



Southwest Georgia Farm Credit

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August 1, 2008

Mr. Gary K. Van Meter
Deputy Director
Office of Regulatory Policy,
Farm Credit Administration
1501 Farm Credit Drive
McLean, VA 22102-5090

RE: Mission-Related and Rural Community Investments

Dear Mr. Van Meter,

I have lived and worked in rural communities nearly my entire life. I have witnessed first hand how the loss of jobs, health care, quality education and infrastructure can collectively erode a community. Couple this with the ongoing consolidation of agriculture and its ancillary businesses, and you have many rural communities suffering chronic economic malaise. Moreover, agriculture is dependent on rural communities as a place to supplement income, educate and raise families. For agriculture to remain strong, rural communities need to be strong and vibrant.

Our association has been an active participant in the Pilot program initiated by the Agency for nearly 3 years. During this time we have looked across the rural landscape and have observed a recurring theme. Rural communities need and deserve more reliable access to capital, and the existing structure does not provide ample and reliable sources. Unfortunately, rural communities keep falling behind metropolitan areas in the basic infrastructure, essential services and quality of life facilities, necessary to improve economic prosperity. In turn, we have been able to partner with several existing capital providers such as Morgan Keegan, Merchant Capital, Kentucky Highlands Investment Corporation and W.R. Taylor & Company LLC, to create synergies and better insure a flexible and competitive flow of funds.

The proposed rule facilitates Farm Credit institutions to invest in rural communities in a safe and sound manner. Furthermore, the proposal allows those closest to rural areas, the farmer and cooperative owners of Farm Credit institutions, to better support their communities by making critically needed investments in the future of those rural communities. I support what this proposed rule is striving to accomplish and urge the Farm Credit Administration to move it through the regulatory process.

Administrative Office

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In addition, there are some specific issues of the program I would like to address:

1. First and foremost, I do not believe the intent should be directed toward investment in areas that generally have significant and competitive access to capital. Whether the limitation is directed to areas with populations of greater than 50,000 or defined as non-metro areas, the intent should exclude areas adjacent to large urbanized or metropolitan centers. The need for competition to drive lower capital costs in areas that are non-metro is significant enough to warrant full attention of the System.
2. Secondly, the non-territorial nature of the program can be very divisive. Divisiveness is not good for the System or for rural communities. Consequently, either through emphasis or definitive language, associations should be afforded the option of participating in investments or securities derived from their chartered territory.
3. Lastly, as capital needs in rural America range across a broad spectrum of uses, I would request the availability of selected requests for approval outside those addressed in the proposed language be available on a case by case basis.

In conclusion, I would like to thank you for consideration of my comments and your leadership toward preserving rural America and agriculture.

Sincerely,



Richard S. Monson
Chief Executive Officer
Southwest Georgia Farm Credit