

# Covid-19 stimulus bill to provide \$4 billion in debt relief for Black farmers, other farmers of color

by [Jessica Fu](#) 03.09.2021, 2:57pm



*Serbert Brissett, a farmer based in Davie, Florida, examines flood damage to his Callaloo crop, February 23, 2021 USDA/FPAC Photo by Preston Keres.*

***The legislation would forgive loans held by producers who have been racially discriminated against by the federal government, a long-sought win for civil rights advocates.***

Quietly nestled in the latest Covid-19 relief package is a consequential provision that would cancel billions of dollars of debt held by farmers of color—a move that would provide long-sought relief to agricultural producers who have experienced discrimination, including at the hands of federal lenders.

The American Rescue Plan, which passed in the Senate on Saturday and awaits an imminent final vote in the House would earmark \$4 billion in debt relief for “socially disadvantaged farmers and ranchers,” [defined as](#) “a group whose members have been subjected to racial or ethnic prejudice.” The legislation directs the Department of Agriculture (USDA) to make payments to those farmers equal to 120 percent of all direct loans and loans backed by the agency. The additional funds are meant to cover tax implications of the debt relief, the Food & Environment Reporting Network [reported](#).

It's a legislative decision that acknowledges a painful history. Though USDA-backed loans are a critical source of support for many farmers, who rely on them to buy the supplies and equipment needed at the beginning of each growing season, those loans have benefitted some farmers more than others. A 2019 [investigation](#) by The Counter showed how, by the time President Obama took office, USDA had worked up a backlog of more than 14,000 discrimination complaints—many of them from Black farmers alleging that the department had withheld loans from them on the basis of race. Thousands of these claims were found to have merit by USDA's office of civil rights.

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The unfair denial of loans to farmers of color has a [long, well-documented history](#) at USDA—one factor that has contributed to rapid land loss among Black agricultural producers. According to The Counter's investigation, Black farmers lost more than 90 percent of the land they owned between 1910 and 1997, while white farmers only lost 2 percent. But USDA, under former Secretary of Agriculture Tom Vilsack—who has been newly confirmed to his post for a second time by President Biden—moved to dismiss those civil rights cases, often resulting in farmers being foreclosed on for non-payment of previous loans. The result could be financially devastating, causing many Black farmers to lose their land without ever having their discrimination complaints addressed.

The new legislation would attempt to address that legacy of unequal treatment.

“The language appears to be clear that people of color with debt with USDA will have those loans forgiven—if so, that's very significant,” said Lloyd Wright, former director of civil rights at the agency, and a major source for The Counter's investigation. “This should stop the decline of Black farmers.”

The relief bill's provision mirrors a bill [introduced in the Senate](#) last month by a group of senators including Senators Reverend Raphael Warnock (D-GA) and Cory Booker (D-NJ). (That bill, in turn, draws on the Justice for Black Farmers Act—a more [sweeping piece of legislation](#) that would issue land grants to Black farmers to make up for past losses, among other measures.) In addition to debt relief, it also allocates slightly over \$1 billion to programs that would assess discriminatory USDA policies, provide technical support for Black farmers, and support research at historically Black colleges and universities.

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If passed in the House, the bill will be sent to President Biden's desk. Civil rights advocates expressed cautious optimism that the funding might staunch the ongoing issue of Black land loss, which has been driven in part by debt and penalties associated with federal loans.

“This is one of the most significant milestones in Black agrarian history,” said Tracy Lloyd McCurdy, executive director of Black Belt Justice Center, an organization that has advocated for the cancellation of debt associated with discrimination claims for two decades. However, McCurdy wondered why it took an ongoing public health emergency to finally bring economic relief to Black farmers. “How is it that the Black farmer has suffered over twenty years and they're only receiving relief now due to the economic suffering caused by this viral pandemic instead of the virus of systemic racism and discrimination? Why did it take that? That's something we have to really wrestle with.”

Wright was also wary about celebrating too soon, as USDA has historically done a poor job of making good on its debt cancellation promises. Following the *Pigford* class action lawsuit filed by Black farmers against USDA in 1997, which alleged racist lending practices, the federal government agreed to make settlement payments to Black farmers that included both cash and loan forgiveness.

However, very few *Pigford* claimants [were actually granted debt relief](#). As a result, Black farmers have continued to accrue interest and penalties on USDA loans, which have in turn forced many out of the sector.

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Farmers say the debt relief process as outlined in the American Rescue Plan could be an alternative means to the same end: loan forgiveness which was promised under *Pigford* but never came to fruition for most.

Still, Wright pointed out that debt relief would only go so far toward addressing USDA’s legacy of racist lending practices. After all, for those who lost their land due to discriminatory policies, there may be no debt left to forgive.

“[Black farmers] have lost a lot of their land. Some of them have died and their families got walked off the land,” Wright said. “So we’re not going to help all of them, of course, but for the ones who are still alive and have land, we’re finally doing something that we should have done thirty years ago.”

The provision’s inclusion in the relief bill wasn’t an entirely smooth journey. In the House Ag Committee, a Republican lawmaker complained that the provision would lead to “reverse discrimination” litigation.

**“[Debt relief] would be a grace from God.”**

But its proponents argue that today’s funding is only the first step among many more policies needed to restore what Black farmers have lost—an [85 percent drop in Black-owned agricultural land](#) over the past century, according to the Pew Charitable Trusts’s Stateline news service. Researchers have also pointed out that farm bailout funding under the Trump administration, which far exceeded the loan forgiveness outlined in the Covid-19 relief bill, [disproportionately benefited](#) white and wealthy farmers.

Wright said that he hopes to see the Senate pass the Justice for Black Farmers Act next. The bill, which was co-sponsored by Senators Booker, Elizabeth Warren (D-MA), and Kirsten Gillibrand (D-NY), would not only issue land grants to Black farmers—it would also correct misreporting in the agriculture census, and provide stricter oversight of USDA’s commitment to civil rights.

As debate about how—or whether—to reckon with USDA’s racist history continue, it remains to be seen whether these more ambitious proposals are politically viable. Still, for farmers who haven’t yet received redress for the discrimination they faced, the American Rescue Plan’s provision is a welcome change in policy—and an opportunity to be made whole again.

“[Debt relief] would be a grace from God,” said Lucious Abrams, a farmer from Waynesboro, Georgia, and plaintiff in the 1997 lawsuit. Despite his role in the case, [Abrams has said](#) that he was unjustly denied settlement from it. “This should have been done over 25 years ago.”