

NOMINATION HEARING FOR NANCY PELLETT

HEARING BEFORE THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS
SECOND SESSION

—————
OCTOBER 3, 2002
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NANCY PELLETT NOMINATION HEARING

THURSDAY, OCTOBER 3, 2002

U.S. SENATE,
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, DC.

The committee met, pursuant to notice, at 11:05 a.m., in room SR-328A Russell Senate Office Building, Hon. Tom Harkin, [Chairman of the Committee], presiding.

Present: Senators Harkin and Grassley.

STATEMENT OF HON. TOM HARKIN, A U.S. SENATOR FROM IOWA, CHAIRMAN, AGRICULTURE, NUTRITION, AND FORESTRY

The CHAIRMAN. The Senate Committee on Agriculture, Nutrition, and Forestry will come to order.

Today, the committee welcomes a fellow Iowan, Nancy Pellett, as a nominee for the Board for the Farm Credit Administration. I see that she is accompanied by someone that I recognize, with whom I am proud to work here in the Senate with on so many issues, and rather than my making my opening statement first, I will just go ahead and yield because I know you have probably got business to conduct, also, Senator Grassley.

I would yield and recognize my colleague, Senator Grassley.

STATEMENT OF HON. CHARLES E. GRASSLEY, A U.S. SENATOR FROM IOWA

Senator GRASSLEY. Mr. Chairman, I thank you very much.

I am pleased to present to you, Mr. Chairman, and to the rest of the committee, the person who the President has nominated to the Farm Credit Board. She is a fourth-generation Iowan.

The Farm Credit Administration, as you know, Mr. Chairman, is responsible for ensuring safe and sound operation of banks, associations, affiliated services, and other entities that collectively comprise what is known as the Farm Credit System. FCA, for short, is responsible for protecting the interests of the public and those who borrow from Farm Credit institutions or invest in those Farm Credit securities. It is very critical, for the health and well-being of rural America, particularly for agriculture, that the Farm Credit Administration function efficiently.

That is why I believe the President has made an excellent choice in nominating Nancy Pellett for the position of Farm Credit Administration Board. Nancy is from a farm near Atlantic, Iowa. You have heard me say often, Mr. Chairman, that I want this adminis-

tration to put more people in positions of authority that have a farm background, and specifically dirt under their fingernails.

Well, at the risk of embarrassing Nancy, I would say that she is one of those folks. Let me tell you, she is such a person, "dirt under the fingernail type" farmer, when her four children would tell you, as I have heard them say, that they were taught their colors and letters while Nancy was running the combine, helping her husband in the fall harvest.

Nancy currently serves on the National Cattlemen's Beef Board, and she is a 14-year member of the Iowa Beef Industry Council. She previously served, from 1988 to 1995, on the National Livestock and Meat Board, and held several leadership positions with the National Cattlemen's Beef Association.

She is president of Premium Quality Beef, Inc., an Iowa-based company marketing things that you and I, Mr. Chairman, believe in, value-added agricultural products, branded premium fresh and pre-cooked beef products, specifically, for her agency.

She has been the vice president and secretary of Prairie Hills, Limited, a feedlot cow, calf, and row-crop operation since 1979, and president of Fredrehsen Farms, Limited, a swine and row-crop operation since 1977.

In addition, she brings extensive leadership beyond the agricultural sector, and I cannot name all of them, but one that we always ought to measure Iowans by because it is very prestigious, very outstanding, and only the best people ever get appointed to it, and that is the Board of Regents of our State universities. She was there 1993 to 1999; trustee of the University of Iowa Hospitals and Clinics, 1993 to 1999; a member of the State of Iowa Student Aid Commission, 1991 to 1993; president of the Iowa State University Alumni Association, 1984. She graduated from the same university you did. That ought to get her confirmed.

[Laughter.]

The CHAIRMAN. That is right.

Senator GRASSLEY. She has also served on the Iowa State University College of Agriculture and Family and Consumer Science Advisory Board.

Let me close with this. She brings tremendous experience, valuable insight, and obviously lots of energy that is needed for an important position like the Farm Credit Administration Board. She has demonstrated already strong leadership abilities in many capacities, in addition to her hands-on work in agriculture.

There is no doubt, at least in my mind, that the President made a smart choice with her selection. The Farm Credit Administration will benefit greatly from Nancy Pellett's administration and contribution.

