



AgCREDIT

PROPONENT TESTIMONY

HOUSE BILL 95

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Good morning Chairperson Koehler, Vice-Chairperson Creech, Ranking Member Brent and members of the House of Representatives' Agriculture and Conservation Committee.

My name is David White and I am here today representing Ag Credit to provide proponent testimony regarding House Bill 95, which proposes to incentivize financial management training and agricultural asset sales and rentals for Ohio's beginning farmers.

Ag Credit is a member of the Farm Credit System which was created more than 100 years ago and is regulated by the Farm Credit Administration. All Farm Credit System institutions throughout the country are organized as a cooperative with the mission to support rural communities and agriculture with reliable, consistent credit and financial services today and tomorrow. The Farm Credit System supports farmers, ranchers, agricultural producers, infrastructure providers and rural homebuyers in all 50 states and Puerto Rico.

Ag Credit serves farmers, agribusinesses and rural homebuyers in its 18-county chartered territory located in northwest and north central Ohio with its corporate headquarters located in Fostoria. Ag Credit's loan volume exceeds \$2 billion with a customer base of nearly 7,000 member-borrowers.

A critical component of Farm Credit System institutions like Ag Credit is a mission that focuses on providing assistance to young, beginning and small farmers. These farmers typically need valuable assistance in establishing and maintaining their farming operation, and for many it is a lifelong dream to be a farmer.

Ag Credit's young, beginning and smaller farmer program consists of three focus areas: education, events and financial support. We provide financial support through a loan program known as Ag Start that was created to better assist young, beginning and small farmers who are making their first or second purchase of farmland or establishing a livestock production operation. The loan program eases requirements on certain credit ratios, provides extended terms and has lower borrowing costs to help young, beginning and small farmer customers get started. Since its inception six years ago, Ag Start has provided more than \$143 million in loans to young, beginning and small farmers.

As a point of reference, the Farm Credit Administration defines a young farmer as someone who is 35 years or younger as of the date the loan was originally made; a beginning farmers as someone who has 10 years or less farming or ranching experience as of the date the original loan was made, and a small farmer as someone who normally generates less than \$250,000.00 in annual gross sales of agricultural or aquatic products as of the date the original loan was made.

As farmers in Ohio continue to manage economic challenges associated with several years of commodity price declines, weather events and a global pandemic, we believe it is important to support beginning farmers, who are often the most vulnerable during periods of prolonged economic stress.

We believe House Bill 95 -- which would provide incentives and benefits to beginning farmers as well as those who they may work with – is properly focused on helping reduce financial and competitive impediments that will help beginning farmers dreams come true and achieve their ultimate goal.

Thank you.