



National Farmers Union Board of Directors Resolution on the Farm Safety Net

Family farmers and ranchers provide an essential service in growing high quality food, fiber, feed, and fuel for the country. As a result of their efforts, U.S. consumers spend less than ten percent of disposable income on food. The productivity of America's family farmers and ranchers provides our country with national security, renewable wealth, and vibrant rural communities. The farm bill is to provide the nation with a safe, affordable food system for its citizens. We should increase the dollars in the agricultural budget to make effective farm legislation.

As Congress prepares for consideration of the 2018 Farm Bill, dialogue has once again shifted to budget savings. Agriculture has already contributed \$130 billion to budget savings through the 2014 Farm Bill. The circumstances in farm country threaten the next generation of agriculture. Young and beginning farmers who have lower levels of equity are quickly faltering under these economic conditions.

Unfortunately, American family farmers and ranchers are in the midst of a farm crisis and there is no end in sight. These are the very circumstances that farm programs were created to address. The farm safety net is failing to address these very dire farm economics.

Several indicators of rural economic health demonstrate the need for urgent action. USDA projects median net farm income is forecast to decline for the fourth consecutive year and expected to be negative, representing a 50 percent decline in four years.¹ Grain commodity prices have dropped by half and are below the cost of production. The 2017 debt-to-asset ratio is the worst the agriculture industry has seen in three decades.² Farm lending has dropped by 40 percent from a year ago.³

For example, dairy farmers are suffering.

- Between 2002 and 2016, the number of dairy farms declined by 44 percent.⁴
- Milk prices dropped by 33 percent from 2014 to 2016, staying significantly below the cost of production.⁵
- Cash receipts have dropped 31 percent.⁶

¹ [USDA Economic Research Service](#)

² [USDA ERS](#)

³ [Kansas City Federal Reserve](#)

⁴ [Progressive Dairywomen](#)

⁵ [USDA ERS](#)

⁶ [University of Missouri](#)

- Last year, farmers dumped 43 million gallons of milk.⁷

Reform efforts are underway; however, enactment of a meaningful dairy safety net must include farmer-led supply management to balance production with consumer demand.

National Farmers Union urges Congress to act quickly to allocate additional resources to the safety net for all of America's family farms and ranches.

⁷ [Wall Street Journal](#)