Thank you, Mr. Chairman.

The CHAIRMAN. Well, thank you very much, Senator Grassley, for a great statement. I would just join with you in congratulating you, Mrs. Pellett—Nancy Pellett—for your lifetime of service in our State, to our university system, to education, the Extension Service, and to all of agriculture. You have been a great leader in the State of Iowa, and I am glad that the President has recognized that and has recommended you for this Board. I can assure you will

have the support of all of us here to get through as soon as possible.

I have to take care of some housekeeping things. Senator Grassley, I know you have to go. Thank you very much, Senator Grassley.

This is something I have to do, but this is just part of the procedure. I have to stand, and raise the right and do all of that kind of thing.

[Witness sworn.]

The CHAIRMAN. Thank you.

Second, do you agree that if confirmed, you will appear before any duly constituted committee of Congress, if asked to appear?

Ms. PELLETT. I will, sir.

The CHAIRMAN. Thank you very much. I will recognize you now, Nancy, for an opening statement, if you would like to make that for the record. I know you have a lot of family members here. If you would like to introduce them, we would be glad to welcome them to the committee room here.

**STATEMENT OF NANCY C. PELLETT, OF IOWA, TO BE A
MEMBER OF THE FARM CREDIT ADMINISTRATION BOARD**

Ms. PELLETT. Thank you, and I would like to do that. Thank you very much for your nice remarks, as well as Senator Grassley's.

I am proud that all three of us can call Iowa home.

The CHAIRMAN. That is right.

Ms. PELLETT. Mr. Chairman, and other Senators of the Agriculture Committee, I appreciate the opportunity to appear before you today. I am honored to come before you as one of President Bush's nominees for the Farm Credit Administration Board of Directors, but before I begin, I would like to take the opportunity to introduce some of my family that are here today.

My husband of 36 years, Jim, and I will talk a little bit about our operation in a minute, some of you know. I am especially happy to have my father here, Kenneth Fredrechsén, who at age 83 is still actively farming on the family farm.

The CHAIRMAN. That is wonderful. Where is your father? Oh, very good. Your husband, I know.

Ms. PELLETT. The family farm is located near Walnut, Iowa, and that is Fredrechsén Farms, Limited, that we talked about, that Senator Grassley talked about.

My daughter Beth, who works here in Washington, DC, and her fiancé, Brian Levine; and my son Mike is here. Mike and his wife Stacey work for John Deere.

Our oldest son, Brad, could not be here. He and his wife Kristy just gave birth to a new little girl about 6 days ago.

The CHAIRMAN. Congratulations.

Ms. PELLETT. Thank you. Our daughter Marci, and her husband, Andrew Loder, and their daughter Madeleine live in Spain and are on assignment with Cargill.

I just don't want to get too emotional during this, but I am really extremely proud to say that we have been able, Jim and I, have been able to pass on to our children a love of agriculture, and you could see that from the introductions that I gave to them—a love

of agriculture, of the land, and community, just as our parents did to us, and we are proud of that.

My husband and I have been involved in the agriculture sector all of our lives. We currently have a corn, soybean and cattle farm north of Atlantic, Iowa, with our son Brad and his wife Kristy. Since we started farming together more than 35 years ago, agriculture and rural America have changed dramatically. We are constantly looking at our operation for new and innovative ways to adapt to the new rural America and to be sure that our children have the opportunity to come home to the farm if they desire.

I have also been president and co-manager in a value-added company in Red Oak, Iowa. Premium Quality Foods is a value-added provider of premium quality fresh, frozen, and pre-cooked beef products, marketed under the Red Oak Farms and Red Oak farms Premium Hereford beef brands.

Public service has been a huge part of our lives. From local issues and projects, to State boards and commissions, to national leadership positions—all have broadened my perspectives and have given me valuable experience.

Being a member of the Iowa Board of Regents, which has governing authority over Iowa's three State universities has given a unique perspective to working on boards of directors. Not only did I gain valuable experience during budgeting, but also in public policy, employment issues, and most of all in the political process.

I have also been fortunate to serve on both State and national cattlemen boards, in both appointed and elected leadership positions. These offices and boards took me outside the confines of Iowa into a national arena of agriculture and cattlemen issues and policies, but most importantly, in my case, in the check-off issues. The national exposure will prove extremely beneficial to me should I be approved for the Farm Credit Board position.

