

THE "MULTI-PURPOSE" FARM COOPERATIVE AS AN  
APPROACH TO SAVING THE BLACK FARM

by

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A Master's Thesis Submitted

to Antioch University

In Partial Fulfillment of the Requirements

for the Master of Arts Degree

Yellow Springs, Ohio

February 22, 1989

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FOR ANTIOCH UNIVERSITY  
ANTIOCH INTERNATIONAL  
February 1989

Self-Evaluation by Shirley Sherrod

For forty-one years, I have lived with memories of a farmer's daughter. Not everyone can boast of 100 degree heat in the shade, bumpy, mile long rides to the cotton field, sharing lunch with a thousand gnats, an outhouse, dinner at eight around a full table competing for the last biscuit and up again at 5:30 with long sleeves and long pants, headed for the okra field in 100 degree heat by 10:00 a.m. These were memories of a farmer's daughter during the good old days.

The good old fifties turned into the moderate sixties, to the drought ridden seventies. Progressive farming grew to a standstill and the farmer's daughter matured into womanhood. Time has not allowed a comparable maturation for farming. Locked in gear with the american economy, the farm industry is suffering. Today's farm crisis reaches from rural businesses and agricultural suppliers to plant closings and layoffs. According to the U.S. Department of Labor, at least three jobs are lost every time a family farm is liquidated. When farmers are then forced to compete for scarce jobs in both rural and urban areas, the crisis thickens.

Farm debt is predicted to rise above four hundred billion by 1995 and at least one third of existing rural banks are expected to fold by the same time. The potential impact of losing half of all American farmers in the next few years should concern all Americans.

Lost in this crisis is the devastating plight of the black farmer. His numbers will not diminish by half. The black farmer will no longer exist. Unless, there is a radical change in national and state agricultural policies as well as creative attempts to support him. This is the stated purpose of my thesis. I feel it has been properly introduced and its need shown through historical descriptions of continued farm crisis for one hundred years or more. It was a simple thing to document the farm crisis and the unique plight of the black farmer. But the final chapter of the paper demanded the impossible from all participants. This is where I think

this exposition makes a valuable contribution to the field of agriculture.

The real genius of this thesis is its simplicity - the black farmer can survive if his support is organized and coordinated. The transport utilized to deliver the necessary services and resources is the cooperative, an old social mechanism with a new dynamic. The Southwest Georgia "Multi-Purpose" Cooperative is owned by the farmer himself. It will live or die to the extent the farmer realizes his individual stake in the coop.

No aspect of the farm scene was left out. The argument for the final conclusions were carefully developed over a period of 15 years of actual case histories and personal farm experience. The potential markets, the state and federal involvement called for in the paper are in transition. The 100 city markets are not fantasy; they exist. All of the elements, with the exception of the international thrust, exist at a minimal level, too small a universe to allow any projection or even grade its effectiveness. Though, I am aware of its shortcomings in terms of the relatively small farm area considered and the many complicated agri-business solutions not considered in the paper, I am happy that I was able to hold my voluminous notes to a single purpose of showing how one approach to saving the black farmer can be successful. The topic chosen was broad; the approaches to solving the problem were many, but I think the "Multi-Purpose" Cooperative demonstrates its effectiveness in the resolution of the problem of the survival of the black farmer and black-owned farm land.

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Mrs. Shirley Sherrod has had broad experiences with poor farmers, especially black lower socio-economic farmers. Hence, it is relatively easy for Mrs. Sherrod to outline a viable means of saving the black farm.

As one reads through her thesis, it becomes readily apparent that a tremendous amount of time has been utilized in the collection of data relative to potentially successful programs that can be used to save black farms. In her documentation, she gave some of the reasons why blacks have had to leave farming and find other means of making a living. It is evident that Mrs. Sherrod knows her subject well.

I am very well impressed with Mrs. Sherrod's efforts. If followed, I believe that her recommendations will ultimately help lower socio-economic farmers remain in the business of farming.

I am therefore happy to recommend that Mrs. Sherrod's thesis be accepted in partial fulfillment of the requirements for the Masters of Arts Degree.

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Mrs. Shirley Sherrod has immersed the total fabric of her being in her thesis concerning the survival of the black farm in the United States in general, and specifically in Southwest Georgia. She has involved herself in several sociological, political, and financial aspects of the black farm. This thesis represents the culmination of action-research as well as formal research of the multi-purpose farm cooperative as an approach to saving the black farm from extinction. The data presented clearly reflects trend data of the U.S. Census Bureau and other reliable repositories.

The relative position and power strategies of black farmers are presented in a historical perspective, and focuses attention on the potential market of black farm products to the vast majority of black people who live in metropolitan areas. A central strategy deals with the ability to meet the demands of the potential market, and the potential of the multi-purpose farm cooperative is analyzed in great detail.

Mrs. Sherrod has been thorough in data collection and analysis. Although her thesis does not deal with a controlled experiment or observable control groups, she has created a network within which the multi-purpose farm cooperative could be an effective and powerful management technique. She has drawn from a wide-range of governmental and social agencies. Also she has made a thorough review of literature relative to the survival of the black farm in the United States.

There is an immediate need shown for the ideas presented in this thesis to be fully explored and implemented in Southwest Georgia. Further, there is a reasonable indication that various federal and state governmental agencies will consider a joint-venture to move a number of minority farmers toward survival. Mrs. Sherrod was able to identify several State and Federal agencies in light of political pressures being brought to bear at this juncture in the history of the black farm.

A sense of urgency permeates the entire thesis. A deep concern is expressed by Mrs. Sherrod for all minority groups. She presents a plan and a challenge to deal with the survival of the black farm.

I commend the candidate on the effort and organization that has gone into this thesis. I believe it to be an impressive document, and one that will certainly become a benchmark for further research and analysis. It is with distinct pleasure that I recommend that this thesis be accepted in partial fulfillment of the Antioch Master of Arts degree.

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## I. INTRODUCTION

1988 has been the worse drought on this century. Add to this opinion the catastrophic prediction by the Georgia State University Economic Forecasting Center: There will be a recession in 1990. And it is unlikely that monetary and budgeting policies will be made in time to avoid a<sup>1</sup> recession.

Consequently, any discussion of the plight of the black farm must consider the general economy in which all farms in the United States exist and struggle. For the next two years, we must assume full use of economic resources, underutilized production facilities, workers fearing job loses, prices and wages soaring, inventories kept low, long delivery delays, production out of sync with demand - all signs of a "runaway" economy.<sup>2</sup>

The problem of our general economy is intertwined with the problem of the black farm. But the problem of the black farm remains when the general economy of the country is good, so some specific attention needs to be given to a fair description of the problems of the black farmer and approaches to the resolution of this problem.

Blacks have always composed a large percentage of the

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<sup>1</sup>  
Atlanta Constitution, "Right Preventive Moves Can Head Off A Recession", Sec. C., Pg. 1, Aug. 17, 1988.

<sup>2</sup>  
Ibid

American population. Although today, the general black population is the nation's second largest racial group (12% of the total population), it has not always been so.

In 1870, the first census, blacks numbered 760,000 or 19% of the U.S. population. In 1880, the black population had increased to 4.4 million but the percentage dropped to 14.1 percent.

By 1990, the black population had doubled, reaching 8.8 million then, 15 million by 1950, 22.6 million by 1970 and finally 28.2 million by 1985.

In 1920, nearly 50% of all blacks or about 5 million people lived on farms; at that time, "there were 926,000 black operated farms, comprising one-seventh of all farm operations. By 1978, only 6.2 percent of that number<sup>3</sup> remained. Today, blacks on the farm number less than 200,000. Only 57,271 farms owned by blacks existed,<sup>4</sup> according to the U.S. Bureau of the Census in 1978.

The location of blacks must also be discussed. In 1910, 90% of the United States black population lived in the south. Blacks left the south in large numbers looking for better opportunities, for in the 1940 decade alone, 1.6 million more blacks left the south than moved there. However, during the last half of the 1970's, spurred by improved opportunities

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<sup>3</sup> United States Commission of Civil Rights February, 1982, pp. 1-2.

<sup>4</sup> U.S. Department of Commerce, Bureau of the Census, 1978 Census of Agriculture, Vol. I. St. 51, p. 209.

in the southern region, more blacks moved back home to the south than moved out until now, when just over half of all blacks live in the south.

The black family is concentrated in metropolitan areas, whether in the north or south. The head of the household is usually single, on some social aid funded by the city, state or federal government, but nevertheless is able to provide some level of subsistence. In 1980, 60% of urban blacks lived in 100 central cities. Seventeen of these cities had black populations of 50% or more. In 1984, the black family median income was \$15,430.00.

It is toward the core group of blacks in 100 central cities that a Multi-Purpose farm Cooperative might direct itself in building a market base. This is true for several reasons. First of all, this is a sympathetic market. Common experience are a source of unity for blacks all over the country. Secondly, the need and appetite for food grown in the south is culturally attractive in these 100 cities. Fresh peas, beans, hog head, fat back, barbecue meat, cured "boiling meat, yams, watermelons, and other delicacies of the south are in year round demand. In fact, thirdly, the greatest incentive for high demand in this market is the competitive price that is possible. More will be said on this point later.

One of the questions which must be answered in this exposition is, can the black farmer meet the demands of the

of the market we just described? The accompanying facts are disappointing. In 1978, only 57,271 farms were still being operated by blacks. Ninety-four percent of all black farms have been lost since 1920 and the rate of the land loss shows no signs of tapering off.

Thad Martin, writing in Ebony magazine, observes the loss of black land as tragic. He points out the partition sale as the most feared and sinister method by which blacks have lost land. The way it works is simple, A legal heir to a parcel of land puts a lien on it to buy a car or house or whatever and failing to pay a debt, is foreclosed on, demands payment and sale is made at public outcry. Martin goes further to say that, "other mechanisms also exist through which the black farm landowner can lose his property, each as equally tragic and heart rending. The tax sale, which is one method, is simply the taking of tax delinquent property by the state, county, or municipal government, who in turn auctions off the land. Many acres of black-owned land are lost in this manner. Another method is foreclosure. This happens when the landowner puts his land up as collateral against a debt, usually to the bank, and fails to

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Beale, Calvin L., The Negro In American Agriculture, reprinted by USDA from The American Negro Reference Book, ed. John P. Davis. 1966, p. 170.

pay the debt. Often the worth of the land far exceeds the amount of the debt, but unscrupulous lenders insist that the land be used as collateral, usually with an eye toward taking advantage of unsophisticated borrowers.<sup>6</sup>

Can blacks deliver the farm quantity and quality production demanded by this market. At stake is the survival of black owned land as well as the very existence of the black farmer. "Virtually every aspect of the urban crisis, poverty, and welfare, unemployment, crime, housing and health, could be linked to migration from rural American that resulted in too many people on too little space..."<sup>7</sup> At stake also is serious racial consequences of total white control of agriculture. It will force the rural black into the urban ghetto with resentment and animosity toward the insensitivity and squalor of ghetto life.

The process of change which regulated black farm families to landless and powerless gentry is easily documented. Black farmers represented less than 2% of the nation's 2.2 million farmers in 1982, down from 14% in 1920. A study of racism in Farmers and Home Administration (FmHA) revealed that FmHA did not provide services to black farmers

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<sup>6</sup>  
Ebony. "The Disappearing Black Farmer," by Thad Martin  
Vol. 40 June, 1985, pp. 145-146.

<sup>7</sup>  
Freeman, Orville, *Toward An Urban Renewal Balance*, New  
Ebony, "The Disappearing Black Farmer," by Thad Martin.  
York: H. Wilson Co., 1971, pp. 46-47.

comparable to those provided whites. This is an agency of the United States Department of Agriculture (USDA) in which there is no doubt as to the capability and jurisdiction to assist black farmers in preventing their loss of land. Yet, they continue to lose land. Their efforts are to seek additional non-farm income in order to support their families or rely upon children and family working elsewhere to meet certain expenses. It is a well known fact that once black land is lost, few blacks are able to purchase or repurchase the land in years to come.

Despite this negative almost hopeless description of what is upon us, the extinction of the black farm does not have to occur. If immediate measures are taken to combat these problems with the cooperation of the total Farm Credit and USDA systems as well as the state agricultural programs, there can be hope. The FmHA has the potential to provide immediate assistance through its basic eight programs. The 1987 Agricultural Credit Act should be utilized as well. \*  
For the purpose of this discussion, involving thirty counties in southwest Georgia politically defined as the second congressional district, a Multi-Purpose Farm Cooperative

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Good, Paul, Cycle To Nowhere, Prepared for the U.S. Commission on Civil Rights, Washington, D.C. Government Printing Office, 1968, p. 17.

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See Exhibit I

program, financially supported by urban banks and other institutions and supplemented by the state and federal government, should be implemented in an attempt to save blacks farms.

The question restated for black farm advocates is this: At this stage, is there any hope for the survival of the of the black farm? The content of this thesis represents an honest effort to fathom this abyss, to evaluate, despite the prophets of doom, the Multi-Purpose Farm Cooperative as an approach to saving the black farm. The prevailing view in the business world, is that American agriculture should be reconstructed to benefit an elite group of absentee investors to the demise of the small farm, both black and white.

The question is again raised from the prospective of this thesis: Does not the United States Constitution, Bill of Rights, and recent enabling legislation by Congress, constrain the United States Department of Agriculture and the United States Farm Credit Service, to provide immediate help to black farmers who are about to be "wiped out" from the face of U.S. farming? With the additional support of the states, municipalities and private corporations, is it reasonable to assume that black farmers, backed with a natural market base, can be saved with sales and production through a Multi-Purpose Farm Cooperative?

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See Exhibit II (Map of proposed Area of Influence)

## II. HISTORY OF THE FARM CRISIS

The first hint that farmers would not continue to accept abuse from the banks and railroad monopolies came in the early 1870's. It was then that a million members of Grange, a farmer's movement, dedicated itself to fighting the bank and railroad monopolies.<sup>9</sup> But by 1887, a young organization called the Farmers Alliance became stronger than Grange. It began in the south and moved over the midwest and great lakes. The Alliance grew rapidly into a struggle over who would control the land, banks, and railways that shaped almost every aspect of rural life.<sup>10</sup>

In the 1880's a serious national depression struck. Cotton, which had sold for 1.00 a pound after the civil war, fell to 20 cents a pound in the seventies and 9 cents a pound in the 80's. In 1891, it went for 7 3/4 cents a pound. The dollar appreciated 200% between 1865 and 1895, a devastating blow to debtors such as southern farmers. Corn had fallen 32.8 percent. Farmers fell deeply in debt and many lost all they had and stayed on their farms to share-crop and do tenant farming.<sup>11</sup>

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9

Bloom, Jackson, Class, Race and The Civil Rights Movement, Bloomington: Indiana University Press, pp. 38-39, 1980.

10

Ibid; p. 39.

11

Burton, Anthony, The Rise and Fall of King Cotton, London: British Broadcasting Corporation, pp. 194-199, 1984.

The Farmers Alliance formed rural coalitions that cooperated to buy and sell farm goods, and contended that banks were run by the rich, for the rich and of the rich. Alliance members from the south formed the Populist Party in 1882, but by the 1890's high freight costs and low prices for their goods forced farmers off their land and into cities and factories to look for work.

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Farmers found themselves isolated from consumers and their dwindling numbers made it difficult to organize. Many farmers were forced into sharecropping, thereby keeping them in constant debt and poverty. Still, farmers fought back. During the great depression, members of the Farmers Holiday Association took to the streets to demand parity - laws guaranteeing farmers prices equal to their cost of production.

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Farmers blocked roads to market and dumped food on the pavement to protest unfair prices. They halted farm foreclosures by disarming deputies and threatening violence in Iowa, where martial law was declared by the state and foreclosures were conducted at bayonet point.

