

**Opening Remarks of the
Honorable Douglas L. “Doug” Flory, Board Member
Farm Credit Administration
At the Public Meeting on
Scope and Eligibility of Financing
McLean, Virginia
June 26, 2003**

I'm pleased that there is so much interest in this Public Meeting, and I want to thank all of you for your special efforts to participate today.

As the regulator of a Government-sponsored enterprise (GSE), we have a responsibility to make sure the GSE serves the purpose that Congress intended. At the same time, Congress expects us to review our regulations from time to time to make sure that, in addition to not being overly burdensome, they are kept up-to-date based on the ever changing agricultural industry.

I think it is particularly appropriate to hold this public meeting regarding eligibility and scope of financing at this time because the agricultural industry and rural America have been changing rapidly, and I think they will continue to evolve during the coming years.

For example, bi-modal agriculture – large production units vs. life style farming – and rural America have financial needs today that are distinctly different than in the past. Therefore, we need to examine whether our regulations allow the Farm Credit System, as well as other financial institutions that have access to the GSE, to continue to meet the credit needs as the methods and modalities of agriculture change.

Also, while I was not then an FCA Board Member, I understand that when eligibility and scope of financing was last reviewed by FCA in 1996, the agency noted that it would continue to consider how this regulation can address both the appropriate scope of Farm Credit System lending and the significant changes in the agricultural environment.

Your input today will be very helpful in this process as we review our eligibility and scope of financing regulations to determine if they are appropriate given the changes that have occurred and will likely continue to occur in the rural marketplace.

Again, thank you for your willingness to participate in this important public meeting. I am very much looking forward to hearing what you have to say.