



GEHRING FARMS

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Mr. Barry F. Mardock

May 21, 2014

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 Northwest Farm Credit Services, I find that the 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 farming operation. I routinely have business transactions with a wide variety of individuals, some of whom might be Northwest FCS' customers. For the most part, I don't know whether someone I'm doing business with is a Northwest FCS' customer. Even in instances where I know I'm dealing with an association customer, there is no conflict of interest since directors at Northwest FCS do not have any role in approving loans or the terms of loans.

Requiring me to disclose every transaction or seek approval for a 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 Northwest FCS and I would spend an enormous amount of time shuffling paperwork with absolutely no impact on any conflict of interest.

We sell berries, grass seed and grain to multiple companies and some are customers of NWFC and Cobank. Prices are changing daily. There is no way we can get pre-approval on each transaction without having our economic viability threatened.

Perhaps most importantly, the proposal will immediately discourage qualified individuals from serving on the board of their FCS association. I spend 30 days away from my farm annually and 2 days of prepping for each meeting to fulfill my board responsibilities. We are busy people and we need to attract busy people to replace us. It is imperative that our regulator allow directors to spend time on needed activities that truly add value to our cooperative cause.

I urge the FCA to revise the proposed rule substantially prior to issuing a final rule. I would also like to offer my support for the comments submitted by (Northwest FCS; CoBank; and the Farm Credit Council). Thank you for your consideration.

Sincerely,



Mark Gehring