

AAM Senter On The Hill 8-16-19

Here we are mid-August and looking over my shoulder to see where the Summer has gone. I have traveled many miles across the country this summer, recently driving from Maryland to Kansas and Nebraska then back and I promised I would do a 'crop report' when I got home and here goes. Corn and Beans looked the best in Eastern Ohio, the further west we drove the later the crops were. Beginning in western Ohio, we found areas in every state where fields were not planted due to excessive rain. It is a very uneven crop with many corn fields not tasseled and some barely showing tassels. When August 1<sup>st</sup> you find corn not tasseled that means you better hope for a late frost this Fall. Soybeans were also late with some a few inches tall up to knee high which also means that they need a late frost. All the way across Missouri, Kansas and Nebraska a similar story with a few areas in Missouri were needing a rain. A very uneven crop and very late for most of it. Flooded areas along the Missouri River are still under water and have been since March with farmers telling me that they have never seen water on their farms this long a time. It seems to me with the Levees still not patched water will not recede until winter and at Brownville, Nebraska the Missouri River is still 5 miles wide. In areas such as the Southeast, spotty rains have left many farmers very dry with crops already suffering damage so the prospects for this upcoming crop remains a question mark.

Producers I spoke to were very upset about USDA's crop reports. Every time they issue a report, it hurts farmers by driving down the prices. Enough already, who does the crop reports help, oh yes it helps the processors and grain traders buy cheaper. How can you have a record pre-vent planted acres of over 19 million acres and estimate a record corn crop, the numbers just do not add up and by the time the final numbers come out, the damage has already been done. On soybeans, sources tell me that the wide basis for soybeans is paying for shipping costs for US soybeans to be sent to Argentina where they are then loaded on a ship bound for China to avoid the tariffs. The basis in some locations have varied 25 to 50 cents more than normal. This is not right and soybean producers should not be paying the freight twice for beans going to China with the grain companies making the dollars and farmers paying the freight.

Then we have EPA giving waivers to 31 oil refineries so they do not have to use biofuels in their blends which will drop demand by 1.43 billion gallons which means we will use less corn making ethanol. What is wrong with this government, we need to be ramping up production of biofuels not the opposite.

Signup for the new Farm Bill will begin in September and currently the Trade War payments are beginning to be rolled out with the Disaster payments coming soon. This Market Facilitation Program needs major changes such as raising the Loan Rates so we can stop sending checks to farmers and help raise market prices because farmers don't want a check, they want a price in the marketplace. The fallout for farmers is beginning from taxpayers, calling the help welfare for farmers, which will erode support for all farm programs. Funding is going to have to be added to cover the Disaster payments because there is not enough to cover the huge losses

from 2018 and 2019. Until there is a handle on what the actual losses are, there's no way to know what funding is needed.

I'm hitting the road again next week going to Indiana where I will be speaking to the State National Farmers Organization meeting Saturday 24<sup>th</sup>, then onto Alabama and Florida for an AAM meeting on the 29<sup>th</sup>. Drop me an email if you want details for the meeting. I will also give you a crop report around Labor Day on my tour of the Southeast crops. As my friend Willie says, "On The Road Again" ...

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