

Mr. Chairman and members of the Committee,

Good morning. My name is Jerry Cooksey, President of the Colorado Association of Wheat Growers (CAWG). Thank you for the opportunity to testify on behalf of Colorado wheat producers. Three generations of my family farms together on a farm and ranch business located in northeastern Colorado. Weld County where we live is consistently ranked in the top eight agricultural commodity sales in the country. On our farm, we produce wheat, corn, sunflower, pumpkins and have a small cow calf operation.

Colorado wheat producers have been in a continuous drought since 1999 until last year. Production and prices have been very volatile. During the last ten years, Colorado winter wheat production has ranged from a low of 36.3 million bushels in 2002 to a high of 98 million bushels in 2009 with 10-year average production of 63.3 million bushels. Statewide average yields have ranged from a low of 22 bushels per acre in 2002 to a high of 40 bushels per acre in 2009 with a 10-year average yield of 30 bushel per acre. At the same time the Colorado average price for wheat has ranged from a low \$2.70 per bushel in 2000 to a high of \$6.47 per bushel in 2008 with a ten-year average of \$4.06 per bushel.

CAWG has several goals related to farm policy:

- A farm safety net that reflects the realities of today's production system, protecting us from volatile weather and market conditions, and supports our stewardship and conservation of our agricultural land.
- Components of that safety net should be reliable, provide meaningful coverage for producers throughout the country and be flexible to respond to the world-wide commodities marketplace where we do business.
- Conservation programs provide incentives for farmers to maintain existing conservation activities and adopt new activities as well. They should be available nationwide on a continuous application basis and be properly funded.
- Agriculture currently constitutes the one segment of the nation's trade portfolio that results in a trade surplus. Growers support continued funding for market development programs that enable us to create, maintain and grow international markets for U.S. agricultural products.

CAWG and the National Association of Wheat Growers (NAWG) supported passage of the 2008 Farm Bill due to the inclusion of a number of significant programs to wheat growers including the direct payment, crop insurance, conservation, renewable fuels, market development programs and research. During the 2008 Farm Bill debate, CAWG and NAWG fought to maintain the direct payment, as it was the most reliable, WTO/compliant safety net mechanism for wheat farmers.

CAWG supports a strong, properly funded crop insurance program that provides meaningful coverage for wheat producers in all regions and growing all types of wheat. Crop Revenue insurance protects producers from weather related production problems and the volatility of the commodity markets. Higher revenue coverage at reduced rates would be very beneficial to producers.

We support a robust trade agenda including passage of pending bilateral free trade agreements, participation in WTO trade discussions and more open trade with Cuba. Trade is vital to our market place since 50 percent of U.S wheat production and 80 percent of Colorado's production is typically exported. We also strongly support continued funding for market development programs including the Market Access Program and Foreign Market Development Program (FMD).

We are in support of incentive-based, voluntary, cooperative conservation programs that help producers maintain and improve the quality of land and water resources. The Conservation Stewardship Program (CSP) is a voluntary program that encourages agricultural producers to maintain existing conservation activities and adopt new ones, such as the adoption of resource conserving crop rotations. CSP provides support for producers and landowners of working lands providing environmental benefits for everyone.

The Conservation Reserve Program (CRP) takes marginal crop land out of production, which is then seeded to grass. This has been very beneficial to the environment, preventing water and wind erosion. In 2009 Colorado had 11,761,279 acres of cropland with 2,412,238 acres in CRP. Unfortunately, of the 743,795 acres that expired that year approximately 335,000 (or 45%) of those acres were offered a two or three year extension. This has had a negative economic impact in these areas. We encourage you to maintain CRP.

Wheat growers are continuing to gather experience with the new programs, such as, Average Crop Revenue Election (ACRE) and Supplemental Revenue Assistance (SURE).

Twelve percent of wheat base acres nationwide were enrolled in ACRE, while there was only 1 percent enrollment in Weld County, where I live and farm. This is a very complex program. Farmers in eastern Colorado did not see the benefits of ACRE, and chose direct payments.

There is concern over the timeliness of the program sign-up for SURE. This program would benefit a producer that has a loss in the one crop they grow or losses in all the crops grown on a particular farm. On our operation, we had significant hail losses on two crops and good production on the other two crops. The result was no SURE payment. A producer that spreads risk by diversifying into a number of different crops will see less benefits from SURE even when there are heavy crop losses.

It is very important to maintain the same baseline spending in Farm Bill programs going into the 2012 Farm Bill since producers and rural communities depend on it. Farmers seek a safety net that reflects the realities of today's production system, protects agriculture producers from volatile weather and market conditions, and supports the nation's foremost environmentalists – farmers.

Thank you again for this opportunity to testify. Are there any questions?