

AAM Senter On The Hill 3-15-19

As we finish this week celebrating agriculture and the hard-working producers that feed us and most of the world, please say a prayer for them during this difficult time. Besides the flooding on the West Coast, blizzards which have buried cattle and left ranchers stranded, historic flooding in the heartland particularly Nebraska and the Missouri River. Heavy record snowfall and rain throughout the grain belt and flooding rains and tornadoes in the South are leaving farmers and ranchers reeling from hits by Mother Nature plus producing under a failed Farm Policy and to top it all off, the Trade War continues, low prices persist, and markets have been lost.

Congress is getting ready for their St Patrick's break while USDA is working hard to implement the new Farm Bill, but signup will not start until September. I'm told that the Senate will take up Disaster Legislation to help cover losses by producers from natural disasters as soon as they return. I am guessing by the time the Senate comes back into session in about 10 days, the package will grow because of the current disasters unfolding now. Many producers are in desperate shape, needing the disaster payments to buy seed and inputs for this year's crops.

I can't imagine what damage is being done, but there are still crops piled on the ground including soybeans because grain storage is at capacity in many areas. Secretary Perdue said during hearings on the Hill, that Farm Debt is rising rapidly and is now at \$409 Billion which is 1980's levels. At the same time USDA Economist Seth Meyers says soybean prices are too high which is the reason they aren't being purchased. Are you kidding me, too high, the price is still below the cost of production, I wonder where these guys learn this stuff, a race to the bottom is not what farm policy should be? That's why farm programs were put in place in the 1930's to protect producers from corporations and individuals' control of the marketplace and for manipulating prices.

USDA is projecting that Farm Income will be up a little over 10% in 2019, I agree with that estimate because the 2018 Farm Bill raised Loan Rates and when you average all of them the Loan Rate increase is about 10%. Point made, the Loan Rate helps set a price floor for commodities, we have a long way to go but the increase in the 2018 Farm Bill is a step in the right direction, but they are not high enough to cover the cost of production. They need a Fair Price in the Marketplace not more subsidies.

Now on a sad note, Congressman Ralph Hall, a friend and longtime Member of Congress passed away. He was a good friend to AAM and always supported issues important for farmers. Ralph was the last living World War II veteran, during the war he flew fighter planes off aircraft carriers, Rest In Peace my friend.

David Senter AAM President

aamincpresident@gmail.com