

Transcript of Dr. Dewayne Goldmon, OSEC Equity Commission (no corresponding presentation)

Chair Reed: At this time, I would like to introduce Dr. Dwayne Goldman, he's a senior adviser for the USDA on racial equality, equity. He's going to give us a departmental update and what have you. Mr. Goldman ... I'll just give him the floor at this time, because I think he knows how to handle that, because he was once a member with us. We welcome him home. At this time, we welcome you back, so ...

Mr. Reed: This isn't about me joining on back with us, huh?

Speaker 2: Yes, I think you're right, Mr. Reed. First time in person, if I'm not mistaken.

Dwayne Goldman: So, thank you all for allowing me to come back. It's a pleasure to be here. I bring you greetings from the Secretary who was also glad that he had a chance to at least greet you virtually, yesterday. And when I say there's a lot going on around equity? There's a lot going on around equity. But when I tell you there needs to be a lot going on with equity, you need to listen to that too, okay?

I just want to clarify though, I see Mr. Stamps. Is he the only member that's on virtually? Everybody else is here? How you doing Mr. Stamps.

Delmar Stamps: Good morning, Dr. Goldmon. How you doing today?

Dwayne Goldman: You look like you in Mississippi, but we won't go there.

Delmar Stamps: Yes, sir. It sure is.

Dwayne Goldman: Yeah. And Bill, while we're on Mississippi, I know we had some briefings earlier this week, and I went and seriously had some disaster packages that can help those that were recently devastated by the storms that came through. I know your congressional delegation is aware of it, and if there's any unmet needs there, please reach out to us and let us know how we can do that. It was pretty bad for certain communities, and we need to be prepared to respond to that. So, I know the President, the Secretary, are all ready to mobilize resources to get that taken care of, and we will continue to keep you in our prayers.

It is good to be back. I had the pleasure of serving with most of you. Miss Sanchez, I don't think we were ever in the same room together. You came on as I was coming off. I served, actually, three terms on this committee. Miss Jones, I think you and Miss Sanchez came on about the same time. Is that right? Okay, so I know we go back a ways.

At any rate, I want to be candid with you all. When the Equity Commission came online, there was a lot of activity around the Equity Commission. And I'm going

to give credit to your chairman, Mr. Reed, that said, "Hey, what about us? We've been here. We've done some things. We want to continue to be involved." And I also want to acknowledge the diligent work of Kenya Nicholas in helping us navigate, getting the charter reauthorized, the persistence of Mr. Reed, and it was the right thing to do. So I want to say that very publicly, so that we're all on the same page, and to offer sincere thanks.

The work that this Committee does and has done is not in vain. And I thought what I would do ... I want to do a couple things, and I will try and speak for 20, no more than 25 minutes. Pam, I'm going to designate you as timekeeper. So, you can keep me honest. But I want to share with you how the work that this Committee has done and will continue to do is needed, and how that will factor into what we're trying to do with the equity. I want to do that. But I also want to update you. And I looked at the agenda.

You've got some people here bringing some good information from the different agencies, FSA, both the Administrator and Commissioner Acting Marcus Graham. They're providing you vital information. I see you've got my good friend, Mr. Boozer from NRCS and [inaudible 00:09:52] in RD, Marcia from RMA. All of those agencies, all of those departments, all of those missionaries are looking at how we can advance equity. So I'm going to try and stay out of their lanes, but provide kind of an overview as to how this all works together, and where we're trying to go with this, and how the work of this committee is important.

So when the Equity Commission was being thought about, you probably heard the fact that there had been this talk of some kind of outside committee, in addition to the Advisory Committee, because we have a lot of them on Minority Farmers and Ranchers and Beginning Farmers. We now have one in Urban [inaudible 00:10:41]. But all of us have a special place, where they want to narrow in on specific things that helps their customers have better access to USDA programs, personnel, services, etc.

But when Equity Commission came online, it was kind of a different deal, because for the first time you had a commission that was actually in a Congressional act. So the American Rescue Plan, under Section 1006, the third part of that one, it talked about having funds, specifically for an equity commission with a sub-committee or sub-committees that could provide a critical outside view of the RCA's equity work. And because it was mandated by Congress, it had hard funds associated with it, but it also had some hard expectations, that you will do this, and the notion there was to make this more meaningful.

What I want to do is to share with you, and I hate to say, to some of you, you're going to want to run off, but I want to share with you how this came into existence, and again come back to thanking, this Committee in particular, because you had some recommendations out there, and one of the first things that Equity Commission did when they came together. So, it took us a while to identify them, because you're looking at people, and you say ... All of you around the table. I know most of you, you're experts in your field. You have familiarity and reach into clientele that should benefit from the work that we're doing. The equity commission had some of that, but they also have people that think a little differently, that are challenged to think a little differently, because they're thinking about permanency, sustainability, accountability. How do we get those things rolled into the fabric of the USDA so that the recommendations that are advanced, that there's evidence that they're being implemented. Or in some cases, there may be an explanation as to why they can't be implemented. But in all of that, they're charged with providing actionable recommendations to the Secretary.

