

AAM Senter On The Hill 5-14-19

Hello to all AAM members and friends, I hope you had a good Mother's Day weekend. A time to reflect on family and think about events that helped shape our lives.

Rain, Rain everywhere, last night the weather forecaster here in DC said that over the last 12 months, we have had over 70 inches of rain, 30 inches over normal. Farmers are being delayed in getting their planting complete with only a small percentage of the crop in the ground. The delays may force some producers to shift to soybeans from corn. Thousands of acres of prime farm ground is still under water along the Missouri and Mississippi Rivers, my good friend Corky Jones told me last week that the Missouri River at Brownville was 10 miles wide, bluff to bluff and he had over 1,000 acres under from 2 foot to 10 foot of water.

The House has voted and passed another disaster bill which would cover the current ongoing flooding as well as add coverage for on-farm stored grain that was lost. AAM wants to express thanks to the House for adding this coverage and sending the legislation to the Senate which has not acted because the White House opposes some of the disaster funds included in the House passed version. The Senate needs to find a compromise and act now, many farmers need this help in order to survive the low prices coupled with huge natural disaster losses.

The Trade War has now turned into an expanding Trade War and who knows when there will be an end to it. It seems the White House overruled Secretary Perdue on another round of Trade assistance for producers because the President has stated that he's supporting \$15 Billion more in help to offset the lower prices farmers are experiencing. Throwing money at a long-term problem is not going to solve the problem. AAM believes that USDA does not need to just send another check to farmers, they need a longer-term solution, plus producers don't want a check they want a price in the marketplace for their crops.

The lost of markets is going to be a problem for a long time, so in order to get some of the surplus off the market, USDA needs to restore the 3-year Farmer Owned Reserve. This way farmers can put their crops into the Reserve while the markets get sorted out. There needs to be a higher Loan Rate for entry into the Reserve. Farmers need to be able to rotate the grain in their Reserve each year if they need to do that to maintain the quality. The next longer-term solution should be to raise Non-Recourse Loan Rates for all commodities effected by the Trade War. This way the increase will raise market prices across the board for commodities and help put cash into farmers pockets which they desperately need. You can't throw money at the problem and make it go away.

Now you are going to hear lots of so-called ag spokespeople and economists say raising Loan Rates is a bad idea and a Farmer Owned Reserve will not work. Those are the folks that make money off low commodity prices and are bought and paid for by the processors and exporters of our crops. AAM was told back during the late 70's during the farm protests, 'Just wait, for those that survive times will be good'. The future is now for family farmers, it doesn't matter if times get good after you lose your farm, who will be left producing our food?

A couple of other items, this caught my eye last week where Secretary Perdue was at a G-20 meeting and he spoke about agriculture. In part of his speech, he said that the world needs to use technology to increase global agriculture production. What? We have a surplus across the board which is leading to low prices. That's just what we need is to have all our competitors increase production which would lead to even lower prices. The only folks that would help is agribusinesses that sell technology, seed, fertilizers and chemicals plus the buyers and sellers. Come on, get in the business of selling our production not carrying water for agribusiness.

Finally, I'm going to be attending an AAM meeting May 21<sup>st</sup> in Greenwood Florida at 6512 Blue Springs Rd, the Dellwood Baptist Church in the Fellowship Hall at 7 PM and food will be served. If you can make the meeting, I'd love to see you.

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