An accurate description of the years between 1935 and 1966 comes from a sociologist Arthur F. Raper. He and his family lived for extended periods among blacks and white

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Burton, Anthony, The Rise and Fall of King Cotton, London: British Broadcasting Corporation, pp. 194-199, 1984.

13

Miller, Marc S., Working Lives: History of Labor In The South p. 136, 1987.

farmworkers in Green County, Georgia during the 1920's. In early 1978, Arthur Raper, sent a beautiful letter to George M. McDaniel, consultant with the Smithsonian Institute, in which he portrays life for farmers in the lower south in relations to the welfare problems of the big cities:

Dear Mr. McDaniel:

I trust the Institution will be interested in exploring the desirability of setting up a typical lower South Sharecropper house of the 1925-35 period. This should be done for a number of reasons: to recognize the presence in our society of vast number of people who once lived in such houses; and to understand better the people who once lived in them and now account for a great proportion of lower income people in the heart of the larger metropolitan areas of America. There is a dynamic relationship between the bleakness of these erstwhile sharecropper houses at the end of the first third of the century and the welfare problems of our big cities at present. The city eventually pays for rural poverty.

Between 1935 and 1966, when the decrease of the farm population in the nation as a whole was less than 50 percent, the highest decreases were in cotton south: Mississippi, 67 percent; Georgia and West Virginia, 66 percent; Arkansas, 65 percent; Louisiana, 64 percent; South Carolina and Oklahoma, 62 percent; Texas, 61 percent; and Virginia, 55 percent.

In the Mississippi Delta, the heart of the cotton South, the percentage of cotton picked by machines rose from seven in 1950 to 55 in 1960 to 95 in 1967 to practically 100 in 1977. Beyond this, in recent years effective procedures have been worked out for machines to apply chemicals that control the growth of weeds and grasses and so eliminate the need for hoe hands. The total number of share tenants (mostly sharecroppers) and farm wage hands in the area under consideration dropped from 83,000 in 1950 to 33,000 in 1959 to 22,000 in 1964, with the number continuing to decrease down to the present. Also, there was a sharp decline in seasonal labor used: In the spring of 1960, 30,150 people were employed an average of 16 days, whereas six years later 7,225 were employed for 36 days as compared with six years later when 11,253 were employed for two days.

In the first quarter of this century, the spread of the boll weevil across the south, from Texas to Virginia, sped the collapse of the old plantation system. As a result, millions of acres of cotton land shifted to livestock and tree farming, each of which was decidedly less labor-intensive than cotton, and each was on the side of the angles in terms of soil conservation but each of them rendered surplus millions more farm-workers.

It is well to reckon with the fact that the vast proportion of the people who left farms, and then left the southern region, were not attracted out (excepting during the two World War periods) but rather were pushed out of their shrinking low economic niches in the cotton country. And, in so far as any of them may have been attracted out, it was not so much for hope of employment for in the cities too, by the time the rural migrants got there, power-driven machines were digging the ditches and performing other menial and unskilled tasks that they might earlier have done - as the hope for welfare support, of one type or another, with along the way much searing disillusionment, loss of hope, and within the inner cities, rampant tensions, drugs, thievery, and other lawlessness.

And how could it have been otherwise? For it was that element of the American population least equipped to cope with urban life who were being forced by circumstances to take up their precarious abodes in the inner cities of the nation. These migrants had come from the areas where housing had long been most inadequate and cultural life thinnest: In 1935, more than half of the sharecropper dwellings leaked when it rained, and more than half were without any inside finish (just the upright studdings and the horizontal outside weatherpanes); only one in 20 had screens on windows and doors, and less than two in 100 had fly-proof privies, while nearly half had no privy of any kind; a fifth had no printed matter in the house, while only an eighth subscribed to any newspaper, and most of them were local weeklies, of the who-visited-whom kind.

A house in the Smithsonian Institution reflecting such conditions is warranted by the vast numbers of people who lived in them in 1930 - a total farm tenant population of more than 10 million people, four million were sharecroppers, of whom two and a half million were black - and by the vast number of people who have moved out of them to American cities. The percentage of blacks in the metropolitan areas of the nation rose from 27 percent in 1910 to 74 percent in 1970, and the end is

not yet in sight, for whereas some urban whites and middle-class blacks are now moving back to the south, there is still a steady outflow from the rural south of impoverished blacks.

The sharecropper house is a veritable backdrop for many of today's urban problems.

In this sharecropper house, on the average, lived a man, and a woman and four children:

Who moved every two or three years from one house to another more or less like it.

Who never owned any land or other taxable property.

Who were accustomed to a diet of fatback meat, corn bread, and backstrap molasses, with sometimes turnip greens and other plain food in season.

Who commonly got along without the services of a trained physician except in dire circumstances, depending principally upon patent medicines, and for childbirth, untrained midwives, often illiterate and oblivious of the basic elements of sanitation.

Who never voted, or sat on a jury, or were called "Mr." or "Mrs.," except by their equally poor or disfranchised peers.

Who had no legal claim to any portion of the crop the family had grown until all furnishing bills had been paid in full, including "carrying charges" on advances at "credit prices" for the food and supplies used while producing the crop.

Who frequently failed to pay out in full, and whose debt then would likely be carried over against their crop, or if they moved to another plantation, the debt might be transferred to their account there.

Who, is black, likely had heard from older kinsman stories of advantages taken of mothers and daughters, of warnings of mob violence if this or that "stay-in-your-place" expectation were ignored or violated.

Who lived in a shabby house, built of a single thickness of rough, undried lumber, often with cracks in the walls and floors through which the

wind blew until covered by cardboard or newspapers from the commissary or the big house.

Who accustomed to a limited diet, suffered much pellagra, especially among the womenfolk and children.

Even so, in these houses there lived an occasional man, woman or child from whom came forth a work song, or a spiritual, or the intricate timing of ragtime or jazz, or in the body movements that go along with tap dancing, the charleston, and so on. Many of these distinctive expressions were grounded on the insightful understanding these people had of their own predicament, of the powers that be, the riding-boss, Captain Jim, what went on in the big house, including such quarrels as occurred between him and Miss Sally, his wife.

Yes, they knew they had to play the roles of nobodies, but within themselves some of them knew what was going on: They knew they were somebodies, for they saw their song and dances - often ridiculing those who thought themselves their lords and masters - appreciated and appropriated by them: We have company coming this weekend, so you all come up to the house about eight Saturday evening and do that song and dance you were doing on the way home from the fields this afternoon.

The insights of the croppers were far beyond the ephemeral and superficial, as seen in songs like "Go Down Moses - Let my People Go!" Took it right out of the white man's Bible, and used it to melt the white man down! Repeated the Uncle Remus tales, in which the defenseless rabbit always wins.

Out of these bleak houses went the millions of ex-sharecroppers and farm wage hands, first to southern towns and cities, and soon - most of them virtual refugees - on to the great American cities where within the sounds and smells of great affluence, they battened down for their next round with life. They were given no preparation for their abrupt transplantation.

Surely, it is not too much hope to even believe that the leadership of a great nation will soon take its bearings and welcome the opportunity to seek out the whole truth about so great a number of its own, and help them attain their full stature and thereby enrich us all by becoming a stronger and happier people. A long and

tedious process it will be, but the sooner and saner undertaken the better.<sup>14</sup>

This brings us to the heirs of the picture described above - farmers of the sixties to eighties. The future seemed bright for U.S. farmers during the sixties. The value of the dollar fell somewhat in 1971, allowing U.S. grain to be a good buy. Farm exports jumped from 7.9 billion to 43.7 billion. In such an encouraging climate for farming, the federal farm agencies exhorted all farmers to plant from fence row to fence row.

By 1977, there were certain warning signals which began to appear. The bottom fell out of the overseas market. In addition, President Carter and Congress banned grain sales to Russia. Finally, interest rates and inflation soared, adding to the farmer's dismay with bumper crops in 1981 and 1982. Prices had fallen a long way below the cost for production so farmers had to take on a great deal more debt. It was during these years that large numbers of farmers were forced to turn to the resource of last resort - the Farmers and Home Administration (FmHA).

This was the situation facing farmers all over the country, but the farmers in Georgia had additional negative elements toward their demise. Between 1984 and 1986, loan costs skyrocketed and prices for food fell drastically. These were not the only negative elements of future doom for

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Southern Exposure, Vol. 1, No. 3, Chapel Hill: Institute For Southern Studies, pp. 5-7.

southwest Georgia. Beginning with 1978, there were six years of drought while simultaneously land values for farms tumbled. The consequence for southwest Georgia was that thousands of farmers were wiped out. Land was seized by various agencies of the Farm Credit Service as well as banks and insurance companies. In Georgia alone, the FmHA attempted to foreclose on 10,000 farmers but based on a suit in the mid-west, they were enjoined from legal action, FmHA however, still demanded self liquidation by individual farmers.

### III. THE PECULIAR PROBLEM OF BLACK FARMERS

Black farmers have the same problems of white farmers plus a few more. One problem peculiar to black is size. Black owned farms are generally one fourth the size of the national average. Seventy-nine percent of these farmers sell less than \$10,000 worth of agricultural products per year. In addition, they have always had a more difficult time in getting loans than whites. One reason is because of the difficulty in showing ability to pay with such large debt and expense. The other reason is pure racism which is evident in that blacks lose land 2 1/2 times fast as whites. At their peak in 1920, black farm owners numbered almost a million, but by 1982, only 33,000 remained, owning about 15 million acres.

Blacks currently comprise only 4 percent of this nations's 6 million farm residents.<sup>15</sup> Between 1970 and 1980, the black farm population declined 65 percent compared to a 22 percent decline in the white farm population.<sup>16</sup> About 44 percent of the black farm population in the labor force is employed in agriculture compared to 52.7 percent of the white population.<sup>17</sup> Those blacks who remain in the agricultural

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U.S. Department of Agriculture and Department of Census, Economic Research Service, Farm Population of the United States: 1980; Series p-27, No. 54, table 1. p. 7.

16

Ibid, p. 2.

17

Ibid, p. 9.

labor force are under-represented as self-employed workers.<sup>18</sup>  
Rapidly declining as farm operators, blacks represent only  
5.6 percent of the south's farmers.<sup>19</sup> About eighty-five  
percent of all black farmers are located in the south.

Another peculiarity which dooms the black farmer to economic failure is his traditional outlook on objectives and goals. The black farmer is predominantly a consumer rather than a producer. He is slow to realize that the money to be made in the food industry is not growing it, but rather by processing, packaging, retailing, wholesaling and advertising. Today, the black farmer markets only a few crops to middlemen, who in turn, facilitate sales to the public.

What could be considered as the worse peculiarity, may be the lack of hope among such farmers. In essence, the black farmer is becoming a modern day sharecropper. He owns the land but he does not control the land. In other words, he has lots of debt, little power and few alternatives than to sell to the "boss" - the middleman. Because of these overwhelming odds, the black farmer does not expect his farm

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U.S. Department of Agriculture and Department Census. Economic Research Service, Farm Population of the United States: 1980; Series p. 27, No. 54, table 1, p. 7.

19

1974 Census of Agriculture, Published by U.S. Department of Commerce, Bureau of Census, Vol. I, Part 51, p. 209.

to be profitable; he does not prepare his children and family therefore, for a farming future, teaching them to care for the soil, treat animals, repair tractors and invest the profits. Perhaps, this also has something to do with the fact that black farmers tend to be older and less well educated than other farmers. The average age of black farmers is 57 years, 6 years more than the national average for all farmers. Black farmers also are twice as likely as other farmers to be 65 years old or older. They do not earn enough from farm income to support their families, so they must seek off-farm work. However, the average age of black farmers makes this difficult because older farmers' age health, and lack of training, tend to limit the work they can do.

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USDA, Economic Research Service, Black Farmers and Their Farms, by Vera J. Banks, July, 1986, pp. 1-3.

#### IV. FARMERS ORGANIZE TO STOP THOUSANDS OF FORECLOSURES.

It has been shown eariler in this exposition that efforts to organize the rural poor date back as far as the 1880's and 1890's with the all-white Farmers Alliance and the "Colored" Farmers Alliance and Cooperative Union.<sup>21</sup> In 1937, a new deal program, the Farm Security Administration established a large number of poor people's cooperatives and even collective farms. Some blacks benefited but most were excluded.<sup>22</sup> This acreage reduction government program pushed sharecroppers off the land and rewarded the large planters with parity payments.<sup>23</sup>

The most recent wave of low-income cooperatives is the by-product of the civil rights movements of the sixties. Field workers of SNCC -Student Nonviolent Coordinating Committee, SCLC - Southern Christian Leadership Conference, and CORE - Congress of Racial Equality, organized many of the early coops with assistance from groups like the National Sharecroppers Fund, Southern Regional Council, OEO, the Cooperative League, Housing Assistance Council and the Credit Unions National Association.

Catholic Priests and Protestants Ministers also

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21

Bloom, Jack M. Class, Race and The Civil Rights Movements, p. 41, 1980.

21

Miller, Marc S. Editor, Working Lives: History of Labor In the South, p. 120, 1987.

23

Ibid, p. 129.

organized cooperatives. The Delta Ministry, sponsored by the National Council of Churches, assisted various coops and established its own cooperative community, "Freedom City." The best known of the early organizers is Father A. J. McKnight, a black catholic priest in Louisiana. He organized the Southern Consumers Cooperative. Charles O. Prejean, who had been teaching adult literacy classes with McKnight became general manger of Southern Consumers Cooperative.

In February, 1967, representatives of 22 low income cooperatives formed the Federation of Southern Cooperatives and elected Charles Prejean as its first president. A year later, Prejean became the executive Director of the Federation.

Meanwhile, economists Ray Marshall and Lamond Godwin convinced the Ford Foundation to give \$578,000 to the Southern Cooperative Development program to demonstrate the feasibility of low income cooperatives. Under the direction of Father McKnight and John Zippert, SCDP helped organize new coops and gave technical assistance to existing coops. SCDP was merged into the Federation of Southern Cooperatives in 1969.

In seven years, the FSC had grown to 30,000 low income families in 134 cooperatives in fourteen states in the south. In 20 years, they spanned seventeen states. The cooperatives vary from membership of twelve in a small handicraft cooperative to 2,000 families engaged in farming over ten county area. About one third of the cooperatives are

agricultural and purchasing concerns. The rest include consumer groups, buying clubs, credit unions, health centers, housing, fishing and light manufacturing cooperatives (i.e. sewing, metal stamping, baking, building materials).

Low income cooperatives have been plagued by a host of problems including poor management, under-capitalization, and difficulty in obtaining credit. Commercial banks, saving and loans associations, even the Bank of Cooperative have all closed their doors to the low income cooperatives.

Another example of farmers organizing to stop foreclosures was the Southern Tenant Farmers Union. In the summer of 1934, eleven white men and seven black men met in a one-room school house on the Arkansas Delta and organized themselves into a "tenant" union. They were all living on subsistence wages from the declining cotton prices during the depression. The New Deal's answer to the crisis, the Agriculture Adjustment Administration (AAA) acreage reduction program, pushed sharecroppers off the land while it rewarded planters with parity payments.

Although it was not the first attempt by sharecroppers to rebel against the viciousness of the plantation caste system, the organization of the Southern Tenant Farmers was effective in showing the plight of the sharecroppers to the nation. And it was a mass movement as powerful as the civil rights movements - thirty years before the 60's with demonstrations, fights, bombing, shooting, marches, speeches.

the works.