Now, the Equity Commission, we have 15 members. We have a Agriculture sub-committee, and those are more practitioners, and that's 13 people, because two from the Equity Commission serve on the sub-committee as well, for continuity. And then later on, we created a rural committee, above the sub-committee. And those are more practitioners around rural development.

About a month ago, the Equity Commission released their interim report. But let's back up to how they got to the interim report. One of the first things they did, after we got these people assembled, and there were people there that had, the main ag was the USDA, though. We had farmers, we had ranchers, we had economists, historians, a wide group of experts, ambassadors, former employees, attorneys. We had a pretty good diversity of experts. One of the first questions they asked was, "Hey, wait a minute, USDA, this sounds familiar. This sounds like, "Okay, we've been doing this for a while. What happened to all the recommendations that we've brought to the USDA's attention in the past? Let's have an accounting of those recommendations." In response to that, we pulled together all [inaudible 00:14:18] recommendations, and we shared it with them.

And the third one, you all might have heard of this, went back to 1965. The US Commission on Civil Rights was the first one, and back then, the country wasn't as diverse as it is now. It was Black and White. In fact, Blacks were still called Negroes in the report, and it was right after the '64 Civil Rights Voting Act had been passed. So Civil Rights was at the top. and it was Black and White, and it was offensive. It's offensive to some Black people to be called Negroes. It's offensive for Native Americans to be locked in with Whites. And it's probably offensive for Asian-American farmers and ranchers to be said that there's not

that many of them, so we just lumped them in with the Whites too. I mean, that's in the '65 report.

And so when you start talking about why majority recommendations haven't been put in, but a lot of them have been. We're no longer segregated by law. I don't think I've been in a USDA office that says, "Whites only," or you've got a door over here for Hispanics. I don't think we have that now. But we still have disparities in programs, where people are not able to access them. So when you look at some of the racial categories, you'll find that people are not accessing resources in searches at the same level. So we need to continue to pay attention to some of those things in the '65 report.

But if you come on up, you'll find other reports. There was one in 1982. It wasn't as much a recommendation as it was a method to continue to work on this equity, the 1982 Commission on Civil Rights. And then we had the [Krett 00:16:10] report and the Kraft report. You all are familiar with those. They talked about some things. They lay some recommendations on the table, but they really didn't provide a mechanism to have follow-up to see if those things had been done. So while a lot of recommended improvements were made, it was hard to track them, and so we shared those.

The Jackson-Meals report. When it came up to the recommendations of this Committee, those recommendations, the first ones, and you all might remember, the first one was 2004. And in 2004, I remember this well. This is not a self-endorsement. But they hired you on the Committee then, and then me and a few others, but back then we didn't have COVID. So we had a very public forum in Memphis. There was another one in Albuquerque. There was a lot of effort around providing those recommendations, getting them down. And we did a lot of work in getting them down to a report that could be delivered to the Secretary. And we shared those recommendations with the Commission.

There was another rework in 2016 that they kind of looked at those same recommendations. And there was another one that came out in 2021, that was again, reevaluating those same recommendations. A lot of those recommendations, Committee, show up in the Equity Commission. Now, they don't say, "Based on the recommendation for the Minority Farmer and Ranchers Advisory Committee," but they show up. And I thought I would spend a few minutes talking about some of those, and I'll segue this into talking about where we go from here, okay?

In those recommendations from this Committee, there were several recommendations around evaluating the funding, revamping the 2501 program. Back then, the 2501 program was called the Office of Equity and Outreach. Right? Now, that's Kenya, Dr. Ramirez that's the Office of Partnerships and

Public Engagement. That office has a long history. They have a long history of trying to reach people to put resources in the front of people who had problems accessing them in the past.

And so in 2012, the recommendations from this body, from this Committee, centered around, how can we advance this program by looking at ... ? Maybe we need to look at the experience of those that are applying. Because it's not fair for a smaller, perhaps new organization to have to comply with a large organization that may have resources that out-compete. So we need to look at that. We were talking about that in 2012. We were talking about the difficulty that a minority-serving organization, community-based organization can have in securing matching funds, and we need to do some things to make sure that the inability to secure matching funds does not interfere too much of you to reach out to your customers.

We talked about specific opportunities based on an organization's structure. So you don't want to have community-based organizations, for example, competing with universities. Because universities have institutional structure that gives them probably a significant advantage. They probably have a history. But in a lot of cases, a community-based organization will have a different set of customers that we need to access. And you don't want them competing with a, Lexington University, for instance, because of the ... Those were the recommendations back then.

