



Testimony of John Wicks

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Submitted to the

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**Subcommittee on General Farm Commodities, Risk
Management, and Credit**

***“Financing Farm Operations: The Importance of Credit and Risk
Management”***

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Thank you for the invitation and the opportunity to provide testimony on behalf of National Farmers Union (NFU) and Montana Farmers Union. NFU is made up of more than 200,000 family farmers and ranchers across the country. Similarly, Montana Farmers Union is a grassroots, nonprofit organization dedicated to preserving the agricultural way of life, our rural communities, and family farms and ranches. We believe that no farmer or rancher should stand alone, and we are fighting for the issues that will preserve agriculture and our communities for the next generation.

I am a fourth-generation farmer in Liberty County, Montana. I grew up on a dryland wheat farm south of Chester, Montana, and I spent a lot of time in Eastend, Saskatchewan, where my family also farmed until the late 1990s. I have been running our family farm in north central Montana since 2007. I primarily raise lentils, chickpeas, wheat, durum, rye, and barley. I farmed both conventionally and organically for a period of time, and the entire 4,000-acre farm became USDA certified organic in 2021. I previously served on the Liberty County Farm Service Agency (FSA) County Committee for nine years. I currently chair the Montana Agriculture Development Council, I am president of the Liberty/Toole Local of Montana Farmers Union, and I serve on the executive board of the Montana Organic Association (MOA).

Credit

Farming is not just a way of life – it is a business that demands significant investment. Land, equipment, and inputs like seeds, fertilizer, and other materials are foundational for generating revenue and profit. Access to affordable and reliable credit is a necessity for building and sustaining a successful farm business.

NFU's grassroots, member-driven policy, stands for a lending system that is fair and provides opportunities for all types of farmers to thrive. We also believe that the USDA FSA farm loan programs are foundational to providing credit for farmers when it cannot be obtained elsewhere. Congress should ensure that the FSA farm loan system remains adequately funded to meet producer demand as it fluctuates and ensures fair, equitable, and supportive approaches to debt restructuring or debt forgiveness when needed. These lending opportunities should be made available to equitably assist all family farmers and ranchers, including those who are beginning, socially disadvantaged, or historically underserved.¹

Importance of FSA Loan Programs

I could not have built my farm to what it is today without USDA FSA loan programs. Even though FSA lending as a percentage of the overall agricultural lending portfolio is relatively small, it is critical, as my own experience demonstrates.

¹ NFU Policy Book, March 2025. <https://nfu.org/policy/>.

My experience with FSA loan programs dates back to when I was 14 years old, and I received a \$5,000 youth loan to purchase cattle. I ran those cattle alongside my dad's herd for four years, and the proceeds helped fund my college education.

Loan opportunities to help beginning farmers at FSA came in especially handy for me when our farm's combine suffered a major breakdown right at the start of harvest one year. At the time, our bank was unable to extend another line of credit until we had post-harvest financials in place. Thanks to FSA loans and the support of FSA staff, I was able to quickly purchase a replacement combine. This not only saved our harvest but also helped me build equity in our operation. The special focus at USDA on supporting beginning farmers and understanding the unique circumstances beginning farmers face can make a big difference.

Of course, it is important that USDA is also helping farmers receive the education and training we need to avoid defaulting. Our local FSA hosts a "Next Gen" conference, of which attendance is required for new borrowers. It covers a range of topics, from agricultural lending to crop insurance.

FSA loans also helped my operation evolve when it needed to. I started growing pulse crops like lentils, which can be more complicated to manage than cereal/grain crops – including by requiring specialized equipment. One thing I especially needed to make growing pulses feasible was hopper bottom bins, which are specialized storage containers for these crops. To acquire these, I used FSA's Farm Storage Facility Loan Program, which had a lower interest rate than other options at the time; I am not sure I would have been able to make this transition work without that resource.

The investment in on-farm storage had long-term value beyond just convenience. Those bins now serve multiple purposes like storing seed, facilitating efficient crop loadout, and even saving truckers significant time. It is an example of how a small, well-placed investment can ripple across the entire operation.

Like many family farms, we faced challenges with succession planning. Transitioning the operating line of credit and securing the land required for collateral were major hurdles. An FSA Farm Ownership Loan made it possible for me to take over land and the generational debt tied to it through a safe loan option that helped stabilize our operation and increase the likelihood of intergeneration success in farming.

