject to the regulations of the Securities and Exchange Commission, including those requiring the filing of periodic financial reports. Farmer Mac's voting and non-voting common stock is traded on the NYSE, ticker symbols AGM.A and AGM.