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NOMINATION HEARING TO THE FARM CREDIT ADMINISTRATION

HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

SEPTEMBER 24, 2008

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NOMINATION HEARING TO THE FARM CREDIT ADMINISTRATION

Wednesday, September 24, 2008

U.S. SENATE,
COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, DC

The Committee met, pursuant to notice, at 9:34 a.m., in room SR–328A, Russell Senate Office Building, Hon. Tom Harkin, Chairman of the Committee, presiding.

Present: Senators Harkin, Chambliss, and Cochran.

STATEMENT OF HON. TOM HARKIN, U.S. SENATOR FROM THE STATE OF IOWA, CHAIRMAN, COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Chairman HARKIN. The Senate Committee on Agriculture, Nutrition, and Forestry will come to order.

Today we are here to conduct a hearing on the nomination of Mr. Mark Keenum to the Board of Directors of the Farm Credit Administration. Mr. Keenum is a native of Mississippi and has a long history of service to agriculture and Government, and, of course, we all know him as legislative assistant and later chief of staff to Senator Cochran.

The Farm Credit Administration is responsible for regulating and examining the banks, associations, and related entities of the Farm Credit System and the Federal Agricultural Mortgage Corporation, Farmer Mac. In 2007, the Farm Credit System held about 34 percent of the farm sector's total debt. Farmer Mac serves as a secondary market for agricultural loans. FCA must ensure that the Farm Credit System fulfills its mission to provide a dependable source of credit for agriculture in rural America.

The Farm Credit System and Farmer Mac were chartered by Congress as Government-sponsored enterprises, GSEs. With the news on September 7th that the Federal Housing Finance Agency established a conservatorship for Fannie Mae and Freddie Mac, two other GSEs, the regulation of these enterprises assumes heightened interest. Despite the problems associated with residential real estate loans, agricultural mortgages and agricultural loans remain strong. Recently Standard and Poor's applied the best possible credit rating on the consolidated debt obligations issued by the Farm Credit System. We can all be grateful that at this point the agricultural sector seems to be thriving despite the turmoil in the rest of the U.S. financial sector.

The availability of stable, sufficient, and long-term affordable credit remains an important issue to the members of this Committee and to American agriculture. This Committee has the responsibility to consider the qualifications of individuals nominated to oversee the financial status of the Farm Credit System and Farmer Mac. And we do not take this responsibility lightly.

I have several letters of support from various agricultural organizations in support of Mr. Keenum's nomination which I will submit now for the record. And as Chairman, I welcome Mr. Keenum to the Committee.

At this point I would yield to the distinguished Senator from Mississippi—former Chairman of this Committee, I might add for purposes of a statement and introduction.

STATEMENT OF HON. THAD COCHRAN, U.S. SENATOR FROM THE STATE OF MISSISSIPPI

Senator COCHRAN. Thank you very much, Mr. Chairman, and thank you for convening this hearing as you have this morning to review the nomination of Dr. Mark Keenum. He has been nominated by the President to serve as a member of the Farm Credit Administration Board. He is Under Secretary of Agriculture at the present time, and we have known him for a long time. He first came to Washington from Mississippi State University to serve as a legislative assistant for me, with special responsibilities for agriculture issues and related legislative responsibilities. He immediately establish himself as someone who was competent, dependable, well liked by others, members of the staff of other Senators and Senator themselves.

He at some point became more involved in my office in terms of administration and standing in for me when I could not be at events. And he became my chief of staff, and he served with great distinction in that capacity.

The President nominated him and he was confirmed as Under Secretary of Agriculture in 2006. He began his service in December of that year. His responsibilities include the Risk Management Agency, administration of the Foreign Agricultural Service. He has shown great ability in all of these jobs to work with people and to do the right thing, to be honest and trustworthy. I do not know of anybody who dislikes him, and everybody respects him.

So I think we will be very fortunate to have him in this position, and I wholeheartedly recommend him to the Committee and congratulate him on this nomination.

Chairman HARKIN. Thank you, Senator Cochran.

And now we will hear from the distinguished Ranking Member, Senator Chambliss.

Senator CHAMBLISS. Thank you, Mr. Chairman, and likewise, thank you for holding this hearing or Dr. Keenum's nomination to be a member of the Board of Directors for the Farm Credit Administration.

As the independent regulator of the Farm Credit System, the Farm Credit Administration plays an important role in ensuring the delivery of safe, sound, and dependable credit and related services to farmers and ranchers in rural America. The credit crisis that is affecting many financial institutions and national and inter-

national markets may challenge the Farm Credit Administration. I believe the agency is up to any challenge the markets may throw its way today or in the future.

Dr. Keenum, I appreciate very much that you are willing to step into this potentially challenging situation and continue your service to America's farmers and ranchers. If you are confirmed to the Board of the Farm Credit Administration—and I hope you will be soon—I encourage you to continue to focus the agency and the Farm Credit System on fulfilling its mission in a safe and sound manner. You have lived your life in agriculture, and that has served you well in your positions on the farm, the Land Grant University System, the U.S. Senate and at the U.S. Department of Agriculture.

As you will recall, this Committee reviewed your nomination to be Under Secretary of Agriculture for Farm and Foreign Agricultural Services in December 2006. The Senate made the right decision in confirming your nomination. As Under Secretary, you have served the President well. I also appreciate your understanding of and work with this Committee.

And let me just say from a very personal perspective, I have known Mark Keenum since before I came to the U.S. House of Representatives. He was on Senator Cochran's staff, and I can remember him coming to Georgia with Senator Coverdell and Senator Cochran. And having a chance to visit with Mark back then, I had the utmost respect for him. His knowledge of agriculture is unsurpassed by anybody. But most significantly—and this is a little bit parochial—his understanding of Southern agriculture is very unique and truly is unsurpassed by anybody else. They do not grow a lot of peanuts over in Mississippi, but he was always understanding, knowledgeable, and a great friend to the peanut industry. Otherwise, we share an awful lot of crops in common, and having somebody that you could go to on the Senate side when I was in the House and now at USDA from a parochial perspective, as the Chairman knows and Senator Cochran knows, is just so valuable.

Mark, you made a commitment to public service, and I admire you for it. I know your family well, and I just commend you and your family for the sacrifice that you have made in serving the United States of America and in serving agriculture. And I could not be happier about commending for the nomination to the Farm Credit Board. You are going to do a great job there, just like you have done serving Senator Cochran and just like you have done serving this Committee and just like you have done serving USDA.

So thank you for your commitment, thank you for your service, and I look forward to hearing from you this morning.

Mr. KEENUM. Thank you.

Chairman HARKIN. Mr. Keenum, we require all nominees to testify under oath. Would you please stand and raise your right hand? Do you swear or affirm that the testimony you are about to provide is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KEENUM. I do.

Chairman HARKIN. Thank you very much.

Now I have one other question that I have to ask. Do you agree that, if confirmed, you will appear before any duly constituted Committee of Congress if asked to appear?

Mr. KEENUM. Yes, Mr. Chairman.

Chairman HARKIN. Thank you very much, Mr. Keenum, and, again, welcome to you. And I am told that your wife, Rhonda, is here with you also.

Mr. KEENUM. Yes, sir, she is.

Chairman HARKIN. We welcome her also to the Committee, and my notes tell me you have four children, but they are not here.

Mr. KEENUM. We left them at home to go to school today. We are blessed. We have 4–year-old triplets: Kathryn, Everett, Mary Phillips. And we have a 2–year-old daughter, Victoria.

Chairman HARKIN. Wow.

Mr. KEENUM. So we are very blessed.

Chairman HARKIN. That is a blessing. My goodness. Well, again, welcome to the Committee. We have your statement. It will be made a part of the record in its entirety and please proceed as you so desire.

STATEMENT OF MARK EVERETT KEENUM, OF MISSISSIPPI, TO BE MEMBER, FARM CREDIT ADMINISTRATION BOARD, FARM CREDIT ADMINISTRATION

Mr. KEENUM. Well, thank you, Mr. Chairman, Senator Chambliss, Senator Cochran, distinguished members of the Committee. I am both honored and humbled to appear before you today for consideration for the position of Board Member for the Farm Credit Administration. I especially want to thank Senator Thad Cochran for his gracious introduction.

As mentioned, I had the privilege of serving Senator Cochran on his staff for over 17 years. In fact, I spent many hours in this very room participating in staff deliberations, Committee hearings, and mark-ups addressing numerous issues important to American agriculture.

For over a decade, I had the honor of serving as chief of staff to Senator Thad Cochran, and I am proud to call him my mentor and my friend.

