



Hispanic farmers ‘insulted’ by \$1.3 billion settlement offer

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McALLEN – A \$1.3 billion offer to settle claims that the U.S. Department of Agriculture discriminated against Hispanic and women farmers applying for emergency loans does not go nearly far enough to make up for years of inequity, a group of Rio Grande Valley farmers said.

The Justice Department made the proposal last week in hopes of ending a decade-old lawsuit in which the farmers from across the United States claimed that USDA loan programs were systemically stacked against minorities.

But the offer comes on the heels of a similar \$2.15 billion government payout to black farmers who have filed complaints on similar claims — even though there are nearly twice as many Hispanic-owned farms in the United States as those owned by blacks, according to federal agricultural census data.

“Our farmers are hopping mad about this,” said Stephen Hill, an attorney representing Hispanic farmers from across the Southwest in the lawsuit. “They are going to be notifying members of Congress and the (Obama) administration to let them know exactly what they think about this really unfortunate proposal that doesn’t even begin to treat Hispanic farmers equally and on par with black farmers.”

THE LAST PLANTATION

Created in the 1930s as part of the New Deal legislation, the USDA loan program was intended to help small farmers who didn’t qualify for private credit obtain the financing they needed to keep their farms operating.

But the decentralized system set up to distribute those loans and highly subjective qualifying criteria allowed anti-minority bias that existed in many rural communities at the time to taint the application process.

Minority farmers were routinely discouraged from applying for government assistance, rejected outright or experienced severe delays in receiving their promised funds. All the while, their Anglo peers received loan after loan without a hitch, the lawsuit’s plaintiffs allege.

And no one in the government disputes the facts. Since at least Bill Clinton’s presidency, agriculture secretaries have openly condemned their agency’s history of racism — including

current Secretary Tom Vilsack, who ordered an independent review of USDA field offices and the creation of a task force to review past and pending civil rights complaints.

“I intend to lead the department in correcting its past errors, learning from its mistakes and moving forward to a new era of equitable service and access for all,” he said in an April 2009 memo to staff outlining the changes.

But as recently as 1994, an internal USDA study found, the county-level committees charged with reviewing loan applications were overwhelmingly dominated by Anglos. Ninety-four percent had no female or minority representation.

Guadalupe Garcia Jr., the lead plaintiff in the Hispanic farmer’s suit, alleges that lack of representation cost him his 630-acre farm in New Mexico. He applied four times for loans or emergency assistance from 1986 to 1998 only to be turned down each time after his local committee deemed him unsuitable on criteria such as whether he had the “character or industry” to operate a successful farm or the “commitment to carry out his undertakings and obligations.”

A county committee in Fresno, Calif., told another of the case’s plaintiffs — a single mother with a college education in agricultural economics — that farming was “not a proper business for a woman, much less a Mexican woman with two kids.”

More than 40 farmers in the Rio Grande Valley have signed on to the lawsuit, claiming similar stories of discrimination ranging from being discouraged from even applying to being challenged when they asked for assistance in filling out complicated loan application forms.

Hill, the lead attorney on the suit, estimates as many as 4,600 local farmers may have been affected.

‘IT’S NOT WHAT WE’RE LOOKING FOR’

But the current administration’s rhetoric of reform doesn’t match up to what the Hispanic and women farmers were offered in their settlement agreement last week, local farmers said.

“I think accepting it is out of the question,” said Juan Villanueva, of McAllen, who was forced to give up his 7,000-acre plot in Duval County a decade ago after drought wiped out his crops and he was unable to secure an emergency loan. “It’s not what we’re looking for.”

Under the terms of the settlement agreement, the Justice Department would cap payouts to individual plaintiffs at \$50,000. The total \$1.3 billion sum would be split among all of the current plaintiffs in the Hispanic farmer and women farmer lawsuits, despite the fact that they were filed separately.

Those who have not already signed up as plaintiffs in either suit would have to file a separate lawsuit to pursue discrimination claims — a process that can come with hefty filing and attorney’s fees that might discourage already cash-strapped small businessmen from participating.

“The irony of all of this is that an administration that’s pledged to be progressive has really proposed something that smacks of the old poll tax,” said Hill. “Farmers are going to have to pay

a fee to participate in a settlement process to be compensated for discrimination they already paid for in dollars.”

And while \$50,000 may sound like a hefty sum to some, Raymondville farmer David Cantu said, when it comes to running a business it doesn't amount to much.

“That \$50,000 wouldn't give me a down payment on a tractor,” he said. “I know people who have lost farms valued at close to \$1.2 million. People might have a preconceived notion that we're getting greedy, but we just want to be made whole again and put back in place.”

So far, the Justice Department has not publicly confirmed the terms of its offered settlement. Hill agreed to discuss the proposal only after *The Associated Press*, quoting an unnamed Obama administration source, reported on it last week and said he views the leak as yet another discriminatory government move.

“This was a calculated, cynical ploy to bum rush these victims figuring they would stampede to grab what sounds like a lot of money,” he said. “They have grossly underestimated the intelligence of these farmers.”

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