December 9, 2015

U.S. Representative Rodney Davis
Chair, House Agriculture Subcommittee on Biotechnology, Horticulture and Research
1740 Longworth House Office Building
Washington, DC 20515-1313

U.S. Representative Suzan K. DelBene
Ranking Member, House Agriculture Subcommittee on Biotechnology, Horticulture and Research
318 Cannon House Office Building
Washington, DC 20515-4701

Dear Representatives Davis and DelBene,

The undersigned individuals and organizations wish to emphasize the importance of farm household financial information in understanding farm household dynamics and making evidence-based decisions about government programs, and to support continued and unfettered collection of personal financial information by responsible statistical agencies of the U.S. Department of Agriculture.

Financial data provide the foundation for official USDA estimates of the income, assets, and debt of the farm sector, farm businesses, and farm households. They also provide the Commerce Department’s Bureau of Economic Analysis with the farming-related data it requires for its annual estimates of gross domestic product and personal income and in the development of State and local area personal income estimates. Without the financial data, farming would be excluded from these major measures of the health of our nation’s economy.

Further, the financial performance of farm businesses, or of the farm sector, generally, are neither equivalent to nor adequate indicators of the well-being of farm operator households. Farm operator households often have nonfarm investments, jobs, and other links to the nonfarm economy. Key indicators of economic well-being of farmers include income from farm and off-farm sources and wealth, the sum of all farm and nonfarm assets. A surprising number of farm households whose farm businesses are unprofitable have above-average incomes. Likewise, some profitable farms are operated by households that barely squeak by in terms of income or wealth. Thus, the consequences for farmers of general economic policies as well as farm, conservation and rural policies, are misrepresented by looking at farm business performance alone. Personal financial situations are key to getting an accurate read on farmers’ well-being or changes therein.

Policy analysts within and outside the federal government need personal as well as business financial data in order to evaluate whether and how policy, weather, or economic changes affect the well-being of farmers. In addition, farm operators themselves may find the financial data collected and summarized by USDA statistical agencies to be exceptionally useful as benchmarks for their own situations.

Thank you for your ongoing concern about and support for America’s farm families.