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September 6, 2024

The Honorable Mike Johnson  
Speaker  
United States House of Representatives  
H-232, The Capitol  
Washington, DC 20515

The Honorable Hakeem Jeffries  
Minority Leader  
United States House of Representatives  
H-204, O'Neill House Office Building  
Washington, DC 20515

The Honorable Charles Schumer  
Majority Leader  
United States Senate  
S-221, The Capitol  
Washington, DC 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
S-337, The Capitol  
Washington, DC 20510

Dear Speaker Johnson, Minority Leader Jeffries, Majority Leader Schumer, Minority Leader McConnell:

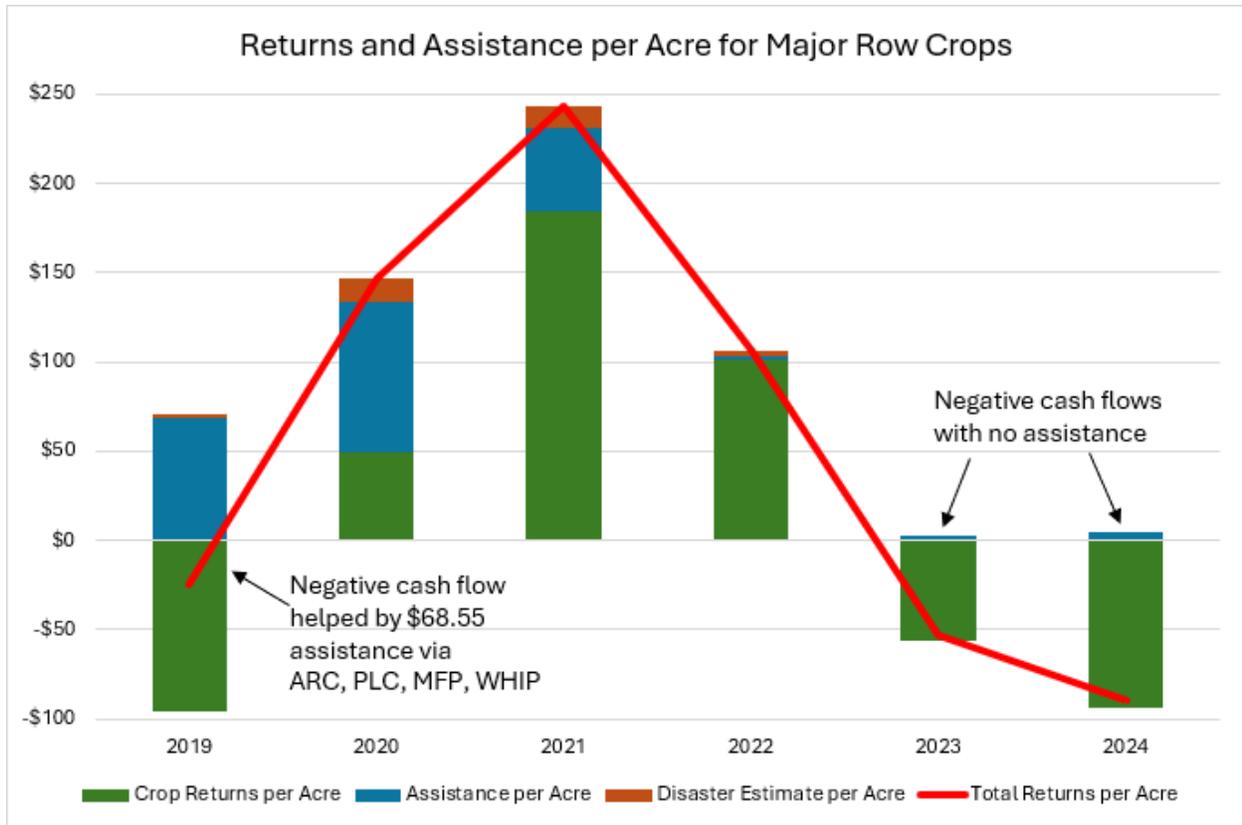
We write concerning the delays around what was supposed to be a 2023 Farm Bill, the growing concern in farm country around falling crop prices and a struggling agricultural economy, and the urgent need to provide assistance. We strongly urge completion of the Farm Bill in 2024 to provide a strong and reliable foundation for the 2025 crop year forward. But we also urge Congress to address the immediate cash flow squeeze relative to the current crop – and even the 2023 crop in many cases – that has not been addressed by Congress or the Administration.

