



Written by [Joe Wolverton, II, J.D.](#) on May 11, 2011

Obama Admin. Offers Billions to Settle Complaints of Hispanic Farmers

On Friday the Obama administration announced that it will make at least \$1.3 billion available to female and Hispanic farmers in order to settle discrimination complaints those groups have filed against the Department of Agriculture.

For years these types of complaints against the Department of Agriculture have piled up. Chiefly the plaintiffs assert that the federal agency has denied them loans to maintain their farms because of their gender or national origin.

Frederick Pfaeffle, Deputy Assistant Secretary of Civil Rights for the Department of Agriculture, met with farmers in Kissimmee and South Florida to announce the program.



The plan provides \$1.33 billion to settle the complaints, some of which were filed as long ago as 1981. Additional funds in the amount of \$160 million will be offered to pay off remaining balances on USDA loans that, because of the alleged discrimination, were either delayed or contain burdensome terms or were made in amounts lower than those claimed to be necessary by the applicants, Pfaeffle said.

For decades now, farmers have become accustomed to receiving this government assistance and without shame claim that they cannot live and run their farms without the generous and unconstitutional government handouts. They insist that without the money provided by federal loan programs, they would be unable to purchase the seeds and equipment necessary to perpetuate the planting and harvesting.

The goal of the settlement is stated in the USDA's statement released May 4:

As part of continued efforts to close the chapter on allegations of past discrimination at USDA, Under Secretary for Marketing and Regulatory Programs Ed Avalos held an outreach meeting in El Paso today with farmers and ranchers from Texas and New Mexico to talk about the process that has been put in place to resolve the claims of Hispanic and women farmers and ranchers who assert that they were discriminated against when seeking USDA farm loans.

"The Obama Administration is committed to resolving all claims of past discrimination at USDA, so we can close this sad chapter in the department's history," said Avalos. "We want to make sure that any Hispanic or women farmer or rancher who alleges discrimination is aware of this option to come forward, to have his or her claims heard and to participate in a process to receive compensation."

As if the distinction is of any true value, the USDA assures taxpayers that money is not just being given



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away. The feds have said that any farmer or rancher claiming they merit a piece of the settlement pie must first prove that they were personally discriminated against by the Department of Agriculture and that the discrimination resulted in damages, such as lost crops or land.

Those successfully proving such discrimination may receive up to \$50,000. A similar cash settlement was made with Native Americans who claimed they were likewise discriminated against. Black farmers were [awarded](#) a second disbursement of tax money last fall by an act of Congress.

The essence of the allegation is that thousands of female and Hispanic farmers lost out on loans that were awarded to white applicants. Further, if they were awarded loans, the terms were oppressive and not at all similar to those found in the loans extended to white farmers.

Although in May the Obama administration originally announced the intent to fund a settlement in these cases, details of the offer were not revealed until Fridays statement.

An important provision in the plan eliminates the cap previously set on the number of farmers who may receive awards.

Lawyers for both the women and Hispanic farmers said their clients deserve more money. Indian farmers were offered up to \$250,000 each to settle claims.

Others are unsatisfied with the amount of the settlement, as well. Stephen S. Hill, a Washington attorney, represents some of the Hispanic farmers who are plaintiffs in a suit that has been filed against the USDA and the Justice Department, averring that the terms of the deal are unfair.

The lawsuit initiated by Hills clients was filed in March in U.S. District Court in Washington, D.C. In it, the plaintiffs claim that the government agencies named as defendants are continuing their policy of discriminating against Hispanics and female farmers because the settlement money offered them is significantly smaller than that awarded to black and Native American farmers.

An additional allegation made in the suit was described in an [article](#) published by the *Orlando Sentinel*:

The settlement also puts a bigger burden of proof on Hispanic and female farmers, Hill said. To ensure the maximum compensation, he said, farmers will have to provide copies of their loan applications documents many farmers and USDA officials did not keep.

Black and Native American farmers were not asked to produce copies of their applications, Hill said. Meanwhile, Native Americans could receive up to \$250,000 in their settlement, and African-Americans had no cap, he said.

And:

Pfaeffle said he could not confirm whether black and Native American farmers were required to produce the applications. But he said that under the new program, farmers who can provide a loan application and prove that they were denied or given unfavorable terms because of discrimination are guaranteed \$50,000. Even if they can't produce a loan application, he said, they still might be able to receive settlement money up to \$50,000.

He said the settlements "are apples to oranges. They can't be compared." For example, black farmers were not guaranteed any amount in their settlement.

Some of the farmers who will benefit from the settlement are basically pleased by the governments efforts to make things right. Rudy Arredondo, president and CEO of the National Latino Farmers & Ranchers Trade Association, lamented the loss of millions of acres and millions of dollars by Hispanic



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farmers who could not plant in time because of discrimination.

He applauded the work of Agriculture Secretary Tom Vilsack in repairing the USDA's relationship with Hispanic farmers. He did add that it wouldn't offset years of ill-treatment, however.

"There is no way you are going to be able to make whole all the years of pain and suffering these farmers have endured, said Arredondo.

Nowhere in any accounts of the settlement, its terms, or the allegedly discriminatory practices that led to the filing of the complaints was there any mention of the lack of constitutional authority for any treasury funds to be offered to farmers and ranchers so that they might buy seed, equipment, land, or livestock in order to make a living.

The U.S. Constitution grants very limited and precisely enumerated powers to the three branches of the federal government, and the USDAs propping up of agriculture is not among them. No provision is made for the allocation of treasury funds to eliminate the difficulties that are inherent in any endeavor.



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