



WASHINGTON

from National Farmers Union

Corner

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American family farmers and ranchers are experiencing the worst farm economy in more than a decade. As the trend is forecasted to continue for low commodity prices and high cost of production, NFU is calling on Congress for immediate action to ensure family producers can stay on the land and provide for the country. NFU is also ramping up efforts to provide dairy farmers with immediate assistance through the USDA, as well as convening emergency dairy committee meetings to address issues with the current dairy safety net. NFU and Food and Water Watch are calling on the U.S. committee reviewing the ChemChina acquisition of Syngenta to block the proposed merger.

FARMERS, RANCHERS NEED IMMEDIATE ASSISTANCE TO DEAL WITH ECONOMY WOES

The heartland is hurting! American farmers are the best in the world - but their livelihoods are at the mercy of market fluctuations and Mother Nature. As it stands now, the economic reality in rural America is a ticking time bomb. Congress cannot stand by and watch an entire generation of farmers be wiped out as a result of rock bottom commodity prices, rising inputs and an inability to access affordable credit.



Farmers across the country are faced with the third consecutive year of lower net farm income. Meanwhile, input costs remain high. No other sector of the American economy faces such continuous instability and farmers who grow the nation's food are at risk.



Net farm income for 2016 is forecast to be \$54.8 billion. That's more than 50% lower than 2013 and \$4.2 billion lower than it was in 1996!

Input costs remain high despite a drastic decline in commodity prices. In fact, total farm production expenditures were 4% higher last year than in 2011, 2012 and 2013, while many commodity prices have fallen 40% or more since that same time period.

The economic crisis has limited access to affordable credit to many producers across the country. USDA's farm loan program, commercial and community banks, and the Farm Credit System are all witnessing increased stress in their loan portfolios. Total farm debt at commercial banks has continued to rise, credit conditions have deteriorated as repayment rates declined, and delinquency rates have increased alongside reduced farm

income.

NFU is calling on Congress to:

- ~ Immediately begin working on the next farm bill to provide a stronger safety net to protect family farmers and ranchers from very low prices.
- ~ Provide emergency assistance to producers in need.
- ~ Provide USDA the necessary resources in order to get Title I payments to producers immediately instead of waiting until the end of the commodity marketing year.
- ~ Increase funding for FSA guaranteed and direct lending programs.

A strong and effective farm safety net is essential to the food security of our nation. Failing to act now is not an option for America's family farmers and ranchers.

SUPPORT FOR U.S. DAIRY FARMERS

NFU sent a letter to U.S. Department of Agriculture (USDA) Secretary Tom Vilsack in August, requesting much needed relief for U.S. dairy farmers. The letter suggests the USDA use existing authority to aid dairy farmers during the difficult economic downturn that is distressing the industry.



Last month, NFU established an emergency dairy planning committee to address shortcomings in the current federal dairy program and build support for a stronger safety net and emergency assistance for U.S. dairy producers.



Margin Protection Program for Dairy (MPP-Dairy), the federal dairy price program established in the 2014 Farm Bill, has provided very little benefit for dairy producers despite farmers heavily investing in the program. In 2015, U.S. dairy producers paid \$73 million into MPP-Dairy and only received \$700,000 back from the program.

Specifically, NFU is urging USDA to use its authority under the Commodity Credit Corporation Charter Act and Section 32 of the Agriculture Adjustment Act of 1935 to provide direct financial support that will protect all of our nation's dairy farmers from further crisis.

The U.S. has lost more than 18,000 dairy farms in the past decade, and the trend is continuing with the current milk price declines. The dairy industry has a great need for immediate action that offers market stabilization and support without further stimulating milk overproduction.

NFU will continue to work with the dairy industry, Congress and USDA to propose meaningful reforms that will support dairy farms, an important segment of our nation's economy.

NFU OPPOSING THE CHEMCHINA-SYNGENTA MERGER

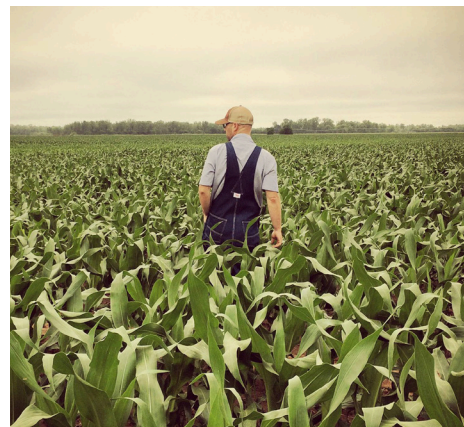
ChemChina, a Chinese government-owned chemical company, proposed to buy Swiss seed and pesticide maker Syngenta earlier this year, drawing scrutiny from NFU over national security and competition issues for American producers. This is just the latest effort in an alarming trend of Chinese government-owned entities acquiring other agriculture companies.

NFU and consumer group Food & Water Watch (FWW) are now urging the Committee on Foreign Investment in the United States (CFIUS) to block the proposed purchase of Syngenta AG by China National Chemical Corporation (ChemChina). In a letter sent to the committee, the two organizations emphasized the need to regard food security as a component of national security, highlighting the dangers of a Chinese state-owned enterprise acquiring one of the world's largest agrichemical and biotechnology seed manufacturers.



The proposed merger of ChemChina and Syngenta would also create a conflict in both approving and manufacturing seeds and agrichemicals, giving the post-merged ChemChina-Syngenta a significant commercial edge in accessing the Chinese market. In 2015, after Shuanghui International Holdings purchased Smithfield Foods, Smithfield controlled nearly all U.S. pork exports to China.

By law, CFIUS is required to review foreign investment transactions to determine if they could result in control of any critical infrastructure that could impair U.S. national security. The U.S. is fortunate in its ability to feed consumers domestically and overseas, but global food insecurity could impact U.S. national security. The proposed ChemChina-Syngenta merger strengthens China's control of the global food supply and food manufacturing, as well as its capacity to curtail global access to seeds and crop protection technologies. This could potentially disrupt the food security of other countries, including the U.S., the groups explain.



The letter identifies several national security concerns, including the proximity of Syngenta facilities to military installations, concerns about potential safety security risks at Syngenta's chemical plants and the transfer of critical research and technologies — partially financed by U.S. taxpayers — to a firm owned by the Chinese government. The organizations requested that CFIUS recognize the unacceptable national security and food security risks, trade implications and competition loss that could result from this cross-border acquisition and reject the proposed ChemChina purchase of Syngenta.

The Washington Corner can also be found at www.nfu.org/corner.