



March 28, 2017

The Honorable Thad Cochran
Chairman
Senate Committee on Appropriations
S-128, The Capitol
Washington, DC 20510

The Honorable Patrick Leahy
Ranking Member
Senate Committee on Appropriations
S-128, The Capitol
Washington, DC 20510

The Honorable John Hoeven
Chairman
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration and Related Agencies
S-128, The Capitol
Washington, DC 20510

The Honorable Jeff Merkley
Ranking Member
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration and Related Agencies
S-128, The Capitol
Washington, DC 20510

Dear Chairman Cochran, Chairman Hoeven, Ranking Member Leahy and Ranking Member Merkley,

I write today on behalf of National Farmers Union's (NFU) roughly 200,000 members who are engaged in all forms of agriculture and the rural economy. As you are well aware, the rural economy, and in particular the agricultural economy, is under a tremendous amount of stress. As you advance appropriations legislation, NFU's members urge you to provide funding that assist rural and agricultural communities from further decline.

2017 is expected to be another year of declining farm incomes and worsening economic conditions. The U.S. Department of Agriculture (USDA) has projected net farm income to decline by 8.7 percent this year, marking a 50 percent decline from 2013. Additional indicators point to ongoing stress within our rural communities. These include: declining farm asset values, an increase in overall farm debt, and an erosion of farm sector equity. Lending from financial institutions to producers has declined 40 percent and the debt-to-asset measure is now above the ten year average.

As debt increases and working capital declines, it's especially important that producers have access to services that help them cope with such stress. This issue is so important that delegates to our recent national convention adopted a special order of business dealing specifically with the need for funding these services. The Certified Agricultural Mediation Program (CAMP) assists agricultural producers, their creditors, and other persons to resolve disputes thereby reducing cost associated with administrative appeals, litigation, and bankruptcy. Federal program funding is matched by participating states. This modest program, previously included in the Senate Agriculture Appropriations bill at \$3.9 million (\$3.4 in the House), has been largely flat for years. A meaningful increase, while small in overall scope, would go a long way in assisting American farmers and ranchers.

We also urge you to fund the Farmer and Rancher Stress Assistance Network. This program, which has been unfunded for years, works to aid in the mental health of individuals coping with financial stress. This program supports cooperative agreements between state cooperative extension services and nonprofit organizations to provide stress assistance programs to farmers, ranchers, and other agriculture-related occupations. Farmer and rancher suicide rates greatly increase during times of stress. Such increases come on top of an occupation which the Centers for Disease Control (CDC) find has the highest suicide rate among 30 national Standard Occupational Classification groups.

During times of stress, access to capital becomes more difficult. Private lending sources increasingly require additional collateral to mitigate risk. Over the last two years, banking surveys have found that capital has become harder to obtain due to higher requirements. It is during these times that USDA Farm Service Agency's (FSA) Loan programs become ever more important. During the last fiscal year demand for these loans skyrocketed. In the guaranteed ownership portfolio alone, FSA witnessed an over \$500 million increase, which outstripped availability. This year's demand is on pace to at least match last year's demand. NFU urges the committee to include funding that will ensure producers, who qualify, have access to the credit they require to continue feeding and clothing our nation.

While the troubled state of the farm economy demands immediate attention, it is also important to ensure farm families can maintain a livelihood in the long term. Pursuant to this, we ask that this committee also maintain mandatory funding for the conservation and energy titles of the farm bill. The programs in these titles deploy practices and infrastructure investments that can help a farm's bottom line for decades.

Thank you for your attention in this matter. Please do not hesitate to contact my staff or myself should you have any additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Johnson". The signature is fluid and cursive, with the first name "Roger" and last name "Johnson" clearly distinguishable.

Roger Johnson
President, National Farmers Union