I am currently serving, as mentioned, as the Under Secretary for Farm and Foreign Agricultural Services of the Department of Agriculture—a role in which I oversee three agencies: the Farm Service Agency, the Risk Management Agency, and the Foreign Agricultural Service. This mission area has a total operating budget of approximately $1.7 billion and employs over 16,000 people with more than 2,300 offices nationwide and 98 locations around the globe. The Farm and Foreign Agricultural Services helps to ensure the well-being of American agriculture and the American public through efficient and equitable administration of agricultural commodity, conservation, risk management, emergency assistance, food assistance, and farm credit programs.

Mr. Chairman, I was born in Starkville, Mississippi, while my father was a student studying agriculture at Mississippi State University. Early in his professional life, my father went to work for the U.S. Department of Agriculture. He has since retired, after over 30 years with the Natural Resources Conservation Service.

But he remains committed to his small family farm in Humphreys County, Mississippi, where my mother serves as the county's head librarian. My paternal grandfather also worked for USDA with the Soil and Water Conservation Service, and he, too, owned a small farm in the Mississippi Delta.

So I have grown up in and around agriculture all my life. My experiences span from working as a farm laborer, a crop scout, an agricultural extension specialist, an agricultural research associate, an agricultural economics professor, and a Senate staff member, to serving as an Under Secretary of Agriculture.

During my career, I have learned a great deal about the complex nature of agricultural production that farmers face today. U.S. farmers and ranchers are the most efficient and resilient producers in the world. Our Nation's Farm Credit System has a mandate to be a dependable lender to agriculture and rural America. It has a key role to play in ensuring that U.S. farmers are able to meet the challenges of producing a bountiful supply of safe and affordable food and fiber products.

Mr. Chairman, net farm income in 2008 is projected to be up $9 billion from last year to an all-time record $96 billion. Net cash farm income is projected to reach a record $101 billion in 2008, and that is up $14 billion from 2007. Overall, the balance sheet of the U.S. agriculture sector remains historically strong with the value of assets increasing at a faster pace than farm debt. In fact, the debt-to-asset ratio is forecast to decline to a historic low of only 9 percent this year.

While today our farm economy is strong, I am mindful of ongoing concerns within the overall agricultural sector. Total production expenses are projected to increase by a record $40 billion, or a 16–percent increase, this year to $295 billion. And that is following an increase of over $20 billion in farm expenses last year, and that was a 9–percent increase from that previous year. So higher production expenses over the past 2 years have increased the cost structure of crop and livestock producers.

According to USDA analysts, for livestock producers prices must increase to offset the increases in feed costs. For most row crops, prices can retreat somewhat from the current levels, but must hold at historically high levels to offset the increase in production expenses. So going forward, agricultural producers face increasing risk of a squeeze in their cash-flows due to the volatility of commodity prices and the rising costs for land rent, land ownership, and production inputs. If commodity prices were to decline to anywhere near historic levels, debt repayment capacity would be seriously affected and the System's credit risks would increase.

Recent surveys indicate that farm land values have been increasing in most parts of the country at double-digit rates. The risk of a bust in farmland prices, a possibility if commodity prices were to decline sharply, is a continuing concern for agricultural lenders.

Mr. Chairman, I would be remiss if I did not acknowledge the current crisis in our Nation's financial markets and the urgency in which you—and all of our Nation's leaders—are working to address the current financial environment. You have my word that, if confirmed, I will do everything in my power to work with you to en-

sure the efficacy and transparency of the Farm Credit Administration.

Mr. Chairman and distinguished members, I have spent the greater part of my career working within the Senate family and, therefore, I have a keen appreciation for the unique nature of the legislative process. During my tenure, I have especially recognized the importance and the benefits of pursuing solutions in a bipartisan manner. With the turmoil our Nation is currently facing in the financial markets coupled with the historic uncertainties of the agricultural economy, it is more imperative today than ever to ensure that the Farm Credit Administration continues its diligence of a strong surveillance system in its regulatory and examination activities to monitor and address these challenges, while ensuring the overall safety and soundness of the Farm Credit System. If confirmed, I can pledge to this Committee that I will fully dedicate myself to the broad mission of this important office and that I will commit to be accessible to all members and staff.

Again, Mr. Chairman, Senator Chambliss, Senator Cochran, and distinguished members of the Committee, I want to thank you for allowing me to appear before you today, and I would welcome any questions or comments.

Thank you.

[The prepared statement of Mr. Keenum can be found on page 13 in the appendix.]

Chairman HARKIN. Thank you very much, Dr. Keenum. I join my colleagues in thanking for your long service, first to the Senate and then in the Department of Agriculture. We have all had the pleasure of working with you many times over the past. We are not strangers at all.

Mr. KEENUM. No, sir.

Chairman HARKIN. And, again, I just want to thank you very much on a bipartisan note for all of your great work here, both here and at the Department. Thank you for your work down there, too.

I really only have one question, Mark, and it has to do with the future. Over the next two decades, it is estimated that 400 million acres of agricultural land will be transferred to new owners. The future health of agriculture depends on policies to encourage a new generation of farmers and ranchers to work in agriculture. With rising costs of land, which you pointed out in your testimony, equipment, and energy inputs, young and beginning farmers need access to adequate credit.

So my question is: How do you foresee the Farm Credit Administration—how can they facilitate lending to serve the future needs of the next generation, the young farmers, the beginning farmers and ranchers who need access to that credit to get established?

Mr. KEENUM. I think you are exactly right, Mr. Chairman. The future of agriculture as we know it today is going to through and will go through some very significant transitions. I think when you look at the average age of the American farmer today, it is in the upper 50's, and as I mentioned, our farmers are the most resilient, efficient producers in the world. But they are getting older, and there has to be a transition to a new generation of farmers. Who is going to take up the plow and go out and work the fields to pro-

vide this bountiful supply of food and fiber that we so readily take for granted?

I think it is important, it is incumbent upon all lenders to look to the future and, where we can, help this next generation be able to be competitive. With high land prices and high rents, it is somewhat daunting for someone, some young person today to be able to get into farming because of the overwhelming expenses that they will have to incur just in equipment and all these challenges.

And I was pleased, I was very pleased that in the farm bill there were more incentives provided for USDA, for us to provide incentives for beginning farmers, socially disadvantaged farmers as well. And I know that in looking at materials that I have reviewed preparing for this hearing, the Farm Credit Administration, also has incentives and directives to all systems, all the Farm Credit System lenders to focus on loans for beginning farmers. And I think that if we are going to have a future in agriculture, we have got to do that.

So I would commit to do everything in my power to make sure that we have mechanisms, that we have programs to promote readily available credit for our young and beginning farmers.

Chairman HARKIN. Of course, since I was a kid, it has always been a problem for young people to get involved in agriculture.

Mr. KEENUM. It is.

Chairman HARKIN. But all the time in the past that I was growing up in rural Iowa, for a young person to get into farming, there were certain stairsteps they could take. You could rent a little bit of land. You could get into hogs, and that was always sort of our entree point because it provided for a good cash-flow, maybe some other livestock, calves maybe in the grassier parts of our State. But there were those opportunities that allowed a young person to get started, then be able to buy a little bit of land and buildup equity.

That is no longer possible. The hogs are now concentrated in big feed lots, and this is no longer very efficient for young farmers to do that. So it is becoming—it is harder now, at least I perceive that. And you are the economist, not me. It is just harder for a young person unless they have a family that owns land.

Mr. KEENUM. Right.

Chairman HARKIN. They get into it to begin farming.

There is, however, in some parts of the country, and beginning more in mine, some niche things that younger farmers are doing that maybe are taking the place of what we used to do with hogs before, enable them to buildup some equity, and that is in the area of organics. We are finding more and more in Iowa some smaller farmers that are doing some organics, and they are getting, obviously, you know, a high price for it.

Mr. KEENUM. A premium.

Chairman HARKIN. A premium price for it, and that is allowing them then to get into more kinds of agriculture as we know it, row crop agriculture, things like that. And they are setting aside a little bit, doing a little bit of that. They are doing some organic chickens and some pork. Actually, some small producers there are doing that and other things. And I perceive that is happening in some other areas of the country, too. And I am just wondering if the Farm Credit Administration has a role to play in that area.

Mr. KEENUM. I would absolutely hope so. And I think, as I mentioned, that providing opportunities to credit is key. If you do not have the resources to be able to invest in either the land or the equipment, you are not going to be able to begin a farming operation. So there may be somewhat of a function of risk that the Farm Credit System may have to take with certain borrowers.

And there are provisions that you could look at for maybe having even lower interest rates for individual farmers who are beginning or who are a certain age or who fit into certain categories to try to help provide some assets so they can begin their operation. I think you are right. Niche farming, organic farming, is becoming more and more popular. The demand is there.

Chairman HARKIN. The demand is there, yes.

Mr. KEENUM. And it is going to continue to be over the next, as you mentioned, couple of decades. I think American consumers are going to be demanding even more of these type products. And so there are opportunities, I think, for beginning farmers.