My experience with FSA loan programs is part of why I support the Producer and Agricultural Credit Enhancement (PACE) Act (H.R. 1991), led in the House by Rep. Brad Finstad (R-MN) and Ranking Member Angie Craig (D-MN). This bill would update FSA loan limits to ensure they make sense in the current economic environment. The bill also takes the innovative step of helping distressed borrowers by allowing for the refinancing of guaranteed loans into direct loans and drives home the point that FSA loan programs must be fully funded to meet producer demand.

The critical role played by FSA lending programs is also why we are deeply disappointed by USDA's recent decision to remove the "socially disadvantaged"² definition from numerous USDA programs, including USDA loan programs. NFU's grassroots, member-driven policy notes that we support a "farm credit policy that... provide(s) special assistance to beginning and socially disadvantaged farmers."³ The socially disadvantaged designation does not discriminate against anyone; it simply provides a hand-up for people who have faced historical discrimination in our society. According to reporting, the rule could affect approximately 20 percent of USDA's farm loan volume.⁴

Additionally, a memo issued by USDA on April 29, 2025, is concerning because it stated that all direct and guaranteed loans over \$500,000 will require further clearance from the Office of the Secretary and the Department of Government Efficiency (DOGE) to ensure lending complies with an executive order from President Trump on government cost efficiency.⁵ The integrity of all USDA programs is very important, but access to credit also needs to be timely – whether for operating loans to ensure farmers can get a crop in the ground at the optimal time, or for ownership loans where there can be stiff competition for land purchases. This move could impact thousands of potential borrowers each year. Accessing credit is already challenging and can be very stressful; we ask the subcommittee to make sure the administration is not adding unreasonable or duplicative review steps to FSA loan approvals and is transparent and fair in its review processes.

Importance of the Farm Credit system and other credit options for farmers

My family is a customer of AgWest Farm Credit. Our experience has been very positive, and they helped us through a very difficult patch with our farm. After my father passed away and my mother and I began operating the farm together, we ended up needing to find a new bank. The good news is we found a lender, but the bad news was that at that time, our profitability was very up and down year-to-year. Part of how we improved our profitability was by shifting to organic production, which provided us some important opportunities. But our banker lacked experience with organic production systems, and at one point they cut our operating line of credit before we reached our agreed loan limit. This put us in a major bind and we faced a period of extreme financial stress.

We ended up finding a path forward with AgWest, who both approved our financing for that season and took on our long-term debt. They understood the value of the price guarantees that we had received and were able to more accurately evaluate our production risk. They also helped us through some challenges in transitioning our debt to them. We are thankful for the positive working

² The 1990 Farm Bill defined "socially disadvantaged" farmers and ranchers as members of a group subjected to racial or ethnic discrimination. USDA's 1990 definition for socially disadvantaged farmers lists farmers who identify as Black, or African American, Native American or Native Alaskan, Hispanic, Asian and Native Hawaiian or Pacific Islander. Women were also added to the definition in 1992 for loan programs.

³ NFU Policy Book, March 2025. <https://nfu.org/policy/>.

⁴ Chris Clayton, "USDA Ends Programs, Policies Supporting 'Socially Disadvantaged' Farmers and Ranchers," *DTN Progressive Farmers*, July 10, 2025. <https://www.dtnpf.com/agriculture/web/ag/news/article/2025/07/10/usda-ends-programs-policies-socially>.

⁵ Chris Clayton, "DOGE Will Now Approve Larger USDA Loans," *DTN Progressive Farmer*, May 1, 2025.

relationship we have with AgWest, and we are on very solid footing today in part thanks to our partnership with them.

Risk Management and Disaster Programs

Market volatility and economic uncertainty are harmful to the finances of family farmers and ranchers and undermine their ability to access credit. Enacting better federal risk management programs helps protect family farmers and ranchers against natural disasters and lower prices. This reduction in risk makes getting a loan or line of credit more accessible and affordable for family farmers. Farmers Union supports improvements to crop insurance, including some of the changes in the recently passed reconciliation bill, which bolsters the Supplemental Coverage Option (SCO) and increases premium subsidies.

