Testimony of
The Under Secretary for Farm and Foreign Agricultural Services
Before the House Committee on Agriculture,
Subcommittee on General Farm Commodities and Risk Management
June 17, 2010

Mr. Chairman, Ranking Member, and Members of the Subcommittee, thank you for the opportunity to discuss implementation of the farm safety net programs of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill). This hearing provides an opportunity to reflect on implementation of the 2008 Farm Bill while thinking ahead to the next Farm Bill.

The Department of Agriculture (USDA) has expedited vital farm safety net programs authorized under the Farm Bill, and has worked diligently to ensure proper administration of other non-Farm Bill programs. USDA has disbursed more than $1.1 billion under the five new permanent disaster programs authorized by the Farm Bill; in addition to payments under these new 2008 Farm Bill safety net programs, $12.5 billion has been paid under the Farm Service Agency (FSA) administered safety net programs that include direct payments, counter-cyclical payments, and marketing loan benefits (including loan deficiency payments, marketing loan gains and certificate exchange gains for crop years 2008 and 2009.) Direct payments, counter-cyclical payments, and marketing loan benefits account for 80 percent, 11 percent, and 9 percent, respectively of payments made under the FSA administered safety net programs. To aid the struggling dairy industry, USDA has spent or committed more than $1.5 billion since March 2009, including $900 million through the Milk Income Loss Contract Program and $290 million through last fall's Dairy Economic Loss Assistance Program.

At the same time, the Federal crop insurance program, administered by the Risk Management Agency (RMA), is the primary risk management program available to our Nation's agricultural producers, and a vital component of the farm safety net. It provides risk management tools that are compatible with international trade commitments, creates products and services that are actuarially sound and market driven, harnesses the strengths of both the public and private sectors, and reflects the diversity of the agricultural sector.

On June 10, 2010 USDA released the final draft of a new crop reinsurance agreement and announced that $6 billion in savings has been created through this action. Two thirds of this savings will go toward paying down the federal deficit, and the remaining third will support high priority risk management and conservation programs. By containing program costs, these changes will also ensure the sustainability of the crop insurance program for America's farmers and ranchers for years to come.

In 2009, the Federal crop insurance program provided about $80 billion in protection on over 264 million acres. Our current projection is that indemnity payments to producers for their 2009 crops will be about $5.1 billion on a premium volume (producer paid plus subsidy) of over $8.9 billion. Our current projection for 2010 shows the value of protection will remain relatively steady at about $79 billion. This projection is based on USDA's latest estimates of planted acreage and expected changes in market prices for the major agricultural crops.

Today, I will focus on the major new provisions of Title I Farm Bill programs (in particular, ACRE) and the disaster-related provisions of Title XII; I will also provide you with an update on the Federal Crop Insurance Program. Together, these programs complement existing farm support programs, and ultimately form the backbone of the farm safety net.

2008 Farm Bill Implementation

Twenty regulations are associated with Title I and disaster-related programs in the 2008 Farm Bill, of which fourteen have been published to date. In 2008, for example, regulations were published in the Federal Register related to cotton, the Milk Income Loss Contract Program, the Direct/Counter-Cyclical Payment Program, the Average Crop Revenue Election Program, and payment limitation reform. In 2009, USDA published regulations regarding Title I sugar provisions, Marketing Assistance Loans and Loan Deficiency Payments, the Livestock Indemnity Program, the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program, the Livestock Forage Disaster Program, and the Supplemental Revenue Assistance Payments Program. In 2010, USDA published regulations for the Tree Assistance Program, clarifying amendments to a variety of Title I and disaster program rules, and a final rule on payment eligibility and limits.

USDA elected to pursue some of the more complex and difficult programs early in the implementation process. Doing so allowed the most rapid distribution of assistance, particularly under the disaster programs, to the largest number of producers. The remaining regulations are moving faster, as they tend to be more narrowly-defined, less-complicated, and less decision-intensive programs. We anticipate publication of the final Title I regulations later this summer. In fact, publication of two regulations—one on various dairy provisions (including the Dairy Indemnity Payment Program), and one implementing the Geographically Disadvantaged

Producers program – is expected imminently. The Durum Wheat Quality Program and the regulations including changes to the Noninsured Crop Disaster Assistance Program (NAP) will be published shortly thereafter.

