



Economic Review

Mapping Stress in Agricultural Lending

by: Cortney Cowley

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Stress in agricultural lending, measured by repayment rates for farm loans, spiked across the Tenth District in 2016.

Repayment rates for farm loans have declined every quarter since the second quarter of 2013, suggesting heightened stress in agricultural lending. If repayment rates continue to decline—and the outlook for the agricultural sector remains downbeat—agricultural banks could become less able to lend to creditworthy farm borrowers. Thus, declining repayment rates could lead to adverse outcomes for agricultural banks, farmers, and the rural economies they serve.

Cortney Cowley uses data from the Federal Reserve Bank of Kansas City’s Ag Credit Survey to model and map areas with the highest probability of stress in agricultural lending. She finds that the largest increase in stress over the past decade occurred in 2016. She also finds that lower crop revenues, lower off-farm income, lower farmland values, lower concentrations of farm earnings, and higher interest rates are associated with higher stress in agricultural lending.

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Cortney Cowley serves as **Oklahoma City** Branch Executive and Assistant Vice President for the Federal Reserve Bank of Kansas City. Cowley joined the Bank in 2015 as an economist and was promoted to senior economist in 2021. In 2025, Cowley began her role as Branch Executive. As Oklahoma City Branch Executive, Cowley is the Bank's lead officer and economist in Oklahoma. She recruits and works closely with the Oklahoma City Branch Board of Directors and is responsible for briefing Kansas City Fed President Jeff Schmid, a member of the Federal Open Market Committee, on economic trends in the state. She also serves as a special advisor on agriculture to Vice Chair for Supervision Miki Bowman at the Federal Reserve Board of Governors. Cowley's team conducts research and surveys on key regional issues such as energy, manufacturing and migration. Cowley holds a Ph.D. in Agricultural Economics from Oklahoma State University, as well as a master's degree in Civil Engineering from Colorado State University and a bachelor's degree in Biosystems Engineering from Oklahoma State University, where she was named a Harry S. Truman Scholar. She is a member of the Economic Club of Oklahoma, Downtown Club of Oklahoma City, the Agricultural and Applied Economics Association and serves as an economic advisor on the campaign cabinet of the United Way of Central Oklahoma. Cowley, along with her husband and eight-year-old twins, lives on a small farm northwest of Oklahoma City.