Outside of the recent improvements to crop insurance, Congress has frequently authorized ad hoc disaster programs over the last several years. Most recently, the American Relief Act of 2024 included \$30 billion for farmers who suffered losses due to weather disasters or low prices. The economic assistance portion of the aid, known as the Emergency Commodity Assistance Program (ECAP), disbursed \$7.8 billion and remains open for participation for another month.⁶ Meanwhile, the disaster assistance programs are mostly up and running, but family farmers and ranchers need assistance quickly. This committee and USDA should closely review disaster programs like these – and other recent ad hoc efforts such as the Coronavirus Food Assistance Program, Wildfire and Hurricane Indemnity Program (WHIP), WHIP+, and Emergency Relief Program (ERP) – to evaluate their effectiveness. These programs helped keep family farmers and ranchers in business but must be made as responsive and equitable as possible.

Congress should consider policy changes to help beginning farmers have more affordable access to risk management. Beginning farmers often have less equity in their farm operations and are unable to withstand a difficult farm economy.

For example, the Crop Insurance for Future Farmers Act (H.R. 2117), led by Rep. Randy Feenstra (R-IA) and Ranking Member Craig (D-MN) and cosponsored by eleven other members of Congress, would make crop insurance more affordable for beginning farmers and help these farmers more easily manage their risk, which in turn improves their ability to gain access to credit.

Another valuable risk management option in need of improvement is Whole Farm Revenue Protection (WFRP). WFRP is a crop-neutral revenue insurance product designed to protect a farmer's entire operation, including livestock, and provides diversified farms an option to insure all their crops and livestock under one policy. These farms may not have access to separate policies for each crop they grow, and a well-functioning WFRP could help. Currently, the program is not available to or effective for many producers. Recent legislation, including the Whole Farm Revenue

⁶ <https://www.fsa.usda.gov/resources/programs/emergency-commodity-assistance-program/dashboard> (Data retrieved July 11, 2025).

Protection Program Improvement Act in the 118th Congress and the Save Our Small Farms Act (H.R. 2435), led by Rep. Jahana Hayes (D-CT) in the 119th Congress, offer some solutions to these issues by reducing paperwork and increasing premium discounts for family farmers using WFRP. Improvements to the Non-Insured Crop Disaster Assistance Program (NAP) could also help.

While crop insurance and disaster programs are not a replacement for fair market prices and an adequate price support program, they play an important role in today's farm safety net and factor into agricultural credit decisions.

Fair Markets and a Robust Farm Safety Net

While access to affordable and reliable credit and well-functioning risk management tools are essential to farming successfully today, we believe fair and competitive markets and a robust farm safety net are even more foundational. Congress should do more to ensure our antitrust and competition laws are strengthened and better enforced, and invest in building local, regional, and other market opportunities that help farmers capture a larger share of the retail food dollar. While we welcome recent investments and improvements to the farm safety net through the budget reconciliation process, Congress should make further improvements by establishing permanent dual enrollment in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, and institute other innovative policies that help farmers improve their bottom lines while ensuring the long-term economic sustainability of their farms.

Advancing Fair and Competitive Markets

Fair, open, and competitive markets are foundational for the wellbeing of the American economy and our democracy, but farmers must buy from and sell into highly consolidated and uncompetitive markets. Very few firms control the market for agricultural inputs (such as seeds, crop protection products, fertilizer, and farm equipment), processing (including livestock slaughter and processing), food manufacturing, wholesale distribution, food service, and grocery retail. The small number of large, consolidated firms in the middle of the agricultural supply chain wield immense market power.^{7 8 9} High levels of concentration throughout the food supply chain have contributed to driving down the farmer's share of the retail food dollar while also raising costs for inputs and

⁷ Jonathan B. Baker, "Market power in the U.S. economy today," *Washington Center for Equitable Growth*. March 2017. <https://equitablegrowth.org/market-power-in-the-u-s-economy-today/>.

⁸ USDA, Agricultural Marketing Service (AMS), Packers and Stockyards Division. "Packers and Stockyards Division: Annual Report 2021 & 2022," (March 2024). <https://www.ams.usda.gov/reports/psd-annual-reports>.

