

**Testimony of
Mr. Frank Lee, Norwood, NC
U.S House Agriculture Farm Bill Field Hearing, Fayetteville, NC
Monday, June 28, 2010**

Good morning Mr. Chairman and members of the Committee.

My name is Frank Lee. I am a corn, cotton, soybean, wheat, timber and beef cattle producer from Norwood, North Carolina. I am a proud constituent of Congressman Larry Kissell who represents the 8th Congressional District. I am a member of the Stanly County Farm Bureau Board of Directors and it is an honor to testify before you today.

North Carolina Farm Bureau is a general farm organization with over 500,000 family members across the state. North Carolina has the nation's third most diversified agriculture economy. In fact, agriculture is North Carolina's number one industry accounting for over \$70 billion in annual economic activity and just under one-fifth of our state's jobs.

North Carolina farmers are generally pleased with the current Farm Bill. We are extremely grateful to the Agriculture Committee for all the hard work that went into putting together the last Farm Bill. We know it was no easy task due to the budget and we understand it will be more of a challenge as we move forward with a new bill given the budget outlook for 2012. However, as Congress begins to focus on writing the next version of this important law, it is more vital than ever that you all craft a bill that will continue to give us the market based tools we need to succeed and provide an effective financial "safety net" so the American public continues to have a safe and abundant food supply.

North Carolina's farmers support the direct and counter-cyclical payments (DCP) program that was included in the last Farm Bill. Farmers understand the programs and they work well. We also support the marketing loan program.

The ACRE program has not been widely utilized by North Carolina's farmers. If ACRE is a part of the 2012 Farm Bill, I would like to see improvements that make it more useful for diversified farming operations.

Cotton farmers are very concerned about the WTO cotton dispute with Brazil and how that will impact us in the next Farm Bill. We certainly understand and support the need to comply by our international trade agreements, but it is crucial that the cotton program in the next farm bill still include a viable safety net needed by North Carolina farmers.

Trade is a critically important issue for the future of North Carolina agriculture. Huge trade deficits exist for many segments of the economy, but when it comes to American agriculture products, we have a trade surplus that actually provides over 22 billion to the U.S. economy. For North Carolina alone, agriculture exports exceeded \$3 billion in 2008, which is an increase of over 70 percent from 2004.

Again, we need to comply with our international trade agreements, but it is vital to give strong consideration and support to any programs, such as the Market Access Program, that assist with increasing agriculture exports as we move forward.

During the course of your hearings and debates on the next Farm Bill, the issue of limiting Farm Bill payments will continue to be raised. The North Carolina Farm Bureau opposes payment limits and means testing to determine eligibility for farm programs. The size and scope of farming operations is often driven by economics and capturing economies of scale and not greed as many would have you to believe.

We are supportive of the conservation programs that were included in the 2008 Farm Bill. It is important to keep in mind the balance of funding levels for conservation and making sure we have a strong commodity safety net in place as you all move forward with changes in the Farm Bill.

The 2008 Farm Bill extended or created several key farm energy provisions. These programs, such as the Rural Energy for America program, have incrementally improved our utilization of renewable resources to power our farms and communities and helped to make our farms more energy efficient. These initiatives are critical to decreasing our reliance on foreign energy sources as well as reducing the impact energy costs have on our family farms.

As you all know, the dairy industry continues to suffer and unfortunately the number of North Carolina dairy producers continue to decline due to tough economic times. Drastic swings in milk prices have devastated dairymen in the Southeast. We must continue to develop dairy policies that keep production in line with consumption.

The 2008 Farm Bill contained – for the first time – a title dedicated to specialty crops. It also funding for states for various programs through the Specialty Crop Block Grant initiative. These important programs help expand opportunities for direct producer-to-consumer marketing, improve farmers markets, roadside stands and community-supported agriculture initiatives and help fruit and vegetable producers address food safety, pest and disease management issues.

Farmers continue to need an affordable and reliable crop insurance program. It is critical that Congress works to maintain a crop insurance initiative that is affordable and allows farmers to properly manage the risks associated with production agriculture. The program should be based on realistic estimates and information.

As we move forward with the next Farm Bill, it is important that we continue to educate the public that the Farm Bill is not just about a price support system for farmers, it's about an investment in rural America and American as a whole. The authorities in the Farm Bill, particularly the in the Rural Development title, are crucial to economic development and help address rural community needs such as schools, hospitals, housing and local infrastructure. The public and private partnerships that are created through

USDA Rural Development and folks like the NC Rural Center help capitalize on every dollar spent and invested in rural North Carolina. There is no doubt that a strong Rural Development title in the next Farm Bill will continue to assist with local infrastructure, economic development and increase the quality of life for folks who live in rural communities.

To summarize, the North Carolina Farm Bureau believes that the 2008 Farm Bill is working well. We understand that you have budget constraints to manage while developing the 2012 bill; however, I cannot stress to you enough how vital it is that the overall bill provide an adequate safety net for producers who will continue to provide food, feed and fiber to the world. We look forward to working with the Agriculture Committee as this process moves forward.

Thank you, Mr. Chairman, for allowing me to testify before the Committee. I look forward to your questions.