I bring a very unique perspective as a producer and a user of credit services to the Farm Credit Administration. I also bring a unique position of board leadership on both national and State levels. Most of all, I bring that deep passion for agriculture—families involved in that agriculture and now that extra step of value-added agriculture.

It is with a great deal of humility that I appear before you here today. I share with you the vision that this committee and the Farm Credit Administration has for families in agriculture and for agriculture, in general, to thrive and to prosper.

If confirmed by the Senate, I look forward to serving on the Farm Credit Administration Board of Directors, and I look forward to working with this Agriculture Committee on future issues.

Thank you, Mr. Chairman, and I look forward to your questions.

The CHAIRMAN. Thank you, Mrs. Pellett, very much for a very eloquent statement. I, again, congratulate you on this.

I just have a couple of questions for the record.

Senator Lugar and I have focused considerable energy on a crucial issue in agriculture, the ability of young farmers to start farming. Earlier this year, the GAO released a report indicating that the FCA could take additional measures to make sure that Farm Credit institutions serve beginning farmers more effectively. Specifically, the report recommended that the Farm Credit Adminis-

tration do such things as, one, promulgate a regulation that outlines specific activities and standards dealing with beginning farmers for Farm Credit institutions; and, two, publicly disclose the results of the FCA examinations concerning service to beginning farmers.

Again, could you just share your views on the importance of serving the credit needs of young farmers and your willingness to work with us to try to get some focus on that. Both Senator Lugar and I have been talking about this for some time.

Ms. PELLETT. Senator Harkin, I also share your views, and those of Senator Lugar's, on this issue. I have a young farmer in my family, and I am well aware of the struggles it is for these young farmers to receive credit, although they are the very future of agriculture in this country. I pledge to you that I will do whatever I can, as a Board member, and strive that the Farm Credit Administration do whatever they can to facilitate this, as well as working with your committee.

I am a firm believer in communication and cooperation, and I can't believe that we in credit lending issues and so forth can't communicate and cooperate to make the endeavor of the young farmer and beginning farmer a reality in this country.

The CHAIRMAN. That is great. It is something that always keeps coming back and we certainly look forward to working with you on that.

One last thing. You have a lot of experience in value-added businesses with which you have done down at Red Oak. Again, one of the challenges that face the startup in rural areas is access to capital for value-added businesses.

We put some things in the Farm bill to try and get more capital to rural areas for startup businesses and value-added businesses. I am not certain I know exactly how the Farm Credit Administration is going to fit into this, but, again, just any thoughts you have. I mean, did you have, did your business in Red Oak, did it get any help from the Farm Credit System at all when it was starting up and, if not, could it have? Could there be some changes made to help in these areas?

Ms. PELLETT. Senator, I am aware of the struggles of a small business value-added agriculture business with credit. I have dealt with it every day for the last year. Our company is now 1 year old, and it has been a struggle.

I was a Department of Economic Development meeting about 3 months ago, at which there were about 20 small companies represented in Iowa, and every one of them were dealing with credit problems. I pledge to you that I will look with, and follow this issue, with interest on the Farm Credit Administration Board because that is an issue in rural America, and it is one way that producers can help themselves as they get into value-added agriculture.

Marketing is a huge issue when it comes to value-added agriculture. We know how to produce, but sometimes we don't know how to market. I pledge, if I am confirmed, that I will follow this issue with great interest and aggressively follow it.

The CHAIRMAN. I appreciate that because, well, the Farm bill just got signed in May, and mostly we have been focused on getting

it implemented for the payment structure and getting updated bases, yields, and things like that. There are some provisions in that farm bill that we put in over here, dealing with value-added businesses and also a new equity capital program.

I will be honest with you, I just have not really much gotten into how we are going to dovetail that with the Farm Credit System, but the two could work together. At some point, I hope that we get together with the Board, and others, to discuss ways in which, in implementing this new equity capital provision that we have in the Farm bill, that the Farm Credit Administration might also come in on the credit side of it. We have one equity side, and come in on the credit side. That could really be a real help to a lot of businesses, starting, like you said, the marketing-type businesses and things like that that we could do.

Ms. PELLETT. It surely would be. Thank you.

