Dear Member Draft #1

Dear Member:

On behalf of agriculture producers all across the nation, I urge you to consider the following solutions to help us weather this current storm. I do so as a taxpayer as well, cognizant of the concerns we all share about our fiscal policy; and as such, this solution could be structured in a way that it costs the country very little, except for time.

With the uncertainty we face as we continue the work of feeding the country; not to mention an ever-increasing section of the world; it is important that we have some action now that would allow us to make adjustments to our operations for the immediate future that ensure a safe, and affordable food supply. We have been squeezed nearly as much as we can stand; between rising operating costs, uncertain commodity markets, and ever increasing debt.

1. For those of us with direct government loans, the solution is simple; an immediate deferral of principal due for the 2020, and 2021 production years, and extending the maturity date by 2 years. Doing so at this time would allow producers to focus on maintaining production levels, and plan for the use of any production income.. The alternative, for those fortunate enough to have had some time to amass equity, is selling our products into uncertainty this fall, enduring the shame of a delinquency beyond our control, and eventually loan servicing and the downward spiral of not having enough to make ends meet, that too often leads to foreclosure, bankruptcy, or the move to town for “work”.

Prevailing interest rates will be significantly lower at that time and as a result the return on the taxpayers investment in our businesses will be cut nearly in half.

Let those of us with direct federal financing live up to the agreement we made, and provide that return on investment to the taxpayers, that can benefit those with other types of ag debt. By preserving the current interest rate for direct loan borrowers, instead of incurring a reduced rate through primary loan servicing; upto $20 million in program income could be maintained.

You see, not only will this solution allow us to reposition our operations, it creates the preservation of income from farm loan program income that could be used for helping those of us with guaranteed or direct commercial credit.

1. For all other ag producers with debt, whether it be guaranteed or direct commercial (or other) lending, the return on the taxpayer investment preserved through solution number 1, could be used to ease interest rates and incentivize lenders across the country to preserve our capacity to produce.

Buying down the interest rate 2%, through a grant to lenders, not from taxpayer appropriations through the Commodity Credit Corporation, but from as an outcome of giving the benefit of time to meet obligations offered to direct borrowers.

This amount could be used by the Secretary to help guaranteed and commercial borrowers negotiate the same patience afforded direct loan recipients; in addition to incentivizing banks with additional capital in the form of unrealized interest returns.

1. The third part of this solution, also a no cost solution for the taxpayer, is authorization for $10 billion in farm ownership loans, and to allow those of us in need to restructure our operation by leveraging our real estate equity to our benefit. As you are aware, FSA Farm Ownership Loans have zero subsidy rate, and serve as a valuable long term investment of taxpayer dollars.

I ask that you implement these solutions, and help me, and producers like me all across the country, to continue providing the food and fiber at an affordable price that ensures that this country can prosper, in good times, and bad.

Dear Member Draft #2

Dear Lawmaker (Fill in Name),

I am an Agricultural Producer and I am urging you to take action to help us through this year and into the future. I understand that fiscal policy is important and am well-aware that the decisions made today under these circumstances are affecting our long-term debt as a country. The Intertribal Agriculture Council, Native Farm Bill Coalition, Lower Brule Sioux Tribal Chairman, Red Lake Band of Chippewa, are part of a growing list of endorsements of this idea that was created to cost very little for the country but provide a huge amount of relief to the Agricultural Economy as a whole. The legislation that is required for this proposal has been sent to several congressional delegations, and can be found on the Intertribal Agriculture Council website.

1. Direct & Guaranteed Government FSA Loans: Deferral of principal payment due for the 2020 and 2021 production years and preserve the current interest rate for direct loans - extending the maturity date by 2 years. This will allow us to focus on maintaining production levels and use this production income to build equity, endure the markets, and prevent delinquency on these loans due to circumstances beyond our control. Not only will this solution allow us to reposition our operations, it creates the preservation of income from farm loan program income that could be used for helping those of us with guaranteed or direct commercial credit.
2. For all Guaranteed or Commercial Agricultural lending: Government buy-down the interest rate 2%, through a grant to lenders, not from taxpayer appropriations through the CCC, but from the program savings realized in part 1. This method for reducing interest rates will incentivize and reward lenders across the country for offering the deferrals in part 1 that will preserve our capacity to produce, giving producers time to meet obligations.
3. Authorize $10 billion in Direct FO Loans specifically to **refinance** farm ownership loans (for those with commercial lenders, previous guarantee loans or direct loans to reduce interest rates and provide stronger cash flows) to allow those of us in need to restructure our operation the opportunity to leverage our real estate equity to our benefit. As you are aware, FSA Farm Ownership Loans have zero subsidy rate, and serve as a valuable long term investment of taxpayer dollars if they can be accessed by the producers.

I ask that you consider the legislation proposed by those above, and implement these immediate and affordable solutions with a long-lasting affect, and help me, and producers like me all across the country, to continue providing the food and fiber at an affordable price that ensures that this country can continue to prosper, in good times, and bad.