

**Testimony of Frank B. Whitbeck  
At the Public Meeting Held by  
The Federal Farm Credit Administration  
In Kansas City, Missouri  
On Wednesday, November 13, 2002**

I AM FRANK B. WHITBECK OF LITTLE ROCK, ARKANSAS. I HAVE OWNED AND OPERATED WINROCK GRASS FARM, INC. FOR OVER 23 YEARS. I PURCHASED MY FARM FROM THE ESTATE OF WINTHROP ROCKEFELLER IN 1979 WHO HAD OWNED AND OPERATED THIS FARM FOR 22 YEARS BEFORE ME. MY FARM IS KNOWN NATIONALLY AND INTERNATIONALLY FOR BEING THE FOREMOST PRODUCER OF HIGH QUALITY ZOYSIAGRASSES. LIKE MR ROCKEFELLER BEFORE ME AND ALONG WITH MY FARM BUSINESS, I HAVE BEEN A PIONEER IN THE TURFGRASS INDUSTRY. FOR YEARS I HAVE HELPED PEOPLE PRONOUNCE AND SPELL THE WORD ZOYSIAGRASS. I HAVE PREACHED PROTECTION OF OUR ENVIRONMENT BECAUSE OUR ZOYSIAGRASS PRODUCTS NEED LESS WATER, LESS FERTILIZER, FEWER MOWINGS, AND VERTUALLY NO HERBICIDES, PESTICIDES OR FUNGICIDES. MY FARM BUSINESS TODAY IS FIVE TIMES LARGER THAN IT WAS WHEN I PURCHASED IT FROM MR ROCKEFELLER. OUR SALES ARE FAR GREATER THAN MR ROCKEFELLER EVER DREAMED. I HAVE CUSTOMERS IN 31 STATES AND NUMEROUS FOREIGN COUNTRIES. I EXPORT OVER 90% OF MY FARM PRODUCTS TO PLACES OUTSIDE OF ARKANSAS AND MY INTERNET SITE "WINROCK ZOYSIA.COM" HAS BECOME ACTIVE IN MARKETING OUR NEWEST TECHNOLOGIES AND GRASSES. MY BUSINESS HAS SPAWNED OVER 100 OTHER GRASS FARMS IN ARKANSAS ALONE, LET ALONE THE PEOPLE WHO TRY TO COPY US IN OTHER STATES. OUR HIGH QUALITY STANDS ALONE IN THE TURFGRASS INDUSTRY. OUR MAJOR CUSTOMERS ARE GOLF OURSES - - THERE ARE OVER 17,000 GOLF COURSES THE UNITED STATES. RIGHT HERE IN KANSAS CITY I HAVE SERVED OVER 22 GOLF COURSES WITH OUR TURFGRASS PRODUCTS, NOT TO MENTION NUMEROUS COMMERCIAL AND RESIDENTIAL INSTALLATIONS. MY TURFGRASS BUSINESS IS THE MOST RESPECTED BUSINESS OF ITS KIND IN THE UNITED STATES - ASK ANY GOLF COURSE SUPERINTENDENT IF THEY HAVE HEARD OF WINROCK GRASS FARM - THEY WILL TELL YOU ALL ABOUT US. WE HAVE THE HIGHEST AND LATEST TECHNOLOGIES WITH NEWLY DEVELOPED

TURF PLANTS READY TO MARKET IN THE UNITED STATES THAT WILL FURTHER PROTECT OUR ENVIRONMENT BY REDUCING FERTILIZER AND CHEMICAL USE ON GOLF COURSES AND BY REDUCING THE NUMBER OF REQUIRED MOWINGS PER YEAR.

THIS ALL SOUNDS GREAT EXCEPT FOR ONE THING. MY FARM BUSINESS CANNOT GET A LOAN. MY FARM HAS BEEN INDEPENDENTLY APPRAISED FOR \$6,500,000 AS A GRASS FARM. EVEN MORE AMAZING IS THAT MY FARM LAND IS IN THE DIRECT GROWTH PATH OF LITTLE ROCK, ARKANSAS WHICH HAS AND WILL CONTINUE TO CAUSE THE VALUE OF MY FARM LAND TO GO UP EVERY YEAR. WITHIN 10 MINUTES OF MY FARM IS COMMERCIAL AND RESIDENTIAL LAND WORTH IN EXCESS OF \$100,000 PER ACRE. AND THIS DEVELOPMENT IS MOVING IN MY DIRECTION. BUT I CANNOT GET A FARM LOAN. WHAT GOOD ARE LOW INTEREST RATES WITHOUT AVAILABLE CREDIT?