The CHAIRMAN. There are a lot of things we could be doing in agriculture that can add value, maybe new ways of doing things. I visited a small cornfield of just a few acres up near Fort Dodge someplace, where they are making pharmaceuticals.

Ms. PELLETT. Oh, right.

The CHAIRMAN. The problem is they are making this pharmaceutical—it is for cystic fibrosis—and they have had to do all of these things to isolate the cornfield. It is only a couple of acres. They have to take the grain and ship it to France because only in France do they have the processes for storing it and taking the pharmaceuticals out and stuff. We are working now to try to get something at Iowa State or at the Research Park there near Iowa State that might do the same thing.

These are things that are coming down the pike in the next few years, and it could be a great help to a lot of young farmers in the State of Iowa.

Ms. PELLETT. It certainly could be. There is so much opportunity in rural America just in things like this.

The CHAIRMAN. Yes.

Ms. PELLETT. We have work ethic, we are honest, and we want to depend on science and technology to move us ahead.

The CHAIRMAN. You need access to capital and low-cost credit in rural areas. It has always bothered me. All of the years I have been here, 28 years I have been on the Agriculture Committee now, and it has just always bothered me that that farmer in Atlantic, Iowa, Cass County, when they go to borrow money, right away they are at a disadvantage because they have to pay more for their money than someone that is in Chicago.

That has just always bothered me; that right away you are put at a disadvantage. Well, that is where the Farm Credit System comes in to try to help them out a little bit, get those interest rates down a little bit. Whatever we can do to keep the cost of money down for these young people and give them the same kind of advantages, we have to do.

Thank you, again, for all of your past service, and I mean that sincerely. We may be of different political parties, but I can assure you that I respect people who work in politics. I wish more people would do what you have done in your past. It is an honorable thing

to do, and I wish more people would do it. I am proud of you for doing that. I just wish you had been on my side.

[Laughter.]

The CHAIRMAN. I am very proud of you, and take that as a very heartfelt commendation to you for what you have done in your life, and what you have done for the State of Iowa, and what you have done for your party. I look forward to getting your name, we will get it out of here, we will get it to the floor and, hopefully—we are going to be here a couple more weeks—and then, hopefully, we will get it out of here, and you will be on-board right away and take over Ann's position.

I am just proud to have a good Iowan in that position.

Ms. PELLETT. Thank you very, very much.

The CHAIRMAN. Thank you, and congratulations.

[The prepared statement of Ms. Pellett can be found in the appendix on page 10.]

The CHAIRMAN. The committee will stand adjourned.

[Whereupon, at 11:24 a.m., the committee was adjourned.]

A P P E N D I X

OCTOBER 3, 2002

**Statement of Nancy Pellett
Nominee for Farm Credit Administration
Board of Directors
Thursday, Oct. 3, 2002**

Senator Grassley, thank you for your kind words during my introduction. I'm honored that we both call Iowa home.

Mr. Chairman, Senator Lugar and Senators of the Agriculture committee, I appreciate the opportunity to appear before you today. I'm honored to come before you as one of President Bush's nominees for the Farm Credit Administration Board of Directors.

Before I begin, I'd like to introduce members of my family who are here with me today. My husband of 36 years, Jim. I'm especially happy to have my father here, Kenneth Fredrehsen, who at age 83 still actively farms on the family farm near Walnut, Iowa; my daughter, Beth works in Washington, D.C. and her fiancée Brian; and my son Mike. Mike and his wife Stacey work for John Deere. Our oldest son, Brad who is actively engaged in our farming operation and manages our feedlot, and his wife, Kristy couldn't be here today because just six days ago they gave birth to a little girl. My older daughter, Marci and her husband Andrew Loder, couldn't be here because they are currently living in Spain on assignment with Cargill. I am extremely proud to say that we have been able to pass onto our children a love of agriculture, of the land and community, just as our parents did to us.

My husband and I have been involved in the agriculture sector all of our lives. We currently have a corn, soybeans and cattle farm north of Atlantic, Iowa with our son Brad and his wife Kristy. Since we started farming together, more than 35 years ago, agriculture and rural America have changed dramatically. We are constantly looking for new and innovative ways to adapt to the new rural America and to be sure that our children have the opportunity to come home to the farm if they desire.

I have also been President and co-manager in a value-added company in Red Oak, Iowa. Premium Quality Foods is a value-added provider of premium quality fresh, frozen and pre-cooked beef products, marketed under the Red Oak Farms and Red Oak Farms Premium Hereford brands.

