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Chairman Scott, Ranking Member Thompson, and Members of the Committee, thank you for the opportunity to appear before you today as you review Title I of the 2018 Farm Bill. I appreciate the Committee's seeking producers' input on commodity programs and their impact on farms across the U.S. Today, I am representing the United States Peanut Federation (USPF). USPF is comprised of the Southern Peanut Farmers Federation, the American Peanut Shellers Association and the National Peanut Buying Points Association. The Southern Peanut Farmers Federation includes the peanut grower organizations in Georgia, Alabama, Florida and Mississippi.

I have been farming with my family in Southwest Georgia for over 25 years. I graduated from the University of Georgia in 1991 with a Bachelor of Business Administration, and later received my Masters of Accountancy from the University of Georgia. I currently farm in a family partnership with my husband, parents, and siblings. Our partnership primarily farms row crops including peanuts, fresh sweet corn, cotton, and corn. We also have a herd of about 200 head of brood cattle. I grew up on this farm and am very pleased that I have had the opportunity to work and raise my children on the farm.

The COVID-19 pandemic and subsequent supply chain issues have impacted peanut growers. When I met with the General Farm Commodities and Risk Management Subcommittee early last fall, I spoke of increased input costs such as fertilizer and equipment. In addition, I shared with you the delays in equipment parts and repair. Since the Subcommittee's Roundtable last year, the Center for Rural Prosperity and Innovation at Abraham Baldwin Agricultural College in Tifton, Georgia has completed its review of U.S. Representative Peanut Farm data covering all the peanut production regions. These 22 peanut

farms, from Virginia to New Mexico, have been reviewed for 21 years (2001-2022). What we have learned from this most recent, comprehensive data is that peanut growers have struggled to cover their cost of production. Farmers typically have three types of loans to cover their operation:

- Traditional operating loan
- Equipment loan
- Mortgage on the farm's land

Farmers who were not able to cover their loans during a crop season rolled those payments into their mortgage note. The representative farms demonstrate that a significant number of farmers are using their equity in the land and 401k.

The 2021 representative farm update revealed the average expected peanut yield to be 4760 lbs. per acre. In a cash flow analysis, the 2021 total cash flow was \$545.97 per ton. The projected 2022 peanut total cash flow cost to produce a ton of peanuts is estimated to be \$666.94. This is approximately a 22% increase over the 2021 cost of production.

We are in the process of working on the farm budget for this year and have found our expected cost increases to be very high. The fertilizer costs are well over double as compared to last year and availability is a problem.

To fully understand peanut policy, we have to compare production prior to the 2002 Farm Bill to today. In the 2002 Farm Bill, this Committee eliminated the peanut supply/management program and established a new marketing loan program. Since the 2002 Farm Bill, peanut planted acres have increased by less than 2% when compared to recent plantings. Yet in a review of this same time period, production has increased approximately

59%. Our industry's increase in production is due to an increase in peanut yields which was approximately 52% when comparing the same time periods.

Peanut butter drives demand for peanuts due to it being an inexpensive source of plant based protein. Domestically, according to the National Peanut Board, demand reached 7.9 lbs. per capita in 2021. This is a 37.6% increase when compared to demand in 2002 according to the Center for Rural Prosperity and Innovation.

Peanut growers, shellers, and buying points support the Price Loss Coverage program (PLC) as provided in the 2018 Farm Bill. Our state grower organizations have conducted county and regional meetings in Georgia, Alabama, Florida and Mississippi, and growers support the PLC program. The structure of the program, a marketing assistance loan, reference price, and the current payment limit structure, allow not just growers, but also the industry to provide jobs and some level of economic stability to rural communities. Clearly, peanut growers are facing economic challenges as discussed previously. These challenges are not a result of the PLC structure, but it is important that the Committee periodically evaluate, as you are today, the costs of production that growers are facing and determine if the specifics of these programs are keeping pace with the changing economics growers are experiencing.

Our industry partners, shellers and buying points, agree that the PLC program works for peanuts. Since the 2002 Farm Bill, the forfeiture rate for peanuts has been very low. In 2020, the rate was, for example, 0.166%.

We do have a number of growers, in specific regions, that have produced peanuts for years but do not have access to the PLC program because of a lack of base acres. We know that

this issue is not specific to peanuts. We hope the Committee will work with commodity organizations to assist these producers.

The USPF supports maintaining crop insurance, but peanut growers have not seen the benefits, when compared to costs, as many other crops. Our state grower organizations have asked researchers to review the role of crop insurance for peanut producers. While crop insurance is considered the primary risk management tool for producers to recover from natural disasters and volatile market fluctuations, preliminary research indicates that the reliability of crop insurance as a safety net varies for many peanut producers when total operating costs for the farm are considered. In addition, peanut farmers do not have access to a futures market as other commodities. For our farm, we do not utilize crop insurance at a high level. The costs are too high for the coverage you receive on irrigated peanuts.

With regard to accessibility of U.S. Department of Agriculture programs, we support the continued web based program availability. As USDA offices are consolidated and staffing needs are an issue, it is important that farmers have access to programs online and that this accessibility is as straightforward as possible.

In conclusion, the Federation believes the 2018 Farm Bill PLC program for peanuts has been effective for farm families and the peanut industry. We do believe that the Committee should review the specifics of the 2018 Farm Bill in light of the unprecedented costs of production farmers are facing in the future. While some may argue that costs will recede to their previous levels once these recent events have subsided, my experience is that these increased costs do not return to their original level.

Thank you for allowing me to participate today.