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Farm Bureau leaders find Sec. Vilsack 'receptive' on pork crisis

By Jon H. Harsch

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After a Friday meeting with Agriculture Secretary Tom Vilsack to highlight the pork industry's "crisis situation," Farm Bureau leaders said that "There were no promises one way or the other" but that the Secretary "listened very intently, he took notes, asked questions." They added that while they welcome the extra \$30 million in USDA pork purchases announced Thursday, more needs to be done to provide urgently needed loan restructuring.

American Farm Bureau Federation President Bob Stallman said a key issue that he and state Farm Bureau presidents raised with the Secretary was finding new ways to "encourage banks to have a little more flexibility in restructuring producers' financing." Illinois Farm Bureau President Philip Nelson explained that "One of the challenges we're seeing right now in Illinois, is the credit is just being cut off. And we urged the Secretary to look at maybe either through FSA here within USDA or the banking community, to look at ways that we can restructure some of these credit problems because with the lack of credit, really it is the end of the rope for a lot of producers. We lost almost 20,000 sows in four operations this last week alone in Illinois. So we're very concerned about it and I think the Secretary was receptive to everything we put on the table and as we tried to point out to him, this isn't just a pork issue. It's going to have a long tail to corn and soybean farmers as well because they're losing their market for one of their biggest consumers."

Nelson said the discussions covered Farm Bureau's proposal for a new market loss assistance credit program along with "everything from restructuring to the supply situation with the abundance of pork, to even, as we pointed out, that some of this economic downturn in the pork industry goes back to the negative connotations out of H1N1."

Stallman pointed out that "Some of this involves Treasury Department regulations, with banks, and how do you encourage banks to have a little more forbearance with helping producers restructure loans for the long term." He acknowledged that "the Secretary actually doesn't have the direct ability to affect that, but he does have the ability to talk with other Cabinet members so he can raise the issue and talk about the importance of

what's happening to rural America with respect to the hog industry and the crisis they're facing."

Nelson added that "if a signal is sent to some of the banking community as it relates to restructuring, that is something that could happen fairly quickly. . . We have producers out there who have a lot of equity in their operations, but 18 out of the last 24 months, we've been below the cost of production. There's been a tremendous equity drain amongst pork producers and what we're saying is that given that drain, I think with some restructuring and looking at the credit situation, we might be able to buy some time for these producers to have the situation turn around."

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