

Prepared Comments for Administrator
Training for the Farm Service Agency's Farm Business Plan
Omaha, NE
April 12, 2004

Thank you, Mike Hinton, for that kind introduction. It's a real pleasure to be here in Omaha and to see so many familiar faces. The last time I was in Nebraska, I was in Lincoln where I had the good fortune to meet with the Governor in the beautiful rotunda of the capitol building – there we signed the very significant Nebraska Conserve Reserve Enhancement agreement. It was good to see State Executive Director, Brian Wolford, and here his comments about Nebraska Agriculture. It's also GREAT to see a lot of other familiar faces. Those of you here from Minnesota, I saw you in January, I believe, in Alexandria. It was a minus 28 degrees that day!! I was there . . . helping . . . John Monson . . . drive home a point – in a rather unconventional manner, I might add – about change management and the importance of being inclusive. The importance of including your employees in decision making. And the importance of including your employees when you put new systems and processes in place. And that's why we're all here this week. To role out the new Internet-Based Farm Business Plan which represents the **first major change** in the way USDA makes loans to our nation's farmers and ranchers in probably over a half of a century. But just as technology is changing around us almost daily, so is farming and ranching. Just look at bio-technology. GIS. Precision Agriculture. New ways of fertilizing and planting. Every day we're seeing technology change the way we view farming and ranching. So the new Farm Business Plan is merely a step in the right direction on our journey into the 21st Century.

Every day, FSA is making a difference in rural communities throughout America. And I want to take this opportunity to thank each and every one of you for your hard work and dedication to the Farm Service Agency, USDA and American Agriculture.

The work you are doing plays an important part in the stability of our ag sector. And I know it is difficult.

Farm Service Agency (FSA) Administrator James R. Little in speaking at today's Training Session for FSA's new Farm Business Plan in Omaha, Nebraska, addressed tax benefits for farmers and ranchers. "I'm reminded that April 15th is around the corner," he said. "The good news for producers are recent tax benefits. Farmers and ranchers have reduced capital gains for the full year of 2004; can now expense capital investment, which allows that over 90 percent of all investment in farm equipment be immediately deducted; and can transfer more farmland to the next generation because of reduced estate taxes. Some of these recent tax changes will certainly be easier to handle under the new Farm Business Loan Program."

By helping beginning, minority, and socially disadvantaged farmers and ranchers, as well as many others with their credit needs, you are ensuring that our country will be able to feed itself – not only today – but into the future.

FSA will continue to make a difference – as we always do – despite some of the many challenges we're faced with this year –

- such our serious budget constraints.
- And getting all of our work done at the same time we're implementing a new way of doing business.
- And getting our customers familiar – and comfortable – with the new way of doing business.

In these or any other times, change is a part of life. And whether we're the Federal Government or private industry, we have to keep up with the times. And the change we're unveiling this week is something that is long overdue. And I'm convinced – you'll see the changes are for the better.

There's a commercial that maybe some of you have seen or heard – it's for a well-known men's clothier. Now I'm not promoting their product – but in the commercial you hear the owner say –

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"You're going to like the way you look. I guarantee it!" By the end of this week, I know you'll like the look of the new way of making FSA loans. I guarantee it.

As I mentioned, the new Farm Business Plan is the most significant change we've seen in the way we do business in many many years. And it's an important part of USDA's response to the President's Management Agenda and our eGovernment initiative.

President Bush's Management Agenda and eGovernment are working in tandem to reform the way government operates – so efficiencies are maximized and results achieved. In short, the Farm Business Plan initiative is a fine example of how government is responding – and improving – our programs and services through new processes – and the Internet – to save taxpayers money and streamline citizen-to-government communications. The bottom line is – we'll all benefit.

You probably know – that eGovernment has been an important focus of Secretary Veneman since she came to office in January 2001. And just a few weeks ago, she unveiled the USDA Customer Statement – after several years of hard work and planning – much of the hard work was done by FSA. The customer statement now gives our customers access to their program data through one Internet portal on the USDA website.

Currently, only FSA and NRCS data are available online, but eventually all customers who do business with USDA will have access. And in the not-to-distant future, the Farm Business Plan will become an important part of the Customer Statement, as will our GIS data. What we're seeing today at USDA – in the use of technology to conduct business – is just the tip of the iceberg – as farmers and ranchers will **finally** be offered the option of submitting a loan application – or update their records – electronically **online** – or by visiting one of our service centers. Our Service Centers will continue to be an important part of our portfolio of delivery tools.

