American Farm Bureau Federation®

TO THE UNITED STATES SENATE COMMITTEE ON AGRICULTURE, NUTRITION, & FORESTRY

"INCREASING DOMESTIC CONSUMPTION OF U.S.-GROWN AGRICULTURAL PRODUCTS"

MARCH 10, 2026

Presented By:

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Chairman Boozman, Ranking Member Klobuchar, and Members of the Senate Agriculture Committee,

Thank you for the opportunity to share the views of the American Farm Bureau Federation (AFBF) on how we can strengthen domestic demand for U.S. agricultural commodities to ensure America's farmers and ranchers can keep our nation's food supply secure and continue supplying food, fiber, and fuel for generations to come.

My name is Zippy Duvall. I am a third-generation farmer from Georgia. My family and I raise beef cattle, poultry, and hay. Like many farm families, we have experienced good years and hard years. On our family farm, we diversified during the economic crisis of the 1980s to keep from going under. We understand market volatility. We understand what it means to borrow against a crop and hope that prices hold through harvest. We understand weather risks and have helped our neighbors pick up the pieces after a storm. Farming has never been easy.

I am honored to have served as president of the American Farm Bureau Federation for the last 10 years. American Farm Bureau represents more than five –million member families in every state and Puerto Rico. Our members grow every commodity produced in the United States and care for livestock, milk cows, and raise poultry across all regions. They operate farms and ranches of every size, from specialty crop operations serving local markets to multi-generational row crop and livestock farms that help feed the world. They are leaders in their communities and are the economic backbone of rural America.

Let me begin by expressing sincere appreciation for the work the President, this committee, and Congress have done to strengthen farm programs through the One Big Beautiful Bill Act. You made a generational, and much-needed, investment in farm bill risk management tools, trade promotion programs, conservation programs, and animal disease preparedness and response. Our farmers are grateful for that leadership.

At the same time, today's hearing is in response to something deeper than a short-term downturn. The challenges facing agriculture are not merely cyclical. They are structural. Farmers and consumers have faced historic levels of inflation. On top of that, farm input costs are expected to be record high again in 2026. On the farm, productivity continues to rise and technology continues to advance. We do more with less every year.

The prices we receive, however, have not kept pace with that productivity or the input costs. As one farmer told me recently: "I'm paying 2026 input costs, but I'm receiving prices from the 70s and 80s and paying the freight both ways." Whether it's cotton or milk, corn or apples, or any other commodity, farmers have been dealing with a cost-price squeeze for the better part of five years.

In October 2025, the American Farm Bureau Federation sent a letter to Congressional leadership and the President outlining the extraordinary economic pressure farmers are facing.[1] We requested immediate economic assistance to ensure producers could reach the next planting season, and we also emphasized that long-term stability cannot rest on emergency programs alone. That letter outlined a roadmap focused on building durable demand, restoring domestic processing capacity, and ensuring competitive, rules-based access to global markets. Those principles guide my testimony today.

Farmers do not want to rely on ad hoc support. We want markets with fair competition. We want value-added opportunities close to home. We want to compete and win. But doing so requires policy that encourages and facilitates domestic consumption, and that also recognizes and adjusts to unfair trade policies and market-distorting practices in markets around the world.

Achieving these priorities is important to our food security—and our national security. The food and agriculture sectors contribute more than $9.5 trillion to U.S. economic activity and support more than 24 million jobs across farming, processing, transportation, retail and food service.[2] Agricultural exports alone were valued at over $170 billion in 2025 and supported more than one million American jobs. Every dollar of agricultural exports generates over two dollars in additional economic activity. When farms struggle, rural communities struggle. When processing plants close, towns hollow out. When farmland is converted permanently to other uses, that capacity is unlikely to ever return.

Food production is not only critical to our economy; it is also a strategic national asset. Global disruptions, including ongoing military conflicts abroad, supply chain breakdowns during the pandemic, and water scarcity in major producing regions around the world, remind us that food

[1] American Farm Bureau Federation, *Farm Bureau to President and Congress: Farmers Are at a Breaking Point*, available at https://www.fb.org/news-release/farm-bureau-to-president-and-congress-farmers-are-at-a-breaking-point.
[2] Feeding the Economy, *2025 Feeding the Economy Report,* available at https://feedingtheeconomy.com/.

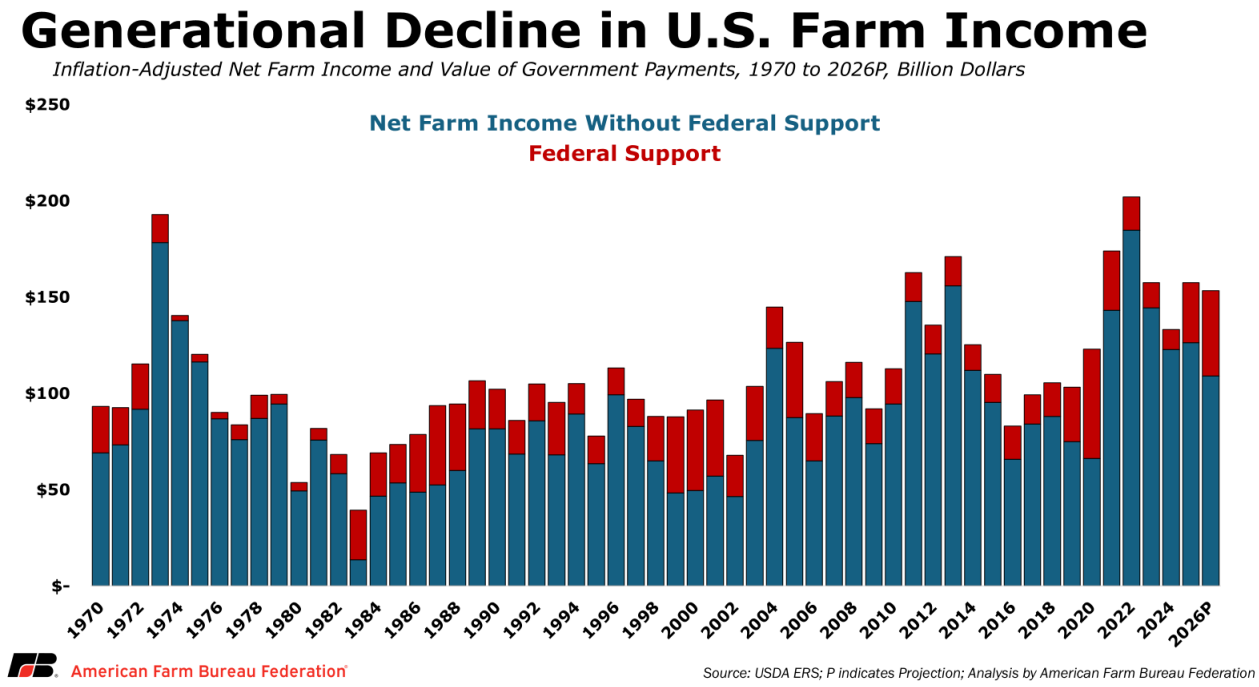
security and national security are closely linked. America's farmland and processing infrastructure must be treated as strategic assets if we are to maintain resilience in the face of global uncertainty.

