PRESIDENT’S MESSAGE
Darren Metzger, Ohio

WOW! They really do everything big in Texas! I want to tip my hat to the good folks in Texas for doing an outstanding job with the 2006 convention held in Arlington, Texas on June 17-19. Great food, great accommodations, great location, great hospitality! The bar has been raised and the folks in Ohio are looking forward to hosting all of you next year in Cincinnati. My trip to Texas was very humbling as your delegates elected me to serve as your President for the 2006-2007 year. I will do my best to serve the wishes of the membership. The challenges ahead for NACS and the Farm Service Agency (FSA) are large, but I am ready to work hard for you. We can do good things with your help.
New Board
Each year the delegates you send to the National Convention elect a new Board to carry out NACS business and provide you with a link to National Office Management. The linkage is made possible by the Consultative Agreement signed with FSA management, which allows NACS to consult with management. Consultation with management is vital to provide the best working environment possible, deliver programs efficiently and provide the best service to our customers. My perception is that too often employees take this partnership with management for granted and do not realize where we would be without it. I want to take this opportunity to introduce the 2006-2007 NACS Board:

Darren Metzger, OH    President
Mike Gibbs, GA    Vice President
Jean Smith, TN    Secretary
John Vogt, KS    Treasurer
Melissa Cummins, WA    Past President
Stu Skidmore, WA    Zone A Representative
Chris Reninger, ID    Zone A Alternate
Denise Lickteig, NE    Zone B Representative
Steve Showalter, IA    Zone B Alternate
John Gehrke, IL    Zone C Representative
Chuck Lipscomb, WV    Zone C Alternate
Mike Brown, NC    Zone D Representative
Priscilla Howell, AR    Zone D Alternate

Committees:
The NACS committees have often been described as the “workhorse” and the “backbone” of the association. By serving on the committees, many members get their first opportunity to work on NACS business on the National level. Our committees have had great success in the past bringing forth resolutions put forward by members from Maine to Puerto Rico to Hawaii to Alaska and all points in between. You have the power to effect change by getting involved and submitting resolutions you feel are important, without ever leaving your desk! Many of you filled out the committee survey and expressed your willingness to serve on a committee. We have 6 committees consisting of a primary member and alternate from each of the 4 zones. One of my first duties as your NACS President is to appoint new committee members for the next year. I want to thank all of you who completed a survey. Unfortunately, we had a lot more people willing to serve than we have committee positions. Please do not be discouraged if you were not appointed to a committee this year. Stay active, stay involved, submit resolutions, attend zone meetings/convention and try again next year. The new committee appointments have been posted on the NACS web page main frame and are also included in this newsletter. Our new Vice President, Mike Gibbs, will be responsible for coordinating the efforts of the committees this year.
Goals:
The board has set some goals for the upcoming year; however, we welcome your input and ideas. We recognize that priorities can change quickly so please don’t hesitate to contact us.

1) Increase the number of states with 100% membership.
2) Increase communication within the organization including focusing on improving:
   - State President communication to their members.
   - Zone Representative communication to State Presidents and Zone members.
   - Outreach to non-members, including non-members through communication so they become aware of NACS achievements. Includes surveying states as to numbers of non-members.
3) Maintain current membership level of 1134 members.
4) Issue 5 National Newsletters.
5) Increase communication with other employee associations and work jointly on issues of common interest.
6) Increase attendance at FMA Convention, targeting states with members on the House and Senate Agriculture and Ag Appropriations committees.

Farm Bill:
We began discussing the Farm Bill at this time last year. One year later, we still do not have a clear direction for the new Farm Bill. The existing legislation is set to expire September 30, 2007. Secretary Johanns expended a lot of his time this past year trying to gather input from the various listening sessions around the country. Much emphasis was placed on assisting beginning farmers. A summary of the listening session comments can be found on the USDA home page under Farm Bill Forums. Currently, there is some Congressional listening sessions taking place around the country as the House and Senate prepare to gear up for the Farm Bill debate. Many NACS members have worked hard to voice your concerns about the future of farming and ranching as it relates to beginning farmers. However, we must not forget our mission requires providing service to all farmers. Thus, we had the opportunity to convey these concerns with special testimony provided by Betsy Senter, FLM; South Dakota, to the Senate Agriculture Committee in June. The testimony she provided on behalf of NACS along with the Issue Brief prepared by our Legislative Issues Committee will provide the cornerstone of the NACS position in the upcoming Farm Bill debate. However, we must be vigilant as the debate unfolds and be prepared to amend or add to our position as needed. The dynamics of the budget process along with changing administrative priorities will most likely shape the boundaries of the debate. We welcome your input as we go through this important process. All state Presidents need to stay engaged in this process and get your members involved.
**Office Restructuring:**
The agency continues to struggle with tightening agency budgets and staffing even though FSA Tomorrow has gone away. The problems still exist and the atmosphere in Congress is unlikely to be favorable to increasing the FSA budget in the near future. It is a fact that Congress has cut the FSA budget proposed by the President for the last 3 years in a row. There are many states with field offices that have 2 or less employees to deliver FSA programs. We also have some credit teams in some states that are not adequately staffed. Each State Executive Director (SED) has been asked to evaluate their current field office structure and determine if changes are necessary to more effectively and efficiently deliver the FSA programs. Farm Loan Program teams and employees may or may not be affected by the reviews depending on the needs in your state and the current field office structure. No deadlines have been placed on the SED’s to submit plans. Consequently, only 11 states have submitted plans thus far. Our Administrator has assured all employee associations that discussions of plans to restructure field offices and employees are supposed to be transparent. If you do not know what is being proposed in your State, I encourage State Presidents to pick up the phone and call your SED.

**Human Capital Crisis:**
This topic seems to be at the top of the list for many employees either because they can retire soon, or because someone who works around them plans to retire and leave more work for them to do. Our Human Resources staff has studied the issue and concluded that 25% of the GS 1165 Farm Loan Program staff can retire within 3 years. They also recognized after much discussion with NACS that we do not have an adequate pipeline of trained loan officers ready to provide for smooth succession planning and knowledge transfer of our loan portfolio. The agency has taken the first step to counter this problem. The Administrator has authorized a “FLOT training pool” of 30 Full Time Equivalents (FTE’s) for this fiscal year and an additional 15 FTE’s for next fiscal year for a total of 45 FTE’s. These FLOT positions are currently being allocated to the state with greatest need. The positions are temporary FTE’s on loan from the National Office until the selected employee completes training up to 2 years. At the end of the 2 year training period, the FTE goes back to the National pool to be allocated to another state. The trained FLOT must then be absorbed into the respective state’s existing FTE ceiling. The process will not totally overcome the anticipated human capital crisis, but I want to publicly thank our Administrator, Teresa Lasseter, for implementing this process.

