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**For Immediate Release – For Further Information Contact Lorette Picciano, [lpicciano@ruralco.org](mailto:lpicciano@ruralco.org), 703-624-8869.**

## **The Rural Coalition Urges Passage and Enactment of the U.S. Senate passed Inflation Reduction Act of 2022 including Critical Provisions to Speed Debt Modifications for Underserved Farmers and Ranchers**

The Inflation Reduction Act (IRA), passed by the U.S. Senate on August 7, contains critical relief for at-risk producers and underserved farmers and ranchers. If passed by House of Representatives and signed into law, the IRA would authorize \$3.1 billion in payments and loan modification support to distressed borrowers of direct or guaranteed loans by the Farm Service Agency, focused on underserved farmers and borrowers whose agricultural operations are at financial risk.

During the pandemic, these producers demonstrated the critical importance of their food production to provide food security in their own communities. However, the vast majority of the market adjustment and pandemic relief aid Congress provided to other producers did not reach them, leaving them with unsustainable debt and uncertainty when promised debt relief did not reach them.

The \$14.4 billion in 2019 Market Facilitation Program payments went to large commodity producers.<sup>1</sup> According to Agriculture Secretary Tom Vilsack, 99 percent of funds in the Coronavirus Food Assistance Program went to White farmers with only 1 percent to socially disadvantaged farmers. “The top 10 percent of farmers in

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<sup>1</sup> [GAO Report](#) - The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) distributed about \$14.4 billion in 2019 Market Facilitation Program (MFP) payments to farming operations in all 50 states and Puerto Rico) ... Less than 10 percent went to farming operations that produced specialty crops or dairy and hogs.

the country received 60 percent of the value of the covid payments. And the bottom 10 percent received 0.26 percent.<sup>2</sup>”

Because many underserved producers produce specialty crops and livestock, and are not eligible for generous programs for commodity producers, direct debt relief is the most important form of relief to stabilize their operations. The Inflation Reduction Act provides the tools, authority and funding that USDA needs to employ its existing debt relief authority to stabilize their farming operations.

“Rural Coalition is cautiously optimistic that if the Inflation Reduction Act becomes law, underserved producers we serve will receive prompt and long-awaited support to help stabilize their operations following the pandemic and growing increases in cost of inputs and land,” said Rural Coalition Chairperson, John Zippert. “This urgently needed assistance would break the logjam that has left so many farmers and ranchers with now unsustainable debt and an uncertain path forward.”

The IRA also authorizes \$250 million in grants and loans to eligible entities to improve land access and an important investment of \$125 million to support the critical technical assistance so crucial to assure underserved partners secure real access to USDA resources as well as \$250 million in additional funding for agriculture-related research and education initiatives.

The IRA as passed by the Senate 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,” noted Zippert.

“We are aware that the inclusion of these provisions took a tremendous amount of energy and commitment to underserved producers from Senators Cory Booker and Raphael Warnock, and from House Agriculture Committee Chairman David Scott and his House Agriculture Committee colleagues, and we are deeply thankful,” said Rural Coalition Board member Willard Tillman, Executive Director of the Oklahoma Black Historical Research Project, Inc. “We further congratulate and thank Senator Manchin and Senator Chuck Schumer for including this support for farmers and local food systems in West Virginia and beyond, and for their dedication to getting this historic bill assembled and passed and sent on to the House of Representatives.”

“We urge the quick House passage and enactment of the Inflation Reduction Act containing these critical investments in the future of underserved farmers, ranchers, and foresters, in addition to landmark investments in expanding health care and addressing climate change and making our tax code more fair,” concluded Zippert.

*The Rural Coalition/Coalición 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.*

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<sup>2</sup> <https://www.washingtonpost.com/business/2021/03/25/vilsack-interview-usda-rescue-plan/>