If you look at the recommendations in the interim report, a lot of those are still showing up. In fact, a lot of those things are actually underway now. And I'll throw out as an example ... And I will talk about the ARPA American Rescue Plan Act and Inflation Reduction Act. But let me jump to Section 1006, where we can purposefully reach out to organizations that have the ability to provide technical assistance and outreach. And the first way, we have selected 20 organizations that have the capability to go across state lines and do more regional kinds of technical assistance and outreach, and we wanted to make sure that that was an equitable selection process. And I think we did. It's not perfect, but I think we did a pretty good job. We looked at Black, Native American, Latino, Asian American, new and beginning farmers, I think we did a pretty good job of divvying up those resources.

And then we had a second funding pool that allowed people to compete. And those were small organizations that could reach a little further into the community. And we're still looking at ways that we need to invest those funds to make sure that no one else is falling through the cracks. And so in your 2012 and 2016 recommendations, you were talking about providing opportunities that are size-appropriate. That allow people to access resources, that allow

them to be more effective in their communities, and I think that's something we've got to continue.

There were some other recommendations that are underway. And I won't steal too much of Administrator Ducheneaux's thunder. But in your prior reports, you were talking about FSA documentation. The fact that a loan application packet is too long, is too complicated, and it needs to be simplified. And particularly, it needs to be simplified based on the complexity of the loan. So we've already implemented kind of micro-loans, and I'm almost certain that Zach will talk about the smaller loan application packet that they've created, and we will continue to look for opportunities to streamline this process.

While we're streamlining, there are some other things that you talked about. In some cases, in a lot of cases, people have different experiences with FSA offices, depending on who's asking for the benefit. I'm being ... Well, I'm not going to be careful here. I think you've got cases where people are not given the benefit of the doubt, where discrimination might still creep into the application process. And we have to absolutely tighten that up, and we were talking in 2012, the Equity Commission is also asking to take a good look at the rules and regulations to make sure that a loan officer's ability to use personal values to make a loan decision is minimized or taken away. In 2012 we acknowledged some things around collateral requirements, about prior history, and you'll see, and I'm sure Zach will talk about some things that are under development now, to actually make those things less of a requirement, and giving them less ability to impact the actual loan decision, and we'll continue to do that.

There were some reporting requirements. In the 2008 Farm Bill, Section 14006, required USDA in a [sealed 00:24:23] and in subsequent farm bills, it requires us to report by race, gender, those things that would allow us to have ameliorative equity, and we're working with the Office of Civil Rights to get those done.

There were three big ones. And I know this Committee has weighed in on them, and I thought I wouldn't give you an update. The County Committee system. The Equity Commission, that wouldn't land on to anyone here, because we hear a lot about the County Committee. And I'll say that when the Equity Commission met, I think it was in September, they were on the campus at the University-. Somebody on the Commission said, "Well, if we're having all these problems with the County Committee, why don't we just get rid of them. And there was some prep in the room, "Oh man, that's what'll grab the headlines." I want to be clear. The Equity Commission, if you look at the [inaudible 00:25:30] recommendations, which I'm sure you've seen. It didn't say get rid of the County Commission. That wasn't the recommendation.

The County Committee system ... Don't throw stuff at me. Hear me out. The County Committee system works well for those that it works for. However, the County Committee system is a problem for those that are not at the table, and were not at the table when the rules and regulations were written. And we still have a problem. Okay?

The Equity Commission has not finalized its recommendations on the County Committee, okay? So if you look at it now, what we explained is that it's disingenuous to take a look at the County Committee and look at the authorities that they have to date and not look at the authorities that they've had historically and evaluate how past authorities are still impacting a farmer's ability to access resources today. And that's going to take some effort.

So, in your recommendations, you talked about the structure. And the Secretary took his authority and did some appointments. And appointed people to county committees, where you had a significant number of minority farmers in the area that weren't represented. And we're looking at the Secretary's authority to, not just appoint them. Because it's one thing to tell somebody, "You can't just-" You appointed, and that's an insult. And so, this committee talked about that, and I think there was some, it wasn't clear as to whether or not they should have voting rights, even though I know the intent. So we've got to tighten that up, and make sure that the Equity Commission has all of the information that they need to make as solid a recommendation as they can.

The other thing with the County Committee, and this spills into other forms of FSA programs. The County Committee, they're elected. So they are somewhat accountable to the public. But they hide with CED. And there's just a strange relationship between accountability and responsibility when you have people with that kind of authority that are not Federal employees, and I think that's something that the Equity Commission will probably be looked upon to provide some recommendations on how we can tighten that up. Because remember they're tagged with providing accountability and responsibility in this process. So stayed tuned on that one.