**Federal Managers Association (FMA)**
We continue to reap the benefits of our affiliation with FMA. The recent accomplishments are:

- They provided great hands on assistance to those who participated in the “Day on the Hill” activities during the FMA convention, including providing staff to attend some of the meetings with key Congressional staff.
- They provided fantastic assistance in developing the testimony for Betsy Senter to give to the Senate Ag Committee hearing on oversight of FLP programs.
They recently assisted membership during the NACS convention with an action letter to address our concerns to House and Senate members about the proposed lack of funding for guarantee loans and the proposed increase to the guarantee fees. As a result of these action letters and legislative visits during the FMA convention, both the House and Senate mark up of the appropriations for the FY2007 propose to restore funding and leave the guarantee fees as is. We are still waiting to see if these proposals survive conference committee discussions.

Thomas Richards, Government and Public Affairs Director for FMA, deserves special recognition for his efforts in providing exceptional service, guidance and support to FSA members in the accomplishments mentioned above. However, please remember that it takes effort from you as a member to make FMA work for us. They provide us the tools, the vehicle and the know how to conduct proper and effective legislative actions on your own time. The only missing ingredient is you the driver. Our NACS Past President, Melissa Cummins serves as our FMA liaison. I encourage State Presidents to contact Melissa concerning FMA issues or you may contact FMA directly on issues concerning your State Chapters.

Summary
In closing I want to say thank you to all of you for the hard work you do on behalf of NACS, FSA and our farm customers. We have many challenges ahead that may seem overwhelming to many of you. I encourage you to stay positive and not get caught in the black hole of negativity. Most importantly take care of yourself and your families.

VICE-PRESIDENT’S MESSAGE
Mike Gibbs, Georgia

It is my privilege to serve as the NACS Vice President for the coming year. I look forward to a year in which NACS continues to submit resolutions to upper management that makes FSA a better tool to serve our farmers and ranchers. I echo Darren’s thanks to all who volunteered to serve on our various committees this year, and look forward to working with you.

SECRETARY’S MESSAGE
Jean Smith, Tennessee

My first thought is to express my appreciation for your support at the National Convention at Arlington, as this was my first attempt to run for a major office in the NACS organization. I was overwhelmed by the encouragement and support that I received from the group as a whole, and particularly my own Zone D members. My desire this year, as well as keeping minutes and updating reports, is to work toward the goal of having NACS being recognized as the hard working team that it truly is. Your
new board this year is an extremely dedicated group of persons, who have the desire to go above and beyond the call of duty to represent you and your concerns to the National Office, as well as your Congressional leaders, and carry your torch to higher realms.

One of the priorities of the board this year will be to establish communication lines regarding the 2007 Farm Bill. As you know, NACS has put together issue briefs concerning the things we feel are important and would like to see in this new Farm Bill. We are talking about term limits, loan limits, guaranteed fees, as well as budgetary issues. Many times, the answers we get are not all we want. But, by the same token, we often achieve results with which we can live.

I look forward to serving on your board this year, and communicating with each of you. Please feel free to contact me any time.

TREASURER’S MESSAGE
John Vogt, Kansas

Greetings from Zone B and the great state of Kansas. I appreciate the confidence you’ve placed in me as your NACS Treasurer. I will do my best to see that the financial records and NACS’ business is handled efficiently and accurately as we go through this coming cycle.

I look forward to the experiences being on the board will bring to me. Having been a Zone Rep in 2000-2001, I have some idea of the supporting role needed, and the tremendous learning experience that comes to board members. It wasn’t until I got actively involved with NACS and began attending Zone meetings and Conventions, and serving on Committees, that I realized what an excellent learning experience was in store for me. Who’s a better teacher than your peers?

As we go through the year, if you see ways to improve our financial records or have concerns, please let me and the board know. I’m looking forward to this year.

2006 NACS CONVENTION RECAP
NATIONAL OFFICE SPEAKERS
By: Mike Gibbs, V.P., Georgia

Teresa Lasseter, FSA Administrator

Ms. Lasseter shared the following statistics with the group:

1) Farm Loan Programs has 5.4 billion dollars in direct loans, and 8.7 billion dollars in guaranteed loans.
2) Loss rates are 3.6% on direct loans, the lowest in 20 years, with .5% loss on guaranteed loans.

3) The delinquency rate nationally is 9.3% on direct loans at this time, and .0167% on Guaranteed loans.

4) Loan processing time on all loans has been reduced by 22%.

5) SDA loans have quadrupled since 1995.

6) In regard to office closures, all recommendations will be coming from the State Offices.

7) 25% of all FLP employees will be eligible to retire within 3 years.

8) Nationwide, 7000 borrowers have one year left on term limits, and 11,000 have 2 years left.

Ms. Lasseter left with the quote, “Take change by the hand before it grasps you by the throat”.

Carolyn Cooksie, Deputy Administrator for Farm Loan Programs

Ms. Cooksie commended Betsy Senter for her excellent testimony on behalf of NACS, and Farm Loan Programs. She stated that Betsy represented the organization well.

In regard to funding, there appears to be sufficient funding for 2006 to last until September 30, 2006, except on Direct Farm Ownership and Guaranteed Interest Assistance. The target on SDA funds will be lifted by early September in order to fund approved loan applications in other categories. Direct operating loans are up 21% this year due to rising costs and rising interest rates.

Ms. Cooksie stated that she is not unhappy with the projected 2007 budget. It should be equal to the 2006 budget and possibly include a small increase.

In regard to the increasing of guaranteed fees, the House bill added the funds back into the bill to eliminate this change, but we are waiting on the Senate Bill, which is still pending.

