

June 14, 2002

The Honorable Tom Harkin
United States Senate
Room 731 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Harkin:

On behalf of the institutions of the Farm Credit System, I want to express my strong support for S. 2528, "The National Drought Preparedness Act of 2002." This important legislation could not be more timely given the serious drought crisis faced by so many states across the nation, and I urge you to give it your immediate support.

As customer-owned lenders to agriculture, Farm Credit institutions are very attuned to the economic fallout caused by severe drought conditions. When confronting this type of disaster, producers and lenders are faced with difficult decisions that can adversely impact business and leave their local economies suffering. Not only does drought cause billions of dollars in damage to production agriculture, it is just as destructive to other rural businesses, to water systems and water quality, aquifers, fish and wildlife, recreation and many other important sectors of our nation's communities. Yet when it comes to drought, the federal government lacks an integrated and comprehensive national policy to mitigate the impacts of, and respond to, these emergencies.

S. 2528 would put in place a comprehensive national drought policy that statutorily authorizes a lead federal agency for drought and delineates the roles and responsibilities for coordinating and integrating federal assistance for droughts. It would move the country away from the costly, ad-hoc, response-oriented approach to drought, and move us toward a proactive, preparedness approach, similar to what we have for other natural disasters such as hurricanes, floods, and tornadoes.

We urge your support for this important legislation and encourage you to consider cosponsoring S. 2528.

Sincerely,



Kenneth E. Auer
President and CEO