Net farm income from 2022 to 2024 is down \$50.3 billion, or 28 percent. The current outlook for 2025 is even worse. Corn prices have slid from highs of \$6.76 in 2022 to around \$3.75 in the current market. Cotton has fallen from \$1.04 to a current market price of around \$0.69. In both cases, even with good yields, this results in returns for farm families well below the cost of production.

The average increase in costs of production of major row crops jumped 34 percent from 2020 to 2023 and show no signs of decreasing. U.S. farmers have historically overcome this squeeze with increases in productivity, but this is made extremely difficult when crop prices have declined some 40 percent. What's more, many farmers in many regions have suffered severe losses of crops in 2023 and 2024. Congress passed an average \$3.4 billion per year to address disaster losses in 6 successive years – 2017 through 2022 – all while looking toward the next Farm Bill to make critical investments to better address regional disasters. With potential Farm Bill enhancements expected for the 2025 crop and beyond, we believe Congress would be right

to address the losses in 2023 and 2024 on par with those who suffered losses in previous years, including critical fixes to the USDA's mishandling of the 2022 disaster program.

Congress has a tradition of standing by our nation's farm families through difficulty. This is the fundamental reason why we have a Farm Bill. A key difference in this current downturn is the absence of any foreseeable assistance. In addition to the disaster aid noted above, from 2019 to 2022, Secretary Purdue and Secretary Vilsack have used Commodity Credit Corporation (CCC) authorities to grant another \$13.8 billion per year to support the critical industry infrastructure that is U.S. agriculture. The current outlook – even as crop prices have crashed and inputs remain high, thus creating a harrowing cash flow squeeze – is that safety net funding will drop from a high of \$38.5 billion in FY'21 and an average of \$30.7 billion per year for the '17-through '22 crop years, to just \$9.9 billion in FY'24 and \$10 billion in FY'25. This is a 68 percent drop from the average at precisely the wrong time.



Without significant action by Congress, we fear many of the full-time farm and ranch families that provide for the basic needs of this country and exports that are so important for the global population will be lost, or forced into consolidation. We expect that many farm families who apply for loans next year will not be able to secure credit to plant another year. John Deere's layoffs of thousands of workers earlier this year was a harbinger of the severe contraction unfolding which will also negatively impact the national economy, including the largest U.S. cities.

We very respectfully wish to caution that we are seeing economic conditions in farm country that we have not witnessed since the mid-eighties, and again beginning in 1998. Fortunately, in sharp contrast to the mid-1980s farm financial crisis, Congress acted in 1998 through 2001 to preemptively head off a second full-blown farm financial crisis, and enacted a strong 2002 Farm Bill that provided a strong foundation that allowed farmers to build for the future. This bipartisan model should be repeated.

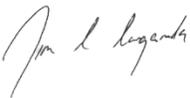
In conclusion, we believe two things are badly needed yet this year.

First, we would request a disaster package to address crop and revenue losses for the '23 and '24 crop years, consistent with assistance that was provided on top of the Farm Bill policies from 2017 to 2022. We believe it is essential such assistance be very simple so that help can be offered in a timely fashion, and that it be prescriptive so any rulemaking does not slow help down.

Second, we would request that the good work that has been done toward a Farm Bill be completed in time for the '25 crop year and beyond. We commend bipartisan efforts that would strengthen the farm safety net provisions. We hope these efforts are built upon and brought to fruition so that Congress does not have to start this arduous process over again in 2025. Again, we fear that failure to complete the process will leave many farm and ranch families in financial jeopardy and do damage to our nation's economy and communities across rural America.

Thank you for your service and consideration of this request.

Sincerely,



Jim Sugarek

President, Southwest Council of Agribusiness

Cc:

The Honorable Debbie Stabenow, Chairwoman, Committee on Agriculture, Nutrition & Forestry

The Honorable John Boozman, Ranking Member, Committee on Agriculture, Nutrition & Forestry

The Honorable Glenn "GT" Thompson, Chairman, Committee on Agriculture

The Honorable David Scott, Ranking Member, Committee on Agriculture

The Honorable Martin Heinrich, Chairman, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

The Honorable John E. Hoeven, Ranking Member, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

The Honorable Andy Harris, Chairman, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

The Honorable Sanford Bishop, Ranking Member, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Members of the Texas, Oklahoma, Kansas, Colorado, and New Mexico Delegations