

# PERSPECTIVES FROM THE FIELD: FARMER AND RANCHER VIEWS ON THE AGRICULTURAL ECONOMY, PART 1

# **TESTIMONY**

Presented to:

Senate Committee on Agriculture, Nutrition, and Forestry

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Presented by:

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#### Introduction

Thank you, Chairman Boozman and Ranking Member Klobuchar, for the opportunity to testify today before the Committee on Agriculture, Nutrition, and Forestry. My name is Amy France, and I own and operate France Family Farms in Scott City, Kansas, alongside my husband and our oldest son. We raise grain sorghum, corn, and wheat, as well as Angus cattle on our 6,000-acre operation. Prior to farming full-time, I spent 12 years in the rural banking industry, which allowed me to develop an understanding of the importance of economic stability for farmers. Now, in managing a third-generation farm in Western Kansas, my family and I have first-hand experience with the very real financial challenges of making it work in the current environment. We are facing weaker prices for our crops, high and sticky costs of production, and a stubborn weather pattern that has brought immense new challenges each of the last few years. This has made me very sensitive to and appreciative of the farm policies you so carefully steward in this Committee. It has been critical to my farm's survival. The work you do is so important.

I serve as the Chair of National Sorghum Producers. I am very honored to represent many farm families in this capacity, and, for the reasons stated above, I am honored to be here today. I hope my testimony, both as a family farmer and on behalf of NSP, will be helpful as you continue the work to craft a much needed farm bill that is meaningful to producers.

## State of the Sorghum Industry and our Economy

As I've noted, farmers are facing a variety of challenges which threaten our financial viability. Increased production and input costs, extreme weather events, and decreased commodity prices create significant uncertainty. Many producers, similar to myself, have been operating under a bleak economic landscape for the past few years, and projections for the coming years have not improved. As farmers, we actively seek ways to invest in practices that benefit our soils and capacity for future production, while also boosting our bottom-lines to cover the current financial margins. It is a high-stakes and thin margin model in the normal years. Right now, we are bleeding resources and capital and we simply could not survive without assistance from Congress and from USDA.

Throughout our semi-arid region, sorghum is an excellent fit for the productivity of our operations. Unfortunately, according to the USDA National Drought Mitigation Center, an average of at least 71% of sorghum acreage across the United States has consistently been in drought as classified by the U.S. Drought Monitor in 2023 and 2024. These years were also described by the National Agricultural Statistics Service as having "above normal temperatures," and the 2024 Crop Production Summary report highlighted that it was the 6th warmest spring and the 4th warmest summer in our nation's history, months that are critical for crop production.<sup>2</sup>

Since sorghum is a drought-tolerant, non-fragile, high-residue crop that conserves soil moisture and reduces soil erosion, it is a key tool for enhancing the overall sustainability and profitability of my family farm. Adding sorghum, the Resource Conversing Crop®, to a typical high input crop rotation allows the entire rotation system to become resource conserving, according to the USDA, and aids in reducing input costs.<sup>3</sup> However, while sorghum is resilient, it is not weather immune. Harsh climatic conditions coupled with increased cost of production and decreased commodity prices have resulted in significant financial losses across the Sorghum Belt.

In 2024, sorghum cash receipts were forecast by USDA Economic Research Service (ERS) to decline by \$56.8 million, and by the end of the year, sorghum farmers lost roughly \$178.74 per acre resulting in a loss of \$1.5 billion in net income.<sup>4</sup> From a farmer's perspective, 2025 appears to be just as grim, if not moreso, for our growers. Since 2019, cost of production for sorghum has increased by an average of 8% year-over-year. The forecast cost for 2025 reflects a 12% increase compared to the five-year average. Increased costs are further exacerbated by decreasing commodity prices, creating a financial situation that cannot be buffered by yield alone.

#### **Efficacy of the Farm Safety Net**

We are fortunate and grateful to have received the much-needed disaster and economic assistance that was included in the American Relief Act. The dollars provide meaningful short-term aid, which bridges a gap, allowing many who would not otherwise have been able to continue

<sup>&</sup>lt;sup>1</sup> https://www.agindrought.unl.edu/RowCrops.aspx

<sup>&</sup>lt;sup>2</sup> https://usda.library.cornell.edu/concern/publications/k3569432s?locale=en

<sup>&</sup>lt;sup>3</sup> https://www.regulations.gov/document/CCC FRDOC 0001-0413

<sup>&</sup>lt;sup>4</sup> U.S. Department of Agriculture, Economic Research Service. (2024, December 3). Farm sector income & finances: Farm sector income forecast.

farming this year. However, the benefit provided is just that - short-term - and farmers still desperately require long-term stability through an enhanced safety net that provides predictability and certainty for producers and lenders alike.

