Chairman Scott, Ranking Member Thompson, and Members of the Committee,

My name is Clark Coleman and I am a farmer from Bismarck, North Dakota. This year I will plant ten different crops, including confection and oil sunflowers, malting barley, canola, yellow peas, soybeans, grain and silage corn, spring wheat and Durum wheat. This crop diversity is not uncommon in the northern tier, where many farms typically grow at least four or five different crops every year.

I am a past President and Chairman of the National Sunflower Association and still serve on the National Sunflower board. I will also speak today on behalf of the National Barley Growers Association, U.S. Canola Association, and USA Dry Pea & Lentil Council.

I will share perspectives on the Title I farm program elections and dynamics for the crops that I grow and the relationship of their reference prices to their market prices.

Overall, the Title I programs, along with the crop insurance program, are the backbone and most important factors in the stability of my operation. Without them it would be difficult or impossible to get financing from a credible lender for my seed, fertilizer and other production input costs – which are experiencing significant increases this year.

The Title I programs are largely working as they were intended for my farm and for the crops that I produce. The options and flexibility provided under the 2018 Farm Bill allows producers to choose between the ARC and PLC program options on a farm-by-farm and crop-by-crop basis. This has given farmers the latitude to develop protection plans that best fit their operations.

The policy of decoupling farm program payments from plantings continues to work well. Providing planting flexibility by tying income or revenue protection to recent historical base acres rather than current-year crop plantings has allowed farmers to respond to market signals rather than the prospect of receiving government payments. As a producer of multiple crops, it is fundamentally important that my decisions are based on market signals. The Title I programs are serving as a safety net, not a market driver.

The reference prices established in the 2018 Farm Bill for the crops that I grow were reflective of the market for the first few years. However, that dynamic may be changing as we are experiencing a surge in the prices of fertilizer and other inputs that will significantly increase production costs and risks.

I would like to take this opportunity to note that the current issues with input supplies and prices highlights the need to promote domestic fertilizer and chemical manufacturing. This should be considered a food security and national security issue and should be a focus of any efforts to make our supply chains more resilient.

For **sunflowers**, the PLC program has been primarily utilized by producers, but ARC has also been used.

Oil type sunflowers are currently over $33, and confections over $40 per cwt. *Note: Oil sunflowers provide sunflower oil for the food ingredient market, while confection sunflowers are what you eat as a snack, especially baseball players and fans at sporting events!* Last year at this time, oil type sunflowers were at $21.60, and confections were $26.80 per cwt. The reference price for the other oilseeds category under the current Farm Bill is $20.15 per cwt. This reference price level, like others, has been unchanged since the 2014 Farm Bill.

At these prices, the other oilseed marketing loan rate of $10.19 per cwt is not used very often, unless it is for cash flow. The same is true of the loan rates for all of the crops that I grow. If market prices moved to the loan rates for these crops, it would be difficult to recover costs.

For **barley**, PLC has been the primary program election, with a small amount of ARC payments

The barley reference price is $4.95/bushel and production contracts for malting barley were in the $6 range in 2020 & 2021 and barley prices are currently in the $7-$8 range.

For **canola**, PLC has been the choice, with very little under ARC

Canola prices this year have been in the range of $30 to $38 per cwt while the reference price for canola/other oilseeds is $20.15 per cwt.

The **pulse crops** – dry peas, lentils, and chickpeas – have all been primarily covered by PLC.

Over the past several years, prices for pulses have experienced significant swings from low levels due to tariffs and disruptions in key markets to upward spikes since 2020. Unfortunately, the supply chain disruptions have prevented pulse producers from capitalizing on the current high prices.

The Reference price for Dry peas is $0.11 per pound, Lentils and Small Chickpeas is $0.19 per pound and Large Chickpeas is $0.21 per pound. The reference price for Large Chickpeas established in the 2018 Farm Bill did not reflect the average market price or the Olympic Average market price at that time and it does not reflect the current average price. The inadequate reference prices combined with the current historic highs for input expenses is a primary Farm Bill concern for pulse producers.

I want to take this opportunity to offer my perspectives on the FSA offices and staff that administer and implement the farm programs. Staff vacancies and shortages in FSA offices is a significant and growing concern for producers. Retirements and workloads have resulted in lots of experience leaving the organization. The larger counties of western states require separate county offices for ease of access, personal service and the best execution of programs. We need more FSA resources, not consolidation of offices.

In closing, I would reiterate that the existing farm program structure that provides growers with farm-by-farm and crop-by crop options and planting flexibility through decoupling are working well. The ARC and PLC programs and the reference prices have been working as intended, but adjustments may be needed to address emerging dynamics.

I hope that the stability and certainty of the farm safety net that the Title I and crop insurance programs represent will remain the top priority and driving force in the timely reauthorization of a *bipartisan* Farm Bill in 2023. Farmers, as well as consumers that rely on the food we produce, are facing a lot of challenges and uncertainty. Additional instability and uncertainty in the farm safety net and our food production system is the last thing we need.

Thank you again for the opportunity to participate in this hearing.