It is a challenge. Again, I will do everything in my power to see what opportunities, to ask these kind of questions of the staff and colleagues on the Board. What can we do? What can we do working with the Department of Agriculture through their guaranteed loan programs, both farm ownership, guaranteed loan programs, and operating loans that we provide at USDA. What opportunities are there in teaming up with the Department of Agriculture through our Farm Credit System.

Chairman HARKIN. Very good. Thank you very much, Dr. Keenum.

Senator Chambliss.

Senator CHAMBLISS. Thank you, Mr. Chairman.

Let me apologize to Rhonda back there. Rhonda, you were sitting right behind him, and I could not see you earlier. But, needless to say, we are pleased to see you here this morning.

She has got this big smile. I do not know whether it has anything to do with not having those young four with her or not this morning. But she is a great partner for Mark in his public service.

Mr. KEENUM. She is that.

Senator CHAMBLISS. Mark, I just have one thought with respect to where we are today. Obviously, this financial crisis we are in has not necessarily touched or involved the Farm Credit Service at this point in time, but really it has in respect to the fact that all of the financial markets are going to be under close scrutiny.

Mr. KEENUM. Absolutely.

Senator CHAMBLISS. We have been through some difficulties with the Farm Credit Administration in years past. I hope the fact that we are not seeing subprime loans in the farming industry that we learned our lesson. And I think perhaps we did.

But as we move ahead, there is a critical portion of the current crisis or critical aspect of the current crisis that I think is being questioned. It is something that I have a lot of questions about, and that is regulation. We conservatives seek to want to lessen regulation as much as we can and let the market work and be flexible and whatnot. But there are times, particularly in the financial market, when we need to have strong regulation.

There are times, also, when regulators can be too close to the folks that they are regulating, and there have been some accusations that the Farm Credit Administration is too close to the Farm Credit Service or to Farmer Mac. And I would just like your thoughts on regulation as we move forward and your idea about how much oversight there needs to be with respect to the retail side of the Farm Credit Administration.

Mr. KEENUM. Well, obviously, the key role of the Farm Credit Administration is to provide that regulatory oversight, that surveillance and monitoring. I think over three-quarters of all their resources go just to that activity alone of surveillance and monitoring and regulatory oversight.

Right now the Farm Credit System is very healthy. Their loan portfolios are very large. Farmers are making money. They are paying their loans. And as a result, the Farm Credit System is making a record level of profits for the system to the tune of $1.5 billion just through the first half of this year alone. It is a record pace.

So things are going well right now, but you never know when commodity prices may come back down, land values may come back down. Are we too far extended in some loans that are out there that may go under? The Farm Credit System is tied to the overall health and well-being of this economy. Eighty percent of all the farm families in this country rely on off-farm income for their family income. And so if someone in a family loses a job because of the downturn in our national economy, that can severely affect their ability to honor and pay off their farm bills.

So it is all interconnected. I think it is more important probably now than ever, as I mentioned, for the Farm Credit Administration to be as diligent and resilient in its responsibilities and duties and making sure that we maintain a healthy farm credit lending system, that we do not see situations occur in farm credit that we have seen in other parts of our economy.

That is the role of this agency, to provide that regulatory oversight. I will commit that, if I am confirmed, I will do everything in my power to make sure that we maintain a very healthy Farm Credit System. I will ask the tough questions of our senior staff, of the examiners: Are they doing the job to make sure that capital requirements as stipulated in the statute are being made, that our farm lending institutions are not getting too heavily invested in certain areas of the economy, that there is more diversity in what they are doing in their business practices?

It is important that we do this to preserve and protect the integrity of this Farm Credit System. And as I mentioned, I will base all decisions that ever come before me as a Board member on the facts, the facts as we can best ascertain, and understand what the consequences and the implications are based on those decisions.

That is what I learned early on working here in this body, serving as a staff member, and that process has served me well throughout my career.

That is a very good question, and that is how I think we would approach it.

Senator CHAMBLISS. Just in closing, nobody can put their finger on the silver bullet that caused the current situation that we are

in on the other side of the financial markets, but it is pretty obvious that subprime loans are a major contributing factor. One thing we have seen in agriculture is the rising price of land all across America. In my part of the world, land that used to cost $1,000 an acre now is selling for as high as $4,000 or $5,000 an acre. And we have got to be very careful that we do not get caught in that same trap of making loans based upon the highest market value that has ever been seen in agriculture in parts of the country.

Mr. KEENUM. Right.

Senator CHAMBLISS. So I would just encourage you—our job from an oversight standpoint is obviously to look over your shoulder, and we have confidence in you and other members of that Board. But I would just caution you to make sure that we do not allow ourselves to get in that same trap that the subprime folks obviously have gotten this market into.

Again, to you and Rhonda, thanks very much for your commitment. Thanks for your service. And we look forward to your service in this capacity.

Mr. KEENUM. Thank you, Senator.

Senator CHAMBLISS. Thank you, Mr. Chairman.

Chairman HARKIN. Do you want to say anything, Senator Cochran.

Senator COCHRAN. Mr. Chairman, I do not have any questions. I just want to congratulate Mark again on his selection to serve on this Board and wish him well as he undertakes his new responsibilities.

Thank you.

Mr. KEENUM. Thank you, Senator.

Chairman HARKIN. Thank you very much.

Any written questions for the record are due by 4 p.m. this afternoon so the nominee is able to provide answers quickly.

And, with that, again, Mark, thanks for being here, and we will move this as rapidly as possible, as soon as we get a quorum. Now, we are having another hearing here at 10 o'clock with the Homeland Security and Governmental Affairs Committee, so it is a joint hearing between the two Committees. Hopefully we will get a quorum then. If we do not get a quorum, it would be my thought, in consultation with Senator Chambliss, that maybe we can pull the Committee together on a vote on the floor, or we can go in the President's Room and report the nominee out, or something like that, hopefully get it today if there are votes today. I assume we will do something today on the floor. Would that be OK?

Senator CHAMBLISS. Sure.

Chairman HARKIN. All right. Thank you very much. With that, the hearing will be adjourned, and then we will be back in business here in a couple of minutes.

Mr. KEENUM. Thank you, Mr. Chairman.

Chairman HARKIN. Thank you, Mr. Keenum.

[Whereupon, at 10:05 a.m., the Committee was adjourned.]

APPENDIX

SEPTEMBER 24, 2008

Senator Charles E. Grassley
Statement

Mark Keenum, Undersecretary of Farm and Foreign Ag Services
Nomination to Farm Credit Administration Board

Wednesday, September 24, 2008, 9:30am

First off, let me say congratulations on your nomination to the Farm Credit Administration Board. As you know, this nomination carries with it a great amount of responsibility, and like your current role as Under Secretary of Farm and Foreign Ag Services, has a large impact on daily lives of farmers.

The Farm Credit system will face some unique challenges in the coming months and years as lending and credit tightens across the country. I am pleased that our rural and agricultural economies remain strong. However, I am cautious that the mortgage crisis and other failures on Wall Street will impact our agricultural and rural lending. We will need strong leadership in the Farm Credit Administration to deal with these changing times and needs of our farmers.

Again, congratulations on your nomination and I look forward to continuing to work with you.

Prepared Statement of Dr. Mark Keenum
Nominee for Board Member of the Farm Credit Administration
Before the United States Senate Committee on
Agriculture, Nutrition, and Forestry
September 24, 2008

Mr. Chairman, Senator Chambliss, and distinguished members of the Committee, I am both honored and humbled to appear before you today for consideration for the position of Board Member for the Farm Credit Administration. I especially want to thank Senator Thad Cochran for his gracious introduction.

I had the privilege of serving on Senator Cochran's staff for over 17 years. In fact, I have spent many hours in this very room participating in staff deliberations, Committee hearings and mark-ups addressing numerous issues important to American agriculture. For over a decade, I served as his Chief of Staff; I am proud to call him Mentor and Friend.

I am currently the Under Secretary for Farm and Foreign Agricultural Services of the U.S. Department of Agriculture -- a role in which I oversee three agencies: Farm Service Agency, Risk Management Agency, and the Foreign Agricultural Service. This mission area has a total operating budget of approximately $1.7 billion and employs over 16,000 people with more than 2,300 offices nationwide and 98 locations around the globe. The Farm and Foreign Agricultural Services helps to ensure the well-being of American agriculture and the American public through efficient and equitable administration of agricultural commodity, conservation, risk management, emergency assistance, food assistance, and farm credit programs.

I would also like to recognize my best friend and partner in life for the past 24 years, my beloved wife Rhonda, who is the mother of our four children; four year old triplets – Kathryn, Everett, Mary Phillips, and 2 year old Victoria.

