 WHY WE NEED A FARM BILL

Overview:
- The last farm bill was written under very different economic conditions than farmers are currently facing; they need a Farm Bill quickly to provide the certainty of an adequate safety net.
- Farmers aren’t competing on a level playing field, as other major wheat-producing countries like China are violating their WTO trade commitments in how they support their farmers and tariff-rate quotas (TRQ) administration, ultimately driving down world prices.
- Commodity prices have been low for several straight years with wheat prices significantly low triggering Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs) in some areas of the country.
- Low prices, extreme weather, and disease pressures are causing farmers to have a difficult time making ends meet. Farm Bill programs help them to survive and farm another year.

Wheat Prices:
Wheat prices dropped below loan rates for several months, triggering the availability of Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs). The fact that they were triggered at all is an indicator of the bad economic conditions in rural America. In fact, as of January 17th, 2017, LDPs for the 2016/2017 marketing year totaled over $114 million, indicating just how extensive the low prices have been. The drop in commodity prices has also been much faster than change in cost of production. Farmers are having a difficult time making ends meet, and many are seeking help through the Farm Service Agency’s (FSA) direct and guaranteed operating and ownership loan programs.

Farm Income:
Net cash farm income which is the cash available to draw down debt, pay taxes, cover family living expenses and to invest is down nearly 70 percent for wheat farms since 2013. With less cash to pay down debt, the USDA reported in February that over 16 percent of wheat farms are very highly leveraged and another 7 percent are highly leveraged.

Need for Farm Bill Now:
By many measures, the farm economy is struggling. Adding to farm economy stress is the uncertainty in the growth of our international markets and the uncertain outcome of current and pending trade negotiations which are lengthy processes. Wheat farmers need the security and certainty of programs in the Farm Bill to be able to farm another year.