

A.8. Characteristics of Bank Loans to Farmers -- All Banks, by Size of Loan, November 7-11, 2005

Percent except as noted

Loan characteristic	All sizes	\$1,000 to \$9,999	\$10,000 to \$24,999	\$25,000 to \$49,999	\$50,000 to \$99,999	\$100,000 to \$249,999	\$250,000 and over
Volume of loans (thousands of dollars)	995,330	46,065	83,016	96,969	135,260	254,435	379,586
Number of loans	24,573	11,705	5,556	2,910	2,003	1,712	688
Weighted average maturity (months) ¹	21.02	9.73	10.95	12.03	15.46	22.17	28.03
Weighted average repricing interval (months) ²	7.16	4.68	6.03	4.19	9.83	10.04	5.59
Weighted average risk rating ³	2.94	2.90	2.82	2.94	2.85	2.92	3.00
Weighted average interest rate ⁴	7.44	8.30	8.05	7.73	7.78	7.44	7.01
Standard error ⁵	.14	.11	.04	.14	.17	.06	.18
<i>Interquartile range⁶</i>							
75th percentile	8.25	8.87	8.75	8.51	8.50	8.09	7.98
25th percentile	6.70	7.64	7.48	7.19	7.16	6.86	6.17
<i>Purpose of loan</i>							
Feeder livestock	7.50	8.33	7.91	7.47	7.86	7.70	7.19
Other livestock	7.72	8.35	8.24	8.24	7.72	7.50	7.50
Other current operating expenses ⁷	7.58	8.28	8.03	7.76	7.74	7.52	7.07
Farm machinery and equipment	7.66	8.72	8.29	7.98	8.12	7.74	6.96
Farm real estate	7.09	7.87	7.70	7.63	7.49	7.18	6.85
Other ⁸	6.85	8.11	7.98	7.01	7.73	6.76	6.62
<i>Share of total loan volume</i>							
<i>Features of loan</i>							
Floating rate	74.68	67.94	60.36	67.23	64.93	70.29	86.95
Under commitment	77.44	75.17	73.84	74.15	76.72	76.44	80.27
Callable	22.97	23.80	22.92	25.43	33.57	23.67	17.99
Subject to prepayment penalty	4.24	1.77	1.84	1.44	6.34	.72	7.39
<i>Purpose of loan</i>							
Feeder livestock	20.40	6.11	9.86	16.30	19.57	24.40	23.10
Other livestock	11.55	9.13	12.02	13.30	14.89	13.37	8.89
Other current operating expenses ⁷	39.63	70.11	62.49	49.57	43.25	34.94	30.23
Farm machinery and equipment	6.26	6.54	7.26	9.30	7.10	4.86	5.86
Farm real estate	6.83	2.71	2.22	3.65	3.59	9.21	8.72
Other ⁸	15.33	5.41	6.14	7.89	11.61	13.21	23.19
<i>Type of collateral</i>							
Farm real estate	10.67	6.92	6.43	6.52	10.95	14.36	10.53
Other	85.83	87.06	89.37	86.08	85.65	83.75	86.30

Note. Data in tables A.8 through A.13 are from the the Survey of Terms of Bank Lending to Farmers, which collects data on gross loan extensions made during the first full business week in the mid-month of each quarter by a sample of 250 banks of all sizes. The sample data are used to infer an estimate of the lending terms at all insured agricultural banks during that week. The estimated terms of bank lending are not intended for use in collecting the terms of loans extended over the entire quarter or those residing in the portfolios of banks. Loans of less than \$1,000 are excluded from the survey. (notes continued on next page)

A.8. Characteristics of Bank Loans to Farmers -- All Banks, by Size of Loan, November 7-11, 2005 (cont.)

1. Average maturities are weighted by loan size and exclude loans with no stated maturity.
2. The repricing interval measures the period from the date the loan is made until it first may be repriced. For floating-rate loans that are subject to repricing at any time--such as many prime-based loans--the repricing interval is zero. For floating rate loans that have a scheduled repricing interval, the interval measures the number of days between the date the loan is made and the date on which it is next scheduled to reprice. For loans having rates that remain fixed until the loan matures (fixed-rate loans), the interval measures the number of days between the date the loan is made and the date on which it matures. Loans that reprice daily are assumed to reprice on the business day after they are made.
3. A complete description of these risk rating categories is available from the Banking Analysis Section, mail stop 81, the Federal Reserve Board, Washington, DC 20551. The category 'Moderate Risk' includes the average loan, under average economic conditions, at the typical lender. The weighted-average risk ratings are calculated by assigning a value of '1' to minimal risk loans; '2' to low risk loans; '3' to moderate risk loans; '4' to acceptable risk loans; and '5' to special mention and classified loans. In calculating the average risk rating, these values are weighted by loan amount and exclude loans with no risk rating. Some of the loans are not rated for risk.
4. Effective (compounded) annual interest rates are calculated from the stated rate and other terms of the loans and weighted by loan size.
5. The chances are about two out of three that the average rate shown would differ by less than this amount from the average rate that would be found by a complete survey of lending at all banks.
6. The interquartile range shows the interest rate range that encompasses the middle 50 percent of the total dollar amount of loans made.
7. Loans used primarily to finance such items as current crop production expenses and the care and feeding of livestock (including poultry).
8. Typically loans for which the lender does not know the purpose.