U.S. Senator Kirsten Gillibrand

# *Relief for America's Small Farmers Act Summary*

Small farmers form the backbone of America, and their hard work touches every aspect of American life. Whether it be the student drinking milk at lunch, or the mother picking up beef and potatoes at the grocery store for Sunday dinner. Yet, in recent decades we have left our farmers behind in a multitude of ways. Farm bankruptcies are at an eight year high, net farm income has dropped by nearly half since 2013, and farmers have an overall debt of $425 billion, according to USDA's Economic Research Service. Not only has this led to an average of 12,000 farmers leaving farming between the years of 2011 and 2018, but it contributes to the mental strain and the epidemic of farmer suicides that our nation is currently facing. Policymakers have an opportunity to relieve this burden on our family farmers and allow them a clean slate to continue doing what they do best – farm.

There is no single answer to solve all of the problems that our farmers are currently facing. However, Congress has the power, and the responsibility, to do whatever it can to help them get back on their feet and start to turn things around in terms of profitability.

## Bill Summary

- **Provide direct relief to small farmers to alleviate their crushing debt.** According to USDA's Farm Service Agency, farmers across the country currently have taken out more than $1.6 billion in Direct Farm Operating and Direct Farm Ownership Loans. The Relief for America's Small Farmers Act would provide a one-time debt forgiveness of up to $250,000 of debt relief across three types of USDA FSA loans: Direct Farm Operating Loans, Direct Farm Ownership Loans, and Emergency Loans.
    - Relief can be applied to shared loans and loans of any price tag.
    - Ensures that farmers who receive debt forgiveness or write-downs, maintain their eligibility for further loans.
    - Enables farmers to also use this type of debt relief on loans that are currently in default.

- **Protecting our most vulnerable farmers.** While farmers of all sizes are struggling, it is our small farmers who are being hit the hardest. Farmers with an average adjusted gross income of $300,000 over the previous 5 years will be eligible for this debt relief.
    - Roughly 20 percent of beginning and socially disadvantaged farmers are eligible for this relief right now.
    - Allows farmers who have had to sit out farm seasons over the previous 5 years to be eligible for this debt relief. Whether it be due to financial or agricultural related reasons.

- **Not another yearly entitlement program.** This legislation is designed to help farmers get back on their feet and continue farming. This bill will only offer a one-time debt relief that farmers have to apply for, once they have been approved they will not be eligible for this type of debt relief again.
    - Gives a one year window for farmers to apply for this debt relief.
    - Farmers that receive this debt relief must continue to be actively engaged in farming for at least 2 years after receiving the loan forgiveness.