

## **BILL ANALYSIS**

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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The State of Texas continues to endure substantial economic losses due to a prolonged drought that has crippled the state for nearly two years; the loss of crops and livestock and drought-induced fires have left the state's farmers and ranchers in desperate need of continued federal assistance to offset the losses suffered as a result of this natural disaster.

The drought has cost the state nearly \$2.5 billion in total crop loss, more than \$1 billion of which is attributed to a decrease in the cotton harvest, the state's number one cash crop. The latest forecasts for 2006 indicated that the state's wheat harvest has decreased by more than 60 percent, corn production is down by 26 percent, soybean production has decreased by more than 30 percent, and the state's production of peanuts and sorghum is expected to be down by 40 percent.

An estimated \$1.6 billion in livestock losses, as well as the rising cost of hay and supplemental feed, have forced many ranchers to sell their cattle earlier than anticipated, which will undoubtedly cause a decrease in the beef supply for several years. The total loss to the state stands at more than \$4 billion.

The dire economic impact is also felt by businesses that support the agriculture community, specifically those in rural areas, where projections estimate the loss to be nearly \$8 billion, and businesses which provide equipment or machinery, supplies, feed, and professional services such as veterinarians.

Additionally, the drought has resulted in more than 21,000 fires, burning in excess of two million acres between January and November, 2006, and contributing to the loss of 5,000 miles of fence and 5,000 cattle in the Panhandle alone. The fires in the northern regions of the state have certainly contributed to the diminution in hay production, and the United States Department of Agriculture (USDA) estimates that 77 percent of Texas' hay production was lost during the same period.

To alleviate the financial burden on the state, Texas Department of Agriculture will administer a total of \$16.1 million in assistance received from the USDA to eligible livestock producers in 216 drought-stressed counties, but with more than \$12 billion in total economic loss as a direct result of the drought, more assistance is needed.

It is imperative to alleviate the financial strain which farmers and ranchers have experienced because of the devastation to their crops and livestock, as well as for the individuals and families who have suffered during this period.

### **RESOLVED**

That the Legislature of the State of Texas hereby respectfully urge the Congress of the United States to provide further drought relief to Texas; and that the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States congress, and to all the members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.