The path forward is clear. We must strengthen domestic demand for American agricultural products. We must reinforce our production capacity of critical inputs such as fertilizers, crop protection tools, and pharmaceuticals for animal health. We must restore and modernize domestic processing capacity. We must expand fair and enforceable market access abroad, and we must ensure our safety nets remain anchored in predictable, farm bill-based policy.

The Structural Economic Problem: High Productivity, Weak Margins

To understand why demand growth and processing capacity must now be central to agricultural policy, we must begin with the scale and persistence of the financial stress American farmers and ranchers face. USDA's most recent farm income forecast, released in February, underscores the magnitude of that imbalance. Net farm income for 2025 was revised downward to approximately $154.6 billion, roughly $25 billion lower than projected just months earlier. The outlook for 2026 remains essentially flat at $153.4 billion. That level is nearly $48 billion, or 24%, below the record high reached in 2022. While those totals remain above long-run averages in nominal terms, they mask a troubling reality. Much of the recent resilience in aggregate farm income has been concentrated in the cattle sector, where tight supplies have supported historically strong prices.

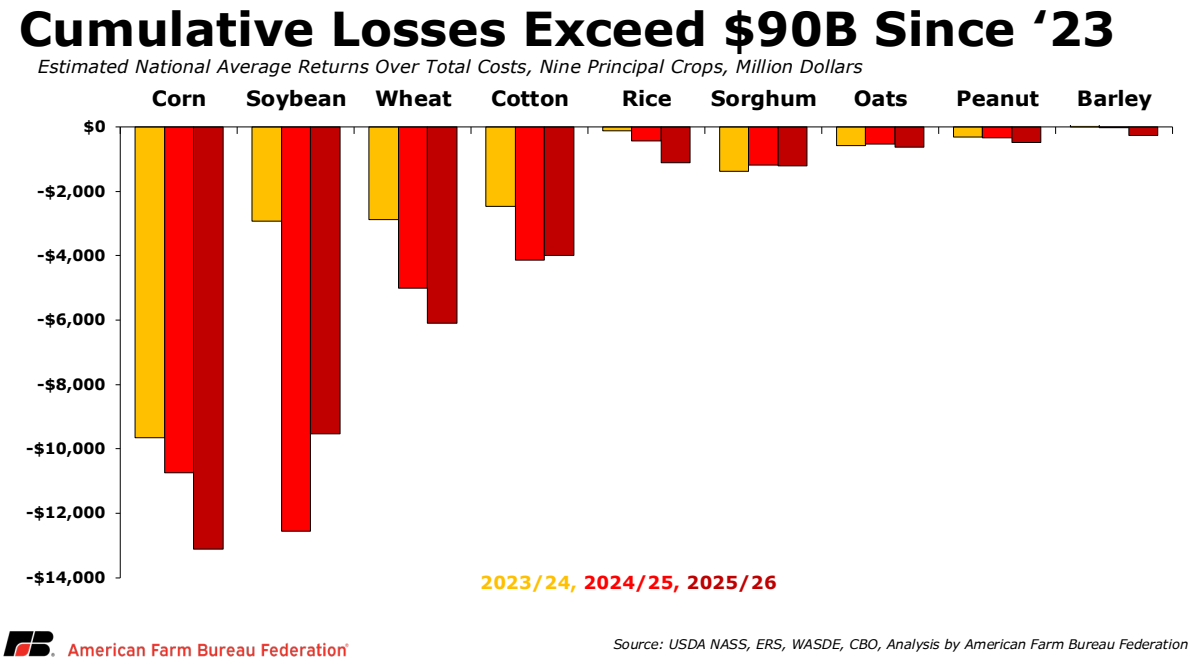
Outside of cattle, most major commodity markets are weakening, and a broad swath of crop producers and specialty growers are operating at or below full economic cost.



