



United States Department of Agriculture

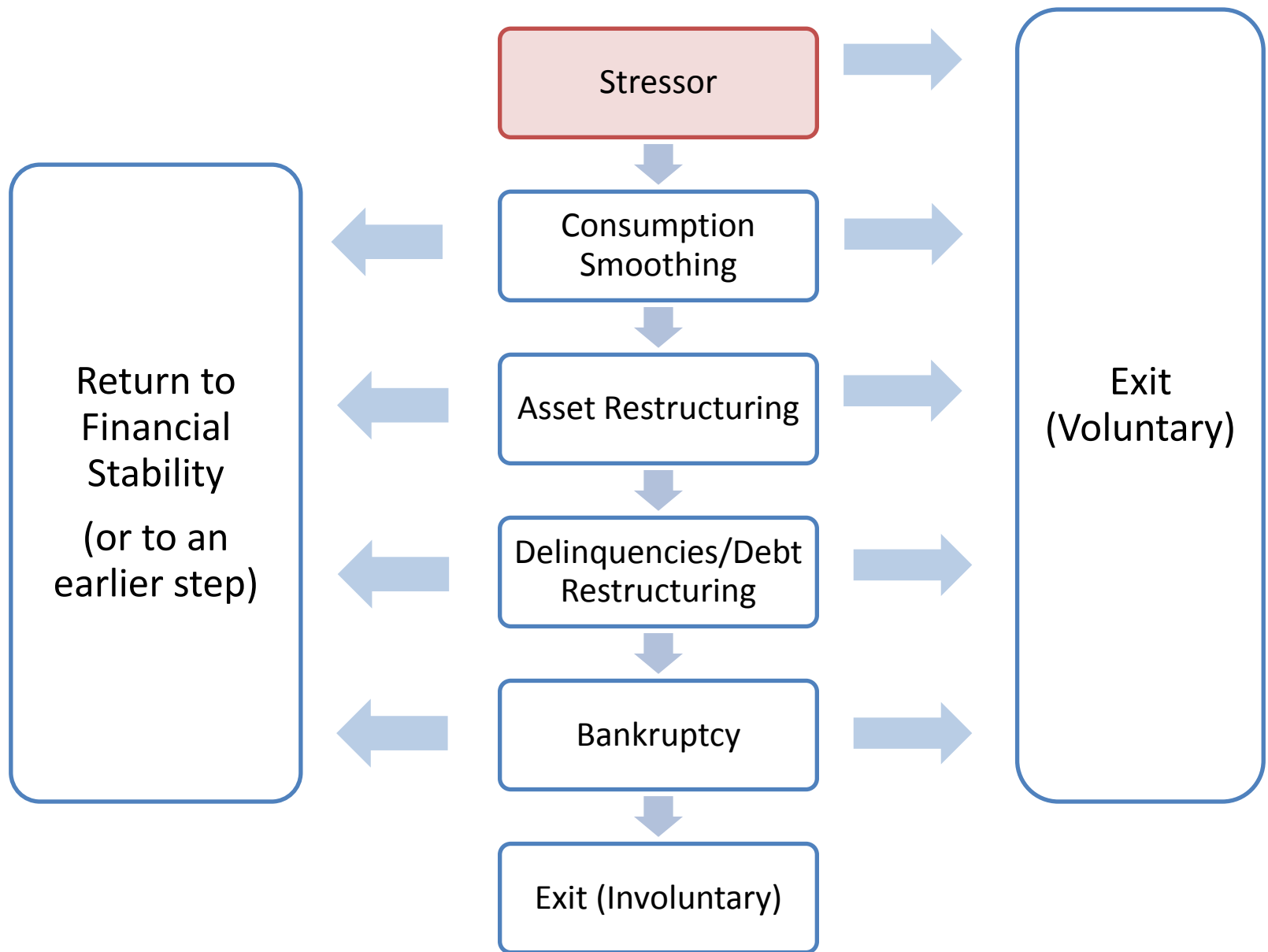
Financial stress as seen through farm bankruptcy and loan delinquency rate data

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The views expressed are those of the authors and should not be attributed to the Economic Research Service or USDA





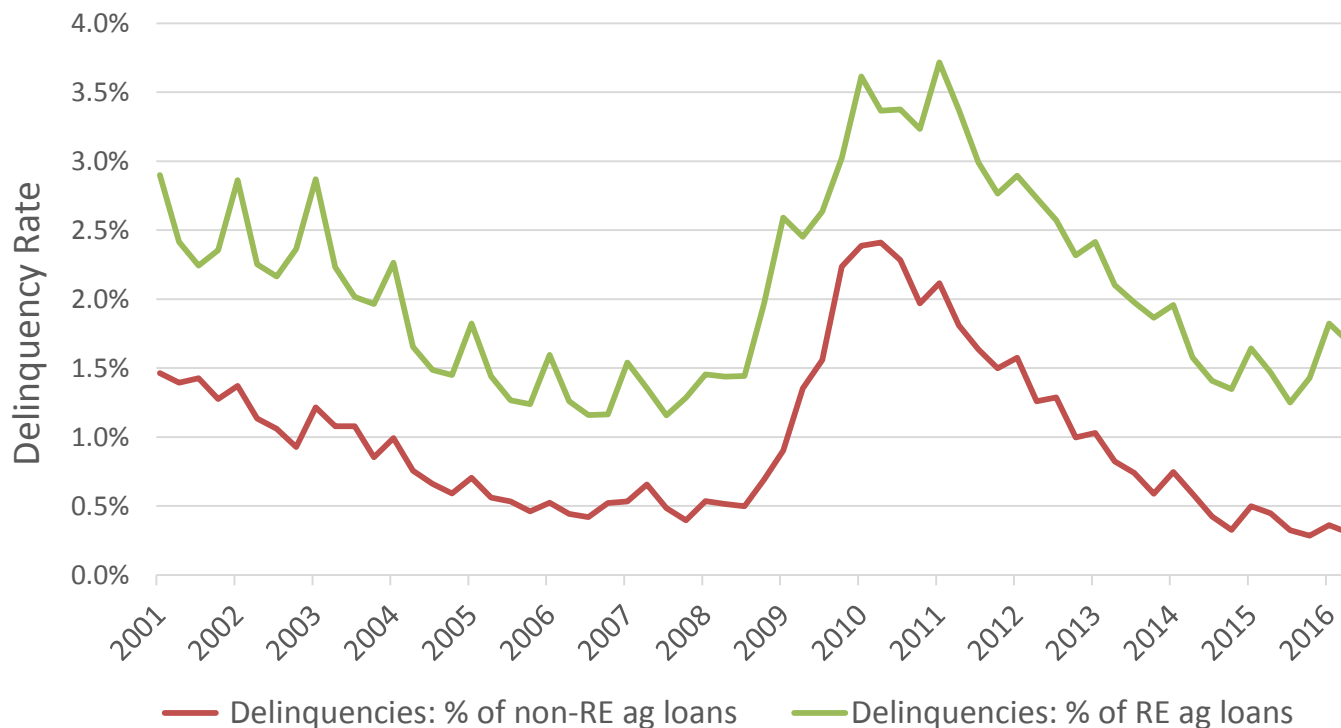
Data

- FDIC, Consolidated Reports of Condition and Income (call reports)
 - Available at:
https://www5.fdic.gov/sdi/download_large_list_outside.asp
 - Used by regulatory agencies to monitor the condition, performance, and risk profile of institutions and of the industry.
- U.S. Bankruptcy Courts, Table F-2 (Three Months) Bankruptcy Filings, (2001-2016).
 - Available at: <http://www.uscourts.gov/statistics-reports/caseload-statistics-data-tables?tn=F-2&pn=All&t=All&m%5Bvalue%5D%5Bmonth%5D=&y%5Bvalue%5D%5Byear%5D=&=Apply>
- Unemployment data: FRED (St Louis Fed)



Loan Delinquencies and Nonaccrual Loans

- “Real estate” agricultural loans include all loans secured by farmland.



