



FAMILY FARMING AND 2019: A MOST CHALLENGING YEAR 2020 SPECIAL ORDER OF BUSINESS

Family farmers and ranchers endured a historically challenging year in 2019 and will feel the impact for years to come. Extreme weather, trade conflicts, inadequate farm policy, and the declining agricultural economy have compounded and intensified the financial and emotional stress that our nation's family farmers and ranchers continue to face.

Flooding, excessive moisture, and unseasonably cool early season temperatures prevented farmers from planting a record 20 million acres of cropland in 2019. In addition, drought continued to impact other parts of the country. Late season rains and early snow presented harvest challenges that have not yet been resolved.

Economic indicators continue to trend downward as evidenced by the 24 percent increase in farm bankruptcies since 2018. Ongoing trade disputes also jeopardize previously stable export markets. Meanwhile, dairy farms continue to be particularly hard hit, with an estimated 10 percent of dairies going out of business in Wisconsin alone. Late season moisture issues caused dramatic crop quality losses, which have resulted in significant price discounts at the point of sale. Additionally, lack of enforcement of existing anti-trust laws and a lack of competition in the crop input and meat processing sectors has further reduced opportunities for farmers and ranchers to be profitable.

Ad hoc disaster programs (including WHIP+ and prevent plant top-up payments) and administrative actions—such as the Market Facilitation Program (MFP)—helped to ease the burden but are not a stable or reliable safety net for producers. While MFP has been helpful for many farmers, significant questions remain, including inequities between county payment rates and the development of the formula utilized by USDA to determine those rates.

While the 2018 Farm Bill made modest adjustments to Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC), these programs when combined with federal crop insurance are still unable to meet the needs of our nation's producers when they experience multiple disasters, as in 2019. In addition, improvements to dairy programs in the 2018 Farm Bill came too late to save many family dairy farms.

To address these issues, we call for reforms including:

- Adding quality adjustment factors as an option to crop insurance policies;
- Developing and adequately funding permanent disaster programs, rather than relying upon ad-hoc initiatives;
- Allowing lenders, including FSA, to be more flexible in addressing cash flow deficits for 2020 operating loan applications;
- Following a more transparent process for announcing and implementing one-time trade assistance and disaster programs;

- Developing a free, fair, and reliable trading system that allows access for U.S. agricultural goods and provides a fair and equitable marketplace for agricultural producers;
- Additional antitrust enforcement that addresses the consolidation in agriculture including, but not limited to, mandatory price reporting for livestock;
- Fully fund and staff all USDA agencies, service centers, and programs; and
- While farmers are eternal optimists, after consecutive down years, it is time we learn from past policy shortcomings. We call on Congress and the administration to address the needs of family farmers and ranchers across our county through long-term policy certainty. Farmers are optimistic, but hope is not enough.