



August 31, 2015

The Honorable Tom Vilsack, Secretary  
U. S. Department of Agriculture  
1400 Independence Avenue SW  
Washington, DC 20250

Dear Secretary Vilsack:

USDA's August 2015 net farm income forecast confirms anecdotal evidence of increasing financial distress for producers. National Farmers Union has received reports of difficulties in obtaining operating loans, spikes in "Hotline" calls regarding financial stress and concerns of loan repayments following the 2015 harvest.

After several years of strong and record high net farm incomes, production costs also followed the upward income trend. The projected 36 percent decrease in net farm income with expenses projected to drop only 0.5 percent is certain to cause significant financial distress, particularly among beginning and financially leveraged producers.

We encourage USDA to prepare for increased activity of direct and guaranteed loan applications, loan servicing and mediation services.

National Farmers Union strongly supports the USDA Certified Agricultural Mediation Program. We recommend that USDA work with the state mediation programs to assess the adequacy of state program grant funds for preparation and delivery of the likely increased workload of credit related mediation services.

National Farmers Union also supports the expansion of agricultural issues eligible for mediation that ultimately affect the financial viability of family agricultural operations. Any type of dispute or disagreement exacerbates financial distress when cash flows are tight or non-existent.

We know you fully understand these issues and the value of third-party intervention to assist producers, their lenders and others navigate times of financial distress. Thank you.

Sincerely,

  
Roger Johnson  
President

