

STATEMENT

by

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Altona, IL.

U.S. HOUSE of REPRESENTATIVES

COMMITTEE ON AGRICULTURE

FIELD HEARING

Galesburg, Illinois

March 23, 2012

My name is David C. Erickson. I am a Knox County farmer from Altona, Illinois. As a life-long Knox County resident, I want to extend a warm welcome and sincere appreciation to Chairman Lucas, Ranking Member Peterson and all the members of the Committee for bringing this most important Field Hearing to Galesburg. I applaud your efforts to seek input from constituents on the important issues facing agriculture policy and your willingness to bring the inner workings of Congress to the people in their home communities. I also want to recognize the efforts of Congressman Schilling and his staff for their persistence in serving the 17<sup>th</sup> Congressional District in Illinois and in hosting the Committee in the District for this important Farm Policy Hearing. I am very proud of Knox County and hope that you will find the people here friendly, engaged and thoughtful just as I have.

My wife, Nancy, and I operate a corn and soybean farming operation and manage farmland for absentee landowners with our farm management business. Our businesses are truly family owned and were established through the work of the prior two generations in our families. We continue to enjoy the involvement of three generations of our families in production agriculture and work with multiple generations of active landowner participation in our farm management business. We are extremely optimistic about the future of the agriculture industry and are confident in the ability of the agriculture industry to support a significant portion of our local, state and national economy.

After college and a four year experience as a high school and community college teacher, I began to farm full-time in 1984 with the 1985 crop year being my first full season. Production and prices have certainly changed considerable from that era of sub \$2 corn, sub \$5 soybeans and idled acres (set aside) of 10% to 20% very common. Through many years of involvement in leadership positions in agriculture organizations, I have had the opportunity to participate in Farm Policy discussions and have been actively involved with Farm Bills since 1990. The change from one Farm Bill to the next has been mostly evolutionary, but looks rather revolutionary from a rearview perspective. I enjoy farm policy discussions and still find the process as interesting as it was to me that first time.

I believe that farm businesses should be rewarded for their work in the global marketplace. I continue to support the efforts to open, develop and further expand markets for all agriculture commodities both domestically and globally. I know that historical efforts to limit production to improve prices only hurt U.S. production capabilities and encouraged our competitors. I have no doubt that through research, development and challenging competition, farmers will meet the growing needs and tastes of the world population. We are a country of many resources and our ability to effectively use those resources will be paramount to our future and that of our neighbors throughout the world. Agricultural exports support jobs here at home particularly when we add value to those basic commodities through processing and

enhancements. U.S. agriculture must be allowed to participate in the growing global marketplace. I urge Congress to continue to support trade agreements and initiatives that provide increased access, improved acceptance and fair trade policies for U.S. agriculture products and commodities.

Congress must limit unnecessary and burdensome regulations that increase costs, reduce productivity and decrease opportunities for current and future generations. Something as simple as protecting young people from the threat of workplace accidents or abusive working conditions can lead to overregulation that sacrifices developing a strong work ethic in our youth. Young people must be allowed to learn how to work and work safely or we risk losing an effective, motivated workforce in future generations. Work on the family farm is rewarding and builds life lessons that lead to future successes for young people. Employers have long recognized the strong work ethic of young people from rural areas as a positive skill for future employees. Regulations protect us in everyday life, but when overused, serve no purpose to a productive society.

We must be prudent stewards of our natural resources. Farmers protect and enhance our environment, because they know the importance of sustaining the rich soil and clean water that supports their family and the consuming public. I feel that conservation programs are important to the farm policy decisions that we make. Some current conservation programs are overburdened with rules, procedures and standards that do little to impact the programs except to use up limited budget allocations. Congress must not lose sight of the positive impact that past voluntary incentive conservation programs have provided. I urge Congress to consider simplifying and consolidating current conservation programs to allow for the most effective use of funds budgeted to these efforts.

As a taxpayer, I want Congress to cut spending, reduce waste and improve results with our investment. I believe that federal budget deficits must be eliminated and debt reduced. I feel strongly that agriculture should do its part to help Congress achieve those goals.

