

## **Farm Credit Supports a Strong Farm Bill**

Farm Credit supports passage of a strong Farm Bill in 2018. Declines in commodity prices in the past several years are pushing down farm income and many farm families are making adjustments to their operations. For the most part, farmers entered this lower price cycle with healthy balance sheets but the long period of low prices is taking a toll. Farm families need a Farm Bill that provides a safety net for their operations to help them make it through this cycle. We encourage Congress to pass a strong Farm Bill at the earliest opportunity.

Farm Credit's priorities for the Farm Bill include:

- Strengthening the federal crop insurance program,
- Expanding the Farm Service Agency guaranteed loan program and
- Boosting investment in rural infrastructure.

### **Crop Insurance**

Congress created the crop insurance system through the Federal Crop Insurance Corporation (FCIC) to promote the economic stability of agriculture. A successful public-private partnership, crop insurance is federally regulated and delivered by the private sector to help farmers maintain the country's safe, affordable food supply.

Given the trend in recent years of lower prices for commodities and declining farmer net income, it is critical for policy makers to maintain a strong farm safety net that includes affordable crop insurance. Participation by producers of all types – small and large – is vital to the safety and actuarial soundness of the crop insurance program. Impairments to the program, such as shrinking the risk pool, could make crop insurance unavailable or unaffordable to producers.

Farm Credit believes crop insurance must provide more coverage options for specialty crops while continuing to serve its traditional commodity constituencies. Without the risk protections provided by crop insurance, agricultural lenders would be forced to tighten underwriting standards. The consequence of tighter credit would make it more difficult for farmers to plant crops and replace capital assets. Economic growth would slow and rural communities would suffer.

### **Farm Service Agency (FSA) Loan Programs**

Farm Credit institutions are committed to supporting our customer-owners during the current low price cycle. We remain financially strong and are using that strength to ensure a stable flow of credit to farm and ranch families.

FSA guaranteed loans are a critical tool as Farm Credit institutions work with their customers, especially young and beginning producers. Unfortunately, loan size limitations on FSA guarantees no longer adequately meet the needs of many producers. As land prices, crop inputs and facilities costs have increased during the past decade, FSA loan limits simply did not keep pace.

Farm Credit supports the continuation of the FSA guaranteed and direct loan programs and increasing the volume of loans available. We also support increasing the loan size limits for FSA guaranteed loans.

## **Rural Infrastructure**

Farm Credit organized the Rebuild Rural Coalition of more than 200 farm and rural groups to advocate for the unique infrastructure needs of rural communities and agriculture. USDA's rural infrastructure programs remain critical to providing clean water to rural families, modern telecommunications to rural communities and reliable energy to rural homes and businesses. In addition, USDA's Community Facilities program is helping to build and modernize critical access hospitals, senior care facilities, schools and more to strengthen our rural communities.

Whether as part of the Farm Bill or as part of stand-alone infrastructure legislation, Farm Credit strongly supports programs tailored to the unique needs in rural America and that attract more private investment in rural infrastructure.

*For more information, please contact the Farm Credit Council ([ask@fccouncil.com](mailto:ask@fccouncil.com) or 202.626.8710).*

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