

9/29/2005 Moran Chairs Subcommittee Hearing on the State of the Farm Economy

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WASHINGTON, D.C. - Congressman Jerry Moran today chaired a hearing of the House Agriculture Subcommittee on General Farm Commodities and Risk Management to review the state of the farm economy and the effect of federal policy on agriculture. With the dramatic increases in energy prices, farmers and ranchers have been burdened in recent months with the stress of significant increases in input prices.

"My farmers have few options," Moran said in his opening statement. "They feed the world, but also have to feed their families. With ever-increasing energy prices, we need to see where this trend is going and ensure they can continue to do both."

Panel members testified about the future of the farm economy, taking into account the significant increase of farm input prices, such as fuel, fertilizer and other services requiring petroleum-based products. Among those testifying were Keith Collins, chief economist at the U.S. Department of Agriculture, and Sam Funk, administrator of the Kansas State University Farm Management Association Program.

"Producers still use similar amounts of the input for optimal economic production, but their economic returns decrease due to higher input prices," Funk said. "Across all farms and on a per acre basis, the impact of higher fuel and oil, irrigation energy and fertilizer prices will increase costs in 2005 approximately \$8 to \$10 per acre for farms in Kansas compared to the previous five-year average."

Following the hearing, Moran committed to continuing his review of the current national farm economy and looking for ways to improve the situation of American farmers and ranchers.

Moran is chairman of the House Agriculture Subcommittee on General Farm Commodities and Risk Management.

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