⁹ Claire Kelloway and Sarah Miller, "Food and Power: Addressing Monopolization in America's Food System," *Open Markets Institute*, May 13, 2019. <https://www.openmarketsinstitute.org/publications/food-power-addressingmonopolization-americas-food-system>.

creating higher prices for consumers. Today, farmers and ranchers on average receive only 15.9 cents of every dollar that consumers spend on food, which remains near historic lows.¹⁰

We need to tackle these problems to ensure farmers like me have genuine access to fair and open markets, which would allow me to continue investing in and building a business that sustains my family farm, supports my local economy, and helps feed people.

As the committee looks to further update farm policy, it should take steps to make markets fairer and more competitive by strengthening the connection between USDA and our chief federal competition and antitrust law enforcers at the Department of Justice (DOJ) and the Federal Trade Commission (FTC), protecting the Packers & Stockyards Act (P&S Act), and spurring the development and expansion of alternative, local, and regional markets.

Congress should pass the bipartisan Meat and Poultry Special Investigator Act (H.R. 1380 / S. 1312). The bill would establish an independent office at USDA to strengthen enforcement of the P&S Act and to ensure USDA has a liaison to the DOJ and FTC on competition and trade practices matters in the food and agriculture sectors. A raft of private price fixing and other lawsuits in the food and agriculture sector demonstrates that, without strong federal enforcement of antitrust and competition laws, harmful practices are being carried out under the noses of Congress and at the expense of family farmers and consumers. It is also essential that recently finalized P&S Act rules are maintained and implemented.

There are many other actions Congress should take to make markets more competitive and fair, including ensuring truth-in-labeling through reestablishing country-of-origin labeling for beef, establishing the right to repair our own farm equipment, permanently establishing a Farmer Seed Liaison at USDA to strengthen competition and choice in the seed marketplace, and supporting additional research into consolidation in the livestock industry.

Expanding local, regional, and diverse markets and processing

Anticompetitive practices have eroded local and regional livestock processing options, which limit opportunities in the marketplace for producers while making our food system less resilient. Local and regional market opportunities, supported by adequate alternative processing capacity, can help farmers capture a larger share of the retail food dollar.

In recent years, USDA increased its support for businesses and communities looking to invest in expanded meat and poultry processing. Members of Congress have also taken note of the importance of this issue, introducing the bipartisan Strengthening Local Processing Act (H.R. 3076 / S. 1509). USDA's investments are critical, and we must ensure these new facilities are able to operate sustainably and thrive over the long term.

These new facilities are making a big difference in Montana so far. Montana consumers eat about 100,000 head of cattle each year. Before the recent investments in local meat processing, we could

¹⁰ USDA ERS. November 2024, *Food Dollar Series*. <http://www.ers.usda.gov/data-products/food-dollar-series/documentation>.

only process about 30,000 head annually, far short of the approximately two million calves we sell each year. The disruptions to meat processing during the pandemic made it clear that something needed to change so that we could better feed ourselves. Thanks to recent investments in the state, supported by USDA grants and low-interest loans, we now have the capacity to process over half of the cattle we consume.

These investments are also helping alleviate inflexible scheduling for harvesting livestock due to insufficient shackle space. Montana Farmers Union worked with several direct-to-market producers to form meat processing cooperatives, including the Montana Premium Processing Co-op¹¹, which also leveraged USDA grants and low-interest loans to build meat processing plants. Participating member-owners now can schedule harvest in a more manageable period of three months out, rather than more than a year out. Food security is national security, and investing in our food security should be a top priority.

Despite this good news, without strong enforcement of the P&S Act and our antitrust laws, and ongoing and consistent support for new processing facilities from USDA, we fear the major meatpackers will force new, smaller packing plants out of business.

Another way to create more competitive markets and ensure Americans' food security is to strengthen local and regional markets. Until recently, local and regional procurement programs like the Local Food Purchase Assistance (LFPA) and Local Food for Schools (LFS) programs were strengthening local and regional food systems, putting a larger share of the retail food dollar in farmers' pockets, helping farmers expand and build new markets, while also creating a stronger connection between farmers and their local communities. We were disappointed that USDA decided to terminate funding for these programs, especially given their great success in such a short period of time, spurring roughly \$400 million in new direct food purchases from farmers and generated an estimated \$747 million in new economic activity in rural communities across the country. We have been heartened by the bipartisan support in Congress for permanently authorizing these programs, and we look forward to continuing to work with members of the House Agriculture Committee and other members of Congress on this matter.

