



July 31, 2018

The Honorable Mitch McConnell
Majority Leader
United States Senate
U.S. Capitol Building, Room: S-230
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Hart Senate Office Building, Room: 419
Washington, DC 20510

The Honorable Paul Ryan
Speaker
United States House of Representatives
U.S. Capitol Building, Room: H-232
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
U.S. Capitol Building, Room: H-204
Washington, DC 20515

Dear Speaker Ryan, Leader McConnell, Leader Schumer, and Leader Pelosi,

On behalf of roughly 200,000 family farmers, ranchers, and rural residents, I urge you to work with the administration to mitigate the harm of the significant and lasting market disruptions that are occurring as a result of our nation's current trade disputes. Farmers are already enduring serious economic hardship due to a sharp drop in farm prices over the past five years, and the damage being inflicted to export markets is depressing these low prices even further. While President Trump has proposed short-term aid, this proposal does not provide a long-term solution to the long-term consequences of this trade war.

Net farm income is less than half of what it was in 2014 when Congress passed the last farm bill. The equity built up from strong commodity prices in 2012-2014 has disappeared. Indicators of stress, including debt to asset ratios, net farm income, debt servicing capacity, and other factors, paint a grim picture of the financial health of farms nationwide. All these factors are significantly exacerbated by the escalating trade war.

In the last month, we have witnessed severe drops in prices paid to farmers of several commodities. Soybean, corn, and wheat farmers alone have lost \$13 billion in market value. Prices paid to dairy farmers are comparable to prices received in the 1980s, forcing an alarming number of dairy farms out of business. Beef, pork, and other livestock producers are incurring significant losses as farm prices plummet. In addition to price declines, producers are now coping with cost increases, especially on farm equipment and machinery, which often rely on steel and aluminum.

All the economic stress is having a negative ripple effect on rural economies as farmers struggle to cover their rising production costs. Farm prices are depressed and likely to remain so for the

long term due to the failure of existing farm program to provide an adequate price safety net and the turbulence and uncertainty in export markets.

To deal with these struggles, the U.S. Department of Agriculture announced up to \$12 billion in financial assistance through direct payments, buy-ups, and market development programs. While appreciated, such short-term assistance cannot provide the needed long-term relief. Paying farmers small, one-time, fixed payments is woefully inadequate to keep farmers in business. Farmers need a fair price from the market. The administration's actions will have long-term effects on our markets, necessitating a long-term safety net.

All of you have witnessed the harm that these recent tariffs have caused to our economy and recognize the harm will persist for several years. Meaningful and substantive negotiations with our trading partners should have been exhausted before firing off punitive and disorderly tariffs. But that did not happen. Now it is imperative that Congress provide substantive and long-term relief to farmers. The most straightforward relief is to provide the agriculture committees with substantially greater resources to be incorporated into the 2018 Farm Bill, including the ability to manage farm inventories to be more responsive to market conditions.

Congressional inaction will have very tangible and harmful impacts as farmers and ranchers get closer to fall harvest. We urge you to take strong action on behalf of American farmers and ranchers. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Johnson". The signature is fluid and cursive, with the first name "Roger" being more prominent than the last name "Johnson".

Roger Johnson
President