The Farm Business Plan contributes – in one way or another – to many of the President's management initiatives – by phasing out the archaic Farm and Home Plan – an outdated paper-based system that's existed since the 1940s. Again, this is the first and way-past due change in over 50 years! But we can't deny that the old system has indeed served USDA and our customers well!

The Plan will provide FSA and its customers many, many benefits. For example:

- It will allow producers to fill out and submit their Farm Business Plans to county offices from their homes or offices, or the Service Center.
- FSA employees will be able to assist producers more quickly in the completion of their Farm Business Plans. Much more quickly than with the Farm and Home Plans.
- Also, many producers will be able to make fewer trips to USDA Service Centers, saving everyone involved time and energy. And this will leave **you** with more time to help customers with more complicated issues.
- And it gives producers more time to focus on what's really important...the success of their businesses.
- Also, completing paperwork will be quicker and easier – because employees will have easier access to producers' information from a central online real time source.
- It will also significantly reduce paperwork.
- And it will allow everyone to quickly share records – online – so decisions can be made in a matter of seconds or minutes, instead of days or weeks.
- And it will also satisfy the needs of you FINPACK lovers!

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From the borrower to the county office employee . . . to the Senior Loan Officer in Washington – to the guaranteed lending partner –and – as importantly – to the customer. The Farm Business Plan will everyone and will improve efficiency.

As you all know, in rolling out this system, we're training everyone involved in the loan making process. A lot of forethought has gone into this training program as we train 2,200 employees between now and September. And I commend Carolyn and her entire staff on a well-thought out process. This is a major major undertaking, and we can't take it lightly. I'm pleased that we have today a gentleman from my Alma Matter, Dave Kohl who will talk to you about agriculture and Change Management. Dr. Kohl, who is a world-renowned agricultural economist, should keep you focused. And you'll also hear from two ECI senior officials, Gary Cruse and Kevin Britten, who will begin the training. And once you're all trained, you'll get to start using the software next week on your return to the office. When you look back, you'll be asking yourselves, why didn't we do this earlier? Believe me, "You'll like the way we look"

This is a major undertaking, but it is one we can't afford not to take as it brings FSA and USDA up to the standards and technology commercial lending institutions have been using for years.

I know some of you are nervous and apprehensive about the change. Change is always stressful. It's human nature. As a matter of fact, there was an article in Today's USDA Today that compared dealing with change to taking Jello and nailing it to the wall. It's not easy. And we don't expect everyone to get it right on the first try. And we'll deal with that. But let me assure you that this is a change for the better....so relax and enjoy being part of this exciting time at FSA. I've been told that as long as you can fill out a Farm and Home Plan, you can use the Farm Business Plan.

When you return to Minnesota, Vermont and New Hampshire, I encourage you to remain focused and positive about the benefits this system will provide. It won't take you long to see the benefits come to life. But your **positive attitudes** will be vital and essential to our success – because your customers and colleagues will follow **your** lead. Educate producers about the Farm Business Plan. Farmers and ranchers need to know **how** the Plan will benefit **them**. And we need to know how it will help **us** serve **them** better. This is an US and THEM proposition.

The system will speed up FSA's ability to process information and enhance the quality of service our borrowers receive. And with improved customer service, we should be able to spend more time with our customers – especially our minority and socially disadvantaged customers and beginning farmers – and help them understand our programs better. And with that, help them become better businesses. And with better customer service – we can stave off claims of discrimination. And that is one thing the Secretary and I are extremely concerned about, and we believe this system should break new ground in helping us reach and serve all of our customers more effectively. And this week we are doing something else that is breaking new ground for FSA and civil rights at USDA. FSA is hosting on Thursday – on behalf of Vernon Parker, our Assistant Secretary for Civil Rights – a Minority Outreach Conference with about 30 representatives from minority and rural advocacy group leaders. What we hope to get out of this conference is a better understanding of their concerns and begin actively addressing those concerns aggressively. And I'm confident that new initiatives like the Farm Business Plan and other customer-focused initiatives – will help FSA stay focused on our reason for being – and enhance the relationship with all of our customers.

Thank you again for everything you do in your states to assist America's farmers and ranchers with their lending needs. And thank you for your commitment to the Farm Service Agency and American agriculture. We've got a tremendous program for you. Take advantage of it and learn how it will actually make your lives easier and the whole agency a better place to work. Thanks again. Have a great week and a worthwhile learning experience.