I was born in Starkville, Mississippi, while my father was a student studying agriculture at Mississippi State University. Early in his professional life, my father went to work for the U.S. Department of Agriculture. He has since retired -- after over 30 years with the Natural Resources Conservation Service -- but remains committed to his small family farm in Humphreys County, Mississippi, where my Mother serves as the County's Head Librarian. My paternal grandfather also worked for USDA with the former Soil and Water Conservation Service. He too owned a small farm in the Mississippi Delta.

So – I have grown up in and around agriculture all my life. My experiences span from working as a farm laborer, crop scout, agricultural extension specialist, agricultural research associate, an agricultural economics professor, and Senate staff member to serving as an Under Secretary of Agriculture.

During my career, I have learned a great deal about the complex nature of agricultural production that farmers face today. U.S. farmers and ranchers are the most efficient and resilient producers in the world. Our nation's Farm Credit System has a mandate to be a dependable lender to agriculture and rural America. It has a key role to play in ensuring that U.S. farmers are able to meet the challenges of producing a bountiful supply of safe and affordable food and fiber products.

Net farm income in 2008 is projected to be up $9 billion from last year to a record $96 billion. Net cash farm income is projected to reach a record $101 billion in 2008, up nearly $14 billion from 2007. Overall, the balance sheet of the sector remains historically strong with the value of assets increasing at a faster pace than farm debt. The debt-to-asset ratio is forecast to decline to a historic low of 9 percent in 2008.

While today our farm economy is strong, I am mindful of ongoing concerns within the overall agricultural sector. Total production expenses are projected to increase by a record $40 billion, or 16 percent, in 2008 to $295 billion, following an increase of over $20 billion in 2007, a 9 percent increase. Higher production expenses over the past two years have increased the cost structure of crop and livestock producers. According to USDA analysts, for livestock producers, prices must increase to offset the increase in feed costs. For most row crops, prices can retreat somewhat from current levels, but must hold at historically high levels to offset the increase in production expenses. Going forward, agricultural producers face increasing risk of a squeeze in their cash flows due to the volatility of commodity prices and the rising costs for land rent, land ownership, and production inputs. If commodity prices were to decline to anywhere near historic levels, debt repayment capacity would be seriously affected and the System's credit risks would increase. Recent surveys indicate that farm land values have been increasing in most parts of the country at double digit annual rates. The risk of a bust in farmland prices, a possibility if commodity prices were to decline sharply, is a continuing concern for agricultural lenders.

I would be remiss if I did not acknowledge the current crisis in our nation's financial markets and the urgency in which you -- our nation's leaders -- are working to address the current financial environment. You have my word, that if confirmed, I will do everything in my power to work with you to ensure the efficacy and transparency of the Farm Credit Administration.

Mr. Chairman and distinguished members, I have spent the greater part of my career working within the Senate family and therefore I have a keen appreciation for the unique nature of the legislative process. During my tenure, I have especially recognized the importance and the benefits of pursuing solutions in a bipartisan manner. With the turmoil our Nation is currently facing in the financial markets coupled with the historic uncertainties of the agricultural economy, it is more imperative today than ever to ensure that the Farm Credit Administration continues its diligence of a strong surveillance system in its regulatory and examination activities to monitor and address these challenges. If confirmed, I can pledge to this Committee that I will fully dedicate myself

to the broad mission of this important office, and that I will commit to be accessible to all Members and staff.

Again, Mr. Chairman, Senator Chambliss, and distinguished members of the Committee, I want to thank you for allowing me to appear before you today and I welcome any questions or comments. Thank you.

# # #

BIOGRAPHICAL INFORMATION (PUBLIC)

1. Full name (include any former names used).

Mark Everett Keenum

2. Date and place of birth.

January 28, 1961
Starkville, Mississippi

3. Marital Status (include maiden name of wife or husband's name). List spouse's occupation, employer's name and business address(es).

Married: Rhonda Newman Keenum
Principal, The WIT Group
917 Prince Street
Alexandria, VA 22314

4. Education: List each college and graduate or professional school you have attended, including dates of attendance, degrees received, and dates degrees were granted.

August 1984 to May 1988 - Mississippi State University, Mississippi State, MS
Doctor of Philosophy Degree
Major: Agricultural Economics Minor: Economics

June 1983 to May 1984 - Mississippi State University, Mississippi State, MS
Master of Agriculture Degree
Major: Agricultural Economics Minor: Finance

August 1981 to May 1983 - Mississippi State University, Mississippi State, MS
Bachelor of Science Degree
Major: Agricultural Economics

August 1979 to May 1981 - Northeast Mississippi Community College, Booneville, MS
Associate of Arts Degree
Major: Business Administration

5. Employment Record: List (by year) all business or professional corporations, companies, firms, or other enterprises, partnerships, institutions and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner, proprietor, or employee since graduation from college; include a title and brief job description.

U.S. Department of Agriculture, Washington DC
December 2006 to Present: Under Secretary for Farm and Foreign Agricultural Services
Grade: EX – Level III

Office of U.S. Senator Thad Cochran (R-MS), Washington, DC
December 1996 to December 2006: Chief of Staff
April 1989 to December 1996: Legislative Assistant for Agriculture and Natural Resources

Department of Agricultural Economics, Mississippi State University, Mississippi State, MS
August 1997 to December 2006: Adjunct Professor of Agricultural Economics (non-paid position)

Department of Agricultural Economics, Mississippi Agricultural and Forestry Experiment Station, Mississippi State University, Mississippi State, MS
June 1988 to April 1989: Assistant Professor/Economist
July 1986 to May 1988: Research Associate

Extension Marketing Department, Mississippi Cooperative Extension Service, Mississippi State University, Mississippi State, MS
June 1984 to June 1986: Extension Marketing Specialist

Department of Agricultural Economics, Mississippi Agricultural and For stry Experiment Station, Mississippi State University, Mississippi State, MS
June 1983 to May 1984: Graduate Research Assistant

6.Military Service: Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number and type of discharge received.

No Military Service

7.Government Service: State (chronologically) your government service or public offices you have held, including the terms of service grade levels and whether such positions were elected or appointed.

I have held no elected public office and all government service is included in the positions outlined in question #5.

8.Honors and Awards: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you received and believe would be of interest to the Committee.

Hunger's Hope Award for Distinguished Public Service, America's Second Harvest, 2008
Lifetime Membership Award, Stennis-Montgomery Association, MSU, 2006
Distinguished Service Award, Mississippi Farm Bureau Federation, 2003
Appreciation Award for Dedicated Service, Catfish Farmers of America, 2002
Alumnus of the Year, College of Agriculture and Life Sciences, MSU, 2001
Mark E. Keenum Endowed Scholarship, College of Agriculture and Life Sciences, MSU, 2000
Delta Council Achievement Award for Aquaculture, Mississippi Delta Council, 2000

College of Agriculture and Life Sciences Alumni Fellow, MSU Alumni Association, 1997
Outstanding Alumnus Award, Mississippi Agricultural Economics Association, 1997
Farm Policy Commendation Award, Mississippi Delta Council, 1996
Delta Council Appreciation Award, Mississippi Delta Council, 1993
Outstanding Public Service Award, College of Agriculture and Life Sciences, MSU, 1992
Gamma Sigma Delta, Mississippi State University, 1988
Kiwanian of the Year Award, Starkville, MS Kiwanis Breakfast Club, 1986

9. Other Memberships: List all organizations to which you belong, excluding religious organizations.

American Agricultural Economics Association
Southern Agricultural Economics Association
Mississippi Agricultural Economics Association
Mississippi Farm Bureau
Northeast Mississippi Community College Alumni Association
Mississippi State University Alumni Association
Mississippi State University, The Bulldog Club
Mississippi State University Foundation, Patron of Excellence
Belle Haven Country Club, Alexandria, Virginia
National Skeet Shooting Association

10. Political Affiliation: The statute creating the Farm Credit Administration requires that no more than two public members of the Board be from the same political party. List your current political party registration or affiliation.

Republican

11. Published Writings: List the titles, publishers, and dates of books, articles, reports, or other published materials (including published speeches) you have written. Please include on this list published materials on which you are listed as the principal editor. It would be helpful to the Committee if you could provide one copy

copy of all published material that may not be readily available. Also, to the maximum extent practicable, please supply a copy of all unpublished speeches you made during the past five years on issues involving agriculture, nutrition, forestry or commodity futures policy or related matters.

Keenum, Mark E. *Benefits to the United States Sustainable Economic Progress in Developing Countries*, chapter included in the "Agriculture, the Fuel for Sustainable Economic Development: Proceedings of the 2008 Capitol Hill Forum and Riley Memorial Lecture," U.S. Department of Agriculture, Agricultural Research Service Publication, February 2008 (pending publication).

Keenum, Mark E. "Innovative Program Addresses Hunger." Northeast Mississippi Daily Journal, Op-Ed, p. 5A, March 30, 2008.