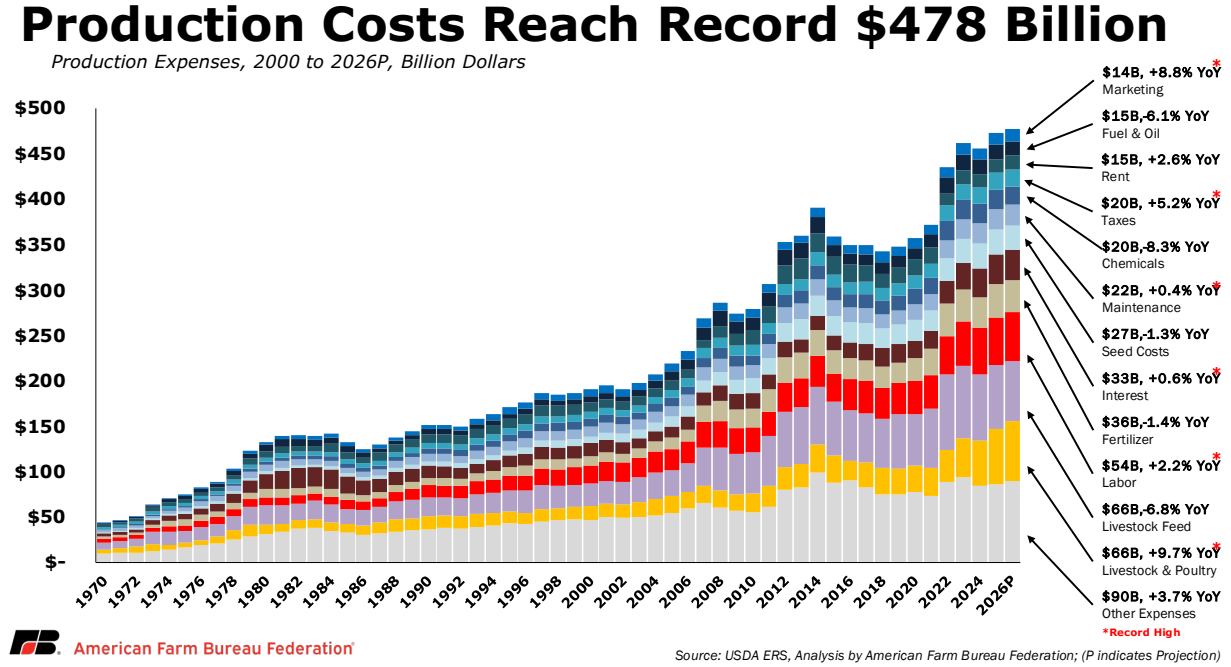
The depth of losses across principal crops is significant and sustained. Across the nine major row crops, returns were below total economic costs by approximately $20 billion in the 2023 and 2024 crop year, down $35 billion in 2024 and 2025, and down $34.6 billion in 2025 and 2026. These figures are calculated before accounting for crop insurance indemnities and ad hoc government assistance. Over a three-year period, cumulative losses exceed $90 billion across major crops alone. That scale of sustained negative return is not typical of normal commodity cycles. It signals that market prices have not kept pace with the cost structure farmers face.

Corn illustrates this dynamic clearly. For the 2025 crop year, U.S. farmers planted nearly 100 million acres of corn, committing close to $90 billion in production expenses. With average total costs of near $900 per acre, producers have significant capital at risk before a single bushel is harvested. Even assuming record yields approaching 186 bushels per acre and a national average price near $4 per bushel, projected returns exceed negative $150 per acre. On a national scale, losses for corn alone are estimated to surpass $15 billion. Similar cost-price compression is occurring in soybeans, wheat, and cotton. Since 2022, corn prices have declined by roughly 54%,

soybeans by nearly 58%, wheat by more than 50%, and cotton by over 40% from pandemic-era highs. At the same time, production costs have not returned to pre-2021 levels.



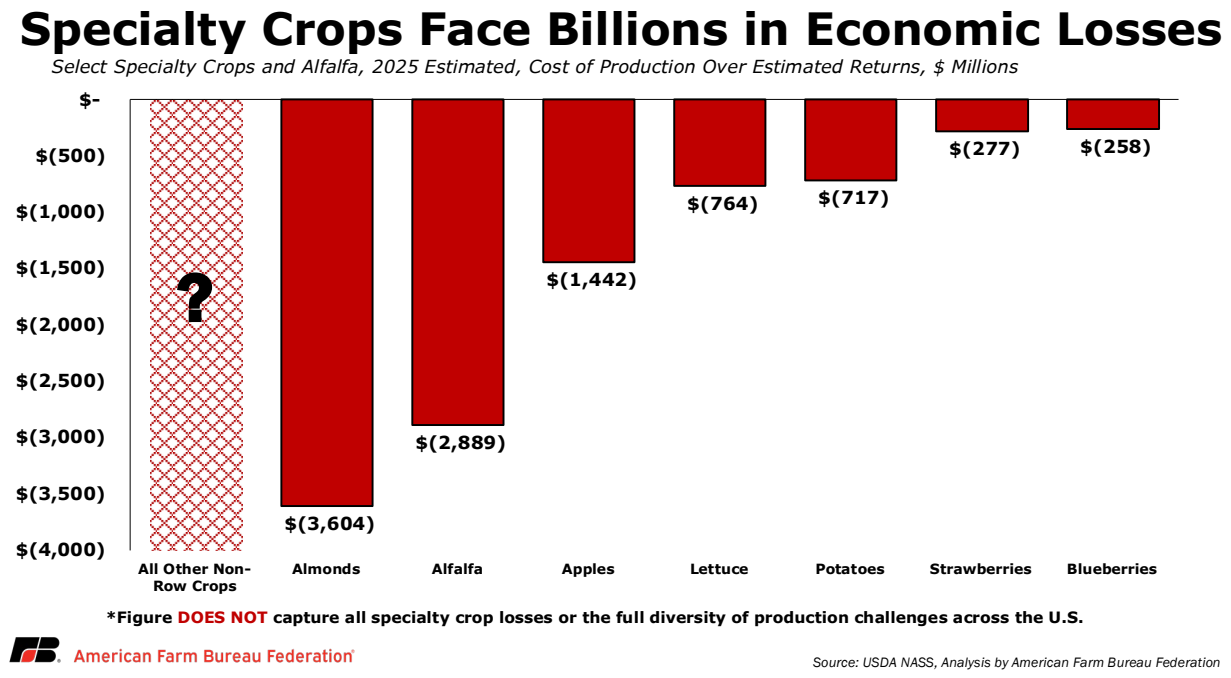
Total farm production expenses are projected at approximately $473 billion in 2025 and are projected to remain historically elevated heading into 2026. While the pace of inflation has moderated, cost levels have not reverted. Since 2020, interest expenses have risen more than 70%, labor costs approximately 47%, fertilizer roughly 37%, and fuel and oil more than 30%. Chemical, seed, and maintenance costs remain materially higher than prior to 2021. These increases have permanently raised break-even thresholds across commodities. In this environment, even modest price declines translate quickly into negative margins.



The result is what many producers describe as a high-yield, low-margin farm economy. American farmers are producing at historically high levels. Corn and soybean yields have increased more than 50% since 1990, reflecting sustained gains in genetics, mechanization, and precision agriculture. These productivity gains are a success story. However, productivity growth without proportional demand growth suppresses prices. When global supplies expand faster than consumption, market-clearing prices fall even if individual farms operate efficiently.

