

**Testimony of Scott W. Brown
President
Idaho Grain Producers Association
Before the U.S. House Committee on Agriculture
May 1, 2010**

Mr. Chairman, Rep. Minnick and other Members of the Committee, welcome to the great State of Idaho. On behalf of the association I represent, thank you for allowing me the opportunity to appear before you today to discuss and express my views regarding the 2012 Farm Bill and the future of U.S. farm policy.

The Idaho Grain Producers Association is proudly celebrating fifty-three years of service advocating for Idaho's wheat and barley producers. The IGPA currently represents over 700 farm families across the state, with formal grassroots leaders in twenty-five of Idaho's forty-four counties.

Idaho has a long and proud history of grain production which has now earned us a second-place and top seven ranking in the production of our nation's barley and wheat crops respectively.

Idaho's wheat producers harvest an average of nearly 99 million bushels spread over all six different classes. Although our state is globally recognized for our famous potatoes, Idaho barley producers are a top supplier to the world's brewing industry. Seventy-five percent of our 48 million bushels of barley is malted by brewers from Mexico to Canada and beyond. Currently, Idaho barley production is second only to North Dakota.

As a fourth generation producer, I, my father, my son, and other family members farm over eight thousand acres of primarily wheat and barley in southeastern Idaho. In my spare time I "moonlight" as a Certified Public Accountant which I believe gives me a unique perspective on crop production and the impact of federal farm policy on my farm operation.

Federal farm policy and its impact on rural American is the focus of the Committee's field hearing today. Mr. Chairman and Members of the Committee, as President of the Idaho Grain Producers Association I will briefly speak to specific policy and program areas identified as priorities by our grower-members.

Farm Support Programs

Farm Bill Baseline

The IGPA is well aware and concerned with the real possibility of a severely constrained budget baseline for future federal farm programs. The case could be made that agriculture is a victim of its own success. Our country's Farm Bill policy coupled with our efficient and innovative farmers has minimized safety net expenditures thus chipped away at the baseline for these programs.

However, now more than ever, agriculture producers face unprecedented challenges both in the volatile global marketplace and in the regulatory arena. If it is not a priority that the U.S. sustain a domestic agriculture industry that provides a safe, abundant, and cheap supply of food, then so be it.

I submit that American's *do* enjoy cheap and domestically produced food – but the majority of our consumers are disconnected and uneducated about how food gets to the store shelf. We in agriculture are partly to blame for this situation. If agriculture told their story more effectively, we might have more support for federal farm programs which ensure over 300 million American citizens never miss a meal.

Federal Farm Programs

Thanks to the excellent management, service and expertise of our local Farm Service Agency, and others, Idaho's grain producers participate widely in federal farm support programs.

The Direct and Counter-Cyclical Payment (DCP) program and marketing loan programs are widely utilized by our producers. Newer farm programs like ACRE and SURE are catching on and showing some real promise in our state. However, the majority of producers have taken a cautious approach to these new programs. The IGPA supported both programs as options in the 2008 Farm Bill, and we have heard positive comments from producers who did sign up.

During the 2008 Farm Bill debate, farm support programs faced unprecedented pressure to be reformed, reduced, or completely eliminated. The IGPA and its national affiliates were primarily focused on, and thanks to the Committee's fantastic efforts, successful in maintaining the Direct Payment.

The DP has been and is very popular with Idaho's grain farmers. In many cases, the DP has meant the difference between producers abandoning the farm or giving producers another chance with their banks to stay in business.

Aside from its crucial benefit to grain producers, the DP has served as a "stimulus program" for Idaho's many rural families and communities. DP's translate into farmers purchasing equipment, seed, chemicals, parts, and fuel from local dealers and suppliers. Ultimately, that means jobs which rural areas desperately need to exist.

I farm in Caribou County in southeastern Idaho. There are roughly 7,300 citizens in our county and the vast majority are directly or indirectly involved in agriculture. Our county FSA director told me that our county receives \$3 million annually in Direct Payments. There is no doubt in my mind that farm programs are integral to keeping the communities in our county from making Idaho's list of ghost towns.

The IGPA is aware that the Direct Payment has a big red target painted on it by the global community and others concerned with trade distortion and waste, fraud, and abuse of federal taxpayer dollars.

As the Committee moves ahead with crafting new Farm Bill legislation, the IGPA asks that careful consideration be given to the Direct Payment program. It is a simple, minimally trade-distorting mechanism that has a profound ripple effect on the rural fabric of our country.

