

Testimony of
John Mages
Minnesota Corn and Soybean Producer

2012 Farm Bill Hearing

Galesburg, Illinois
March 23, 2012

Chairman Lucas, Ranking Member Peterson, Members of the Committee, thank you for this opportunity to appear before the House Agriculture Committee to share our views on the 2012 Farm Bill.

My name is John Mages and I am a corn and soybean farmer from near Belgrade, Minnesota in Stearns County. I am also President of the Minnesota Corn Growers Association.

I believe that farm policy designed to support a strong and dynamic U.S. agriculture sector is vital. Federal Crop Insurance and the farm policies that have been in place for more than a decade have generally served this nation and producers well. I am proud to stand by a policy that has been under budget for the past 10 years, accounts for only about one quarter of one percent of the federal budget, guarantees American consumers the lowest grocery bills, as a percentage of disposable income, of any consumer in the world, and constitutes the one bright spot in our economy and our nation's balance of trade.

However, I understand that budget and other pressures may require that a new approach be taken in the 2012 Farm Bill and, as such, I would like to set out the policy priorities of Minnesota producers like me.

First and foremost, please do no harm to Federal Crop Insurance, which should be preserved, protected, and strengthened. We strongly oppose any further legislative or administrative cuts to Federal Crop Insurance, and we oppose carrying conservation compliance or other rules applicable to the Farm Bill over to this critical risk management tool that we as producers help pay for. We also believe that improvements to Actual Production History (APH), continued availability of enterprise units, and the ability to stack supplemental area-wide coverage on top of individual coverage can all work to help erase at least a part of a producer's deductible.

Second, the triggering mechanism under farm policy needs to be updated to provide tailored and reliable protection in the event of multiple-year low prices such as we experienced in the late 1990s and early 2000s. Price protection over multiple years is the main point of a Farm Bill because it is the one thing that Federal Crop Insurance is not designed to do. We need price protection under any option a producer might be given in the Farm Bill. If there is not price protection and prices collapse, we will see a repeat of what we saw in the mid 1980s and late 1990s which is a financial crisis followed by very costly and inefficient ad hoc disaster assistance.

Third, it is apparent that farmers need options in the 2012 Farm Bill. It is clear, for example, that revenue programs may work for some producers, but not for others. Even among producers who like the idea of a revenue program, there is a split on whether it should be done on a national, state, crop reporting district, county, or on an on-farm level. Within Minnesota alone, there is probably a rough geographic line where producers may prefer area wide revenue on one side and on-farm revenue on the other, while some Minnesota producers may prefer a price-based option instead. We think allowing producers to choose from options in order to best meet the risks they face on their farms is a good approach.

Whatever options are made available in the 2012 Farm Bill, they should be plain and bankable, tailored to losses and, thus, defensible, and built to weather prolonged periods of low prices. Toward this end, we generally feel that the 2011 Farm Bill proposal that you developed last fall met these goals.

Fourth, since the Farm Bill options under discussion would only kick in to cover actual loss situations, whether revenue or price losses, it seems that arbitrary payment limits and means tests for producers should be eliminated. It is one thing to limit or means test Direct Payments paid on historical bases and yields but it makes no sense to do this against revenue or price losses that a farmer sustains on his operation. Farm policy is intended to help U.S. producers compete against heavily subsidized and protected foreign competitors and arbitrary rules frustrate this goal rather than advance it.

Fifth, we very much need a 5-year Farm Bill passed into law this year. The prospect of having to make plans, secure loans, and plant under a short term extension or no law at all is not a good one for producers.

Thank you once again for the opportunity to offer testimony on the crafting of the 2012 Farm Bill.

Committee on Agriculture
U.S. House of Representatives
Information Required From Nongovernmental Witnesses

House rules require nongovernmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name

John Mages

2. Organization you represent

- **Minnesota Corn Growers Association**

3.

Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:

- **Have been farming for 30+ years in western Stearns County, Minnesota.**
- **Currently farm 1200 acres of corn and soybeans.**
- **Have served on local co-operative board of directors**
- **Member of two local ethanol plants**

4. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:

- **Received an Associate degree in farm business management from Ridgewater College (Willmar, MN)**
- **Graduate of the MARL (Minnesota Agricultural & Rural Leadership) program**
- **Previously served on the Stearns County Corn Growers Association board of directors**
- **For the past six years, have served as a state director of the Minnesota Corn Growers Association (MCGA), where I currently serve as president.**
- **Previously held positions of secretary, treasurer, vice president and team leader of the Expended Uses Team at MCGA.**
- **Previously served on the Research & Business Development and Production Stewardship Committees of the National Corn Growers Association.**

5. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold.

President, Minnesota Corn Growers

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY

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: John Magee

Organization you represent (if any): MN CORN GROWERS ASSOC.

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: _____

Signature: John Magee

* 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.