

Testimony of

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**Perspectives from the Field: Farmer and Rancher Views
on the Agricultural Economy, Part 1**

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Good morning, Chairman Boozman, Ranking Member Klobuchar, and Members of the Committee. Thank you for the opportunity to testify before you today.

Congratulations, Mr. Chairman, on your ascension to the Chairmanship of this important Committee and, Senator Klobuchar, to you as you take on the post of Ranking Member. Congratulations as well to new and returning Members of this Committee.

So much good work has been done through the years for U.S. farm and ranch families, rural America, and all whose lives are touched by the work you do on this Committee. I am very pleased that this Committee's legacy and the future it will forge is in your capable hands.

My name is Jennifer James, and I am a fourth-generation rice farmer from Newport, Arkansas, which is about an hour and a half northwest of Memphis, so it is right in the Delta.

While I consider myself a rice farmer first, our family farm is very diversified. I farm with my father and husband, and recently our son has returned to the farm. Words cannot express the absolute joy of having your child share your desire and passion for an occupation such as farming and his dream of continuing our family farming legacy into the 5th generation. We primarily grow rice, soybeans, and corn. Our rice fields not only fuel our regional and national economy, but they also make excellent over-winter habitat for migrating waterfowl every year. Some of you may have been to my part of the country and enjoyed watching the ducks, geese, bald and golden eagles, swans, deer and a variety of wildlife that thrive on our farms.

I am proud to serve as a member of the USA Rice Federation Board of Directors and USA Rice Farmers Board of Directors, among other roles.

I'm proud to be the first woman ever elected to serve on the Board of Directors of Riceland Foods, Inc. – a farmer-owned cooperative and the largest miller and marketer of rice in the United States. I'm also active on the state level and serve as vice chair of the Arkansas Rice Farmers Board of Directors, the Merchants & Planters Bank Board of Directors in Newport, the Jackson County Farm Bureau Board of Directors, and the St. Louis Federal Reserve Bank Agribusiness Industry Council.

I'm grateful for having the opportunity to grow up and help lead our family farm and to help guide the U.S. rice industry such that farm families like ours can continue doing what we love to do — feed the country and so much of the world — while also excelling at being excellent stewards of the land and natural resources.

Rice farmers in the United States harvest roughly 20 billion pounds of rice grown on 3 million acres of sustainably managed farmland. About half of the rice we grow is consumed in the United States while the other half is exported to more than 120 countries around the globe.

Family farmers, primarily in six major rice producing states, including Arkansas, California, Louisiana, Mississippi, Missouri, and Texas, produce about 75 percent of all the rice consumed domestically. We also have rice production in Florida, Illinois, Kentucky, South Carolina, and Tennessee.

In addition to putting rice on grocery shelves, in restaurants, and ultimately on the dinner table and in creating more than 125,000 jobs and over \$34 billion in economic activity, U.S. rice farmers have also long been committed to environmental stewardship, a tradition that dates back many generations, long before “sustainability” became a buzzword.

Our conservation goals have long been and continue to be to produce more rice to meet the needs of a hungry world while using less water, energy, and inputs, improving water quality, air quality, and soil conservation, while enhancing wildlife habitat and supporting biodiversity.

In addition to sustaining \$3.5 billion in migratory waterfowl habitat, rice fields in the U.S. also support crawfish and yellow rails along the gulf coast and even salmon nurseries in California.

Within the last four decades, rice producers have answered the call to help reduce greenhouse gas emissions, with rice farmers cutting these emissions by 41 percent, water usage by 52 percent, and energy usage by 34 percent. During this same period, rice farmers have increased land use efficiency by 39 percent, all while reducing soil loss by 28 percent.

Although U.S. agriculture contributes less than 10 percent to U.S. greenhouse gas emissions and, on a net basis, actually eliminates more greenhouse gasses than it produces, with farmers, ranchers, and foresters removing some 72 million metric tons of CO2 equivalent in 2017 alone, we have partnered with the Department of Agriculture to do even more.

One critical point to stress in this regard is that farm families must be profitable if we are to continue to contribute toward these important conservation objectives.

And, it goes without saying that this Committee — on a bipartisan basis — has a long history of recognizing this fact and working alongside farm families like mine to promote their profitability and capacity to protect and improve land and natural resources.

On this note, today’s hearing on the current farm economy is extremely important for rice farmers.

As you know, rice farmers have been facing a prolonged and perfect economic storm.

Rice farmers did not enjoy the run up in prices experienced by many other crops in 2020 and 2021, but we shared fully in the enormous increases in costs of production – a 30 percent increase according to the U.S. Department of Agriculture – which has economically whipsawed our rice farms.