Across the country, farm groups have developed from grassroots groups like Groundswell in Minnesota, Iowa Farm Unity, the Dakota Resources Council, and Kentucky Community Farmers Alliance. The United Farmers Organization is another such organization formed in 1983 by farmers in North and South Carolina determined to put a stop to farm foreclosures. News of the new organization spread quickly across the southeast, and before long 1,500 farm families in 83 counties had joined the UFO. The United Farmers Organization has many of the same issues raised by the Farmers Alliance 100 years ago. The UFO has called for halt a to farm foreclosures, a fair price to cover the cost of production, and credit relief for farmers forced to borrow heavily to survive. They actually got started with a telephone hotline organized by the Rural Advancement Fund.

In 1943, the National Sharecroppers Fund became a year-round permanent organization having grown from an event held yearly for a week at a time from 1937 to 1943. For over forty years the Sharecroppers Fund and its offshot, the Rural Advancement Fund, have supported tenant farmers and migrants with money, technical expertise, research, manpower lobbying, and institutional credibility. Growing rapidly in the sixties, this basically white staffed organization suffered

from overfunding, overloaded by large grants from the Department of Labor to begin the Southern Rural Training Project and the OED for the Southern Rural Project. This group contributed to the illusion of the "Great Society," that social service delivery systems and short term manpower training programs could serve as engines of real social change. Local leadership and cooperatives were developed but programs were frustrated by lack of commitment to long term projects. The Fund revised its priorities and concentrated its energies on cooperative projects in Burke County, Georgia and in Halifax County, Virginia. By 1972, the efforts at Halifax and Burke counties were encouraging but limited by the small number of farmers affected and by their restricted buying and marketing capabilities. As a need for a central training center became clearer, the National Sharecroppers Fund staff found a rich philanthropist enthusiastic about organic farming and a 500 acre farm was purchased outright in Wadesboro, North Carolina.

While Halifax and Burke County farmers sought to ship their crops to food coops on the east coast, the produce on the 500 acre farm, "The Graham Farm", was never successfully marketed. Without a canning or freezing facility, vegetables were sold locally and marketed in nearby cities, and some never left the fields. This training project of the National Sharecroppers Fund brought with it more questions than answers - could the Center train migrant workers to be co-op

managers or teach small farmers organic farming skills, or encourage black farmers to stay on the land? What kind of staff, facilities, and funding were needed?

The need for more land for small farmers to work cooperatively was seen as prohibitive with skyrocketing land values in the sixties and seventies, often with high down payments and property taxes. They also questioned their ability to attract technical staff capable of both training small farmers and developing sound marketing systems that circumvent traditional corporate controls. But still, the National Sharecroppers Fund/Rural Advancement Fund projects provide some exciting possibilities for the small farmer.

Another such attempt at developing land, training farmers, settling families and creating appropriate technologies was New Communities, Inc. Two parcels of land were purchased, totaling 5,735 acres of land. They were combined and financed with 1.345 million in mortgages and loans. Not one person had farmed a tract of land over 2,000 acres. This was the wholistic approach attempting the creation of jobs, housing, industry, and social services owned and operated by poor blacks. Legally, the dream was protected by a land trust. Although the New Communities board of directors, composed mainly of local residents, possessed the ultimate legal and financial authority, the trust owned the land in perpetuity. No one person or group could sell the land, though portions could be leased to

settlers and others. A strategy for survival and then development emerged from those early years. The first step was to secure the land. Whether to buy it outright or have the annual payments brought down to a manageable level was too costly and we had to deal with what we had.

The second step was to create a small economy - jobs, schools, food production, health services, and other needed social services. The larger piece of this was development of a food delivery system from the rural to the urban area with the necessary transportation and wholesale support groups.

The final step has to do with our relation to the third world international trade. It is the tie that will bind the black east with the black west and make an economic statement that will stand for ages to come - the poor of this world need not be poor, nor diseased, nor crippled, nor starving, nor at war! There are satisfying basic alternatives for peace and good will - good living!

It is from the experience of these recent experiments as well as international projects, thousands of miles away, that we will now begin to fashion a many faceted approach to save the black farm or a model pilot projects based within a fifty mile radius of Albany, Georgia.       \*Exhibit II

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Exhibit II

## V. THE MULTI-PURPOSE FARM COOPERATIVE AS AN APPROACH TO SAVING THE BLACK FARM.

Up to this point, the prospective of this paper has been to describe as objectively as possible what has generally been happening in the farming industry, utilizing various historical documents. The remainder of this paper will deal with present day realities and the creativity of youthful minds to fashion a model that may be duplicated any place in the country where rural people want to remain rural people.

We have seen that community cooperation is not an idea that is new to the south. Traditionally, rural societies have banded together to get work done. Some of the most common cooperative practices have been centered around the production, distribution and consumption of food. These types however, do not exhaust the possibilities of people working together and sharing benefits. The repair and maintenance of buildings, animal barn-raising, slaughtering and dressing animals, harvesting and gardening are all examples of shared tasks that earned those who participate either a share of the produce or reciprocal labor.

Many people with families living in rural areas still share in the upkeep and maintenance of commonly owned property. Those who are not available to provide labor may contribute cash, entitling them to share in the garden produce, fruits and nuts, meats, and even profits from the cash crops. Urbanization and industrialization have isolated many people

and the idea of sharing work and resources is not as widely shared today as it was in the past, but this is a viable idea. It is the only alternative with the necessary potential strength to address the issue centering on the corporate control of food production and distribution. It is the only way to restore to the black farmer a sense of self-reliance and the associated respect from people who are fed from his fields.

Finally, this multi-farm cooperative has potential *for* education and change through the various questions which will be raised by its existence. Questions will arise concerning how to market the products and whom they will be sold. Will the best price offered be the criterion on which to base this decision, or will a specific market be targeted, and if so, for what reasons? Is it all locally grown? What about carrying prepackaged processed products from large corporations? In what kind of activities are these conglomerated involved both here and abroad and would the coop support and promote the efforts of organized workers and boycott products? What about food that is sprayed with pesticides and other harmful quick-growing agents? The philosophical stance of the coop will be reflected in its membership. Although these questions will always be present, they do not need to be overwhelming but rather taken as they come.

The multi-purpose cooperative may be defined as a

business with many services obtained for members more effectively than they can obtain them <sup>as</sup> individual<sup>s</sup>. It meets the need of finance, production, processing, marketing, and transportation of farm products for farmers. There are no racial limits and these people own, finance and operate their business for mutual benefit.

The function of this cooperative will be producing, marketing, transportation, wholesaling, and retailing, products; purchasing supplies, and providing such services, for example, as electricity, fertilizer, feed, irrigation, domestic water, artificial insemination, housing, market news, insurance, investment advice, production advice and a host of others. This cooperative will be incorporated in the state of Georgia or another state best suited. By-laws will be drawn up by a Board of Directors elected by the membership. The Directors will serve staggered terms of three years, one third to be elected each year. The board will make policy and hire the necessary management to run the day to day business.

The main purpose of this multi-service cooperative will be to serve members - not to provide goods and services for others at a profit. The savings over the cost of doing business are distributed to member-owners in proportion to their investment or on the other hand, saving may be invested in some other way, decided by the board. The voting control of the business is based on membership - not investment.

Each member has one vote.

This will be a pilot project covering counties within a fifty mile radius of Albany, Georgia or a comparable place where facilities for various means of transportation and storage exists. The distance of county of participation is a factor because grain requires storage in bulk, vegetable products require both bulk storage and refrigeration. In fact, during much of the year, the temperature limits the travel range of farmers without mobile refrigeration.

Each county would have its own cooperative membership and board. Each would determine the need for the cooperative; potential membership and volume of business; management skills needed; facilities needed; operating costs; capitalization and other related considerations. Some of the other considerations will be the following: What services will be provided; qualifications of membership; location and hours of business; method of payment for products, supplies or services; savings returned end of year; and business with non-members.

Other matters that must be settled before the articles of incorporation and by-laws can be drafted include the name of the cooperative, voting procedures and rules for management of the cooperative. Prospective members of cooperatives eligible for help from Farmers Home Administration can borrow from FmHA to pay the organization cost assessment.

Once the county cooperative is organized, it would send

two of three members to sit on the board of multi-purpose regional cooperative. It would be building a business within a business. Each year, just after harvest of peanuts, the county cooperatives would choose the program in which it would participate. Certain projects would be initiated by the county cooperatives and some would be initiated by the southwest Georgia multi-purpose cooperative, the latter being entered only with the input from the county cooperatives. The by-laws of the county cooperatives would mandate a certain number of programs to be engaged with the southwest Georgia Multi-Purpose Cooperative for its continued feasibility.

VI. THE MULTI-PURPOSE FARM COOPERATIVE WILL BE SUPPLEMENTED IN ITS FUNDING BY THE STATE AND FEDERAL GOVERNMENT.

Although no word has come from the Commissioner of the State Department of Agriculture of Georgia, there is an example in Texas which may be emulated. Jim Hightower was elected as Texas Agriculture Commissioner in 1983 bringing in new staff, new constituencies, new ideas, and a new spirit. One of the goals was to make the Texas Department of Agriculture (TDA) a problem solving partner to assist grassroots economic development which a state department of agriculture could focus on making an economic and social impact were entertained.

The first was marketing. Government concern should be as strong for marketing as it has traditionally been for production. Family farmers should be plugged into markets - local, state, national, as well as international. The objective should be to organize new channels so that family farmers can sell their products as directly as possible to the ultimate buyer, bypassing some middlemen and thus getting a better price for their products. In Texas in 1983, four state markets were opened, in 1984 there 17, in 1985, there were 34 and in 1986, there were a total of 48. The markets were a success. Farmers more than doubled the price they received from wholesalers, consumers pay less for better quality food, and the local area retained the money that changed hands and gained the intangible boost of having a

colorful festive market. Farmers markets are not the total answer to the woes of agriculture but in Texas, family farmers split around 6 million dollars in sales and averaged about one third increase in their net income over the year before.

Another effort by the state of Texas was the organizing of farmer cooperatives to produce specific commodities for sale directly to such lucrative markets as chain groceries, processors, restaurants, and governmental feeding programs. The first success was with a group of black farmers in Waller County, Texas, just outside Houston. This county is renowned for its watermelon, yet these farmers had seen 60% percent of their crop rot in the fields for lack of an outlet or given away to some wholesaler. They had sold the other 40% out of pick-up trucks on the roadside, getting only 1-3 cents per pound. The state learned that Kroger was hauling watermelons from Florida to sell in its 103 stores in the Houston area. Some officials talked with Kroger and learned: 1) That Kroger could not be running up and down the road buying watermelons from local growers. 2) That they needed a substantial volume. 3) That they needed a 27 pound melon. In response, the state said they would organize a melon cooperative so that Kroger could deal with a single supplier, the Waller County farmers who had enough melons for Kroger rotting in the fields. The cooperatives would keep the melons at 27 pounds. They were given a taste and they took a

truck load. In the first year, the farmers sold their entire crop to Kroger - 500,000 pounds. And, rather than the one-to-three cents a pound they had been getting, they got seven cents a pound, generating a 165% increase in their net income. Consumers got a good deal too because instead of paying \$3.50 for a travel weary Florida melon, they could buy a tasty Waller County melon for \$1.98 and the money they spent stayed in the local economy. The sale was not a one shot deal. Kroger liked the deal and in 1985 bought one million pounds from the cooperative; the next year they bought two million pounds. More important, TDA was able to encourage other small producers to organize cooperatives as a way of tapping into direct wholesale markets.

Another broad area in which the state of Georgia can have a definite effect is diversification. Since farmers are not making money on cotton, corn, hogs, and cows, the state should identify commodities that are profitable for farmers to produce and design strategies for marketing those products. The Texas Department of Agriculture has tried to make diversification a real possibility for Texas producers by first identifying market interest in a local supply for example, of blueberries. A TDA study concluded that Texas grown blueberries had a potential commercial market of \$50 million annually, thereby legitimizing the crops as worthy of consideration by east Texas producers. The Texas Department of Agriculture is also encouraging farmers to look at

diversification into such crops as christmas trees, organic produce, grains and meats, grapes, jojoba, oriental vegetables, native plants, Texas grown nursery stock, crawfish, and apples as well as such specialty crops as herbs, sprouts, and "boutique" onions. The TDA played a key role in all of these cases. They identified the market, and established links to buyer before the farmer invested in production. That process seems obvious in business but many farmers will produce a perishable crop then beg for someone to buy it from them at any price. Individual small and medium size farmers have no entry into the office of corporate buyers, so state government can perform a useful role by making these connections.

The final projected sphere of influence by state government is agriculture development. Agricultural development is a term used here to refer to the transition of processing by large companies to processing and marketing by groups of farmers strategically located, owning their own plants, sharing hundreds of millions of new dollars and thousands of jobs for the economy of the whole area and the state. Governments have offered such bait as land, water, building, rail spurs, cheap labor, employee training, tax breaks, university research, zoning exceptions, and low interest financing to entice some Fortune 500 firms to come and make money from the productivity of local people and resources. Rather than lure big companies, the Texas Department of Agriculture

decided to help farmers and local businesses to process farm and ranch commodities themselves. In the Texas panhandle, for example, in the town of Dawn, nine wheat farmers joined forces in 1985 to build their own flour mill. Their motivation was "necessity". Wheat prices had deteriorated to a level below their cost of production. Plain wheat flour which was selling for 26 cents a pound to wholesale buyers, was returning only five cents to wheat producers. The TDA conducted an assessment of the demand for bulk sales of flour in the area and learned that a substantial market existed for locally produced, high quality flour to be sold wholesale to bakeries, restaurants, colleges and universities, tortilla manufactures, etc. Some of the buyers were interested enough to sign advance purchase agreements. Based on this market assessment and on a cash flow and income analysis that the TDA staff prepared for the farmers, the Dawn Flour Mill Project obtained financing in December, 1985. There was a ground breaking ceremony just before Christmas. The mill will produce 300,000 pounds a day. For top quality wheat, the mill intends to pay a premium price to other area farmers, representing a 50% increase of the farmers share of the wholesale value. The mill is projected to generate \$10 million a year in sales, 14 direct full time jobs and 20 indirect jobs.

This approach worked equally as well in both the private and public sector in Texas: 1) A local independent banker

in Colorado County whose bank financed the state's first agricultural development bond project, a farmer - owned rice dryer facility in Eagle Lake. 2) The cooperation of the Texas Department of Community Affairs and the city of Laville in providing funds to make low-interest loans available to local vegetable producers to build a grading, packaging, and processing facility that will have a projected payroll of over 1.5 million a year. 3) The participation of private developers, the state highway department, and the state purchasing agency in TDA's "landscape with native plants" campaign. 4) The Rouse Company, through a locally owned shopping mall, providing space, tents, staff, publicity, and even clowns to help get the Austin farmer's market off to a dazzling start.

Building a progressive agriculture alternative for the future is a long term process. Georgia must start small and Build by demonstrating success. The state department of Agriculture in Georgia will be asked for assistance. There is no master plan but rather a sense of urgency to prove that homegrown cooperative businesses can be a realistic avenue for economic development, not only for family farmers and rural communities but also for the state.

