

Zone B Meeting Recap

On February 1st - 3rd the NACS Zone B meeting was held in Grapevine Texas. Friday started out with FSA NACS Zone B attendees joining Rural Development NACS Zone B attendees for the welcoming from the State Executive Directors of the Farm Service Agency and the Rural Development in the state of Texas. We also received an introduction from the assistant Ag Commissioner of Texas - Dan Hunter. Dan introduced us to the current agricultural practices and issues facing Texas agriculture. He addressed on going water rights in the state and the ability to obtain dependable employees for the farm operations in the state.

After the welcoming ceremonies, Courtney Dixon addressed the Farm Service Agency attendees. Courtney is the Director of Program Development Division located in Washington, DC. She was in attendance for Jim Radintz, the Deputy Administrator of Farm Loan Programs. Courtney's team in Washington DC is in charge of the following areas: FLP Systems (GLS, DLS, Farm Business Plan), Data Mart Reports, Appraisals, Grants, Mediations, FLPRAs, FLOT Training, Monthly Interest Rates, Correspondence when someone calls Washington with a question or concern and Resolutions for Policy, Programs and IT. She informed the group that the highest ever amount of Farm Ownership loans was obligated in Fiscal Year 2017 and that FSA credit teams obligated 6,600 micro loans during that same period of time. She also stated that we had the 2nd highest year for Beginning Farm Loans. She did not expect any funding issues through the current Continuing Resolution (which we now have passed and she was unable to comment on the rest of the year as we had not received a finalized budget or another continuing resolution at the time of the meeting).

Another topic Courtney talked about was, we should expect to see a FPAC (Farm Production and Conservation) customer portal in the near future. This will include one entry point for customers to obtain their information. They will need Level 2 Access but they are hoping that they can obtain this Level 2 Access without coming into the office and by just answering some security questions when they register. She also informed us that the Secretary of Agriculture (Sonny Perdue) has directed the department to have customer online statuses through this portal, make payments and likely have online applications by the end of 2018. The online statuses are supposed to have payments made by the producer, interest rate(s) of their loans, the amount owed and when the payments are due.

Courtney also discussed that the new Data Mart Reports (OBIEE) will have 102 reports in it and at this time 61 are in development stage. She also stated that the National Appraisers Tracking System is still coming and being worked on, the Farm Business Plan version update is coming this summer (was expected to be in early spring but due to high workload at that time it was pushed back to summer), they are going to streamline the FLPRAs report (I guess some got quite extensive in the nation), the FLOT modules are being updated and they are working on a FLP PT Training Program. Lastly, a few other items she stated were that Direct Farm Ownership Loans are up in activity with the rest of our activity down slightly from last year, she stated that we should be monitoring the term limits in the DLS system to ensure accuracy and that we should also use the payoff screen to quote the customer their payoff not the customer profile as this is not always correct.

Next we listened to James Douglas who is serving an acting role with the Department Administration of Field Operations (DAFO) and is also the permanent leader of the Southwest Area Regional Services Office. His team covers a number of states in the southwest part of the country where they do mass servicing work and specialized work from the administration departments in these southwest states. He

stated the concept is working well and is causing efficiencies and allows the administration departments in the state offices to allow this team to cover questions they don't see that often. He also stated that we continue to send staff members to Florida to help with the hurricanes from earlier in the year. He informed us that the Texas hurricane relief from FSA employees has mainly been handled within the state due to the large area of Texas versus the way the hurricanes went up the state of Florida effecting a greater portion of the state. He discussed with us that the shutdown that happened in January was not effectively handled within Farm Service Agency at the national level working its way down and they learned a lot and are refining their plan to better handle this situation in the future if it were to happen again. He stated that right now we are about 4.3% under the staffing numbers nationwide on the GS side and 4.2% under on the CO side. James stated that the FPAC mission area is wanting to have a voice in the hiring practice and this will be incorporated when we are able to start hiring again. James acknowledged that part of the issues in determining the staffing levels for each state is that we have no way of accounting for the work that is not being completed right now. The department is aware of this though.

In the afternoon on Friday we had a Skype Conversation with the Farm Service Agency Finance Office in St. Louis. In attendance for the finance office was Sharon Sachs, Cindy Haas, Linda Hamel, Christine Knecht and Danielle Buehne. They stated that when a request is faxed to the finance office we should get a receipt that they received the request and then we should get another receipt once the request has been completed. They also discussed that some of states were realigned in 1-FLP in December with different staff members working on their requests to distribute work more evenly. If we have issues or concerns we are supposed to notify the supervisors of the section (Direct Loans, Guaranteed Loans etc...). They reminded us that Guarantee Fees should be coded as collection code 30. They also addressed the 540 report and stated that the old 540 report was not working with the new system. They needed new software to accomplish this report. It sounded like they had the software now or it was coming real soon and then they could work on implementing this report. Right now the process to get it down to the office at the local level is quite long.

On Saturday morning we had a Skype Conversation with Andy Quinn of MacAllister & Quinn who represents the NACS organization in Washington as a lobbyist. Andy thinks that the credit teams are understaffed by at least 200 FTE's at this time and this was determined by comparing loan volume to staff members. Andy's goal is work on obtaining additional staffing for the credit teams and at this time has language written up to insert the 200 additional employees into a budget bill if we are given the opportunity. He stated right now that we administer a 25 billion dollar portfolio and is expressing to lawmakers that it is much less expensive for the tax payer to provide the proper staff to service these loans than it is to incur losses at a later date due to inadequate servicing of these loans. Andy stated that NACS has signed on to a request with the American Bankers Association and Farm Credit and other associations to increase lending limits to 2.5 million dollars on the guaranteed side and \$500,000 on the direct side. With this collaboration he is also working with them to support the staffing level increases to administer these programs. Andy stated that these continuing resolutions hurt staffing as the agency is unable to plan for the year on staffing levels without a budget. He also addressed direct term limits and he will work on getting these removed in the next farm bill but he said this is really tough as congress people typically don't get any complaints about this so if they do not get complaints it is unlikely they will vote to change it. Lastly, Andy stated that he will pursue corporate sponsors with agricultural companies to help with costs for NACS. Only Andy is allowed to pursue this as he is not an Agency employee.

After Andy was done speaking we received a Legislative Committee Report from Ben Henrink who is a

Farm Loan Specialist in Nebraska. He provided us some figures that the average GS employee cost is \$79,000/year and the average loan official is 52 years old and that our efficiency rate on the loan programs is 1.12. The efficiency rate is the numbers that the congress people look at to see how much return they are getting on the tax payer dollar. Our number is really good according to Ben.

A few other takeaways from the meeting are:

1) The National Convention will be held in San Antonio this year from June 24 - 28, 2018 and will be held at the Menger Hotel. The price was quoted to me at \$124/night and the registration will include the hospitality room, a Tuesday lunch, Wednesday Banquet and a Monday night cruise on a boat down the Riverwalk. It would be great if we could have a few representatives from Minnesota attend!

2) Staffing continues to be a big concern throughout the nation as people retire or move on to other jobs and we are unable to hire new staff members at the same rate the staff members move on to other adventures.

3) If you have resolutions on things that would improve our current day to day jobs or make things more effective for the loan producers we serve please feel free to go to the NACS website www.nacs-fsa.org and submit those resolutions.

Thank you for allowing me to represent Minnesota at the NACS Zone B Meeting and feel free to contact me with any questions you have from my notes.

Adam Gritz