Much work has gone into including the voices of farmers, ranchers, and other constituents in the development of these regulations. In addition, economic analyses and environmental impact considerations, as well as an assessment of civil rights and business impacts, have been thoroughly considered. Through all of this, we are nearing completion in the implementation of the 2008 Farm Bill.

I would like to share with you some of our experiences in crafting and implementing these programs, along with some data on the response we have seen on these programs in the field.

Average Crop Revenue Election (ACRE) Program

ACRE is a new program based on revenue risk, as opposed only to price risk. It provides an alternative to traditional farm programs and depends on both state- and farm-level triggers. Both the state-level and farm-level triggers—which are in turn based on historical average yields and national average market prices—must be met before a producer receives a payment. Because it is an alternative to traditional programs, an ACRE participant forgoes counter-cyclical payments and realizes a 20 percent reduction in direct payments and a 30 percent reduction in marketing assistance loan rates for all commodities on the ACRE-enrolled farm. Once a farm is enrolled in ACRE, that farm is required to stay enrolled in ACRE throughout the duration of the 2008 Farm

Bill (through 2012).

USDA projected in its 2010 President's Budget baseline that about 25 percent of base acres would enroll in the program in 2009. Projections by the Congressional Budget Office (CBO) and the Food and Agricultural Policy Research Institute were even more optimistic, at about double USDA's forecast. In 2009, the first year of the program, 8 percent of eligible farms—representing 13 percent of base acres, or about 34 million acres—enrolled in ACRE. Preliminary data indicate that an additional 1.2 million acres of new base and 4,000 new farms (not in the program last year) are enrolled in ACRE in 2010.

Several reasons likely explain the modest interest in the program relative to earlier expectations. ACRE requires producers to do a significant amount of "homework" to understand how it would work for their farms. This was further complicated by operators' having to explain to landlords and, at times, bankers, how ACRE payments compared to payments under the traditional programs.

In addition, the ACRE revenue guarantee for several crops dropped dramatically between the time the program was passed into law and the summer of 2009, when the first ACRE signup ended. For corn, soybeans, and other crops, prices declined significantly between 2008 and mid-2009, reducing guarantees and the likelihood of expected ACRE payments. For example, during this time, ACRE guarantee levels dropped about $50 per acre (8 percent) for corn and $23 per acre (6 percent) for soybeans. According to statute, ACRE participation is locked in for a farm throughout the remainder of the 2008 Farm Bill once that farm is enrolled in ACRE. Because of market uncertainties and without a clear understanding of this new program, most producers hesitated to commit their farms to a multi-year ACRE agreement. Basically, producers found themselves trading off the certainty of a portion of direct payments for an uncertain amount of ACRE payouts over a 4-year period.

Overall, ACRE participation has been strongest for corn, soybeans and wheat. In 2009, about 13 million acres of corn base were enrolled, with over half that total in Illinois, Iowa, and Nebraska, and about 7.6 million acres of soybean base (Illinois and Iowa were again top states). More than 9 million acres of wheat base were enrolled in ACRE, about 13 percent of the total enrolled wheat base (participating either in ACRE or the traditional direct/counter-cyclical programs). For wheat, declining prices, combined with strong educational efforts, improved ACRE participation for the crop, particularly in Oklahoma (2.5 million acres enrolled) and North Dakota (1.6 million acres).

For the 2009 crop year, we expect about $400 million in ACRE payments to be made (based on the May 2010 *World Agricultural Supply and Demand Estimates* report). Wheat accounts for about three-fourths of the total, largely due to the decline in the national average price in 2009 as well as yield issues in some states. Of the approximately $400 million in ACRE payments, about $300 million are expected for wheat, $65 million for corn, $14 million for barley, $11 million for sunflower seed, and small amounts for several other crops. These estimates are preliminary because not all 2009 ACRE yields and ACRE prices have been finalized; and because they are calculated under the assumption that farm triggers will be met. Across all ACRE commodities, participants in Oklahoma, Washington, Illinois, South Dakota, Idaho, and Montana are expected to receive about 80 percent of total ACRE payments paid on 2009 crops.

