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FARM AID AND ADVOCACY GROUPS URGE CONGRESS TO EXTEND STIMULUS MEASURES TO INCLUDE FARM FAMILIES

Financial health of family farmers critical to successful economic recovery

SOMERVILLE, Mass. — While Congress negotiates the second installment of Troubled Asset Relief Program (TARP) funds and debates the American Reinvestment and Recovery Act (ARRA), Farm Aid and farm advocates from across the country today outlined the important contributions family farmers make to the U.S. economy and the federal actions that are necessary to protect agriculture economy in the U.S.

In 2008, the agriculture sector is projected to have contributed more than \$130 billion¹ to the U.S. economy; estimates indicate that it employs 14 percent of the total workforce and accounts for nearly 5 percent of the total U.S. gross domestic product.² According to Farm Aid, as important as the financial contributions family farmers make at the national level are the investments they make in their local communities.

“American family farmers are the backbone of our economy, the first rung on the economic ladder,” said Farm Aid President Willie Nelson. “Family farmers are already out there, creating real wealth, producing real value and growing real food that feeds everyone. Right now, a strong U.S. economy needs the family farmers we have and needs more farmers on the land. When family farmers thrive, local economies thrive, and that’s a common-sense approach for rebuilding our country.”

The National Family Farm Coalition, Rural Advancement Foundation International – USA, Federation of Southern Cooperatives, and Missouri Rural Crisis Center joined Farm Aid in making recommendations that TARP and ARRA include regulations and mandates that address the urgent financial needs of thousands of farmers and ranchers. Specifically, the organizations requested that Congress address the following:

- As a condition of the receipt of TARP or any federal government funds, banks or other financial institutions providing credit to farmers must allow for loan restructuring when farmers are unable to make scheduled payments due to circumstances beyond their control, such as the broad-based downturns in the marketplace. Because most family farmers live on their farms, their homes are listed as security for farm loans. Extending loan protections to family farmers in ways that are comparable to those mandated for Farm Service Agency (FSA) farm loans would prevent home foreclosures and bankruptcy among farmers and ranchers. In addition, loan restructuring mandates do not require an investment from the federal government and prevent banks from losing funds as a result of foreclosure and loan default.
- Extend farm loan restructuring programs to farmers and ranchers who are already at least 60 days behind in their scheduled loan payments.
- Increase the capacity of FSA to respond to the credit needs of farmers caught between high input costs and low commodity prices by increasing appropriations for direct and guaranteed loans under ARRA.

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¹ “Agriculture Outlook: Statistical Indicators.” Economic Research Service, December 2008.

² “Visions of the Rural Milieu: United States.” Dabson, B. Rural Policy Research Institute, July 2008.

- Include the increased funding for direct and guaranteed loans as outlined in the Senate version of ARRA when the legislation is finalized and include mandates to ensure that direct or guaranteed farm loans are not used for the construction or expansion of specialized hog or poultry production facilities.
- Require that USDA quickly implement disaster program funding that was approved in the 2008 Farm Bill to provide payments to those farmers affected by natural disasters in 2007 and 2008, making more relief available for farm families.

For more information about family farmers and the economy, visit www.farmaid.org/economyfaq. To hear a playback of the briefing through March 2, call (800) 642-1687 and provide the confirmation number 83885513 when prompted by operator.

Farm Aid's mission is to build a vibrant, family farm-centered system of agriculture in America. Farm Aid artists and board members Willie Nelson, Neil Young, John Mellencamp and Dave Matthews host an annual concert to raise funds to support Farm Aid's work with family farmers and to inspire people to choose family-farmed food. Since 1985, Farm Aid has raised more than \$33 million to support programs that help farmers thrive, expand the reach of the Good Food Movement, take action to change the dominant system of industrial agriculture and promote food from family farms.

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