

Good morning Chairman Peterson, Members of the Committee, My name is Dan Ward. I am a peanut farmer from Bladen County, North Carolina. I am currently an alternate on the National Peanut Board, and Chairman of the NC Farm Bureau Peanut Commodity Committee. I currently serve on Congressman McIntyre's Ag Advisory Committee and I am a past President of the North Carolina Peanut Growers Association.

My family has been producing peanuts since before I was born. Today we are farming 330 acres of peanuts, 1,400 acres of corn and 100 acres of soybeans.

On behalf of the peanut farmers of North Carolina, I welcome you to the Tar Heel State. Thank you for your willingness to come here and listen to the concerns of North Carolina farmers. Mr. Chairman, we appreciate the leadership you demonstrated in getting the 2008 farm bill passed. We also know that you and the Committee will face unprecedented fiscal challenges while writing the next Farm Bill. , I would like to stress several points today and look forward to your questions and comments. The major points are:

1. Peanut producers support the marketing loan program.
2. Current safety net provisions are not sufficient for southern agriculture.
3. CSP and "green programs" need to be strengthened and fully funded.
4. The need for continued support by USDA for peanut exports

Preservation of the marketing loan program is of utmost importance. It is the only provision of current farm programs that covers all of a farmer's production. It is an essential tool in marketing our commodities and provides a floor for prices. Most of the peanut crop in recent years has utilized the loan and any substantial changes to the loan program would cause extreme hardship on peanut producers.

Mr. Chairman, as I am sure you are aware, southern agriculture is very diverse. Many producers plant peanuts, corn, soybeans, cotton, wheat, vegetables and tobacco. Each of these crops has different equipment requirements. Also soil types and rain fall patterns result in differing yield potential within the state and even within counties.

Because of this variability in yields, the ACRE Program does not work for Southern Agriculture. The requirement that the state must trigger has the potential of inequitable administration of the program. Some areas of the state could experience a major loss while the rest of the state has above average yields. If revenue insurance is to be considered as improving the safety net, then this question of variability within a state must be addressed.

Recently, peanut growers have asked the Risk Management Agency to develop an affordable Crop Revenue Coverage policy for peanuts. This would protect farmers against price and yield risks. I would support any reasonable price reporting requirements necessary to make a CRC policy work.

The Conservation Stewardship Program includes provisions for a crop rotation program. This program encourages longer rotations, which are effective in reducing the need for agricultural chemical application. This is environmentally sound and desirable, and also will improve crop yields. The Department has finally implemented this program, but producers have not been able to utilize it because of insufficient funding. Farmers are conservationists at heart. We are doing our part every day to protect the environment and our farms and our families. But it is expensive and we need assistance from programs like CSP. It is important to me that my farm be operated in a sustainable manner.

Nutrition and feeding programs at USDA are very important to peanut producers. The school lunch program is utilized by school systems all over this country. Without it many children would go hungry. Peanut products are an important menu choice. Over the past year the peanut industry has asked the USDA to increase their purchases of peanut products to be used in their feeding programs. I am happy to say that their purchases are up and I do think that there is room for continued increases in peanut purchases.

Peanuts do not qualify for the Fresh Fruit and Vegetable Snack program. I believe that all school feeding programs should include peanuts. At a recent peanut industry meeting, Dr. Mark Manary of Washington University in St. Louis detailed the many nutritional benefits of peanuts. He discussed how peanuts are being used in Africa to combat malnutrition, explaining that no other food contains the necessary protein, fat and nutrients at such a reasonable price. With our nations epidemic of childhood obesity, peanuts and peanut butter should be in the forefront of nutritional meals. Exports of peanuts are important to U.S. peanut farmers. USDA Foreign Agricultural Service and the peanut industry have cooperated in our effort to increase exports. Current world market conditions are presenting the industry with an opportunity to expand peanut exports. We appreciate the funding we have received in the past and hope that the Department will continue to fund export enhancement programs at current or increased levels.

Mr. Chairman, I am concerned about the recent effort by the U.S. Department of Transportation to ban peanuts on commercial airline flights because of peanut allergies. The peanut industry has spent millions of dollars to encourage the development of a vaccine or treatment for peanut allergies. We do not wish to minimize the seriousness of food allergies. Congress asked 10 years ago that DOT not implement a peanut ban unless a scientific peer reviewed study indicated a need for the ban. No such study has been done, and I would hope that Congress would not allow DOT to continue this action.

Mr. Chairman and Committee members, I do not envy you and your job of writing a new Farm Bill. I know you will be under intense pressure to decrease funding for agricultural programs and increase other programs under the Department's jurisdiction. Many farmers are struggling financially while providing this nation with the best quality, lowest priced food supply in the world. Current farm programs are making that possible. Program reductions will put many farmers out of business. This would surely result in higher food prices and put even more pressure on nutritional budgets.

Mr. Chairman, thank you and the committee for your concern for agriculture.