May 9, 2025

The Honorable John Boozman
Chair
Senate Committee on Agriculture, Nutrition & Forestry
555 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Amy Klobuchar
Ranking Member
Senate Committee on Agriculture, Nutrition & Forestry
425 Dirksen Senate Office Building
Washington, DC 20510

RE: Brad Doyle Written Testimony

Dear Chairman Boozman & Ranking Member Klobuchar:

Farmers and ranchers put their life's work into their land, and in so doing, provide the American people the safest, most affordable food supply in the world. Farmers and ranchers provide the knowledge, labor and financial investment necessary for the United States to remain a world leader in food and fiber production.

In recognition of the risk and responsibility placed upon farmers and ranchers, Congress has provided agricultural support programs for over 90 years. A direct response to the Dust Bowl and the Great Depression, the early framework established price supports, crop insurance, and technical conservation assistance to help conserve soil and reduce erosion.

Conservation programs have evolved over the years, with a major shift toward project-based financial assistance in the 1950s. Congress passed the first farm bill to combine conservation programs with crop insurance and commodity support programs in 1985. Passed during a true crisis point for production agriculture, the 1985 bill marked a major paradigm shift in conservation policy by creating the first federally-funded land retirement program.

The current conservation title provides a mechanism to provide financial and technical support for farmers and ranchers who voluntarily implement conservation practices to preserve land, water and air quality; provide wildlife habitat; and reduce greenhouse gas emissions. Conservation programs in the 2018 bill represent approximately 7% of total farm bill spending, totaling approximately $29.96 billion over the bill's original five-year life span, according to the USDA-ERS.

The Conservation Reserve Program (CRP) has been in effect since 1985 and allows USDA to pay farmers and ranchers "rent" to take marginal or sensitive land out of production. The 2018 bill capped rental rates for general enrollment to 85% of the county average rental rate, while continuous enrollment rates were capped at 90% of the county average. According to USDA-FSA's 2022 data, 201,000 acres in Arkansas were enrolled in CRP and 22.1 million acres were enrolled nationwide.

The Conservation Stewardship Program (CSP) provides financial and technical assistance to support ongoing and new conservation improvements by producers who work to meet stewardship requirements on working agricultural land. Contracts last up to 10 years and participants must meet stewardship thresholds for a set number of priority resource concerns. Of the 6.4 million acres enrolled in CSP, 97,000 of those are in Arkansas according to USDA-NRCS. In FY 2020, Arkansas received $188 million, the second highest total among the states. Arkansas producers use CSP funds to implement efficient irrigation systems, reduce agricultural runoff, adopt conservation tillage methods to reduce soil erosion, and protect and preserve wildlife habitat.

The Environmental Quality Incentives Program (EQIP) provides financial and technical assistance to agricultural producers to address natural resource concerns and deliver environmental benefits like improving water and air quality, conserving ground and surface water, improving soil health, creating and improving wildlife habitat, and implementing drought mitigation efforts. The 2018 bill requires 50% of funds be dedicated to livestock-based projects. In 2020, Arkansas had 182,000 acres enrolled in an active EQIP contract, according to USDA-NRCS. Arkansas producers use EQIP funds in a variety of ways to protect water quality and soil health, including to help manage and treat animal waste, planting riparian buffers along waterways, managing grazing patterns to promote healthy grassland, tailwater recovery and other irrigation systems that reduce water loss, planting cover crops, restoring pasture land, and establishing wildlife habitat.

Together, these programs provide farmers and ranchers with voluntary, market-based incentives to adopt conservation practices and install resource-conserving practices on environmentally sensitive farmland and help keep highly productive land in production using good stewardship practices that can preserve soil, water, and wildlife habitat. The programs are popular, as demand regularly outpaces the amount of funding available through the 2018 farm bill.

The Inflation Reduction Act provided $18.05 billion for working land programs to allow more producers to access these programs to implement conservation practices. Additional agriculture-specific provisions in the IRA total nearly $40 billion for programs and initiatives ranging from farm bill working lands conservation and technical assistance to rural development and forestry. As Congress works to develop the next farm bill, the inclusion of those funds into the bill would allow more producers to meet their conservation goals and to sustain their land and their business.

Congress must act on a new farm bill to provide farmers with an adequate safety net. Relying on price support based upon the cost of production in 2012 is an untenable situation for farmers. While emergency bridge programs do provide some relief, the lack of stability in the industry makes it difficult for farmers to access credit.

The current state of the U.S. agricultural economy reveals a widening and unsustainable gap between the prices farmers are paid for their products and the prices they must pay to produce them. Since the recent record income highs of 2022, the crop farm economy has sharply declined. Inflation-adjusted net farm income, excluding government support, has fallen by 26%, while nominal farm production expenses remain near record highs of $462 billion set in 2022.

While government assistance under the American Relief Act of 2025 has temporarily propped up the sector, it is only a short-term bridge, not a long-term solution. The one-time payments average only $38 per acre, leaving most producers to still face margins below breakeven in 2025.

Crop farmers have been especially hard hit. According to USDA's Farm Sector Income Forecast, inflation-adjusted crop cash receipts have declined by $67 billion, or 22%, since 2022, while input costs for essentials like seed, chemicals, custom work, repairs, and taxes remain near record levels. At the same time, USDA price forecasts show continued erosion in crop prices: corn is projected at $4.35 per bushel, down 33% from recent highs, and soybeans at $9.95 per bushel, a 31% drop. Input costs have not adjusted downward nearly as quickly. Corn production costs are projected at $879 per acre, and soybeans at $625 per acre.

The result is a third consecutive year of tight or negative margins for farmers. With many having exhausted working capital built up during stronger years and now forced to cut costs, take on additional debt or make heartbreaking decisions about selling land. For example, projected revenue shortfalls for 2025 are expected to reach $165 per acre for corn, $114 for soybeans, $325 for cotton and $345 for rice. For every major U.S. field crop, forecasted income fails to cover the cost of production.

Although livestock and poultry sectors have experienced more stable cash receipts, helped by high cattle and egg prices, they too are grappling with rising input costs, drought, and animal disease risks. Their relative stability has, in effect, masked the acute distress facing crop producers in USDA's net farm income reports.

Compounding the strain is the reversal of the U.S. agricultural trade balance, which has flipped from a historical surplus to a projected record deficit of nearly $46 billion in FY2025. This collapse in trade performance has further weakened commodity prices and diminished farm income, especially in the crop sector.

Farmers today are caught between collapsing commodity prices and stubbornly high production costs. Despite recent improvements in risk management tools like crop insurance and ad hoc government assistance, the disparity between prices received and prices paid has widened dramatically, threatening the financial viability of farms across the nation.

Unless structural changes are enacted through strategic investment in trade development, a modernized farm bill, enhanced risk management tools, and strengthened conservation support, the United States risks irreversible damage to its agricultural foundation. American farm families urgently need durable, forward-looking policy solutions: updating reference prices in ARC and PLC to reflect today's actual production costs; expanding crop insurance options that better protect against margin loss; increase funding for working lands conservation programs like EQIP and CSP; doubling export development funding through MAP and FMD; and modernizing disaster assistance to deliver timely, predictable relief. These actions are not just policy upgrades, they are necessary investments in the long-term profitability, resilience, and future of American agriculture.

Sincerely,

Brad Doyle
Arkansas Producer
Arkansas Farm Bureau Board Member