Agriculture and Food Policy in Perspective

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U.S. Agriculture – More Than Just Food – Provides:
- Wildlife habitat and greenspace
- Lumber and other key raw goods
- Renewable energy
- $400 billion per year in direct sales
- Most affordable and diverse food supply in the World


- Inscription on Union Station, Washington D.C.
Agriculture, Food, and Related Industries Account for:

- $992 billion (5.5 percent) to U.S. gross domestic product (GDP) in 2015
- $29.5 billion average annual trade surplus, exporting 20% of U.S. produced agriculture goods
- 21.0 million full- and part-time jobs - 11.1 percent of total U.S. employment

Cultivators of the earth are the most valuable citizens. They are the most vigorous, the most independent, the most virtuous, & they are tied to their country & wedded to its liberty & interests by the most lasting bonds.
"The farmer is the only man in our economy who buys everything at retail, sells everything at wholesale, and pays the freight both ways."

- President John F. Kennedy
Ports to Plains Alliance

- Nine states have a total population of 44 million people, 14% of the US population
- Support 14.83% of the total U.S. GDP or 18.04 trillion dollars
- Generates $259 billion in trade with Canada and Mexico
- $179.9 billion moved by truck
- Includes the agricultural heartland producing over $111 billion of agricultural goods or 28.22% of the U.S. total
- Canada and Mexico were the number one and three top export markets for U.S agricultural products in 2015
Agriculture Exports to Mexico and Canada

- The nine Ports to Plains states produce about $101 billion in agricultural sector outputs
- $25.7 billion of that output is exported out of the United States
- 28% of those exports are sent to Mexico while another 11% are sent to Canada
- Mexico and Canada account for 39% of the total exports from the nine Ports-to-Plains states
- Ports to Plains accounts for a quarter of the $400 billion in agriculture sector outputs
- Top exports of the nine states include: Cotton, Soybeans, Beef, Wheat, Tree Nuts, Dairy, Feeds, and other Oilseeds

<table>
<thead>
<tr>
<th>States</th>
<th>Mexico</th>
<th>Canada</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas</td>
<td>21%</td>
<td>9%</td>
<td>30%</td>
</tr>
<tr>
<td>Nebraska</td>
<td>82%</td>
<td>3%</td>
<td>84%</td>
</tr>
<tr>
<td>North Dakota</td>
<td>20%</td>
<td>38%</td>
<td>59%</td>
</tr>
<tr>
<td>Montana</td>
<td>3%</td>
<td>32%</td>
<td>35%</td>
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<tr>
<td>Oklahoma</td>
<td>27%</td>
<td>6%</td>
<td>34%</td>
</tr>
<tr>
<td>Colorado</td>
<td>30%</td>
<td>18%</td>
<td>49%</td>
</tr>
<tr>
<td>New Mexico</td>
<td>21%</td>
<td>15%</td>
<td>36%</td>
</tr>
<tr>
<td>South Dakota</td>
<td>38%</td>
<td>26%</td>
<td>64%</td>
</tr>
<tr>
<td>Wyoming</td>
<td>1%</td>
<td>49%</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28%</strong></td>
<td><strong>11%</strong></td>
<td><strong>39%</strong></td>
</tr>
</tbody>
</table>
Small population feeding the Country and World

- The US exported $133 billion in agriculture
- The nine Ports-to-Plains states contributed $25.7 billion about 20%
- Rural population of the Ports-to-Plains region makes up 19% of the regional population and 2.6% of the total US population
- Only counting farmers there were 542,000 farmers in the nine states in 2012 which made up .15% of the population of the country
What Drives Farm Policy?
Farm Bill Titles

- Title I: Commodities
- Title II: Conservation
- Title III: Trade
- Title IV: Nutrition
- Title V: Credit
- Title VI: Rural Development
- Title VII: Research, Extension, and Related Matters
- Title VIII: Forestry
- Title IX: Energy
- Title X: Horticulture
- Title XI: Crop Insurance
- Title XII: Miscellaneous

Projected outlays under the 2014 Farm Act, 2014-2018

- Nutrition: 80%
- Commodity: 5%
- Crop Insurance: 8%
- Conservation: 6%
- Other: 1%

Total outlays = $489 billion

Farmers in a Dire Position Despite Value of U.S. Farm Economy
- Net farm income forecast to decline 8.7% in 2017, over 50% in past four years
- Farmers of the top four crops cover their costs of production under 30 percent of the time
- 34 percent of all midsized farms had vulnerable, marginally solvent, or marginal incomes in 2014

“The first farmer was the first man, and all historic nobility rests on possession and use of land.”

- Ralph Waldo Emerson
History of Farm Policy: Pre-1900s

- President Lincoln established the U.S. Department of Agriculture in 1862
- The Homestead Act was signed into law in 1862 in order to encourage Western expansion
- The Morrill Land Grant Acts of 1862 and 1890 funded educational institutions focusing on the teaching of agriculture, science, military science, and engineering
The farmer has to be an optimist or he wouldn't still be a farmer.  
- **The Smith – Lever Act of 1914**: Created extension services connected to land-grant universities to introduce farmers to new farming techniques  
- **The Agriculture Adjustment Act of 1933**: Designed to achieve parity prices through supply control  
- **Agriculture Adjustment Act of 1938**: First Farm Bill to be upheld, remains permanent law today

"The farmer has to be an optimist or he wouldn't still be a farmer."

- Will Rogers
For of all gainful professions, nothing is better, nothing more pleasing, nothing more delightful, nothing better becomes a well-bred man than agriculture.”

- Marcus Tullius Cicero
The 21st Century

- **The Agriculture Risk Protection Act of 2000**: Strengthening Federal Crop Insurance
- **The Farm Security and Rural Investment Act of 2002**: Restoring counter-cyclical payments in the farm safety net
- **Food, Conservation, and Energy Act of 2008**: Built on successes of past two Farm Bills, expanding investment in renewable fuels
- **Agriculture Act of 2014**: Projected $23 billion in savings with creation of ARC and PLC
“It will not be doubted that with reference either to individual or national welfare agriculture is of primary importance. In proportion as nations advance in population and other circumstances of maturity this truth becomes more apparent, and renders the cultivation of the soil more and more an object of public patronage.”  - George Washington

The Future of Farm Policy:
The 2018(?) Farm Bill

- Fixes to dairy and the Margin Protection Program...
- Reinstating cotton in the farm safety net...
- Fixes in Agriculture Risk Coverage...?
“Farming looks mighty easy when your plow is a pencil and you’re a thousand miles from the corn field.”

Dwight D. Eisenhower
A Constant Battle Wages over Farm Policy

- Attacks on farm policy come from all sides
- Countering these attacks requires a full-time effort
- Farm Policy Facts provides a factual, unbiased view of the true benefit of these policies