

Statement of the American Farm Bureau Federation

To the House Committee on Energy and Commerce

"From Gas to Groceries: Americans Pay the Price of the Biden-

Harris Energy Agenda"

September 11, 2024

Presented By: Linda Pryor, American Farm Bureau Federation Chairman Duncan, Ranking Member DeGette and members of the Committee, my name is Linda Pryor. I am a third-generation farmer in western North Carolina. My family's farm is diversified and fairly unique. We primarily grow apples and corn, along with hay, and we raise beef cattle. In addition to being a farmer, I am a wife, mother and the primary grocery shopper for my family. My farm business has become much more difficult to operate as my input costs have risen in recent years, and I know I'm not alone in that. As the USDA numbers released last week show, this will be the second consecutive year of negative growth for the farmers and ranchers.

The agricultural sector is facing unprecedented challenges due to rising costs to operate, particularly increased petroleum prices. These costs impact more than what we pay at the gas pump, they also increase the cost of crop inputs like seed and fertilizer, farm machinery parts, produce packaging and other essentials. Farmers are experiencing financial hits from both ends of the production process – our input costs are significantly higher than they were just a couple years ago - even when adjusting for inflation, farm expenses are up 9.5% if we're going back to 2019^{1} - but the price people are able to pay for the food we grow has not kept pace with our production cost increases. One of the primary drivers of the increased costs is energy. Expensive energy makes everything else consumers want and need more expensive. We need affordable, diverse, scalable, reliable and long-term energy solutions for farmers to ensure that grocery shelves remain stocked with affordable options for American families.

The cost to run my family's farm has surged over the last few years. The fuel cost increase to operate our equipment and trucks has created a noticeable hardship for my farm since 2021, when we spent \$57,000 for diesel and gasoline, compared to 2023 when we spent \$83,600. Fuel prices have increased nationally by close to 30% since 2021², while the sale price for my corn and apples has decreased since 2021. This disparity threatens the economic sustainability of American farms. I do not know any farmers who have

¹ https://data.ers.usda.gov/reports.aspx?ID=17834

² https://fred.stlouisfed.org/series/GASDESW#0

gone out of business due to lack of hard work. They go out of business due to lack of cash flow. Farmers are price-takers, not price-makers, and I am no exception. I cannot determine what my crops are worth and charge accordingly.

According to USDA, 70% of agricultural products are dependent on trucking³. On my farm, 100% of our products are dependent on trucking, both to receive the materials that we need to operate and to move our crops off the farm. Trucking fresh produce requires dependable on-demand energy to operate. An hourlong stop for a battery charge is not workable with most agricultural products.

Once apples are harvested, we must move them quickly to avoid deterioration, and the apples that I grow go to multiple outlets. Some are sold for processing and become baby food, applesauce or other apple-based products. Some are sold to a company that slices and packages them for food service, and some go to a facility that prepares them to be sold fresh in grocery stores. The over 5 million pounds of apples that we grow travel an average of 775 miles just to their first destination. This same concept applies to our cattle once they are loaded: time is of the essence!

During harvest season we operate two-to-three tractor trailers ourselves and truck the 150,000 bushels of corn that we grow. Those trucks will leave our farm at 5:00 a.m. and travel 208 miles round trip to the mill in Newberry, South Carolina. Once they return to our farm, we use them to move the corn out of the field as it is harvested, transport the corn to our bins for storage, which may be up to 50 miles round-trip depending on the field location, and reload them for the next morning. We keep these trucks going until at least 9:00 p.m. Using diesel allows us to keep moving throughout those long days, rather than having to figure out how and when to charge an electric truck. The rural nature of farming means that we rarely have access to a location where electric trucks or equipment could be charged, and tractors/equipment often stay in a field or orchard for several days at a time.

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 $^{^{3}\ \}underline{\text{https://www.ams.usda.gov/services/transportation-analysis/regulatory-representation/fmcsa}$

Farming is diverse across the nation and there is no one-size-fits-all answer. Solutions need to be equally diverse and flexible.

Electric vehicles and equipment may offer environmental benefits, but their adoption should only happen when it makes economic sense for the end user. Farmers and ranchers have many concerns about an electric vehicle mandate including delays for perishable crops and animals, limited access to charging points and the durability of batteries in harsh farming conditions. There are numerous reports of batteries not performing to their charged range in cold weather^{4,5}, and cars bursting into flames when charging in the summer heat.⁶ When managing the investments into my business, I would need to see the long-term effect of harsh farming conditions on this type of equipment to feel comfortable with the investment. When farmers make large equipment purchases, they intend to operate this machinery for many years. And many, whether they are remotely located or resource constrained, need to be able to maintain the equipment themselves. The idea of having to purchase new equipment that would be too complex to maintain on the farm is out of the question for many farmers. Transitioning to equipment that is less dependent on a reliable source of energy is impractical for most farmers.

I value the role that technology plays on my farm and am always researching new technology. I am currently considering the purchase of a drone to apply certain products to our crops and to spread cover crop seeds. Incorporating a drone would not fully replace the equipment we currently use for these tasks, but it would greatly reduce the amount of fuel needed to complete them.

In addition to adopting more energy-efficient technology where we can, we also follow diligent land management practices to ensure that we keep our carbon footprint as small as possible. Annually, our

⁴ https://apnews.com/article/electric-vehicle-charging-tesla-frigid-temperatures-2c85e3455d49a86c12d1ba59a235cd4b

⁵ https://www.forbes.com/sites/edgarsten/2024/01/17/how-to-keep-electric-vehicles-charged-in-extreme-cold/

⁶https://www.motortrend.com/news/rivian-normal-illinois-truck-suv-factory-fire/

orchards alone sequester up to 2,500 tons of carbon dioxide, release about 2,000 tons of oxygen and have significant cooling effects. We do many things that take more time and incur more expense to ensure we are responsible stewards of the land, like planting cover crops, rotational grazing, using no-till methods and minimizing grain handling as much as possible.

While solar energy may offer some benefits, it comes with its own set of challenges. One of those challenges is farmland loss, which pushes costs up. With less farmland, we must be creative to produce the same number of products to ensure that we keep up with the task of feeding America. Less productive agricultural land drives the value of the remaining land up even further, which can be a barrier to getting into agriculture for young farmers and ranchers looking to start their own operations. The increased value also impacts farms that are competing for leased land. Solar energy has its place in the energy toolbox, but it should not be deployed in a way that takes prime farmland out of production. If priority is placed on deploying solar on existing structures, we will be able to preserve valuable agricultural land and continue to provide food, fuel and fiber for the nation.

Addressing trade imbalances by supporting domestic production and processing could help American farmers compete with less expensive, but energy-intensive, imports. We can address trade imbalances with policies that incentivize the consumption of domestically grown and processed products, which would strengthen local economies, decrease the overall impact on the environment, and reduce reliance on energy-intensive imports. I compete against apple juice concentrate and apple puree concentrate from all corners of the world, predominantly Chile, Turkey and China. When crops travel shorter distances, less energy is required.

While additional tools in the energy production toolbox are welcome, unfunded mandates, premature deployment of new technology and increased regulatory burdens are raising costs for everyone. Rising costs of energy and other inputs ripple through the entire food chain, from the farm fields to the grocery

store shelves.

Thank you and I look forward to your questions.