

**Opening Statement of Bruce J. Sherrick**  
**Nominee for Director of the Federal Agricultural Mortgage Corporation**  
**December 15, 2011**

Chairwoman Stabenow, Ranking Member Roberts, and distinguished members of the Committee: I am honored to have been nominated for service on the Board of the Federal Agricultural Mortgage Corporation, and appreciate the opportunity to appear here today. I would like to provide a brief statement describing my background and experiences that may have relevance to potential service in that role.

I was born and raised on a small, yet highly diversified farm in central Ohio. My parents viewed this setting as the ultimate teaching laboratory, and my siblings and I were brought up with the expectation that we would have as many ag-related experiences as possible, each with the intent to learn something new, and to earn money to eventually go to college. From this intentional agricultural learning experience, I went on to my next at The Ohio State University where I completed all my degrees with a brief intervening stint in a large agribusiness firm prior to starting my Ph.D. After completing a Ph.D. in Ag-Finance, I joined one of the top agricultural economics programs at the University of Illinois where I have been since.

I am currently a professor of agricultural and applied finance in the Dept. of Agricultural and Consumer Economics (ACE), with responsibilities related to teaching, research, and outreach education. I have the privilege to be associated with a group of outstanding faculty colleagues known as the “*farmdoc*” group that conducts a broad set of research and decision support activities addressing needs of agricultural decision makers in areas including policy analysis, marketing, crop insurance, agricultural law, finance, and farm management. Additionally, I am the managing partner in a small research-based consulting firm known as integrated Financial Analytics and Research (*iFAR*) that provides modeling support services to financial firms serving agriculture, to the crop insurance industry, and to others involved in agriculture.

A few specific professional experiences may help understand my interest and preparation to serve on the Board of Farmer Mac. I began teaching agricultural finance in 1989, and have continued to this day. My courses now mainly involve computerized applications and decision tool development, but still emphasize agriculture and institutions unique to agriculture including the Farm Credit System and FAMC. I was one of the original researchers that built the first guarantee pricing model that Farmer Mac had to evaluate its guarantee exposure on loans held in pools under their original authorities. As they evolved and received expanded authorities, I became involved in modeling their overall business and have supported their regulator through the development of their Risk-Based Capital Stress Test; and have even worked with their customers in evaluating their loan programs. Additionally, I have had the opportunity to work with a

broad set of Farm Credit System entities in diverse projects including evaluation of credit risk, land values and collateral positions, economic capital models, underwriting practices, and many other activities related to portfolios of agricultural loans and securities underlying their funding.

I have also been deeply involved in evaluating crop insurance programs from the farmer level, from a ratings perspective, in the development of private products, and most recently as a developer of a new feature of the products offered by RMA for corn and soybeans known as the Trend-Adjusted APH. I mention these particular experiences as they also involved pooling and pricing of agricultural risk management services, and also represent crucial tools for producers to use to manage agricultural production activities.

My current position has given me access to tremendously interesting set of experiences and activities related to teaching, research, consulting, and decision making. My interests have allowed me to focus those in the relatively specific arena I refer to as agricultural finance and policy. I view a potential appointment to the Board of Farmer Mac as a great fit of my interest and aptitudes, and if confirmed, will serve to the best of my abilities.

I want to thank you again for the opportunity to be considered for the Board of Directors of the Federal Agricultural Mortgage Corporation. I would be pleased to respond to any questions.