

**Remarks by
The Honorable Nancy C. Pellett, Board Member
Farm Credit Administration
At The
Young Farmer/Rancher Executive Institute Awards and Graduation Banquet
Sponsored by Farm Credit Services Southwest
Sedona, Arizona
May 16, 2003**

Thank you for that very generous introduction and good evening to all of you.

I am very honored to join you tonight for the Graduation Awards Ceremony.

It is always a pleasure to spend time with people who care deeply about agriculture, especially young couples involved in agriculture like we are honoring here tonight. And ladies and gentlemen, those numbers across America are getting fewer and fewer. As I have become acquainted with these young farmers and ranchers, I am so impressed with their thoughtfulness, their insight, their dreams, and their dedication to all that is right about rural America.

It is an added pleasure for me to also spend some time with the fellow parents of our next generation of farmers and ranchers. I, like many of you, have over my lifetime worn both hats. My husband and I have been the younger generation, and are now the parents in the scenario. And as I listened to Dr. Janovic and to Dr. Kohl, I found myself on the emotional roller coaster thinking "Oh, my gosh, I can't believe that we did that," and then within 5 minutes I was proud that we had done this. What a great day this has been!

Tonight, I would like to tell you a little bit about myself and about the Farm Credit Administration and our emphasis on ensuring that young, beginning, and small farmers receive the assistance they need.

I have spent my whole life involved in some manner or another in agriculture as I have lived it and worked it - and I have loved every minute of it.

My husband Jim and I are what we call in Iowa "farmer/feeders." We feed the corn that we raise to livestock. Our cash crop is soybeans. I am extremely proud to say that all four of our children have a deep love of agriculture and in most case are in careers where they are directly associated with agriculture. Our oldest son, Brad who manages our beef operation, is the fifth generation to farm our land - so discussions such as you have been experiencing today are important to me personally. And like many of you, our dream is for one of his children to become the sixth generation to farm our land. I certainly hope American agriculture remains viable so that this can happen.

Again, so many thoughts went through my mind as we progressed through the program today. But one of the best ones was when Dr. Janovic was listing the acronyms used by the different generations - from SUADI and SUAL to the last one, RMM. Now I can tell you that anyone who ever sorted cattle knows instantaneously what that one means - Read My Mind is a mainstay in our operation.

When I got the call that I had been nominated to be a Board Member at the Farm Credit Administration I wasn't really sure what I would be getting myself into. But having the chance to

be involved in building a stronger American agriculture and a more vital rural America was a huge opportunity. And the longer I am at FCA, the more I honored and humbled by this opportunity.

Well, let me tell you a little bit about the Farm Credit Administration.

Our mission is to ensure that the Farm Credit System remains capable of providing American agriculture and rural America with a dependable source of credit.

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 problems in how an institution conducts its business, we have authorities available to us to ensure problems are corrected promptly.

Our second mission related activity is to research and develop regulations that govern how Farm Credit System institutions conduct their business. In February 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 right now involves drafting regulations that guide Farm Credit System programs in support of young, beginning, and small farmers.

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

Additionally, the President's goal and 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 if they choose to do so.

Last fall we held a public hearing, and formally requested input from all interested parties, 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 young, beginning, and small farmers. I consider this project to be the highest priority 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 make a few comments about walking.

When I am at home in Iowa, I like to walk the land where my husband Jim and I first started out together. It is also the land that has been in our families for several generations. After a moment or two of walking, the memories of the challenges we faced throughout the years flow into my mind. There were many successes to be proud of, but there were also struggles and very difficult decisions that had to be made. The more I walk, and the more memories I recall, the more energized I become, the more focused I become, and actually, the more humble I become. It was a good life and I want my children and grandchildren to have the opportunity to share in the same experiences I had.

For that to happen requires a strong agricultural sector and vital rural communities. That is the principal reason why the Farm Credit System exists, and the Farm Credit Administration is there to ensure that the System is capable of fulfilling its mission. I believe we are all working towards the same goal.

For all the parents here tonight that come from a background similar to mine, I encourage you to go back to your farm and take a walk and see how quickly your memories unfold. Enjoy those memories and share the wisdom you gained over the years with your sons and daughters.

For all the young couples here tonight I wish you well in developing your own memories as you grow your operation. And remember, sometimes the best way to sort through all the complexities you encounter, and the challenges you face, is to just take a little walk.

Ladies and gentlemen, 9/11 changed all of our lives so dramatically. I wonder what would happen to this country and the world if terrorists attacked our food and water supply systems. Not a pleasant thought, but one that, nevertheless, needs to be considered.

I know you realize how important American agriculture is to this country and to this world. There is a saying by our first President, George Washington, which were cast in concrete centuries ago, "...With reference to individual or national welfare, agriculture is of primary importance." Though centuries have passed, the quote is no less important now than it was then.

Represented in this room is our hope and our future. There is such opportunity in agriculture. May all of your dreams be realized.

Ladies and gentlemen, it was a pleasure getting to know you and I wish you all the success in the world as you continue to carry on the honored tradition of working the land. I also want to commend Gary Dyer and his staff for all the things they do to improve the lives of our next generation of framers.

Thank you again for a wonderful day and evening.