

USDA Guaranteed Farm Loans Preserve Jobs

November 18, 2010

Senator Blanche Lincoln, Chairman
Senate Committee on Agriculture, Nutrition & Forestry
328A Senate Russell Building
Washington, DC 20510

Dear Chairman Lincoln:

The organizations listed below are writing to express our support for legislation that would protect eligibility for farmers and ranchers participating in U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) guaranteed farm loan programs. Unless Congress acts this year to suspend borrower term limits on FSA guaranteed farm loans, approximately 4,217 farmers and ranchers will be forced out of the program, making it very difficult for them to secure credit for the upcoming year. In this troubled economy, we simply cannot afford diminished credit opportunities and the prospect of losing farm and ranch jobs.

The 2008 Farm Bill suspended borrower term limits on FSA guaranteed farm loan programs through the end of 2010. However, without action by Congress this year, those term limits would resume after December 31, 2010, immediately making many farmers and ranchers ineligible for additional credit through these programs. USDA estimates that as many as 4,217 farmers and ranchers will be affected by this credit limitation immediately and as many as 7,560 within two years. For these farmers and ranchers, being denied access to the FSA guaranteed farm loan program greatly diminishes their credit options. Some of these farmers and ranchers may be unable to continue farming. The struggling rural economy simply cannot withstand this kind of setback.

We urge you to extend existing law and suspend term limits for farmers and ranchers enrolled in the guaranteed farm loan program. We urge you to pass bipartisan legislation, S. 3221, authored by Senator Herb Kohl that would achieve that end. S. 3221 has been scored at zero cost by the Congressional Budget Office.

Sincerely,

American Bankers Association	National Farmers Union
American Soybean Association	National Milk Producers Federation
Farm Credit Council	National Pork Producers Council
Farmer Mac	USA Rice Federation
Independent Community Bankers of America	Women Involved in Farm Economics
Midwest Dairy Coalition	(WIFE)
National Association of Credit Specialists of the USDA-Farm Service Agency	
National Association of Wheat Growers	
National Cattlemen's Beef Association	
National Corn Growers Association	
National Cotton Council	