Next, I would like to turn to other key safety net programs, including the Supplemental Revenue Assistance Payments Program (SURE).

Supplemental Revenue Assistance Payments (SURE) Program

Title XII of the 2008 Farm Bill authorized the SURE program, which provides assistance to crop producers for eligible losses in times of natural disasters. To be eligible for SURE, producers must have Federal crop insurance or NAP coverage and be located in a county included in the geographic area covered by a natural disaster declaration issued by the Secretary of Agriculture. The Secretarial disaster designation is not required if, in a county without a Secretarial disaster designation, a farmer can prove a whole farm loss of more than 50 percent of normal.

As of June 1, 2010, payments for 2008 crop losses totaled more than $800 million (about $516 million under the SURE program, and $284 million under the Recovery Act supplement to the SURE program). Major recipient states include Iowa ($174 million), North Dakota ($98 million), and Texas ($77 million). The large payments to Iowa in part reflect the speed at which payments were processed in that state; other states may, in the end, realize higher totals. SURE's whole-farm nature and the number of variables used in the calculations makes the program quite complex. SURE is significantly different from previous disaster programs in that SURE losses and revenues are calculated based on all of a producer's cropland, including multiple farms combined, compared to ad hoc disaster program calculations made on a crop-by-crop basis. As a result of the whole-farm focus, a county may receive a Secretarial disaster designation, but few producers may receive SURE payments.

For 2009 crop losses, SURE sign up and payments will occur later this year in 2010; and for 2010 crop losses, SURE sign up and payments will occur in 2011. This lag between the timing of crop loss and disaster payment is due to a statutory requirement regarding the calculation of actual farm revenue. Farm revenue depends on the National Agricultural Statistics Service's season average prices, which are usually released 13 months after the start of the crop year. It also depends on other revenue data which are not available until well after a crop loss occurs, including marketing loan benefits, ACRE payments, crop insurance indemnities, and other government payments received by the producer.

Other Disaster Programs

In addition to SURE, the 2008 Farm Bill authorizes disaster assistance programs for livestock losses and tree losses. These programs include the Livestock Indemnity Program (LIP), which provides assistance to producers who lose livestock due to natural disaster; the Livestock Forage Disaster Program (LFP), which compensates livestock producers for grazing losses due to drought; and the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP), which provides assistance for qualifying losses not covered by other disaster programs.

For 2008-10 losses, more than $87 million has been paid out under LIP and more than $258 million for LFP as of June 1, 2010. Both LIP and LFP payments can be processed and made quickly, and are providing a major boost to livestock producers and rural communities alike across the United States. Major LIP recipient states include South Dakota and North Dakota; the major LFP recipient states are those that have suffered significant drought losses such as Texas, Georgia, California, and North Dakota.

FSA is currently compiling applications for both 2008 and 2009 ELAP losses. Once total loss assistance is calculated for each year, payments may need to be factored, as ELAP funding is limited to $50 million per calendar year. FSA plans to issue payments for both 2008 and 2009 losses this summer.

The Tree Assistance Program (TAP), which provides assistance for losses of trees, vines and shrubs due to natural disaster, completes the 2008 Farm Bill disaster assistance program portfolio. FSA began accepting TAP applications for calendar year 2008, calendar year 2009, and calendar year 2010 losses on May 10, 2010.

Dairy

Since the beginning of the dairy crisis in late 2008, USDA has spent or committed more than $1.5 billion to aid dairy producers struggling with low prices and high feed costs. USDA has paid dairy producers more than $900 million under the Milk Income Loss Contract Program (MILC), authorized under the 2008 Farm Bill. Most of these payments occurred in calendar year 2009, although a small payment was made for April production in early June, 2010, totaling about $15 million ($0.2115 per cwt on 7 billion pounds of milk). Although the 2008 Farm Bill kept the same basic structure to as the MILC program authorized prior to enactment of the 2008 Farm Bill, it also included a “feed cost adjuster,” which increases the size of the payment depending on ration costs. Of the 11 months payments have been triggered under the MILC program since February 2009, the feed cost adjuster had an impact on the payment in 5 of those months.

