

# News Release

THE FEDERAL RESERVE BANK *of* KANSAS CITY  
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## **FARM CREDIT CONDITIONS EXPECTED TO SOFTEN, ACCORDING TO SURVEY**

Farm credit conditions remained healthy in the third quarter, but are expected to weaken in the coming months, according to the Federal Reserve Bank of Kansas City's third quarter Survey of Agricultural Credit Conditions.

In the survey of 255 banks in the seven-state Tenth Federal Reserve District, agricultural lenders reported tighter credit standards and reduced funds availability with strong loan demand. Still, less than two percent of survey participants reported refusing a loan due to a shortage of funds.

The farm income index eased slightly in the third quarter, as bumper crops and timely forward contracting earlier this summer helped offset lower revenues due to falling farm commodity prices. Looking forward, farm incomes are expected to decline well below the record high reported at the beginning of the year.

After pausing in the second quarter, farmland values moved higher as the fall harvest approached. Survey respondents expected farmland value appreciation to continue, but trends in farmland value gains varied by region.

A complete summary of the third quarter survey is available at [www.KansasCityFed.org/agcrsurv/agcrmain.htm](http://www.KansasCityFed.org/agcrsurv/agcrmain.htm).

The Tenth Federal Reserve District encompasses Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

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