The other one that's left unresolved is the, we call them Crop Acreage Bases. And these are benefits, based on commodities, that provide financial resources to farmers when crop prices or markets fall below a certain level. And in the past, these things have changed, but today, there's ample evidence that there is a big disparity between Crop Acreage Bases or subsidies that are paid to majority farmers versus minority farmers. And when times get tough, these payments become a larger part, a larger proportion of a producer's safety net. So when you take that a step farther, you pretty quickly start to understand that when prices are good and input prices pretty are fairly reasonable, everybody has kind of an equal opportunity to compete. But when prices are low and input

prices get high, and the subsidies become a larger part of your bottom line, guess what? Those people that are disparate, have a more difficult time staying on the time. They have a more difficult cash-flowing it alone. They have a more difficult time collateralizing their resources. And as we have to take a look at that.

In some respects, it's similar to the County Committee system. It worked well for those that were at the table when the rules and regulations were being developed. But that other, roughly 10%, and those are pretty much minority farmers that own 10%, we're going to have to take a good look at how we can make those programs more equitable. Stay tuned.

In the early reports in 2012, you talk about maybe everyone has access to a certain package. If you look at, maybe, the amount of subsidies that are in an area and you find yourself way below that, maybe that's just an average that you won't fall below. If the average is 50 bucks, and your calculation comes out to 10, that's too much of a difference, and maybe everybody gets a minimum of 40 or whatever number it is. There's been talk of something like that. The other one is, a lot of times this comes back to who was operating the farm when those crop acreage bases were established. If you look at that program, primarily, the largest chunk of the calculation is based on what was grown on those acres from 1981 to 1985. Okay? 1981 to 1985. And I see you turn it.

There were some other things going on in 1981 to 1985. Those were the [inaudible 00:32:02] years. So if you were discriminated against and couldn't keep up with whatever was going on in your area and couldn't put in irrigation, couldn't grow higher value crop, couldn't do these things. They'd always say there's a reason. That the crops that you used to calculate your basis is probably inferior to your neighbor's, so we're going to have to look at that. And while we're on that, we talked about equity. Maybe you still haven't been given a realistic opportunity. Mr. Boozer, maybe you need something, that will ...access to some NRCF programs that allows you to improve the land, to improve the productivity so that not only are your crop acreage bases more equitable, your farms are more productive and more sustainable.

We're looking to the Equity Commission to help provide the department with actionable recommendations. I'll end on, a lot of recommendations have come from this Committee, thank you. And other places. The Gay Farms and Ranchers, we now have an Urban Farming Advisory Committee. But the Equity Commission is tasked with taking all of those and taking these 32 interim recommendations, and over the next year or so, the goal is to make those permanent recommendations, actionable recommendations. The Secretary has already expressed his desire to work with the Equity Commission to prioritize those recommendations, because when you look at it, if you take a point ten

years from now, let's say. Your first recommendation came out 11 years ago. But if you go forward 10 years, let's say, what else needs to be in place that would make someone say that, "Okay, the Equity Commission, in concert with the other committees, including this one, utilize recommendation that are still evident. The disparities that are being brought out have been addressed, okay. And that's the work that we're trying to achieve.

Speaker 2: Perfect.

Dwayne Goldman: [inaudible 00:34:14] some of the things that's going on in civil rights. [inaudible 00:34:45]. They also talk about national civil rights [inaudible 00:34:49] that may [inaudible 00:34:49] to get to where he has to get to the resource, okay.

The other thing that I'll quickly talk about as we open up is I think we've talked in the past about the American Rescue Plan. I know I've talked to a lot of you. The American Rescue Plan that transitioned to the [inaudible 00:35:12] Act. But you just go ahead and say it. The [inaudible 00:35:15] of the [inaudible 00:35:16] in 1005 was moved over to section 22006 of the Inflation Reduction Act. [inaudible 00:35:24] FSA is implementing that program and also looking at ways we continue implementation of those programs.

About 13,000 farmers had their FSA loans brought current. So they paid the liquid amounts plus one additional payment. That was done in October. Shortly after that, there was about [inaudible 00:35:51] loans that had gone through debt set-asides and they're going through and looking at those and redoing those or bringing those loans current.

There's an additional about 135 million [inaudible 00:36:06] this week that will go on to continue to bring people current and do what the secretary has described as keeping farmers farming.

FSA continues to work on the more complicated loans that are in bankruptcy or foreclosure, making sure that they repay those debts, that the farmers get to retain their farms, okay. And that work takes a little bit more time because those are one-on-one discussions, but we're continuing to do that kind of work.