USDA has also expedited emergency non-Farm Bill action to aid producers. In addition to MILC payments, the fiscal year 2010 Agriculture Appropriations Act authorized $290 million in additional direct payments to dairy producers, as well as $60 million for the purchase of cheese and other products. The $290 million was paid in near-record time—with payments beginning within 60 days of the bill being signed into law. USDA also has expedited the purchase of cheese and cheese products authorized under the Agriculture Appropriations Act, to assist dairy producers and provide food banks across the country with high-protein cheese. Cheese purchases were contracted in January and February 2010 with deliveries beginning in March and scheduled to go through December 2010. USDA also temporarily increased the purchase prices for cheddar blocks, cheddar barrels, and nonfat dry milk under the Dairy Product Price Support Program (DPPSP) during August-October 2009 and re-activated the Dairy Export Incentive Program (DEIP).

DEIP has remaining volumes allocated but has not awarded DEIP bonuses in recent months because world prices are currently above U.S. prices and the U.S. is competitive in world dairy markets. Awarding DEIP bonuses at this time runs the risk of displacing commercial exports. DEIP remains available and USDA stands ready to award DEIP bonuses should the U.S. become uncompetitive in world dairy markets. We have also used our full administrative flexibility to make alternative loan servicing options available to dairy producers under Farm Service Agency loan programs.

USDA has received numerous requests recently to increase the DPPSP purchase prices to the heightened levels of August-October 2009. Doing so, however, would have little, if any, impact at current cheese and non-fat dry milk price levels. The all-milk price for calendar year 2010 is projected at $15.95 per cwt. and $16.30 per cwt. for 2011, compared to $12.81 in 2009. When USDA took action to increase the purchase prices for cheddar cheese and nonfat dry milk last year, the July 2009 all-milk price was $11.30 per cwt., compared to $15.00 per cwt. in May 2010. We need to be cautious when some producers are expanding production based on current prices and given the projections for improved prices in 2010 and 2011 relative to 2009.

Given the complexity of current dairy policy and the search for new directions, I am pleased by the progress of the Dairy Industry Advisory Committee as they search for policy recommendations regarding ways to reduce dairy price volatility and improve profitability. This Committee, under the leadership of Dr. Andrew Novakovic of Cornell University, is carefully examining several options that would improve the safety net for dairy producers. USDA eagerly awaits the recommendations and insights of this Committee as we move into the 2012 Farm Bill debate.

Sugar

Compared to expectations at the time the 2008 Farm Bill was enacted, the sugar market has been far more favorable for sugar beet and sugarcane farmers. The sugar market outlook back in 2008 was fairly bleak: U.S. sugar surpluses and low prices were expected as supplies outran demand due to the expected influx of low-priced Mexican sugar. This imbalance was expected to lead to Federal costs under the sugar price support program as low prices led to forfeitures of sugar to the Commodity Credit Corporation (CCC). The 2008 Farm Bill's Feedstock Flexibility Program, was designed to utilize the expected surplus sugar for bio-fuel production.

However, since the 2008 Farm Bill was developed, domestic sugar production has fallen and demand has increased. The domestic market was also severely disrupted by the loss of refining capacity due to the disaster at the Savannah refinery and the world sugar price spike in Fiscal Year (FY) 2010. The U.S. need for sugar grew faster than Mexican imports and, as a result, we increased the FY 2010 sugar import tariff-rate quota this spring.

Despite the almost doubling of sugar prices since 2008, sugar users in the U.S. are increasingly using sugar to replace other sweeteners in their products. The sugar market outlook is now much tighter than in 2008 and USDA does not anticipate the need for the use of the Feedstock Flexibility Program in the near term.

The Federal Crop Insurance Program

Crop insurance is a vital part of the farm safety net. Producers purchase crop or livestock insurance from private insurance agents who sell the insurance for private insurance companies. All Federal crop insurance is delivered to producers through seventeen private insurance companies. These companies sell and service crop insurance under a standard reinsurance agreement with the Federal Crop Insurance Corporation.