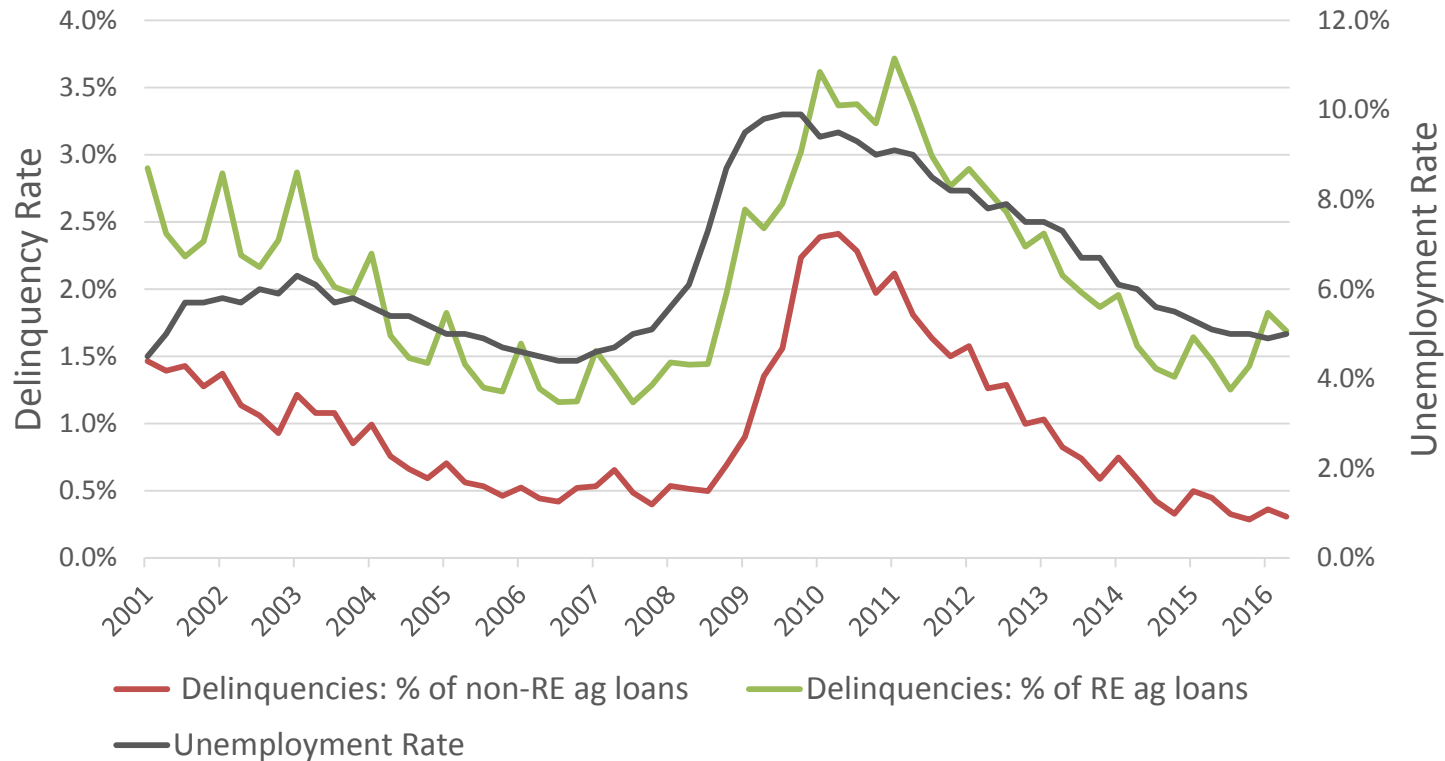
Source: FDIC

Note: Includes 30-days and 90-days delinquent and nonaccrual loans



Loan Delinquencies and Unemployment

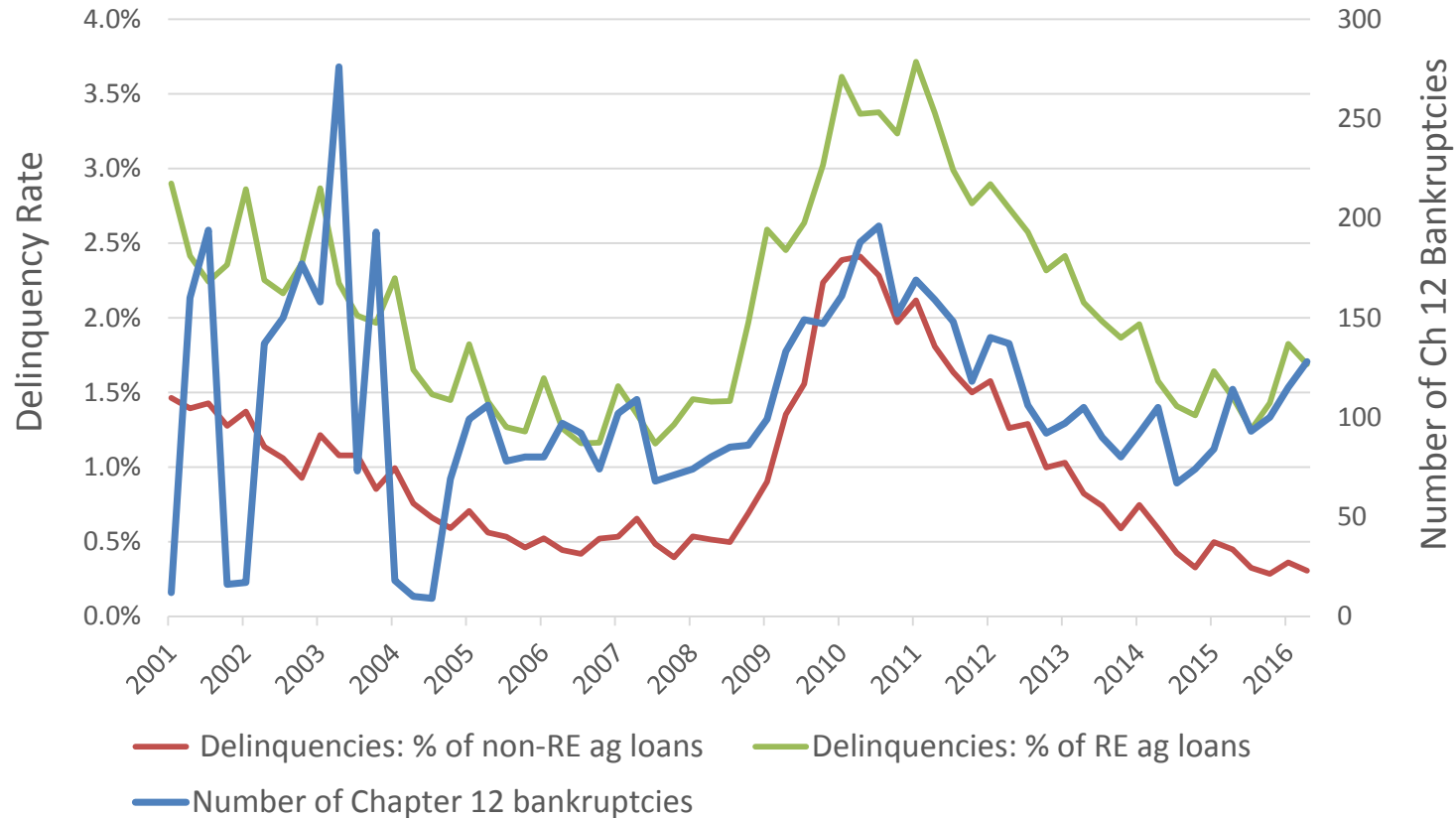
- Unemployment led increase in national ag delinquencies



