

**Remarks by  
The Honorable Nancy C. Pellett  
Farm Credit Administration Board Member  
To the Iowa Farm Bureau National Policy Trip  
Washington, D.C.  
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Thank you for that very generous introduction and good evening to all of you. I am very honored that you invited me to join you tonight.

It is always a pleasure to spend time with people who care deeply about agriculture, and I know that all of you here tonight fit that description. Those who know me are aware that I have spent a good share of my adult life trying to make a positive difference for agriculture, and I am deeply honored that I may have that same opportunity in my new role as a member of the Farm Credit Administration Board.

It is an added pleasure, for me, to also spend some time with fellow Iowans.

First off, I would like to congratulate Mr. Craig Lang on his election to the national level of the Farm Bureau. Iowa is blessed with some of the greatest agricultural producers in the nation and you have all worked hard to make Iowa a major factor in American agriculture. Sharing your knowledge, experience, and ideas at the national level, in my opinion, is not something you just should do; it is something you are obligated to do.

When I got the call that I had been nominated to be a board member at the Farm Credit Administration I was a bit tentative. But having the chance to be involved in building a stronger American agriculture, and a more vital rural America, was an opportunity I could not pass up. And the longer I am here, the more I realize that the opportunity is real.

I am relatively new to my position as a board member at the FCA, so I am still in the "learning the ropes" stage. However, I do want to tell you a little bit about the role that the Farm Credit Administration fulfills in contributing to maintaining a strong American agriculture, and share with you some of my impressions about public service at the federal level.

As a member of a government agency, I believe that we have a duty to educate the public on what we do, and explain how our actions contribute to this great nation of ours.

So let me tell you a little bit about my organization. And please, feel free to browse through the information packet we handed out to you.

The Farm Credit Administration is an independent federal agency that is responsible for regulating and examining the lending institutions that comprise the Farm Credit System. FCA is led by a full-time, three-person board of which I am the newest member. Each board member is appointed by the President with the advice and consent of the U.S. Senate.

Together, the board directs the regulatory activities of a small group of highly qualified professionals. While the Farm Credit Administration is a small agency, less than 275 staff

nationwide, I am very impressed by the depth of knowledge they possess and their dedication to serving government and agriculture.

As I said, we oversee the activities of the Farm Credit System. Most of you have probably heard about the FCS, and many of you have probably conducted business with them, in some manner or another.

For those that don't, or haven't, the Farm Credit System is a nationwide network of borrower-owned cooperative financial institutions that provide nearly \$90 billion in loans to farmers, ranchers, rural homeowners, agricultural cooperatives, rural utility systems, and agribusinesses. The state of Iowa is serviced by the Farm Credit Services of America, which is headquartered in Omaha.

Nationwide, the Farm Credit System holds about 25 percent of the market share of farm debt. Created by Congress in 1916, it is the oldest of the government-sponsored enterprises. And, as a government sponsored enterprise, it serves the public purpose of providing American agriculture and rural America with a dependable source of credit.

Our mission, at the Farm Credit Administration, is to ensure that the Farm Credit System remains capable of achieving the public purpose for which it was created.

We accomplish this mission in two ways.

First, we conduct a basic financial safety and soundness examination of each Farm Credit System institution. If we see significant problems in how an institution conducts its business, we have enforcement authorities available to us to ensure problems are corrected promptly.

The Farm Credit System today is financially sound and continues to make progress at better meeting the credit and financial service needs of its customer base. The Farm Credit Administration has played a key role in the System's success, and I assure you we are there to ensure these institutions will exercise safe and sound banking practices that comply with the law and regulations.

Our second mission related activity is to research and develop regulations, and other guidelines, that govern how Farm Credit System institutions conduct their business. Just last month we published our regulatory agenda, which is the document that describes the regulations we will be working on over the next six months.

A major regulatory project occurring during this period involves drafting regulations that guide programs in support of young, beginning, and small farmers. I noticed that you have several young farmers here tonight, and I am aware of the excellent Farm Bureau programs in support of young farmers.

The Farm Credit System also has several excellent programs directed at this important segment of Agriculture. However, if these programs can be improved further, we want to ensure that they are.

Additionally, the President's direction is that we have a strong agriculture and a vital rural America with special attention given to young farmers. To support the President's vision, I believe it is critical that each of us do whatever we can to ensure that the next generation of farmers is able to continue in farming.

Last fall the board held a public hearing, and formally requested input from the public, on how programs for young, beginning, and small farmers could be improved. We are currently analyzing that input to see what regulatory guidance may be necessary to further improve support to these farmers.

I consider this to be one of the highest priority projects we have at this point in time. Without unified support for the next generation of farmers, I believe the future of a strong Agriculture and vital rural America could be in doubt.

Before closing, I would like to note that I have spent my whole life involved, in some manner or another, in agriculture and I have loved every minute of it.

I consider it an honor and privilege to serve one's country and doubly so if that service relates to improving agriculture and rural America.

Ladies and gentlemen, it was a pleasure being here with you this evening and I wish you all the success in the world as you continue to carry out the Farm Bureau's important mission of helping farm families to prosper and to improve the quality of their lives.

Do not ever neglect the grass roots involvement that is your stronghold. And do not underestimate the value of that local effort as it provides direction and guidance for state, and eventually national, agricultural policy.

Thank you so much for a wonderful evening and if there are any questions I would be happy to address them.