

United States Senate

WASHINGTON, DC 20510

April 2, 2019

The Honorable Dallas P. Tonsager
Chairman and CEO
Farm Credit Administration
1501 Farm Credit Drive
McLean, Virginia 22102

The Honorable Jeffrey S. Hall
Board Member
Farm Credit Administration
1501 Farm Credit Drive
McLean, Virginia 22102

The Honorable Glen R. Smith
Board Member
Farm Credit Administration
1501 Farm Credit Drive
McLean, Virginia 22102

Dear Farm Credit Administration Board of Directors:

We write today to ask the Farm Credit Administration to provide guidance to your member institutions to ease any concerns they may have with providing financial services to legal hemp farmers and businesses. Legal hemp businesses should be treated just like any other agricultural businesses and not discriminated against. We believe clarification from the FCA on this front would help ensure this legal industry can compete on a level playing field.

The Agriculture Improvement Act of 2018 (2018 Farm Bill) was signed into law by President Trump on December 20, 2018. It contained provisions from legislation we authored – the Hemp Farming Act of 2018 – to remove hemp and its derivatives from the federal list of controlled substances, to affirm hemp as a legal agricultural commodity, and to authorize the production, consumption, and sale of hemp and hemp-derived products in the United States. Kentucky and Oregon have been on the forefront of hemp production ever since the authorization of industrial hemp pilot programs under the 2014 Farm Bill. Hemp farmers and producers in our states and across the country are excited to explore the full economic opportunities for hemp after the passage of the 2018 Farm Bill. Unfortunately, the hemp industry continues to face challenges with regulatory uncertainty as federal agencies work to implement this significant change in federal law.

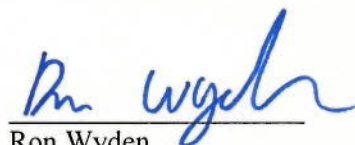
One challenge facing the industry is the inability to access capital and traditional lending services through financial institutions. We have consistently heard from lawful hemp producers about the lack of access to financial products. Specifically, we continue to hear from hemp producers who are interested in accessing credit through the Farm Credit System and their difficulties in securing financing and credit products to start, expand, or operate their businesses. Although hemp is no longer a controlled substance, financial institutions still seem hesitant to engage with this industry, and confusion remains regarding the availability of credit options for hemp farmers and processors.

Thank you for your prompt attention to this important matter, and we look forward to your response.

Sincerely,



Mitch McConnell
United States Senator



Ron Wyden
United States Senator