May 20, 2014

Mr. Barry F. Mardock
Deputy Director
Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, VA 22102-5090

Dear Mr. Mardock:

Thank you for the opportunity to comment on FCA's recent proposed rule regarding Standards of Conduct. Adherence to appropriate Standards of Conduct is important to the integrity of the Farm Credit System and a topic which should be carefully considered. The FCA's proposed rule, however, does far more harm than good and should be substantially revised.

As a director of Premier Farm Credit, I find that the transaction disclosure requirements in the Conflicts of Interest section of the proposed rule to be entirely inappropriate and completely unrealistic. The proposed rule ignores my association's cooperative structure and the way I do business in my own operation. I routinely have business transactions with a wide variety of individuals, some of whom might be Premier Farm Credit's customers. For the most part, I don't know whether someone I'm doing business with is a Premier Farm Credit customer. Even in instances where I know I'm dealing with an association customer, there is no conflict of interest since directors at Premier Farm Credit do not have any role in approving loans, interest rates, foreclosures or the terms of loans.

Requiring me to disclose any transaction with a customer, even when I know I am doing business with a customer, is not realistic. The number of transactions I have in the normal course of my business means that both Premier Farm Credit and I would spend an enormous amount of time shuffling paperwork with absolutely no impact on any conflict of interest. Perhaps most importantly, the proposal will immediately discourage qualified individuals from serving on the board of their FCS association.

My family owns and operates a number of large and diverse agricultural entities in which we buy and sell products frequently. To report on each of these transactions would be a burden, not only for me, but for the Premier SOC officer. It would also present a disincentive to serve. The bottom line remains that our Board does not act in any way on an individual's loan. Given this, there is truly no manner in which I could influence a member's deal and thus there is no conflict of interest created from these transactions. Reporting them would serve no useful purpose.

I urge the FCA to revise the proposed rule substantially, and eliminate the reporting of normal course of business transactions, prior to issuing a final rule. I would also like to offer my support for the comments submitted by CoBank, the Farm Credit Council and Premier Farm Credit. Thank you for your consideration.

Sincerely,

Rebecca Lenz
Director
Premier Farm Credit