Garrard, Anthony B., Jerry M. Burney, Mark E. Keenum, and John E. Waldrop, Effect of Pond Size on Cost of Producing Farm-Raised Catfish in the Delta Area of Mississippi. Department of Agricultural Economics, Mississippi Agricultural and Forestry Experiment Station, Mississippi State University, Information Bulletin No. 172, May, 1990.

Fuller, Marty J., Mark E. Keenum, and Rebecca A. Kelly, Consumer Acceptance of Hybrid Striped Bass in a Mississippi Gulf Coast Restaurant. Mississippi Agricultural and Forestry Experiment Station, Mississippi State University, AEC Research Report No. 187, February, 1990.

Fuller, Marty J. and Mark E. Keenum. *Consumer Evaluation of Hybrid Striped Bass vs. Other Finfish in a Gulf Coast Restaurant.* Symposium on Seafood Advertising and Promotion, Orlando, Florida, October, 1989.

Keenum, Mark E., Marty J. Fuller and John E. Waldrop. *An Economic Analysis of Farm-Raised Catfish Production with Emphasis on Cost and Cash Flows.* Paper presented at the World Aquaculture Society Meeting, Los Angeles, California, February, 1989.

Keenum, Mark E. and Marty J. Fuller. *Economics of Size Associated with the Production and Processing of Farm-Raised Catfish in Mississippi.* Paper presented at the Annual Meeting of Mid-South Academy of Economics and Finance, Nashville, Tennessee, February, 1989.

Keenum, Mark E. and John E. Waldrop, Cash Flow Analysis of Farm-Raised Catfish Production in Mississippi. Mississippi Agricultural and Forestry Experiment Station, Mississippi State University, AEC Technical Publication No. 73, August, 1988.

Keenum, Mark E. and James G. Dillard, Geographical Distribution of Mississippi's Processed Farm-Raised Catfish -- Second Confidential Report to the Catfish Institute. Mississippi Agricultural and Forestry Experiment Station, Mississippi State University, AEC Special Report No. 12, July 1988.

Keenum, Mark E. and John E. Waldrop, Economic Analysis of Farm-Raised Catfish Production in Mississippi. Mississippi Agricultural and Forestry Experiment Station, Mississippi State University, Technical Bulletin No. 155, July, 1988.

Garrad, Anthony B., Marty J. Fuller, and Mark E. Keenum, Economic Analysis of Small-Scale Processing for Mississippi Farm-Raised Catfish. Mississippi Agricultural and Forestry Experiment Station, Mississippi State University, AEC Research Report No. 181, June, 1988.

Fuller, Marty J., Mark E. Keenum, Warren W. Carter III, and John E. Waldrop, A Cost Analysis of Fingerling Size and Stocking Date in the Production of Channel Catfish for Food. Mississippi Agricultural Experiment Station, Mississippi State University, AEC Research Report No. 178, March, 1988.

Keenum, Mark E., "Forest Product Market Bulletin." Mississippi Cooperative Extension Service, Mississippi State University, Extension Marketing Department Monthly Publication, 1986.

Dillard, James G. and Mark E. Keenum, Geographical Distribution of Mississippi's Processed Farm-Raised Catfish--Confidential Report to The Catfish Institute. Mississippi Agricultural and Forestry Experiment Station, Mississippi State University, AEC Special Report No. 11, December, 1986.

Keenum, Mark E. *Effects of Changes in Farm Price of Catfish on Consumer Price in the Marketplace.* Proceedings of Catfish Processors' Workshop, Greenwood, Mississippi, 1985.

Keenum, Mark E., Mississippi Pond-Raised Crawfish. Mississippi Cooperative Extension Service, Mississippi State University, Information Publication No. 1280, 1985.

Keenum, Mark E., Mississippi Farm-Raised Catfish. Mississippi Cooperative Extension Service, Mississippi State University, Information Publication No. 1279, 1985.

Keenum, Mark E. *Cost of Hauling Farmed-Raised Catfish from Farm to Processing Plant.* Proceedings of Catfish Processors' Workshop, Greenwood, Mississippi, 1984.

Keenum, Mark E. and James G. Dillard, Operational Characteristics and Costs of Custom Harvesting and Hauling Farm-Raised Catfish. Mississippi Agricultural and Forestry Experiment Station, Mississippi State University, AEC Research Report No. 153, October, 1984.

12. Health: What is the present state of your health?

Excellent

FINANCIAL DATA AND CONFLICT OF INTEREST (PUBLIC)

1. Have you severed all connections with your immediate past private sector employers, business firms, associations, and/or organizations?

   Yes

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, former employers, clients, or customers.

   I am a participant in the Public Employees Retirement System of Mississippi with 5.25 years of service at Mississippi State University. I will be eligible for state retirement benefits at age 62. Based on current calculations, my retirement benefits at age 62 would be approximately $245 per month.

3. Do you, or does any partnership or closely held corporation in which you have an interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size and type of operation.)

   No

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans received or forfeited by crop and farm, etc. during the past five years.)

   No

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Rural Business-Cooperative Service, Rural Housing Service, the Rural Utilities Service or their predecessor agencies, the Farmers Home Administration, the Rural Development Administration, the Rural Housing and Cooperative Development Service or the Rural Electrification Administration? (If yes, give details of any such loan activity during the past 5 years.)

   No

6. Have you, or any partnership or closely held corporation in which you have an interest, ever received payments for crop losses from the Federal Crop Insurance program? (If yes, give details.)

No

7. If confirmed, do you have any plans, commitments, or agreements to pursue outside employment or engage in any business or vocation, with or without compensation, during your service with the government? (If so, explain.)

No

8. Do you have any plans to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations after completing government service? (If yes, give details.)

No

9. Has anyone made a commitment to employ you or retain your services in any capacity after you leave government service? (If yes, please specify.)

No

10. Identify all investments, obligations, liabilities, or other relationships which involve potential conflicts of interest in the position to which you have been nominated.

None that I am aware of

11. Have you ever received a government guaranteed student loan? If so, has it been repaid?

Yes, Yes

12. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

As required by 18 U.S.C. § 208(a), I will not participate personally or substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any other person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to section 208(b) (1), or qualify for a regulatory exemption, pursuant to section 208(b) (2). I understand that the interests of the following persons are imputed to me: my spouse, minor children, or any general partner; any organization in which I serve as officer, director, trustee, general partner, or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

July 8, 2008

The Honorable Tom Harkin
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, DC 20510-6000

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Mark E. Keenum who has been nominated by President Bush for the position of Member of the Board of the Farm Credit Administration.

We have reviewed the report and have also obtained advice from the Farm Credit Administration concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated May 30, 2008, from Dr. Keenum to the agency's ethics official, outlining the steps Dr. Keenum will take to avoid conflicts of interest. Unless a specific date has been agreed to, the nominee must fully comply within three months of his confirmation date with any action he agreed to take in his ethics agreement.

Based thereon, we believe that Dr. Keenum is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Robert I. Cusick
Director

Enclosures

May 30, 2008

Wendy R. Laguarda
Designated Agency Ethics Official & Assistant General Counsel
Office of General Counsel
FARM CREDIT ADMINISTRATION
1501 Farm Credit Drive
McLean, VA 22102-5090
(703) 883-4234

Re: ***Ethics Agreement***

Dear Ms. Laguarda:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed to the three-member Board of the Farm Credit Administration.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: my spouse and minor child; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

My spouse is currently employed as a consultant with *Schmidt Public Affairs,* a public affairs and consulting firm located in Alexandria, Virginia, from which she receives a fixed salary. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my spouse's compensation or employment with the firm. I also will not participate personally and substantially in any particular matter involving specific parties in which the firm or any client of my spouse is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

My spouse also is currently a partner with *The Wit Group*, a public relations and consulting firm located in Alexandria, Virginia. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of the firm, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1). I also will not participate personally and substantially in any particular matter involving specific parties in which any client of my spouse is a party or represents a party, unless I have been authorized pursuant to 5 C.F.R. § 2635.502(d).

Finally, my spouse is currently an owner of *Keenum & Company*, a public relations and consulting firm located in Alexandria, Virginia. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of the company, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1). I also will not participate personally and substantially in any particular matter involving specific parties in which any client of my spouse is a party or represents a party, unless I have been authorized pursuant to 5 C.F.R. § 2635.502(d).

