

Testimony of Steve Masat
President
South Dakota Wheat Inc
Before the House Committee on Agriculture
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Sioux Falls, South Dakota

Mr. Chairman, and members of the House Committee on Agriculture, my name is Steve Masat, President of South Dakota Wheat Inc and I am a farmer from Redfield, South Dakota. On my family farm I raise spring wheat, soybeans, corn, and alfalfa hay, using precision farming practices on the grain side of the operation. I also have a cow/calf and feedlot operation. In the feedlot operation I am using up-to-date conservation practices to protect the environment in which I live in, and that is a part of my heritage. I believe that all landowners are or should be responsible stewards of the land.

South Dakota wheat production consists mainly of winter wheat and spring wheat with some hard white winter wheat grown as well. South Dakota produces on average around 130 million bushels of wheat produced in the state on an annual basis. Needless to say wheat is vitally important to this state.

Now to the issue at hand....the 2012 Farm Bill.

Farm Programs

The National Association of Wheat Growers, our national affiliate is currently undertaking a survey of wheat producers throughout the nation. This initial NAWG survey was designed to generate some potential new ideas to explore when approaching the writing of the 2012 Farm Bill.

It is important to note that producers seek a safety net, within the Farm Bill that reflects the realities of today's production system. We believe this safety net needs to be composed of reliable and meaningful programs that provide coverage for producers and keeps in mind the role that United States farmers play in the global market.

For the most part federal farm programs such as Direct Payments, Counter-Cyclical payment programs and marketing loans are established and accepted in South Dakota's farming community. The newer farm programs such as ACRE and SURE are slowly being reviewed by producers and we expect participation in these programs will grow in coming years. Beyond that, we are open to considering new and creative ways to maintain or improve the overall safety net for wheat growers across the country and are exploring ideas to that end.

Crop Insurance

Crop insurance is and should be a critical part of the farm safety net. Last year in South Dakota ninety two percent (92%) of wheat acres were covered by crop insurance. In 2009 the wheat crop had an estimated value of \$500 million.

Moving forward, we want to make sure that any future changes to the crop insurance program do not hamper the provider's ability to accurately assess risk and maintain viability. This is vitally important if they are to continue to provide protection to wheat farmers, especially in the areas of the state that carry the most risk.

On a side note, in northern South Dakota and in parts of North Dakota, there is interest in planting winter wheat because of higher yields, crop rotation opportunities and wildlife benefits. Unfortunately, crop insurance in northern South Dakota and North Dakota does not provide winter kill coverage for winter wheat. South Dakota Wheat Inc has worked with USDA's Risk Management Agency to find a solution to this gap in coverage. We will continue to work with RMA and other stakeholders to develop agronomic criteria and implement coverage that will provide farmers with winterkill protection for their wheat, while protecting the integrity of the crop insurance program.

Conservation

Conservation programs such as CSP, EQIP, WHIP and CRP have been embraced by South Dakota producers and these programs need to be maintained. Strong

leadership by South Dakota's state conservationist and the state technical committee has provided many success stories throughout the state. Because of a backlog of applications for conservation programs there is a need for additional funding. The need for additional funding for technical assistance should be considered as well.

Biofuels

Agriculture has and is continuing to provide additional alternatives for energy for this nation. The production of biofuels from agriculture residues has the potential to provide an additional value-added revenue stream for producers. Current research has positive results; however there is a need for additional funding of development programs to bring advanced biofuels to commercial production.

Biotechnology

South Dakota producers are enjoying increased production through the use of biotechnology in corn and soybeans. South Dakota Wheat Inc is a supporter of the use of biotechnology in wheat. The sustainability of agriculture lies within biotechnology through less agronomic inputs while maintaining profitability for farmers and ranchers.

Research

The mapping of the corn, soybean, and sunflower genomes has created many additional opportunities for disease and insect resistance within those plants as well as the possibility of higher yields. It is critical that mapping of the wheat genome be continued, and that federal funding be continued so that the wheat plant may join its fellow plants in adopting sustainable agriculture practices.

I appreciate the opportunity to share the thoughts of South Dakota wheat producers on this variety of topics with respect to the future of farm policy, look forward to your questions.