

**Remarks by  
The Honorable Jeffery S. Hall  
Board Member, Farm Credit Administration  
Texas Farm Credit Bank Board Meeting  
Austin, Texas  
March 29, 2016**

Thank you very much for the opportunity to meet with you today.

I've been involved in agriculture my whole life. I was raised on a small, diversified family farm in southern Indiana. I attended Purdue University, getting my B.S. in 1979. I went back to the farm after I graduated and received an even more valuable education in real farm economics. I became a Farm Credit System borrower in 1981 when I financed the purchase of a farm through the Federal Land Bank. Today, I remain a partner in our family farming operation.

I moved to Kentucky in the early 1980s and have spent the past 30 years working in the area of agriculture policy. My career includes time at the Kentucky Farm Bureau; on Capitol Hill working for U.S. Senator Mitch McConnell; at the University of Kentucky, College of Agriculture; and at USDA's Farm Service Agency.

These past experiences have given me the opportunity to be engaged in policy development in an educational setting and advocacy with a farm organization. My time spent on the Hill gave me a much broader perspective from many more interest groups and the hands on experience of the legislative process. Then working for the Farm Service Agency to actually implement and deliver programs and witness the policy process from many sides.

Through the years I have gained a much deeper respect and admiration for all parts of agriculture. I believe we have the privilege of being a part of one of history's greatest success stories. The productivity of the American farmers over the past 50 years is remarkable. Whether it is more bushels or bales per acre, pounds of meat protein, or gallons of milk it is being produced and getting to consumers around the world more efficiently than ever.

I often talk about a report the US Chamber of Commerce Foundation released a few years ago that describe American agriculture as "one of the great technological, humanitarian, and productivity success stories in human history. The combination of science, technology and innovation has played an important role and for the past 100 years, so has the Farm Credit System. Providing a **competitive and consistent** source of credit to farmers and related businesses has been a key to agriculture's success and it is vital to its future.

In no small part, the diversity of agriculture is what makes it so great. We have large farms and small farms. Young farmers, women farmers, minority farmers and beginning farmers. Organic and conventional farmers. There are hundreds of different crops and dozens of different species of livestock being raised. It is that diversity that helps keep agriculture strong. That diversity also helps keep the Farm Credit System strong by spreading risks across enterprises, regions, and production systems.

Diversity also plays an important role in the structure of the Farm Credit System. Not everyone will agree, but small associations have value just as the large ones. The same goes for banks. We should never lose sight of the fact that the cooperative business model has been a foundation to the success of the Farm Credit System. I have been a part of a cooperative and served as a board member. There is a distinct sense of ownership and investment in the success of that cooperative.

I think there should be a frank discussion about the future structure of the Farm Credit System and that conversation is best to occur from within the system. I understand that merger and consolidation will occur, and I think many times there is a good case to be made for merger. But I think that it chips away at the foundation of any cooperative. That sense of engagement slips as the sense of ownership becomes diluted. By engagement, I mean membership of a cooperative that believes they are represented by a board member that understands farming in their area and the challenges they face.

The Farm Credit System's mission to serve agriculture and rural America is defined by Congress. It has also outlined the authority by which banks and associations fulfill the mission. Just as important as the mission is the System's reputation. It is not always a bright line down the middle of the highway. It is the responsibility of the FCA, the Banks, and the Associations to stay safely between the ditches.

There are those who want to attack the System's reputation and say we are not focusing on the intended mission. Don't give them the opportunity to be right. Despite the rhetoric from inside the Beltway, continue to build partnerships between commercial banks and System institutions. By working with commercial banks, community banks, and USDA, the System can and will build a better pathway to prosperity in rural America.

While there are cycles of prosperity and decline in agriculture, no single segment of our nation's economy has a more profound impact on **every** American, **every** day. Let's not ever take this success for granted. I look at the dramatic changes that have occurred over the past 50 years and can't help but think the next ten years may see more change than the past fifty years. So FCA must be more thoughtful in our oversight and I would encourage leaders in the Farm Credit System to be very thoughtful, deliberative, and strategic as you plan for the future.

In conclusion let me leave you with the challenge to tell your story. As a board member of this bank and a member of one of its affiliated associations, you need to reach out to members of Congress—you need to make sure they understand how the Farm Credit System benefits the farmers and ranchers in their states and districts.

While the Farm Credit Council and your government affairs professionals do a great job working with members of Congress, I cannot overstate the value of your personal and direct relationship with your senator or representative. Don't wait for them to call you—you call them. Or better yet, go visit them. I can tell you from my time working with Senator McConnell, it matters more than you realize—especially when you meet with them back home—that is, outside of their Washington offices where they are bombarded with competing pressures. As the balance of power in Congress shifts towards urban issues and away from rural issues, having advocates is vital.

As a person in the business of agriculture, you are the most effective and credible voice on the public relations team. Every day we witness the fundamental lack of understanding for modern

production agriculture and its need for an affordable and reliable source of credit. You have credibility and influence, so don't hesitate to use it.

As an FCA Board member, I will uphold the mission of the Farm Credit Administration to ensure a dependable source of credit for agriculture and rural America. The Board has a statutory responsibility to make sure all System institutions employ safe and sound banking practices. We will issue the necessary rules and regulations to provide a framework of consistency, and we will ensure compliance with the Farm Credit Act. I can't promise that we will always agree, but I do promise to always listen.

Thank you.