

Farmers Face Steep Challenges in USDA Farm Loan Appeals Process, Report Says

SOUTH ROYALTON, VERMONT, UNITED STATES, March 12, 2024 /EINPresswire.com/ -- Farmers who had been denied federal loans won only 17 percent of appeals in the USDA's National Appeals Division, according to new analysis by the Center for Agriculture and Food Systems at Vermont Law and Graduate School with partners Farm Aid and the Rural Advancement Foundation International.

The report analyzes National Appeals Division cases concerning direct farm ownership and farm operating loans between January 2009 and July 2022, spanning 14 years, three Farm Bills, and three presidents.

"USDA Farm Service Agency officers have significant discretion in approving or denying loans," said Emily Spiegel, senior research fellow at the Center for Agriculture and Food Systems. "But these numbers show that initial process is incredibly important to get right, because farmers have little chance of getting a better outcome when they appeal."

The report, "[Appealing for Relief: An Analysis of Appealed Direct Farm Loan Decisions 2009-2022 and Opportunities for Reform](#)," shows that the agency has wide discretion that could lead to different outcomes for similarly situated farmers in the loan approval process.

It also reveals that farmers with innovative and nontraditional operations often face more barriers to a successful outcome. The Farm Service Agency may use inaccurate information to assess the feasibility of farm plans for these operations.

"The USDA is a lender of last resort, so often farmers have no other options," said Spiegel.

Farmers who are successful in their appeals can often go through the appeals process and win, only to have their loan denied for an entirely separate reason. This can lead to successive appeals, prolonging the time that farmers wait for vital assistance.

Opportunities for reform exist at every step of the appeals process, authors say. "We are hopeful that USDA will improve the process for farmers, leading to fewer upheld denials, less opportunity for discrimination and unpredictable outcomes and more transparency," said Jennifer Fahy, communications director at Farm Aid.

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