



AGFIRST
FARM CREDIT BANK

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March 17, 2016

The Honorable Nikki Haley
Office of the Governor
1205 Pendleton Street
Columbia, SC 29201

Dear Governor Haley:

On behalf of the more than 5,000 Farm Credit customers in the state of South Carolina, I am writing to urge you to support the farm aid bill (H.4717) currently being considered in the South Carolina state legislature.

As you know, 2015 was a catastrophic year for South Carolina farmers. The culmination of a late spring freeze, followed by drought during the summer, and then the historic floods experienced in the fall devastated many of our state's agricultural operations. Our state's most significant industry suffered monumental losses that will likely be felt for several years to come. In addition to the weather-related issues, plunging commodity prices continue to compound the seriousness of the situation.

While we are very appreciative of your efforts to speed up U.S. Department of Agriculture crop insurance payments to farmers, and your request to declare a federal disaster designation that allowed farmers to access an emergency low-interest loan program, the reality is this action falls far short of what it will take to get South Carolina farmers back in operation for this year and beyond. The 2014 Farm Bill eliminated direct, guaranteed payments for disaster relief and forced farmers to estimate how much of their crops to insure. Insurance coverage is simply insufficient given the magnitude of this unprecedented series of events.

Farming is a very capital intensive business. It often takes hundreds of thousands of dollars just to purchase basic equipment. As a result of the historic events that took place last year, we are beginning to see fourth, fifth, and even sixth generation farmers going out of business. Going out of business for a farmer does not mean putting a lock on the office door. It typically means they will sell their farms and lose their heritage. In addition to the devastation experienced by the farmers, the impact to the state will likely extend beyond the farms to loss of revenue for equipment dealerships, tractor supply stores, feed and seed stores, fertilizer companies, cotton gins, processing and packing operations, not to mention the loss of jobs associated with these businesses. It will also discourage younger South Carolina farmers from pursuing their dreams of starting up their own farming operations or continuing the operations of their parents. Without

farmers, many South Carolina communities that already struggle to provide fresh food to their residents will have an even harder time meeting their needs.

Because Farm Credit in South Carolina supports rural communities and agriculture, the plight of our state's farmers compels us to urge your support of the farm aid bill to assist those who work tirelessly to ensure that our state and our great nation have the safe, affordable food and fiber it needs.

Sincerely,



Leon T. Amerson
Chief Executive Officer