Source: FDIC and FRED



Delinquency and Bankruptcy

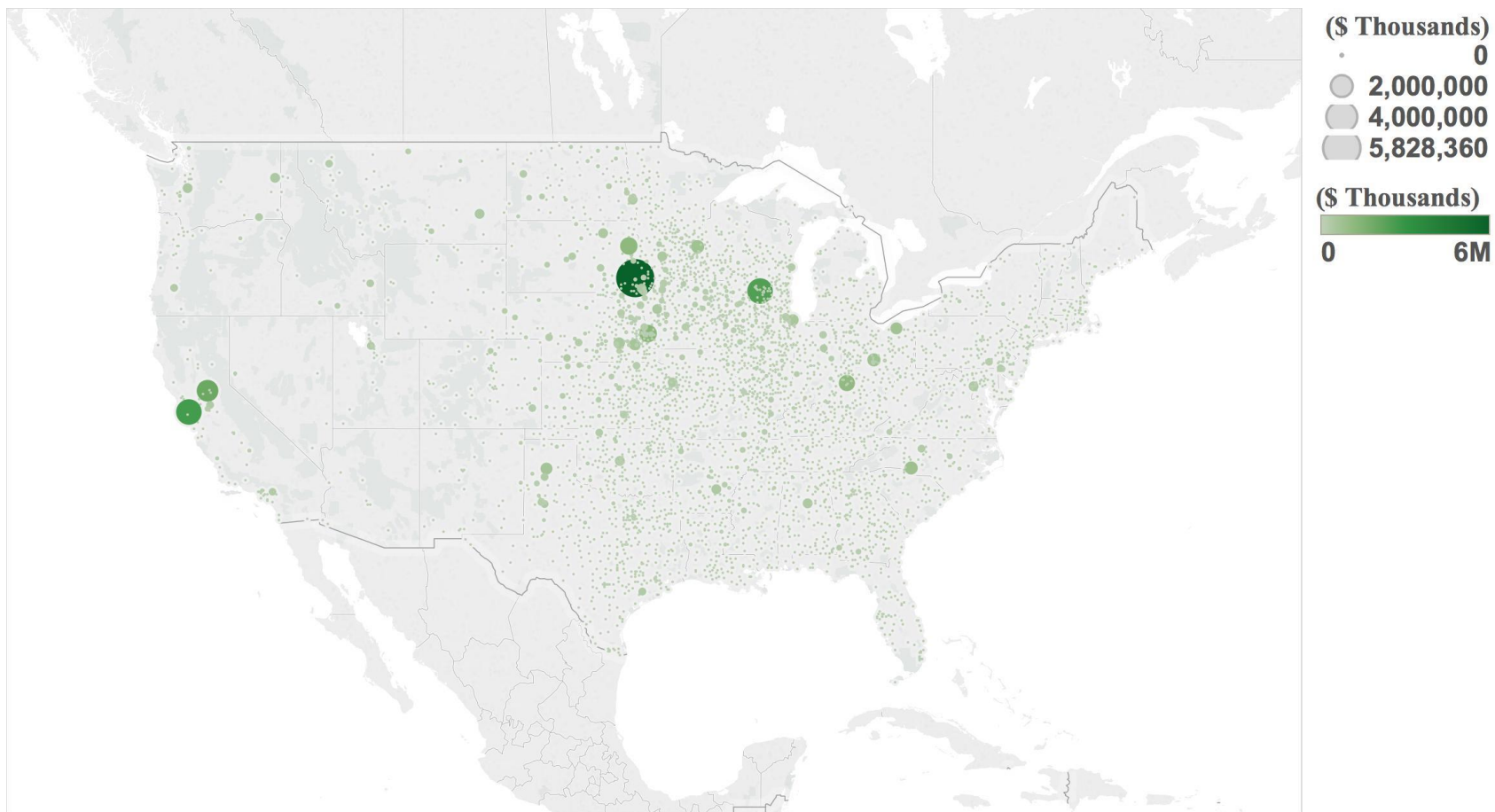


Source: FDIC and U.S. Bankruptcy Courts



Agricultural Loan Volume: Non-Real Estate Loans

- Both circle size and color represent portfolio size in 2Q 2016
- Largest circles: national/multinational bank HQs (example: Wells Fargo in Sioux Falls, SD)