The Goals Task Force did a great job, and even though the group did not agree or accomplish the entire desired results, there were some compromises. The National Office agreed that it is not fair to keep decreasing the acceptable goal rates, as that result can reach a point that is not achievable, especially with SDA loans. The consensus was, once
the acceptable level has been achieved, the National office would not reduce the goal any further for subsequent years.

FLIPIDS, which is the loan making program on the web, is being tested in Wisconsin and Kentucky. Training expenses are included in the budget. The structure of that training will be to train the trainers and have state trainings, as that approach is less expensive.

The new FLOT pool training will be handled in a similar manner in which state selected trainers will be brought in for national training.

The new FLIPRA process has begun, and seems to be working well. The entire process is built on the basis of getting on top of risk before it happens.

Class Action Lawsuit Status’ are as follows:

1) Pigford – Appears that it will last forever. The Monitor has asked for a one year extension.

2) Garcia/Love – Did not make class action status, but now must be dealt with on an individual basis.

3) Keepseagle – The National office has delivered 4 trailer truck loads of copied records to the Discovery team in hopes that they will realize that this could be much larger than Pigford. Ms. Cooksie explained that almost any American citizen could claim to have some Native American ancestry.

The District Director Task Force that has been established will be completing a large part of their reviews on line through automated reports.

**Steve Connelly, Deputy Administrator for Field Operations**

Mr. Connelly stated that the Goal of the Administration was not to hurt the Agency, but make it better, to be compassionate and fair. He requested that we all read Secretary Johann’s statement on ethics and conduct.

Mr. Connelly reported that in 2004, FSA received 116 million dollars less than requested. In 2005, the agency received 42 million dollars less than requested, and in 2006, 90 million dollars less than requested. This total is 285 million dollars in 3 years.

In addition, Congress has tied the Agency’s hands on consolidation and office closures. Since 1992, offices in 429 locations have been closed in the last 15 years. Then in 2004, offices in 11 locations closed. Twelve offices closed in 2004, and 12 closed in 2005.
The driving forces behind FSA Tomorrow have not gone away. The bottom line is funding. State Task Forces have been asked to develop recommendations for each state. There is no criteria or time line. The National office has received 11 state plans at the present time. Alaska’s plan is the only one that has been approved. There is a 120 day waiting period before the closings occur.

NRCS is going through the same process. State Office structure is also being reviewed, as well as the national office.

The recently established FLOT pool will distribute 30 slots this year, and next year, will expand an additional 15 slots. Surveys will be completed to establish the needs for each state. There is a similar pool being established for the COT program.

Mr. Connelly discussed health issues in relation to severe epidemic conditions. Records have proven that there is a large epidemic due every 34 years, and that this country is due one at any time. He indicated that the predicted culprit will be the H5-M1 virus, which will most likely start elsewhere, possibly Australia, and move toward our country gradually. There will be templates going out to the county office, to be used if this occurs, to protect the employees. This information should be out within a few weeks.

**John Williams, Deputy Administration for Management**

Mr. Williams addressed the group by stating that the Human Capital Initiative required greater accountability and pay for performance. He also said that the Pass-Fail rating standards did not work, but we are not ready for the Pay for Performance program at this point. It will be 2010 before the implementation takes place. Mr. Williams emphasized that the biggest step toward success for the new Pay for Performance standards would include the employees in the discussions, talk about expectations, and have a clear understanding. There was a survey completed by OPM this year, and it revealed that the best performers were not recognized or rewarded. He recommended the following:

1) Have employees involved in planning.
2) Provide every opportunity for employees to understand.
3) Hold employees accountable for results.
4) Standards should be measurable.
5) Focus on the positive, not the negative.
6) Clarify what is fully successful, acceptable, etc.
7) Document successes for evaluation.
8) Managers and supervisors are to be held accountable for evaluation of employees.
9) Adequate training for supervisors required.

**John Johnson, Deputy Administrator for Farm Programs**

Mr. Johnson reported that the GIS/IT Modernization is 99% complete, and the training is 92% complete. He also stated that MIDAS, the web based system to remove farm
programs off the System 36, will not be implemented soon. The AD-1026 has recently become available on the web and can be printed from anywhere.

CIMS, which is a joint program with RMA and crop insurance, is in the development stages, so that a producer only reports once.

In regard to the Farm Bill, Mr. Johnson announced that the Risk Management and conservation issues were posted on the internet. The House and Senate are holding hearings. Under past bills, the 5 major program crops drew 90% of the payment. Horticultural crops are just as valuable, and they are looking at ways to fairly distribute the funds to include the horticulture crops. There is the likelihood that price support will be broken up to cover more crops.

The easiest method to establish a new farm bill would be to tweak the current one, but that is the least likely option at this time.

**Dennis Taitano, Budget Director**

Mr. Taitano explained that his foremost functions are to provide advice and budget counseling, supervise money (Monetary compliance), and determine where and why funding is varied. He explained that the good news is that we are operating within our budget and delivering the essential servicing. The bad news is that there are reduced program deliveries and customer services. We are spending less, but living within our means.

Payroll expenses are up 7% and the cost of administration is up 11%. Information Technology is up 12.6%. Travel is down 33%. Federal and County staffing is down 6% since 2003. The 2007 budget proposal allows for 650 temporaries, versus the 1800 needed as indicated by workload.

**Don Sanders, Human Resources Chief, KCMO**

Mr. Sanders reported that as of 10/04/2006, Herman Resources in KCMO and WDC would be merged to result in combined functions, including Classification and Merit Promotion. There will be no specialists, but rather teams, with emphasis on customer service. The hope is that this 5 tier system will provide fairness and equity across the board, with a response (acknowledgement) to all inquiries within 24 hours.

Mr. Sanders discussed that as more people leave, there will be a tighter pinch placed on those left, which will cause even more people to leave. He stated that we need a knowledge transformation to catalogue information. He then discussed the floating FLOT positions in the pool, stated that they will have an identifiable pool of candidates, prescreened for credentials. There will most likely be a BS or MA degree required to compete for this position. If a state gets no local applications, they can contact Human Resources, and have the position filled within 10 working days.
Mr. Sanders discussed the term “Veteran Blocking” as veterans are often not allowed to compete for federal jobs, yet are well disciplined and have committed core values of services, and should be able to fairly compete.

Mr. Sanders stated that he had a meeting with Carolyn Cooksie and Chris Breyerhelm on June 28, 2006 to discuss Human Capital issues.

