

June 6, 2014
Normal, IL 61761

Mr. Barry F. Mardock
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 CoBank, 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 the System's cooperative structure and the way I do business in my own corn and soybean operation. I routinely have business transactions with a wide variety of individuals, some of whom might be CoBank or an affiliated association's customers. For the most part, I don't know whether someone I'm doing business with is a System borrower. Even in instances where I know I'm dealing with a customer, there is no conflict of interest since directors at CoBank do not have any role in approving loans 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 CoBank and I would spend an enormous amount of time shuffling paperwork with absolutely no impact on any conflict of interest. For instance, my local grain cooperative is a CoBank customer. I sell grain as many as fifty different times throughout the marketing season. I already disclose I have a business relationship with my coop as a customer AND stockholder per current standards of conduct. As I understand every time I pay my electric or propane bill I would need to disclose my transactions.

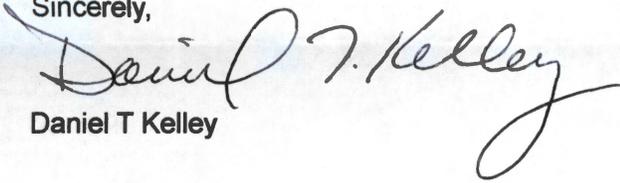
Also, I must comment on section 612-2140 regarding Director reporting. This is a requirement similar to one proposed by FCA in 1986 or 1987 when Frank Naylor was FCA Chair. At that time I presented written and oral testimony to the FCA board about not only the burdens this would put on me as a director but the invasion of privacy this would require for my business partners, my brothers. FCA decided at that time not to move forward with the proposed rule which was definitely the right decision and I strongly urge FCA to do likewise today. Another important issue is the proposal will immediately discourage qualified individuals from serving on

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Farm Credit Association boards.

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 CoBank and the Farm Credit Council. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Daniel T. Kelley". The signature is written in a cursive style with a large, sweeping flourish at the end of the name.

Daniel T Kelley