



Statement of the American Farm Bureau Federation

To the Senate Committee on Agriculture, Nutrition, and Forestry

**“Perspectives from the Field: Farmer and Rancher Views on the Agricultural
Economy, Part I”**

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**Presented By:
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Chairman Boozman, Ranking Member Klobuchar, and other distinguished members of the committee, I want to begin my testimony by thanking you for what you do for America's farmers and ranchers.

Farm families across the country are grateful that you recognized the incredibly difficult agricultural economy by including much-needed economic assistance and emergency aid for communities devastated by natural disasters in December's Continuing Resolution (CR).

Keeping our farmers and ranchers in production is vital to our food security and our national security, as the members of this committee know, and this assistance was desperately needed.

As Farm Bureau looks at the opportunities and challenges facing American agriculture, there is no doubt that this committee will play a vital role in the successes or failures of farm families across the country.

My testimony today is not much different than it was two years ago when I was asked to testify in front of you. Despite the assistance in the CR, farmers still are looking to you all to pass a modernized, five-year farm bill as soon as possible. In addition to the farm bill concern of two years ago, farm families are now facing the prospects of the largest tax increase in U.S. history if Congress does not pass critical tax reform legislation this year. These are two of the many issues that I will cover in my testimony today. Farmers face several concerns related to their region, weather, trade barriers, and crop protection, all of which will be addressed in my written testimony.

FARM BILL

As Congress begins its work on the 2025 farm bill, Farm Bureau supports the following principles to guide the development of programs:

- Increase baseline funding commitments to farm programs;
- Maintain a unified farm bill that includes nutrition programs and farm programs together; and
- Prioritize funding for risk management tools, which include both federal crop insurance and commodity programs.

Farmers and ranchers have faced unprecedented volatility in recent years. From pandemic lockdowns and supply chain disruptions, to highly pathogenic avian influenza, and record-high input costs, farmers have dealt with a barrage of impacts to their farms outside of their control.

It has now been seven years since Congress has passed a farm bill. Farm Bureau is again asking Congress to roll up its sleeves and pass a modernized five-year bill early on in this Congress.

In 2025, farmers will plant one of the most expensive crops ever. Thanks to rising interest rates, higher energy prices, and input costs that have gone unchecked, choosing whether to plant or not is one a decision that many farmers face. It is in this context that we are asking for an increase to the farm bill's Title I safety net.

USDA's most recent Farm Sector Income Forecast has shown a \$41-billion decrease in net farm income, down nearly 25% from 2022.

Since crop prices peaked in 2022, they have taken a nosedive. Corn and wheat are down 37%, soybeans down 28% and cotton down 22%.

At the same time, input prices have remained high. As compared to 2020, the cost to produce an acre of corn has grown by nearly 30% nationally. The combination of low crop prices and high input costs has many farmers facing losses on every acre they plant.

Despite these increased costs, 2024 payments to farmers are projected to be the lowest since 1982 – over four decades ago. Again highlighting This reinforces the need for increased coverage in Title One.

2025 TAX BILL

We also can't ignore that at this time of great economic uncertainty, farmers, ranchers and many other small businesses are staring down what may be the largest tax increase in American history.

Failing to extend the expiring provisions of the Tax Cuts and Jobs Act would take billions of dollars out of farmers' pockets when they have no dollars to spare. Congress must find a way to create a stable business environment by making permanent the expiring TCJA provisions and ensure America's farms and ranches can continue to provide the food, renewable fuel and fiber this country needs.

AG WORKFORCE:

Without diminishing the previous two issues, the greatest domestic policy threat to American agriculture is the persistent inaction to find a solution to our workforce needs.

In short, the costs are too high, the domestic willingness to work is too low, and family farms are closing down. This is heartbreaking and has direct and tangible impacts to our rural communities.

While not under this committee's jurisdiction, labor is by far the leading issue I hear about when I visit with my members.

I implore the members of this committee and this body to meet us at the table to get this done – to do right by our farmers and their employees who labor in the fields so you and I don't have to.

CROP PROTECTION PRODUCTS:

Costs and access are concerns surrounding crop protection tools as well. This includes the fertilizer, fuel, and pesticides that must be safely used and available to farm families.

Ongoing inflation, supply chain disruptions, and diverging approaches to regulations all threaten a perfect storm for farmers and ranchers.

Sound, risk-based science has always guided our approach, and we should not stray from that.

Farm Bureau has always stood on the side of science-based decision making and we will continue to do so, but

we need your help to ensure that regulators are performing their roles appropriately and efficiently in accordance with those principles of sound science.

Farmers seek to live healthily, just like every other American. That pursuit of a healthy lifestyle must include a domestically produced food supply that is resilient, safe, and meets needs.

FREE AND FAIR TRADE:

U.S. agriculture is foundational to the American economy – reaching beyond farms and rural communities to support millions of jobs across the country.

Key to its economic contributions and its sustainability, the food and agriculture sector exports about 20 percent of production. In 2024, American food and agriculture exports totaled over \$170 billion, providing jobs and economic opportunity throughout the supply chain in every corner and coast of the country.

The 2024 marketing year showed a food and agriculture trade deficit of \$32 billion, a stark contrast to the United States' historical trade surplus in agricultural exports, averaging \$12.5 billion over the past ten years.

While our two million U.S. farms and ranches are the backbone of America's food and agricultural sector, the impact of decreased exports and resulting economic fallout reverberates throughout the economy.

We believe an agricultural trade agenda must focus on maintaining existing markets and completing trade agreements that expand market access for U.S. agricultural

products. By eliminating and reducing foreign tariff and nontariff trade barriers, American producers will gain export market opportunities.

Congress must protect American agriculture and modern production practices from undue burden, and respect farmers' and ranchers' ability to innovate and solve problems.

Thank you, Mr. Chairman, for holding today's hearing. I would be pleased to answer any questions the committee might have.

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