Specialty crop, hay, and other field crop farmers face parallel pressures, often with fewer tools to manage them. Specialty crops generate more than $75 billion in annual farm-gate value and account for over one-third of total U.S. crop sales. Yet these operations typically lack the same depth of countercyclical support available to major program crops and operate with a more labor-intensive cost structure. Analysis of six key commodities (almonds, apples, blueberries, lettuce, potatoes, and strawberries) which together represent roughly one-quarter of total specialty crop receipts shows billions of dollars in projected losses in 2025 alone. Labor accounts for approximately 38% of cash expenses on specialty crop farms, nearly three times the average across all farms. In sectors dependent on hand harvest, pruning, and packing, rising wage rates and labor scarcity significantly compress margins. When farm-gate prices fail to keep pace with these increases, producers have limited financial cushion. Similar pressures extend beyond specialty

crops: alfalfa, the fourth-most valuable U.S. field crop, is projected to face roughly $2.9 billion in losses in 2025, or about $203 per acre, despite having little access to the core farm safety net.



These pressures extend beyond individual enterprises to farm households. According to the USDA, more than half of farms in the U.S. lose money each year and 77% of household income is derived from off-farm sources. While USDA's definition of a farm includes many small operations, the statistic remains instructive. For many families, off-farm income is not supplemental but essential to keeping the operation intact. At the same time, farm sector debt is projected to approach $625 billion in 2026, and lenders report growing operating loan balances as producers finance working capital to bridge losses. Elevated interest rates compound that stress by increasing the cost of borrowing precisely when margins are thin.

Government payments have played an increasingly important role in stabilizing income. Direct payments totaled approximately $30.5 billion in 2025 and are projected to rise to roughly $44.3 billion in 2026, in part due to disaster assistance and the USDA Farmer Bridge Assistance Program. These programs are appreciated and necessary in the short term, but their growing scale underscores the widening gap between market returns and production costs. Repeated emergency assistance since 2018 reflects a persistent structural imbalance rather than isolated shocks.

Global market conditions are contributing to this imbalance. U.S. agriculture operates within a highly integrated global system where prices are shaped by international supply growth, trade relationships, and shifting demand patterns. When global supply expands or trade flows change, those effects transmit quickly to U.S. farm prices. In that environment, productivity gains at home do not automatically translate into stronger returns.

Taken together, sustained crop losses exceeding $90 billion, billions in specialty crop strain, rising leverage, increasing reliance on government payments, and heavy exposure to export volatility point to a structural imbalance between productivity and profitable demand. This is not merely a low-price year. It is a market alignment challenge.

If productivity continues to rise, market development must advance with it. If export markets remain concentrated and volatile, domestic demand must be strengthened. If margins remain compressed, predictable risk management must support functioning markets rather than replace them.

Export Reliance in a More Competitive and Volatile World

The margin compression described above is occurring in a farm economy that is structurally reliant on export demand. For many commodities, exports are not simply an additional marketing channel. They are the mechanism that clears surplus production when domestic utilization is insufficient. More than one-fifth of total U.S. agricultural output is sold abroad in a typical year, and for certain commodities the share is far higher. Approximately 86% of U.S. cotton production is exported in most years. More than half of sorghum production moves into foreign markets. Wheat, rice, and soybeans also depend heavily on export channels to maintain price stability. When that export engine slows, farm-level prices adjust quickly.

Export reliance becomes more complex in a global environment that is more competitive and more coordinated than it was two decades ago. The United States remains one of the most productive agricultural producers in the world, but competitors have expanded acreage, improved yields, and invested heavily in ports, rail systems, crushing facilities, and logistics networks that lower their delivered cost to key buyers. The result is a global marketplace with more supply options. When trade relationships shift or buyers reallocate sourcing, the United States is no longer the default residual supplier.

This shift is visible in market share data. In wheat, U.S. global export share has fallen from roughly 25% in the early 2000s to approximately 11% today. In soybeans, Brazil's rapid acreage expansion and productivity gains have materially reduced U.S. dominance in global trade. Yet even as U.S. share has declined, exposure remains significant. That combination increases vulnerability: the United States still depends on export markets to absorb production but has less influence over price formation than in prior decades.

Trade concentration compounds that exposure. In 2024, China purchased nearly half of all U.S. soybean exports. When a single country represents that magnitude of demand, shifts in purchasing patterns can quickly become price events. From January through August 2025, U.S. soybean exports to China totaled roughly 218 million bushels, down sharply from approximately 985 million bushels during the same period the previous year. Over that same timeframe, Brazil exported roughly 2.5 billion bushels to China. Global soybean demand did not contract. It was redirected. When demand shifts at that scale, domestic prices respond regardless of farm-level efficiency.

The consequences extend beyond one commodity. When soybean export prospects weaken, acreage adjustments follow. Producers shift into alternative crops such as corn, expanding supply and increasing downward price pressure. Storage builds, basis weakens, and working capital tightens. In an export-dependent system, volatility in one major crop can quickly transmit across the broader row-crop economy. Once planting decisions are made, producers cannot reverse course mid-season. They are committed to clearing the market at whatever price global demand supports.

Logistics vulnerabilities add another layer of exposure. Inland waterway disruptions, low river levels, congestion at export terminals, and rail bottlenecks all influence the price farmers ultimately receive. When export markets carry a large share of utilization, transportation disruptions translate directly into wider basis and lower net returns. Competitiveness is therefore not only about negotiating new agreements. It is also about ensuring reliable, efficient infrastructure so that U.S. commodities reach global buyers at predictable cost.

Trade policy itself increasingly revolves around non-tariff barriers that affect real-world demand. Sanitary and phytosanitary measures, biotechnology approval timelines, maximum residue limits, and regulatory standards can restrict access even in the absence of formal tariffs. The Office of the U.S. Trade Representative continues to document practices ranging from opaque import licensing

to state-supported enterprises that distort competition. For American producers, the effect is uncertainty about whether the market will be open when the crop is ready to ship.

Recent trade frameworks and negotiations offer meaningful opportunity. Commitments to reduce tariffs, address non-tariff barriers, and expand agricultural purchases can support farm income if fully implemented. Farmers strongly support open and enforceable trade relationships. At the same time, experience over the past decade demonstrates that episodic purchase agreements alone cannot serve as the foundation of long-term profitability. Markets must be stable, diversified, and rules-based.

For trade to work effectively across commodities, it must also be fair. American producers operate under stringent labor, environmental, and food safety standards. When imported products enter the U.S. market under materially different regulatory regimes, domestic producers can be placed at a disadvantage within their own marketing windows. Ensuring that trade is reciprocal and science-based protects both export opportunity and domestic stability.