We also announced the next section 22007, part E, which is the prior compensation for financial assistance for farmers who suffered from discrimination in farm lending programs. So, you probably [inaudible 00:36:52] that this structure has been announced, so there'll be a national administrator. There will be four entities that will be contracted, and these entities will be the head of a regional hub that will consist of corroborating [inaudible 00:37:04] assistance providers that will [inaudible 00:37:06] into the community to implement these programs under rules that are established by the USDA.

\$2.2 billion to do that, the secretary has announced and has provided resources and clear direction that our intention, our goal, we are working towards getting that done by the end of this year. December 31st, 2023, our goal is to have that done.

Let me share with you this and then I'm going to open it up [inaudible 00:37:37]. \$2.2 billion when you look at all of the things that are [inaudible 00:37:45]. There is a strong likelihood. You all know what I'm going to say. [inaudible 00:37:59]. We get to establish the [inaudible 00:38:05]. These are the people that suffered from prior discrimination. If it's 4 billion, 10 billion, whatever the number is. This is what it is. [inaudible 00:38:17] to everyone that gets in there.

The maximum that anybody could get out of that was 500,000. I know they're concerned with losses that exceed that but Congress set the cap at 500,000. But if we can deliver a confined ... This is a universe of people that have been impacted by this. We may be able to finally dry a line in the sand [inaudible 00:38:45] discrimination, give people access to better service and move forward in a more equitable USDA. That's the goal that we're trying to get to.

Sorry I've gone over but let me ask if there's any questions, comments on anything that I've gone over?

Speaker 2: Yes, lots of questions.

Dwayne Goldman: I saw you writing, Mr. Reed. Go ahead.

Speaker 2: Let's look at the only recommendation for the COC. We actually [inaudible 00:39:16] because we know we have ran out of recommendations for [inaudible 00:39:21] committee. So, we did that [inaudible 00:39:26] until the committee got back to reestablish this plan.

Dwayne Goldman: You're talking the recommendation in 2021 that was-

Speaker 2: Yes. [inaudible 00:39:35] COC but [inaudible 00:39:37]. As a matter of fact, [inaudible 00:39:40] brought it to the table [inaudible 00:39:47].

Secondly, yesterday [inaudible 00:39:50] prior to 1965 there was nothing in the USDA programs that applied to people of color, Native Americans [inaudible 00:40:05] they came back in 1965 with the Civil Rights Act. But it wasn't until 1969 that was implemented, so historically we've been [inaudible 00:40:13] for a long time.

Dwayne Goldman: COC county office committees?

Speaker 2: Right.

Dwayne Goldman: Go ahead. I'm sorry.

Speaker 2: Yes, because we've been dragging this [inaudible 00:40:24] for almost 50 years, and the committee has been around since 1933. That's 90 years and that [inaudible 00:40:33] right after [inaudible 00:40:36] the Great Depression, but it didn't apply to the people of color. It applied to those that were [inaudible 00:40:45].

Dwayne Goldman: I don't want to [inaudible 00:40:52] but I do want to provide a little ... It was supposed to apply [inaudible 00:40:57] and the county committees, as designed by Congress back then, supposed to be elected committees. But in some states they were given the authority to determine how they were going to make the selections. And in clarity, in 1890, there was a group of states that were given an option of allowing recently freed slaves to study on your campus. Create a separate institution. Unilaterally they created a separate institution and it was a lot of those same states that said we can appoint our committees rather than have them elected, okay.

So it was originally intended, but I'm just adding a point of clarity [inaudible 00:41:46] they were not [inaudible 00:41:53] and it was not [inaudible 00:41:56] of a lot of black and brown farmers. We know that. Okay. [inaudible 00:42:01].

Speaker 2: I know [inaudible 00:42:04] because I'll let the committee members chime in. I just want to let you know on the outreach [inaudible 00:42:14] just wanted to make sure they reached [inaudible 00:42:20] on the results that [inaudible 00:42:31] on reaching out to both sides and [inaudible 00:42:33]. Because we know coming from the [inaudible 00:42:38] actually when they moved over from ARA to the IRA there was money that was lost because there was more money in the ARA than there was in the IRA. [inaudible 00:42:48] so right now we're [inaudible 00:42:54].

Dwayne Goldman: Let me add a point of clarity. It was the same money. It was reapportioned. So in the American Rescue Plan, it had four billion for FSA farm loan debts. It had one billion in the next section to deal with those other programs [inaudible 00:43:20].

The IRA came out in [inaudible 00:43:27] Protection Act, the number there was a slight increase in the number because we had 3.1 billion to deal with farm debt or distressed farmers. We had 2.2 billion hardwired into the discrimination pieces. Okay, 3.1, 2.2, 5.3 billion, and I say hardwired because if you look at [inaudible 00:43:51] the maximum that could have been in that [inaudible 00:43:56] to deal with prior discrimination is about 800 million because there were four other sections that gave the secretary the discretion because the language was written as [inaudible 00:44:07] a minimum.