**Rick Roberts, OCIO**

Mr. Roberts discussed the effect that the budget cuts have on information technology. In 2005, there was a $250 million business. In 2006, their budget was cut $24 million and in 2007, the projection is additional $20 million. The only services there are presently able to perform are core services, which include only critical issues.

**Terry Tanner, Farm Credit Applications, finance office (Acting)**

Terry discussed the loan making on the web and indicated that user manuals are presently being completed. She also discussed the conversion from MAC to the new loan making program. The manuals should be released by late November or early December.

The Farm Business Plan ceiling included only 100,000 records, but Carolyn has helped get funds to bump the ceiling by approximately 12,000 records.

The new loan making will look similar to the Guaranteed System. The PC DALR$ is being updated. All other spending is discretionary. Funds will be used first to keep present programs working.

**Glenn Richter, Chief, Loan Operations, Finance Office**

Mr. Richter discussed the changes and updates going on in his department. There is a process on-going to eliminate the ordering of a check when the borrower does not need all the funds. He signs the authorization and the funds are cancelled.

The Finance office is also setting up an EFT account for USDA borrowers to pay into us for refunds, etc.

There are several reports being moved to the web, including the 540 Report. Changes in the Guaranteed Loan System include:

1) Automated FLP loss claims. The process will move to eliminate writes downs due to Bankruptcy.
2) Guaranteed loan fee could be increased to 1.5% as soon as October, if Congress acts accordingly.
3) Lenders will enter default status reports directly into the GLS System.
4) Software will allow duplicate ID’s and Tax numbers when applicable.

MEET YOUR 2006/2007 BOARD

NACS President, Darren Metzger

Darren began his career with USDA in 1982 in Ohio with FmHA. He has been an active member of NACS on both the State and National level since 1985. He attended his first National Convention in 1993. Since then he has served on the Farm Loan Programs committee 4 times and as chairman in 2002-2003. In 2000-2001 he was Alternate Zone C representative and headed up the first Membership Committee. He also served as alternate on the Management/Personnel committee. During 2001-2002 he served on the National Board as Zone C Representative. He has also served on various task forces, Consent Decree and most recently as NACS representative on the Farm Business Plan Implementation team. Darren is a Farm Loan Manager in Washington C.H., Ohio. Darren and his wife Susan live on a farm with their two sons Blake (age 12) and Andrew (age 16).

NACS Past President, Melissa Cummins

Melissa is currently serving as the Farm Loan Chief in Washington State. She previously served as a state specialist for nearly 16 years. Melissa joined NACS at the time of the merger, having served as an Assistant County Supervisor prior to being
promoted to a state specialist position. She has attended every Zone meeting since 1995, and first attended the NACS convention in Minneapolis. She has also served as the Zone A Representative, Secretary, and Vice President of NACS. Melissa says she was proud to serve as NACS President for the 2005/2006 year. Melissa Cummins lives in Spokane, Washington, and grew up in Southeast Washington on a dairy farm.

NACS Vice President, Mike Gibbs

Mike Gibbs is a Farm Loan Officer in the Moultrie, Georgia FSA office. His office is in the Southern part of the state, and has had the largest caseload in Georgia for many years. The area is very diverse, with cotton and peanuts representing the largest acreages planted, however the area also produces thousands of acres of fruits and vegetables, and has many cattle operations.

Mike started working for FmHA in 1990 and became County Supervisor in 1994. During reorganization in 1995, Mike was transferred to North Georgia where he was a FLM for 2 years. Wanting to relocate closer to home, he took a job as an Agricultural Loan Officer at a local bank near his home. When a FLO position was announced by FSA in 2000 in his home county, his employment was reinstated. Mike attended his first Zone Meeting and Convention that same year, and has been a supporter of NACS ever since.

NACS Secretary, Jean M. Smith

Jean, a Farm Loan Officer in West Tennessee, has been with Farm Service Agency almost 21 years, and has been in Farm Loan Programs 7 of those years. Of those 7 years, she has attended 7 annual conventions and 7 Zone meetings. She has served as Chairman of the Farm Programs Committee, on the Audit Committee, and served this past year as Zone D Representative. She made two trips this past year to WDC, attending the fall board meeting and the Day on the Hill this past March.
Jean has committed to work hard as your secretary this coming year. She realizes how much this organization does for its members, and appreciates the hard work that the organization and board put forth to make our goals successful. She has dedicated herself to being a part of that team.

Jean and her husband Phillip currently live on a row-crop farm in Ripley, Tennessee, where they grow cotton, soybeans, and corn. She has two children and three grandsons. She attends Faith United Methodist Church where she plays the organ and piano. Her hobbies are music, reading, and playing with her grandbabies.

Stu Skidmore, Zone A Representative

Stu Skidmore started with FmHA as an Assistant County Supervisor on 3/31/86 in Okanogan, WA. In November 1988, he was promoted to a County Supervisor in the Mount Vernon, WA FmHA office. In December 1989, he became the County Supervisor at the Okanogan, Washington FmHA office, where he remains today.

Okanogan County is the 5th largest County in the United States and agricultural commodities consist of apples, pears, sweet cherries, hay and cattle. The case load consists of 100 direct borrowers and about 50 guaranteed borrowers. The office staff consists of Stu, a FLO and a CO-PT that is shared with the Farm Program side. The three process between 50 and 70 direct applications each year.

Stu’s wife Susan and he have 5 grown children and 4 grandchildren. They also have 3 dogs and 3 cats that patrol their 5 acres and keep the vermin out and their small orchard free of deer and coyotes.

In addition to Stu’s real job, he farms his small orchard of apples and sweet cherries plus operates a neighboring 17 acre pear orchard and he also operates their 160 acre irrigation district. In his spare time Stu does wood working and builds “stuff”.
Denise Lickleig, Zone B Representative

Denise has worked for the Farm Service Agency (first FmHA) since graduating from college and just hit that milestone 20 years of service in February. She began as an Assistant County Supervisor in Beatrice, Nebraska and moved to Auburn, Nebraska a year later. She has been in the Auburn office ever since, and has been the Farm Loan Manager (County Supervisor) for nearly 18 years.