VII. THE SOUTHWEST GEORGIA MUTI-PURPOSE COOPERATIVE WILL BE AIDED BY THE FARMERS AND HOME ADMINISTRATION (FmHA) IN A JOINT VENTURE TO TAKE TWENTY-FIVE (25) FARMERS TOWARD SURVIVAL AND PROSPERITY.\*

Congressional Representative Edolphus Towns points out in an article by Thad Martin that the FmHA has been a part of the problem of the black farmer. "The agency holds up loans until after planting seasons, and that makes it difficult for the farmer he says. Most black farmers, the congressman says, with nothing in the offing, are pulling up stakes. "Black farmers feel there is an all out effort to force them off the land" he says. FmHA farm loans to blacks have declined steadily, the letter states. Since 1980, it says, loans to Black-owned farms declined in every farm loan category except the Disaster Loan Program, which awards loans based on geographically defined disaster areas." The letter goes on to state that "loans to blacks under the farm Ownership Loan Program declined from 3.1 percent in 1980 to 1.9 in 1981 to 1.4 percent in 1982; operating Loans to blacks declined from 7.9 percent in 1980 to 5.8 percent in 1981 to 4.5 percent in 1982; Soil and Water Loans declined from 2.9 percent in 1980 to 2.6 percent in 1981 to 2.3 percent in 1982. As a proportion of the total dollar amounts loaned in 1982, blacks received only 1 percent on the Ownership Loans, 2.5 percent of the Operating Loans, and 1 percent of the Soil and Water

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Exhibit III

Loan " Moreover, the report continues, "FmHA data also reveal that the likelihood of black FmHA borrowers receiving their loans at special low interest rates under the Limited Resource Loan Programs....., also is declining."<sup>25</sup>

June 1, 1988, an agreement was signed between USDA and the Federation of Southern Cooperatives in what may some day be declared an historic occasion of the turning point of a chaotic down spiral and destruction of the black farmer. The agreement was based on a goal to directly improve the farm income of borrowers through better management and financial analysis. The FmHA intends to work with the Federation of Southern Cooperatives/Land Assistance Fund in identifying borrowers who could realistically be expected to improve their financial situation by application of tested farm management techniques, planning and considering potentially profitable alternative farm and /or non-farm activities. The project will focus on approaching the problem of black land loss as well. Alternatives for those farmers and borrowers no longer able to show a change of income from farming, part or full time, will be studied and addressed as a separate objective.

The state office of FmHA is working with the local FSC/LAF staff in southwest Georgia as well as other USDA agencies such as Extension, Soil Conservation, Agriculture Cooperative and Forestry services. Field agents have been

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Ebony, "The Disappearing Black Farmer," by Thad Martin Vol 40, 1985, p. 150.

assigned to work with five (5) active borrowers in each of the following counties: Dooly, Worth, Baker, Early and Lee. Each of these counties are anticipated to be involved in the Multi-Purpose Cooperative Project.

The agreement further outlined the responsibility of the FSC/LAF as being the following:

1. Training in the areas of recordkeeping, management of income and utilization of credit, management of resources and production practices, emphasizing diversification, cultural and traditional issues, harvesting, storage and marketing, and other areas as called for.

2. Assistance in developing a profitable mix of farm and/or non-farm activities. The impact of off-farm income will be evaluated in order to recommend the best mix of activities in meeting the financial and quality of life goals of the farmer. Alternative crops and farm related enterprises will be evaluated on case a by case basis.

3. Assistance with production techniques to improve productivity, reduce costs and take advantage of any special market conditions that may apply, for instance peak pricing strategies.

4. Record initial farm situation and keep notes on recommendations, progress, problems, etc., in order to analyze the impact of the types of assistance provided. At the end of the project, we should have a good picture of what works, what doesn't work, and where more information is

needed. The final report should recommend practices for application in similar situations elsewhere.

5. Identify long term sources of technical and financial assistance so that at the end of FmHA funding, a plan for continuing assistance to small farmers can be put into effect. State agencies, universities and private interest <sup>groups</sup> should be involved early in the project in order to build a long term network of support.

6. Prepare and distribute monthly progress reports with farmers, county supervisors, the state FmHA office and the FmHA National Office Project Manager for distribution to FmHA National Office Staff. Prepare public relations material for the news media and participate in local, regional and national conferences as opportunity arise, in order to provide and collect information that could benefit the program.

7. Utilize the existing resources available and avoid duplication of services.

8. Work with local civic organizations and officials to share program goals and fit them into the local agenda for small community improvement. Generate community support and cooperation, treating agriculture as an integrated part of the whole rural economy.

9. Consider developing joint training workshops for participants as well as the general public where appropriate topics and need exist.

10. Provide a final report on the results of the

projects, how it will continue after the initial effort, what products and materials were developed, describing training efforts and workshops attendance at conferences, paper and presentations, a list of groups and individual prognosis of participants and recommendations.

The agreement has allowed FmHA the flexibility of helping farmers itself or calling upon other facets of the federal credit system. But there is a new program called the Outreach Program for Socially Disadvantaged Farmers which received funds in August 1988. The Agricultural Credit Act of 1987 includes provisions for an Outreach Program for Socially Disadvantaged Farmers. Socially Disadvantaged Farmers are farmers who have been discriminated against and can include Blacks, Hispanics and Indians. During August, a little over 11 million dollars was appropriated to buy land. This is not very much money for a nationwide effort but its a start.

Another federal programs which is already in operation and can be utilized in the Multi-Purpose Cooperative is funded by Action, a federal agency. The counties involved in this project are also ones which are intended to be covered in the Multi-Purpose Cooperative - Worth, Dooly, Dougherty, Lee, Terrell, Sumter, Calhoun, Baker, Early, Mitchell, Clay, Randolph, Stewart and Webster - all in the state of Georgia.

In 1986, the project called the Federation of Southern Cooperatives/Land Assistance Fund VISTA Project began in

these counties with seven VISTA volunteers. Today, in southwest Georgia, there are fifteen VISTA volunteers and the project has expanded to fourteen counties. The goal is to establish and place in operation a program to identify, survey and canvass approximately 2,048 small farmers in the survey in a fifteen county area of southwest Georgia. Because of the survey in 1987 and what was found, the current 1988 program is focused primarily on small farmer training. Using existing farm practices and planting alternative crops will be especially emphasized. Two additional VISTA volunteers with skills in farm operations and management, (retired Vocational Agriculture Teachers) have been recruited to conduct seminars and train other VISTA volunteers. In addition, they will be assigned to assist the other volunteers in providing on-the-farm training to small farmers on all phases of farm operation, (soil testing, chemical application, production and marketing).

In their role as agricultural survey assistants, they will spend their time visiting landowners; conducting the surveys; evaluation and referral of farmers for direct assistance to FSC/LAF and governmental agencies; provide direct training in farming procedures and techniques; providing personal counseling; establish farm training seminars; and recruit, train and place community volunteers.

The VISTA project in southwest Georgia was developed specifically to enhance the efforts of low income

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cooperatives in the state of Georgia. Each volunteer represents a request for assistance from a cooperative. This project uniquely falls right in line with the general objective of the Southwest Georgia Multi-Purpose Cooperative.

Despite the strength of support from the state, federal and local government, the success of the cooperatives will be determined by the commitment of the membership to learn the way the cooperative must be run. For example, rational must be developed to show why monies should be invested in one group and not another. Would it be reasonable to place a facility for drying and storage in a country with two large soybean farmers, both of whom may sit on the board of directors while in another county there are twenty or thirty small farmers who have planted the same products as the two large farmers and have the same need? Likewise, a production strategy with equipment for planting, cultivating and harvesting numbers of farmers at the same time may allow the saving of thousands of dollars. For example, with adequate maintenance, a tractor with proper horse power can run day and night for an entire growing season. A machine has no need for rest. With one D6 sized bulldozer, to give another example, thousands of small clearing problems and leveling problems which takes from hours to weeks for a poor farmer could be done in a few minutes or a couple

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See Exhibit IV

of hours by a larger machine.

Those kinds of schemes could be orchestrated by the business manager hired by the Southwest Georgia Multi-Purpose Cooperative. This person would conduct a comprehensive land and farmer inventory for the participating counties. In fact, through the VISTA volunteer program, the actual inventory has a full year headstart. The manager is the key person in the whole operation and must be capable of providing or finding the needed technical, economic, and social assistance to the members of the cooperative. Finally, the manager should have some experience already with cooperatives in that it will be his to responsibility search, define, and continually refine the various structure of the Multi-Purpose Cooperatives as the needs of the various county cooperatives grow.

VIII. INTERNATIONAL TRADE IS THE ULTIMATE GOAL OF ANY BEGINNING LOCAL AGRICULTURAL TRADE.

Just recently, a team of Philippine government officials and businessmen completed a successful investment mission in the U.S. They went to four cities to brief potential investors on business in the Philippines. The outcome was encouraging. At least twenty-four business proposals were received. A U.S. manufacturer of semi-conductor parts and magnetic heads signed an \$18 million agreement to open a plant in the Philippines. A U.S. biotechnology company is seeking a Philippine partner in pursuing genetic engineering for fruits, vegetables and seeds. A U.S. company signed a memorandum of understanding with a Philippine partner to manufacture light consumer goods with an initial investment value of \$1 million. A recent survey conducted by the U.S. Department of Commerce, concluded that forty-two U.S. firms already operating in the Philippines are going to reinvest approximately \$600 million within the next three years.<sup>26</sup>

This is a scenario that can be duplicated a thousand times for the upper class Fortune 500 companies. This is essentially what is needed for the Multi-Purpose Farm Cooperative. We must develop a "one-step" trade center to facilitate export-import business between developing nations and in the United States - the Multi-Purpose Southwest

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Trade Winds, June, 1988, An Investors Forum In Manila", New York: Harlem Third World, p.4.

Georgia Farm Cooperative.

The Harlem International Trade Center may be the answer. It is already being developed as the provider of services for U.S. companies, which are unable to send representatives to foreign countries. Of course, they are still large to farm groups but it is conceivable that bannng together small farms could meet specific needs at certain requests made by countries.

The trade center is offering other services as well:

1) Acceleration of development in Harlem and the expansion of jobs and business opportunities in the Harlem community. 2) Collection and dissemination of trade information from U.S. firms and developing nations. 3) Host heads of state and act as broker for U.S. firms.

The Harlem trade center has already produced \$56,265,000 in trade between developing countries and U.S. Companies and have received 13 heads of state. In addition, the Governor of the state of New York is prepared to invest 50 million in the development of the Trade Center. This in cooperation with the African Heads of State, Congressman Charles Rangel, and the Governor of New Jersey - Thomas Kean; it is a 250 million dollar project.

Project plans call for the development of between 300,000 and one million square feet of space, which could include a hotel and 300 to 350 rooms and conference facilities containing between 30,000 and 100,000 square feet. It is anticipated that the Trade Center could generate up to

7,500 jobs nationally and 2,500 in Harlem. It is not a small undertaking.

Its stated goals are: "To promote and expand trade and tourism between the U.S. and Third World, thus improving international business and generating tax revenues.

To enable Harlem to capitalize economically on its worldwide reputation, creating jobs and new business sales.

To serve as an anchor for the commercial revitalization of 125th Street now underway and as a magnet for international business and tourist visitors."  
28

As this idea grows, it will have its pains and problems. Cooperatives in the south must also have their growing pains and problems. Until our arms are strong enough to reach and make a chain, we must hook in with the available resources already in place.

First of all, there is the Export-Import Bank of the United States. It is the U.S. agency charged with facilitating U.S. exports of goods and services through export finance programs. It does several things - guarantees working capital loans for production and marketing for export; provides export credit insurance policies (provide protection against the risk of the foreign purchaser not

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27

Trade Winds, June, 1988, "An Inventors Forum in Manila, To Capitalize on Renewed Confidence in the Philippines", (published by the Harlem Third World Institute), New York City, p. 14.

28

Ibid

paying) special policies are available for small businesses; offers credit risk protection to those selling or financing medium or long term types of exports; and offers competition fixed rate funding with special enhancements for small business, to be loaned to foreign buyers of the U.S. exports. Three members of the Exports-Imports bank represent small business.

Secondly, there is the U.S. Department of Commerce and its Foreign Commercial Service. It basically analyzes foreign markets and help find representatives and buyers overseas. It also does the following: Searches for the trade leads, qualified agents and distributions; make appointments with key buyers and government officials; gathers data on specific export opportunities and identifies market trends affecting trade and investment; provide market statistics and information on trade barriers, import regulations and domestic and foreign competition; and provides complete and logical support for the trade missions.

In addition, the Foreign Commercial Services has the following: 1) Agent Distributor Service (ADS) identifies foreign prospects who have examined a firm's product and literature and have expressed an interest in representing that product. 2) Trade Opportunities Program (TOP) provides firms current sales leads from overseas firms seeking to buy from the U.S. 3) World Traders Date Report (WTDR) programs custom made background reports on potential overseas trading partners. 4) Comparison Shopping: Their staff conducts on

the spot interviews to determine nine key marketing facts about a product, including sales potential, comparable products, distribution channels, competition factors and qualified purchasers.

A third federal resource is the Overseas Private Investment Corporation. Insurance and financing are available in more than 100 countries around the world. This organization provides the following: 1) Political risk insurance to reduce unusual risks involved in overseas investing. 2) Financial - direct loans of up to \$6 million for small business. Terms seven to twelve years, with commercial rates of interest. 3) Financial Services - loan guarantees of up to \$50 million to companies of any size.

There is also the Foreign Agriculture Service; it "has more than 50 so-called cooperator agreements with various commodity groups to promote farm exports."<sup>29</sup> Some of the most frequently used activities in trade servicing are trade teams of foreign buyers visiting the United States, monthly or quarterly newsletters to overseas contacts, demonstrations of the benefits in using U.S. farm goods, travel of U.S. technicians to visit overseas customers, and holding seminars on U.S. farm products directed to importers, processors and other trade and government interests.<sup>30</sup>

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29

Hayes, Jack, Editor, 1981 Yearbook of Agriculture, District of Columbia: U.S. Government Printing Office, p. 22.

30

Ibid.

Finally, there is the Office of Trade Development. The Trade Development Office coordinates and implements the United States Government export promotion activities to improve the international market position of U.S. industry. It increases exports trade through presentation of the industry's technology, products and product support system. It also does the following: 1) Identifies and analyzes major aspects of international trade finance having the greatest impact on U.S. trade and recommends policies and programs in appropriate response. 2) Identifies and analyzes issues with respect to small business and recommends policies and programs to promote competitiveness. 3) Supports efforts to reduce trade and policy development. 4) Develops analyses of legislative proposals in relation to U.S. trade status. 5) Identifies foreign and domestic government laws, regulation and policies which impair the international competitiveness of the industry and develops initiatives to address such practices. 6) Develops and maintains industry liaison through the use of private sector advising mechanisms. The Industry Sector Advisory Committee on Small and Minority Business for Trade Policy Matters (ISAC 14) is a part of this advisory process. 7) Formulate programs and policies to assure foreign market access for industries which are internationally competitive and provides export counseling for the firms in such an industry.

This is most revealing. Small black rural businesses across the country have never heard of these national and

international resources. This is, however, the fertile ground out of which the Multi-Purpose Farm Cooperative must grow - a wide access to a great body of newly found information of great use in trade negotiations and in the field of international trade in general.

IX. THE SOUTHWEST GEORGIA MULTI-PURPOSE COOPERATIVE WILL BE ORGANIZED INITIALLY BASED ON THE DELIVERY OF A FEW SIMPLE SERVICES.

If a cooperative is to be successful, it must save farmers some money. It must reduce some costs or generate some profit or show the way to meet some need or service better than the farmer has experienced. This is the way members grow to love the cooperative and "have a stake in it." Estimating operating costs, management skills, facilities needed, capital needs, and equipment needs will determine the success of the cooperative in one respect, but the common ground of all businesses is people and their attitude toward it. A money making business can flop with the wrong image promoted and a fledging business can "take-off" when people get excited about it and committed to that business. In summary, the cooperative business must meet the needs of its people. One example of a service we will present initially is a plan by Booker T. Whatley. Mr. Whatley has put thirty years of professional horticulture experience and training into the development of a plan he is confident will bring the small farm back to life, a plan based on a working model set up at Tuskegee Institute in 1974.