We are also aware of the Chairman's efforts to look at revenue programs, like ACRE and SURE and others, as an innovative and effective approach to farm support. While the majority of Idaho grain farmers opted for the traditional support program over ACRE, we have heard very favorable reports from farmers who signed up for ACRE.

Program Administration

The IGPA plans to monitor and receive input from producers on these new programs. One common theme our Association continues to sense from rank-and-file Idaho farmers is strong frustration with the process and requirements of participation in federal farm programs.

Farmers tell us they are overwhelmed with the paperwork they must sign. They are frustrated with the ever-changing rules and regulations associated with the programs they do participate in. In addition, many are simply confused by what they perceive as duplicity in several program areas.

We know of several producers who have followed through, and won, appeals through the National Appeals Division (NAD) as a result of the issues I outlined. While these farm programs are meant to assist producers, the process provides a strong disincentive to participate. I would urge this Committee to explore these issues to its fullest extent.

Crop Insurance

The Idaho Grain Producers Association supports the continuation and improvements of federal risk management programs including crop insurance. We feel fortunate for the fantastic relationship we enjoy with our regional Risk Management Agency office based in Spokane, Washington. The technical and consultative support we receive from these folks is something we greatly appreciate.

Idaho, with its varied climatic and production-specific regions, maintains robust participation in grain crop insurance programs. As a dry land grain producer farming 8500 acres of grain at an elevation of six thousand feet above sea level, I can attest to how crucial an effective crop insurance program is.

In 2009, nearly a million acres (or 78-percent) of all wheat-planted acres were insured at a 74-percent coverage level. Wheat insured in 2009 carried an estimated value over \$400 million. 63-percent, or over 335,000 acres, planted to barley were insured in 2009.

Idaho wheat and barley production is found on dry land and irrigated acres. The consistency and quality of irrigated Idaho barley is a big reason why the world's biggest

brewers have a strong presence in our state. Although irrigation helps alleviate some plant stress, crop insurance is still vital to production.

The IGPA and the Idaho Barley Commission have lead a national effort to bolster malt barley crop insurance to more accurately reflect the higher value and unique quality of the crop. Thanks to the work of many, the RMA recently unveiled a new insurance product for specialty types of barley. We hope this will diversify and increase Idaho's barley production.

Another significant improvement to the federal crop insurance program is the work being done, called the COMBO project, which combines several existing crop insurance programs and streamlines the information and paperwork related to the program. The IGPA is excited for the roll-out in this program in Crop Year 2011.

In recent years, Idaho wheat farmers were subject to weather events that caused severe quality problems across the state. Upon further investigation, we found that crop insurance indemnities for wheat quality problems were extremely inadequate. After raising this issue to RMA, FSA, and in collaboration with the National Association of Wheat Growers, we are close to providing producers with coverage for quality losses.

Looking to the future of crop insurance, we can build on these successes. But our first step must not be backwards. The ongoing Standard Renegotiation Agreement (SRA) negotiations are a cause for concern for our growers.

We understand and agree with the Administration's desire to find budget savings whenever and wherever possible. However, the USDA's draft SRA proposal seeking \$8 billion in cuts over ten years to federal crop insurance programs has the IGPA very concerned.

A reduction of this magnitude could significantly reduce the accessibility, competitiveness, and quality of crop insurance and thus negatively impact grain producers. Needless to say, the impact to the farm bill baseline by such a reduction would be another major hurdle in crafting effective and innovative farm policy legislation.

The IGPA understands that negotiations between insurance providers and the RMA are ongoing. We certainly support a mutually agreeable and expedient outcome. We ask that the Committee continue its vigilance of these proceedings and carefully consider the impact on producers.

Conservation

Idaho's unique topography has allowed grain farmers to lead in direct seeding technology, implementing practices that reduce soil and wind erosion, and methods to maintain water quality.

The IGPA recognizes the popularity and increased focus on agriculture conservation practices and programs since the passage of the 2002 Farm Bill. Three programs, the Conservation Reserve Program (CRP), Conservation Stewardship Program (CSP), and the Environmental Quality Incentives Program (EQIP) are the most prominent in the grain farming areas of Idaho.

Conservation Reserve Program

The IGPA supports the wise use of the CRP as natural resource tools on environmentally sensitive land. Our growers support the ability to employ Best Management Practices on CRP lands to control pests, weeds, and soil quality.

While we recognize the concerns of the environmental community regarding emergency use of CRP lands for haying and grazing, we support a more reasonable policy to allow early haying and grazing of CRP land in a responsible manner.

