

# Farm Bill Testimony | April 20, 2012

By Gary Harshberger—Dodge City, Kansas

*Presented to:*

House Committee on Agriculture

1301 Longworth House Office Building, Washington, D.C. 20515

*Presented by:*

Gary Harshberger

## **Introduction**

It is my honor to sit here today before the House Committee on Agriculture and offer my perspective on farm policy as the Committee shapes the next farm bill. Thank you for holding this hearing in Kansas, and thank you Chairman Lucas and Congressman Huelskamp for being here.

My name is Gary Harshberger. After college, I returned home to my family operation in Ford County and started farming in 1988 where we grow corn, milo, wheat and soybeans, and we also raise cattle. I serve as chairman of the Kansas Water Authority and serve on the Bonanza Bioenergy and Arkalon Energy board of directors. Water and renewable energy can offer a sustainable future and are two areas I am particularly passionate about.

I know that ag programs have done more than their fair share to reduce federal spending and yet this bill will be written with much less money. Thank you for your efforts in trying to develop a farm bill package that works and can sustain farmers through the next five years. My testimony will focus on five critical areas as they relate to my operation.

## **Cumbersome Regulations**

Overregulation has become a significant threat to the family farm. Although I understand this Committee does not have jurisdiction over this particular area, it is necessary that I share my discontent with what is happening at the farm level today. A couple of examples to highlight my concern are the Department of Labor's proposed child labor laws as they relate to agriculture and the diesel engine regulations coming through the Environmental Protection Agency. If the U.S. hopes to stay competitive with the rest of the world, it cannot continue to add more regulatory burdens on family farms like mine. These cost my farm and consumers money and disrupt the family farm work ethic on which this country was founded.

## **Federal Crop Insurance**

Even though producers across the U.S. have echoed Federal Crop Insurance as the most important program to protect in the next farm bill, I must place emphasis on it myself because it is crucially vital to my farming operation. The impact from the recent drought is a testament to the unknown certainty producers' face each growing year, and many are able to continue farming this year because of their investment in crop insurance.

- Improvements are needed in APH methodology and the county T-yield system. A producer's insurable yield should reflect what he and his lender actually expect to produce in a given year. APH could be improved by using a personal T-yield system, which would allow a producer's APH to more accurately reflect his yield potential rather than the county's yield potential.

- I would like to see a better system in crop insurance for limited irrigation. Right now insurance is all or nothing. There needs to be a viable policy in federal crop insurance to have limited type irrigation practices. There has been talk about this at the state level, but nothing has been developed yet. This type of policy would allow producers to raise feed while using less water.
- Please keep crop insurance tools purchased by the producer protected from environmental compliance requirements or other payment limit conditions that do not belong tied to insurance.

## **Commodity Title**

Many avenues have been offered for a commodity title in the next farm bill, and while proposals have focused on either a shallow loss type program or a deep loss type program, I hope that our new program protects yields and price in some form. I have not looked at how all these different options would impact my farming operation, but I did like the concept of being able to choose between policies, an opportunity that I understand was in the fall draft of the farm bill.

If a revenue type program is used, I believe a minimum price and plug yields should be included in a revenue-based program. My input prices have dramatically increased since the time I began farming, and while we have enjoyed higher commodity prices, history shows they will not last. In order to protect my investment, I feel a minimum price will protect against a large commodity price drop and plug yields will help in times of consecutive years of yield loss, which I may soon face if the current drought continues.

Without yield plugs, a scenario may be created where the program has little value to dryland in this area and can no longer offer protection to my farm if two consecutive years of yield loss are realized. Therefore, I feel this component is necessary in a revenue-based program.

A farm bill should provide assistance when producers suffer losses beyond their control. I need a simple program to take to my banker in case my operation suffers a disaster. ACRE is based on the state's income, and I could suffer a total loss due to an isolated weather event and never trigger a payment. The SURE program was very complicated and slow to pay when we did have a loss. The current loan and counter cyclical programs are simple, but production costs have continued to rise making the 2008 price levels no longer relevant to the realities of costs today.

A set minimum price is needed to protect producer income in the event of a multi-year low price situation. Ideally, this minimum could move upward over time should production costs also increase.

## **Conservation Title**

Last year's drought has dramatically affected the water supply in my region and many others tied to the Ogallala Aquifer south of here. As an irrigated farmer, water is something I am very passionate about. Every drop of water is valuable and should be utilized toward its best economic return, but when meters are over pumped and very little recharge to the aquifer through rainfall takes place, lasting damage to our water supply results.

Programs in the 2008 Farm Bill like the Agriculture Water Enhancement Program (AWEP) under the Environmental Quality Incentives Program (EQIP) targeted dollars toward water conservation and have laid the groundwork for more focused programs, but I feel these programs stand to be strengthened by providing stronger incentives to producers to plant less water-intensive agricultural commodities. The Conservation Security Program (CSP) is another existing program where water-savings language can be applied.

### **Energy Title**

I support the continuation of a farm bill Energy Title. It is imperative our country sustains our national security, and produces as much of our fuel in the U.S. as possible. I am a believer in the "all of the above approach." The Energy Title has helped to continue to expand biofuels production outside the Corn Belt and outside of traditional feedstocks. Programs in the Energy Title like the Bioenergy Program for Advanced Biofuels have been positive for the US. I am proud that I produce local grain that goes into local ethanol plants and contributes to a renewable fuel source that will lessen dependence on foreign oil.

Many people talk today about cutting the energy title of the farm bill, and some even question the renewable fuels standard in general. We have to remember that energy policy has been very valuable in helping to maintain markets for our grain as input prices and regulations have continued to increase tremendously.

### **Conclusion**

In closing I would like to reiterate that crop insurance is critical. I believe that the commodity title should be as simple as possible and bankable. If there ends up being several different complex proposals, then I would hope that I have the flexibility to choose based upon my own operation. Finally, water and biofuels are critical to our local economies, and programs in the Conservation and Energy Titles that benefit us while producing domestic biofuels and sustaining our water should be supported. Thank you.

**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:** Gary Harshberger

**Address:**

**Telephone:**

**Organization you represent (if any):** Harshberger Enterprises

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: **None.**
  
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:  
**None.**

✓ Please check here if this form is NOT applicable to you

Signature:



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**Committee on Agriculture  
U.S. House of Representatives  
Information Required From Non-governmental Witnesses**

**House Rules\* require nongovernmental witnesses to provide their resume or biographical sketch prior to testifying.**

**Name:** Gary Harshberger

**Address:**

**Telephone:**

**Organization you represent (if any):** Harshberger Enterprises

### **Gary Harshberger Biography**

Gary Harshberger is a lifetime resident of Ford County. Gary graduated from Minneola High School and attended Dodge City Community College and Kansas State University. He graduated from Kansas State with B.S. in Electrical Engineering in 1987. He returned home to a family operation and started Double H Farms in 1988, which now has farm interests in Ford, Clark and Meade counties. Operating under Harshberger Enterprises currently, he raises corn, wheat, milo, soybeans and cattle. Gary has been on the board at Farm Credit of SW Kansas since 1997. Gary is a member of KARL Class 7- KS Agricultural Rural Leadership program. He currently serves on the board of both Bonanza BioEnergy and Arkalon Energy since 2006. He and his wife Melanie have three children—Jacob, Jessica and Joshua.