



February 18, 2015

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

Re: Regulatory Capital Rules: Regulatory Capital, Implementation of Tier 1/Tier 2 Framework. Federal Register Vol.79, No. 171/September 4, 2014 (RIN 3052-AC81).

Dear Mr. Mardock:

National Farmers Union (NFU) welcomes the opportunity to submit comments to the Farm Credit Administration (FCA) on the proposed rule regarding Regulatory Capital, Implementation of Tier 1/Tier 2 Framework. NFU is the second largest general farm organization in the United States. Since 1902, NFU has advocated for the economic and social well-being and quality of life of family farmers and their communities by supporting the sustainable production of food, fuel and fiber. NFU represents 200,000 members nationwide with members in almost every state and organized divisions in 33 states. NFU is a federation of state and regional organizations.

Since its founding NFU has encouraged its members and organizations to provide leadership in the patronage, direction, operation and development of cooperative enterprises, and in the education of its members and the public as to cooperative philosophy and principles. We firmly believe that government policies and programs should help to better develop, protect, advance and promote farmer cooperatives' role in assembling, processing, selling, marketing and distributing farm commodities and services. As a matter of policy we oppose any attempt to revise cooperative laws, administratively or legislatively, that would diminish or jeopardize the democratic nature of cooperatives, their unique governance structure and ability to maintain financial and ethical integrity.

Given NFU's ongoing support of the cooperative model, we are concerned over the Farm Credit FCA's proposed rule due to its fundamental inconsistencies with cooperative principles. The Farm Credit System, unique among financial institutions due to its cooperative structure, offers family farmers, ranchers, fisherman, and rural communities an important alternative for their financial needs. This institution provides not only access to credit, but a meaningful stake in the institution. The integrity of the Farm Credit System structure is of great importance to the agricultural and rural economy and must be maintained as your agency implements new capital regulations.

NFU supports the comments submitted by the Farm Credit Council (FCC) dated February 16, 2015. We respectfully request that the Farm Credit Administration consider FCC's revisions that would allow for its compliance with the Basel III framework while maintaining the integrity of the system's cooperative structure. FCC's suggested revisions will allow the regulations to reflect the cooperative principles for the benefit of the system's member-owners, as intended by Congress.

We appreciate your attention in this matter and thank you for your consideration. We look forward to future opportunities to work with you.

Sincerely,



Roger Johnson
President