Public Service has been a huge part of the life of my husband and I. From local issues and projects, to State Boards and Commissions, to National leadership positions - all have broadened my perspectives and have given me valuable experience. Being a member of the Iowa Board of Regents, which has governing authority over Iowa's three State Universities has given me a unique perspective to working on boards of directors. Not only did I gain valuable experience during budgeting, but also in public policy, employment issues, and most of all in the political process.

I have also been fortunate to have served on both State and National cattlemen boards in both appointed and elected leadership positions. These offices and boards took me outside the confines of Iowa into a national arena of agriculture and cattlemen issues, policies, but most importantly, in

my case, the check-off issues. This national exposure will prove extremely beneficial to me should I be approved for the Farm Credit Board position.

I think I bring a very unique perspective as a producer and user of credit services to the Farm Credit Administration. I also bring a unique position of board leadership on both national and state levels. But most of all I bring a deep passion for agriculture - families involved in agriculture and that extra step of value-added agriculture.

It is with a great deal of humility that I am here before you today. I share with you the vision that This Committee and the Farm Credit Administration has for families in agriculture, and for agriculture, in general, to thrive and prosper. If confirmed by the Senate, I look forward to serving on the Farm Credit Administration Board of Directors and I look forward to working with this Agriculture Committee on future issues.

Thank you, Mr. Chairman, and I look forward to your questions.

DOCUMENTS SUBMITTED FOR THE RECORD

OCTOBER 3, 2002

Nancy C. Pellett
53948 Buck Creek Road
Atlantic, Iowa 50022

October 3, 2002

The Honorable Tom Harkin, Chairman
Committee on Agriculture, Nutrition, and Forestry
United States Senate
Washington, D.C. 20510-6000

Dear Mr. Chairman:

On June 17, 2002, the Farm Credit Administration (FCA) sent a copy of my Public Financial Disclosure Report (SF 278) to the Office of Government Ethics. I am required to complete the SF 278 for my nomination to serve as Member of the FCA Board. The SF 278 contains all required financial information for the relevant reporting periods through April 10, 2002. However, under the Ethics in Government Act of 1978, as amended, I must update certain information on the SF 278 to accurately reflect its status as of five days before the date of my confirmation hearing before your Committee. The date for my confirmation hearing is October 3, 2002.

5-Day Update

Section 202(a) of the Ethics in Government Act requires an update of any income (other than dividends, interest, rents, and capital gains) and honoraria that my spouse or I have received since filing the SF 278. Since the April 10, 2002, filing of my SF 278, my spouse and I have received the following honoraria and income: no honoraria payments and income of \$427,107.

I believe that I have satisfied all financial reporting requirements with this updated information. I would be happy to respond to any questions you may have.

Corrections to SF 278

I note the following two corrections to Schedule A of my SF 278:

- On page 3, Item 7: the value of the asset is \$1000 rather than in excess of \$1001.
- On page 3, Item 9: the value of the asset is \$250,000 rather than in excess of \$250,001.

Sincerely,

Nancy C. Pellett

cc: Kathleen V. Buffon, DAEO
Office of General Counsel
Farm Credit Administration
1501 Farm Credit Drive
McLean, Virginia 22102

Amy L. Comstock, Director
U.S. Office of Government Ethics
Suite 500
1201 New York Avenue, N.W.
Washington, D.C. 20005-3917

June 24, 2002

QUESTIONNAIRE FOR FARM CREDIT ADMINISTRATION NOMINEES

Your answers to the following questions will assist the Senate Committee on Agriculture, Nutrition and Forestry in evaluating your nomination. In answering these questions, please repeat each question and place your answer immediately beneath it.

You will note that certain portions of the questionnaire will be part of the public record of your nomination and other portions will be maintained on a confidential basis for use of the Committee.

If you have any questions concerning this questionnaire or the Committee's confirmation process, please contact Mark Halverson, Staff Director, Senate Committee on Agriculture, Nutrition and Forestry, at (202) 224-2035. Please call the Chief Clerk, Robert Sturm, at 202-224-7938 to have a notarized original and five copies of the completed questionnaire delivered to the Committee. The Senate no longer openly accepts Federal Express or Mail packages without a lengthy inspection process.