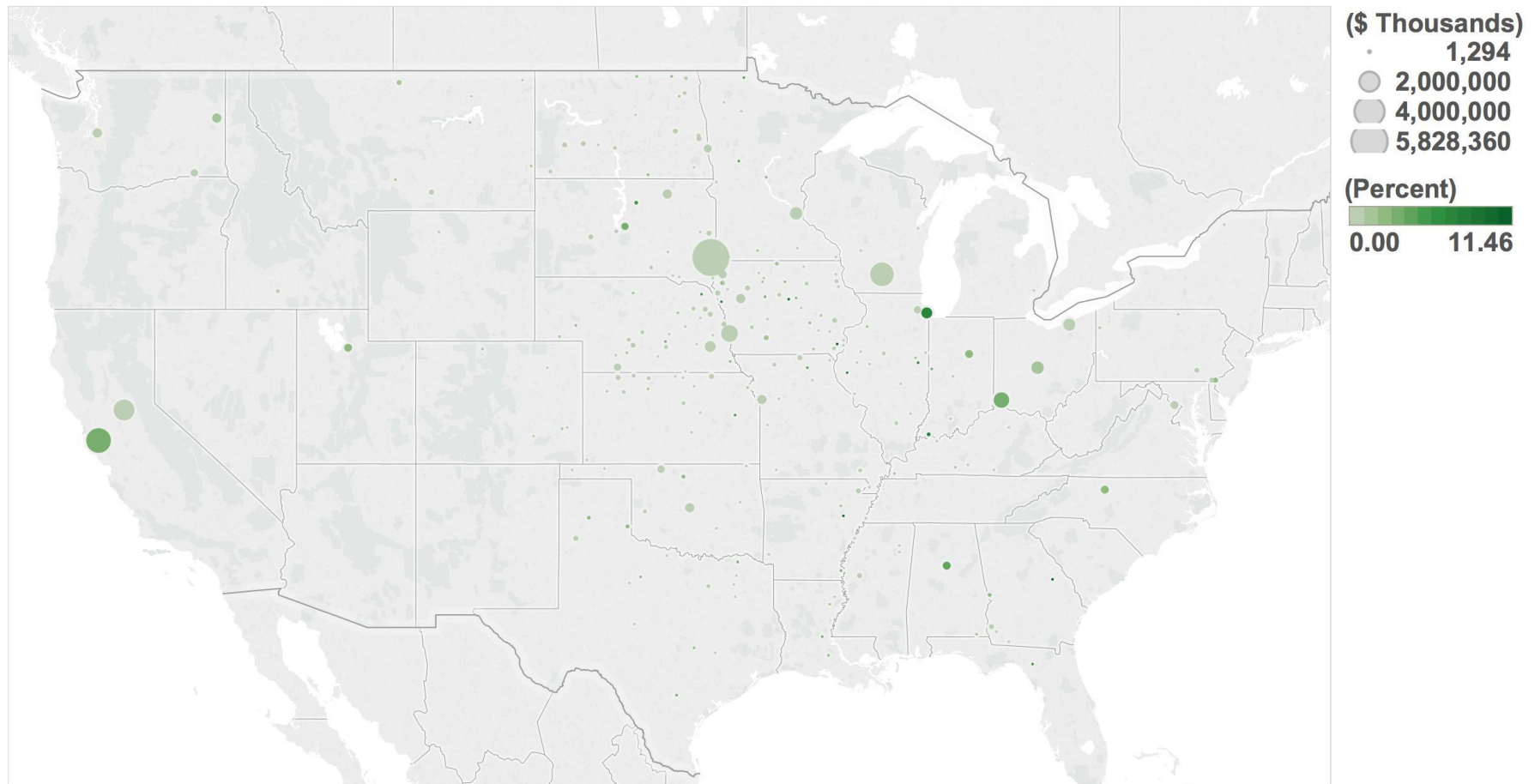


Source: FDIC, Q2 2016



Percent Delinquent (color): Non-Real Estate Loans

- Circle color: Delinquency rate, Circle size: portfolio size.
- Many of the highest delinquency rates found in smaller, less diversified portfolios

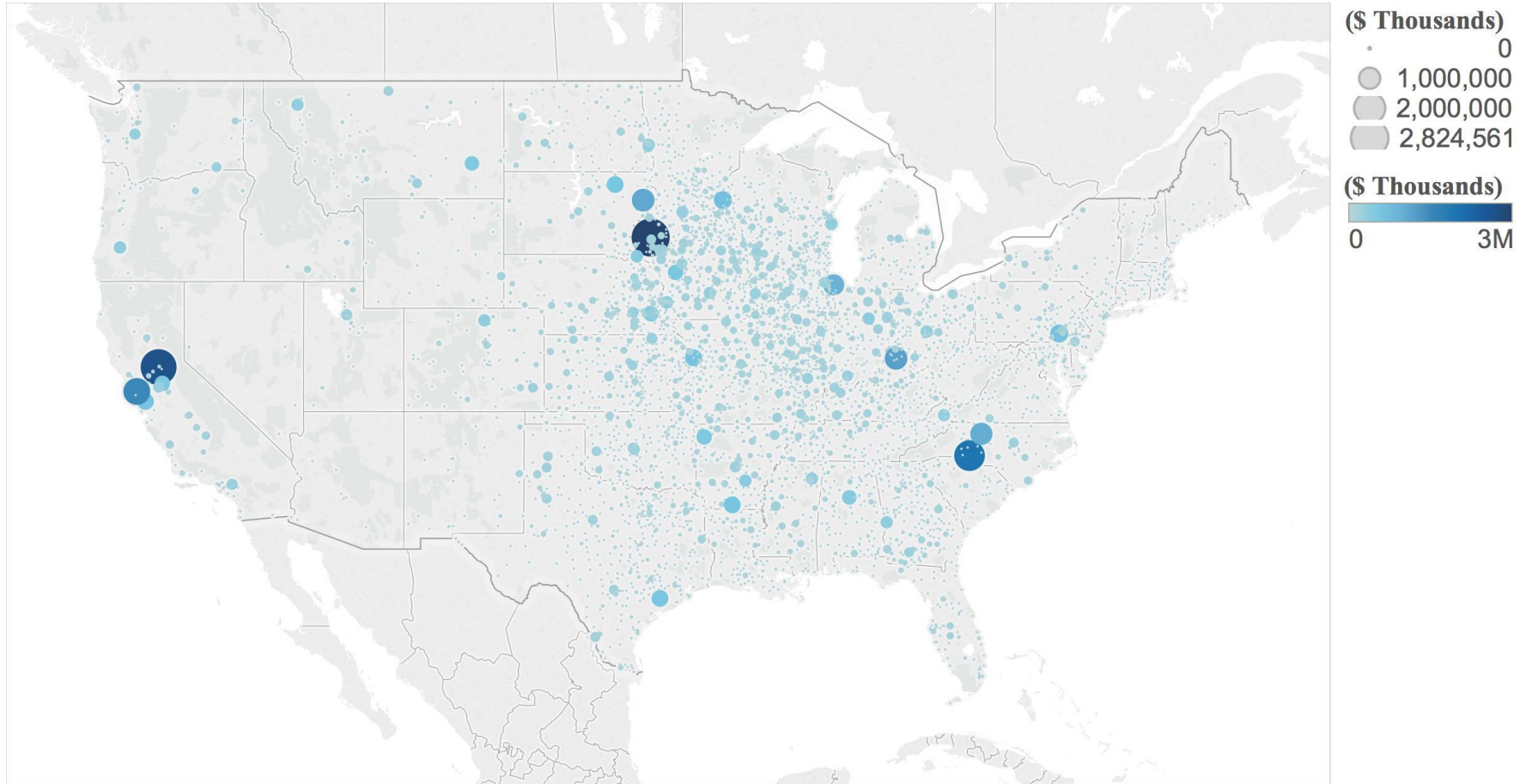


Source: FDIC, Q2 2016



Agricultural Loan Volume: Real Estate Loans

- Both circle size and color represent portfolio size in 2Q 2016
- Largest circles: national/multinational bank HQs (example: Wells Fargo in Sioux Falls, SD)

