

**Statement by Kevin Scott
Chairman, South Dakota Soybean Association
Before the
Committee on Agriculture
U.S. House of Representatives**

May 18, 2010

Good morning, Mr. Chairman and Members of the Committee. I am Kevin Scott, a soybean and corn producer from Valley Springs, South Dakota which is located 15 miles east of Sioux Falls. I appreciate your invitation to appear today to provide some views on the 2008 Farm Bill and future farm policy.

My wife Jannell and I have been married for 29 years next week and we have 6 children. I am a fourth generation family farmer in partnership with my brother. I hope that our operation will continue to serve the community and provide for future generations of the Scott family.

The farm program was created to provide a safety net for growers and food security for the nation. My farm has participated and has been supported by those "safety net" provisions many times. The 2002 farm bill was especially helpful to us in a time of extended low commodity prices. Many farms would not have survived without the underlying support they had. For those of you who helped pass prior farm bills, thank you. We appreciate what you have done for us.

In preparing this statement to get a more comprehensive view of current farm policy and how it affects farmers in South Dakota, the South Dakota Soybean Association members were surveyed about provisions from the 2008 farm bill. Here are some of their comments:

Direct payments: They have been around for a number of years and during their history provided much needed support when commodity prices were poor. With today's commodity price levels being higher, the direct payment program is not as much of a necessity as it was in the past.

S.U.R.E. disaster assistance: Some perceive it as complicated. Multiple program changes occurred after the program began. Producers and Farm Service Agency's offices were hard pressed to keep up with those changes. It has been a pleasant surprise for some producers who incurred losses in their operations and did not realize that they were eligible for compensation.

Bio-based product incentives: This initiative has been instrumental in helping fund the development and production of soy-based products that originate here in South Dakota. For example, the South Dakota Soybean Processors in Volga, South Dakota have brought to market products that replace petroleum-based foams, insulation and plastics with soy-based alternatives.

Conservation programs: U.S. farmers work very hard to conserve the resources that provide for our families. We have to maintain them or they will not sustain us. Farmers are environmentalists. Clean air, water and fertile soil are among our most important assets.

ACRE program: Complex, confusing and difficult to administer are common responses. I chose this option for many of my farm acres because it was recommended to me and it added a revenue component to the safety net. The program adjusts for fluctuating grain prices like crop insurance does but uses statewide yield and price points to gage payment rates. Due to their location, type of crop and livestock operation mix, some of our SDSA members did not think that the ACRE provision was as good of a product as the traditional program. Most said that it was difficult to determine which program would offer the best protection for their farm. Clarity will come with time.

Crop insurance: Though crop insurance is not part of the 2008 farm bill, it has become an increasingly important part of risk mitigation that is necessary in farming today. It is not uncommon to have \$600 per acre of expenses into a corn crop prior to any income. Most farmers cannot afford to risk that amount of money without some protection. Crop insurance with the Revenue Assurance option is what I use on my farm. It covers up to 75% of my expected revenue for the crop I am insuring based on spring and fall grain prices and my proven 10 year yield history. I can choose to buy more or less coverage based on the amount of risk I feel our operation can afford. The coverage is also specific to where I farm, not the whole state or even the county. Crop insurance is a critically important device for growers in South Dakota to help avert risks of production and commodity price fluctuations.

Thank you again, Mr. Chairman, for inviting me to appear today and share a few preliminary thoughts on the 2012 farm bill. The South Dakota Soybean Association and I look forward to additional discussions on the farm bill in the future. I will be happy to answer any questions.

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:** Kevin Scott

2. **BusinessAddress:** 26743 488th Ave., Valley Springs, SD 57068

3. Business Phone Number: (605) 360-7781

4. Organization you represent: South Dakota Soybean Association

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

Associate of the Arts in Agriculture at SD State University

29 years in farming

8 years as a state director for SD Soybean Association, Past President, current Chairman

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

I have been to Washington, DC for discussions with South Dakota's congressional delegation concerning the past two farm bills as a director for the SDSA.

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:

__Chairman, South Dakota Soybean Association_____

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

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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: Kevin Scott

Address: 26743 488th Ave., Valley Springs, SD 57068

Telephone: (605) 360-7781

Organization you represent (if any): South Dakota Soybean 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: _____ 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:

X

Signature: Kevin Scott

* 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.