And even [inaudible 00:44:10] said no less than 1%, which would have been roughly ... Could have been as low as 50 million but it could have been as high as 100 million. When the IRA came out they took away the secretary's authority to do that. It said this is what it will be. So there was 2.2 billion to deal with prior discrimination.

They pretty much left the other categories where they were. [inaudible 00:44:32], 300 million for technical assistance, 250 million for [inaudible 00:44:37], et cetera. So, I just wanted to be clear there. But you're right, Mr. Reed, from the standpoint of we have to have room to make sure that there is a good ... How those funds were invested.

It's more than [inaudible 00:44:59]. One of the other things was let's start to measure outcomes not output. Don't tell me the money that you've invested, that this organization got this amount, this organization got that amount. Tell me what they did. This farmer was able to access these funds and increase the value of their operations. This farmer was able to take these funds and have access to a processing facility that increased the value of each carcass by X. That's the kind of accountability, I think, that we have to build into this process.

Speaker 2: So that [inaudible 00:45:44] be able to allow [inaudible 00:45:48] that information?

Dwayne Goldman: Yeah.

Speaker 2: [inaudible 00:45:54] we need to know.

Dwayne Goldman: We can do that.

Speaker 2: [inaudible 00:46:02] make recommendations [inaudible 00:46:07].

Dwayne Goldman: I'm going to take that [inaudible 00:46:09] to the committee hearings and I'll open the floor up to you all [inaudible 00:46:14].

Speaker 4: This is Arnetta Cotton. Do you all know, Equity Commission, do you all know state by state, county by county what the percentage is of the monies being received that were actually designated for people of color? Like in our particular county, Wagner County-

Dwayne Goldman: You're talking the IRA?

Speaker 4: Mm-hum.

Dwayne Goldman: The [inaudible 00:46:36]. Let me reiterate a point that I should have made earlier, Ms. Cotton. Thanks for the question. To answer your question, no, we

don't have that. But let me further explain that in the American Rescue Plan it was disadvantaged borrowers as originally defined in the early-'90s, which was black and brown folks. [inaudible 00:47:03], right.

That statement was what was being challenged, that this is reverse discrimination. There's a lot of [inaudible 00:47:16] that says that making a race-based correction, given the full racial issue is not a bad design, but it is challenge-able in court.

And so at the time that the IRA replaced ARPA, there was 13 lawsuits. Two or three of which had injunctions or restraining orders that absolutely prevented USDA from making those payments, okay. And so the act was repealed. It was repealed and replaced with Inflation Reduction Act, which focused on distressed borrowers.

We have released that [inaudible 00:47:54] state by state, but we haven't released other information because the emphasis now is on distressed borrowers. The other thing I'll say though, and I don't think we have to apologize about this. If you're looking at distressed borrowers, as we [inaudible 00:48:10] work, we're starting to see where the people that have suffered from discrimination the most tend to be the most distressed because you missed opportunities. You missed a chance to improve your farm.

So, while we have [inaudible 00:48:32] focused on distressed borrowers and one of the ways that we can make [inaudible 00:48:37] is to do that. Because if you try and do this before on a race-based determination and we shift to a race-based determination in IRA it only [inaudible 00:48:50] you're going to get shut down.

The distressed borrower piece gives the department an objective opportunity to kind of reach people where they are and help get people on a more even playing field. [inaudible 00:49:07] distress but also giving them access to better programs and options as they go forward.

Speaker 4: So [inaudible 00:49:13]. So with that presentation, with that opportunity they then, if I'm understanding correct, have to be able to prove what you kind of described. How you missed out on this, what you lost on this or. No?

Dwayne Goldman: No. There's two pieces, Ms. Cotton. So, in the distressed borrower, [inaudible 00:49:32] distress. It doesn't matter if your loan is distressed. Now, there is a problem there and I'll come back to it.

On the discrimination piece, yes, there will be criteria and we're trying to finalize those criteria under how you continue to be discriminated against. Time

to process your loan, loan specifics. Discrimination in your qualifications. There's a number of things that could be used.

When you hear people talk about all of the bad things that have happened to them in [inaudible 00:50:10] you go in for a loan and they tell you, "Okay, I need your driver's license." And you give them your driver's license and you go back next week and they say, "Oh, let me get your Social Security card." And this kind of stuff, all that mess. All those things delay it.

So, forget about the tactics. If your loan took longer to process than average maybe that's a sign of discrimination. You're thinking [inaudible 00:50:33] allow people to do that. But that's in 22007 E. That's the discrimination piece.