Denise started attending Zone B meetings in 1995 in Bloomington, Minnesota and her first NACS convention was in Atlanta in 1995 as well. She has only missed two zone meetings and 2 conventions since that time. Denise served the Nebraska Association by holding all offices and is currently the treasurer. Denise has helped out with the NACS website for several years, now working as the “Database Guru” – all those member information updates are made by her!!

Denise has been married to her husband, Scott, for over 16 years and they have two children, Maxine and Hank. When she is not working, she chases after those kids – church, Girl Scouts (Yeah, Denise is a Cookie Mom!), hanging at the pool, and sports (Softball is her passion.) –and help out her husband with his trapping and taking care of the farm.

John Gehrke, Zone C Representative

John grew up on a grain farm in central Illinois and began his career with USDA in 1983 as a student trainee. A graduate of Illinois State University, he joined NACS in 1987, after becoming a County Supervisor in Vandalia, Illinois. He resides there with his wife, Kim. He served as State President in 1991 and attended his first Zone meeting and National convention that year. John accepted a position as a Farm Loan Specialist stationed in a County Office in 1992. He subsequently served as the IACS State President in 2001 and 2002 and as the alternate Zone C Rep last year.

John still works in the Vandalia County office while covering the Southern Counties of Illinois. His Agency experience includes being the Problem Loan Coordinator (the
predecessor to LRTF), FLOT training coordinator for several years, and also serves as the State Environmental Coordinator. He is a strong supporter of the NACS/FMA mission and has attended several zone meetings and conventions since joining the organization.

Michael Brown, Zone D Representative

Michael grew up working in tobacco and on a contract turkey farm in coastal North Carolina. He began his career with USDA in 1991 with legacy ASCS. He was hired into the FLOT program in 1999 and has worked in numerous offices throughout the state. He became a NACS member in 1999 and has held several positions within the state chapter. He has attended the FMA National Convention and the Day on the Hill for the past three years. He attended the last 4 National conventions and several Zone meetings. Mike has served on the legislative committee the past two years.

Our Most Worthy.............

HONORARY MEMBERSHIP AWARD
By Melissa Cummins

On occasion the Membership of NACS determines that a member or friend of NACS is worthy of the designation of Honorary Member. This is bestowed on the individual after a 2/3 favorable vote of the delegates at the annual convention. At the 2006 Convention in Arlington, Texas, the delegates present voted to honor Past President Betsy Senter, South Dakota with this honor.

Betsy is truly an outstanding member of NACS. She twice served as President, and has devoted countless hours to advocating for the Farm Loan Program of FSA and its employees. She is currently serving as the FMA Conference Chair for USDA, and has worked extensively on legislative issues for NACS. On June 13, 2006, Betsy represented our organization before the full Senate Agriculture Committee. This invitation was due to the outstanding reputation NACS has with the committee for providing accurate information on the status of the Farm Loan Program. Betsy is a Farm Loan Manager, Photographer, rancher and someone with no annual leave balance due to her dedication to the NACS cause. It was with great pleasure that I had the opportunity to present this award to Betsy at the annual convention. Although she humbly stating it was unnecessary and she was no more deserving than many other members, I can think of no one who is more deserving than Betsy. Once again we thank you for your dedication and time spent working for NACS and the farmers and ranchers of America.
2006/2007 COMMITTEES

FARM LOAN PROGRAMS
A – Chris Reninger, ID  
B – Mark Moser, NE  
C – ** Kim DePasquale, VA  
D – Joe Austin, NC  
A – Meriam McMullen, NM  
B – Debbie Roberts, TX  
C – Jeff Koch, IL  
D – Gretchen Thomas, AL

MANAGEMENT / PERSONNEL
A – Bardell Faux, ID  
B -  Allen Hall, NE  
C – ** Tim Neuhardt, MI  
D -  Shawna Harrod, AR  
A – Jeff Kincaid, CA  
B – Steve Showalter, IA  
C – Chuck Lipscomb, WV  
D – Patricia Wilkerson, AL

FARM PROGRAMS
A – Shari Gaeth, CO  
B - Robert Noellsch, MO  
C – Sharon Harris, IN  
D - ** Tim Vonderfecht, FL  
A – William Morrison, WY  
B – Connie Burk, OK  
C – Mike Albin, IL  
D – Tanya Washington, AR

INFORMATION TECHNOLOGY
A - Dan Mattson, ID  
B - Craig Argabright, ND  
C - ** Susan Meyer, NY  
D – Brent Gremillion, LA  
A – Valerie Carpenter, ID  
B – Cindy Vukasin, MN  
C – Marla Koerner, OH  
D – Sandra Coolie, AL

LEGISLATIVE ISSUES
A – Tanya Dostal, WA  
B - Randy Milloy, TX  
C - ** Helena Pitcock, KY  
D - Bob Parris, SC  
A – Debbie Higges, UT  
B – Lee Crawford, MN  
C – Dan Walsh, IN  
D – Peter O’Neal, LA

MEMBERSHIP
A – Steve King, WA  
B – Maureen Mausbach, NE  
C - ** Millie Turner, PA  
D - Mike Sullivan, LA  
A – Shawneen Stevenson, AZ  
B – Gerald “Bubba” Green, TX  
C – Rebecca Stone, NO  
D - P.L. Jowers, GA
ZONE A NACS REPORT

The Texas NACS, NASE and NADD delegation put together an excellent convention in Arlington, TX home of the Texas Rangers, Six Flags Amusement Park and Hurricane Harbor. The convention center and hotel were located smack dab in the center of all three, providing easy access and great entertainment. The weather was a bit warm for us western folks and we arrived on Saturday amidst one heck of a thunder and lightening storm that dropped about 6” of rain, one-half of my areas’ annual amount.

Zone A was represented by 9 participants, one of whom was a first time participant; Jeff Kincaid from California. Idaho was represented by Dan Mattson, Chris Reninger and Bardell Faux. New Mexico participants were Bob Ledingham and Meriam McMullen. California was represented by Jeff Kincaid. Washington State was represented by Melissa Cummins, Lisa Ruff and I.

I was re-elected to represent Zone A and I thank you for your support and will do my best to represent all of you and your concerns. Congratulations to those elected and appointed and those of you who expressed an interest in serving NACS. Your willingness to step forward and serve is what contributes to NACS success.

Next years’ convention will be in Cincinnati, OH and the 2007 Zone A meeting will be in San Francisco on March 1, 2 and 3. Within a week or so the Zone A registration form will be on the NACS website.