First of all, he is talking about only 25 acres of land. Secondly, Mr. Whatley is talking about growing several crops- honey bees, water chestnuts, pecans, sweet corn, rabbits, grapes, peas, beans, sweet potatoes, strawberries, black-

berries and blueberries which will insure a year round cash flow. Each crop is to produce an annual gross income of \$3,000. Thirdly, the work is geared to involve the whole family - two and a half person years of labor - maybe full time work for one man, three quarters - time for his wife, and one quarter - time each for three teenage children or some combination. Finally, it is recommended that each farmer has a membership of persons committed to buy his vegetables on the basis of \$25 to \$40 per year. One farmer would be looking for 1,000 families. Each family would harvest for themselves, everything except the sweet potatoes and honey bee products - for 60% of what they would pay in the supermarket. This plan may be implemented first as a demonstration farm to test its flexibility and utilize its information as a training model.

X. THE CRITERIA FOR SUCCESS

At least half of the participants must derive their livelihood from participating in the cooperatives process. The cooperative must furnish essential services and supplies or facilities to its members. The FmHA will be called upon to deliver services under the Economic Opportunity Act of 1964 where it is authorized to make loans and to provide organizing and operational help under certain conditions. The anticipated time for various goals to be accomplished is two years.

Another criteria for success is to involve the total family into any farmer's plan. Children will receive after school jobs to compensate them at the level of a family allowance. They will know that they are expected to work but they are also respected enough for their contribution to deserve an "allowance" or a reason and apology as to why they cannot receive it.

Wives and children will be taught a simple accounting operation in which a beginning and an ending yearly inventory will be kept. The efforts of the whole family will be given a dollar value for various input as well as the need for people in the family to evaluate the worth of their labor.

## XI. SUMMARY AND CONCLUSION

Any way you look at it, black farmers face a crisis of survival. The year 1920 represented the peak year of black land ownership in the United States and the trend since then has been steadily downward so that by 1969, with the national black population at 22.4 million the agriculture census could find less than 6 million acres fully and partly owned by blacks - down from over 15 million acres owned by blacks in 1920. We are fast becoming a landless people and a powerless people and therefore a hopeless people. This is shown in the fact that land-owning blacks are more likely to register and vote, more likely to participate in civil rights actions and more likely to run for office than are non-landowners. Land ownership confers on blacks a measure of independence, security, and dignity.

At stake is the very survival of our people so we must develop a strategy to combat the ills that have been heaped upon us within all of these years in the past. We must develop a food delivery system from the south to the north that we control from the time a seed dies and grows in the earth until it sits on some poor persons table for consumption. Such a strategy multiplies the effect at every level - production, transportation, storage, distribution and consumption - thousand of jobs controlled by us, millions of dollars in our hands.

The sympathetic markets are automatically ours in 100

cities of the U.S. where blacks outnumber whites. Then gradually the best price and the best quality of food will determine a definite success.

Buying supplies in bulk will mean savings to the farmers first and then to consumers. Utilizing equipment based on the cooperative idea as well as marketing, wholesaling and retailing will further guarantee success. When you add the millions of dollars and expertise of the state and federal governments that are already available to us, the idea of a Southwest Georgia Multi-Purpose Cooperative becomes more and more realistic in its objective to deal with the plight of the slowly disappearing black farmer. Processing and marketing alone will double and triple the value of some products. A bunch of greens in Georgia may be one dollar but cut up in a plastic bag is worth three or four dollars in New York. Just the processing, marketing and storage facilities will develop thousands of jobs and mean millions of additional dollars to the black farmer. If there is a coming together of all of these elements described, farming for blacks farmers can become profitable and black land will be saved by successful black farmers.

# **Agricultural Credit Act of 1987**

## **Study Guide for Use With Farmers' Legal Action Report Special Report**

Farmers Home Administration Worksheets  
Farmers Home Administration Problems  
Farmers Home Administration: Questions About the Problems  
Farm Credit System Worksheets  
Farm Credit System Problems  
Farm Credit System: Questions About the Problems  
Appendices

# FmHA: Foreclosures Halted

(See page 7 of the Special Report.)

## New Foreclosures

FmHA cannot start any new acceleration, foreclosure, or liquidation of a delinquent farmer program loan until it issues final regulations on the new debt restructuring program. Final regulations should be issued some time this summer.

## Existing Foreclosures

FmHA cannot continue with any existing foreclosure or liquidation actions:

- while the farmer has a pending application for debt restructuring; or
- while the current *Coleman* injunction is still in effect.

# FmHA: Debt Restructuring

(See pages 7-10 of the Special Report)

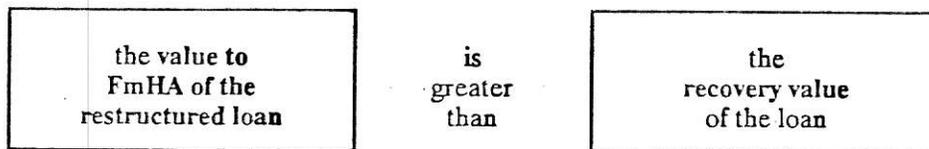
## What Can You Get?

FmHA can use this program to restructure your debt in certain situations.

Restructuring can include:

- write off (forgiveness) of part of your debt; and/or
- changing the payment plan for your debt.

FmHA must restructure if you meet the eligibility requirements and:



## What Are the Eligibility Rules?

To be eligible:

- you must present a preliminary cash flow plan which shows that you can meet necessary living and operating expenses and pay all debt;
- you must be delinquent because of reasons beyond your control;
- you must have acted in good faith in connection with the loan;
- you must show that it is cheaper for FmHA to restructure your loan than to force you out of business.

Additional eligibility requirements may be added in the regulations.

If you cannot show sufficient cash flow, you may still have a chance to buy your security property for recovery value. ("Sufficient cash flow" means that you can cash flow a loan that has a value greater than recovery value.)

## How Should You Apply?

If your loan was accelerated between November 1, 1985 and May 7, 1987, you should have responded to the "Notice of Right to Request Income Release". (There may be other chances for accelerated borrowers to apply again later.)

Others should respond to the "Notice of Loan Servicing", which they will receive later.

You can appeal denials; you can use an independent appraisal in the appeal.

*Convey  
pay in full  
Stop farming*

## When Will It Start?

FmHA should start processing applications after the final regulations come out, some time this summer.

## Trouble to Watch For:

- 1) **Shared Appreciation:** If the value of your land appreciates within ten years after FmHA writes off the debt, FmHA can recapture part of the appreciation.
- 2) **Participation of Other Creditors:** As a condition of restructuring, FmHA may require your other undersecured creditors to participate in the debt restructuring plan or mediation.
- 3) **Tax Advice:** Get tax advice before you agree to have debt written off.

# FmHA: Release of Income

(See pages 12-13 of the Special Report)

## What Can You Get?

Now, accelerated borrowers can apply to get releases of FmHA's security interest in their proceeds.

If you qualify, you can get up to \$18,000 released for "essential household and farm operating expenses" over a 12-month period while your debt restructuring application is pending.

## What Are the Eligibility Rules?

Your loan must have been accelerated between November 1, 1985 and May 7, 1987. (If it has not been accelerated, follow the regular 1962-1 procedures to get releases.)

To qualify to get releases, your FmHA county committee must determine that as of October 30, 1987, you were "actively engaged in the farming operation" for which FmHA made the loan.

You must have applied on time (see below).

You will have to fill out a 1962-1 form, and go through the regular 1962-1 procedure, to get your releases. (See Appendix A.)

## How Should You Apply?

You must have responded on time in writing to the "Notice of Right to Request Income Release". (The notices were sent out to accelerated borrowers in January and February 1988. They required a response within 30 days.)

## When Will It Start?

The releases should start immediately after the county committee makes its determination on your application.

## Trouble to Watch For:

An unnumbered letter dated April 5, 1988 defines "actively farming". Make sure that FmHA follows the policy explained in that letter. (See Appendix B.)

# FmHA: Homestead Protection

*also dwelling  
Retention*

(See pages 14-16 of the Special Report)

## What Can You Get?

If you lose your land to FmHA and you qualify for this program:

- You can get a lease to rent your house and up to ten acres for up to five years;
- You can get a right of first refusal to buy the property you are renting during the lease period;
- If you buy the property, the maximum purchase price will be the appraised value;
- Your rent during the lease period will be based on similar rents in your area.

## What Are the Eligibility Rules?

To be eligible, you must meet these requirements:

- You must apply within 90 days after FmHA acquires your property.
- In two of the six years before you apply, you must have:
  - had gross farm income that is reasonably equal to the income from other like-type farms in your area; and
  - received at least 60 percent of your gross income from farming.
- You must have continuously occupied your house during the six years before you apply (except that it may be okay if you left for a period of up to 12 months if you left because of circumstances beyond your control).
- Once you get your lease, you must pay your rent and maintain your property.

## How Should You Apply?

If you get a notice from FmHA, respond to it in writing on time. If you want to apply and you have not received a notice, just write a letter to FmHA.

Denials can be appealed.

## When Will It Start?

The program started in November 1985. The rules changed to make it easier to be eligible as of January 6, 1988. The new rules should have become effective on January 6, 1988.

## Trouble to Watch For:

Is it a right of first refusal or an option? How will it work?

Will zoning requirements be accommodated?

## Important Changes From Old Law:

FmHA can contract to give you a lease before they acquire the property.

You are no longer required to: (1) exhaust loan servicing or (2) settle or discharge your debt.

Third-party foreclosure situations are now covered.

Rental income counts as farm income.

# FmHA: Leaseback/Buyback

(See pages 16-18 of the Special Report)

## What Can You Get?

If you lose your land to FmHA and you qualify for this program you can get the right to purchase or lease (with an option to purchase) the farmland that you lost.

## Who Can Get It?

FmHA must consider offers to purchase or lease (with an option to purchase) in the following order of priority:

- 1) the former borrower-owner;
- 2) the spouse or child of the previous borrower-owner if the spouse or child is actively engaged in farming (in certain situations, stockholders of farm corporations have a similar priority);
- 3) the former operator of the farm;
- 4) operators (after the sale or lease) of family-sized farms.

During the first 180 days after FmHA acquires land, FmHA must allow the former owner to purchase or lease the property (assuming he/she meets the requirements).

During that period, FmHA cannot sell or lease the property to anyone but the former owner unless the former owner does not qualify because he/she:

- 1) has been denied and has exhausted all appeals;
- 2) has failed to respond to the notice on time; or
- 3) has waived his/her rights.

After that period, there is an additional ten-day period during which the spouse or child of the former owner has preferential treatment for purchase or lease.

To purchase land through this program, you must either:

- pay cash, or
- obtain farm ownership (FO) financing from FmHA.

Before you can lease land through this program, FmHA must determine that your financial resources, farm management skills, and experience are sufficient to "assume a reasonable prospect of success" in your proposed operation.

## How Should You Apply?

Respond to FmHA's written notice on time. If you want to apply and you have not received a notice, just write a letter to FmHA.

Denials are appealable.

### **When Will It Start?**

This program started in November 1985. Some of the rules changed on January 6, 1988. The new rules should have become effective on January 6.

### **Trouble to Watch For:**

What about land that was in inventory for more than 190 days before January 6, 1988?

Exactly how will the "priorities" work?

### **Important Changes From the Old Law:**

FmHA can contract to sell or lease land to you before FmHA acquires the property.

# FmHA: Restructuring Guaranteed Loans

(See pages 20-22 of the Special Report.)

## What Can You Get?

Farmers with FmHA guaranteed loans can now get their loans written down (get part of the loan forgiven) in some situations.

If the lender writes down the loan, or if a debt is reduced as part of a confirmed Chapter 12 plan, FmHA must pay that loss to the lender.

FmHA must approve a write-down if the value of the restructured loan is greater than the recovery value.

## Who Can Get It?

Any farmer who has a guaranteed loan may request this help.

You will be required to show that the payments on the restructured loan are the largest payments that you can afford to make.

## How Should You Apply?

Write to your lender and ask for restructuring. It may help to show your lender a copy of the law or the Special Report, pages 20-22.

## When Will It Start?

Whenever final regulations are issued — some time this summer.

## Trouble to Watch For:

FmHA may require shared appreciation agreements as a condition of restructuring. The terms could be the same as in the direct loan program.

## Important Changes from the Old Law:

Under the old law, most lenders were afraid to write down guaranteed loans because they thought that FmHA would not pay their loss.

# FmHA: County Committee Elections

(See page 20 of the Special Report)

## What Can You Get?

You can be elected to a seat on your FmHA county committee. (There are three seats: two are elected and one is appointed.)

## Who Can Get It?

Now, FmHA borrowers can be elected to FmHA county committees.

At most, there can be one FmHA borrower on each committee.

## How Should You Apply?

You must be nominated, and then you must run in an election. Or, you could request that the state FmHA director appoint you to the committee.

## When Will It Start?

The next elections will be in June 1988.

## Trouble to Watch For:

The statute says that one county committee member may be a farmer "eligible for" an FmHA loan. This could be an FmHA borrower or somebody who is a certified applicant for a loan.

## Important Changes from the Old Law:

Under the old law, FmHA borrowers were not allowed to be on their county committees.

# FmHA: Appeals

(See pages 19-20 of the Special Report)

## What Can You Get?

Appeal hearing officers will be from the new, independent national appeals division. The hearing officers will work only in the appeals division. They will not do any other work at FmHA, and they will not be under the supervision or control of any other division.

## Who Can Get It?

This will apply to all FmHA appeal hearings.

## How Should You Apply?

Request a hearing just as you would have made the request under the old law.

## When Will It Start?

Whenever the new regulations are final—some time this summer.

## Important Changes from the Old Law:

Under the old law, regular FmHA employees, such as district directors, were the hearing officers.

# FmHA: Demonstration Project

(See pages 23-24 of the Special Report.)

## What Can You Get?

If you qualify, you can use an FmHA guaranteed loan with a reduced interest rate to buy land from the Farm Credit System (FCS) inventory.

You can get a maximum 4 percent reduction in interest for up to five years.

Your lender can get a 95 percent guarantee. (This is a special guarantee rate for this program. Normally, the maximum guarantee is 90 percent.)

## What Are the Eligibility Rules?

FmHA may issue a "certificate of eligibility" to you if you meet these requirements:

- 1) you are unable to get sufficient credit elsewhere at reasonable rates and terms;
- 2) you are unable to make payments on a guaranteed loan without getting the interest rate reduction;
- 3) you can show that you will have enough cash income to pay all cash farm and nonfarm expenses for the 24 months after the agreement is signed;
- 4) you must meet certain conservation requirements;
- 5) you must provide a down payment of 15 percent of the purchase price from your personal funds.

## When Will It Start?

The FCA and FmHA entered into an agreement regarding this program on March 3, 1988. This program applies only to inventory of FCS institutions that have been certified to issue preferred stock, which means that the program cannot start until institutions are certified.

## Trouble to Watch For:

The down payment requirement is very hard to meet.

## Important Changes from the Old Law:

This is a new program.

# FmHA: File Access

(See page 25 of the Special Report.)

## What Can You Get?

A copy of your FmHA file, including:

- 1) all documents that you have signed;
- 2) all appraisals related to your loan;
- 3) all information that you are entitled to under the Freedom of Information Act (FOIA) and the Privacy Act.

## Who Can Get It?

All FmHA borrowers.

## How Should You Apply?

Write a letter to FmHA. In the letter, say:

"I am writing pursuant to the Freedom of Information Act and Privacy Act. My rights are explained at 7 C.F.R. Part 2018 and FmHA Instructions 2015-E and 2018-F."

FmHA may give you your file immediately. If it does not, FmHA must write to you within ten days to tell you how it will handle your request, and it must make your file available to you within 30 days after your request.