Ensuring and maintaining a strong farm safety net

The recently enacted reconciliation bill included major changes and improvements to the farm safety net. Increases to commodity reference prices – ranging from about 10 percent to 20 percent – reflect higher costs of production over the last decade. The provision to automatically boost reference prices based on inflation is also a welcome adjustment. Farmers Union has also long-supported another good provision included in the law: that producers will receive either the ARC guarantee or PLC assistance, whichever is higher. This dual enrollment provision was only added for the 2025 crop year, and we hope that provision will be extended indefinitely, because ARC/PLC

¹¹ Montana Premium Processing Cooperative. <https://www.mtpremiumprocessing.com/directors>.

does not provide a true safety net if family farmers need to gamble on which program is going to work best for them in any given year.

The reconciliation bill also authorizes a one-time allocation of new base acres, up to a total of thirty million additional acres, to help cover more cropland and farmers. Congress made encouraging improvements to existing permanent disaster programs like the Livestock Indemnity Program (LIP) and Livestock Forage Program (LFP), which will now reflect regional price differences, include unborn livestock losses, and make the trigger for assistance due to drought more responsive.

Despite this progress, Congress should make further improvements to the farm safety net in additional agricultural legislation this year. Congress should take a closer look at the Inventory Management Soil Enhancement Tool (IMSET), which is a voluntary, incentive-based conservation and farm safety net program concept. It has two core purposes: to help conserve our soil and to protect net farm income when agricultural markets falter. By voluntarily enrolling in IMSET, farmers would have an additional opportunity and incentive to participate in working lands conservation programs in exchange for stronger farm safety net protections. This policy concept can address important conservation needs while maintaining fiscal responsibility and merits inclusion in the future farm policy. Congress should also close farm program eligibility loopholes to ensure safety net support is directed to family farmers and ranchers.

Tariffs and market instability

Management of relationships with our trading partners also has major implications for farms like mine, and my ability to access the credit I need to stay in business. This past winter, I faced a long and frustrating experience while negotiating contracts for the 2025 lentil crop. Canada has made significant investments in lentil and pulse processing, meaning a large portion of our crop is exported north. Much of that product is then re-imported to the U.S. for sale.

When the threat of tariffs was raised, Canadian processors became hesitant to finalize contracts. Some explicitly stated they would invoke the "act of God" clause to terminate the contract if tariffs were enacted. Others declined to set delivery dates. As a result, Canadian offers dropped, and rather than maintaining U.S. market rates, American buyers followed suit by lowballing offers based on Canadian pricing.

Even though tariffs were only being discussed and not enacted, the speculation alone cost me tens of thousands of dollars and drastically reduced our market opportunities. The uncertainty harmed American producers without achieving any meaningful trade protections.

Federal Funding Freezes and Reductions in Force at USDA

Several executive orders, ongoing federal funding freezes, and massive reductions in staffing levels pursued by the current administration are continuing to create uncertainty for family farmers,

ranchers, and my community. We have already faced inadequate federal workforce staffing levels for FSA field offices in recent years, and current policy decisions are making matters worse. USDA office closures and reductions in force put more pressure on existing staff, add to wait times for farmers, and increase the burden of getting a loan reviewed and approved. While we should always be striving for greater efficiency, we need well-trained staff in the field who can help farmers navigate USDA programs.

Data show that most of that nearly 13,000 of the approximately 15,000 USDA employees who accepted buyouts from the Trump administration worked outside of the national capital region. More than 1,100 FSA and county committee employees took buyouts.¹² We worry about how these reductions in force will affect our community and my ability to farm successfully. We also worry that the move to make cuts or prompt early retirements are not over.

I urge the subcommittee to take seriously how current policy is jeopardizing farm livelihoods. Congress and the administration should review and reform federal programs and processes if they are performing poorly or can be improved, but they should pursue improvements in an orderly manner, after robust stakeholder feedback. I ask the subcommittee to seek information, explanations, and clarity from the administration about the many problems ongoing funding freezes and reductions in force are causing in our rural communities.

Conclusion

Thank you for the opportunity to testify. I appreciate the subcommittee's attention and look forward to answering your questions.

¹² <https://www.agri-pulse.com/articles/23031-usda-buyouts-extend-well-beyond-the-beltway-data-shows>