

# **Texas Department of Banking**

## **Press Release**

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### **Texas Finance Commission Begins Statewide Study of Agricultural Business Lending in Texas**

Date: May 7, 2002

Texas Finance Commission Chairman W. D. Hilton, Jr., announced today that the Finance Commission is commencing a study of agricultural business lending throughout the State of Texas. Chairman Hilton states that “agricultural businesses, particularly first handler farmers and ranchers, are an important part of the Texas agricultural industry. Texas agricultural businesses produce a significant portion of the food and fiber products that benefit not only the citizens of our state, but people all over the world. The availability of credit to meet the business needs of our farmers and ranchers along with providing government programs that strengthen the role of family agricultural producers is important to the overall vitality of our State.” The study will be conducted by Analytica, Inc., of Houston, Texas. Analytica has conducted two previous studies for the Finance Commission.

This study will focus on three main areas: the collection of statistical data about agricultural businesses in Texas over the last 20 years; the collection of statistical data about state and federal government sponsored agricultural lending and support programs; and a collection of current data to ascertain credit availability to agricultural businesses today. Areas that the study will address include discerning who is and who is not receiving credit, who is providing credit, and the extent that government sponsored programs affect the lending process regarding agricultural credit products. Because of the wide variety of agricultural businesses in our state, this study will concentrate on “first handlers”, those farmers and ranchers who grow crops and raise livestock. The study is to be completed before December 2002, at which time the Finance Commission will report its findings and recommendations to the Texas Legislature.

This study is part of a broader mandate in the Texas Finance Code requiring the Finance Commission to conduct research on: (1) the availability, quality, and prices of financial services, including lending and depository services, offered to individual consumers, agricultural businesses, and small businesses; and, (2) the practice of business entities in this state that provide financial services to individual consumers, agricultural businesses, and small businesses.

Because of the broad scope of the mandate, research is being conducted in phases. Prior studies included consumer depository and cash services, home equity lending, consumer lending, and small business lending. All of the studies are found in their entirety on the Finance Commission’s website ([www.fc.texas.gov](http://www.fc.texas.gov)).

Any questions, comments or suggestions regarding this study should be directed to Banking Commissioner Randall S. James or Bob Bacon.