FmHA may charge you 10 cents per page for photocopying.

## When Will It Start?

These rules are already in effect.

## Trouble to Watch For:

It may be difficult to locate your file if you are in an appeal.

## Important Changes from the Old Law:

You had the right to get your file under the old law. The new law just makes the old law more clear.

# FCS: Debt Restructuring

(See pages 35-41 of the Special Report.)

## What Can You Get?

FCS can use this program to restructure your debt in certain situations.

Restructuring can include:

- write off (forgiveness) of part of your debt; and/or
- changing the payment plan for your debt.

## What Are the Eligibility Rules?

Each FCS district has its own policy.

In general, the lender must restructure if the cost to the lender of restructuring is not more than the cost of foreclosure.

You must submit a cash flow plan showing that you can make the restructured loan payments.

You must submit a complete financial statement.

## How Should You Apply?

If you receive a notice from your lender, respond to it in writing on time.

- Your lender must notify you of your right to apply for restructuring:
  - any time your loan is determined to be "distressed" (see page 36 of the Special Report); and
  - at least 45 days before beginning a foreclosure proceeding.

If you want to apply for restructuring but have not received a notice, write a letter to your lender requesting a copy of the distressed loan restructuring policy and application forms.

Denials can be appealed to the credit review committee.

## When Will It Start?

This varies: it depends on how your FCS district is interpreting the law.

## Trouble to Watch For:

- 1) The Act explains the general formula that the FCS is supposed to use to make restructuring determinations. The formula is very confusing, and does not seem to make sense. You should ask your lender for the calculations and an explanation of how they were done on your individual debt restructuring request.
- 2) The lender is supposed to halt foreclosure proceedings in many situations while debt restructuring is being considered. These parts of the Act are very confusing; different FCS districts are interpreting the law in different ways.

# FCS: Notice of Action and Right to Review

(See pages 41-42 of the Special Report.)

## What Can You Get?

"Prompt" written notice in response to your application for a loan or for restructuring.

The notice must indicate:

- 1) what action was taken on your application;
- 2) a statement of the reasons (unless your application was approved in full);
- 3) your right to seek review of the decision from the credit review committee.

You can get a credit review committee to review and reconsider initial decisions that your lender made on your loan applications and restructuring applications.

## What Are the Eligibility Criteria:

Everyone who applies for a loan or for restructuring is entitled to get this notice and a review of denials or reductions in loans by the credit review committee.

## When Will It Start?

If the FCS in your area is processing applications for loans or debt restructuring, they should provide the notice of action and right to review whenever they deny an application.

# FCS: Right of First Refusal

(See pages 45-48 of the Special Report.)

## What Can You Get?

If you lose your property to your FCS lender, in some situations you can get a "right of first refusal". That means the lender cannot sell or lease the property to somebody else without offering it to you first. —

If you get the "right of first refusal", you have the right to buy your property back at the appraisal market value.

- If you offer to buy the property for appraised market value, the lender must accept your offer. — *15 days have to show you really can do it.*
- If you offer to buy it for less than appraised market value, the lender may accept your offer. If the lender rejects your offer, the lender cannot sell the property to anyone else for an amount equal to or less than your offer without giving you a notice of "right to first refusal" again. *may require 15% down*

Leases are treated like sales, except that there are additional eligibility rules (see below).

## What Are the Eligibility Rules?

"Right of first refusal" only applies to properties that the lender acquired through foreclosure or voluntary liquidation from farmers who did not have sufficient financial resources to avoid foreclosure. The lender makes the determination regarding "sufficient financial resources".

Special eligibility rules apply to leases. If you offer to lease the land at appraised rental value, the lender must accept your offer unless the lender determines that:

- 1) you do not have the resources to conduct a successful operation;
- 2) you cannot meet the payments, terms, or conditions of the lease.

## How Should You Apply?

You must respond to the lender's notice on time and in writing.

## When Will It Start?

This varies: it depends on how your FCS district is interpreting the law.

## Trouble to Watch For:

**The Public Auction Exception.** The FCS takes the position that they do not have to give farmers the right of first refusal if they sell by public auction. (See page 47 of the Special Report.)

It may be difficult to find financing to buy the property within the short time frame.

# FCS: Differential Interest Rates

(See page 44 of the Special Report.)

## What Can You Get?

You can get your lender to:

- 1) review your loan to see if you are being charged the correct interest rate;
- 2) explain in writing the basis for the interest rate that you are being charged;
- 3) explain in writing how you can improve your credit rating to get a lower interest rate.

## What Are the Eligibility Requirements?

All farmers who borrow from FCS lenders can get this.

## How Should You Apply?

Write a letter to your lender to request it.

## When Will It Start?

It is unclear when FCS will begin making these disclosures. They might wait until the Farm Credit Administration issues regulations.

## Important Changes from the Old Law:

Under the old law, many people suspected that they were being charged the wrong interest rate. The new law gives them a way to get the situation reviewed.

# FCS: Disclosure of Loan Terms

(See pages 43-44 of the Special Report.)

## What Can You Get?

You can get disclosure of certain loan terms regarding your interest rate and your loan options (see page 43 of the Special Report.)

## What Are the Eligibility Rules?

All farmers who borrow from FCS lenders can get this information.

## How Should You Apply?

The lender must give you this information before the loan closing.

The regulations may say that the lender must disclose at other times, too.

## When Will It Start?

Much of this type of information was to be given to farmers as a result of the 1985 Farm Bill. When the FCS will begin disclosing any additional information under the 1987 Act is not clear. They might wait until the Farm Credit Administration issues regulations.

## Trouble to Watch For:

The regulations may place strict limits on when the lenders must disclose this information.

## Important Changes from the Old Law:

Before the 1985 Act, some farmers could not even find out the interest rate on their loans.

The 1987 Act added additional items that must be disclosed.

# FCS: Access to Documents

(See pages 44-45 of the Special Report.)

## What Can You Get?

Copies of:

- all appraisals concerning your property;
- all documents that you signed;
- lists of borrowers and shareholders;
- your lender's articles of incorporation, charter, and bylaws.

## What Are the Eligibility Rules?

All farmers who borrow from FCS lenders can get these documents.

## How Should You Apply?

Write a letter to your lender.

## When Will It Start?

You have had a right to get all of the listed documents except appraisals under the old law.

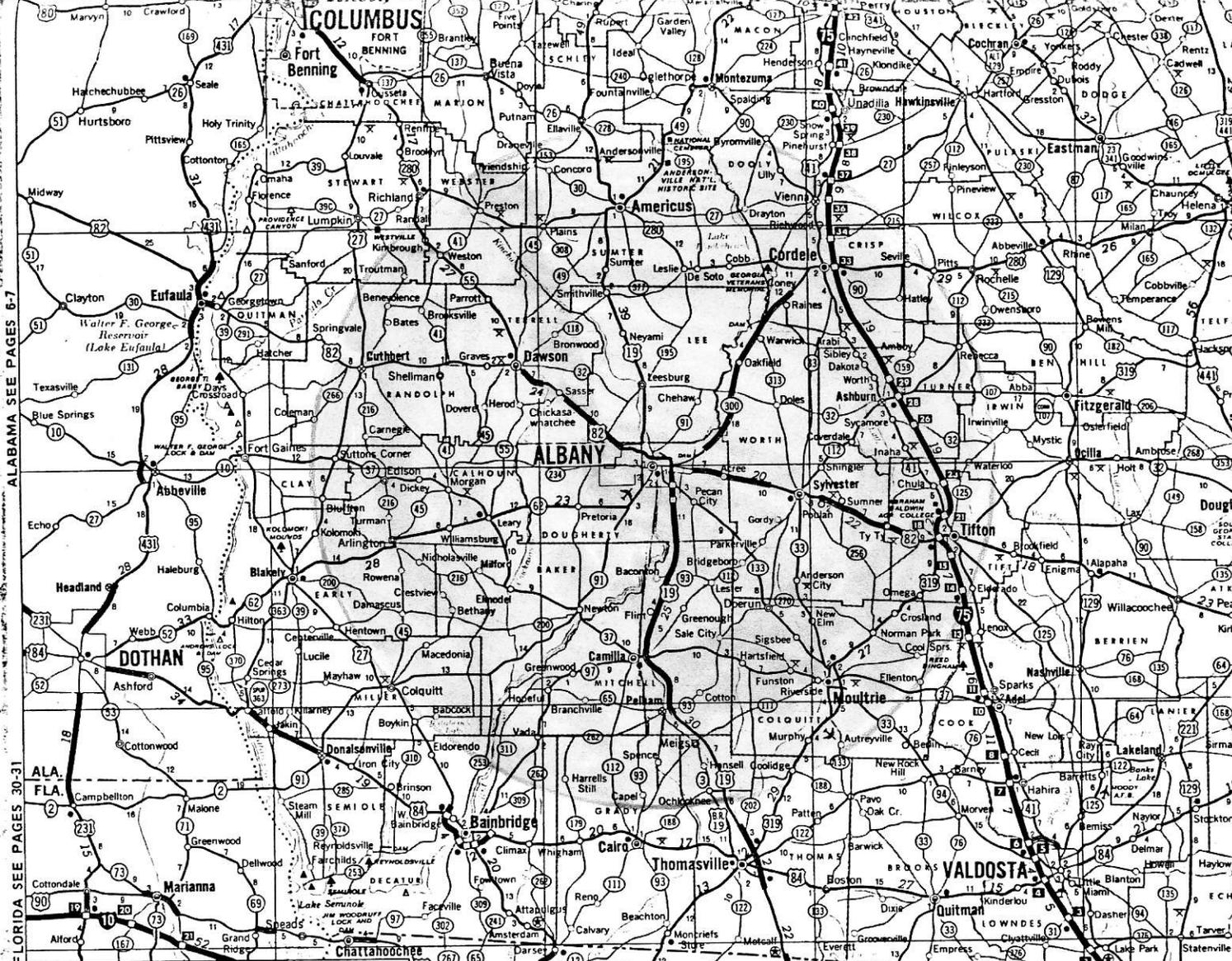
We do not know when FCS lenders will begin to release appraisals. They may try to wait until final regulations are published.

## Trouble to Watch For:

Failure to give copies of appraisals to farmers who are trying to exercise the right of first refusal to buy back their land.

## Important Changes from the Old Law:

Appraisals were not available to borrowers under the old law.



ALABAMA SEE PAGES 6-7

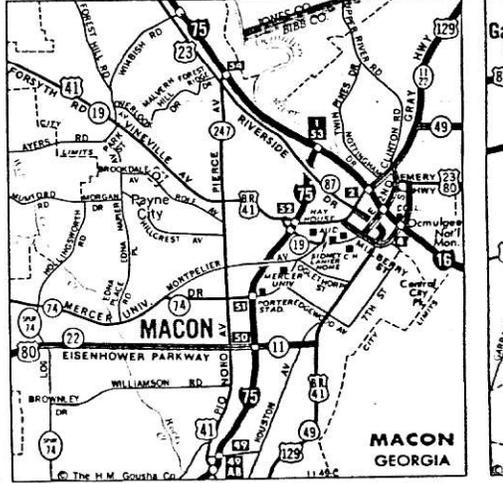
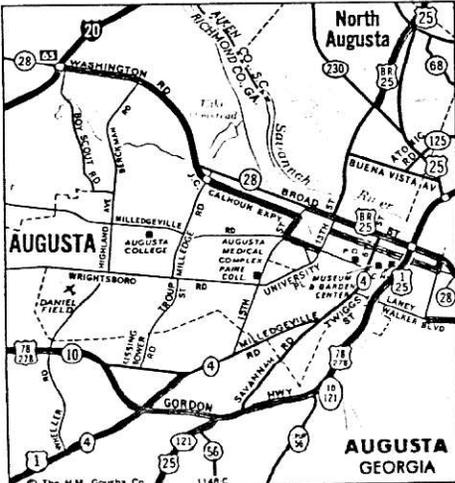
FLORIDA SEE PAGES 30-31

**GEORGIA**

Pop. (1980) 5,464,265  
Area 58,876 Sq. Mi.

**COUNTIES**

County	County Seat	Douglas	Douglasville	Morgan	Madison
Appling	Baxley	Early	Blakely	Murray	Blakely
Atkinson	Pearson	Echols	Spartanburg	Muscogee	Columbus
Bacon	Alma	Effingham	Springfield	Newton	Covington
Baker	Newton	Elbert	Elberton	Oconee	Watkinsville
Baldwin	Milledgeville	Emmanuel	Swainsboro	Oglethorpe	Lexington
Banks	Homer	Evans	Claxton	Fauquier	Dallas
Barrow	Winder	Fannin	Blue Ridge	Fitch	Fort Valley
Bartow	Cartersville	Fayette	Fayetteville	Pickens	Jasper
Ben Hill	Fitzgerald	Floyd	Rome	Pierce	Blackshear
Bernier	Nashville	Greene	Greensboro	Polk	Zebulon
Bibb	Macon	Gwinnett	Lawrenceville	Pulaski	Cedartown
Bleckley	Cochran	Habersham	Clarksville	Pulaski	Hawkinsville
Brantley	Nahunta	Hall	Gainesville	Pulaski	Hawkinsville
Brooks	Quitman	Hancock	Sparta	Pulaski	Hawkinsville
Bryan	Pembroke	Hariston	Buchanan	Putnam	Eatonville
Bulloch	Statesboro	Harris	Hamilton	Quitman	Dayton
Burke	Waynesboro	Hart	Hartwell	Rabun	Dayton
Butts	Toccoa	Heard	Franklin	Randolph	Cuthbert
Calhoun	Morgan	Henry	McDonough	Richmond	Augusta
Camden	Woodbine	Houston	Houston	Rockdale	Coryville
Candler	Metter	Irwin	Ocilla	Schley	Elyria
Carroll	Carrollton	Jackson	Jefferson	Seminole	Donalsonville
Catoosa	Ringgold	Jasper	Monticello	Spalding	Gritton
Charlton	Folkston	Jefferson	Hazlehurst	Stewart	Lumpkin
Chatham	Savannah	Jenkins	Louisville	Sumter	Americus
Chattahoochee	Winder	Johnson	Wrightsville	Talbot	Talbot
Chattooga	Summersville	Jones	Gray	Talferro	Crawfordville
Cherokee	Canton	Lamar	Barnesville	Tattnall	Reidsville
Clarke	Fort Gaines	Lanier	Lakeland	Tift	Tifton
Clay	Fort Gaines	Laurens	Dublin	Turner	Turner
Clayton	Jonesboro	Lee	Leesburg	Twiggs	Jeffersonville
Clinch	Homerville	Liberty	Hinesville	Union	Union
Cobb	Marietta	Lincoln	Lincolnton	Upson	Thomaston
Coffey	Lawrenceville	Long	Ludowici	Walker	Waynes
Colquitt	Moultrie	Lowndes	Valdosta	Walton	Monroe
Columbia	Appling	Lumpkin	Dahlonega	Ware	Waycross
Cook	Macon	Madison	Danielsville	Warren	Warrenton
Covatta	Newnan	Marion	Buena Vista	Washington	Washington
Crawford	Knoxville	McCluffie	Thomson	Wayne	Jesup
Crisp	Cordele	McIntosh	Darien	Webster	Preston
Dade	Darien	Meriwether	Greenville	White	Alamo
Dawson	Dawsonville	Milner	Colquitt	Whitfield	Dalton
De Kalb	Decatur	Mitchell	Carroll	Wilcox	Wilcox
Decatur	Bainbridge	Montgomery	Mt. Vernon	Worth	Worth
Dodge	Waynes				
Dooly	Waynes				
Douglas	Albany				



FLORIDA SEE PAGES 30-31

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# COUNTIES AND COUNTY SEATS



FEDERATION OF SOUTHERN COOPERATIVES/  
LAND ASSISTANCE FUND  
COOPERATIVE AGREEMENT

**A. Background**

Many FmHA borrowers are experiencing financial difficulty. FmHA intends to work with the Federation of Southern Cooperatives/Land Assistance Fund (FSC/LAF) to identify borrowers who could realistically be expected to improve their financial situation by application of tested farm management techniques, planning and considering potentially profitable alternative farm and/or non-farm activities. The overall goal of the agreement is to directly improve the farm income of borrowers through better management and financial analysis. This agreement is the result of a State Office initiative to address these goals and the scope of work is based upon the plan they developed.