Sincerely,

Dr. Mark E. Keenum

SF-278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Form Approved:
OMB No. 3209-0001

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Date of Appointment, Candidacy, Election or Nomination *(Month, Day, Year)*	Reporting Status *(Check appropriate boxes)*	☐ Incumbent	Calendar Year Covered by Report	☒ New Entrant, Nominee, or Candidate ☐ Termination Filer — Termination Date *(If applicable) (Month, Day, Year)*
Reporting Individual's Name	Last Name: Keenum		First Name and Middle Initial: Mark E.	
Position for Which Filing	Title of Position: MEMBER of the Board		Department or Agency *(If Applicable)*: Farm Credit Administration	
Location of Present Office (or forwarding address)	Address *(Number, Street, City, State, and ZIP Code)*: 1400 Independence Ave S.W., Washington DC 20250		Telephone No. *(Include Area Code)*: (202) 720-3111	
Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held: Under Secretary, Farm and Foreign Agricultural Services, US Department of Agricuture 12/20/2006 to Present			
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination: Agriculture, Nutrition, and Forestry		Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☒ No	
Certification I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge.	Signature of Reporting Individual: [signature]		Date *(Month, Day, Year)*: 05/09/2008	
Other Review (If desired by agency)	Signature of Other Reviewer: [signature]		Date *(Month, Day, Year)*: 5/28/08	
Agency Ethics Official's Opinion On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments in the box below).	Signature of Designated Agency Ethics Official/Reviewing Official: Wendy R. LaGuardia - DAEO		Date *(Month, Day, Year)*: 5.28.08	
Office of Government Ethics Use Only	Signature: [signature]		Date *(Month, Day, Year)*: 7/8/08	

Comments of Reviewing Officials *(If additional space is required, use the reverse side of this sheet)*

(Check box if filing extension granted & indicate number of days _____) ☐

(Check box if comments are continued on the reverse side) ☐

Fee for Late Filing
Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period shall be subject to a $200 fee.

Reporting Periods
Incumbents: The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable.

Termination Filers: The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable.

Nominees, New Entrants and Candidates for President and Vice President:

Schedule A--The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing.

Schedule B--Not applicable.

Schedule C, Part I (Liabilities)--The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.

Schedule C, Part II (Agreements or Arrangements)-- Show any agreements or arrangements as of the date of filing.

Schedule D--The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

Agency Use Only

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5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Keenum, Mark E.

SCHEDULE A

Page Number: 2

Assets and Income — BLOCK A

For you, your spouse, and dependent children, report each asset held for investment or the production of income which had a fair market value exceeding $1,000 at the close of the reporting period, or which generated more than $200 in income during the reporting period, together with such income.

For yourself, also report the source and actual amount of earned income exceeding $200 (other than from the U.S. Government). For your spouse, report the source but not the amount of earned income of more than $1,000 (except report the actual acount of any honoraria over $200 of your spouse).

None ☐

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

	Assets and Income (Block A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
Examples	Central Airlines Common				x												x						x										
	Doe Jones & Smith, Hometown, State			x																												Law Partnership Income $100,000	
	Kempstone Equity Fund					x								x										x									
	IRA: Heartland 500 Index Fund							x						x											x								
1	Sirius Satelite Radio, Inc.		X																		X												
2 S	Ketchum Public Relations Profit Sharing--invested in MSI Small Company Growth A	X												X								X											
3	Begin Edelman Public Relations Profit Sharing																																
4 S	Vanguard Extended Market Index Fund	X												X								X											
5 S	Vanguard Small-Cap Index Fund	X												X									X										
6 S	Vanguard Growth Equity Fund	X												X									X										

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

Prior Editions Cannot be Used.

SF278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Keenum, Mark E.

SCHEDULE A continued
(Use only if needed)

Page Number: 3

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (Block A)	None	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Trust	Excepted Trust	Excepted Trust	Dividends	Rent and Royalties	Interest	Capital Gains	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (specify Sec. 8 Annual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	End Edelman Public Relations Profit Sharing																																	
2	Union Security Insurance Company variable universal life policy. Invested 100% in Global Growth Fund			X													X 5/20/08					X												
3	Public Employees Retirement System of Mississippi Defined Benefit Plan 6/1/08		Value not readily ascertainable.																														Will receive aprox. $245/mo. at age 62	
4	Begin Hilliard Lyons Simplified Employee Pension Plan (SEP)																																	
5 S	Hillard-Lyons Government Fund, Inc.			X											X								X											
6 S	Citizens Communications Company			X																		X												
7 S	American International Group, Inc. Junior Subordinate Debentures, Ser A5 7.7% 12/8/62			X																X			X											
8 S	Citi Group Capital XX Enhanced Trust Prefered Securities Cumulative 7.875%, 12/15/67			X																X			X											
9 S	Fifth Third Capital Trust VI GTD Trust Prefered Securities CUM 7.25% 11/15/67			X																X			X											

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

Prior Editions Cannot be Used.

5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Keenum, Mark E.

SCHEDULE A continued

(Use only if needed)

Page Number: 4

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

None ☐

#	Assets and Income	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day Yr.) Only if Honoraria
1	Hilliard-Lyons SEP (Cont.)																																
2 S	Xcel Energy Preferred Junior Subordinate Note 7.6% 1/01/68		X																		X												
3 S	Allianz Funds Multi Manager Series NFJ Large Cap Value Fund Class C		X											X							X												
4 S	EURO PAC Growth Fund Class C		X											X								X											
5 S	Fidelity Advisor Ser II High Income Advantage Fund Class C		X											X								X											
6 S	Goldman Sachs Funds Large Cap Value Fund, Class C		X											X								X											
7 S	Growth Fund of America, Inc. Class C		X											X								X											
8 S	Hartford Mutual Funds, Inc. Capital Appreciation Fund, Class C		X											X							X												
9 S	Oppenheimer Main Street Small Cap Fund, Class C		X											X								X											

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

Prior Editions Cannot be Used.

5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Keenum, Mark E.

SCHEDULE A continued

(Use only if needed)

Page Number: 5

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item.

#	Assets and Income (BLOCK A) None ☐	Valuation of Assets at close of reporting period (BLOCK B): None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Rent and Royalties	Interest	Capital Gains	Amount (BLOCK C): None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Hilliard-Lyons SEP (Cont.)																																
2 S	Templeton China World Fund Class C		X											X							X												
3 S	Thornburg Core Growth Fund Class C		X											X							X												
4 S	Thornburg International Value Fund Class C		X											X							X												
5 S	Van Kampen Small Cap Value Fund Class C		X											X								X											
6	End Hilliard Lyons Simplified Employee Pension Plan																																
7	Spouse's Employment: Schmidt Public Affairs, Alexandria, VA Consultant - Salary																																
8	Spouse's Employment: The WIT Group, Alexandria, VA Partner (Public Affairs Company)			x																												Partnership Distribution	
9	Spouse's Employment: Keenum & Company, Alexandria VA Owner (Public Affairs Company)			x																												Ownership Distribution	

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

Prior Editions Cannot be Used.

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Do not Complete Schedule B if you are a new entrant, nominee, Vice Presidential or Presidential Candidate

Reporting Individual's Name: Keenum, Mark E.

SCHEDULE B

Page Number: 6

Part I: Transactions

None ☐

Report any purchase, sale, or exchange by you, your spouse, or dependent children during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction solely between you, your spouse, or dependent child. Check the "Certificate of divestiture" block to indicate sales made pursuant to a certificate of divestiture from OGE.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Certificate of divestiture
Example:	Central Airlines Common	x			2/1/99			x									
1																	
2																	
3																	
4																	
5																	

* This category applies only if the underlying asset is solely that of the filer's spouse or dependent children. If the underlying asset is either held by the filer or jointly held by the filer with the spouse or dependent children, use the other higher categories of value, as appropriate.

Part II: Gifts, Reimbursements, and Travel Expenses

For you, your spouse and dependent children, report the source, a brief description, and the value of: (1) gifts (such as tangible items, transportation, lodging, food, or entertainment) received from one source totaling more than $260; and (2) travel-related cash reimbursements received from one source totaling more than $260. For conflicts analysis, it is helpful to indicate a basis for receipt, such as personal friend, agency approval under 5 U.S.C. § 4111 or other statutory authority, etc. For travel-related gifts and reimbursements, include travel itinerary, dates, and the nature of expenses provided. **Exclude** anything given to you by the U.S. Government; given to your agency in connection with official travel; received from relatives; received by your spouse or dependent child totally independent of their relationship to you; or provided as personal hospitality at the donor's residence. Also, for purposes of aggregating gifts to determine the total value from one source, exclude items worth $114 or less. See instructions for other exclusions.

None ☐

	Source (Name and Address)	Brief Description	Value
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/15/99 (personal activity unrelated to duty)	$500
	Frank Jones, San Francisco, CA	Leather briefcase (personal friend)	$300
1			
2			
3			
4			
5			

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Reporting Individual's Name: Keenum, Mark E.

SCHEDULE C

Page Number: 7

Part I: Liabilities

Report liabilities over $10,000 owed to any one creditor at **any time** during the reporting period by you, your spouse, or dependent children. Check the highest amount owed during the reporting period. **Exclude** a mortgage on your personal residence unless it is rented out; loans secured by automobiles, household furniture or appliances; and liabilities owed to certain relatives listed in instructions. See instructions for revolving charge accounts.

