AgPreference

3120 N. Main, P.O. Box 8090
Altus, OK 73522-8090
T: (580) 482-3030 • (800) 727-3276
F: (580) 477-4010
www.agpreference.com

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

RE: Proposed Rule on Standards of Conduct

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 is taken very seriously in my Farm Credit Association. The FCA's proposed rule, however, does far more harm than good and should be substantially revised.

As a director of AgPreference, ACA, 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 cattle operation. I routinely have business transactions with a wide variety of individuals, some of whom might be AgPreference's customers. For the most part, I don't know whether someone I'm doing business with is an AgPreference customer. Even in instances where I know I'm dealing with an association customer, there is no conflict of interest since directors at AgPreference do not have any role in approving loans, pricing loans, loan servicing 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 my Farm Credit Association 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 Farm Credit Institution.

For example, I have numerous transactions each year with farmers and ranchers in the area where I buy cattle for a feedlot – these transactions are time sensitive and it would be unworkable for me to comply with the proposed rule – in most cases I don't know if the farmer who is selling the cattle is a customer of AgPreference. Also, since most of these transactions

are fairly large considering the value of cattle today, setting a materiality threshold would be of little assistance in limiting the number of transactions to be reported. The bottom line is that these transactions are not a conflict of interest to me being a director of AgPreference, ACA and as a result, none need be disclosed.

I urge the FCA to substantially revise and put forward again the rule for public comment. I would also like to offer my support and endorsement for the comments that have been submitted by CoBank and the comments to be submitted by the Farm Credit Council. Thank you for your consideration.

Sincerely,

Donnie Bowles

Donnie Bowles, Director
AgPreference, ACA