

March 3, 2009

The Honorable Tom Vilsack
Secretary of Agriculture
US Department of Agriculture
1400 Independence Ave. SW
Washington, DC 20250

The Honorable Timothy Geithner
Secretary of the Treasury
Department of Treasury
1500 Pennsylvania Ave. NW
Washington, DC 20220

Dear Secretary Vilsack and Secretary Geithner:

The undersigned organizations urge you to take action to ensure that your departments address the critical concerns of farmers and rural communities as the next steps are taken in President Obama's Homeowner Affordability and Stability Plan and other emergency recovery efforts. While the serious problems of home loans and foreclosures require immediate action, we are deeply concerned about the impacts on farm families and the loans on which they depend. The inability to continue making loan payments is a double threat as farms are often the homes and the businesses for many families.

Many across America are feeling the impact of the current economic troubles and most farmers face volatile commodity prices, rising input costs and tightening credit markets, creating a serious cash flow and credit crisis. The 60,000 dairy farmers left in the U.S. have seen the price they receive for their milk plummet by nearly 50% since July 2008, and with low prices projected for the next year, dairy farmers nationwide will soon have difficulty staying in business.

The recently passed economic stimulus legislation contains close to \$200 million in additional funds for FSA (Farm Service Agency) direct loans to handle the 2008 unmet demand. It falls far short of expected demand for 2009. These loans and existing federal loans through the FSA are required to allow the restructuring and write-down of loans when farmers are unable to remain current on loans due to circumstances outside their control, such as the economic downturn.

We urge your agencies to work together and develop restructuring requirements and interventions for banks or other financial institutions receiving the current TARP/EESA funds that provide credit to farmers or ranchers. These financial institutions should be required to implement a farm loan restructuring program similar to the FSA loan provisions found in the Agricultural Credit Act of 1987 (7 U.S.C. Section 2001, 1991(b)(3), and 1981d). This program should be available to borrowers who are 60 days behind in their loan payments. These provisions would apply when loan restructuring would be the "least-cost" alternative. It would save family farmers while saving taxpayers money.

We urge immediate action to stem the losses in our rural communities and to ensure that our food security is not further jeopardized by the unraveling of our farm and rural economy.

Sincerely,

Alabama Contract Poultry Growers Association
American Federation of Government Employees (AFL-CIO)
American Federation of Government Employees; Local 3354 (Missouri)
American Raw Milk Marketing Pricing Association
Campaign for Contract Ag Reform
Caney Fork Headwaters Association (TN)
Carolina Farm Stewardship Alliance
CASA del Llano, Inc (TX)
Center for Rural Affairs (NE)
Community Farm Alliance (KY)
Community Food Security Coalition
Contract Poultry Growers Association of the Virginias
Cumberland Countians for Peace and Justice
Family Farm Defenders
Farm Aid, Inc
Federation of Southern Cooperatives
FGE Food and Nutrition Team
Food and Water Watch
Food for Maine's Future
Friends of Family Farmers (OR)
Glenmary Commission on Justice (TN)
Grassroots International
Institute for Agriculture and Trade Policy
Iowa Citizens for Community Improvement
Iowa Farmers Union
Kansas Farmers Union
Land Loss Prevention Project (NC)
Land Stewardship Program (MN)
Michigan Farmers Union
Mississippi Association of Cooperatives
Missouri Rural Crisis Center
National Catholic Rural Life Conference
National Community Reinvestment Coalition
National Contract Poultry Growers Association
National Latino Farmers and Ranchers Association
National Family Farm Coalition
National Farmers Organization

National Farmers Union
Network for Environmental and Economic Responsibility;
United Church of Christ (TN)
New Entry Sustainable Farming Project (MA)
North Carolina Contract Poultry Growers Association
Northern Plains Resource Council (MT)
Northwest Atlantic Marine Alliance
Oakland Institute (CA)
Ohio Farmers Union
Oklahoma Black Historical Research
Pennsylvania Farmers Union
Progressive Agriculture Organization
Rocky Mountain Farmers Union
Rural Advancement Foundation International (RAFI-USA)
Rural Coalition/Coalicion Rural
Rural Vermont
The Denniston Thomas Foundation
Western Organization of Resource Councils
Women, Food, and Agriculture Network (WFAN)
World Hunger Year

For more information or to reach individual signors, please contact NFFC at
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