None ☐

	Creditors (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	$10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Examples:	First District Bank, Washington, DC	Mortgage on rental property, Delaware	1991	8%	25 yrs.			x								
	John Jones, 123 J St., Washington, DC	Promissory note	1999	10%	on demand					x						
1	U.S. Senate Credit Union	Line of Credit	2005	10%	on demand	x										
2	U.S. Senate Federal Credit Union	VISA Platinum	2005	9.5%	on demand		x									
3	Farmers' and Merchants' Bank	Promissory Note	2005	4.5%	1-year renewable		x									
4																
5																

* This category applies only if the liability is solely that of the filer's spouse or dependent children. If the liability is that of the filer or a joint liability of the filer with the spouse or dependent children, mark the other higher categories, as appropriate.

Part II: Agreements or Arrangements

Report your agreements or arrangements for: continuing participation in an employee benefit plan (e.g. 401k, deferred compensation); (2) continuation payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment. See instructions regarding the reporting of negotiations for any of these arrangements or benefits

None ☐

	Status and Terms of any Agreement or Arrangement	Parties	Date
Example:	Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on service performed through 1/00.	Doe Jones & Smith, Hometown, State	7/85
1.	Retirement account for State Employees due to teaching at Mississippi State Univ. Defined Benefit. Estimated to receive pension benefits for life, based on years served and retirement age. Amount reduced if survivor benefits elected.	Public Employees Retirement System of Mississippi, Jackson, MS	6/84
2			
3			
4			
5			
6			

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Reporting Individual's Name	SCHEDULE D	Page Number
Keenum, Mark E.		8

Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. **Exclude** positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

None ☐

	Organization (*Name and Address*)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/92	Present
	Doe Jones & Smith, Hometown, State	Law firm	Partner	7/85	1/00
1	Mississippi State University, Mississippi State, MS	Public University	Adjunct Professor	6/88	12/06
2	Jackson State University Jackson, MS	Public University	Member, Advisory Bd.	3/06	12/06
3					
4					
5					
6					

Part II: Compensation In Excess Of $5,000 Paid by One Source

Report sources of more than $5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

Do not complete this part if you are an Incumbent, Termination Filer, or Vice Presidential or Presidential Candidate

None ☒

	Source (*Name and Address*)	Brief Description of Duties
Examples:	Doe Jones & Smith, Hometown, State	Legal services
	Metro University (client of Doe Jones & Smith), Moneytown, State	Legal services in connection with university construction
1		
2		
3		
4		
5		
6		

Prior Editions Cannot Be Used.

July 15, 2008

The Honorable Tom Harkin
Chairman
Committee on Agriculture, Nutrition
and Forestry
United States Senate
Washington, DC 20510

The Honorable Saxby Chambliss
Ranking Member
Committee on Agriculture, Nutrition
and Forestry
United States Senate
Washington, DC 20510

Dear Senators Harkin and Chambliss:

The undersigned organizations are writing to express our support for the nomination of Dr. Mark Keenum to serve as a member of the Farm Credit Administration Board for the remainder of a six year term expiring May, 2014. We respectfully request a hearing be held at the earliest date and urge the Senate to act expeditiously to confirm his nomination.

Dr. Keenum has established a distinguished record of service, including serving as Agriculture Assistant and Chief of Staff in the office of Senator Thad Cochran (R-MS) and most recently as Under Secretary for Farm and Foreign Agricultural Service at the Department of Agriculture. Further, his education and broad experience in policy development, implementation and oversight significantly enhance his qualifications to serve on the FCA Board. During his distinguished service, Mark has gained a deep appreciation for the importance of working in a bipartisan manner with diverse interests to successfully achieve results for U.S. agriculture.

The Farm Credit Administration plays a vital role in overseeing and guiding the operations of the Farm Credit System instructions which provide important financing to farmers, ranchers, farmer-owned cooperatives and other eligible borrowers. A sound Farm Credit System and an effective oversight agency are critical to production agriculture and the rural economy.

Our organizations represent a significant number of those who work in the food and agriculture sector. We believe it is critically important to place a proven leader in this key position as expeditiously as possible. We believe Dr. Keenum is well-qualified for the position through his unique combination of education, experience and service and we urge his confirmation.

Sincerely,

Agricultural Retailers Association
American Association of Crop Insurers
American Beekeeping Federation
American Cotton Shippers Association
American Farm Bureau Federation
American Honey Producers Association
AMCOT, Inc.
American Sheep Industry Association

American Soybean Association
American Sugar Alliance
CropLife America
Dairy Farmers of America
Farm Credit Council
Florida, Texas and Hawaii Sugar Growers
National Association of Conservation Districts
National Association of Wheat Growers
National Barley Growers Association
National Cattlemen's Beef Association
National Corn Growers Association
National Cotton Council of America
National Council of Farmer Cooperatives
National Farmers Union
National Pork Producers Council
National Potato Council
National Sorghum Producers
National Sunflower Association
Northwest States Association for Agricultural Stewardship
Society of American Florists
Southern Peanut Farmers Federation
Sweetener Users Association
The Fertilizer Institute
United Egg Producers
United Fresh Produce Association
USA Dry Pea and Lentil Council
USA Rice Federation
U.S. Canola Association
U.S. Rice Producers Association
Western Peanut Growers Association

cc: Members of Agriculture Committee

1120 Connecticut Avenue, NW
Washington, DC 20036

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www.aba.com

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Floyd E. Stoner
Executive Vice President
Congressional Relations
& Public Policy
Phone: 202-663-5339
Fax: 202-828-5051
fstoner@aba.com

July 16, 2008

Senator Tom Harkin, Chairman
Committee on Agriculture, Nutrition & Forestry
328A Senate Russell Building
Washington, DC 20510

Senator Saxby Chambliss, Ranking Member
Committee on Agriculture, Nutrition & Forestry
328A Senate Russell Building
Washington, DC 20510

Dear Chairman Harkin & Ranking Member Chambliss:

I am pleased to express the support of the American Bankers Association for the nomination of Dr. Mark Keenum to the Board of the Farm Credit Administration (FCA). It is our hope that both your committee and the full Senate will move quickly to approve Dr. Keenum's nomination.

As you know, Dr. Keenum has a distinguished record of public service as the Chief of Staff for Senator Thad Cochran (R-MS) and also as UnderSecretary for Farm and Foreign Agricultural Services at the U.S. Department of Agriculture. Dr. Keenum's service in these positions has been characterized by a high level of expertise and professionalism. As a veteran of several Farm Bills, Dr. Keenum understands the importance of bringing together diverse interests and working across party lines.

The FCA, as the safety and soundness regulator for the Farm Credit System, performs a very important public mission. We believe that Dr. Keenum's background and strong sense of public service make him well suited to serve on the Board. We urge your support for his nomination.

Sincerely,

Floyd E. Stoner
Executive Vice President
Congressional Relations & Public Policy

AgGeorgia
Farm Credit

CORPORATE OFFICE
468 PERRY PARKWAY
P.O. BOX 1820
PERRY, GA 31069-1820
478-987-6300 FAX 478-987-6314

August 20, 2008

Senator Saxby Chambliss
United States Senate
416 Russell Senate Office Building
Washington, DC 20510

RECEIVED SEP 0 9 2008

Dear Senator Chambliss:

We are writing to express our support for the nomination of Dr. Mark Keenum to serve as a member of the Farm Credit Administration Board for the remainder of the six-year term expiring May 2014.

Dr. Keenum's record of service includes Agriculture Assistant and Chief of Staff to Senator Thad Cochran (R-MS) and most recently as Under Secretary for Farm and Foreign Agricultural Service at the Department of Agriculture.

Dr. Keenum has an excellent record of working with financial institutions on issues that have a direct impact on the rural economy of the United States. His leadership experience as Senator Cochran's chief of staff as well as his background in policy development, implementation, and supervision would be positive in the role as regulator for the Farm Credit System. Dr. Keenum has an in depth understanding of the complexity of the Farm Credit System which is the nation's largest supplier of credit to our nation's farmers, ranchers and agribusiness. As Under Secretary, Dr. Keenum has oversite of the USDA Farm Loan Program that provides guaranteed loans to the Farm Credit System Associations. It is imperative that regulatory leadership understand the true mission of the Farm credit System, and it is critically important to place a proven leader in this position.

Dr. Keenum has a record of working in a bipartisan manner; therefore, we respectfully request your support to fill this position by supporting the senate confirmation of Dr. Mark Keenum.

