



SUPPORTING THE FARM SECTOR & RURAL AMERICA

The new farm bill, which must be reauthorized by September 30, 2023, presents an opportunity to address many needs facing rural America and our farmers and ranchers. A strong farm bill allows producers and their community bank lenders to work together for long-term business planning purposes to ensure producers remain viable in the face of financial challenges. The principles set forth below will ensure a successful farm bill.

ICBA'S KEY FARM BILL PRINCIPLES

- **Provide Ample Funding** – Ensure the new farm bill maintains a robust commodity price safety net, boosts rural broadband capabilities and provides USDA upgraded technology to meet stakeholder needs more efficiently.
- **Maintain a Strong Crop Insurance Program** – Provide funding and flexibility to ensure all producers have access to sound risk management tools that can help them withstand severe weather events. A strong crop insurance program helps producers repay loans and maintain access to credit.
- **Enhance USDA Guaranteed Loan Programs** – Increase loan limits on USDA guaranteed farm loans to at least \$3 million. Streamline paperwork and application processes for USDA farm and rural development loans. Funding levels should ensure existing loan programs can meet borrower demand while meeting the needs of young, beginning and small farmers. USDA direct loans should complement but not undercut guaranteed loans made by private-sector lenders.
- **Do Not Expand the Powers of the Farm Credit System (FCS)** – FCS seeks to expand into non-farm lending for loans to “essential community facilities” through quick authorizations of their “investments” without the case-by-case approval of their regulator. ICBA opposes broad approval authorities for FCS **non-farm** lending which is inconsistent with their charter as a government sponsored enterprise established to serve agriculture and which would threaten the viability of community banks by shrinking banks’ loan portfolios.



CAPITAL SUMMIT 2023

- **Ensure Community Bank Access to All General Credit Programs** – Maintain the ability of community banks to serve rural America without enhancing the competitive advantages of privileged, non-bank competitors. Community banks should have access to all general financing or credit assistance programs.
- **Reduce Regulatory Burden and Ensure Fairness** – Require federal agencies to implement regulations fairly and equitably for all programs while reducing regulatory burdens on rural America.

MESSAGE FOR YOUR MEMBERS OF CONGRESS

- Support a farm bill that will strengthen America's rural communities with higher guaranteed loan limits; robust crop insurance; adequate support for commodity programs and funding for rural broadband.
- ICBA strongly opposes further expansion of Farm Credit System, which enjoys tax and funding advantages over the private sector as a government sponsored enterprise (GSE).