The project will focus on identifying minority borrowers and address the problem of black owned land loss. All borrowers involved will be those owners and/or operators who can be expected to show a net addition to family income due to their farm operation. Alternatives for those farmers and borrowers no longer able to show a chance of income from farming, part or full time, will be studied and addressed as a separate objective.

It is intended that the State Office of FmHA be actively involved in overseeing the program and that the County Supervisors be the primary FmHA contacts. FSC/LAF's national office will be actively involved and responsible for administering its portion of the project while the FSC/LAF Georgia Field Director will serve as the Project Director.

**B. Statement of Work**

FSC/LAF will work closely with FmHA staff, especially at the local and state levels, other USDA agencies such as Extension, Soil Conservation, Agriculture Cooperative and Forest Services, etc. and draw upon the resources of the state and other relevant institutions. Field agents will be assigned to work directly with 5 active borrowers in each of the following counties:

Dooly  
Worth  
Baker  
Early  
Lee  
*MITCHELL*

Agents should be selected for both their academic and practical experience in farm operation, management and alternative income activities. Consultants will also be used when appropriate.

It is very important that the farmers be selected carefully through a joint effort by FmHA and FSC/LAF based on:

- \* desire to continue farming
- \* willingness to work with FmHA and university people
- \* the farmer's prospects for a profitable operation

These are the major considerations, but there are certainly others.

FSC/LAF will provide the following services:

1. Training in the areas of:
  - Recordkeeping
  - Management of income and utilization of credit
  - Management of resources and production practices, emphasizing diversification, cultural and traditional issues, harvesting, storage and marketing, among others.
  - Other areas as called for
2. Assistance in developing a profitable mix of farm and/or non-farm activities. The impact of off-farm income will be evaluated in order to recommend the best mix of activities in meeting the financial and quality of life goals of the farmer. Alternative crops and farm related enterprises will be evaluated on a case-by-case basis.
3. Assistance with production techniques to improve productivity, reduce costs, and take advantage of any special market conditions that may apply, for instance peak pricing strategies.
4. Record initial farm situation and keep notes on recommendations, progress, problems, etc., in order to analyze the impact of the types of assistance provided. At the end of the project we should have a good picture of what works, what doesn't work and where more information is needed. The final report should recommend practices for application in similar situations elsewhere.
5. Identify long term sources of technical and financial assistance to that at the end of the FmHA funding, a plan for continuing assistance to small farmers can be put into effect. State agencies, universities and private interests should be involved early in the project in order to build an long term network of support.

6. Prepare and distribute monthly progress reports with farmers, county supervisors, the State FmHA office and the FmHA National Office Project Manager for distribution to FmHA National Office staff. Prepare public relations material for the news media and participate in local, regional and national conferences as opportunities arise, in order to provide and collect information that could benefit the program.
7. Utilize the existing resources available and avoid duplication of services.
8. Work with local civic organizations and officials to share program goals and fit them into the local agenda for small community improvement. Generate community support and cooperation, treating agriculture as an integrated part of the whole rural economy.
9. Consider developing joint training workshops for participants as well as the general public where appropriate topics and need exist.
10. Provide a final report on the results of the project, how it will continue after this initial effort, what products and materials were developed, describing training efforts and workshops, attendance at conferences, papers and presentations, a list of groups and individuals involved, individual prognoses of participants and recommendations.

### C. Working Arrangements

This is a cooperative effort requiring significant involvement and communication among FmHA offices, FSC/LAF, and others. This scope of work is a blueprint that is intended to serve as a basis for expectations. The ways in which these objectives are met require flexibility and creative thinking on the part of the individuals working on the project. Frequent communication and sharing of concerns, ideas and goals are crucial to the success of the project. FSC/LAF is in charge of the specific means and approaches to meeting the objectives and is expected to keep FmHA informed of activities and concerns. We encourage FSC/LAF to seek out the best possible resources and develop effective techniques for assisting participants. Other working arrangements are allowed upon review of the project manager on a case by case basis with the concurrence of the State Office.

FSC/LAF is encouraged to contribute resources and in-kind services as it is able and to detail such contributions. As we have noted earlier in the statement of work, FSC/LAF should identify additional sources of financial and technical assistance in anticipation of the end of this agreement.

ACTION Form A-1421 (Rev. 7-87)  <h2 style="text-align: center;">VISTA PROJECT APPLICATION</h2>	For ACTION use only: <hr/> DATE RECEIVED: <hr/> PROJECT NO. <hr/> BASIC HUMAN NEEDS AREA(S)
---	--

**1. APPLICANT ORGANIZATION**

NAME  
**Federation of Southern Cooperatives**

ADDRESS  
**100 Edgewood Ave. #1228**

CITY <b>Atlanta</b>	STATE <b>GA</b>	ZIP CODE <b>30303</b>
------------------------	--------------------	--------------------------

AREA CODE TELEPHONE NO.  
**(404) 524-6882**

AGENCY DIRECTOR NAME  
**Ralph Paige**

TITLE  
**Executive Director**

**2. PROJECT DIRECTOR**

NAME  
**Mr. James Scott**

TITLE  
**Assistant Field Director**

ADDRESS (if different from above)

CITY <b>Albany</b>	STATE <b>GA</b>	ZIP CODE <b>31701</b>
-----------------------	--------------------	--------------------------

AREA CODE TELEPHONE NO.  
**(912) 432-5799**

**3. TYPE OF ORGANIZATION**

A - State B - Interstate C - Substate District D - County E - City F - School District G - Special Purpose District	H - Community Action Agency I - Higher Educational Institutions J - Indian Tribe K - Other (Specify) <u>Private non-profit</u>
---	--

ENTER APPROPRIATE LETTER K

4. Was your organization previously a VISTA Sponsor? YES  NO

If yes, specify year(s) and number of volunteer(s):  
1987-36; 1986-31; 1985-17

5. Was your organization previously assigned VISTA Volunteer(s)? YES  NO

If yes, specify year(s) and number of volunteer(s):  
1987-36; 1986-31; 1985-17

6. Congressional District Number(s):

a. of Sponsor #5

b. of VISTA Project Sites #2 #3 #6

7. Total number of VISTA Volunteers requested 17

8. Name each county in which Volunteers will serve  
See attachment #1

**Terms and Conditions:** If your organization is approved as a VISTA Sponsor, your organization must agree to assume responsibility in the community(ies) served for the development, implementation, and management of the VISTA Volunteer activities and the projects in which they serve. The undersigned accept the obligation to comply with statutes and regulations, policies, and the terms and conditions pertinent to this program.

The applicant organization must comply with the attached Assurances, page 13, if requested assistance is approved. The undersigned further certify that the data in this application are true and correct and that the filing of this application has been duly authorized by the governing body of the applicant organization.

*Applicant's Certification Regarding Intergovernmental Review Under Executive Order 12372:* If you are unsure, check with the ACTION State Office.

Yes, this application was made available to the State Executive Order 12372 Process for review on: \_\_\_\_\_

State Application Identifier No. (assigned by State) \_\_\_\_\_

No, Program is not covered by E.O. 12372, or

No, Program has not been selected by State for review.

SIGNATURES: (Original signatures in blue ink required)

a. SIGNATURE OF ORGANIZATION/AGENCY DIRECTOR  
*Ralph Paige*  
**Ralph Paige, Executive Director**

DATE  
8/19/88

b. SIGNATURE OF GOVERNING BODY CHAIRPERSON (if applicable)  
*Woodrow Keown*

DATE  
8/19/88

**SECTION I. BACKGROUND INFORMATION**

(Answer all questions only in the space provided)

1. Briefly describe the sponsoring organization's purpose and major program accomplishments; experience with the problems to be addressed by the VISTA Volunteers; and experience in the use of local volunteers.

The Federation of Southern Cooperatives provides, legal, technical, education, and economic development assistance to small and socially disadvantaged farmers throughout the southeast. Over the past 21 years, FSC has provided direct assistance to over 30,000 rural families and established over one hundred cooperatives and credit unions. Our success in large part is due to our ability to attract and keep dedicated volunteers. Well over 300 volunteers have been recruited and trained by FSC and have been a major factor in our efforts to halt the tragic decline of black owned land.

2. Total Financial Resources of Sponsoring Organization

SOURCE OF FUNDS:	CURRENT FUNDING LEVEL	
	Total Dollar Amount	Amount Allocated to VISTA Project
Federal	\$176,940	\$14,757
State	82,129	
Local Government		
Other (Specify) Church Found/Individuals	538,487	4,914
<b>Total</b>	<b>797,556</b>	<b>19,671</b>

2a. Are any of your resources presently provided by ACTION? If so, please specify name of program and funding level.  
 VISTA Project FLOI-143-6 (\$4,598); VISTA Project GA-01-366-6 (\$7,038);  
 VISTA Project SC-01-072-07 (\$3,121)

2b. Will there be a major change in your funding level over the next 12 months? If so, please explain.

No

3. Required sponsor documentation to be attached to Project Application.

3a. New Applications	REQUIRED	
	Non-Profit	Public Agencies
Copy of Articles of Incorporation	YES	NO
Tax exempt status; either IRS determination or copy of application to IRS for exemption	YES	NO
Organizational chart showing relationship of the VISTA project in the organization	YES	YES
Letters of Support	YES	YES
List of current Board of Directors, showing their names, addresses, and organizational or community affiliations, indicating how many members represent the low-income population	YES	NO
If less than 51% of the Board of Directors represents the low-income community, the sponsor must form a VISTA Advisory Council with at least 51% of the membership representing the low-income community	YES	YES
Resume of project supervisor and job description	YES	YES
<b>3b. Renewal Applications</b>		
Copy of articles of incorporation <i>only</i> if there is a change	YES	NO
Updated letters of support (include letter from Board of Directors or VISTA Advisory Council describing plan for self-sufficiency)	YES	YES
Resubmit any documents in item 3a if there is a change	YES	YES

## PROBLEM STATEMENT

Lack of education and knowledge of rights as well as responsibilities continue to be serious problems for poor predominately black farmers and landowners, and leads to an ever increasing loss of black owned land and farms. Unfortunately, given the above problems, blacks in rural america have no choice other than to remain where they are and try to make a decent living. They cannot be absorbed by already overcrowded cities with high unemployment among blacks.

Through this project we have enabled many farmers and their families to remain on the land they have nourished and been nourished by for generations.

Some of our accomplishments over the past year includes:

- providing emergency food and other assistance to 49 farmer totaling \$9,925
- held one state wide conference to discuss small farm issues. Representatives from various government agencies served as resource people
- held 80 training sessions
- have on board 120 active community volunteers
- provided referral services to local and state agencies, who consider us a source that can be of assistance to many of the people who contact them
- chartered the Flint River Farmers Cooperative
- have passed on several animals to farmers through the Heifer Project program
- Southwest Georgia Farmers Cooperative has received six new cows
- one church has initiated an adopt-a-family program. A family is identified and the church provide the assistance required
- provided direct training to over 350 farmers in the target area
- 500 farmers were provided personal counseling by phone and in person

SECTION II. PROBLEM IDENTIFICATION AND ANALYSIS

Problem No. 1

(Answer all questions only in the space provided)

INSTRUCTIONS

A problem is an unsatisfactory situation that your organization plans to change. For example: *Sixty-five percent of employable low-income youth ages 16-21 in Michael County have difficulty finding jobs.* For each problem you identify, complete a *separate* Problem Identification and Analysis (Section II), Project Work Plan (Section III), and VISTA Volunteer Assignment Description (Section IV). Make as many copies of these sections as you need.

1. Provide an overview of the purpose of the VISTA project to include: Overall population statistics of the service area; percentage of low-income people; what VISTA Volunteers are requested to do; how the low-income community will benefit from the VISTA project.

The purpose of this project is to provide direct land and farm related assistance to low income farmers over a 15 county area. The Vista volunteers will be trained to analyze each farmers' situation and with the assistance of FSC provide assistance based on the need identified.

The main purpose is to keep the farmer on the land and to help him/her make an adequate living from that asset.

2. State in *quantifiable* and *measurable* terms the specific problem the VISTA project will address, including the number of low-income people directly affected by the problem.

Well over 3,000 people will be affected by this project. The specific problem to be addressed is the alarming decline of black owned farms in the area and the inability of black farmers to make a decent living from their farms. Through this project we hope to a) increase the incomes of a significant number of farmers and b) prevent a significant number from losing their farms.

3. If VISTA Volunteers will be assigned to organizations other than yours, list those organizations, and provide a letter of support from the Board of Directors of each organization.

N/A

4. If other organizations are addressing the problem described in number 2, indicate any plans to coordinate the VISTA Project with these organizations.

The Land Grant Colleges attempt to address the problem to a very limited degree and really do not reach many of those who require the most assistance, we do, however, intend to include them whenever possible.

## SECTION III. VISTA PROJECT WORK PLAN

For Period: FROM

TO

Problem No. \_\_\_\_\_

Column A

Column B

Column C

VISTA PROJECT GOALS AND OBJECTIVES

Planned period of  
Work and  
AccomplishmentACTUAL VISTA PROJECT ACCOMPLISHMENTS  
(Complete this column when submitting  
VISTA Quarterly Project Progress Report)

Goal I: To continue and expand a training and counseling program for 1700 small farmers and landowners.

## Objectives:

1) One workshop per month will be held in each county for a total of 204, topics will include financing, FmHA regulations and programs, alternative crops and land loss prevention techniques.

2) Direct one on one training will be given to approximately 800 small farmers. Emphasis will be on management, market development and alternative crops.

Goal: To expand survey to include additional counties and begin a more indepth analysis of completed surveys.

## Objectives:

1) Volunteers will survey and census a minimum of 2 farmers per day in the new counties to identify their immediate needs and to get a general profile of their operation.