We have several major changes coming at us on the horizon. Included are the new streamlined regs due out this fall, the new FLOT training program due out in September, FLPIDS (including Direct Loan Making and Direct Loan Servicing) coming soon and the possibility of a new super PT position being developed. Plus we have the state plans to deal with, another difficult year budget wise and on going concerns with the 1165 problem and the 5 tier performance issues.

Your involvement, participation and support of NACS are paramount to our success as an employee organization. If there is anything I can assist you with or if you have concerns or suggestions, please contact me or your state president. I look forward to serving you in 2006 and 2007.

Stu Skidmore
Zone A Representative

ZONE B NACS REPORT

I am the Zone B Representative for 2006-2007 and honored to serve an Association and its members that have accomplished so much in their history. The upcoming year for NACS has rolled itself out already as we hit the ground running almost immediately after returning from the convention in Arlington, TX.
Those folks from The Lone Star State really know how to put on a convention. One of the highlights for me was the formulation of the “471 Plan” during the 11 ½ hour drive from Nebraska. In summary, the “471 Plan” came to birth at mile marker 471 in Texas on Interstate 35 when the delegates from Nebraska began discussion of bidding to host the 2008 National Convention. Somewhere a few miles down the road, we had come up with several ideas for activities and decided “Heck, why not!”. So, as they say, the rest is history and we want you to keep your calendars open for June of 2008 to come back to Zone B for some Nebraska hospitality.

Zone B is proud to have John Vogt, FLM from Kansas, serving as the NACS Treasurer for 2006-2007. Also serving Zone B this coming year is Steve Showalter, FLM from Iowa, who will be the Zone B Rep Alternate. Additionally, there are a large number of members from Zone B who have stepped forward to serve as committee members and alternates. Thanks to John, Steve, and the many others. We know that you will serve us well.

This year is shaping up to be an interesting one with each state forming their “Plan”, continuing budget issues, and our primary goal of serving our Nation’s farmers and rancher. We will all be kept on our toes. It is the goal of your NACS Board, all the way from the President to the Zone Reps, to keep the members informed. If you ever have questions, comments, or just need some one to lend an ear, give me a call or slip me an email.

Last, but certainly not least, be sure to mark your calendars now for February 8 – 10, 2007 and plan to make a trip to Kansas City, Missouri. I’ve talked with some of the Missouri delegation and they are already making plans for a fun and interesting meeting.

Denise Lickteig
Zone B Representative

NACS ZONE C REPORT

We would like to thank the Texas delegation for a well organized and memorable convention. It takes a great deal or work and commitment to host a convention and Texas did not disappoint! Zone C was well represented with members from 12 State Chapters in attendance. Our own Helena Pitcock, Kentucky State President and long time Chairperson of the legislative committee, received NACS highest award, the “Blood, Sweat, and Tears Award”. She is very deserving, devoting much time and effort over the years working on our behalf. Congratulations Helena!

The 2007 convention will be held in Zone C at the Millennium Hotel in Cincinnati, Ohio June 25th – 27th, 2007. Mark your calendars! Prior to convention, the Virginia delegation has volunteered to host our Zone meeting. It will be held February 23rd – 24th in Richmond, Virginia. Please watch the website for posted updates and early registration.
I am looking forward to being your Zone C representative for this coming year. I would like to thank each member who volunteered their time and energy by submitting a committee survey. We will be well represented and to those not chosen, please consider submitting one again next year. We were fortunate to have more volunteers than committee positions and we hope to get more first time committee members involved next year.

One of our goals in 2006-2007 is to increase the number of first time convention attendees from our Zone. Despite a good turnout, we had no first timers this year and we hope to increase that significantly. I also plan to keep State Presidents informed of the issues facing our organization and the action being taken in hopes that they will communicate this to our members in each State. Our membership numbers will be difficult to maintain as people continue to retire and not be replaced. However, we will be encouraging each State to enroll new employees as they are hired and trained. We also will encourage each State to provide the names and addresses of retiring members to Millie Turner, who is once again chairing the Membership Committee. We also hope to encourage resolution submissions from new members.

The Farm Bill debate will continue this year and we will strongly encourage attendance at FMA’s “Day on the Hill” by members from each of the targeted States. We also want to keep up to date on each State’s plan for program delivery and provide updates to the Executive Board.

I feel strongly that NACS, through our relationship with the National Office and our affiliation with FMA, can have a positive influence on agriculture and the people of rural America that we serve. I look forward to this year and I will do my best to represent our Zone and this outstanding organization.

John Gehrke
Zone C Representative

NACS ZONE D REPORT

Zone D was well represented at the National Convention in Arlington. Each State was well represented and the hospitality that Texas is known for, shined as big and bright as the single star on their state flag. They conducted an excellent convention with distinguished speakers and outstanding activities, the Rangers even let the Padres win to show their hospitality toward California.

Zone D is very proud of their two newly elected national officers. Mr. Mike Gibbs from Georgia was elected Vice-President and Mrs. Jean Smith from Tennessee was elected Secretary. These two individuals have dedicated a lot of time and effort toward NACS and will continue to do outstanding jobs for the association.
“SHOW ME THE MONEY” is still the theme of the times. Everything appears to be based upon budget. A few states in Zone D have indicated that their state is not going to submit a plan of reorganization where others have indicated several office consolidations. Over the next several years I’m sure these will be big topics of discussion.

The 2007 Zone D meeting will be in Atlanta, Georgia on February 15th thru February 17th at the Hilton Atlanta Airport. I have been told that the location is very convenient. We hope that everyone will come and enjoy the southern hospitality that Georgia is known for.

I look forward to serving as Zone representative this year. I encourage each and every one of you to become involved. Please contact me with any of your concerns, even if it’s just voicing your opinion on a topic or requesting NACS position concerning an issue.

Michael Brown
Zone D Representative

THE “FIRST TIME” PERSPECTIVE

From Zone A -

To say that I was impressed with the 2006 NACS National Convention in Arlington Texas, would be an understatement. I think that the NACS Organizations owe the Texas Association of Credit Specialists on both sides a debt of gratitude. I am assuming they arranged for everything to be within walking distance of the Convention Hotel as well as the transportation to and from the Trail Dust Restaurant. All of the guest National office speakers appeared knowledgeable and gave us some insight into their operations.