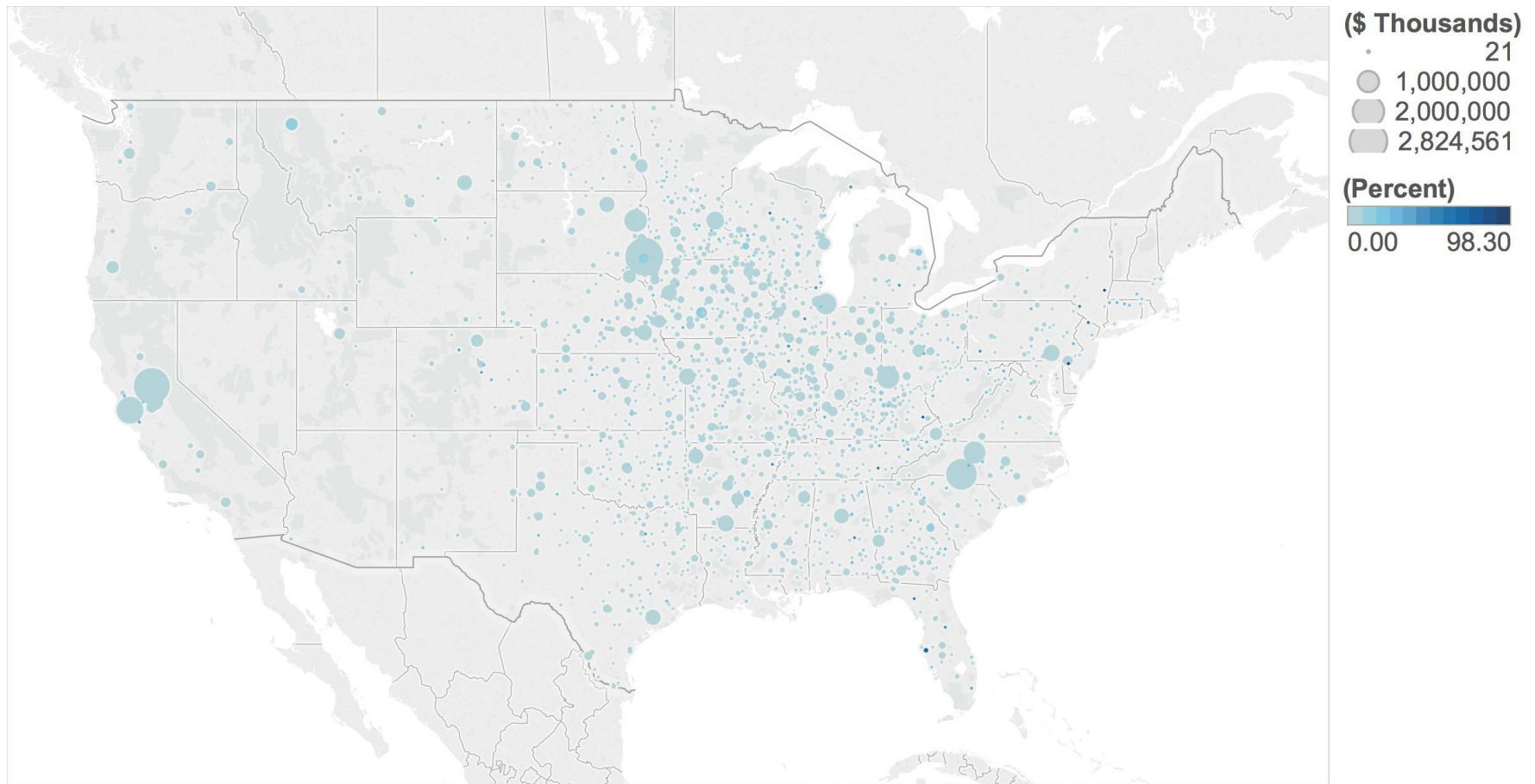


Source: FDIC, Q2 2016



Percent Delinquent (color): Real Estate Loans

- Outliers drown out mapped variation. Delinquency rates of $\geq 20\%$ only represent 0.4% of loan volume.

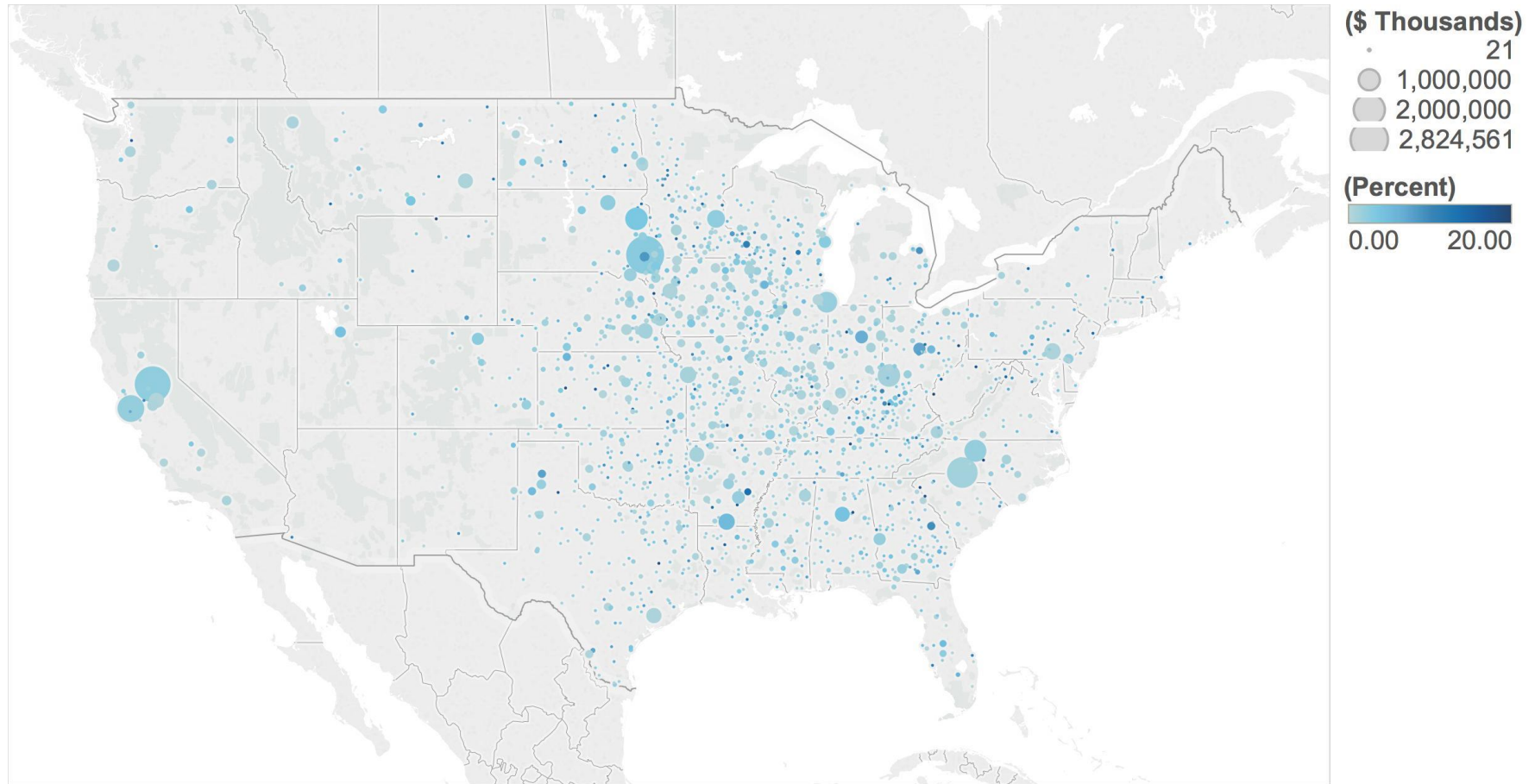


Source: FDIC, Q2 2016



Percent Delinquent (color): Real Estate Loans

- Without outliers (defined as $> 20\%$)

