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August 19, 2024

Dear Members of the Arkansas Congressional Delegation,

Re: Farm Economy in Arkansas

On behalf of members of the Agricultural Council of Arkansas, an organization representing farmers, landowners, and agriculture related businesses involved in row-crop production in Arkansas, we want to request your immediate assistance in working to enact legislation improving the long-term safety net for farmers and providing a near-term safety net to help farmers and the agriculture industry for the dire economic situation we face right now.

On August 15, our board of directors held a meeting that focused largely on the unique and challenging economy facing farmers. Farmers, like me, are feeling tremendous pressures under high input costs, elevated interest costs, and deeply depressed commodity futures markets and poor local cash markets. As we begin harvest, we are staring at an economy where it's virtually impossible to net anything but a significant loss regardless of crop, yield, or safety net coverage.

The information presented at our meeting by agricultural economists with the University of Arkansas System's Division of Agriculture confirmed what we all know to be true. The agricultural economy of Arkansas is in dire straits, and if nothing changes, we are in for a true economic disaster that will be felt well beyond the farm. To avoid such a calamity, we urge you to act upon your return to Washington.

We specifically ask for two things. First, we need a new farm bill that includes important updates to better fit the longer-term needs of the farm economy for the 2025 crop year and beyond. We believe the House Agriculture Committee passed bill largely meets this request. Second, we ask for a more immediate solution that meets the urgent challenges we face today because of the 2023 and 2024 crop years. We view these actions to be of critical importance to the economy of Arkansas so we can avoid the real potential of a great depression within our state's largest economic sector.

As was noted during a House Agriculture Committee hearing on July 23rd, titled, "Financial Conditions in Farm Country," the farm economy is not doing well, and all segments of the industry from the farm to input providers to the banks are very alarmed by the state of the agriculture economy. Since that hearing the economic conditions have only worsened, and there is no sign of relief ahead. The outcome of this scenario could be devastating to many farms, businesses, and communities in Arkansas.

Along with this letter, we are including the information presented by the University of Arkansas during our meeting last week. We hope this will help you make the case for constructing and passing emergency aid for farmers this year and quick action on enacting a new farm bill that will better serve farmers in the years to come.

We once again thank you for listening to our concerns and taking action to support Arkansas farmers. We wish you well and stand ready to assist in seeing such policies advance.

Sincerely,

Nathan B. Reed
President
Agricultural Council of Arkansas