BIOGRAPHICAL INFORMATION (PUBLIC)

1. Full name (include any former names used).
Nancy Carol Pellett - Presently
Nancy Carol Fredrehsen
Nancy Carol Mickel
2. Date and place of birth.
February 4, 1944 Omaha, NE
3. Marital Status (include maiden name of wife or husband's name). List spouse's occupation, employer's name and business address(es).
Married ----- James V. Pellett
Occupation ---Farmer/Feeder
Address -----53948 Buck Creek Road
Atlantic, Iowa 50022

4. Education: List each college and graduate or professional school you have attended, including dates of attendance, degrees received, and dates degrees were granted.
Iowa State University ---B.S. -----1966
5. Employment Record: List (by year) all business or professional corporations, companies, firms, or other enterprises, partnerships, institutions and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner, proprietor, or employee since graduation from college; include a title and brief job description.
Audubon County, Iowa Extension Service - Director, Home Economics and 4-H Programs - 1966-68
Hotpoint Microwave Oven Distributor - Private Contractor as a Demonstrator - 1972-76
Atlantic Park and Recreation - Nutrition and Fitness Instructor (Part-time) 1979-99
Red Oak Farms - 1999-2001 - Consumer Marketing Manager
Premium Quality Foods, Inc. - 2001-Present - President, Director
6. Military Service: Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number and type of discharge received.
No
7. Government Service: State (chronologically) your government service or public offices you have held, including the terms of service grade levels and whether such positions were elected or appointed.
Commission for Children and Families - 1972-----Appointed
Political Campaigns - 1990 and 1999 -----Appointed
Iowa Student Aid Commission - 1991-93 -----Appointed
State Board of Regents-----1993-99-----Appointed
8. Honors and Awards: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you received and believe would be of interest to the Committee.
None
9. Other Memberships: List all organizations to which you belong, excluding religious organizations.
Iowa Beef Industry Council (Ex-officio)
National Cattlemen's Beef Association (member)
Cattlemen's Beef Board (Director)
Iowa State University Foundation Board of Governors
Iowa State University Alumni Association (Member)
Atlantic Golf and Country Club (Member)
PEO (Member)

10. Political Affiliation: The statute creating the Farm Credit Administration requires that no more than two public members of the Board be from the same political party. List your current political party registration or affiliation.

Republican

11. Published Writings: List the titles, publishers, and dates of books, articles, reports, or other published materials (including published speeches) you have written. Please include on this list published materials on which you are listed as the principal editor. It would be helpful to the Committee if you could provide one copy of all published material that may not be readily available. Also, to the maximum extent practicable, please supply a copy of all unpublished speeches you made during the past five years on issues involving agriculture, nutrition, forestry or commodity futures policy or related matters.

Published Writings - None

Unpublished speeches - I have given numerous speeches in Iowa as well as nationally on issues concerning the beef industry such as: the check-off, the Brand-like Initiative, the state of the beef industry in Iowa, etc. I have no copies of these speeches.

12. Health: What is the present state of your health?

Excellent, except for slight arthritis.

FINANCIAL DATA AND CONFLICT OF INTEREST (PUBLIC)

1. Have you severed all connections with your immediate past private sector employers, business firms, associations, and/or organizations?

I will do so upon confirmation. I will remain a member of the Board of Governors of the Iowa State University Foundation.

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, incompletd contracts and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, former employers, clients, or customers.

Premium Quality Foods - \$47,620.50 ---Salary and Expenses owed.To be received in the next 12 months

3. Do you, or does any partnership or closely held corporation in which you have an interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size and type of operation.)

Prairie Hills Farm, Family Farm operation
- owns 573 A.
- rents 628 A.
- row crops, hay and pasture, cattle

Prairie Hills, Ltd. - owns 304 Acres -
Pymosa Township, Cass Co., IA

Frdrehsen Farms, Ltd. - owns - 645 A. -
Layton Township, Pottawattamie County, IA
- rents - 295 A. -
Brighton Township, Cass Co., IA
- row crop, hogs

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans received or forfeited by crop and farm, etc. during the past five years.) Yes.