Exports remain indispensable to American agriculture. But heavy export reliance in a world of intensified competition, concentrated demand, and infrastructure vulnerability increases income volatility. When foreign sourcing decisions shift abruptly, the presence or absence of strong domestic demand and processing capacity determines how much of that shock is absorbed downstream versus transmitted back to the farm gate.

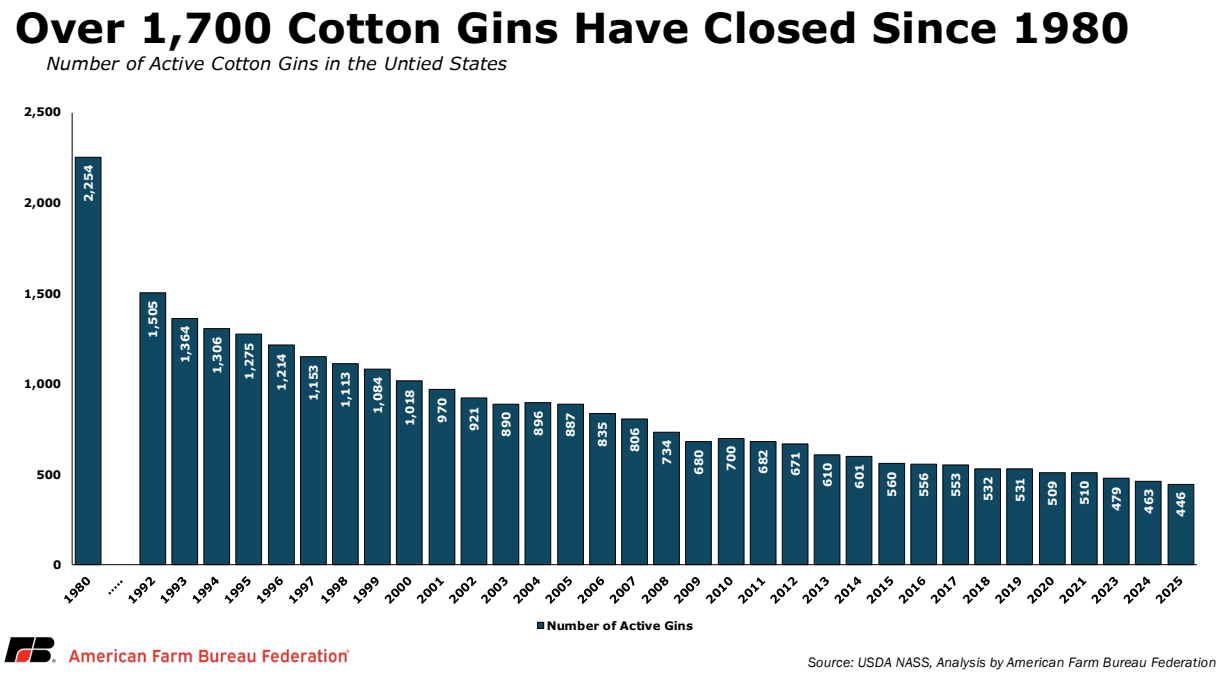
The Erosion of Domestic Processing Capacity

U.S. agricultural demand only becomes farm income when domestic infrastructure can convert raw commodities into finished products. That infrastructure determines where value is added, where rural jobs are anchored, and how much volatility is absorbed within the supply chain rather than transmitted back to producers. When processing capacity narrows or concentrates, resilience declines.

Several sectors illustrate this long-term structural shift.

Cotton is the clearest example of permanent capacity loss. In 1980, more than 2,200 cotton gins operated across producing regions. Today, roughly 446 remain. While some consolidation reflects scale efficiencies, the broader story is the collapse of domestic textile manufacturing after global restructuring of apparel production. As mills closed and capacity moved overseas, domestic mill

use of cotton fell to historic lows. Producers now export 80% to 85% of annual production. Once textile infrastructure and skilled labor networks dissipated, they did not return. The result is a globally competitive production base that depends heavily on foreign processing demand.



Rice milling and sugar refining show similar consolidation patterns. These facilities require steady throughput and regulatory certainty to justify capital investment. When regional production fluctuates or compliance costs rise, marginal plants close. Rebuilding requires not just capital but labor, supplier networks, and predictable permitting environments. Over time, fewer facilities serve larger regions, increasing transportation costs, and narrowing marketing options.

The beef sector illustrates how concentration affects resilience even without long-run decline. A small number of large packing plants process the majority of fed cattle. When a major facility shuts down, regional cattle prices can weaken quickly because alternative buyers are limited within economic hauling distance. During the pandemic, temporary disruptions widened spreads between wholesale beef prices and cattle prices, highlighting how concentrated capacity can amplify shocks. Modern packing plants require hundreds of millions of dollars in capital, specialized labor, and wastewater infrastructure. Investment decisions depend on regulatory stability, labor availability, and long-term throughput certainty.

Recent expansion in soybean crushing tied to renewable diesel demand shows the opposite dynamic. When domestic utilization grows predictably, capital follows. Additional crush capacity has created new local marketing options and strengthened regional basis levels. That contrast underscores the broader principle: processing investment responds to stable demand signals and predictable policy environments.

Capital hesitates when those conditions are absent. Agricultural processing margins are cyclical. Environmental permitting and wastewater approvals can extend timelines. Rural labor availability remains uncertain. Elevated interest rates increase financing costs. Imported processed goods can enter at competitive prices when labor and regulatory costs differ abroad. These realities do not argue against efficiency. They explain why distributed, resilient capacity does not expand automatically.

Processing determines whether a nation captures value or exports it. When infrastructure erodes or concentrates excessively, rural communities lose employment, producers have fewer buyers, and geographic production diversity narrows. Productivity gains alone cannot offset that structural shift. Without adequate domestic conversion capacity, even strong demand signals are less likely to translate into durable farm income.

Domestic Produce: High Value, High Cost, and Growing Import Exposure

Specialty crops operate under a different structure, but the pressure is the same. These are high-value, labor-intensive, perishable commodities sold into concentrated marketing channels and increasingly integrated North American supply chains. Even when consumer demand is strong, the farm gate price depends on cost competitiveness, seasonality, and buyer sourcing decisions.

