

AAM Senter On The Hill 8-28-18

It's hard to believe that Labor Day is upon us and the final days of this Congress will soon end. There are still positive signs the new Farm Bill will get finished before the end of September when the current bill expires, but nothing is certain when it comes to Congress. The official Farm Bill Conference is set to begin September 5th with the first meetings of Members of both the House and Senate. I'm told that many of the Farm Bill Titles have been agreed to by staff but there remain several issues that will have to be decided by the Conference Committee Members. These include changes to the SNAP program, Conservation and funding issues. My guess is there's a 50-50 chance the bill will be finished by the end of September, but it's going to be a difficult Conference. I'm told that Ranking Member Peterson of the House Agriculture Committee met with Chairman Roberts and Ranking Member Stabenow and told them he would support them on the Senate Bill. That should help move the final version closer to the Senate language.

As the 2018 Farm Bill gets into the final stages, a quote from Harwood Schaffer and Dr. Daryll Ray come to mind. They head up the Agricultural Policy Analysis Center at the University of Tennessee recently said, "If well-designed, appropriate policies are in place, neither Congress nor the administration should ever have to implement emergency payments to crop farmers. The implementation of emergency payments is an admission that the existing set of commodity policies have failed to maintain a robust agriculture in the face of extended periods of low prices". They continued, "The resource that bankruptcies take out of production is farmers not land". They are right on target because that is what's happening now.

Details on the Market Facilitation Program have been released. Everyone will have to complete harvest and prove their total production for 2018. The first payment will then be made to producers based on 50% of production. The following is a list of payments

Cotton 6 cents per pound

Corn 1 cent per bushel

Milk 12 cents per hundred

Hogs \$8 per head (I wonder if Smithfield hogs owned by China will be paid \$8 per head)

Soybeans \$1.65 per bushel

Sorghum 86 cents per bushel

Wheat 14 cents per bushel

Later as determined by USDA will be the decision as to whether producers will receive the other 50% of the payment so basically producers will not be able to take that to the bank to help with cash flow. Secretary Perdue created a few waves recently when he said Tariffs are a little like weight loss, at first, it's a little painful but in the end, you are healthier. The problem is, what

about the farmers that lose their farms and homes, that's like the statement from the 1970's during the AAM farm protest, "for those that survive, times will be good".

AAM in the late 70's pushed for and got implemented changes to make sure food purchased for our school lunch programs were from US producers. That rule is still in place, but USDA does not enforce it. Some reports say up to 80% of the apple juice procured for schools is from China, over 60% of the fish is caught on Russian vessels and processed in China and much of the peaches that we find in schools are from China. My point is with USDA now set to begin to purchase all these as well as most other fruits, nuts and other specialty crops for nutrition programs, let's make sure our tax dollars aren't buying foreign commodities and are making sure grown and produced in the USA is on the agenda. This is an election year, maybe this is a good question to ask.

David Senter AAM President

aamincpresident@gmail.com