PRAIRIE HILLS FARM----Cass Co, IA

	Corn	Soybeans	Oats	Int	Livestock/ Hog
1997	\$40,286			\$15	
1998	47,641			22	
1999	76,478	5,030		26	5,000
2000	101,044	45,057		26	
2001	58,610	46,451		21	1,115

FREDRECHSEN FARMS---- E Pott. Co, IA

	Corn	Soybeans	Oats	Int	Hog
1997	\$12,868				
1998	41,062			\$10	\$10
1999	29,621	\$6,980		8	11
2000	30,299	30,515			\$5,000
2001	36,911	30,670	4	182	

FREDRECHSEN FARMS----Cass Co IA

	Corn	Soybeans	Oats
1997	\$13,605		
1998	15,266		
1999	14,245		
2000	8,661	2,825	
2001	11,772	5,280	

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Rural Business-Cooperative Service, Rural Housing Service, the Rural Utilities Service or their predecessor agencies, the Farmers Home Administration, the Rural Development Administration, the Rural Housing and Cooperative Development Service or the Rural Electrification Administration? (If yes, give details of any such loan activity during the past 5 years.)

No

11. Have you ever received a government guaranteed student loan?
If so, has it been repaid?

No, I have not nor have my children received a student loan.

12. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

To avoid any potential conflicts of interest, I will consult with an ethics counselor if such circumstances should arise.

NP 10/2/02



United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

July 3, 2002

The Honorable Tom Harkin
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, DC 20510-6000

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Nancy C. Pellett, who has been nominated by President Bush for the position of Board Member of the Farm Credit Administration.

We have reviewed the report and have also obtained advice from the Farm Credit Administration concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated June 17, 2002, from Ms. Pellett to the agency ethics official, outlining the steps which Ms. Pellett will take to avoid conflicts of interest. Unless a specific date has been agreed to, the nominee must fully comply within three months of her confirmation date with the actions she agreed to take in her ethics agreement.

Based thereon, we believe that Ms. Pellett is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

A handwritten signature in cursive script that reads "Amy L. Comstock".

Amy L. Comstock
Director

Enclosures

SEC 23 (Rev. 3/7/90)
5 CFR Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name
Pellett, Nancy C.

Page Number

SCHEDULE D

Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)	None <input type="checkbox"/>
Examples: Nat'l Assn. of Post-Collectors, N.Y., N.Y. Doe Jones & Smith, Hometown, State	Non-profit/Educational Law Firm	President Partner	6/92 7/85	Present 1/2000	
1 Iowa Beef Industry Council, Ames, Iowa	Non-Profit Beef Industry	Director	1/88	2/02	
2 Iowa Beef Industry Council, Ames, Iowa	Non-Profit Beef Industry	Ex-officio Director	2/02	Present	
3 Cattlemen's Beef Board, Denver, Colorado	Government-approved beef industry check-off oversight org.	Director	2/02	Present	
4 National Cattlemen's Beef Association, Denver, Colorado	Trade Organization	Director	1/96	2/02	
5 Premium Quality Foods, Inc., Red Oak, Iowa	Value-Added Agricultural Company	President & Director	7/01	Present	
6 Red Oak Farms, Inc., Red Oak, Iowa	Value-Added Agricultural Company	Consumer Marketing Manager	8/99	7/01	

Part II: Compensation In Excess Of \$5,000 Paid by One Source

Report sources of more than \$5,000 compensation received by you or your business affiliation for services provided directly to you during the reporting period from any other business enterprise, or any other corporation, firm, partnership, or other business enterprise, or any other

Source (Name and Address)	Brief Description of Duties	None <input type="checkbox"/>
Examples: Doe Jones & Smith, Hometown, State Moe's University, College of Doe Jones & Smith, Hometown, State	Legal services Legal services in connection with university construction	
1 Red Oak Farms, Inc., Red Oak, Iowa	Consumer Marketing Coordinator for a meat manufacturing and wholesaling company	
2 Premium Quality Foods, Inc., Red Oak, Iowa	President of a value-added company for meat products	
3		
4		
5		
6		

Prior Editions Cannot Be Used

SF275 (F-2) 2/0/00
 5 CFR Part 2634
 U.S. Office of Government Ethics

Reporting Individual's Name
 Pellett, Nancy C.