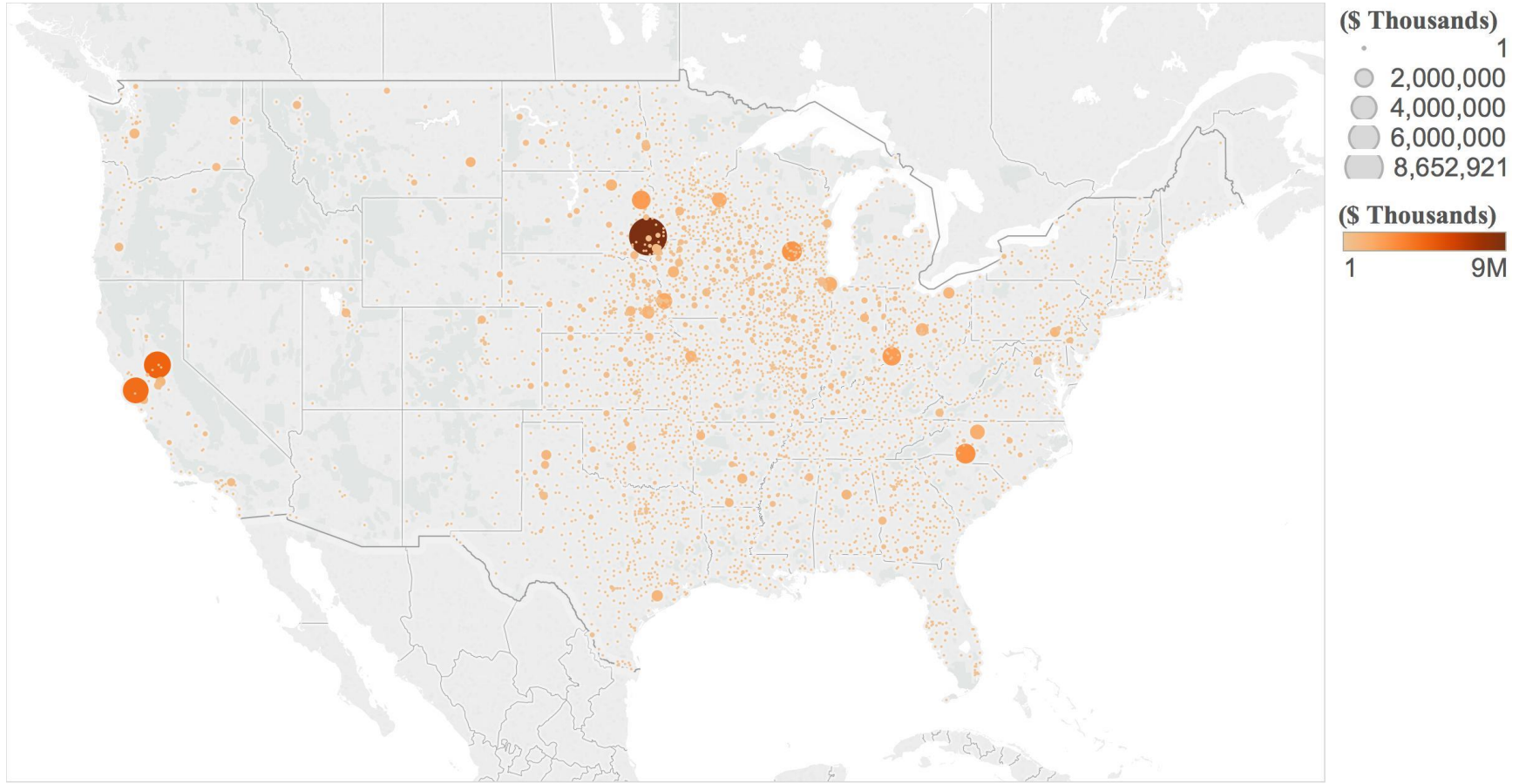


Source: FDIC, Q2 2016



Total Agricultural Loan Volume

- Both circle size and color represent portfolio size in 2Q 2016
- Largest circles: national/multinational bank HQs (example: Wells Fargo in Sioux Falls, SD)

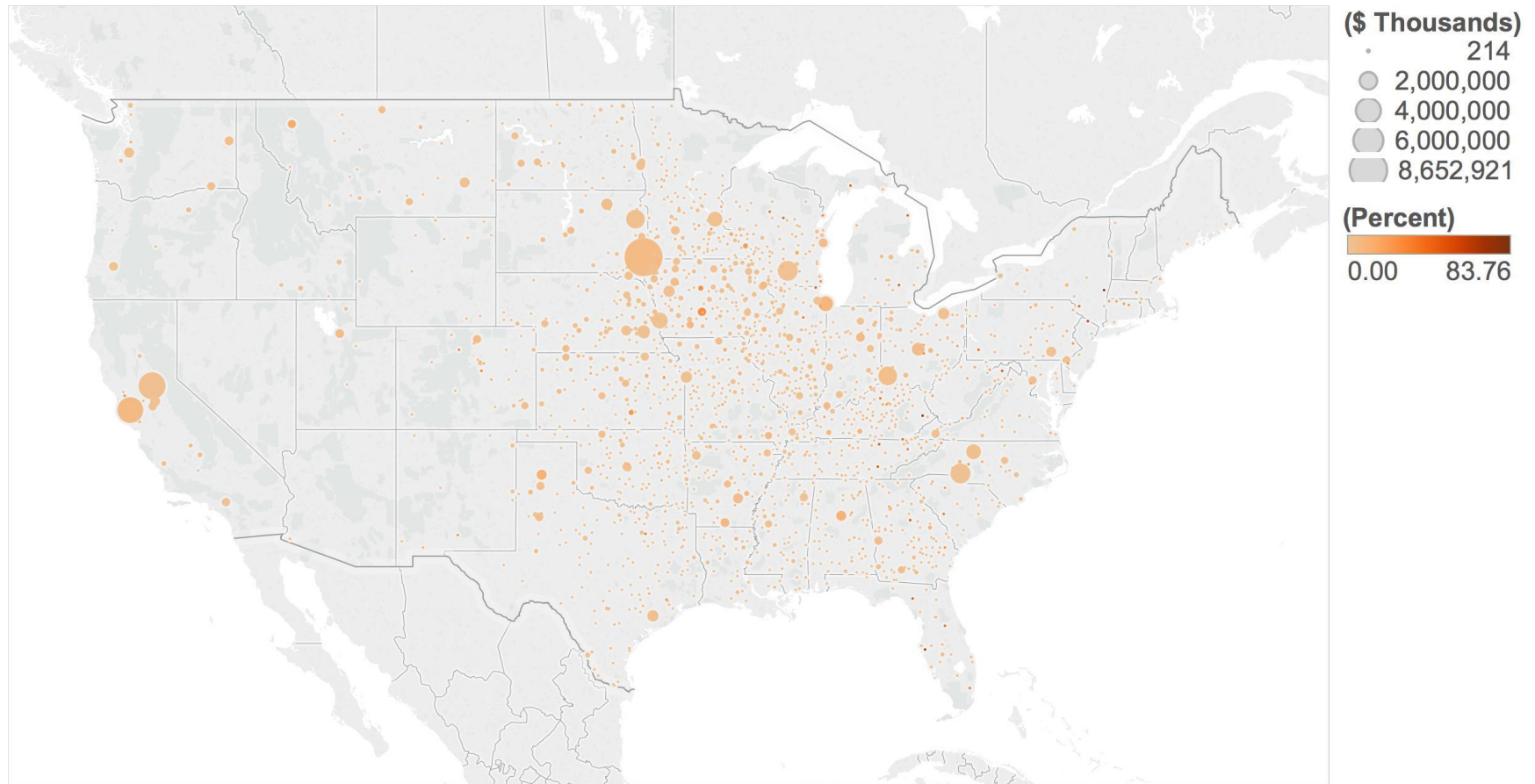


Source: FDIC, Q2 2016



Percent Delinquent (color): Total Ag Loans

- Because of real estate-backed delinquencies, outliers drown out mapped variation.

