



The Farmer Mac *Forward* communicates important upcoming events and announcements to agricultural lenders. You can learn more about Farmer Mac by visiting the Farmer Mac website (www.farmermac.com), calling 800-879-3276 or emailing opportunities@farmermac.com.

Upcoming Conference & Events

- June 7-9:** [South Dakota Bankers Association NDBA/SDBA Convention](#); Sioux Falls, SD
- June 8-9:** [Minnesota Bankers Association 2015 MBA Agriculture Conference](#); Edina, MN
- June 8-10:** [American Bankers Association CFO Exchange](#); Nashville, TN
- June 9-11:** [FCCServices Executive Leadership Series](#); Sonoma Valley, CA
- June 10:** [Farmer Mac Refresh Webinar - Current Economic Events & How They Affect Net Yields](#)
- June 15-19:** [Ag Lenders Society of California Agricultural Lending Institute](#); Fresno, CA
- June 16-18:** [Illinois Bankers Association Annual Conference](#); Peoria, IL
- July 9-10:** [New York Bankers Association Northeast Agribusiness Seminar](#); Geneva, NY
- July 15-16:** [UMACC 2015 Ag Conference](#); New Ulm, MN
- July 15-17:** [Community Bankers of Iowa Management & Annual Convention](#); Okoboji, IA
- July 16-18:** [Community Bankers Association of Kansas Annual Convention & Tradeshow](#); Branson, MO
- July 27-29:** [FCCServices 2015 Learning Conference](#); Charleston, SC

News & Updates

Selling Ag Loans Can Actually Help Grow a Bank's Loan Portfolio? The Answer is YES!

Can you have your cake and eat it too? Many ag lenders seem to believe it impossible as it pertains to their agricultural loan portfolios. To some bankers, a loan sold into the secondary market is an asset gone, a lost opportunity for balance sheet growth. However, the evidence offered in support of this sentiment is largely anecdotal rather than statistical. Read on, as Farmer Mac's resident economist, Jackson Takach, outlines this case. ([Read More](#))

In Case You Missed It...

Farmer Mac's May Refresh webinar focused on the popular Farmer Mac 2 program. [Listen in](#) as the Farm Service Agency (FSA) National Office provides a detailed update on their guaranteed loan program. Garrett Garner, Loan Officer, Bank of Springfield, Quincy, IL, an experienced ag banker also joined the conversation to discuss their institution's current strategy for utilizing FSA guaranteed loans. Finally, a

review of current rates, loan sale and loan servicing procedures is included. Viewing this session will be of interest to ag lenders who plan to use FSA's guaranteed loan program and the secondary market in the near future.

Farmer Mac in the News

- [“U.S. Crop Insurance Floor Prices Expected to Drop Again in 2015” – Reuters](#)
- [“Growing Your Agricultural Loan Portfolio: The Case for the Secondary Market.” – North Western Financial Review](#)
- [“Ag Lenders Brace for Impact of Falling Commodity Prices” – American Banker](#)
- [“No Boom. No Bust.” – North Western Financial Review](#)
- [“New SVP: Lenders will Continue to Leverage Farmer Mac” \(Spotlight on Curt Covington\) – North Western Financial Review](#)
- [“California Banks Prepare as Severe Drought Persists” – American Banker](#)
- [“Farmer Mac Launches Agricultural Appraisal Service” – Bank News](#)

Dave's GPS

Keep Up with Dr. David Kohl through Farmer Mac

Dr. Kohl spends much of his time traveling the country speaking to bankers and producers about ag finances, trends and outlooks. In today's GPS, Dr. Kohl answers his *Top 5 Most Frequently Asked Questions* over the past year. Plus, find out the single most important piece of advice he has for ag lenders today.

Along with Dave's GPS, see Dr. Kohl's bi-monthly “Dashboard” for his assessment of today's global and domestic economics: [Dave's GPS and Dashboard](#)



Financial News

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

Interest rates have moved up and down dramatically over the past few months, but long term yields have finally pushed upwards as the Federal Reserve feels that the disappointing economic data is transitory and the economy will start gaining momentum later this year. As of May 22, the 10-year Treasury yield closed at 2.21%, about 0.18% higher than the close on February 26. The weaker economic data has pushed back rate hike expectations to September at the earliest, pushing the 2 and 3-year yields down 0.03% to 0.62% and 1.00%, respectively, since February 26.

According to the median of a Bloomberg survey of economists, by the end of 2015, the Fed is now expected to have the target rate set at 0.75% and the 10-year Treasury yield is expected to be at 2.50%, significantly lower than the 3.01% expected at December 30.

Seller/Service Guide Amendment(s)*:

- Maximum borrower exposure limit within the Farm & Ranch Program has been increased from \$30 million to \$50 million for properties that are 1000 acres or less.

**Changes will be reflected in the next scheduled update to the Seller/Service Guide*