I would personally like to take this opportunity to thank Bubba for his assistance. I am a person of somewhat limited mobility and it was a great comfort to have someone to go to about concerns, and have him ask the appropriate people to come up with an answer. I thought the after hours activities (the Texas Steak Dinner and the Baseball Game) were super. I would like to thank the people in the hospitality room as well.

Yes, this was my first time to attend a NACS Convention, but I can guarantee it will not be my last. I am already making plans to be present in Cincinnati, Ohio next year. Thank you for allowing me the opportunity to critique this meeting from a first time attendee’s perspective.

Jeffery W. Kincaid
CA ACS Vice President
From Zone B -

Will Schnittker, President of Kansas Association of Credit Specialists attended his 1st NACS/FSA Convention in Arlington, Texas and had this to say about his experience as a 1st time attendee:

“I really did not know what to expect as I have attended different state conventions before but never a national convention. I noticed right away that the Kansas delegates attending with me knew many of the people at the convention from other states. It was clear that this once a year meeting was very important to renew friendships created at prior conventions. You can imagine the impression it made on me when Melissa Cummins had all of us stand until they named a convention site and year a delegate had not attended. There were 2 delegates that had attended every NACS convention from the first and second convention in the early 70’s to the present; talk about the importance of NACS to these 2 guys!!” I too met many new names and faces that will be with me until the next convention I attend. It really helps to be able to put faces with the names we read on the NACS web site.”

“The exchanging of state pins with other delegates was interesting. I found out quick the pins were darn important to other delegates; kind of a cultural exchange so to speak. I found both the outgoing and incoming NACS Presidents very easy to talk to and share ideas with despite them not knowing me well. This was refreshing. The resolution process was pretty intense and had plenty of spirited debates on both sides of the issues. If you haven’t watched the parliamentary process to adopt the resolutions before, this is worth the trip alone.”

“The Texas people went all out to put on well organized, good convention with fun things to do at night. I definitely plan to attend future conventions because of my experiences at this convention. While I may not be able to attend every year like those 2 fellas that were the last 2 standing, I am excited about attending another convention and becoming more involved with the NACS process knowing that it is up to each of us as individuals to make a difference.”

FOR OUR MOST DESERVING………………

Helena Pitcock, Farm Loan Manager, Kentucky
2006 Blood, Sweat, & Tears Award Recipient
By Bill Mahanay

The most prestigious award given by the National Association of Credit Specialists (NACS) is named in honor of our first President, Ray Turknet. The Ray Turknet Blood,
Sweat and Tears Award is presented to an individual who excels in serving NACS and its members.

Helena Pitcock, the 2006 Blood, Sweat and Tears Award recipient began her career with Farmers Home Administration (FmHA) as a Loan Assistant in 1979. To continue her employment with FmHA Helena Pitcock took a support staff position in 1981 and a Program Review Assistant (PRA) position in 1989. As a support staff employee, Ms. Pitcock became active in the Kentucky state association for support employees.

In 1992, Ms. Pitcock entered a career enhancement program and became an Assistant County Supervisor. In 1998 she became a Farm Loan Manager. Ms. Pitcock held several positions within the Kentucky state association for credit specialists and is currently serving as the state President.

With exception to one convention that she was unable to attend due to a family illness, Ms. Pitcock has been to every national convention since 1987. I reviewed NACS Annual Reports from 1997 to present and found that she served one year as a member of the Farm Loan Programs Committee, two years as a member of the Management / Personnel Committee, two years as a Legislative Issues Committee member, two years as chairperson of the Legislative Issues Committee, one year as a Zone Representative and was the convention co-chairperson for the National Convention that currently holds the convention attendance record. Ms. Pitcock has also been an active participant at NACS Zone C meetings and Federal Managers Association (FMA) National Conventions.

As the 2005 / 2006 Legislative Issues Committee Chairperson, Ms. Helena Pitcock was responsible for activities such as:

1. Commenting on the proposed increase in guarantee fees.
2. Commenting on a number of proposed rules that were published throughout the year.
3. Gathering feedback and preparing a position paper for use at farm bill field hearings.
4. Coordinating efforts to have members present the NACS position paper at 52 field hearings.
5. Preparing an issue brief for use during NACS / FMA congressional visits. Members made over sixty congressional visits and met with members of the House and Senate Agricultural Committees in 2006.
6. Coordinating NACS legislative activities during the FMA annual convention.
7. While at the NACS annual convention in Arlington, Texas, Ms. Pitcock spent Monday evening working with FMA officials to prepare an action letter addressing FSA “HUMAN CAPITAL” concerns.

Ms. Pitcock’s tireless pursuit of our legislative objectives was a contributing factor resulting in NACS / FMA receiving an invitation to testify at a Senate Agriculture Committee hearing on Farm Loan Programs. The issue briefs and position paper prepared by Helena and the Legislative Issues Committee were utilized as a guide in preparing testimony for the Senate Ag Committee.
While dedicating a large amount of time and energy to serve NACS, Ms. Helena Pitcock and her family were experiencing significant personal challenges. Ms. Pitcock was directly reassigned or otherwise relocated on multiple occasions in recent years. Helena and Larry Pitcock also lost their farm home and most of their personal belongings to fire. Larry and Helena completed construction and moved into a new farm home in 2006.

Helena’s husband Larry, daughter Jill, son John Wesley and grandson Aiden were in Arlington, Texas to see her receive the 2006 Blood, Sweat and Tears Award. Brad, her oldest son and Mike, her son-in-law were not able to attend the ceremony. John Wesley, who will be deployed to Iraq on July 29th, received a standing ovation and words of appreciation for serving and protecting our country. In her acceptance speech, Helena gave credit for her accomplishments to the strong family support that she enjoys and for her love of American agriculture. It was an honor to be able to present the 2006 Blood, Sweat, & Tears Award to Helena Pitcock.