Producers generally have a choice of crop or livestock policies, with coverage they can tailor to best fit their risk management needs. In many cases, producers can buy insurance coverage for a yield loss, or revenue protection to provide coverage for a decline in yield or price. Today, most producers "buy up" to higher levels of coverage ranging up to 85 percent coverage (smaller deductibles), although a low level of catastrophic coverage (CAT) is available for a nominal fee. Upon incurring a loss, producers notify their insurance company who assigns loss adjusters to determine the cause and amount of loss, with indemnity payments usually made within 30 days after the producer signs the claim form.

Crop insurance has been quite successful (see Attachment 1), particularly for the major row crops in the primary growing areas. Participation has been consistently high (see Attachment 2) and has become a foundation for the farm banking system. Lenders often accept, or even require, crop insurance as collateral for loans.

The crop insurance program has seen sustained growth as demonstrated by the increasing proportion of acres insured at buy up levels over the last decade (see Attachment 3). In 2009, 92 percent of insured acres for the ten staple crops had buy up coverage, compared to just 73 percent in 1999. Not only are buy up levels increasing, but the type of coverage being purchased is shifting to the more comprehensive revenue coverage (see Attachment 4). In 2009, revenue coverage accounted for 57 percent of the insured acres, compared to just 27 percent in 1999. In addition, the average coverage level (percent of the total crop covered) for buy up insurance has increased. In 2009, the average coverage level rose to a record-high of 73 percent. In 1999, the average was 67 percent.

This growth has been accomplished in an actuarially sound manner. Over the last two decades, premiums (including premium subsidy) have been sufficient to cover the indemnities paid to producers plus a reasonable reserve, as directed by the Federal Crop Insurance Act.

Despite the significant increases in crop insurance participation, there is still room for improvement in some areas. One such area is the South, especially Arkansas and Mississippi, where a disproportionate number of growers either purchase CAT-level coverage or choose not to purchase any coverage at all. A market study commissioned by RMA indicates that the low participation is due to producers opting to reduce their risk through investments in irrigation systems rather than through crop insurance. There is also a perception that, given these investments, premium rates are too high. To address this, RMA is reviewing the rating methodology for irrigated versus non-irrigated practices. Based on that analysis, a range of adjustments may be considered, including adjustments by practice which may reduce rates for irrigated crops.

Another opportunity for growth in the crop insurance program is with specialty crops (see Attachment 5). So far, participation among the specialty crops has tended to not be as high as for the major row crops. RMA has been making adjustments to existing products and developing new ones that are intended to better meet the unique risk management needs of specialty crop producers. For example, in California, RMA recently redesigned a yield coverage policy for avocados; made changes in the grape crop insurance program giving producers greater insurance choices; and implemented a new policy, Actual Revenue History, for cherries, navel oranges, and strawberries. Crop insurance programs currently being developed include one for pistachio nuts, the second largest nut crop produced in California.

One of the most important considerations for the crop insurance program is the premium cost for producers. If premium rates are too high, producers will not participate in the crop insurance program. If premium rates are too low, actuarial performance will deteriorate. RMA continually seeks to improve its premium rating methodology and maintain actuarial balance. RMA recently commissioned a comprehensive review of it rating methodology by a panel of outside experts. The review supported RMA's overall approach to generating premium rates based on historical loss experience, but also provided a number of recommendations for potential improvements that RMA is pursuing. The most critical of these recommendations is for RMA to determine if all historical losses should be given the same weight in determining current premium rates. This could potentially result in lower premium rates in several parts of the country, especially the Corn Belt.

The 2008 Farm Bill provided an alternative for producers and private entities to work with RMA to develop insurance coverage for crops not traditionally served, or to improve current insurance coverage. Producers or producer groups that are not currently eligible for coverage or find a currently reinsured plan of insurance unsuitable for their needs may develop a plan of insurance tailored to their specific crop or region and submit it to the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) for review. Private entities are authorized to submit Concept Proposals for plans of insurance to the Board for approval of an advance payment of up to half of their estimated research and development costs to assist them in researching and developing a completed insurance product. Completed products receive reimbursement of the balance of their research and development costs and up to four years of maintenance expenses. To date, the FCIC Board has received 16 Concept Proposals and approved eight for advance payments totaling approximately $925,000. Recently approved plans of insurance provide coverage for apiculture (bees), cottonseed, fresh market beans, oysters, and processing pumpkins.