I HAVE APPROACHED MY LOCAL AG HERITAGE FEDERAL FARM CREDIT ORGANIZATION FOUR (4) TIMES IN THE LAST 10 YEARS. EACH TIME I HAVE BEEN SHOWN THE DOOR WITHOUT A THOROUGH REVIEW OF MY LOAN REQUEST. ALL I NEED IS A SIMPLE 75% LOAN TO VALUE ON MY FARM LAND AND MY ATCHWORK OF BANK AND EQUIPMENT LOANS COULD BE PAID IN FULL WITH MY INTEREST COSTS LITTERALLY CUT IN HALF. BUT AS IT STANDS I HAVE NOT BEEN ABLE TO OBTAIN LOWER INTEREST RATES AS MY BANK AND EQUIPMENT LOANS HAVE REMAINED AT A HIGH COST: 9% TO 10%. NOW COMMERCIAL BANK CONSOLIDATION AND REGULATION THREATEN MY VERY ABILITY TO STAY IN BUSINESS AND MY HARD EARNED NET WORTH. BANKS CONSIDER ME A FARM BUSINESS AND THEY DON'T WANT ANY PART OF IT. I CANNOT OBTAIN A SECOND MORTGAGE BECAUSE OF THE LARGE AMOUNT OF MY FIRST MORTGAGE.

I HAVE A MESSAGE TODAY FOR ALAN GREENSPAN WHO I TO THIS POINT HAVE ADMIRER MOST OF MY ADULT LIFE. MY MESSAGE IS "MR. GREENSPAN, I DO NOT NEED LOWER INTEREST RATES. MR. GREENSPAN I NEED CREDIT. IF I DON'T HAVE CREDIT MY BUSINESS AND ITS BENEFICIAL SERVICE TO AMERICA WILL DIE. AND ALONG WITH IT MY BELIEF IN EQUITY IN AMERICA WILL DIE. ALL I

WANT IS THE CREDIT NECESSARY TO ACCOMPLISH THE SUCCESS OF MY FARM BUSINESS.”

RECENTLY WHEN I CONTACTED MY LOCAL AG HERITAGE FEDERAL FARM CREDIT UNIT I WAS NOT GIVEN A WRITTEN LOAN APPLICATION TO FILL OUT. MY LOAN OFFICER MADE NOTES ON A YELLOW PAD – THAT WAS MY LOAN APPLICATION HE SAID. WHEN I INSISTED ON FILLING OUT A WRITTEN LOAN APPLICATION, HE RELUCTANTLY GAVE ME ONE. MY LOAN REQUEST WAS TURNED DOWN BEFORE ANYONE IN HIS ORGANIZATION LEARNED ANYTHING ABOUT MY BUSINESS OR THE TURFGRASS INDUSTRY, OR THE APPRECIATING VALUE OF MY LAND. THEY SOLEY MADE THEIR CREDIT DECISION ON A CREDIT REPORT AND A TAX RETURN. THEY COULD NOT UNDERSTAND THAT WHEN I SPEND MONEY TO BUILD MY BUSINESS EACH YEAR FOR THE LAST TWENTY-THREE YEARS THAT I WAS TAKING HARD EARNED PROFITS AND REINVESTING THEM IN MY BUSINESS. WHEN ONE DOES THAT THERE IS NO CASH FLOW ON A TAX RETURN. THOSE PROFITS ARE EXPENSED FOR GROWTH. MY BUSINESS, MY INDUSTRY AND MY COUNTY ARE NOT SERVED AT ALL BY SOPHOMORIC LENDERS WHO DO NOT UNDERSTAND ENTREPRENEURSHIP. TAX RETURN LENDING IS AN EXCUSE NOT TO LEND. MY FARM BUSINESS HAS EXISTED FOR 47 YEARS, LONGER THAN MY AG HERITAGE LOAN OFFICER HAS BEEN ALIVE. AND YET I HAVE NO CREDIT. I HAVE INTEREST RATES THAT ARE TOO HIGH. AND I HAVE NO ALTERNATIVE OTHER THAN SELLING OUT. ALL I WANT IS A SIMPLE FARM LOAN, 75% OF APPRAISED VALUE. THAT WILL SOLVE EVERY PROBLEM I HAVE. WASN'T THAT WHY THE FEDERAL FARM CREDIT ADMINISTRATION WAS CREATED? WHERE IS THE CREDIT THAT I HAVE EARNED FOR GROWING A FARM BUSINESS AND BEING AN INDEPENDENT, DEPENDABLE AGRICULTURAL EMPLOYER FOR 23 YEARS? WHERE IS A RESPECT FOR THE FACT THAT MY FARM BUSINESS HAS BEEN IN CONTINUOUS EXISTENCE FOR 47 YEARS WITHOUT CROP SUPPORTS OR FARM PRICE RELIEF? I AM A PIONEER THAT HAS HELPED CREATE AN AGRICULTURAL INDUSTRY IN AMERICA THAT IS SELF SUFFICIENT WITHOUT PRICE SUPPORTS AND THAT BENEFITS OUR ENVIRONMENT. AGAIN, ALL I WANT IS A SIMPLE FARM LOAN, 75% OF APPRAISED VALUE. MR GREENSPAN, I HOPE YOU CAN HERE ME TODAY. I DON'T NEED LOWER INTEREST RATES. I NEED CREDIT. I NEED A FARM LOAN.