Unfortunately, the current farm safety net is simply not adequate. While the changes in the 2018 Farm Bill have been helpful, given the level and speed at which costs have increased, statutory Price Loss Coverage (PLC) reference prices are now far too low to provide effective support in light of the many risks facing farmers in 2025. The same situation is true of marketing loans, which remain an important cash flow tool for farmers but are now much too low relative to current risk. The reference price for sorghum and marketing loan rates must be adjusted upward to be relevant for U.S. sorghum farmers as we work to maintain productivity through extremely turbulent times. Sorghum constantly competes for acreage to meet the demands of our growing markets in fuel, food, and feed, and our growers need greater stability in reference prices.

Additionally, we recognize the critical role that the Agricultural Risk Coverage (ARC) program plays in providing a safety net for farmers, particularly during periods of revenue volatility. The proposed improvements to the program introduced in the bi-partisan Farm, Food, and National Security Act of 2024, which successfully passed through the House Agriculture Committee last year, provided meaningful support by improving the base reference price and band of coverage. Ensuring that both ARC and PLC remain effective tools in addressing the financial risks faced by farmers is essential and we encourage continued efforts to strengthen the program to better serve U.S. farmers in the years ahead.

### **Crop Insurance**

While an improved Title I would provide welcomed assistance for producers, crop insurance acts as the stable cornerstone of the farm safety net. Sorghum producers have purchased crop insurance on 77% of acres over the last five years, and the tool has been absolutely critical in helping manage the persistent harsh weather conditions decimating the Sorghum Belt. Crop insurance is based on premium cost share, so farmers have serious skin in the game. While the program is based on market prices, and therefore has no distorting effect on a large scale, it can have a very real local impact on plantings through availability of products and rating. For

example, due to sorghum's ability to withstand short periods of drought and heat better than most other crops, farmers tend to deploy sorghum more aggressively when the production outlook is bleak. This exposes the crop to extra environmental stress. In effect, sorghum transitional yields, which are proxy yields for a farmer's individual yield history when transitioning to a crop he or she has never grown before, ultimately suffer and become an obstacle for sorghum production as well as for groundwater resource management. Fortunately, in November 2022, the Risk Management Agency (RMA) announced a new crop insurance option for irrigated sorghum farmers which became available in the 2023 growing season to farmers in select counties in Kansas, Oklahoma, and Texas over the Ogallala Aquifer. We continue to work closely with RMA and look forward to working with this Committee to build upon these recent efforts that provide meaningful solutions for sorghum farmers.

To further support the success of these initiatives, it's crucial to address the broader economic factors that influence farmers' decision-making in the region. Grain sorghum pricing methodology and commodity price elections influence planting decisions in the water-stressed sorghum belt, where sorghum competes primarily with corn and soybeans. To benefit not only sorghum growers but all farmers through improved resource allocation across all crops, NSP recommends establishing a floor for sorghum equal to the price election for corn with the ability to increase if market prices continue to justify a positive differential.

#### **Conclusion**

As a farmer on the High Plains, my vision is to make agriculture more viable so that future generations can have the same opportunities we have today, however, that will not be a reality under current economic conditions without passage of a strong, new farm bill with a meaningful farm safety net. Farmers are tasked with the difficult challenge of feeding, fueling, and clothing the world. Our livelihood, as well as the generations that will follow us, are absolutely dependent on financial stability.

Mr. Chairman, in closing, I want to thank you again for the opportunity to testify and to let you know that our farmer members of the National Sorghum Producers appreciate the task you have before you. While we have focused on Title I and Title XI, all are important pieces to a larger

puzzle that underscore the value of a strong farm safety net and its central necessity toward ensuring farmers like me and my family are able to continue to farm from one season and one generation to the next.

Thank you again for the opportunity today. We look forward to working with the Senate Agriculture, Nutrition, and Forestry Committee and our fellow commodity organizations to make meaningful improvements to the Farm Bill.