AND ……………HELENA’S RESPONSE

Attending NACS Conventions for the past 20 years, I have always watched in awe when the Blood, Sweat and Tears award was given and the recipient accepted joyfully and tearfully. I have always known what an honor this was but never dreamed of receiving it myself! Even when my husband, daughter and grandson surprised me in Arlington by arriving on Tuesday during the convention, I would still never dream of receiving such an honor for serving an Association that I so dearly believe in and am so committed to. There are so many deserving members that I can think of who are worthy of the award. When Bill Mahanay began the presentation with a description of the recipient’s history, I was really listening after he gave the year the person started with the agency (not too many around as old as me anymore!). Then with just a few more details, I knew of no other person that had gone through the jobs that I had so long ago. Of course my family was watching me and the tears started! I can’t really put into words the honor I felt and I was very humbled by Bill’s kind words. I am so very proud to serve such a wonderful organization as NACS and I know of no other job I would enjoy more than serving the farmers of our nation.

Helena Pitcock
Farm Loan Manager
Barren Co. KY

Testifying before Congress
By Betsy Senter

“Well, I really think we can get these 4 calves worked before noon”, I said to my co-worker. She reluctantly agreed, sensing that, as usual, I have no concept of time. We
caught the last calf born of the year (only 5 days old!) and he started jumping and kicking
and then plowed into the side of my knee. That is when I heard a loud pop and I went
down. (Sorry to those people who have had this happen to them!) It was not that painful
but very disconcerting considering a few things – first, I had to take wedding pictures in
less than 2 hours and in about 24 hours I had to fly to Washington, DC. Like I said, no
concept of time!

Anyway, the calf did get his shots, the wedding pictures were taken and I did make it to
Washington, DC. The knee brace saved the day!

Several members ask that I reiterate the sequence of events that led up to NACS-FSA
having the opportunity to testify before the Senate Ag Committee. This process started
many years ago right after reorganization and NACS-FSA began their relationship with
the Federal Managers Association (FMA). We were impressed with the effectiveness of
their contacts with their congressional representatives and the effects of their legislative
work, so we joined FMA in hopes of at least having input when it came to matters
affecting our everyday delivery of FLP programs.

NACS-FSA members make a point of visiting with member’s staffs at the annual “Day
on the Hill” but also with the House Ag Committee and the Senate Ag Committee staff
when we are in Washington. As a result of these contacts and building relationships, we
were asked to provide input into revisions to the CONACT through the 2002 Farm Bill.
There were several items that received approval which have made life much more
enjoyable in the FLP world --- “Bridge” loans, not taking classifications to County
Committee, deferring term limits, made revisions to the requirements for 2 assessments
per year, etc. These changes and others would not have been possible without a strong
relationship with the committee staffers.

These contacts continued after the 2002 Farm Bill and on to today. We were asked at our
March 2006 meeting with the Senate Ag Committee staffers if we were interested in
providing testimony if a FLP oversight hearing was held. I did not think much about it
again until I received a phone call in May asking me if we would like to provide
testimony both written and oral.

NACS-FSA members were asked to provide input on scenarios that portrayed the effects
of loan limits, guaranteed fees and term limits. We received numerous reports from
states and how these rules have been affecting or have the potential to impact our
customers.

After receiving guidance and direction from FMA Senior Government & Public Affairs
Representative, Thomas Richards, we started work on writing the written testimony. The
written testimony has to be submitted 48 hours prior to the oral hearing. This written
testimony can be longer than the allotted 5 minute oral testimony.

Past President Bill Mahanay took the written ideas from many (Thank you!) and crafted it
into the rough draft of the written testimony. Thomas Richards re-wrote the document
with a “testimony” spin. Many re-writes would follow and we utilized the services of proofer Eric Guenther for the final look over. Special thanks go out to these folks who gave up family time and weekend time to get this project done!! Although my name was on the testimony submitted, it was truly a NACS-FSA document!

FMA made sure the written testimony was delivered timely to the Senate Ag Committee. I arrived in Washington, DC the day before the hearing was to be held. Thomas did suggest that maybe the knee brace would evoke some sympathy but that was not necessary. FSA agency officials Glen Keppy, Associate Administrator, and Carolyn Cooksie, Deputy Administrator of Farm Loan Programs, were on the first panel of people to testify. The agency spoke of the success of the loan program and the low delinquency and loss rates. They also spoke of changes they were looking at to enhance the FLP program with the next Farm Bill. The agency stated they felt the loan limits should be refined but did not suggest a figure or method to change the present limits. The agency was supporting the increase in guarantee fees which was proposed in the President’s Budget released in February.

Dennis Everson, President of First Dakota National Bank in Yankton, SD was on the second panel with me and Karen Krub, Farmer’s Legal Action Group (FLAG). We were all allowed to give a five minute summary of our written statements and then the senators asked questions. I have to admit the questions and answers are a blur at this point but most centered around the proposed guarantee fees. A transcript will be provided at a later date.

Since South Dakota had two people testifying, South Dakota Senator Tim Johnson’s staffer was also in attendance and invited both Dennis Everson and I back to the office for more discussion on these issues. American Bankers Association Legislative Representatives, John Blanchfield and Sevar Sowers also accompanied us along with Thomas Richards from FMA. Senator Johnson from South Dakota is on the Ag Appropriations Subcommittee and has an instrumental position since a number of the issues relate directly to budget issues, i.e. guarantee fees. A letter has been circulated by Missouri Senator Jim Talent’s office in opposition to raising the fees. Senator Johnson and others have signed onto this.

Do I think these relationships with our Congressional representatives have paid off or will pay off in the future? Continue to watch, look and listen! I think our contacts and work with bankers, lenders, staffers and farm groups has already paid off and will continue to pay off! Our efforts have not centered on how employees are affected or how FSA is organized – it has centered on how to make FSA FLP programs more effective! I think this has elevated us to a unique position where our input is welcomed and sought after. This is the basis of our organization --- it’s just a little different way than just doing resolutions!

If you missed getting involved with your representatives the past six months, do not worry! We have a Farm Bill looming ahead! Start making contacts NOW! Get names of Ag Aides and then call them and talk to them! We cannot make these contacts for
only people from your state can have effective communication with your congressional representatives! Start today! You will not regret it and you will play a role in shaping FSA for the future!

CONVENTION PICTURES

OFFICERS 2006/2007

WEDNESDAY EVENING BANQUET
NACS CONVENTION

2006/2007 ZONE
REPRESENTATIVES
YOUR NEW BOARD

JOHN NASSIF – RETIRED AND HAPPY!!

MORE BANQUET SHOTS