

Statement from
Doyle Schniers
to the Agriculture Committee of the
United States House of Representatives
Lubbock, Texas—May 17, 2010

I want to thank the Chairman, Ranking Member, and other Members of the Committee for allowing me to address you today.

I am Doyle Schniers, a cotton and grain farmer from San Angelo, Texas. I operate a family farm in Tom Green and adjoining counties in partnership with my brother, son, and nephew. My primary crop is cotton and my comments today are given on behalf of the Southern Rolling Plains Cotton Growers Association. The SRPCGA is the certified producer organization which represents cotton producers in the 12-county area known as the Concho Valley of Texas.

Cotton is a vital industry in my area, as well as many parts of Texas. The economies of many rural communities are dependent on a strong agricultural component. When agriculture is prospering, it provides many jobs in rural areas—from production, to cotton ginning, to warehousing and shipping, to agri-business suppliers, to the local hardware store, to the fuel dealer, to restaurants, to schools and hospitals.

The Southern Rolling Plains Cotton Growers Association feels that a sound farm policy is critical to maintaining the cotton industry in this region and across the Cotton Belt. A strong safety net is necessary for us as producers to survive in today's economy.

Our region is a very productive agricultural area. However, we are mostly dependent on rainfall in order to make a crop. From time to time, the rains do not come at the right times and droughts are a reality. With the enormous input costs in producing crops today, the loss of a single crop can be devastating to producers. The heavy investment in land, equipment, and production expenses just does not allow the farmer to have adequate reserves to sustain himself during losses from natural disasters.

Since most of our cotton and much of our grain is exported, we are a part of the global economy. The 21st century world markets and world situations are unpredictable and uncertain. We face fluctuating market prices that make farm decisions difficult and challenging.

The core principal of farm programs in the U. S. since the Great Depression has been stability—stability that has limited the boom and bust for agricultural producers; stability that has provided the consumer with the cheapest, most abundant, and safest food and fiber in the world; stability for agricultural lenders to provide the much needed credit for agriculture; and stability for manufacturers and developers to provide research for the most advanced technology and equipment to assist agricultural production.

In order for us to maintain this level of agricultural production in the United States, we must have a sound farm policy that will protect the viability of the cotton industry and American agriculture. There are some key elements to maintaining an effective program for cotton:

1. A market-oriented policy that promotes quality, efficiency, and competition
2. Allows full production to meet market demands
3. Provides an effective financial safety net
4. Ensures the availability of competitively-priced U. S. cotton to both domestic and international textile mills
5. Encourages maximum participation without regard to farm size or structure

The current Farm Bill meets most of these principles and has worked well for the cotton industry. The past Agricultural Committees have fine-tuned the Farm Program several times and the current program has contributed greatly to the current stability in agriculture. To deviate much from this could have far-reaching effects on the future of American agriculture.

The key component of the Farm Program for cotton is the marketing loan program. This is the safety net most important to cotton producers and allows the producer to secure adequate financing and to market his products in an orderly manner. Rural financial lenders rely on this program and it gives them the confidence they need to provide credit to farmers. With the marketing loan, farmers can sell their products throughout the year and take advantage of better market prices.

We understand that the 2012 Farm Bill debates will include new elements that must be considered—budget pressures and the WTO Brazil Case rulings. Agriculture is vital to America and we must find ways to maintain a reasonable safety net for America's farmers.

The ACRE program has not been very attractive for cotton producers, as evidenced by the signup. If a revenue-based approach is to gain support from cotton producers, it will need a more realistic revenue target.

In order for a Farm Program to be effective, it needs maximum participation without regard to farm size or income. The changes in the 2008 Farm Bill significantly reduced payment limitations and the adjusted gross income test was tightened. Any additional changes will begin to erode away at the effectiveness of the program and commercial-size operations will not be able to fully participate.

Today's farmer is the most conservation minded that U. S. agriculture has seen. Programs such as the Conservation Stewardship Program encourage improved environmental and conservation practices, but should not be used as the primary method of delivering farm support. Restrictions and payment limitations in the CSP program have limited its effectiveness in our area.

The Conservation Reserve Program may be affected by budget cutbacks. This would release millions of acres of highly erodible land from CRP back into crop production. The 2012 Farm Bill needs to address this so that fragile, highly-erodible lands remain with permanent cover.

We support a permanent natural disaster program as a part of the Farm Bill, but indications are that the SURE program cannot deliver an effective level of disaster assistance.

Crop insurance is an important risk management tool for farmers in our area. Some new insurance products, such as revenue coverage, enterprise policies, and group risk coverage, have given a variety of options for risk management. These should complement the traditional commodity programs, but not be used to replace the current system of delivering farm support.

The cotton industry supports a viable bio-fuels industry. However, the renewable fuels policy changes the competitive balance between commodities. This has placed pressure on the cotton infrastructure, such as gins and warehouses, in parts of the Cotton Belt. These mandates have created market distortions. The support for bio-fuel crops needs to be considered when looking at support for all commodities, when evaluating payment limitations, and when developing a one-plan-for-all program for all commodities.

The main cotton provisions in the 2008 Farm Bill are working well for the cotton industry. While changes will be a part of the new Farm Bill, the safety net for farmers and the stability of the industry are critically important. We, as a part of the cotton industry, are ready and willing to meet the challenges and to consider alternative programs that provide an adequate safety net and agricultural stability.

Thank you for allowing me the opportunity to speak to you today.

**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: _____

Address: _____

Telephone: _____

Organization you represent (if any): _____

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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: _____ 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: _____ Amount: _____

Source: _____ Amount: _____

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

Signature: _____

* 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.*

**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: Doyle Schniers
2. Business Address: 6959 Hilton Head Blvd.
San Angelo, TX 76904
3. Business Phone Number: (325) 656-9000
4. Organization you represent:
Southern Rolling Plains Cotton Growers Assn.

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

**Production Agriculture –Farmer/Rancher
Texas State Chairman –National Cotton Council
American Cotton Producers, State – Co Chairman
Southern Rolling Plains Cotton Growers Association – Board Member
Wall Cooperative Gin - Director**

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

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:**

**Southern Rolling Plains Cotton Growers Association:
Current Board Member
Past President
Past Treasurer**