Imports have increased steadily over the years. In 2023, Mexico supplied 51% of U.S. fresh fruit imports by value and 69% of fresh vegetable imports, with Canada supplying another 20% of vegetable imports. These supply chains reflect geography and year-round consumer expectations, but they also define the competitive environment domestic growers face. When retailers prioritize consistent supply at the lowest delivered cost, domestic producers compete against products grown under different labor structures and regulatory regimes. Imports frequently overlap with U.S. harvest windows, compressing prices at critical marketing moments. Over time, these pressures have coincided with a notable decline in domestic production, with U.S. vegetable output falling

by roughly 14 million metric tons since 2000, a 39% decline, while fruit production has dropped by about 9 million metric tons, or 24%.[3]

Potatoes illustrate how production strength does not guarantee domestic value capture. The United States is a leading potato producer, and most utilization is tied to processed products. Yet the United States has been a net importer of frozen French fries in recent marketing years. In the 2024/25 marketing year, frozen fry imports approached 2 billion pounds, with roughly 85% supplied by Canada and another significant share by the European Union. This is not a production constraint. It reflects processing economics, energy costs, labor availability, and capacity distribution. When buyers need finished product, they source where capacity exists at competitive cost.

Specialty crop producers are also uniquely exposed to labor instability. These operations are highly labor-intensive, with harvesting, sorting, and packing that cannot be fully mechanized. Workforce uncertainty raises break-even thresholds quickly and introduces production risk. When labor is unavailable during peak harvest windows, product can be left in the field and buyers shift sourcing elsewhere. Once shelf space or contract volume is lost, recovery is difficult.

Market structure compounds these pressures. Unlike grains traded on transparent exchanges, many specialty crops are sold through negotiated contracts or concentrated buyer channels with limited price discovery. Perishability limits storage flexibility. If supply exceeds immediate demand, price declines can be swift. When imports are readily available, they provide an alternative supply source that weakens domestic bargaining leverage.

The implication is practical. Domestic fruit and vegetable production will remain viable only if labor policy provides stability, regulatory implementation remains science-based and enforceable, procurement policy genuinely prioritizes U.S.-grown products where feasible, and domestic packing and processing capacity expands in step with demand. Without those conditions, strong consumer demand can coexist with shrinking domestic production share.

[3] Food and Agriculture Organization of the United Nations (FAO), *FAOSTAT: Production—Crops and Livestock Products Database*, available at https://www.fao.org/faostat/en/#data/QCL.

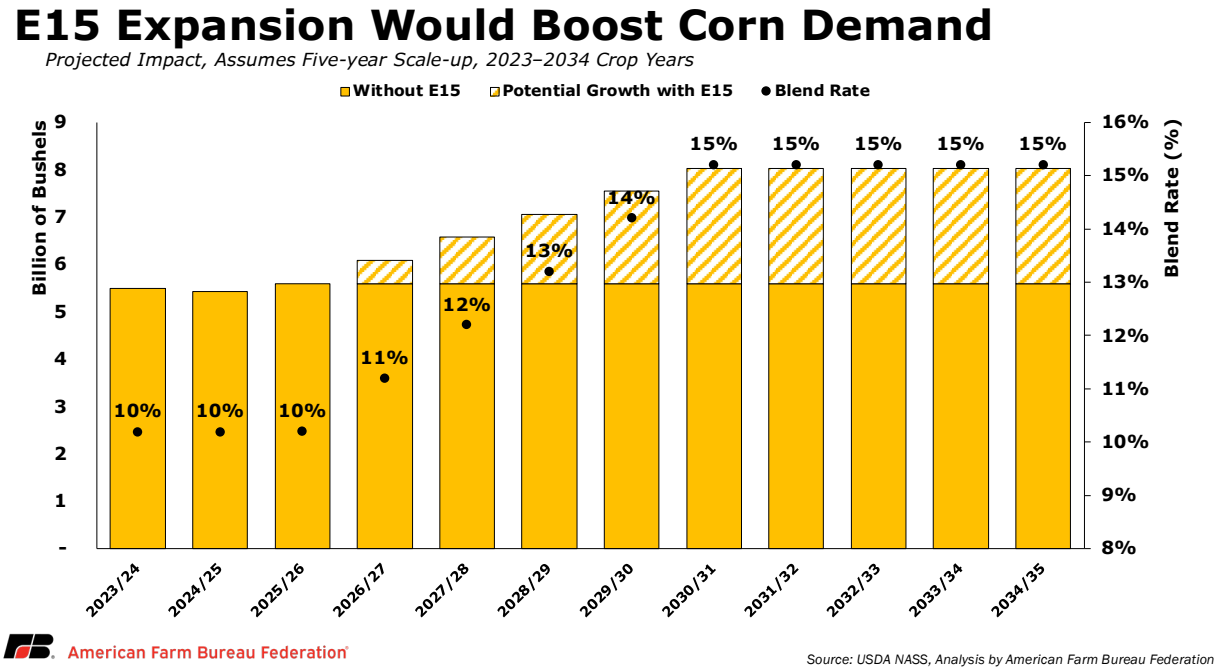
Specialty crop growers do not lack productivity. They face structural competitiveness pressures in a market where imports can respond quickly and where processing and labor constraints shape whether domestic supply reaches consumers.

Building Durable Domestic Demand

With rising productivity in American agriculture, durable domestic demand must be a structural feature of agricultural policy. Export markets remain essential and must be strengthened through fair and enforceable agreements. But driving domestic demand for a diversity of farm products provides stability when global markets fluctuate and supports investment in local infrastructure.

Biofuels represent the clearest example of policy-aligned domestic demand. Ethanol production now utilizes roughly 5.5 billion to 5.6 billion bushels of corn annually, accounting for approximately 40% to 43% of total U.S. corn use. That demand channel did not exist at that level three decades ago. It was created by matching our nation's agricultural strength with our energy priorities. Renewable diesel and biodiesel markets have similarly transformed oilseed demand. Approximately 40% to 45% of domestic soybean oil utilization is now tied to biofuel production. That shift has driven expansion in domestic soybean crushing capacity across multiple states, creating jobs and strengthening local markets.