Unfortunately, because the Price Loss Coverage (PLC) program – the chief safety net for rice farmers – under the 2018 Farm Bill is based on 2012 cost of production data, and so much has changed over 13 years, PLC has largely been rendered irrelevant as a safety net for our producers.

According to the Agricultural and Food Policy Center at Texas A&M University, these conditions resulted in an \$880,000 loss in net cash farm income per rice farm from 2021 to 2022 alone, with two-thirds of rice farms predicted to have a negative net cash farm income for 2022.

These alarming conditions prompted Congress to include vital relief for rice farm families for the 2022 crop year.

And because these conditions continue to grip our nation's rice farm families and have spread to producers of nearly all crops, Congress again acted late last year to provide much needed relief, not just to rice farmers but to all farm families who are reeling due to high production costs, depressed prices, and natural disasters.

So, it is with sincere, heartfelt gratitude that I thank you, Chairman Boozman, this Committee, and the Agriculture Appropriations Subcommittee for delaying what I believe would have otherwise been a full-fledged farm financial crisis for many without your action. Many of America's farm families simply could not demonstrate to their lenders that they could cash flow and ultimately repay their loans, and this assistance will help.

I know that Members of this Committee appreciate that there are still farmers out there who, even with this relief, will not be farming this year because conditions are just that bad. There are many other family operations that will simply be bridged into the next crop with the hope that the economics will change and help to improve the financial outcome of the 2025 crop. I know that is why this Committee is working so hard to pass a new, stronger Farm Bill this year, and I would encourage you to ensure that the improved farm safety net programs we rely on are effective beginning with the 2025 crop year. Congress must act to stabilize this fragile situation for the agriculture industry to protect our food supply, shore up domestic production, and ultimately secure our national security through food security.

This year will mark the fourth straight year of negative margins in rice with a projected loss of \$345 per acre in my area. Other crop projections for this year are grim as well. Soybeans are projected to lose over \$250 per acre and corn at \$280 per acre. Nothing in my area will pencil out this year. This is not economically sustainable.

In fact, the Agricultural and Food Policy Center at Texas A&M University outlook for its rice representative farms in 2025 is grim. Of those 15 farms, 14 are projected to be in the red financially and 12 are expected to see real net worth declines over the next five years.

Last year, I completed my 30th full-time crop. I can say without a doubt that it was the most difficult year financially that we have endured so far. This year, I'm even more worried about what is to come. Just last week, my husband, dad, son, and I sat down to have one of the hardest business conversations we've ever had to have – is this worth it? What scares me is I know we're one farm family of thousands having these same conversations.

And what comes next? How long can we hold on if we're not turning a profit? Can the younger generation of farmers like my son endure the stress, burdens, and economic hardship we're experiencing now?

My prayer is that this situation turns around for the positive, and that if it doesn't, Congress steps in to shore it up. I have not experienced the overall pessimism and dark outlook across all crops and all areas of the country that I am witnessing now. We need assurance for not only the current generation of farmers, but the next. My son gave up baseball in the 9th grade because he didn't want to miss planting season each Spring. Farming is all he's ever wanted to do, and I want to see to it that he's able to follow his dream.

This serious situation which rice farmers – and farmers of most all crops today – find themselves in right now is the reason there is such an urgency for passage of a new Farm Bill that provides a meaningful safety net for producers going forward. Farm families across the country need the certainty and stability provided by an effective Farm Bill. Our lenders not only need it; they require it.

Unless things change drastically, without passage of a new Farm Bill with a relevant safety net, farm families will have no choice but to return to Congress to petition for another ad hoc package similar to what was passed in December. It's either that or the auction block. And in farming, that means more than just switching jobs. It means telling employees that have worked with you for decades that you let them down and you put them and their families at risk. It means the bank or the dealership in town lost part of their revenue channels, and a whole series of downstream impacts bigger than just me and my family.

Farm families cannot continue heading into the field to plant to what we know will be hundreds of dollars per acre in losses.

From both a producer standpoint and a taxpayer standpoint, a strong new Farm Bill makes a lot more sense than more ad hoc spending.

For many farm families, a strong new Farm Bill can work to address production losses and price volatility within a given crop year through improvements to crop insurance.

But, as important as crop insurance is for many farm families, insurance is not designed to address every peril, nor can it be. It is also not designed to be “full coverage” but a tool to bridge the gap.

The global agricultural market is one of the most distorted, if not the most distorted, in the world, awash with foreign subsidies, tariff and non-tariff trade barriers, and other predatory trading practices which mean that America's farm families must compete not so much with other farmers around the world – but their huge government treasuries.

As one example, not long ago, China was found to have over-subsidized just three crops, including rice, by \$100 billion in just a single year! That's the sort of thing America's farmers contend with every day.

