

Statement on Farm Credit Administration's Climate Change Adaptation Policy

The Interagency Climate Change Adaptation Interim Progress Report published in October 2010 stated that, *"The impacts of climate change already are being felt across the United States and the entire world.... These impacts will influence how and where we live and work as well as our cultures, health, and environment. In the years and decades to come, they will grow and affect future generations. It is therefore imperative to take action now to adapt to a changing climate."*

The Farm Credit Administration (FCA) is the independent Federal agency responsible for examining and regulating the Farm Credit System, a Government-sponsored enterprise created by Congress in 1916 to provide American agriculture with a dependable source of credit.

FCA is committed to climate change adaptation planning so we can address challenges posed by climate change to our mission, programs and operations. Because of our involvement in both the agricultural and financial sectors, we need to plan for potential issues we may face that affect these important sectors of the economy. We see our primary role in climate change adaptation planning as twofold: 1) plan for climate changes that may affect the mission of the Agency; and 2) plan for climate changes that may affect the Agency and its employees.

FCA's policy for climate change adaptation is to adequately plan for the effects of climate change so that we can continue our mission of ensuring a safe, sound, and dependable source of credit and related services for agriculture and rural America, on behalf of Congress and the American people. We envision an integrated approach to adaptation planning, one that is incorporated into our processes for strategic planning and continuity of operations. Our initial adaptation goals are to assess how climate change may potentially affect the agency and its mission and determine the required resources to mitigate these affects. We will then ensure that climate adaptation planning is integrated into the Agency's planning processes.

FCA is adopting the guiding principles outlined in the Interagency Climate Change Adaptation Task Force's framework. They are:

Adopt Integrated Approaches: Adaptation should be incorporated into core policies, planning, practices, and programs whenever possible.

Prioritize the Most Vulnerable: Adaptation plans should prioritize helping people, places and infrastructure that are most vulnerable to climate impacts and be designed and implemented with meaningful involvement from all parts of society.

Use Best-Available Science: Adaptation should be grounded in the best-available scientific understanding of climate change risks, impacts, and vulnerabilities.

Build Strong Partnerships: Adaptation requires coordination across multiple sectors and scales and should build on the existing efforts and knowledge of a wide range of public and private stakeholders.

Apply Risk-Management Methods and Tools: Adaptation planning should incorporate risk management methods and tools to help identify, assess, and prioritize options to reduce vulnerability to potential environmental, social, and economic implications of climate change.

Apply Ecosystem-based Approaches: Adaptation should, where relevant, take into account strategies to increase ecosystem resilience and protect critical ecosystem services on which humans depend to reduce vulnerability of human and natural systems to climate change.

Maximize Mutual Benefits: Adaptation should, where possible, use strategies that complement or directly support other related climate or environmental initiatives, such as efforts to improve disaster preparedness, promote sustainable resource management, and reduce greenhouse gas emissions including the development of cost-effective technologies.

Continuously Evaluate Performance: Adaptation plans should include measurable goals and performance metrics to continuously assess whether adaptive actions are achieving desired outcomes.

As a small Agency of fewer than 300 employees, FCA has limited resources and expertise in the area of climate change adaptation. We will therefore be leveraging the experience of larger agencies such as the U.S. Department of Agriculture and the other financial regulators as they develop their plans and will consult with them as needed. We will also be relying on additional guidance from the Interagency Climate Change Task Force.

FCA recognizes that climate change adaptation is a critical complement to climate change mitigation and that both are required to address the causes and consequences of climate change. As the financial regulator of the Farm Credit System, FCA is a forward-looking, risk-aware agency. We will embrace the challenges ahead and will do our part to mitigate any consequences that may result from climate change.

A handwritten signature in black ink, appearing to read "Leland A. Strom". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Leland A. Strom
Chairman and CEO
Farm Credit Administration