

June 20, 2014

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

Sent via e-mail to reg-comm@fca.gov

RE: *Proposed Rule on Standards of Conduct and Referral of Known or Suspected Criminal Violations Published at 79 Fed. Reg. 9649-9661 (February 20, 2014)*

Dear Mr. Mardock:

Thank you for the opportunity to comment on the Farm Credit Administration's ("FCA" or "Agency") Proposed Rule on Standards of Conduct and Referral of Known or Suspected Criminal Violations ("**Proposed Rule**"). AgCountry Farm Credit Services ("AgCountry") is committed to cultivating a culture of high ethical conduct. A clear and understandable Standards of Conduct framework is fundamental to not only promoting this culture, but to preserving the integrity of the Farm Credit System ("System") as a whole. However, Proposed Rule misses the mark in terms of providing this framework, and raises many issues that are of significant concern and incompatible with the cooperative structure of System institutions.

As a director of AgCountry, my primary concern relates to the the disclosure requirements in the Conflicts of Interest section (Section 612.2136). According to the Preamble, if a director or employee were to purchase farm equipment from a known borrower, the prospective purchase should be reported and reviewed by the Standards of Conduct Official for conflicts and pre-approval. This "preapproval" process is inappropriate and overly burdensome considering the nature of my business, and would substantially impact how our directors operate. In the normal and ordinary course of business, our directors conduct business with many individuals and entities, including those who may be members of AgCountry. Routine examples include purchasing equipment from an implement dealer, procuring any number of agricultural inputs, including seed, fertilizer, pesticide, livestock feed, etc., or even selling grain to a local elevator. For the most part, I don't know whether someone I'm dealing with is an AgCountry member. However, even assuming I knew that the party was an AgCountry borrower, there is no conflict of interest, real or perceived. Directors at AgCountry have no access to member financial information, are completely separated from loan administration and servicing, and have no role in approving and establishing loan terms.

I feel strongly that this requirement is unnecessary and burdensome for ordinary course business transaction and would significantly interfere with my ability to run my business. In order to ensure compliance with the Proposed Rule, I would spend significant time preparing and

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providing written disclosures on all prospective transactions with potential AgCountry members. Moreover, my day-to-day operations would be slowed and hindered as the Standards of Conduct Official spends time reviewing and approving each report. With this in mind, I am very concerned that the Proposed Rule will discourage high-qualified individuals with sophisticated agricultural operations from serving on the board of their FCS association for fear of these requirements harming their business and livelihood.

I am President of Weinlaeder Seed Company, which provides the production and processing of agricultural commodities, and the distribution of quality seeds to our customers. Requiring the disclosures and approval in order to do business with new and existing customers, as presently required under the Proposed Rules, would be unworkable. Our customers may or may not do business with AgCountry. Asking each of our approximately 400 customers to disclose whether they are AgCountry members is a huge intrusion into my customer's privacy and is frankly information that I would rather not be privy to as a business owner. Moreover, if these AgCountry members know that transactions with them are being reported, they may elect to do business elsewhere. These transactions are not a conflict of interest and should not need to be disclosed.

I urge the FCA to revise the Proposed Rule substantially prior to issuing a final rule. System institutions should be able to opt out altogether from detailed, intrusive business relationship reporting for directors when the institution has created a clear separation between loan making and director involvement. I would also like to offer my support for the comments submitted by AgCountry and the Farm Credit Council. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Roger A. Weinlaeder".

Roger Weinlaeder
AgCountry Director
President, Weinlaeder Seed Company