1st, 2nd, 3rd and  
4th quarter

1st, 2nd, 3rd  
and 4th quarter

## SECTION III. VISTA PROJECT WORK PLAN

For Period: FROM

TO

Problem No. 1

Column A	Column B	Column C
VISTA PROJECT GOALS AND OBJECTIVES	Planned period of Work and Accomplishment	ACTUAL VISTA PROJECT ACCOMPLISHMENTS (Complete this column when submitting VISTA Quarterly Project Progress Report)
<p>Goal II continued</p> <p>Objective:</p> <p>2) Refer for immediate assistance a minimum of 75 farmers per month who can benefit from assistance provided by FSC or other relevant agency or referral.</p> <p>3) Recruit, train and place a minimum of 20 community volunteers to assist families in the target area. The purpose here is to ensure long term benefit from the project.</p> <p>Goal III: To help slow the trend of black land loss due to lack of adequate information.</p> <p>Objective:</p> <p>1) To help ensure that as many land problems as possible do not reach the emergency stage. Each volunteer will review his local paper on a daily basis to keep tract of land related activity such as, foreclosures, tax and partition sales. They will notify those individuals affected by such action and provide assistance when possible. They will also keep a one page referral form for all cases needing immediate assistance. See attachment #2</p>	<p>2nd, 3rd, and 4th quarter</p> <p>2nd, 3rd, and 4th quarter</p> <p>1st, 2nd, 3rd, and 4th quarter</p>	

**SECTION IV. VISTA VOLUNTEER ASSIGNMENT**

Problem No. \_\_\_\_\_

(Answer all questions only in the space provided)

<p><b>1 a. Sponsor's Name</b></p> <p>Federation of Southern Cooperatives</p>	<p><b>1 b. Location (City, State)</b></p> <p>Atlanta, Georgia</p>
<p><b>2. Geographic Area(s) of Volunteer assignment</b></p> <p>See attachment #1</p>	<p><b>3. Number of Volunteers required for this assignment</b></p> <p>17</p>
<p><b>4. Brief description of sponsoring organization and VISTA Project</b></p> <p>The Federation of Southern Cooperatives is a technical, legal training and education assistance organization for low income rural cooperatives and farmers. We also provide a counseling hot-line and serve as a conduit for emergency assistance from other organization.</p> <p>The Vista volunteer project will enable FSC to reach a larger number of people who without FSC would receive virtually no assistance. The project will also assist us in our continuing efforts to modify and structure our program to meet the specific needs of our clientele.</p>	
<p><b>5. Identify the problem(s) described in SECTION II to which assignment relates</b></p> <p>The Vista volunteer will continue to conduct surveys that will help FSC develop new and modify existing programs. They will also be trained to spot potential problems before they become emergencies and make the proper referrals.</p>	

SECTION IV. VISTA VOLUNTEER ASSIGNMENT

Problem No. \_\_\_\_\_

(Answer all questions only in the space provided)

6. List responsibilities (tasks and activities) of the VISTA Volunteer working under this assignment description in achieving the objectives of the VISTA Project Work plan.

- Each volunteer will continue to conduct surveys in the areas not covered by past projects
- Volunteers will assist FSC staff in analyzing data collected, developing and modifying our program based on that data
- Volunteers will organize a series of workshops that will cover a wide range of farms and land related topics. They will also assist in recruiting resource people for the workshops.
- Volunteers will be trained to interview and counsel farmers in a way that will enable them to spot potential problems and make the proper referral to prevent them.
- Volunteers will read the legal section of their county newspaper in order to spot potential land loss problem.

7. List essential VISTA Volunteer skills and qualifications

The volunteers must have a valid Georgia driver's license and access to a reliable automobile. They must be able to work well with people on all levels of the economic ladder. They must possess basic verbal and writing skills.

8. Indicate any factors ACTION should be aware of when assigning disabled Volunteers to this project, such as availability of transportation and housing, accessibility of facilities, etc. Are services to be provided accessible to the disabled members of the community?

Handicapped persons can be accommodated in our facilities and could serve as volunteers if they are able to drive and move about on a farm.

I have read the assignment description, and if selected, I agree to fulfill the duties and activities described above.

SIGNATURE OF APPLICANT/VOLUNTEER

DATE

## SECTION V. COMMUNITY INVOLVEMENT IN PROJECT

(Answer all questions only in the space provided)

### INSTRUCTIONS

ACTION legislation requires that the low-income community to be served by VISTA Volunteers participate in planning, developing, and implementing the VISTA project. Your responses to questions below must demonstrate how you plan to meet these requirements.

ACTION legislation also requires the VISTA project to generate the commitment of private sector resources and volunteer service at the local level to carry out the purpose of the project. The sponsoring organization must plan for the phase-out of VISTA Volunteers and for the performance of the Volunteers' functions by local citizens.

1. Describe in specific terms how the low-income people the project proposes to serve are being included in the *planning, development, and implementation* of the project.

Our overall program including this project is the results of information gathered from those we attempt to serve. In the case of cooperatives, the Board of Directors have direct input into specific projects that affect their membership.

Meetings of individual farmers are held throughout the year in order to get input from them on how we can better meet their needs.

2. What specific steps will the sponsor take to generate the commitment of private sector resources and recruitment of volunteers from the community to help carry out the VISTA project's activities? (Attach letters of support from the public and/or private sector organizations that will be involved in supporting the VISTA project's efforts.)

The Vista project will become an integral part of our overall project and therefore will be an indirect recipient of resources raised through our general fund raising efforts.

## SECTION VI. VISTA PROJECT MANAGEMENT AND SUPPORT

(Answer all questions only in the space provided)

### INSTRUCTIONS AND REQUIREMENTS

This section is designed to assess your organization's ability to manage and support the proposed VISTA project.

1. Your organization is required to provide VISTA Volunteers with work facilities, supplies, materials, etc., for the operation of this project.
2. Approximately 30 days prior to the start of the ACTION pre-service orientation, your organization will be required to submit a detailed on-the-job training plan to the ACTION State Office for approval.
3. You are also required to submit to the ACTION State Office individual career development plans for locally recruited low-income volunteers after they have been assigned.

1. Describe in specific terms how your organization will recruit qualified VISTA Volunteers to serve on the project. If you need ACTION recruitment assistance, please indicate what type.

Volunteers will be recruited through FSC's network of community volunteers as well as referrals from other agencies and individuals. A list will be compiled and each volunteer will be interviewed and evaluated by the staff before he/she is accepted.

2. Describe plans for the daily supervision of VISTA Volunteers. Specify whether supervision will be full-time, part-time, or delegated to other organizations where Volunteers will be assigned. Attach job description(s) and resume(s) of the person(s) who will have major responsibility for supervising the VISTA Volunteers assigned to this project.

The volunteers will be supervised on a daily basis by the project supervisor. Personal and telephone contact will be constant, there will also be regularly scheduled meetings to discuss the projects progress as well as identify present and potential problems and to develop ways to solve them.

The volunteer will also have access to FSC's entire professional staff for supervision and assistance.

**SECTION VI. VISTA PROJECT MANAGEMENT AND SUPPORT**

(Answer all questions only in the space provided)

**3. Describe the on-the-job transportation needs of the Volunteers and your plans for meeting those needs.**

a. Geographical area in which Volunteers will have to travel: \_\_\_\_\_ square miles. See Attachment II

b. Estimated cost:

(1) Private Vehicle: Estimated no. of miles per year \_\_\_\_\_ x \_\_\_\_\_ cents per mile = \$ \_\_\_\_\_

(2) Public Transportation: No. of Vols. \_\_\_\_\_ x est. no. of trips \_\_\_\_\_ @ \_\_\_\_\_ per trip = \$ \_\_\_\_\_

c. Indicate how costs of on-the-job transportation will be covered.

**4. Describe your plans to recognize and publicize the work of the VISTA Volunteers, community volunteers recruited, and private sector support received.**

The project will be publicized through FSC's own publication as well as those of sister organizations. The project will also become a regular part of FSC's reports to foundations and other funding sources. We will also participate in local radio and television program as well as local print media.

**5. Describe how your organization and/or other community agencies will provide on-the-job training and technical assistance to the VISTA Volunteers as needed to carry out their assignments.**

Training and technical assistance will be developed and coordinated by FSC. The primary responsibility for training will rest with the staff of FSC in addition we will recruit consultants from other organizations to participate in the ongoing training program.

ATTACHMENT I  
Counties to be served

- 1) Clay
- 2) Randolph
- 3) Calhoun
- 4) Baker
- 5) Dougherty
- 6) Terrell
- 7) Stewart/Webster
- 8) Lee
- 9) Sumter
- 10) Dooley
- 11) Worth
- 12) Mitchell
- 13) Early
- 14) Decatur

## BIBLIOGRAPHY

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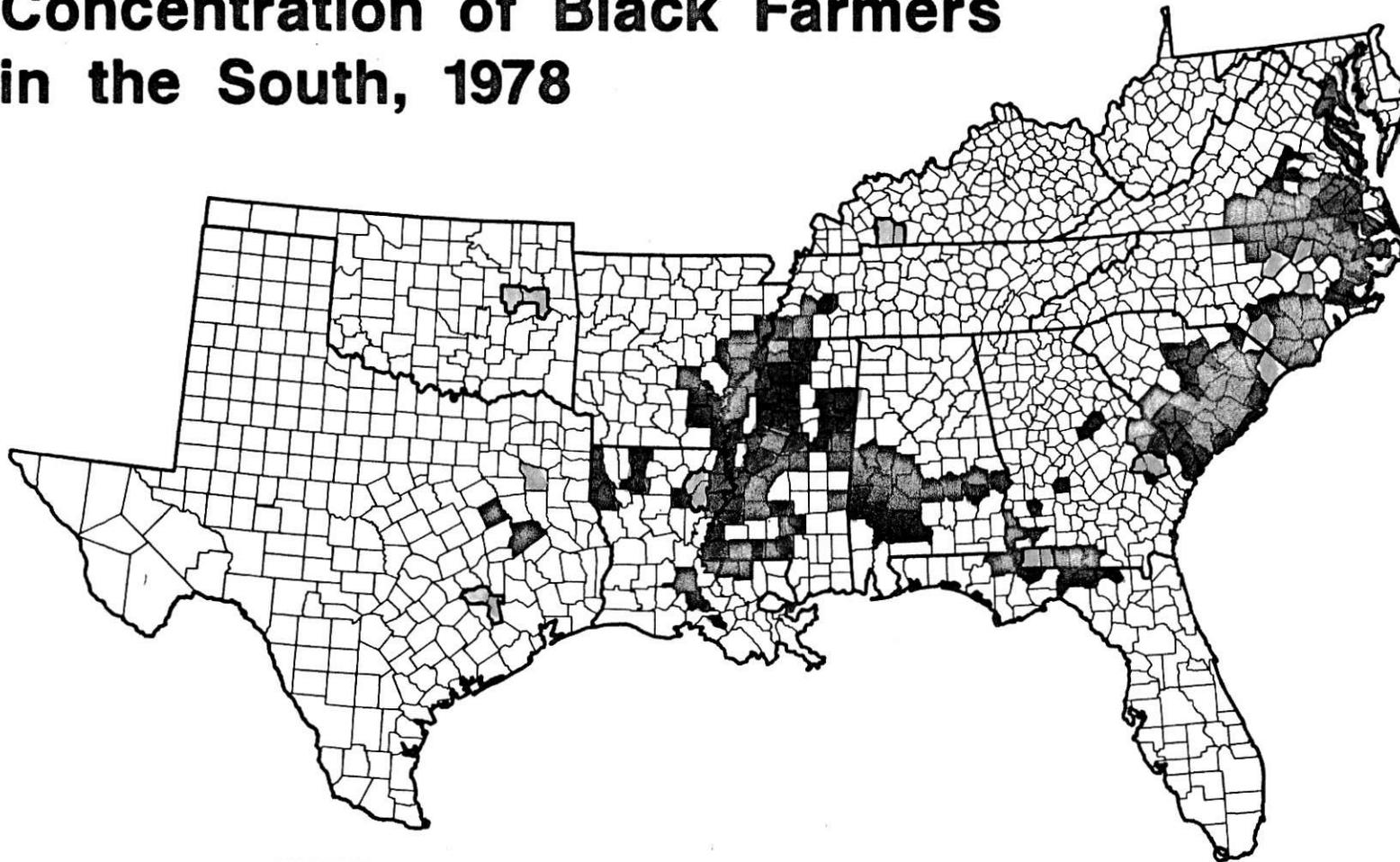
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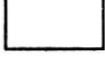
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Figure 1

# Concentration of Black Farmers in the South, 1978



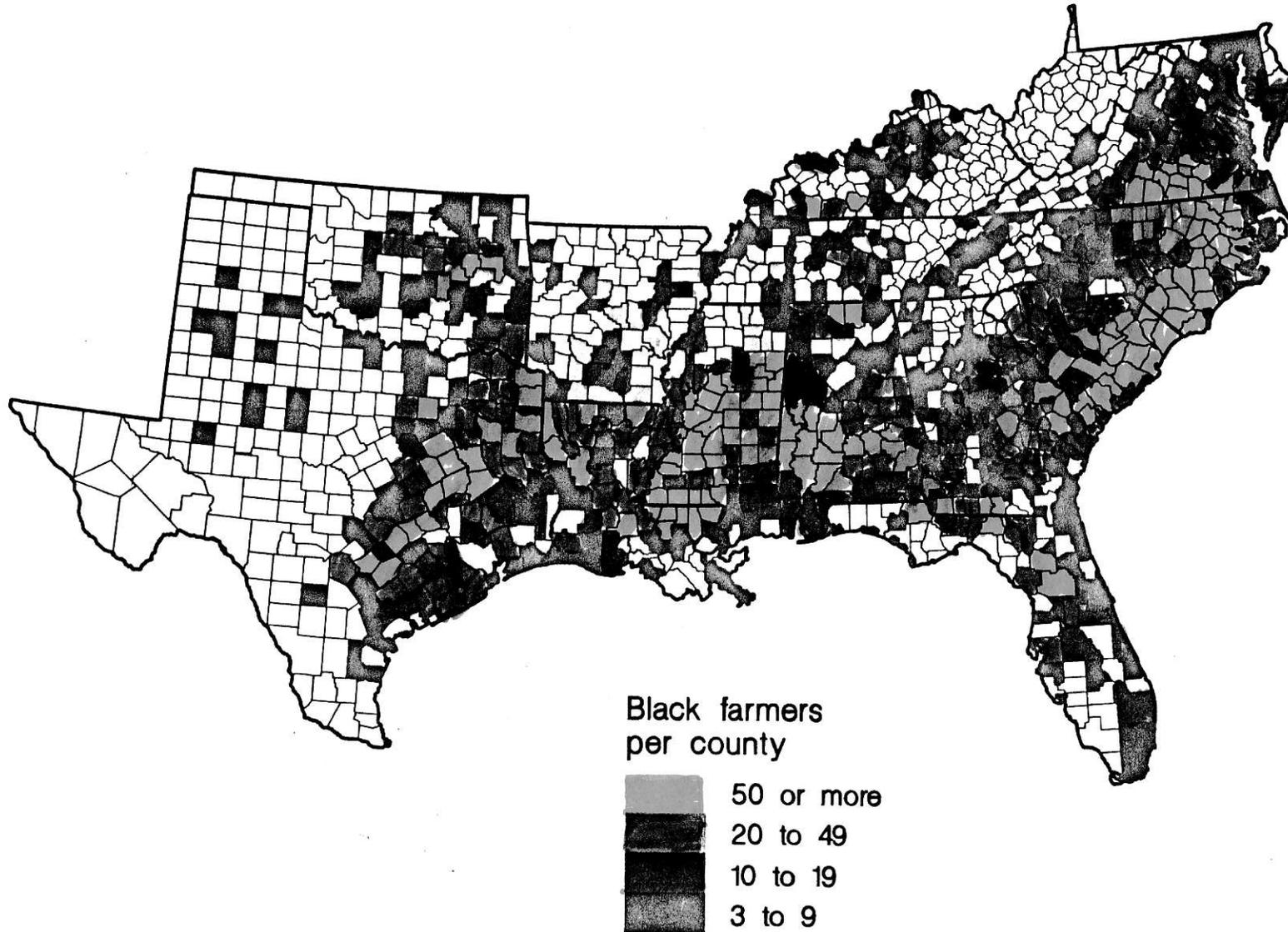
-  Counties where blacks were 10 percent or more of all farmers
-  Counties with 100 or more black farmers
-  Counties with 100 or more black farmers and where blacks were 10 percent or more of all farmers
-  Selected contiguous 2-county groupings

Source: (20)

Note: Excludes counties with fewer than 25 black farmers.

Black Farmers and Their Farms, U.S. Department of Agriculture Rural Development  
Research Report, Number 59.

**Figure 3**  
**Southern Black Farmers, 1982**



**Source: (17)** Black Farmers and Their Farms, U.S. Department of Agriculture Rural Development Research Report, Number 59.