

Chairman Thompson, Ranking Member Craig, and members of the House Agriculture Committee, I am truly grateful for the opportunity to testify today on the state of the farm economy.

My name is Alisha Schwertner, and I am honored to speak before you as a mother, a farmer, the 2022 chair of the American Farm Bureau Federation's Young Farmers & Ranchers Committee, and a Texas Farm Bureau member who serves on the Runnels County board.

My husband and I are third-generation farmers and ranchers in Miles, Texas, where we grow cotton, corn silage, grain sorghum, wheat, and hay. We also manage a small cow-calf herd and sell beef directly to local consumers. Our primary motivation for working hard to ensure the future of our operation - if they choose it - are our four young boys, ages 6 (twins), 3 and 1. They are why we do what we do. I know many others who share the same passions and visions for their own operations, in hopes that their family legacy can continue. Unfortunately, without change in the trajectory of the farm economy, I worry many of us will fall short.

Farming has never been easy, but the past three years have been especially challenging for farm and ranch families. Many of us have experienced extreme and unpredictable weather disasters. Inflation, supply chain disruptions, and international conflicts are also to blame for rising input costs that cut into the already thin margins that we operate under. The farm economy is at a crossroads.

For perspective, my husband's grandmother passed away two years ago, and we came across receipts and invoices from his Grandpa Schwertner while cleaning out her house. On these receipts, Grandpa Schwertner sold his cotton for 63 cents per pound. Just two weeks ago, we were quoted 58 cents per pound. That's 5 cents less per pound than 60 years ago... yet in that same time, we have seen application costs increase by more than 300%, and machinery costs go up by nearly 600%. There are even new costs including the cost to purchase seed and crop insurance.

Unlike many other industries, farmers cannot pass increased costs on to consumers for a higher return. We as farmers are "price takers", not "price makers", and we are at the mercy of increasingly volatile markets that are influenced by forces far beyond our control. For example, a small business owner can increase their cost to ship an item to a consumer if the shipping prices increase. I cannot increase cotton prices to cover an increase in storage or transportation costs.

USDA's most recent Farm Sector Income Forecast has shown a \$41-billion decrease in net farm income, down nearly 25% from 2022. Since crop prices peaked in 2022, they have [taken a nosedive](#). Corn and wheat are down 37%, soybeans down 28% and cotton down 22%. Despite these lower prices, payments to farmers are projected to be the lowest since 1982.

Another cause of the decline in farm income is failure to secure additional trade deals for agriculture. We have experienced two years of record agricultural trade deficits with another one projected. Trade is vitally important to agriculture as more than 95 percent of the world's consumers live outside the United States and nearly one-third of U.S. farm income comes

from exports. The possibility of retaliatory tariffs on our agricultural products could impact market access, becoming detrimental to our bottom line.

As farmers and ranchers work to secure equity to continue operating in 2025, the economic uncertainty has made it difficult for bankers to extend credit. For the first time in our tenure on our farm, we will not be able to repay our previous years operating line of credit in its entirety on its due date. We are forced to have challenging conversations with our banker regarding loan renewal and ultimately paying the high interest rates that come with it.

Our farm, and so many others, will not endure these current conditions. According to USDA's Census of Agriculture, the number of family farms has continued to shrink from nearly 2 million in 2017, to just under 1.9 million in 2023. We are constantly evaluating our options to diversify our income in order to not become a negative part of this statistic. The reality is that we are often considering whether a future in farming is realistic for our family.

Farming is more than an occupation. It is a personal commitment and a passion for feeding and sustaining our nation and families. We love what we do, but without adequate policies and support, we risk losing everything we, and past generations, have worked for. This includes the ability to pass on our legacy and profession to the next generation. For us, that happens to be our four boys.

The economic and disaster assistance from the year-end Continuing Resolution was helpful and will provide many farm and ranch families with the ability to continue operating for another year. We are grateful this Committee voted in a bipartisan manner to advance a modernized farm bill last year. Unfortunately, there were no further outcomes. We still need Congress to take action together and agree on significant investments in farm safety net programs to reflect current economic conditions as well as long term solutions for rising input costs and volatile markets. Our food system, rural communities, and our national security depend on it.

Thank you for the opportunity to share these challenges. I look forward to your questions.