



GEORGIA AGRICULTURAL COMMODITY COMMISSION FOR PEANUTS

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The Honorable Saxby Chambliss
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Peanut Advisory Board

Dear Senator Chambliss:

We are writing concerning the disaster at hand for Georgia's farmers. USDA has declared 155 Georgia counties disaster areas, which makes farmers eligible for low interest loans. Sadly, this year has been so difficult that low interest loans do not offer a solution for far too many of our farmers. Farmers' spirits are at the lowest point memorable for decades as they decide if there is any future for them on the farm after this crop.

The 2006 crop will go down in history as the most expensive crop ever produced. Couple this with low yields in many cases and the per-unit cost of our crops is astronomical. For the irrigated farmer who saw his fuel prices his decision to irrigate and try to make a crop became an economic disaster as great in proportion as any loss for non-irrigated producers. In 2004 it cost \$4.25 to put an inch of water on an acre of land and now that cost has risen to \$12. LP gas for drying peanuts has increased 28% in the last year. Fertilizer and crop protectants are all tied to petroleum cost.

If something is not done many, and we seriously mean many farmers will not be able to farm in the future. This will have a ripple effect through the rural economy of the south, which is already struggling. Just recently in Tifton two textile mills closed putting hundreds of workers out of a job. Tifton is the hub of agriculture for South Georgia and if they are struggling what is to be said of the other communities?

We need an influx of cash now, something to help farmers survive and cash to fuel the rural economy. And, we need a comprehensive disaster program to help mitigate the double whammy of weather and skyrocketing energy costs.

We would like to make a suggestion of how Congress can help. Because energy has hit every farmer hard immediately make a payment to all producers equal to the current direct payments that the farmer receives. Then for producers who demonstrate a yield loss sufficient to qualify for the traditional disaster assistance program make funds available for that. Adjust his disaster payments downward by an amount equal to any payments he received under the doubling of the direct payments.

This program will help all farmers in proportion to their needs. It recognizes that this year losses have been in more than yield and that some were serious economic losses, which hurt some of our best farmers. It also addresses the farmer who for whatever reason has non-irrigated crops where yield losses were significant.

We appreciate your attention to this issue.

Sincerely,

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