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Talking points
U.S. Senate Agriculture Committee Field Hearing
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Good afternoon. It is certainly a privilege to be with you this afternoon.

Sen. Lincoln, thank you for scheduling this field hearing.

Appreciate the presence of several of your colleagues on the Senate Ag Committee and I welcome them to Arkansas.

Rural Arkansas depends on agriculture. Agriculture also depends on a stable rural Arkansas.

Arkansas Farm Bureau is a general farm organization, and we understand the impacts these weather-related disasters have had on all of agriculture.

Any disaster programs that are considered need to cover the full spectrum of agriculture, row crops to livestock, poultry growers to fruit and vegetable producers. There is not one area of agriculture that has been impacted more than another.

- Timber losses
- Poultry plant closings
- Impact of rain on row-crops

Our weather disasters started with ice storms at the beginning of the year, and have continued throughout the year.

The situation facing Arkansas farmers is challenging, to say the least.

The impact the weather has had on Arkansas farms and ranches is significant.

That impact, we believe, will be felt throughout the Arkansas economy.

Arkansas Farm Bureau has, in fact, projected the total economic loss in Arkansas could reach \$650 million.

In a state that serves as headquarters to Wal-Mart, the largest corporation in the world, agriculture remains the largest industry in Arkansas.

I believe that point is significant. Our state's economy is tied undeniably to agriculture. It is the foundation of our economy, and, Senator, as you know, the foundation of our country as well.

In Arkansas:

- Agriculture contributes more than 270,000 jobs;
- Workers received \$9.1 billion in wages and salaries last year;
- 16 percent of our state's total labor income is derived from agriculture;
- Agriculture contributes 18 percent to all value-added in Arkansas, \$15.9 billion
- Arkansas ranks No. 11 nationally in total farm receipts;
 - 46,500 farms and ranches in our state;
 - 14.3 million acres in production (including ranches);
- Arkansas is No. 4 in timber production;
 - 18 million acres;
- Our state ranks near the top producers in a number of crops;
 - No. 1 in rice;
 - No. 2 in cotton;
 - No 5 in grain sorghum;
 - No. 10 in soybeans;

Impact of weather on Arkansas agriculture, to date, as calculated by the University of Arkansas Division of Agriculture: \$471.2 million

\$309.4 million loss, through reduced gross receipts (row crops and hay)
Decreased yield, quality and additional field expenses

Cotton, soybeans and rice have seen biggest losses

- \$115 million in cotton
- \$127 million in soybeans
- \$50 million in rice

Additionally, the value-added loss totals almost \$162 million

- Lost almost 3,000 jobs due to weather;
- Lost wages totaling \$83 million;
- Loss of more than \$27 million in rice, corn and sorghum processing;
- Another \$8.3 million loss in cotton ginning;
- Reduced household spending of \$126 million as a result of value-added losses.

When you combine the \$309 million production loss with the \$162 million value-added loss, the UA projects a total impact, to date, of the adverse weather to be \$471.2 million.

We anticipate additional losses added to that total as more crops are abandoned, or harvested with reduced yields. Also, additional costs will be incurred in field preparation for next year's crop due to damages occurred as a result of the muddy harvest.

Another issue as a result of the wet year will be the reduced availability of quality seed for next year's plantings. That will also result in higher input costs for the farmer.

You can see the impact that the rains, at almost unprecedented levels, have had on Arkansas row-crop production.

SURE PROGRAM

- It is critical that the SURE regulations be released as soon as possible;
- We are at the end of harvest season and many farmers still do not know if the SURE program will provide necessary assistance;
- However, it is NOT likely that the formula for SURE will benefit southern agriculture;
- Most southern farmers have a diverse crop production that will prohibit them from reaching the 50 percent loss threshold;
- Also, few farmers in the south purchase crop insurance because of investments they have made in irrigation capacity, which mitigates the risk for drought loss, the most common disaster;
- This year's wide-spread flooding creates a unique situation that may demand additional disaster assistance.

Thank you for your time this afternoon.

Thank you for your commitment to American agriculture.

Thank you for your commitment to the men and women of agriculture.