Sincerely Yours,

Franklin B. Wright
Chairman of the Board

FBW/bid

"A customer-owned business"

Farm Credit of Enid, ACA
1605 W. Owen K. Garriott Road, PO. Box 168
Enid, Oklahoma 73702-0168
(580) 233-3489 FAX: (580) 233-3499

July 29, 2008

The Honorable Tom Harkin
Chairman
Committee on Agriculture, Nutrition
and Forestry
United States Senate
Washington, DC 20510

The Honorable Saxby Chambliss
Ranking Member
Committee on Agriculture, Nutrition
and Forestry
United States Senate
Washington, DC 20510

Dear Senators Harkin and Chambliss:

Farm Credit of Enid, ACA is writing to express our support for the nomination of Dr. Mark Keenum to serve as a member of the Farm Credit Administration Board for the remainder of a six year term expiring May, 2014. We respectfully request a hearing be held at the earliest date and urge the Senate to act expeditiouslv to confirm his nomination.

Dr. Keenum has established a distinguished record of service, including serving as Agriculture Assistant and Chief of Staff in the office of Senator Thad Cochran (R-MS) and most recently as Under Secretary for Farm and Foreign Agricultural Service at the Department of Agriculture. Further, his education and broad experience in policy development, implementation and oversight significantly enhance his qualifications to serve on the FCA Board. During his distinguished service, Mark has gained a deep appreciation for the importance of working in a bipartisan manner with diverse interests to successfully achieve results for U.S. agriculture.

The Farm Credit Administration plays a vital role in overseeing and guiding the operations of the Farm Credit System instructions which provide important financing to farmers, ranchers, farmer-owned cooperatives and other eligible borrowers. A sound Farm Credit System and an effective oversight agency are critical to production agriculture and the rural economy.

We believe it is critically important to place a proven leader in this key position as expeditiously as possible. We believe Dr. Keenum is well-qualified for the position through his unique combination of education, experience and service and we urge his confirmation.

Sincerely,

Lyndal Skaggs, Chairman of the Board

Kyle Hohmann, CEO

cc: Members of Agriculture Committee

AgSouth Farm Credit, ACA
26 South Main Street (30458) • Post Office Box 718 • Statesboro, GA 30459-0718
912-764-9091 • 800-633-9091 • Fax 912-764-8526 • www.agsouthfc.com

July 28, 2008

Senator Saxby Chambliss
100 Galleria, Suite 1340
Atlanta, GA 30339

Dear Senator,

We are writing to express our support for the nomination of Dr. Mark Keenum to serve as a member of the Farm Credit Administration Board for the remainder of the six-year term expiring May, 2014.

Dr. Keenum's record of service includes Agriculture Assistant and Chief of Staff to Senator Thad Cochran (R-MS) and most recently as Under Secretary for Farm and Foreign Agricultural Service at the Department of Agriculture.

Dr. Keenum has an excellent record of working with financial institutions on issues that have a direct impact on the rural economy of the United States. His leadership experience as Senator Cochran's chief of staff as well as his background in policy development, implementation, and supervision would be positive in the role as regulator for the Farm Credit System. Dr. Keenum has an in-depth understanding of the complexity of the Farm Credit System which is the nation's largest supplier of credit to our nation's farmers, ranchers and agribusiness. As Under Secretary, Dr. Keenum has over-site of the USDA Farm Loan Program that provides guaranteed loans to the Farm Credit System Associations. It is imperative that regulatory leadership understand the true mission of the Farm Credit System, and it is critically important to place a proven leader in this position.

Dr. Keenum has a record of working in a bipartisan manner; therefore, we respectfully request your support to fill this position by supporting the senate confirmation of Dr. Mark Keenum.

Sincerely,

AgSouth Farm Credit, ACA
Board of Directors

Thomas H. Coward,
Board Chairman

Senator Charles E. Grassley
Questions

Mark Keenum, Undersecretary of Farm and Foreign Ag Services
Nomination to Farm Credit Administration Board

Wednesday, September 24, 2008, 9:30am

1) On June 16, 2008, the Farm Credit Administration announced its proposed rule on rural community investments. I've heard from lenders and community banks throughout the state of Iowa that have serious concerns that this would significantly expand Farm Credit's reach. Do you support this rule and expansion over (1) essential community facilities, (2) basic transportation infrastructure, (3) revitalization of communities after a disaster, (4) rural development projects that are guaranteed or sponsored by Federal, state, or local governments, (5) bonds and asset backed securities that support the rural development lending of commercial banks, (6)rural business investment companies, (7) passive investments in other venture capital funds, and (8) other investment that the FCA approves?

2) How to do you foresee your roll within the Farm Credit Administration in light of the recent developments in our financial markets and mortgage system? Do you have specific ideas or plans about how you would help safeguard agricultural lending?

SENATE COMMITTEE ON AGRICULTURE, NUTRITION & FORESTRY
FULL COMMITTEE NOMINATION HEARING
Wednesday, September 24, 2008
328A Russell Senate Office Building
9:30 a.m.

NOMINEE

Mark Everett Keenum, of Mississippi, to be a Member of the Farm Credit Administration Board, Farm Credit Administration for a term expiring May 21, 2014

QUESTIONS SUBMITTED TO NOMINEE

Questions Submitted by Senator Charles E. Grassley

1) On June 16, 2008, the Farm Credit Administration announced its proposed rule on rural community investments. I've heard from lenders and community banks throughout the state of Iowa that have serious concerns that this would significantly expand Farm Credit's reach. Do you support this rule and expansion over (1) essential community facilities, (2) basic transportation infrastructure, (3) revitalization of communities after a disaster, (4) rural development projects that are guaranteed or sponsored by Federal, state, or local governments, (5) bonds and asset backed securities that support the rural development lending of commercial banks, (6)rural business investment companies, (7) passive investments in other venture capital funds, and (8) other investment that the FCA approves?

I am aware that on June 16, 2008, the Farm Credit Administration (FCA) announced the Rural Community Investment proposed rule that you referred to in your question. It is also my understanding that there was a 60-day comment period in which many comments were submitted. The proposed rule would authorize each Farm Credit System institution to purchase and hold debt and equity investments in rural communities outside of urbanized areas under prescribed conditions. It is patterned after pilot programs that FCA has authorized over the past three years.

However, I have not yet been briefed on this rule, nor have I had the opportunity to review the comments that were received. Without first being fully informed of the specific details, and without having consultations with the potentially affected parties, I have no pre-judgments at this time; and the least of which the ability to take a solid position on the issues you outlined.

However, I do want to assure you that if confirmed, it will be my intent to weigh all the facts from the rural communities, the Farm Credit System, and the commercial banking industry in making any decisions regarding this rule. During my nearly 20 years of public service, I have established and maintained positive relationships with leaders throughout the American agriculture community. I am particularly honored and proud to have the public endorsement of the American Bankers Association for my

nomination. I believe this support is a reflection of the fair-minded approach I have demonstrated during my many years working with leaders from the U.S. agricultural sector, including the Farm Credit System and the U.S. commercial banking industry.

I have a keen appreciation for the important role that community banks play in meeting the needs of rural communities throughout the Nation. Again, to have the confidence in my decision making ability of a national association, which represents the many interests of the commercial banking sector, is a great honor to me.

Equally as important, having spent so many years working on Capitol Hill, I have a profound appreciation for the views of distinguished Members such as yourself. I would sincerely welcome the opportunity to fully understand your views and concerns with this proposal. If confirmed, I will commit to meeting with you or your staff before making any decisions regarding this proposed rule.

If confirmed, I will welcome the opportunity to help provide leadership and direction to the FCA. You can be assured that I will thoroughly study the implications of the Rural Community Investment proposed rule. During these uncertain financial times, the need for rural communities to have a reliable source of reasonable cost financing to help fulfill their most basic community and infrastructure needs is a laudable goal.

2) How to do you foresee your role within the Farm Credit Administration in light of the recent developments in our financial markets and mortgage system? Do you have specific ideas or plans about how you would help safeguard agricultural lending?

If confirmed, as a member of the Farm Credit Administration Board, my role would be to work with the other Board members to provide for a strong examination and supervisory program that ensures the Farm Credit System operates on a safe and soundness basis and adequately serves its public purpose and mission-related responsibilities under the authorities of the Farm Credit Act. In addition, my Board member role would be to ensure a strong and viable Farm Credit System through approving appropriate policies, regulations, charters, and enforcement actions for the System. It is too early for me to identify specific plans that I would endorse as an FCA Board member. My understanding is that the FCA currently oversees a System that is earning strong levels of income, has adequate capital levels, and has historically low credit quality problems. However, I recognize that agricultural producers face increasing

risk of a squeeze in their cash flows due to the volatility of commodity prices and the rising costs for land rent, land ownership, and production inputs. If commodity prices were to decline to anywhere near historic levels, debt repayment capacity and land values would be affected and the System's credit risks would increase. If confirmed, I will be watching the early warning indicators carefully and will be vigilant in assuring that the Agency's oversight stays ahead of and takes action to assure its continued successful regulatory and examination oversight should any serious risks emerge.

○