

September 8, 2017

The Honorable Thad Cochran
Chairman
Senate Committee on Appropriations
S-128, The Capitol
Washington, DC 20510

The Honorable Patrick Leahy
Vice Chairman
Senate Committee on Appropriations
S-128, The Capitol
Washington, DC 20510

The Honorable Rodney Frelinghuysen
Chairman
House Committee on Appropriations
H-305, The Capitol
Washington, DC 20515

The Honorable Nita Lowey
Ranking Member
House Committee on Appropriations
1016 Longworth House Office Building
Washington, DC 20515

Dear Chairs and Ranking Members:

We would like to thank you for your continued support of American agriculture through the appropriations process. The final enacted FY 2017 funding levels for Farm Service Agency (FSA) loans was appreciated by all who work both in and for production agriculture.

Over the years, many of our nation's farmers and ranchers have relied upon FSA loans to either jumpstart their operation or provide it a saving grace during times of need. That role in rural America is played out every day, but FSA cannot adequately service farmers and ranchers without adequate farm loan personnel in the field. In the past several years as loan volumes have continued to increase, field staff on hand to administer what is now an over \$7.5 billion annual program has declined. Our understanding is that the current FSA farm loan workforce is stretched so thin that in many areas they can only process new applications and simply do not have the manpower to service the existing portfolio of loans that is approaching \$25 billion in value.

Adding to our concern about FSA's loan personnel is the fact that a large proportion of them are now retirement eligible. Although FSA has a history of hiring temporary workers for surge capacity for items such as Farm Bill implementation, this is not a practical solution for the farm loan programs. It takes FSA, and commercial lenders, two full years to train a new loan officer. Given the increased loan volume and the need for succession planning, we are asking for an additional 200 loan officials to be hired at FSA in FY 2018.

In the past three years, net farm income has dropped a staggering 50 percent. This drop in net income is the largest since the Great Depression and urgent action is needed to give USDA the tools it needs to help farmers and ranchers through these turbulent times. Although the long term solution must come from increased commodity prices, immediate aid can be spawned through the modernization of direct and guaranteed loan limits and the increase of on board farm loan field staffing.

The outlook for fall 2017 and 2018 grain and livestock prices appears to only be slightly better than in 2016, likely meaning FSA loans will continue to be even crucial to the financial viability of farm and ranch operations. The added funding will help FSA avoid backlog issues faced last year and during the beginning of this year. We expect demand for new loans to at least match 2016. In order to meet demand and protect the American tax payer's interests, FSA will need additional resources for FY 2018. We advocate that when you go to conference, you adopt the loan volumes prescribed in the Senate Report and provide an increase to the Ag Credit Insurance Fund by an estimate of \$15.8 million to help fund the requested 200 additional farm loan staffing positions.

We urge you that the success of the farm loan programs is contingent upon appropriate staffing. We want to thank you for your consideration on these issues and for your continued support of FSA's mission to American agriculture.

With kindest regards, we are

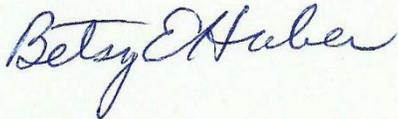
Sincerely yours,



Ben Herink, Legislative Chair, National Association of Credit Specialists



Jerry Spruill, National Rural Lenders Association



Betsy Huber, National Grange



Roger Johnson, President, National Farmers Union



Greg Fogel, Policy Director, National Sustainable Agriculture



Mark Scanlan, Senior Vice President, Independent Community Bankers of America



Edwin Eifmann, Vice President Congressional Relations, American Bankers Association