

Texas Department of Banking

Press Release

Cooperative Effort Focuses on Potential Impact to Texas of the 1996 Federal Farm Bill

Date: January 10, 1997

On December 19, 1996, Representative Pete Patterson, Chairman of the Texas House Committee on Agriculture and Livestock, and Catherine A. Ghiglieri, Commissioner of the Texas Department of Banking, co-hosted a presentation by representatives of Texas A&M on the impact of the 1996 Farm Bill on Texas agriculture and the Texas financial community. This co-sponsorship of a presentation recognized the importance of agriculture, its financing, and the impact of the 1996 Farm Bill to Texas. While the number of Texas citizens directly involved in agricultural production is relatively small in comparison to the state's population, approximately 20% of the Texas economy is based on agriculture.

The meeting was a result of recommendations developed by participants at the Farm Bill and Beyond Summit Conference held last June in Lubbock. The Lubbock conference was sponsored by the Texas Agricultural and Natural Resources Summit Initiative, Texas Agricultural Forum, Texas Tech University, Texas A&M University and the V.G. Young Institute for County Government. Dr. Jim Butler, Dr. Ed Smith, and Dr. John Penson (representatives of Texas A&M University), and Mr. John Anderson (President of Hale County State Bank, Plainview and a member of the Summit Executive Committee) made presentations on the impact of the 1996 Farm Bill.

Attendees included representatives of state and federal financial institution examining authorities, bankers, banking trade groups, and interested state legislative personnel. The question and answer period following the presentation brought out the need for further action to adequately inform all lenders and producers of the changes and their expected impact on the Texas economy. The attendees also proposed to collect information on production changes to assist in evaluating the overall picture of agricultural pursuits. Commissioner Ghiglieri pledged that the Department would continue to assist the Legislature and the state's lenders in these pursuits.

"The volatility in agricultural production introduced by the 1996 Farm Bill will affect producers and lenders in all regions of Texas," stated Commissioner Ghiglieri. "Strategic planning will become even more important for both groups as a credit tool in agricultural financing."

Chairman Patterson stated: "The viability of Texas agriculture is dependent on the strengths of each individual producer and the willingness of the lending community to assist producers in making the changes brought about by the Farm Bill to work for Texas. We cannot allow a lack of action on our part or a lack of credit availability to harm this sector of the economy."