



First South

Farm Credit

Corporate Office

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May 22, 2014

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

Re: Standards of Conduct – RIN 3052-AC44 / Federal Register 79 (February 20, 2014)
9649-9661

Dear Mr. Mardock:

First South Farm Credit, the direct lender association in Mississippi, Alabama and Louisiana, takes the opportunity to comment on the Farm Credit Administration's (FCA) proposed rule published in the February 20, 2014 Federal Register addressing requirements for Farm Credit Banks and Farm Credit Associations of the Farm Credit System regarding standards of conduct and creating a new requirement that each institution adopt a code of ethics.

First South Farm Credit has in place an adequate policy that covers board, management and employees' standards of conduct in compliance with current standards of conduct (SOC) regulations. The First South Board and SOC officer evaluates our policy and conducts ongoing compliance training.

First South Farm Credit is opposed to regulatory overreach that attempts to expand the reporting burden and to develop regulator scenarios that are complicated and can be questionable as to interpretation. This proposed regulation tends to discourage individuals seeking board and management positions as well as current and future agents with whom First South chooses to conduct business. This proposed regulation leaves questionable challenges to First South, its directors, employees, agents, stockholders and potential borrowing base.

First South has reviewed the Farm Credit Council and AgFirst Farm Credit Bank comments to FCA on the proposed standards of conduct regulations and fully supports their content and conclusion.

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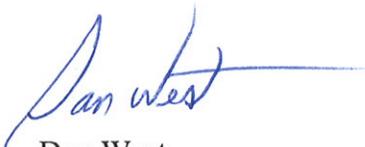
In conclusion, FCA, as an arms-length safety and soundness regulator, currently has the authority to regulate and enforce acts of wrongdoing in the Farm Credit System. Any future unnecessary and unduly burdensome or costly regulations are not based on the intent of Farm Credit law.

First South Farm Credit, our Board of Directors and our organization will continue to encourage high ethical standards and reasonable standards of conduct disclosures that avoid conflicts of interest that are deemed material.

Sincerely,



Shep Morris
Chairman of the Board
Shorter, Alabama



Dan West
Vice Chairman
Caledonia, Mississippi

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