



Overview and Priorities – July 2017

“Farm Credit supports rural communities and agriculture with reliable, consistent credit and financial services today and tomorrow.”

As part of the nationwide Farm Credit System, Farm Credit East is the largest lender to Northeast agriculture with \$6.3 billion in loans to over 14,000 farms, forest products businesses and commercial fishermen. We also provide extensive financial services focused on supporting and growing Northeast agriculture.

Our commitment to Northeast agriculture is strong:

- Farm Credit East and other Farm Credit associations allow farmers to own their own lender. We work hard to maintain a strong financial cooperative governed by farmers with the capacity to serve all farmers today and for future generations.
- Serve all farm sizes and types of agriculture in Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York and Rhode Island.
- Meet the credit and financial services needs of farms, forest products businesses and commercial fishing operations throughout economic cycles – in good economic times and bad.
- Assist individuals to help them get started and succeed in farming with special programs including **FarmStart** and **Generation Next**. We also provide incentives for veterans and support organizations like the **Farmer Veteran Coalition** which assist veterans interested in careers in agriculture.
- Actively engaged in agricultural economic development including financing processing facilities, farm-related businesses, and food hub facilities that connect Northeast farmers with urban and suburban consumers.
- Provide grants and other assistance to programs that support youth, diversity, inclusion and young farmer development in Northeast agriculture.
- Work closely with **CoBank**, a key strategic partner that finances agricultural cooperatives, rural infrastructure, and agricultural exports.

We are optimistic about Northeast agriculture as our farmers work to meet demands for locally-produced products and value-added foods produced in the Northeast.

Farm Credit System

While there are no specific Farm Credit System proposals pending in Congress, we urge continued support for the Farm Credit System and opposition to any proposal that would weaken or limit the System’s ability to serve its members and support rural communities and agriculture.

One important aspect of the Farm Credit System’s authorities is the ability to manage its risk. Given their concentration of agricultural loans, Farm Credit institutions need to maintain the ability to diversify their portfolios to provide financial stability and ensure a stable supply of credit to their borrowers.

2018 Farm Bill

The debate on the 2018 Farm Bill is underway. The following programs are important for Farm Credit East members:

- Maintaining a strong crop insurance program -- Crop insurance is an important tool to help producers manage their risk while having “skin in the game” through the premiums they pay. The importance of crop insurance was underscored in 2016 with the early season freeze and severe drought in parts of Farm Credit East’s territory. Farm Credit East and its crop insurance agency, Crop Growers, are committed to making crop insurance work effectively for Northeast producers.
- Continued support for USDA direct loan and loan guarantee programs, including an increase in the loan guarantee cap. USDA loan guarantees are an important tool for Farm Credit East to support farms with long-term viability that may be experiencing financial stress, while those operations make the necessary adjustments to return to profitability.
- Include rural priorities as part of any infrastructure package, whether part of the Farm Bill or as stand-alone legislation. These priorities include investments in broadband, rural water and energy systems and critical community facilities like hospitals, encouraging public-private partnerships where possible.
- Completion of the Farm Bill in a timely manner -- Regardless of the outcome of the policy debate, it’s important that Congress complete work on this legislation in a timely manner so that producers know what to expect from farm, conservation and crop insurance programs and can plan accordingly.

Other programs important to Northeast producers include cost-sharing programs to assist producers with conservation efforts and programs that promote the export of US food and forest products.

Ensure Northeast Agriculture has a Stable Supply of Farm Labor

The lack of a stable supply of farm labor continues to be a major concern for Northeast agriculture and is causing some farms to hold back on investments that would create new jobs and expand production. Farm businesses cannot risk the loss of crops from a labor interruption.

Farm Credit East supports the establishment of a new agricultural guest worker program (for seasonal and year-round farm employees) administered by the USDA and an adjustment to legal status for current farm workers.

While not a substitute for a year-round program, many farms use the H-2A program to hire seasonal workers. Many farms find it difficult to deal with a bureaucratic program like H-2A and find it unreliable in providing workers when needed. Therefore we support streamlining and reforming the program in addition to allowing dairy and other farms that need year-round workers to participate.



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