

Statement of Myles Watts, Nominee
Federal Agricultural Mortgage Corporation, Board of Directors

Madame Chairwoman and Members of the Committee, my name is Myles Watts. I thank President Obama for the nomination, members of this committee for considering my appointment, and Senator McConnell for his recommendation to join the Board of Directors of Farmer Mac.

If confirmed by the Senate, I look forward to serving on the Farmer Mac Board. Farmer Mac provides a secondary market for agricultural loans that furthers the availability of agricultural credit with particular emphasis on agricultural real estate loans. The production characteristics of agriculture require special credit needs and bank lending practices which creates Farmer Mac's role.

My entire career and life has been involved with agriculture. I grew up on a cattle and wheat ranch in southeastern Montana and was active in both 4-H and FFA. The ranch is still owned by my family. I attended Montana State University and the University of Nebraska, receiving a Ph.D. in agricultural economics in 1978. Since 1978 I have been a member of the faculty of the Department of Agricultural Economics and Economics at Montana State University.

I am particularly pleased that I was chosen by the faculty to serve as Department Head three times and served 17 years in that position. My teaching has ranged from introductory economics to farm management to graduate mathematical economics. My research areas are public land policy, agricultural finance including actuarial methods with applications to insurance and credit, and agriculture durable investments. Each year I am invited to speak about 50 times on a wide variety of topics including public and private finance issues, energy markets, changing demographics, current agricultural concerns, crop insurance, water quality, public lands issues, and evaluation of breeding livestock. I have published in all of the major agricultural economics journals, am a Distinguished Scholar of the Western Agricultural Economics Association, and have been appointed to various committees by Montana Governors.

I spend substantial time interacting with individual producers, agricultural lenders, producer organizations, politicians, and the general public. I have been recognized as a "Lead Actuary" by the USDA and been involved in many USDA crop insurance efforts. I also have substantial experience with large reinsurance companies in various capacities. Internationally, I was one of the primary organizers of the International Institute for Agricultural Risk Management, whose primary goal is to develop the capacity in less developed countries for crop and other insurance and thereby increase credit availability. Capacity development is necessary to attract risk bearers such as large reinsurance companies and other private financial institutions. The current effort in the Ukraine is funded by the International Finance Corporation. I am the lead instructor addressing all aspects of insurance: development, operations, data management, underwriting, actuarial, regulation, public policy, trade implications, and risk transfer.

If confirmed, I will always honor the law, the intent of the authorizing and controlling legislation, be attentive to stakeholders, and comply with Congressional informational requests. If confirmed, I pledge to help Farmer Mac fulfill the role of facilitating agricultural credit in a responsible manner. Thank you for the consideration.