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Members of the Virginia Delegation in the U.S. Congress:

On behalf of the National Black Farmers Association (NBFA), I am writing to request your support for H.R. 2319/S. 1117, bipartisan legislation in the House and Senate to restore stable value money market funds for infrastructure investment. NBFA is a non-profit organization representing African American farmers and their families in the United States. Retaining access to public and private sources of capital is one of the many issues important to the economic development of the rural communities and small farmers.

For many farmers, money market funds are a safer place than banks to hold large seasonal cash balances and earn a market rate of return. The livelihood of African American farmers also depends on various companies engaged in the production, processing, and distribution of agricultural products, packaged foods, and meats, as well as the business operators and suppliers of equipment and materials such as fertilizers, agricultural chemicals, agricultural construction equipment, farm machinery, and heavy trucks. Those companies depend on money market funds to meet their operating needs and to support their customers. Further, many in the agriculture industry are subject to the risk of liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control devices, and money market funds are a significant investor in short-term debt used to finance these important agri-infrastructure projects.

Unfortunately, the Securities and Exchange Commission (SEC) adopted an ill-advised rule, which took effect in October 2016, that forced investors out of prime and tax-exempt money market funds which support the liquidity and capital investment needs of agri-business. The rule has imposed significant costs on both business owners and local governments in the form of higher short-term borrowing costs and lower returns on invested cash.

H.R. 2319/S. 1117 would fix the negative consequences of the SEC rule and restore a safe and cost-effective capital markets tools that promotes private sector investment in our rural communities. Therefore, NBFA respectfully requests that you support this bipartisan legislation. Thank you for your consideration.

Sincerely,

Dr. John W. Boyd Jr.  
Founder and President