A high volume of CRP acres in Idaho will be due for re-enrollment, termination, or extension by September 2010. The decisions made and the ultimate outcome could significantly change the environment and culture of certain areas in Idaho. The IGPA would request that the Committee work closely with the USDA-FSA and NRCS and local leaders as this deadline approaches.

Conservation Stewardship Program

The CSP has proven a significant addition to the management practices of Idaho's grain farmers. For example, in Idaho's northern region grain production occurs on rolling hills in volatile weather conditions. Farm land in this region is particularly susceptible to the threat of soil and water erosion.

With the support from the CSP, producers have adopted or continued management practices and technologies that mitigate or eliminate erosion threats. The evolution since 2002 of the CSP is welcomed by the IGPA.

The change from a watershed-by-watershed approach to a competitive application process for the CSP has made the program more accessible to all growers and thus more equitable. In addition, the IGPA supports the CSP as a voluntary, consistent, and fully funded stand alone program.

The IGPA continues to hear concerns and complaints from grain producers regarding administration of the CSP by the NRCS. Growers have experienced delays in timely contract delivery and payment which has caused disruption in farm budgeting.

The IGPA recognizes the NRCS's traditional role as a technical provider of conservation practices. We respectfully request that any new federal farm policy consider shifting the administrative functions of the CSP to the USDA FSA, which has expertise in this area.

Environmental Quality Incentives Program

The EQIP program is very popular in Idaho, particularly on irrigated ground in southern Idaho. Producers in this region have utilized this cost-share program to install irrigation pivots and other technologies to conserve water.

Idaho is home to several endangered species and the program has also assisted producers in establishing critical wildlife habitat while maintaining their farming operation.

The IGPA supports the continuation of this program in future federal farm legislation. However, we are concerned about the recent activity of the Senate Agriculture Committee to shift \$2 billion in EQIP funding away from the program to boost child nutrition programs.

As we understand, there currently exists a backlog of requests for EQIP-related projects. Reducing this valuable program by \$2 billion seems incongruent with the call for more conservation practices in production agriculture. We urge the Committee to find alternative areas in which to assist the nutritional programs administered by the USDA.

Mr. Chairman and Members of the Committee, there are many more critical areas affecting Idaho's wheat and barley farmers. Estate tax policy, rail transportation, renewable energy production, environmental regulation and the necessity of ratifying pending Free Trade Agreements are among the many items.

The IGPA looks forward to engaging our Idaho congressional delegation and the Committee on these issues at the next opportunity. Today, we are all here to discuss how Congress, the Administration, and stakeholders can craft a federal farm policy that is innovative, efficient, and maintains a vibrant farm sector.

As one of the nation's top producers of wheat and barley, the IGPA is honored to represent 700 farm families before this Committee. We look forward to working with you, your staff, and the rest of our Idaho congressional delegates to ensure that production agriculture can continue to provide a safe, abundant, and affordable supply of food for U.S. consumers.

I would be happy to respond to any questions that Members of the Committee might have.

Thank you.

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

House rules require non-governmental 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: Scott W. Brown
2. Business Address: PO Box 131, Soda Springs, Idaho 83276
PO Box 131
Soda Springs, Idaho 83276
3. Business Phone Number: 801-557-5123
4. Organization you represent: Idaho Grain Producers Association
5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:
Wheat and barley farmer on 8500 acres (31yrs); Board of Directors, National Barley Growers Association (3yrs);
Director, Caribou County Grain Producers (10yrs); Executive Board, Idaho Grain Producers Association (4yrs);
Vice Chairman, National Barley Growers Association; Budget Committee member, National Association of Wheat Growers.
6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:
Training: Wheat Organization Leaders of the Future (WOLF);
Wheat Industry Leaders of Tomorrow (WILOT); Farmer (31yrs).
7. 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, Idaho Grain Producers Association

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, 2007.

Name: Scott W. Brown
Address: PO Box 131, Soda Springs, Idaho 83276
Telephone: 801-557-5123
Organization you represent (if any): Idaho Grain Producers Association

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2007, 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: N/A 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, 2007, as well as the source and the amount of each grant or contract:

Source: N/A Amount: _____

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you: X

Signature: See Attached Signature Sheet

* Rule XI, clause 2(g)(4) 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.

Signature Sheet to accompany disclosure form.

A handwritten signature in black ink, appearing to read "Scott W. Brown". The signature is written in a cursive style with a long horizontal flourish at the end.

Scott W. Brown
Idaho Grain Producers Association