



The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

Papers downloaded from AgEcon Search may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

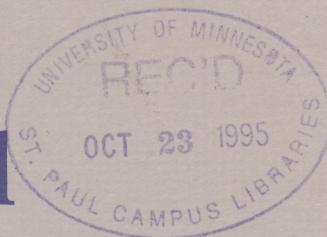
STP per

American Bankers Association

Journal of Agricultural Lending

Vol. 8 Issue 4

Summer 1995



New Tools for Commercial Banks.....8
by Marvin Duncan, William Fischer and Richard Taylor

Niche Lending in Agriculture14
by Charles Dodson and Steven Koenig

**Canadian & U.S. Farmers:
More Similar Than Different?21**
by Kieran Brett

Farm Bank Performance During 199425
by Carlos Veintimillas

Departments

Up & Down the Hill4
The Executive Speaks29
The Ag Lending Trail.....31
Resources34



Sponsors

Our appreciation and thanks are extended to the following sponsors of the Journal of Agricultural Lending. Their financial support makes publication of the Journal possible.

**The Chicago
Mercantile Exchange**
Chicago, Illinois

**Chek-Tech Inc./
Purina Mills Inc.**
St. Louis, Missouri

Dear Subscriber,

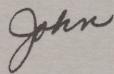
"If you want a friend in Washington, buy a dog" has been attributed to FDR. Today, I believe this notion applies to agriculture as the 1995 Farm Bill is being created. All of the "experts" agree agriculture programs are going to take a hit. How much of a hit is still, at this point, up in the air. I've heard all kinds of numbers, but the one I have heard most frequently is \$13 billion over seven years. With the Farm Bill legislation lasting for five years, the cuts during this period will be in the neighborhood of \$8 billion. What's going to get cut? Just about everything. How will it be done? All of this remains to be seen.

"Back-loading" is a term I recently heard and it refers to phasing in farm program cuts unequally over time, with the smaller cuts in the first two or three years followed by larger cuts during the remaining years.

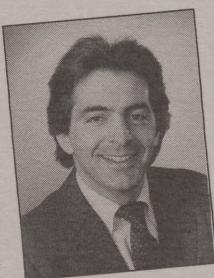
Other questions continue to nag policy and budget makers as the debate continues. What effect will farm program cuts have on farm real estate values? I've seen reports that minimize the effect and I have seen reports that are really scary. No one has the answer to this one, and won't until the fat lady is singing. How big will the CRP be after the current contracts expire? I've seen estimates that upwards to 20 million acres will be released from the program. How much of that land will be put back into production? How will farmers make up the lost income caused by program cuts?

The challenges facing agricultural lenders over the next five years will be many. There is going to be a greater burden placed on your shoulders to be an even greater source of information for your farm and ranch customers. Here at the *Journal* we're going to do everything we can to get you the detailed information you need as soon as we can get it.

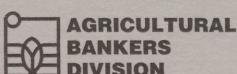
Sincerely,



John Blanchfield
Publisher



1120 Connecticut Ave. N.W.
Washington, D.C. 20036
202-663-5000, FAX: 202-828-4544



Agri Finance.

6201 W. Howard St.
Niles, IL 60714
708-647-1200, FAX: 708-647-7055

American Bankers Association

Journal of Agricultural Lending

Designed for the agricultural lender as the catalyst for new ideas and practical approaches to banking challenges.

Publisher

John Blanchfield

Editor

Kristine Myszka

Subscriptions

800-322-5510 ext. 330

Address correspondence to
Agri Finance Magazine,
6201 W. Howard St.
Niles, IL 60714
708-647-1200 ext. 330
FAX: 708-647-7055

The Journal of Agricultural Lending (ISSN Pending) is published quarterly for the American Bankers Association by Century Communications Corp, 6201 W. Howard St., Niles, IL 60714. Copyright 1995 by ABA. All rights reserved. No part of this journal may be reproduced in any form without the written permission of the copyright owner. ABA and CCC assume no responsibility for statements of fact or opinions expressed in signed articles in this journal. Annual subscription rate is \$60 for ABA members and \$90 for non-members. Second class postage is pending at Chicago, IL and additional mailing offices. POSTMASTER: Send address changes to 6201 W. Howard St., Niles, IL 60714.

The ABA Ag Team

Agricultural Bankers Division

John Blanchfield, 202/663-5100

Government Relations (House)

Josh Tenuta, 202/663-5348

Government Relations (Senate)

James Jarrard, 202/663-5338

Agency Relations (OCC, FCS, FDIC, etc.)

Paul Smith, 202/663-5331

Agricultural Banking Economist

Jim Chessen, 202/663-5130

ABA Bankers Weekly newspaper

Pat Dalton, 202/663-5447

Public Relations

Patti Boerger, 202/663-5471

Ag Banking Conferences

ABA Customer Service Center, 800/338-0626

Ag Banking Publications

ABA Customer Service Center, 800/338-0626

ABA Connection

General info and research for ABA members
800/872-7747

ABA Washington Wire

Toll-free news recording detailing government
activity in banking. Updated daily, 800/424-2871