I know that much of the discussion to date about the new Farm Bill has led to the proposed elimination of direct payments. While I understand the need for change, I must also report to you how direct payments in our farming operations were beneficial and cost effective. As farmers and farmland owners, we used those payments to implement conservation plans, develop needed grassed waterways, utilize grid soil sampling to manage nutrient use, invest in equipment upgrades for conservation and no-till farming while also developing risk management marketing practices. Without the assistance of any other programs, we invested these direct payments back into our operation to reduce soil erosion, improve drainage, limit nutrient run-off and manage price risk. We made effective use of those dollars and taxpayers reap the rewards of a safe, abundant, low cost supply of food and fiber.

A reasonable safety net must still be a part of the Farm Bill to ensure that production agriculture can withstand the inevitable variability in prices and production, neither of which are in our complete control. I understand the importance of Federal Crop Insurance as a part of risk management, but I also know that too much emphasis on any single approach to risk management is dangerous. We have not used Federal Crop Insurance because the associated cost has not calculated into a sound business decision for us. We have worked to improve our financial stability, we are fortunate to have long term relationships for land rental and our environment has produced fairly consistent yields. There may have been times when we might have received insurance payments, but those payments would pale in comparison to the accumulated cost of premiums over the years. Federal Crop Insurance should provide risk coverage for crop losses, but not for poor marketing and overall risk management. Farming is a risky business subject to weather, price, political, trade, speculation and other influencing factors. We need tools to help us manage these risks, but those risks can never be nor should be totally eliminated.

I urge you to consider streamlining farm program paperwork and the near endless amount of information that must be provided. A vast majority of Illinois farmland is owned by someone other than who physically operates the land. Absentee landowners are reaching the end of their desire to comply with all of the requirements for farm program participation. Their frustration will only lead to lower participation or increase the likelihood of cash only rental arrangements which only compounds the risk that farmers must bear.

I encourage your continued work to complete the Farm Bill legislation this year and to make it a five year program that does not rely on a temporary extension. All the programs contained within the legislation must have the ability to plan for the future and know that a multi-year Farm Bill is the key to that confidence. No aspect of the Commodity Title fits all operations or regions. I trust you to work diligently to craft legislation which provides flexibility for the inherent diversity that encompasses U.S. agriculture.

I thank you for the privilege to address the Committee today and appreciate the great efforts required to bring this important hearing to my home.

## **DAVID C. ERICKSON**

David and his wife, Nancy, farm and operate a farm management business. They have one son, Adam. David has served as President of the Illinois Soybean Association, President and Chairman of the Board of the American Soybean Association, and Chairman of the Illinois Foundation FFA. He is active in Immanuel Lutheran Church of Altona serving in many volunteer capacities. David is a past director of the Oneida Telephone and Cablevision Companies, the Knox County Zoning Board of Appeals and past Chairman the Galesburg Cottage Hospital Board of Trustees. He currently serves on the Board of Directors for Midwest Bank of Western Illinois, as President of the Knox County Farm Bureau Board and as a member of the Knox County Board. David was named by Prairie Farmer and Farm Progress Publications as a 2003 Master Farmer and provides advice as a Profit Planner Panelist for Prairie Farmer Magazine.

**Committee on Agriculture  
U.S. House of Representatives  
Required Witness Disclosure Form**

**House Rules\* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2009.**

**Name:** \_\_\_\_\_ **David C. Erickson** \_\_\_\_\_

**Organization you represent (if any):** \_\_\_\_\_

- 1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2009, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:**

**Source:** \_\_\_\_\_ **Amount:** \_\_\_\_\_

**Source:** \_\_\_\_\_ **Amount:** \_\_\_\_\_

- 2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2009, as well as the source and the amount of each grant or contract:**

**Source:** \_\_\_\_\_ **Amount:** \_\_\_\_\_

**Source:** \_\_\_\_\_ **Amount:** \_\_\_\_\_

**Please check here if this form is NOT applicable to you:** \_\_\_\_\_ **XX** \_\_\_\_\_

**Signature:** \_\_\_\_\_ **David C. Erickson** \_\_\_\_\_

*\* Rule XI, clause 2(g)(5) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*

**PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.**