

May 30, 2014

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

Re: Proposed Rule for Standards of Conduct and Referral of Known or Suspected Criminal Violations

Dear Mr. Mardock:

Thank you for affording me the opportunity to voice my opinions on the proposed rule for Standards of Conduct. I hope you will find my comments, from the viewpoint of a director and borrower, helpful when considering how the final rule will read. I am currently the general manager of a water system company and own and manage a brood cow operation. Farm Credit has helped me fund my agricultural operation, and when I examine the proposed rule I do so under the lens of what makes good business sense and what will keep Farm Credit a healthy, vibrant and safe lending institution so that it will be a continued source of credit for me and those involved in agriculture.

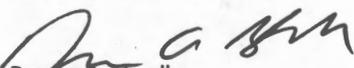
Upon reading the rule, I am concerned about the items that have been left open to the Association to define, such as materiality thresholds for reporting. Although I appreciate the freedom that this flexibility was intended to provide, I cannot help but worry how this may be translated into the outcome of future examinations. Freedom and flexibility certainly do have their positives, but I am concerned that our examinations will lead to questions of compliance if there is a difference of opinion regarding the board's policy between the board and the examiner. Allowing the Associations to choose between utilizing definitions published by the agency or providing the ability to have our board's determination prior-approved would alleviate these concerns.

When I made the decision to become a director of Farm Credit of Northwest Florida, I did so with an already full schedule. I have been committed to effectively fulfilling my duties in an ethical and responsible manner and expect nothing less from my director colleagues and the Association staff. I understand that good business practice dictates that ethical behavior cannot just be assumed, but calls for training and personal acknowledgement. The proposed rule discusses a Code of Ethics and training requirements, which I agree add to a culture of high ethical standards. However, the possible benefit of the prior-approval and extensive reporting requirements do not seem to justify the potential negative impact these requirements may have on my business operations. Due to my non-agricultural business responsibilities, my involvement in my brood cow operation occurs mainly during the evening and on weekends. When transactions require the prior-approval of the Association's Standards of Conduct Official, my ability to run my operation effectively is hampered. In order to be profitable, I need to be able to operate on my own schedule and not be slowed down on the front-end of business decisions. I do not want to be put in a position of deciding whether to terminate my directorship because the reporting requirements put me and my operation at a disadvantage compared to non-director borrowers. Review of transactions after the fact should be an adequate means to find and deal with any impropriety that may have occurred. In addition, the fact that my honest dealings with Farm Credit borrowers could be subject to scrutiny and questioning if an honest mistake in completing the reporting requirements were to occur is worrisome.

In conclusion, I would like to add my personal endorsement of the comment letter from Farm Credit of Northwest Florida, ACA's Board of Directors. I have echoed the sentiments of parts of that letter here and agree with all other items addressed in that letter. As I have said, my service as a Farm Credit director is a commitment to the Association that has assisted me in my financial needs. It is my duty to act responsibly, ethically, and with the best interests of the company in mind. I support initiatives that help to encourage a culture of high ethical conduct but question practices that appear to be administratively taxing without providing a corresponding benefit to an Association that already has a high regard for ethical behavior.

Thank you again for considering how the proposed rule will impact the directors and staff who have committed to serving American agriculture.

Respectfully submitted,



Damon Boutwell

Director, Farm Credit of Northwest Florida, ACA