However, growth in ethanol utilization faces structural constraints. The national gasoline blend remains close to E10 in many regions due to outdated seasonal volatility limitations. Permanent, year-round authorization of E15 would expand blending opportunities significantly. Moving from a nationwide E10 baseline to broader E15 adoption would increase ethanol demand by approximately 6.8 billion gallons, or on the order of 2.4 billion bushels of corn annually. For producers facing multi-year margin compression, demand of that magnitude significantly tightens balance sheets and supports local processing margins.

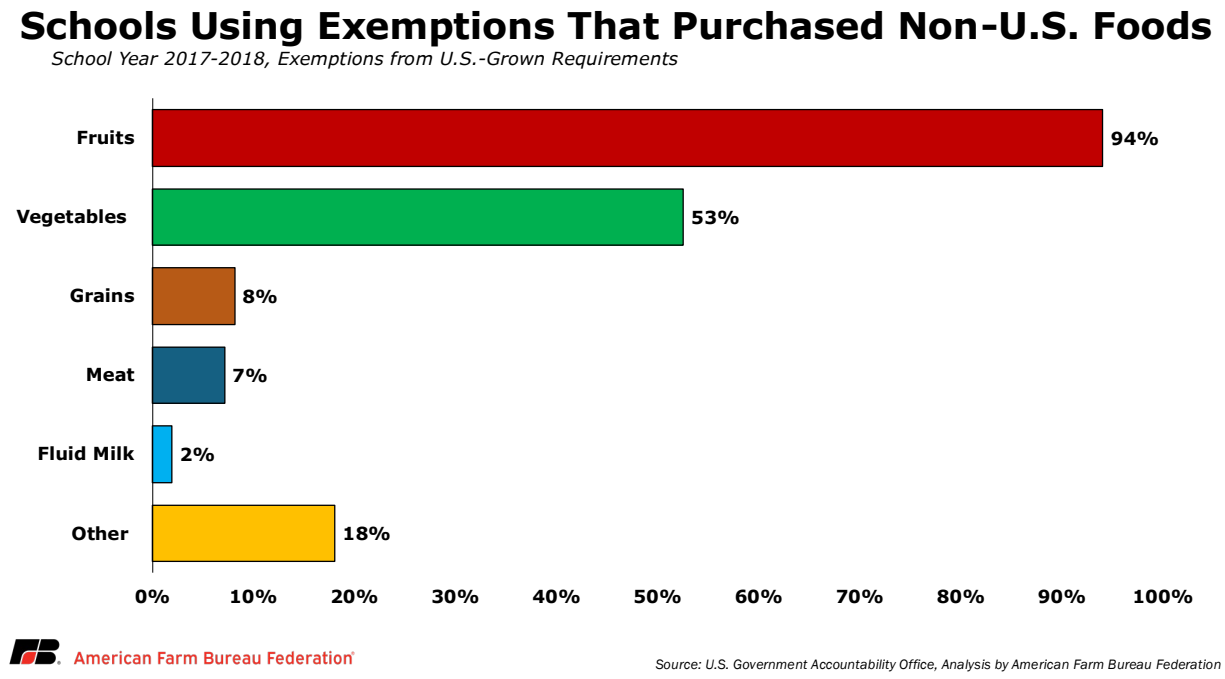


Sustainable aviation fuel (SAF) represents another opportunity. As the aviation sector seeks to reduce lifecycle carbon intensity, domestic SAF production capacity is expanding. U.S. Energy Information Administration data from 2025 show SAF output increasing as new facilities come online. Feedstocks derived from corn, soybeans, and other agricultural products can supply this emerging market if policy frameworks provide stable incentives and clear lifecycle accounting standards. With long-term growth projected in global air travel, SAF has the potential to become a stable demand channel if development occurs domestically rather than shifting overseas.

Domestic demand tools extend beyond energy. Federal procurement is an established lever for reinforcing domestic production. In fiscal year 2025, federal agencies purchased approximately $6.9 billion in U.S.-grown food and agricultural products. While this represents a small fraction of total consumption, it provides stable baseline demand in key sectors. Strengthening oversight and enforcement of Buy American provisions in school meal programs, Department of Defense procurement, and nutrition programs can ensure that public dollars consistently reinforce domestic agriculture when practicable.

The National School Lunch Program alone serves roughly 30 million children per day and provides nearly 5 billion meals annually. Under current rules, a product qualifies as “domestic” if it is processed in the United States and contains at least 51% U.S.-grown ingredients. That definition

allows a substantial share of foreign inputs in composite or processed foods. In addition, tracking of Buy American exceptions remains uneven across districts, and waivers are often granted when imported products are modestly less expensive or more readily available. As a result, the realized domestic share embedded in institutional demand can fall short of its potential. Strengthening reporting transparency, improving enforcement consistency and gradually raising domestic content thresholds would more fully align nutrition spending with domestic agricultural production without expanding overall program costs.



Procurement alignment is particularly meaningful for specialty crops and fiber markets. Programs that enable schools, food banks, and institutional buyers to source directly from U.S. farmers can strengthen regional fruit and vegetable markets and improve supply chain transparency. In cotton, legislation that encourages use of U.S.-grown fiber in government procurement and uniform manufacturing, like the Buying American Cotton Act, can anchor segments of domestic demand even if broader textile production remains globalized. Legislation that encourages businesses to buy U.S.-grown agricultural products could help increase domestic demand by incentivizing companies to purchase commodities from American farmers.

Regulatory clarity also influences domestic demand realization. Policies affecting ethanol blending, lifecycle carbon accounting, labeling standards, and product definitions shape private-

sector investment decisions. When rules are predictable and science-based, capital responds. When policy signals fluctuate, investment hesitates.

Labor policy is central to sustaining domestic production and processing. Specialty crops and many processing facilities depend on reliable, legal labor availability. Without modernization of agricultural labor programs and workable improvements to guestworker programs, production could migrate to regions with more predictable workforce conditions. Labor instability is not simply a cost issue. It is a supply continuity issue that affects harvest timing, processing utilization, and buyer sourcing decisions.

Risk management modernization also supports domestic diversification. Producers investing in value-added processing, specialty crops, or emerging markets often face revenue volatility not fully addressed by traditional commodity programs. Updating risk management tools to accommodate diversified production can facilitate domestic investment.

