

Statement on the Small Association Presentation
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FCA Board Chairman and CEO
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First and foremost, I'd like to express my strong support for my fellow board member's well-thought-out comments on the importance and concern for the Farm Credit System's smaller associations. For as long as I've known Board Member Hall, this has been an intense interest of his, and I assure him that as long as I have influence on this board, that strong interest will continue.

The presentation we just heard discussed the decline in the number of small associations within the Farm Credit System. Along with Jeff, I am particularly concerned about the impact the reduction in the number of small associations may have on borrowers' active ownership of their cooperative institutions and on their local management and control. As territories get larger, the distance between an association's headquarters and local agriculture increases, possibly diminishing local input and interest.

In one of my first speeches as chair, I addressed the Farm Credit Council's national convention here in D.C. In it, I expounded on the Jeffersonian principle of trusting the commonsense decisions of the yeoman farmer/landowner. The Farm Credit System should epitomize those principles of equally respecting the voice of all stakeholders in this cooperative community, both large and small.

I thank staff for this informative presentation. It provides a base for future recommendations and an action plan, which the board will be requesting.