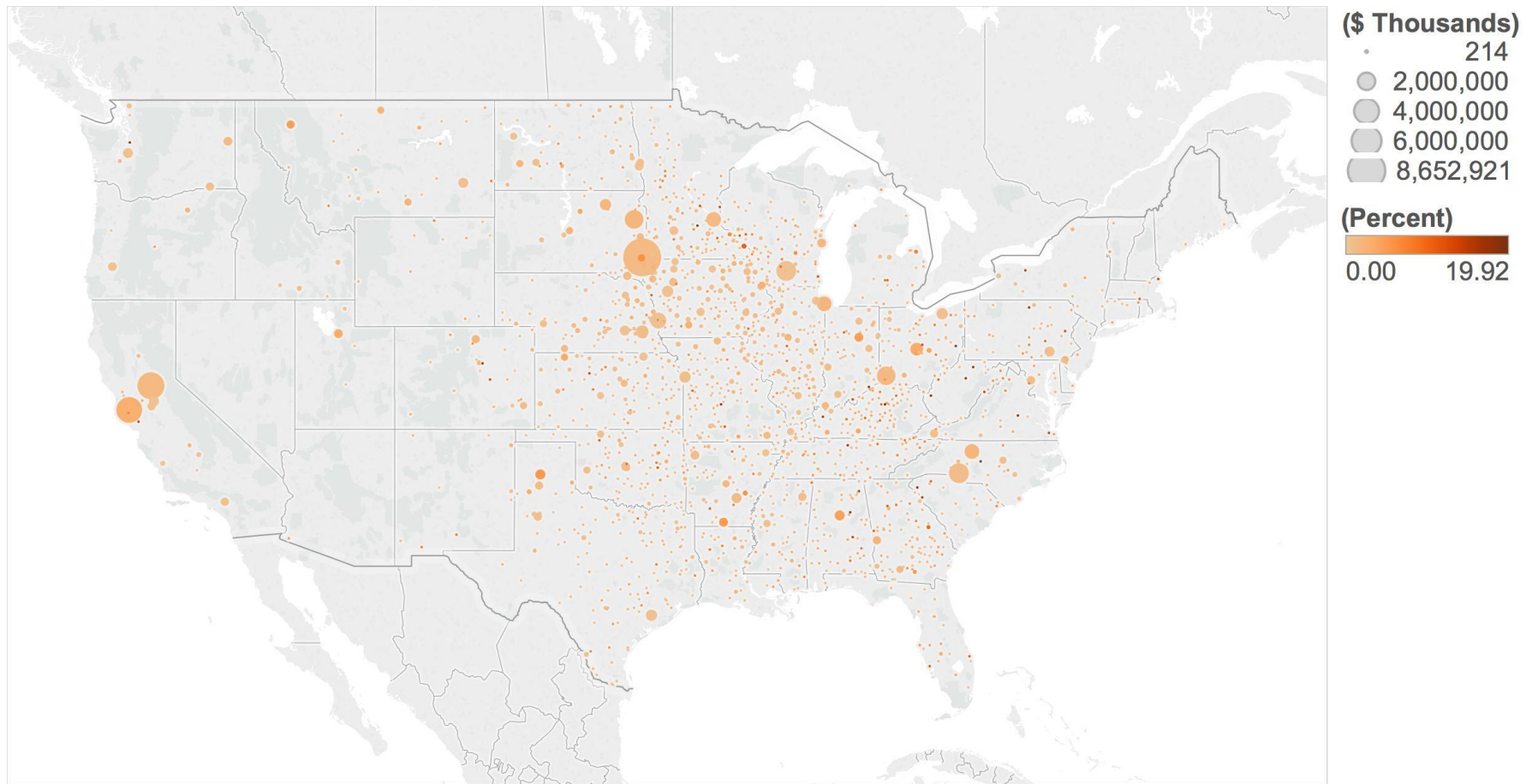


Source: FDIC, Q2 2016



Percent Delinquent (color): Total Ag Loans

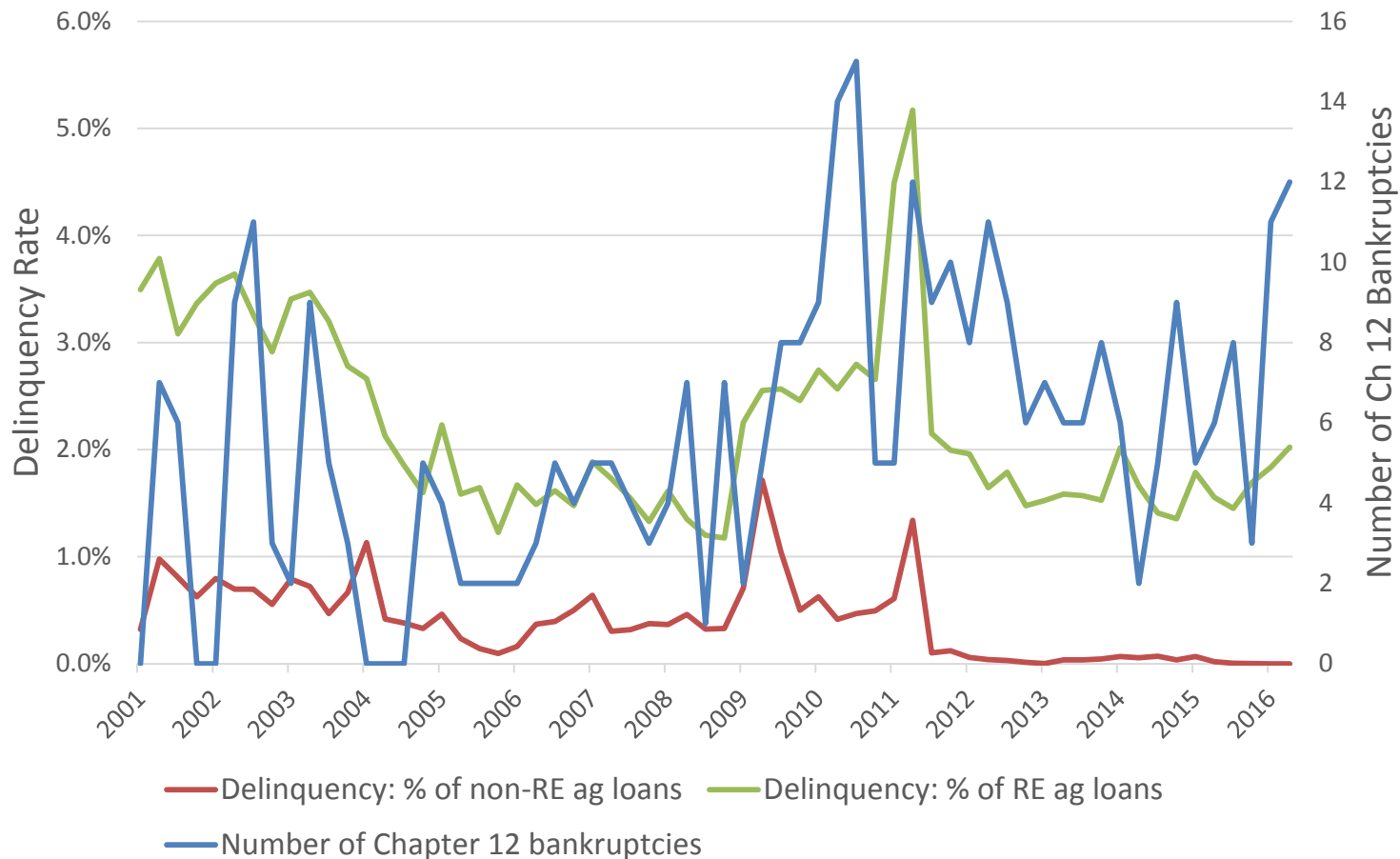
- Without outliers (defined as > 20%)



