

**Statement of FCA Chairman and CEO Leland A. Strom
at the FCA Board Meeting
April 12, 2012**

As I have witnessed firsthand during my 35 years in the agriculture industry, agriculture continues to change in many ways, including becoming increasingly diverse with each passing year. That diversity has necessitated the adopting of a rule to require the System to thoughtfully address diversity issues. I would first like to acknowledge my colleagues, Ken Spearman and Jill Long Thompson, for their passion and support in the development of this rule. I want to also thank the staff for the hard work that was done over the last year in developing this rule. I know that countless hours have been put in by all parties in its development.

You will find that the requirements in the final rule are sound business practices any organization should implement to stay relevant with the demographic changes of our country. The Farm Credit Act of 1971 requires the Farm Credit System as a Government-sponsored enterprise to serve ALL eligible, creditworthy borrows. In order to do so, the institutions must first understand the demographics of the territory they serve, and their workforce should reflect the customers being served.

I am pleased that we are about to pass a rule today that will require each Farm Credit System association to be responsive to the credit needs of ALL types of agricultural producers having a basis for credit. As discussed in the preamble to the rule, "all" includes nontraditional producers such as those who operate within local food systems. I view this as the first step in the effort to ensure that System associations are engaged in financing all types of farmers and ranchers who are engaged in producing food, regardless of what market they use to generate income.

I want to also thank the many commenters, including the Farm Credit System, for providing valuable input during the comment period of the rulemaking process. I also want to commend the Farm Credit System for their ongoing efforts to better understand and serve the changing face of American agriculture.