

USDA grapples with economic crisis hitting farm industry

Agency considers suggestions to improve farmers better economic circumstances. But, the battle for actual change won't happen anytime soon.

The Senate Committee on Agriculture, Nutrition, and Forestry, today, pressed USDA Secretary Tom Vilsack to lift what some members called stricter regulations which they said fueled a decline in farm economy.

“Unfortunately, this administration appears to be moving forward with regulations that will knowingly cut these profit margins, hurting both producers and consumers,” Sen. Pat Roberts, R-KS, said.

The stricter regulations put in place by the agency a couple of years ago, include delayed approvals of new biotechnologies and new reporting requirements. These regulations are making the Genetically Modified Organism-labeling harder to access, costing farmers more money to have their products evaluated by licensed laboratories, and requiring the extra grazing and pasturing of dairy cows and other livestock.

Regulations are making profits go down and debts rise up, said Roberts. “Plain and simple, farmers and ranchers are worried. The downturn in the agricultural economy is taking a toll on their pocketbooks and the health of many family operations.”

The administration’s longest-serving cabinet member, Vilsack, defended his agency’s work and said that more funding and time is needed to ensure change.

When he met with the committee in February of last year, Vilsack focused on the implementation of the 2014 Farm Bill, which is an act of Congress that authorizes nutrition and agriculture programs. Since then, the economy in farm country hasn’t gotten any better and the USDA’s role and its leadership are in question.

“I worked diligently to pass a farm bill, I have taken on the difficult task of labeling, I have shown the ability and capacity to work with party lines out of respect for the benefit of rural America and all America,” Vilsack said defending his agency.

Roberts also mentioned the lack of assistance farmers are getting when confronted with unexpected bumps, whether it's from a natural cause or a business standpoint, due to the administration's overregulation that is leaving them in debt and hopeless.

"Their chances of survival can quickly go from slim to none when they're not only battling the weather, but also the heavy hand of government over-regulation," Roberts said.

The dairy industry in particular has been the most affected by the economic crisis. Milk and cheese prices have dropped to their lowest point since the Farm bill was passed in 2014. The prices started dropping when global demands from countries like China and Russia were lost. International countries turning to other markets to get their dairy has affected the export market. As a result, farmers are not making in profits.

Roberts expressed his concerns about the lives of farmers in that most of them have a very meager income only making money to get by, and they don't have money to spend on other expenses, such as buying clothes for their kids or paying for education.

"Well, there's good news now— export markets are starting to show an increase and when Congress and Senate make a trade agreement – opportunities will be expanded," Vilsack responded, in defense of his agency.

According to Vilsack, the lack of resources and funding is a reason why the USDA can't make changes to the strict regulations.

"We are challenged with a budget that is less than it was in my first full year as secretary. We want to address the issues and take every side into consideration," Vilsack said.

The USDA chief said he is cognizant of the challenges the farm economy is facing, but doesn't really have a solution to offer at the moment due to the resources being limited.

"We need to do a better job of educating folks about this shift that is taking place from a payment system to an insurance system," Vilsack said.

He added; “Everything I can do – I have done and every penny Congress had given me - I have spent.”

As a result, the committee proposed to prioritize wheat and soybean, when shipping to countries in food need under the Food for Peace and McGovern-Dole Food for Education programs authorized by the farm bill, as it can increase revenue.

“In Kansas and across the Midwest, we have had a bountiful wheat harvest, and now there are expectations for potentially record-setting corn and soybean crops,” Roberts said.

Although it will take time, plans to bring certainty and improvements to the farm economy are in the making.

“We will lay a strong foundation for the next administration. This is not going to get done in the next couple of months,” Vilsack said.