



Working together for Ohio farmers to advance agriculture and strengthen our communities.

**Senate Financial Institutions and Technology Committee
H.B. 440 Proponent Testimony
Brandon Kern, Senior Director of State and National Policy
March 15, 2022**

Chair Wilson, Vice Chair Hottinger, Ranking Member Maharath, and members of the committee, thank you for the opportunity to provide comments on the expansion of Ag-LINK contained within HB440. Farm Bureau has a long history of supporting this program, providing critical financial assistance to one of the state's leading industries.

I will restrict my comments to the Ag-LINK portions of the bill, as that is the section for which Farm Bureau has policy. Ag-LINK has assisted farmers for many years by providing reduced cost operating loans, and it is critical in our current economy to expand the program. In addition, many of the agricultural retailers who work directly with our farmer members, supplying products like seed, nutrients, feed, and equipment, are organized as farmer cooperatives. Allowing cooperatives to benefit from Ag-LINK is another helpful step to reducing costs to farmers.

Ohio Farm Bureau supports the expansion of the Ag-LINK program. Currently, our industry is facing skyrocketing operating costs. Fertilizer prices have risen to \$984.72 per short ton; a nearly 72%% jump since this time last year, which was at \$571.04, which dramatically increases costs for farmers. The Consumer Price Index (CPI) is steadily climbing—up nearly 8% since last February—raising the question of whether we are headed for high overall inflation. It is likely these factors will require some farmers to utilize larger operating loans to help fund the upfront costs of their inputs. In addition, anticipated increases in interest rates will make this program even more useful in the coming months.

We also applaud the review of the program in this legislation as we encourage the department to do so periodically to monitor for effectiveness. The agriculture economy is ever-changing and it is important, and often difficult, to keep pace with those changes. Removing the cap of \$150,000 will allow farmers the opportunity to finance their input costs under current market conditions.

Ohio Farm Bureau appreciates Treasurer Sprague and joint sponsors Representative Swearingen and Representative White for bringing forward this timely legislation. Many farmers across the nation are struggling with soaring input costs and looking for assistance in financing for next year. Thank you again for the opportunity to provide remarks on behalf of Ohio's farmers; I will answer any questions I can.