



Ohio
Corn & Wheat
Growers Association

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September 25, 2018

Dear Senator Brown:

On behalf of the Ohio Corn & Wheat Growers Association I am writing to express concern over the approaching farm bill expiration.

As you are well aware, the current farm bill expires on September 30. We are hearing that members of Congress will recess to prepare for the upcoming elections without passing a new bill. We strongly urge you to finish the bill before the September 30 deadline.

A new farm bill would provide some much-needed certainty to Ohio's farm families, and our local banks, during very uncertain times. USDA recently forecast 2018 net farm income to decline by 13 percent, from 2017, to \$65.7 billion, half of the 2013 record of \$123 billion.¹

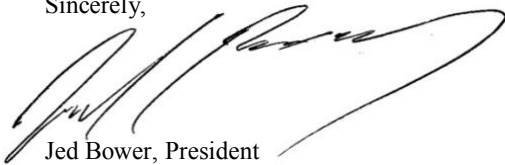
Farmers are also bearing the brunt of trade tariffs and retaliation. A National Corn Grower Association-commissioned economic analysis found a 44 cent per bushel loss in the price of corn from the beginning of May, right before tariffs were announced, through July, when tariffs were implemented.² This is a \$6.3 billion loss to corn farmers alone. In addition, in a recent report from The Ohio State University, ag economists calculate that on a 1,100-acre representative farm in Ohio facing a 25% Chinese tariff on U.S. corn and soybeans; the tariffs could decrease the farm's net worth by 6% and annual net income by 59%.³ However, China has already ramped up tariffs on U.S. ethanol to 70%⁴, 40% on undenatured, and up to 90% on Dried Distillers Grain with Solubles (DDGS).⁵

In this environment, the support provided by the farm bill's Market Access Program (MAP) and Foreign Market Development (FMD) Program is increasingly important to Ohio farmers. We have learned that based on the newly-enforced 1985 Budget Control Act, programs with authorizations of less than \$50 million annually lose their baselines when they expire. Unfortunately, if the farm bill is not finished by September 30, FMD will lose its \$34.5 million baseline, cutting off vital market development resources.

It is unfortunate that it appears agriculture is being held hostage to politics. Farm bills have traditionally been bipartisan efforts and for a new bill to be passed this must again be the case. It is time to get past partisan politics and find the common ground needed to pass a bill. There is no good reason for delay.

A new farm bill, signed into law before the current farm bill expires, would go a long way to easing economic tensions across Ohio and providing certainty to local farmers facing challenging times. The Ohio Corn & Wheat Growers Association encourages your continued cooperation and stands ready to be of assistance to meet this goal.

Sincerely,



Jed Bower, President
Ohio Corn & Wheat Growers Association



Tadd Nicholson, Executive Director
Ohio Corn & Wheat Growers Association

¹ USDA Economic Research Service – 08/30/2018 – Highlights from the August 2018 Farm Income Forecast, Farm Sector Profits Expected To Decline in 2018 [https://www.ers.usda.gov/topics/farm-](https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/highlights-from-the-farm-income-forecast/)

² Integrated Financial Analytics and Research, LLP report prepared for National Corn Growers Association – Estimated Losses to Corn Farmers from Price Declines Resulting from 2018 Trade Disputes, see attached

³ The Ohio State University CFAES, AEDE Agricultural Report 2018-001, As Chinese Trade Tensions Build, Do Ohio Producers Need to Worry? https://aede.osu.edu/sites/aede/files/imce/images/AEDE_Agricultural_Report_5_15_18_0.pdf

⁴ USDA Foreign Agricultural Service GAIN Report – 6/12/2018, China – Peoples Republic of, Beijing Post – China Responds to U.S. 301 Announcement with Revised Product List, Page 23 – HS Code 2207200 Ethyl Alcohol & Other Spirits, Denatured Of Any Strength https://gain.fas.usda.gov/Recent%20GAIN%20Publications/China%20Responds%20to%20U.S.%20301%20Announcement%20with%20Revised%20Product%20List%20Beijing_China%20-%20Peoples%20Republic%20of_6-21-2018.pdf

⁵ Ag Web – 3/7/2017 – China Hiking Tariffs on U.S. DDG and Ethanol, Imports Down to Trickle <https://www.agweb.com/article/china-hiking-tariffs-on-us-ddg-and-ethanol-imports-down-to-trickle-naa-betsy-jibben/>

