

AAM Senter On The Hill 8-13-18

Normally August is a slow time here in Washington, DC but it's a little different this year. While the House of Representatives is on a 5-week break, the Senate is in session. In a rare move, Majority Leader McConnell decided to keep the Senate in session to work on appropriations bills and other Senate business. One item on the Majority Leaders list is getting the Farm Bill to the finish line in September. There are many positive signs that the bill will be finished by the time the current bill expires. That said, most of the positive signs are coming from the Senate but what concerns me is the Speaker of the House is retiring and the Freedom Caucus has shown that they will vote against the Farm Bill based on other issues.

The House Farm Bill is very partisan and received no Democratic votes in either Committee or on the House Floor. There is a strong push from House Leadership to keep the welfare reforms contained in the Nutrition Title of the House Farm Bill. This means to reach a deal between the House and Senate will not be easy. As we have seen many times, Congressional gridlock has derailed negotiations and led to delays and sometimes failure. The key I think is the strong support from the agriculture community to get a Farm Bill done. In November there will be an election and my guess is that many Members of Congress will not want to go home to face the voters if they do not have a new Farm Bill in place. Producers need certainty as they deal with low prices and an expanding Trade War as they harvest the 2018 crop and must work out financing for 2019. Pressure is building as more and more farmers are pushed into bankruptcy and out of farming.

The political pressure is evident by the recently announced \$12 Billion-dollar program to help producers impacted by the escalating Trade War Tariffs. The Market Facilitation Program which was announced by Secretary Perdue will provide a one-time payment to soybean, corn, wheat, cotton, dairy and hog producers. Then there will be a food purchase and distribution program to buy specialty crops as well as beef, pork and dairy to provide to food banks and other nutrition programs, and the last part will step up efforts on trade promotion programs.

AAM's concern is many in government are looking at this help as a one-time program when no one knows when a trade deal is going to be made. AAM urged that USDA consider raising Loan Rates so producers would be protected and could store their crops while disruptions in the marketplace are shorted out. Producers don't want a subsidy check they want a price from the marketplace. While AAM appreciates the program to help producers thru these difficult times, you can't always just throw money at a problem and make it go away. I have never in my 50 years working in agriculture, heard the word farmer said so many times by everyone from the President on down. I am glad every major newscast had farmer interviews every day for several days running about the drop in prices because of the tariffs. Problem is, prices have been below the cost of production long before the Trade War. Corn prices were in the \$3.00 range in the late 70's and 80's, now 40 years later, they are in the \$3.00 range again. Lip service is cheap, action is what producers need, we are already looking at a loss of 25% of the producers either denied financings or already out of farming during the last two years. That

figure could double if nothing changes in the next 2 years. AAM is going to keep on top of action on the New Farm Bill and keep you informed.

On a sad note, Helen Curl, wife of long time Illinois AAM President Tom Curl passed away in late July. Helen was the First Lady of Illinois AAM and a beautiful person and dear friend. Keep Tom and his family in your thoughts and prayers during this time.

David Senter AAM President

aamincpresident@gmail.com