Source: FDIC, Q2 2016



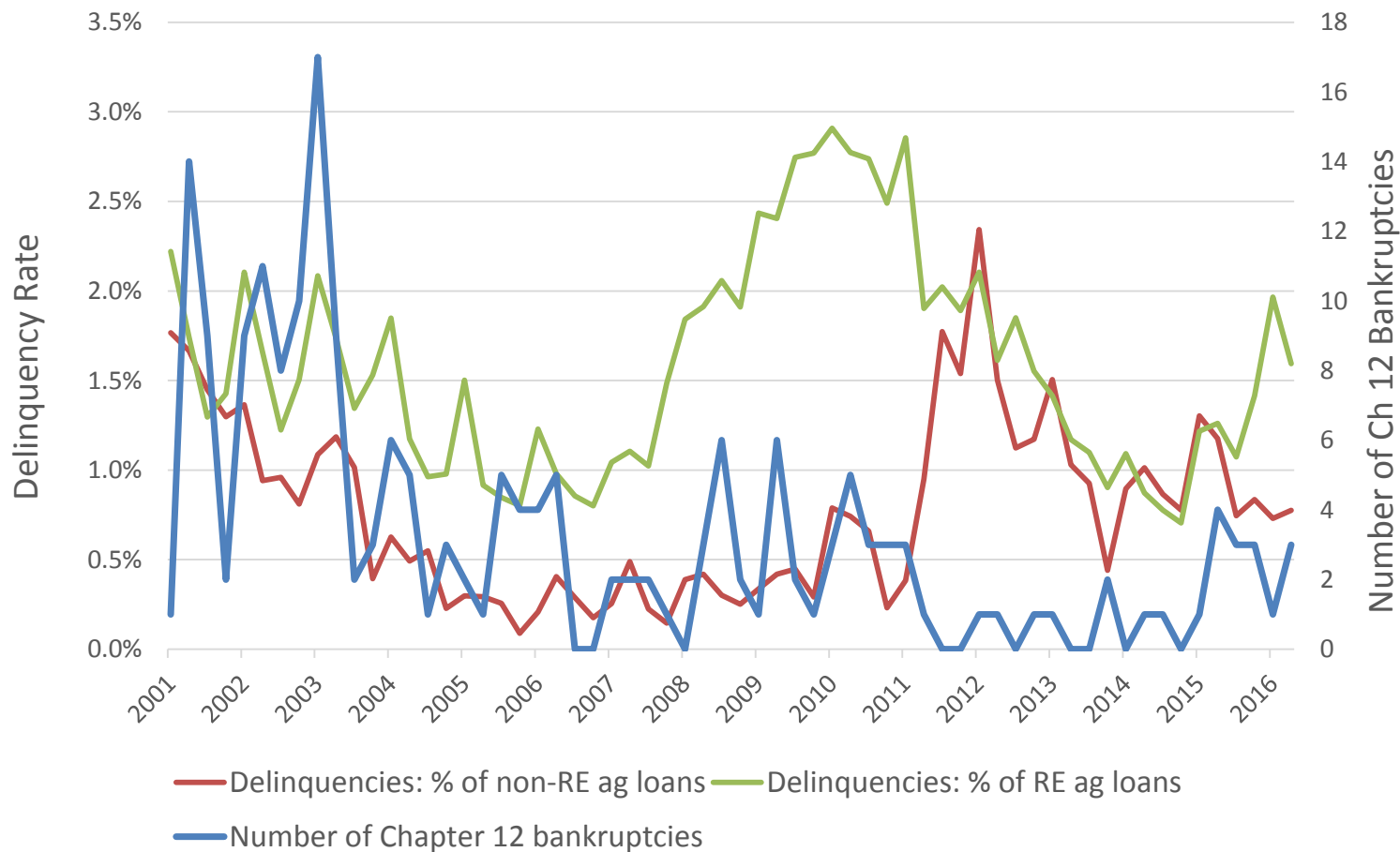
Delinquency and Bankruptcy: Wisconsin



Source: FDIC and U.S. Bankruptcy Courts



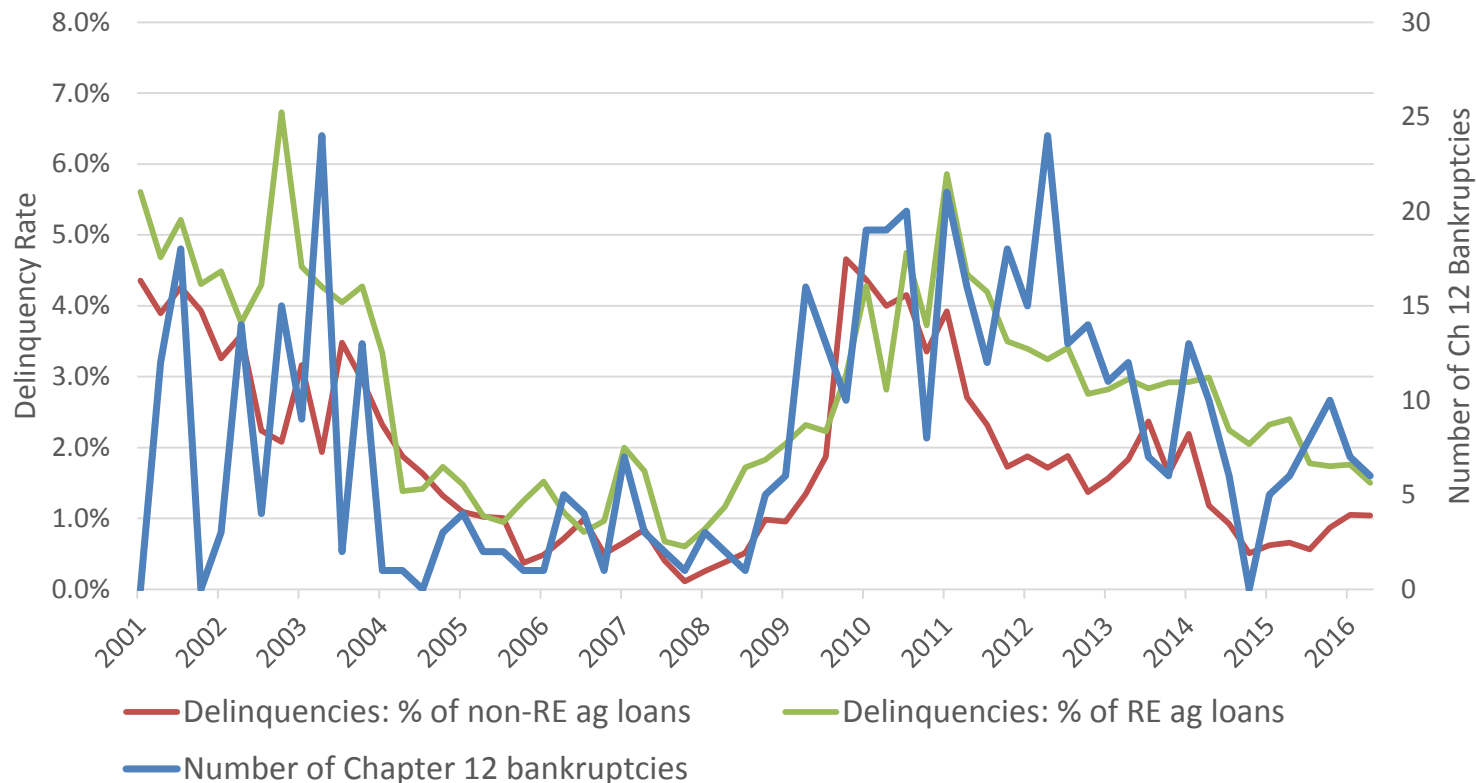
Delinquency and Bankruptcy: Illinois



Source: FDIC and U.S. Bankruptcy Courts



Delinquency and Bankruptcy: California



Source: FDIC and U.S. Bankruptcy Courts



Questions?

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