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Rural Coalition Statement on USDA Implementation of Debt Payments for Underserved Farmers and Ranchers

The United States Department of Agriculture today announced the phased implementation of the $3.1 billion in critical debt relief for distressed borrowers of direct or guaranteed loans whose agricultural operations are at financial risk enacted in August in the Inflation Reduction Act (IRA). USDA further announced that distressed borrowers have already received $800 million of this relief.

“We commend USDA for moving expeditiously and with resolve to speed critical relief in the form of debt payments for at-risk producers and underserved farmers and ranchers facing financial distress. We regret that legal actions delayed and ultimately prevented implementation of previous efforts to provide debt relief, leaving many farmers and ranchers we serve with unsustainable debt and an uncertain path forward.” stated Rural Coalition Chairperson John Zipper.

“We are hopeful that the economically distressed underserved producers we serve will now receive the prompt and long-awaited support they need to stabilize their operations in the face of the pandemic and growing increases in cost of inputs and land. We appreciate that USDA has demonstrated its understanding of the compelling need to provide this assistance in a timely and effective manner,” Zipper continued.
“All small farmers need this opportunity to reevaluate their financial situation and restructure their debts, especially to help them adapt in the face of these new and erratic climatic events,” stated Rudy Arredondo, Rural Coalition Board Member and President of National Latino Farmers and Ranchers. “What else are they going to do to survive? They need the adjustments now available to survive and carry on their farming operations.”

USDA has also initiated additional case-by-case processes to assist in complex cases including borrowers facing bankruptcy or foreclosure, and a second using existing loan servicing criteria to help additional financially distressed borrowers avoid delinquency. Farmers must apply for these processes.

“We stand ready to help farmers access the relief USDA has made available to stabilize these operations by broadly utilizing the tools and funding from Congress coupled with its existing debt relief authority,” said Rural Coalition Board Member Willard Tillman, Executive Director of the Oklahoma Black Historical Research Project. “Rural Coalition with Land Loss Prevention Project and Intertribal Agriculture will work with Farmers Legal Action Group to quickly revise their recent Farmers Guide to the Inflation Reduction Act, produced with support from the W.K. Kellogg Foundation. The Guide will be used to quickly train our technical assistance network to assure all eligible producers with at-risk agricultural operations have the information and technical assistance they need to effectively access the newly announced relief,” he concluded.

The IRA as enacted also provides some $2.2 billion in financial relief for farmers and ranchers deemed to have experienced discrimination by USDA’s farm lending programs.

“This relief is also critical as it provides assistance to address some very long-standing injustices, and we will be responding fully to USDA’s request for input on implementation in its October 14 Request for Public Comment on Providing Financial Assistance for Producers and Landowners Determined To Have Experienced Discrimination,” said Zippert.

The USDA is to be commended for its integrity in moving forward with the promised relief for distressed borrowers in the IRA. The implementation is broad-based enough to correct the disequilibrium in the farm credit system and with prescriptive remedies moving forward. We hope that distressed farmers and their rural communities will at last experience a breath of relief.” said Savi Horne. RC Board Member and Executive Director of the North Carolina Association of Black Lawyers Land Loss Prevention Project.

The Rural Coalition/Coaliición Rural is an alliance of farmers, farmworkers, indigenous, migrant, and working people from the United States, Mexico, and beyond working together since 1978 toward a new society that values unity, hope, people, and the land. With our strong roots in the movements for human, civil and farmworker rights, Rural Coalition/Coaliición Rural members share the belief that rural communities everywhere can have a better future and that community-based organizations who have long served the needs of rural communities and people have a fundamental role in building that future. Investments in their work will provide important returns to our economy, our environment, and our society.