

# Farmers: Be Aware of Your Rights Under Loan Guarantee Fee, Other Changes

## 2020 Legislation Includes New Farm Crisis Resources

### Building a Fight Back Together

The Land Stewardship Project recognizes that this is a time of compounding crises for farmers and rural communities. There are systemic forces in the food system that are pushing out small to mid-sized producers who are the backbone of rural communities, and threatening our communities' access to land and clean water. On top of that, we are in the midst of an economic crisis that has had significant impacts on farm markets and has increased the immediacy of those risks. During this last legislative session (see page 8), Land Stewardship Project members came together to help pass numerous bills into law, including two that immediately help farmers experiencing financial stress ride out this economic crisis. We are sharing information on these and other changes here so that you are aware of the new resources made available and the extension of existing rights that you have.

### Extending Farmer-Lender Mediation

As part of the response to the COVID-19 economic crisis, The Minnesota Legislature passed a bill brought forward by the Land Stewardship Project to extend the time frame for the right to farmer-lender mediation from 90 days to 150 days, or Dec. 1, 2020, whichever is later. This bill also expands eligibility requirements to include farmers who initiate mediation under the Farmer-Lender Mediation Act. These changes would be effective retroactive to the original date of enactment of the original COVID-19 response act that passed the Legislature on April 16, 2020. The Farmer-Lender Mediation Act requires a bank or other creditor to offer mediation to an eligible farmer before enforcing a debt against agricultural property such as land, livestock, or crops. Specifically, the act applies to foreclosure, repossession, cancellation of a contract for deed, and execution of a court order or judgement.

### Loan Guarantee Fee Grant for USDA Restructuring Farm Loans

As part of this year's farm appropriations bill, the Legislature set aside money for fiscal year 2020 until Dec. 1 to start a Loan Guarantee Fee Grant for the USDA Restructuring Farm Loans Program as a supple-

ment to the debt restructuring loan program backed by the USDA.

This program mandates that the Minnesota Department of Agriculture provide grants to eligible farmers that cover 50% of the fee for a loan guarantee for a USDA Restructured Farm Loan so that farmers can keep their focus on just getting their debt restructured, and not add more on top of it. To be eligible, farmers must have a net worth of less than \$800,000, be partici-

### Minnesota Farm Advocates

- Bruce Lubitz, Perham, 218-346-4866
- Connie Dykes, Lake City, 651-345-5149
- Dave Elliason, Isle, 320-676-3559
- David Hesse, Comfrey, 507-877-3012
- Dan Hunz, Waverly, 763-772-6687
- Ruth Ann Karty, Clarkfield, 320-669-7135
- George Bosselman, Fosston, 218-200-9432
- Steve Zenk, Danube, 320-894-2517
- Wayne Pike, Rochester, 507-251-1937
- Robert Stommes, Saint Cloud, 320-443-5355

To find an advocate near you, see [www.mda.state.mn.us/about/commissionersoffice/farmadvocates](http://www.mda.state.mn.us/about/commissionersoffice/farmadvocates). The advocate hotline is **1-800-967-2474**.

pating in farmer-lender mediation or have received a mediation notice pursuant to the Farmer-Lender Mediation Act, and have been approved for a debt restructuring loan guaranteed by the USDA. To apply for the grant program, farmers must contact the Rural Finance Authority at the Minnesota Department of Agriculture.

### Moving Forward with Our Fight Back

It would not have been possible to pass the farm crisis policy changes described above without people pulling together during the Land Stewardship Project's farm crisis meetings, our members working together to lobby their local officials, and, in general, farmers organizing so that we could move forward together. These are emergency measures that everyone now has a right to, but we still need to address the root causes of the farm crisis. And we can only do that if we continue to come together and move forward together. We at the Land Stewardship Project want to invite you to join us in this fight back today. Find more information at [www.landstewardshipproject.org](http://www.landstewardshipproject.org), or contact one of the LSP organizers listed below:

- Jessica Kochick — [jkochick@landstewardshipproject.org](mailto:jkochick@landstewardshipproject.org), 612-722-6377
- Tom Nuessmeier — [tomn@landstewardshipproject.org](mailto:tomn@landstewardshipproject.org), 507-995-3541
- Matthew Sheets — [msheets@landstewardshipproject.org](mailto:msheets@landstewardshipproject.org)
- Paul Sobocinski — [sobopaul@landstewardshipproject.org](mailto:sobopaul@landstewardshipproject.org), 507-342-2323

### Additional Resources Available for Dairy Farmers

The COVID-19 Food Assistance Program for dairy producers has been activated and is being offered through local Farm Service Agency offices. This federal funding came as part of the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and provides an extra payment for milk production of \$4.71 per hundredweight for the months of January, February, and March. Also, federal Commodity Credit Corporation funds of up to \$1.47 a hundredweight are potentially offered for the months of April, May, and June. You need to contact your local Farm Service Agency office to take advantage of this program. You can find more information on this funding online at [www.farmers.gov/coronavirus](http://www.farmers.gov/coronavirus).

### Contact Your Local Farm Advocate

If you are experiencing financial stress, are receiving collection letters from creditors, and want to make sure that you can take advantage of these new rules, your first call should be to your local Minnesota Farm Advocate. They are the people who can quickly and efficiently help you navigate this process. The sidebar to the left has the numbers and locations of all the Farm Advocates in Minnesota. You can also find that information on the Minnesota Department of Agriculture's website: [www.mda.state.mn.us/about/commissionersoffice/farm](http://www.mda.state.mn.us/about/commissionersoffice/farm).

If a creditor is not honoring the new extension of mediation that you have a right to, you need to call your local Farm Advocate right away. If you are willing to share information about how the mediation extension is not being honored, letting LSP know that this is happening is also extremely helpful for our advocacy work going forward. ☐