

**Testimony of
Kenneth A. Spearman
Before the
Senate Committee on Agriculture, Nutrition, and Forestry
September 30, 2009**

Thank you, Chairman Lincoln, Ranking Member Chambliss, and the distinguished members of the committee. Senator Lincoln, congratulations on assuming the Chairmanship of the Committee. I look forward to your leadership and to working with you, Senator Chambliss, and this committee for the betterment of American agriculture.

I also want to thank Senator Nelson for his kind and generous introduction. He serves my home state of Florida in the United States Senate with honor and distinction. If confirmed, I will keep the trust of his example of public service to our Country.

It is a privilege to appear before you today as President Obama's choice to serve as Board Member of the Farm Credit Administration. This is a special day for me and I am honored that my family is here to share it with me. We all achieve success in life with the help of others. I'm no exception, so I especially want to acknowledge my wife, Maria, my twin daughters, Michelle Springs and Rochelle Puccia, and my son, Dr. Kenneth Spearman.

It is indeed an honor to be nominated to this prestigious position. I would like to share my background and tell you about the skills and experience I would bring to the Farm Credit Administration Board, should the committee confirm my nomination.

As an accountant, I was involved with the development of a public accounting firm in Chicago, Illinois, and later worked as an accountant for a major accounting firm. From 1980 to 1991, I served as Controller of Citrus Central, Inc., where I was responsible for financial management and reporting for this \$100 million agricultural cooperative. Until recently, I was the Director of Internal Audit for Florida's Natural Growers, Inc. There I was responsible for the design and implementation of the annual plan, which was used to appraise the soundness, adequacy, and application of accounting, financial and other internal operational controls. I currently serve as an independently appointed, outside Director on the Board of AgFirst Farm Credit Bank, a position I've held since January 2006.

As you can see by my professional history, most of my career has been spent working for agricultural cooperatives. During my 28 years in the citrus industry, I gained a deep appreciation for agricultural producers and production agriculture.

As the members of the committee are well aware, production agriculture, particularly Florida's citrus industry, is capital intensive and heavily reliant on access to competitive credit. Add in variables of the marketplace, world events, weather, and many other unforeseen factors and one can see that agriculture is a risky business. Americans and, for that matter, people around the world should be thankful for the men and women who produce the food and fiber that we enjoy daily and without which we could not survive.

As I said, production agriculture is very capital intensive. Land costs, labor, equipment, and fertilizer require long-term and short-term financing. It takes a variety of lenders to meet the credit needs of agricultural producers and their cooperatives. The Farm Credit System, which is regulated by the Farm Credit Administration, is a very important part of the coalition of lenders required to finance American agriculture.

Serving as an outside Director of the AgFirst Farm Credit Bank Board has given me a new and greater appreciation for the complexity and importance of agricultural and rural finance. I believe my 28 years of financial experience working for agricultural cooperatives would serve me well as a member of the board of the Farm Credit Administration. I would utilize that expertise to ensure the safety and soundness of the Farm Credit System so that it continues to serve the credit needs of America's farmers, ranchers, and their cooperatives.

In closing, I would like to thank the Committee for the important role it plays in the oversight and authorization of the Farm Credit System and its mission to meet the credit and related services needs of American farmers and ranchers.

That concludes my statement. I welcome your questions.

Thank you.