The 22006 is on farm loan payments that are in distress and that's the distressed borrower piece. Now, we still have an issue because what we found when we got into implementing the offer across all the people we were looking at, on average, only 10% of the people were able to navigate through and get an FSA loan. So what do you do for that 90% of people that are left? That issue is not lost on us either.

I think [inaudible 00:51:04] FSA is continuing to work on that.

Speaker 5: Just to add to that, there were a lot of black farmers who never attempted to get a loan because they understood the system was against them to begin with so why walk into an office and ask for something when you know you're not going to get it? So, there are a substantial number of minority farmers, owner minorities who lost their farms because of that issue.

Dwayne Goldman: Yeah. You got that category, but you also have people though that went in and attempted and was told we're out of money or whatever. For the people that went in and were told that, there had to be some way to at least evaluate their circumstances and provide some compensation for them.

I'm sensitive though that we don't need like we did in some of the other cases where the burden of proof was so low that person was incentivized to go in and say, "I tried to farm. They told me they didn't like the way my hair looked and told me to get out." Bam, [inaudible 00:52:37]. We can't have it invested like that because one thing that I'll say, and I'm going to repeat, I was at the Austin Center meeting last week and if you tried to farm there's certain things that you know.

As great as I am, I can take you back to the little farm I grew up in on any map that's out there. We have to have an opportunity. We have to give them the opportunity to describe either the farm that they operate or the farm that they

intended to operate and bring that in so that we can make sure that we're not providing an incentive for folks to claim they farmed and they never really did.

Speaker 6: Two questions on this distressed farming [inaudible 00:53:19]. So how do you distinguish a distressed farmer. Say he's a distressed farmer with 10,000 acres and say he lost little bit of a million dollars. Of course, you that more likely won't be a person of color. How do you distinguish that person in this group [inaudible 00:53:38].

Dwayne Goldman: So the distressed farmer piece, the first, as 22006 [inaudible 00:53:45]. The first one is simple, 60 days or more delinquent as of [inaudible 00:53:48], 2022. We found about 11,000 people in that category. Okay. We later find out that, that may not be descriptive enough of a class. So one, you had to be an FSA borrower. That's a fact. But that one's pretty easy because FSA can look at their records and see who's 60 days or more past due. Bring them current, make one additional payment and move on.

Then we found out as we got into this some people took some extraordinary measures to not be delinquent because they had seen their farm taken away when they fell into delinquency. So they borrowed from their neighbor. They took out other funds. They told your kid you can't go to the private school. They did things and so we're not looking at those things as a signal of distress and figuring out how we can do that.

As we get into this, two things, I think, as I said, everyone's talking about this. They're trying to capture as many indicators of distress as they can so they can make those automatic payments. They also had to create a system where people can go in and make the case for distress and say this is what I had to do. My check that I could have used to pay my fuel bill or seed bill or [inaudible 00:55:16] the check was taken by FSA and I was forced to apply that to my loan to stay active and now I'm delinquent over here.

So, I couldn't take that money and pay this off, so we're looking at those kinds of situations, Gary, to make sure that this definition of distress responsibly captures all those things that actually happens on the farm.

Speaker 6: The second part of the question, does the bill not include individuals who went to get funding from a different financial institution but they were denied at FSA [inaudible 00:55:51] distress? Would they be included in this or not? If they are included, [inaudible 00:55:51] those who didn't get FSA loans went elsewhere [inaudible 00:55:51] some of the same issues.

Dwayne Goldman: [inaudible 00:55:51] because it's an FSA distressed borrowers program. Now, if you had an FSA loan and had to go outside of FSA to get a loan to pay your FSA loan, I would argue that that would be a form of distress. But if you're totally

outside of the system, unfortunately...and remember, this is not a race-based determination. This is the universe of all borrowers.

Speaker 6: But if you have evidence that you were turned away from FSA because of discrimination and you went to another institution is what I'm saying, those people, do they qualify?

Dwayne Goldman: That would [inaudible 00:56:46] because if you don't have an FSA loan your case would be addressed in the discrimination. So if you [inaudible 00:56:56] discrimination. If you [inaudible 00:56:59] FSA you won't have access to the distressed borrower piece.

Speaker 6: Okay.

Dwayne Goldman: But yes, you will have-

Speaker 6: Now this is a question that [inaudible 00:57:07] goes back to Equity Commission and this advisory committee. So for clarification and understanding, is it our committee to submit our recommendations to the equity commission and you all take it on behalf...are you all taking recommendations from all of the advisory committees?

Dwayne Goldman: Thank you. I [inaudible 00:57:25], Gary. Here's the process. So the Equity Commission has [inaudible 00:57:31] recommendations right now. When they ask for recommendations before, it was a whole [inaudible 00:57:41], okay, and we tried to give them insight into the whole universe of recommendations that they had.