Building durable domestic demand is not about retreating from global trade. It is about ensuring that American productivity is matched by American utilization wherever economically feasible. Energy policy, procurement alignment, regulatory stability, labor modernization and risk management reform all influence whether demand growth catalyzes domestic processing and strengthens farm income.

Domestic demand functions as a stabilizer. It complements exports, supports processing investment, and reduces vulnerability to external shocks. As agricultural productivity continues to increase, policy alignment between production, processing and utilization will determine whether that productivity strengthens or strains the farm economy.

Preserving American Farmland as a Strategic Asset

Farmland is more than real estate. It is productive sustainability and the foundation of our food security. When farmland leaves production permanently, the country loses the ability to respond quickly when global supplies tighten, when conflicts disrupt trade corridors, or when weather shocks hit multiple regions at once. In agriculture, capacity is built over decades through soil

stewardship, drainage, irrigation, local agronomy, equipment networks, and nearby processing and transportation. That system cannot be recreated on demand.

The data show that America's production base is slowly but steadily narrowing. USDA's 2022 Census of Agriculture reported just over 1.9 million farms, down 6.9% from 2017, and 880.1 million acres of farmland, down 20.1 million acres in five years. Even as farms and acres declined, average farm size rose from 441 acres to 463 acres, a sign that consolidation pressures continue to reshape the structure of production. These changes are not inherently "good" or "bad" on their own, but they mark an unmistakable shift. In a period when margins are thin, the economic pressure to exit farming rises, and when land is sold into non-agricultural uses, it rarely comes back.

Development pressure is one of the most permanent drivers of farmland loss, and the scale is often underestimated because farmland slips away, one parcel at a time. USDA's Economic Research Service estimates that developed land totaled 116.3 million acres in 2017 and has increased by roughly 43 million acres since 1982, an 85% increase over that period. That is not just growth at the edges of cities. It reflects a long-running expansion of housing, commercial and industrial footprints, transportation corridors, and supporting infrastructure into land that was previously part of the working landscape.

Importantly, the land being converted is not always marginal. ERS reports that about 22% of newly developed land from 2012 to 2017 was cropland. Cropland is where much of America's highest productive potential sits, and once it is subdivided, paved, or converted into industrial footprints, rebuilding that capacity is extremely difficult. Even where soil remains, fragmentation changes what can be farmed economically. Roads, utility corridors, zoning constraints, and conflicting adjacent land uses can permanently alter where modern production systems can operate.

This matters for national resilience because food production cannot be switched on and off like a factory line. When global disruptions occur, the United States benefits from having a broad, geographically diverse base of productive acreage and the supporting infrastructure that makes it usable. Recent years have reminded the world that grain and oilseed flows can become strategic chokepoints when conflict disrupts a major exporting region. In those moments, domestic capacity is not a talking point. It is leverage and stability.

The economic consequences of farmland leaving production also show up in rural communities long before anyone calls it a "national security" issue. When farmland disappears, local businesses lose customers, school enrollment drops, and the service economy that supports agriculture thins out. In many towns, farms are not only employers: they anchor the local economy, keeping equipment dealers, agronomists, veterinarians, trucking, repair services, and food processors viable. If we want rural communities to be places where the next generation can live, work, and raise families, keeping farmland in production must be treated as a long-run economic development strategy, not an afterthought.

That is why a modern farm bill remains essential. The farm bill is the backbone for risk management, conservation working lands, research, and rural development, and it shapes whether farming remains economically viable enough for land to stay in agriculture rather than being paved over. A strong farm economy is not only about surviving the next weather event or the next price cycle. It is about maintaining a production base that the nation can rely on when the world is less predictable.

If we want American agriculture to remain resilient, we should treat farmland as a strategic asset by keeping it economically viable to farm, creating opportunities for farmers to grow and invest in their businesses, and making it realistic for the next generation to take up this calling. Demand, processing capacity, market access, and a predictable safety net all support that objective, but the objective itself is straightforward: preserve the productive base, because once it is gone, the country cannot buy it back.

Call to Action

Chairman Boozman, Ranking Member Klobuchar, and members of the Committee, thank you for the opportunity to speak today as both a farmer and as president of the American Farm Bureau Federation.

On my farm in Georgia, every decision begins with the numbers. Before we plant a crop or expand a herd, we calculate costs, evaluate expected prices, and determine whether the margin justifies the risk. That discipline applies just as much nationally as it does on my own farm. Today, farmers across this country are producing at historically high levels, but they are doing so in a high-cost environment where demand growth and market access have not kept pace with rising productivity. When markets lag behind output, margins tighten and financial resilience erodes.

The data we discussed today tells a consistent story. Sustained losses across major row crops. Significant financial pressure in specialty agriculture. Rising debt levels. Increasing reliance on government payments to stabilize income. Heavy exposure to concentrated export markets. Erosion and concentration of domestic processing capacity. These are not temporary disruptions. They reflect structural misalignment that must be addressed deliberately and strategically.

American agriculture remains one of the most innovative and productive sectors in the world. The opportunity before us is to ensure that markets, infrastructure, and policy evolve alongside that productivity. Demand must grow in durable ways. Processing capacity must be modern, regionally resilient, and economically viable. Trade relationships must be enforceable and reciprocal. And the farmland that underpins this system must remain economically viable for the next generation.

Food security is national security. A resilient agricultural system provides stability during geopolitical conflict, supply chain disruption, and economic uncertainty. When productive land leaves agriculture, when infrastructure narrows, or when markets become unstable, flexibility declines. Once that capacity is lost, rebuilding it is costly and slow.

The path forward requires coordinated policy. Strengthen predictable farm bill-based risk management so producers can plan beyond a single season. Expand domestic utilization through energy policy, procurement alignment, and regulatory clarity. Encourage long-term investment in processing infrastructure by reducing uncertainty and supporting workforce stability. Protect fair and open markets abroad while ensuring reciprocity at home. Treat agricultural land and water resources as strategic production assets.

Farmers are ready to compete. We are ready to innovate. We are ready to meet demand at home and around the world. What we need is policy that is stable, aligned, and forward-looking.

This hearing is an important step in that direction. I look forward to working with this Committee to ensure that American farmers and ranchers can continue supplying food, fiber, and fuel for generations to come.

Thank you.