



## Can Partnering with Fintechs Enhance Your Ag Lending Strategy?

🔗 [lending](#) [fintechs](#) [competition](#) [agriculture](#)

**Summary:** More and more CFIs are partnering with fintechs to automate and improve their ag lending practices. We share details of how such partnerships are enhancing banking relationships with farmers and ranchers.

The birth of agriculture around 12K years ago is also often called the “[Neolithic Revolution](#)” because it forever changed how people lived. The hunter-gatherer lifestyle slowly gave way to permanent settlements as food supply from crops and ranch animals became more reliable. From those roots rose cities and civilizations, kickstarting the pace of population growth. About 10K years ago there were some 5MM people — now there’s nearly 8B.

Ag lending by community financial institutions (CFI) is undergoing its own revolution of sorts with the aid of fintechs. More and more CFIs are partnering with fintechs to digitize the loan application process and improve underwriting and monitoring through enhanced data collection, land surveys, and ag performance. These partnerships also offer farmers and ranchers value-added services such as cash management and mobile remote deposit services.

According to climate fintech AQUAOSO, CFIs that partner with fintechs for agricultural finance [will position themselves well](#) in the current age of digitization. “Transitioning to the digital age through fintech gives agricultural finance many benefits including the bolstering of risk management practices, the streamlining of data management, and a way to better connect with their borrowers.”

Here are a few notable examples of how CFI-fintech partnerships can help enhance ag lending:

**Automated processes.** Farmers State Bank, a CFI based in Oklahoma, [is partnering with fintech Tesla Software](#) to automate its commercial lending processes, including for ag loans. By adopting the fintech’s automated workflow and portfolio management tools, the CFI is finally able to forgo laborious and time-consuming manual underwriting, origination, and monitoring processes — something that grew even more urgent as the CFI’s assets grew substantially over the past decade. Now, the institution will be able to remain independent and more easily maintain great customer relationships even as it expands.

**Smartphone banking.** Evergreen Bank Group, a CFI based in Illinois, now enables its customers to apply for ag loans directly from their smartphones, [thanks to a partnership with fintech Tillable](#). Farmers, landowners, and investors can use their smartphones to apply for a farmland mortgage, refinance any current loans they have, and take out an operating loan in less than 10 minutes with no paperwork. This solution makes it easier for Evergreen to expand its national ag lending footprint. [Another fintech partnership with Narmi](#) enables the CFI to also offer digital cash management services and mobile remote deposits via smartphones.

**Improved underwriting and monitoring.** Two fintechs — financial software vendor HES and agriculture-focused digital product company OneSoil — [have joined forces](#) to offer CFIs a digital platform that leverages real-time ag lending insights to help risk officers improve decision making. The platform takes advantage of years of satellite images to define and track the stages of crop development and monitor them in real time.

The platform has an interactive digital map that includes more than 57MM fields across Europe and the US, as well as more than three years of historical data on 20 types of crops. From these rich data sets, the platform utilizes deep learning models, computer vision, the [Internet of Things](#), and original machine learning algorithms to enable automated real-time data processing.

CFIs can greatly enhance their ag business through fintech partnerships by providing a level of digitization that results in enormous benefits for both CFIs and their agricultural borrowers.

Take a page out of these CFIs’ playbooks and digitize your ag lending through accessible smartphone banking, automated lending, superior underwriting, and more to let your agricultural customers know that their business is important to you. The fintech partnerships needed to make it happen will enhance your relationships with those ag customers and help your business grow.

## LOOKING TO GROW YOUR LOAN PORTFOLIO?

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## ECONOMY & RATES

Rates As Of: 11/06/2023 08:21AM (GMT-0800)			
Treasury	Yields	MTD Chg	YTD Chg
3M	5.53	-0.06	1.11
6M	5.45	-0.09	0.69
1Y	5.30	-0.13	0.60
2Y	4.89	-0.20	0.46
5Y	4.58	-0.28	0.57
10Y	4.65	-0.29	0.77
30Y	4.82	-0.28	0.85
FF Market	FF Disc	IORR	
5.33	5.50	5.40	
SOFR	Prime	OBER	
5.32	8.50	5.32	

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