Page Number

SCHEDULE D

Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, promoter, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)	Note
Examples: Nat'l Assn. of Rock Collectors, NY, NY Doc Jones & Smith, Hometown, State	Non-profit/Educational/ Law Firm	President/ Partner	6/92 7/85	Present 12/00	
7 Prairie Hills Ltd., Atlantic, Iowa	Farming Operation	Vice President & Secretary	3/79	Present	
8 Fredrechen Farms Ltd., Atlantic, Iowa	Farming Operation	President & Treasurer	1/83	Present	
9 Iowa State University Foundation, Ames, Iowa	Educational Foundation/raises money for Iowa State University	Trustee	9/01	Present	
10 Margaret Fredrechen Family Trust, Atlantic, Iowa	Private Family Trust	Trustee	1/99	Present	
11					
12					

Part II: Compensation In Excess Of \$5,000 Paid by One Source

Report sources of more than \$5,000 compensation received by you or your business affiliation for services provided directly to you or your business during the reporting period. Exclude compensation received from clients and customers of any corporation, firm, partnership, or other business enterprise, or any other

Source (Name and Address)	Brief Description of Duties	Note
Examples: Mar. J. & Smith, Hometown, State Mar. J. & Smith, Hometown, State	Legal services Legal services in connection with university construction	
1 see previous page		
2		
3		
4		
5		
6		

Prior Editions Cannot Be Used.

**Nancy C. Pellett
53948 Buck Creek Road
Atlantic, Iowa 50022
(712) 243-4534 (800) 822-3083**

June 17, 2002

Kathleen V. Buffon
Designated Agency Ethics Official and Associate General Counsel
FARM CREDIT ADMINISTRATION
1501 Farm Credit Drive
McLean, VA 22102-5090

Re: Ethics Agreement

Dear Ms. Buffon:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest if I am confirmed as Board Member of the Farm Credit Administration (FCA).

Conflict of Interest Law

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any other person whose interests are imputed to me. I can act on a matter subject to the § 208(a) prohibition only if I first obtain a written waiver under § 208(b)(1), or qualify for a regulatory exemption under § 208(b)(2).

I understand that the interests of the following persons are imputed to me:

- My spouse, minor children, general partner;
- Any organization in which I serve as officer, director, trustee, general partner or employee; and
- Any person or organization with which I am negotiating or have an arrangement for future employment.

Necessary Resignations

Upon confirmation, I will resign my officer, trustee, or director positions with the following for-profit or non-profit entities:

Position and Entity

*President & Treasurer of Fredrechsens Farms Ltd.,
Vice President & Secretary of Prairie Hills Ltd.,
Director & President of Premium Quality Foods, Inc.,
Ex-Officio Director of Iowa Beef Industry Council,
Director of Cattlemen's Beef Board*

After my confirmation as an FCA Board Member, I will remain an uncompensated member of the Board of Trustees of Iowa State University Foundation, a non-profit educational organization that raises funds for the university. I will not participate personally and substantially in any particular matter that will have a direct and predictable effect on this organization unless I first obtain a written waiver or qualify for a regulatory exemption.

I will also remain as an uncompensated trustee of the Margaret Fredrechsén Trust, a private, revocable family trust containing my father's farm in Iowa, of which I am 51 percent owner, and other financial assets in a SalomonSmithBarney account consisting of stocks, bonds, unit investment trusts, and mutual funds. During my tenure as an FCA Board Member, I will not participate personally and substantially in any particular matter that will have a direct and predictable effect on the trust's assets unless I first obtain a written waiver or qualify for a regulatory exemption.

Impartiality Rule

Pursuant to the impartiality rule at 5 C.F.R. § 2635.502, for a period of one year after my termination from my positions at the organizations listed above, I will not participate in any particular matter involving specific parties in which any of these organizations is a party or represents a party, unless the Designated Agency Ethics Official (DAEO) of FCA authorizes me to participate.

I note that I have already terminated my positions as *Director of the Iowa Beef Industry Council (as of 2/02)* and as *Consumer Marketing Manager of Red Oak Farms, Inc. (as of 7/01)*. My term as *Director of National Cattlemen's Beef Association* has also expired (as of 2/02). I understand that I cannot, for a period of one year following these termination dates, participate in any particular matter involving specific parties in which any of these organizations is a party or represents a party, unless the DAEO of FCA authorizes me to participate.

I agree that I will consult with the DAEO before participating in an official matter in which I have a concern about an actual or apparent conflict of interest.

Sincerely,

Nancy C. Pellett

Nancy C. Pellett