They now have 32 recommendations that are a lot more specific. So, our goal now is to share with them, [inaudible 00:58:00] universe down with those 32 recommendations. Here are the recommendations that [inaudible 00:58:07] in these issues that you're not interested in, and there may be some more. There may be some other issues that come into it. But over the next months, in fact, we have a discussion on Friday where one of the issues that's in there we're going to have to give them some more information.

Part of the process has to be taking another look at those historical recommendations and I'll extend it to say any recommendation [inaudible 00:58:29] and make sure that the Equity Commission has access to those because at the end of the day it's one set of recommendations coming to USDA and we need to make it as robust as we can.

Speaker 2: But [inaudible 00:58:46]. When you make a recommendation from this committee it's [inaudible 00:58:50] secretary. There's no [inaudible 00:58:56].

So, we have to follow the chain of command and go through [inaudible 00:59:10].

Dwayne Goldman: Well, [inaudible 00:59:13].

Speaker 2: But [inaudible 00:59:17].

Dwayne Goldman: And my [inaudible 00:59:26].

Speaker 4: [inaudible 00:59:43] COC appointments. You're saying there are no voting rights. How will you all lead? Is it offensive or disrespectful if there was an appointment to the COC but they had no voting rights. How will you lead?

Dwayne Goldman: I think we're looking at the authority that exists. Does the secretary have the absolute authority to appoint a person and point them with voting [inaudible 01:00:07]? I don't know the answer to that. I'm not trying to setup Zach and Marcus Graham, but I would pose that question to them.

If you have a recommendation I would make sure that you make a recommendation very clearly to them. My point is this though, these kind of committees are farmers, most of them.

Speaker 4: Right.

Dwayne Goldman: And certain times of the year, as a farmer, I have to make a decision. Am I going to sit in a county committee or am I going to plant my crop? And if you ask me to come and sit around a table and not be able to have input into the decisions that are being made, even when they may impact me, I'm probably going to say, "No, thank you. I'll just plant my dog gone crops, you know."

And the other thing that was brought to our attention was when you don't have a voice, it starts to impact the quality of the individual that's willing to sit there. So, you want to go out and get a passive person that is comfortable with that, they're probably not going to be the best advocate for the people in their community. So, really we need to think about that.

I'll give an opinion. [inaudible 01:01:44] that person is strong and you give them equal rights, voting [inaudible 01:01:50], whatever. But it will come down to what [inaudible 01:01:52] we have. Here's the other thing, in this before I think there were certain of us that would say, "Oh, that would require a legislative change. We can't do that." I don't think that's an issue here. If it requires a legislative change, we are preparing and already underway implementing those things that will require a legislative change and trying to work within the system to figure out how we can get that done because the issue is [inaudible 01:02:24].

It's not about ... And I think it's disingenuous to think that [inaudible 01:02:31] was as inclusive as it should have been as it was being developed. So, if there are changes that need to be made we just need to be prepared to do them.

Speaker 7: And I don't even know if this is something that [inaudible 01:02:46] or if it's another area is the justice [inaudible 01:02:52].

Dwayne Goldman: J40. Justice 40.

Speaker 7: [inaudible 01:02:56] initiative and get results from that to make sure that it's equitable, make sure that's it's actually implemented. I understand but it's really not a hardcore stamp of approval saying this is exactly what has to happen. It's really just let's try our best to get to this point. You know, let's try our best to get [inaudible 01:03:20].

Where is that? Because trying to find results for this, trying to find any information about it, trying to find [inaudible 01:03:28] it's part of this equity initiative.

Dwayne Goldman: So I think the committee talked about that. I don't want to put Mr. Booth on the hot seat. I know [inaudible 01:03:38] has been looking at some justice reporting metrics, and that's what you're talking about. I think a couple things, Kim. We're early in the game in terms of having reportable results that could let you make an objective decision as to whether we've reached that goal. But we're not too early to start thinking about that process and what that could look like.

So, if you have recommendations about how that could be done I think we need to know that.

Speaker 8: I want to thank everybody today. Thank Mr. [inaudible 01:04:17] for being here and sharing his thoughts. We would [inaudible 01:04:23] how this committee can [inaudible 01:04:25] directly [inaudible 01:04:30]. I want to thank you for having [inaudible 01:04:38] this information. I think we needed to hear that.

And we have [inaudible 01:04:43] secretary's office. [inaudible 01:04:58].

Speaker 2: [inaudible 01:04:58] for being here.

Dwayne Goldman: I'll tell you [inaudible 01:05:09] what I should have said. We are submitting the comments from chair members [inaudible 01:05:13].

[inaudible 01:05:13] everybody, so Mr. Levi and Mr. [inaudible 01:05:29]. Okay. And Rose. Okay.

Speaker 2: [inaudible 01:05:29] thank you, all. [inaudible 01:05:29].