As a second example, India subsidizes its rice producers by upwards of 90 percent, allowing India to dump rice onto the world market at artificially low prices, depressing global rice prices

and suppressing U.S. rice exports. This predatory trade practice has allowed India to elbow its way into becoming the world's largest rice exporter, controlling 40 percent of the world market.

The Farm Bill's commodity title is designed to at least mitigate perils like this, providing producers with the tools needed to compete on a more level playing field despite predatory trade practices, depressed prices, and high costs of production spanning multiple years as we've been experiencing.

Growing rice is a very capital-intensive endeavor, especially with interest rates where they are right now, so when we say that producers borrow more money in a single year to produce a crop than most Americans will borrow in a lifetime, it is especially true right now. And, frankly, it's scary when all you see ahead is red ink.

These conditions threaten not just farm families like mine but communities across the country, millions of off-farm jobs that agriculture supports, all of the infrastructure that is built up to support agriculture, and the assurance that more of the world's rice is produced right here in the United States, sustainably and under some of the highest environmental and labor standards anywhere on the globe.

All of this is very much on the line right now.

To the more than 96 percent of farms in this country that are entirely family owned and operated and to most of the balance of our nation's farms that are operated by extended families, neighbors, and friends who have decided they can cut costs if they team up to share equipment and divide up responsibilities on the farm, a meaningfully strengthened safety net under the Farm Bill is absolutely imperative.

For rice farmers, this means we must have an adequate PLC reference price, one that reflects the realities of the financial pressures we face. You've heard today many times that current reference prices are based on costs of production from 2012; however, it's important to note that those costs of production were calculated in 2012 using even older data, so they're actually even further out of date. This is a problem.

For all of these farm families, the strengthening of the Commodity Title is vital and will help Congress avoid costly and unbudgeted ad hoc relief down the road. In fact, when crop insurance was strengthened in 2000 and the Farm Bill was improved in 2002, it was not until 2017 when the first major ad hoc assistance program became necessary. We can do this again if we update the tools farm families have at their disposal to the new economic realities of farming.

Maintaining a strong conservation title, focused on working lands programs, is also important so we can continue to do the work of caring for the land, promoting cleaner air and water, supporting wildlife and wildlife habitat, and reducing greenhouse gas emissions. These programs must remain voluntary, incentive-based, and locally led.

Bolstering the trade title is also extremely important to farm and ranch families. As you know, we have a record agricultural trade deficit right now even though U.S. agriculture in the past

consistently had a trade surplus. We must turn this situation around. America's farm and ranch families need global markets to survive.

I am very grateful that Chairman Boozman and former Chairwoman Stabenow successfully persuaded the last Administration to implement the Regional Agricultural Promotion Program to help break into new markets and increase market share in growth markets. This effort, expanding the Foreign Market Development Program and the Market Access Program, and negotiating for greater market access around the world are crucial to all of America's farm and ranch families. I understand the headwinds that bilateral and multilateral trade agreements face but we cannot continue to allow China, India, and other major competitors to cut trade agreements that freeze out American agricultural goods.

America simply must open up new markets if we are to survive. And our survival is absolutely necessary. According to the Department of Agriculture, we will have nearly 10 billion people on this planet by year 2050 and to feed us all we will need to plow under a mass of currently unfarmed land the size of India – or continue to farm better, smarter.

It is also critical that we maintain our international food aid programs, and that these programs emphasize the use of U.S.-grown commodities rather than cash or vouchers, which largely support the purchase of our competitors' products.

All of these policies are important to the American farmer, but at the top of the list is passing a Farm Bill with an adequate and meaningful farm safety net. Long-term certainty is not only necessary for farmers and their lenders, but businesses that service agriculture. Local folks that provide crop services, mechanics, equipment dealers, local hardware and parts stores, and the list goes on and on. These businesses rely on a healthy agriculture economy in rural areas to keep their businesses healthy, too.

Not only are businesses at risk, but our entire communities are as well. If these rural towns see population decreasing, then our schools and hospitals may not have enough people to sustain them. Many folks think of "ghost towns" in a Western sense, a bygone era lost to history. Unfortunately, there are many modern ghost towns throughout rural America due to industries like agriculture dying out and the people leaving for other areas where they may find hope they wouldn't otherwise have if they stayed. We don't need more ghost towns, but we're not far from it.

We have all heard the saying, "hope is not a strategy". Today, I urge you to deliver a new Farm Bill sooner rather than later so we no longer have to hope but rather know if we can keep doing what we love and enjoy – farming, providing food for our fellow man.

Mr. Chairman, Ranking Member Klobuchar, and Members of this Committee, farming has been an honor of a lifetime for me, and it means a lot that you would place such a value on the work that my family and I love so much.

Again, thank you for the opportunity to visit with you about these issues of such incredible importance to farm families like mine all across the country.