



# NEWS RELEASE

UNITED STATES DEPARTMENT OF AGRICULTURE • FARM SERVICE AGENCY

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## MEDIA RELEASE

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### **President Obama Announces Plans To Provide Settlement Funds For Lawsuit By Black Farmers Against USDA**

USDA offers solution to long standing case by discriminated farmers

WASHINGTON, May 6, 2009 - Today President Obama announced his plans to include settlement funds for black farmers in the FY 2010 budget to bring closure to their long-standing lawsuit against the U.S. Department of Agriculture.

"This is an issue I worked on in the Senate, and I'm pleased that we are now able to close this chapter in the agency's history and move on," said Obama. "My hope is that the farmers and their families who were denied access to USDA loans and programs will be made whole and will have the chance to rebuild their lives and their businesses."

"I am very pleased that President Obama is taking swift action on this matter as it will help us chart a new course at USDA, one on which all USDA customers and employees are treated equally and fairly," said Vilsack.

In 1999, the USDA entered into a consent agreement with black farmers in which the agency agreed to pay farmers for past discrimination in lending and other USDA programs. Thousands of claims have been adjudicated, but thousands of other claims were not considered on their merits because problems with the notification and claims process hindered some farmers' ability to participate.

To deal with the remaining claims, Congress provided these farmers another avenue for restitution in the 2008 Farm Bill. For those who have claims that were not considered on the merits because the claim was found not to be timely, the 2008 Farm Bill provided the right to file a new claim in federal court. The total amount offered by the federal government, \$1.25 billion, includes \$100 million that served as a "place holder" in Section 14012 of the Farm Bill.

This announcement comes on the heels of a memorandum released two weeks ago by Agriculture Secretary Tom Vilsack detailing an aggressive plan to promote civil rights and equal access at USDA. The memo announced the following:

The temporary suspension of all foreclosures within the Farm Service Agency's farm loan program, which will not only aid farmers facing economic hardship but will also provide the opportunity to review the loan granting process for possible discriminatory conduct; the creation of a Task force to conduct a review of a sample of program civil rights complaints that have been processed or that are currently being processed - the complaints and inquiries total over 14,000, including over 3,000 that have not been processed; and granting greater authority to USDA's Office of Civil Rights.

The Assistant Secretary for Civil Rights will collaborate with the other agencies to develop and implement a proposal for data collection across USDA, make sure all complaints are incorporated as part of one data system; and develop USDA policy and training to ensure that all complaints are received and dealt with in a consistent manner within a specific timeframe.

The full text of the memo is available at: <http://www.usda.gov/documents/NewCivilRightsEra.pdf>

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