A central challenge in certain areas involves addressing declining yields when a number of consecutive poor crop producing years can negatively impact a producers yield history, and thus lead to lower insurance guarantees. Considering repeated loss experience, providing producers with a reasonable production guarantee at a reasonable cost has proven difficult. While the crop insurance program does employ various yield adjustments, a significant shortcoming of the current yield adjustments is that they are not equitable across producers, as they generally rely on the average yield for the county. This makes them less effective for the more productive producers with above-average yields and potentially overly generous for the less-productive producers with below-average yields. RMA continues to seek viable and effective solutions to this issue working with all interested parties to address concerns regarding Actual Production History databases, and to assure that any solutions or alternatives provide consistency in program delivery, address the needs of policyholders and assure actuarial sufficiency in accordance with the Federal Crop Insurance Act.

One pilot program available in North Dakota, the Personal T-Yield (PTY) allows for mitigation of the impact of declining yields on an insured’s insurance guarantee by using the insured’s own production history average in lieu of the county T-Yield. While holding some promise, a contracted assessment on the feasibility of national expansion of the PTY pilot program is due in August, 2010.

RMA continues to move forward in improving crop insurance coverage for organic producers so they will have viable and effective risk management options like many of the conventional crop programs. Consistent with the 2008 Farm Bill, RMA contracted for research into whether or not sufficient data exists upon which RMA could determine a price election for organic crops, and if such data exists, to develop a pricing methodology using that data. Also included in the contract was research into the underwriting, risk and loss experience of organic crops as compared with the same crops produced in the same counties during the same crop years using nonorganic methods. Three reports have been completed from this study.

The first report outlined research into data that exists today that could support price elections for various organic crops. The second report outlined a proposed methodology for development of a price election for organic cotton, corn and soybeans. The third report presented the results of the contractor's comparative analysis of loss experience for organic crops and conventional crops that were produced in the same counties during the same crop years.

RMA intends to establish dedicated price elections for organic crops where supported by data and sound economic pricing principles. The first of these organic price elections may become available for the 2011 crop year. In addition, RMA will continue to capitalize on improved data collection and sharing of organic production and price data occurring throughout USDA, an initiative to better leverage the resources of all of our agencies to address this important segment of agriculture.

RMA will also continue to evaluate the loss experience of both organic and conventional practices to ensure that premium rating is commensurate with the level of risk for each. This includes revising surcharges for those areas or situations that merit such consideration. Another area of continued challenge to the program involves providing coverage for quality losses. RMA provides quality adjustment for many crops that is based primarily on standards contained in the Official United States Standards for Grain, such as test weight, kernel damage, etc. Wheat, for example, is eligible for quality adjustment when poor quality results in a grade worse than U.S. #4. While insureds and the Approved Insurance Providers have been generally supportive of RMA's quality adjustment provisions, producers would like to see a higher level threshold for when quality adjustment begins. Additionally, producers contend that quality adjustment does not always reflect what they are personally discounted at the market place. This is often heard earlier in the harvest season when the extent of poor quality is not fully known and grain buyers tend to have more severe discounts.

USDA is ensuring that $2 billion in savings from the new SRA will be used to strengthen successful, targeted risk management and conservation programs. The $2 billion investments in Farm Bill programs include: Releasing approved risk management products, such as the expansion of the Pasture, Rangeland, and Forage program; Providing a performance based discount or refund, which will reduce the cost of crop insurance for certain producers; increasing Conservation Reserve Program (CRP) acreage to the maximum authorized level; investing in new and amended Conservation Reserve Enhancement Program initiatives, and invest in CRP monitoring. In the near future, USDA will release detailed information describing the investments that will be made using savings generated from a restructured SRA.

One of the challenges for RMA is to assure market conditions, such as market timing or over-supply of a commodity that may influence discounts is not allowed to occur within the insurance program thus inappropriately increasing losses and thereby increasing producer premiums. RMA continually strives to provide standard quality discounts that apply to all producers nationwide so everyone is treated equitably and the crop insurance program does not become subject to market influence and abuse. RMA has continued to work with grower associations and others to continually improve the effectiveness of its quality adjustment provisions.

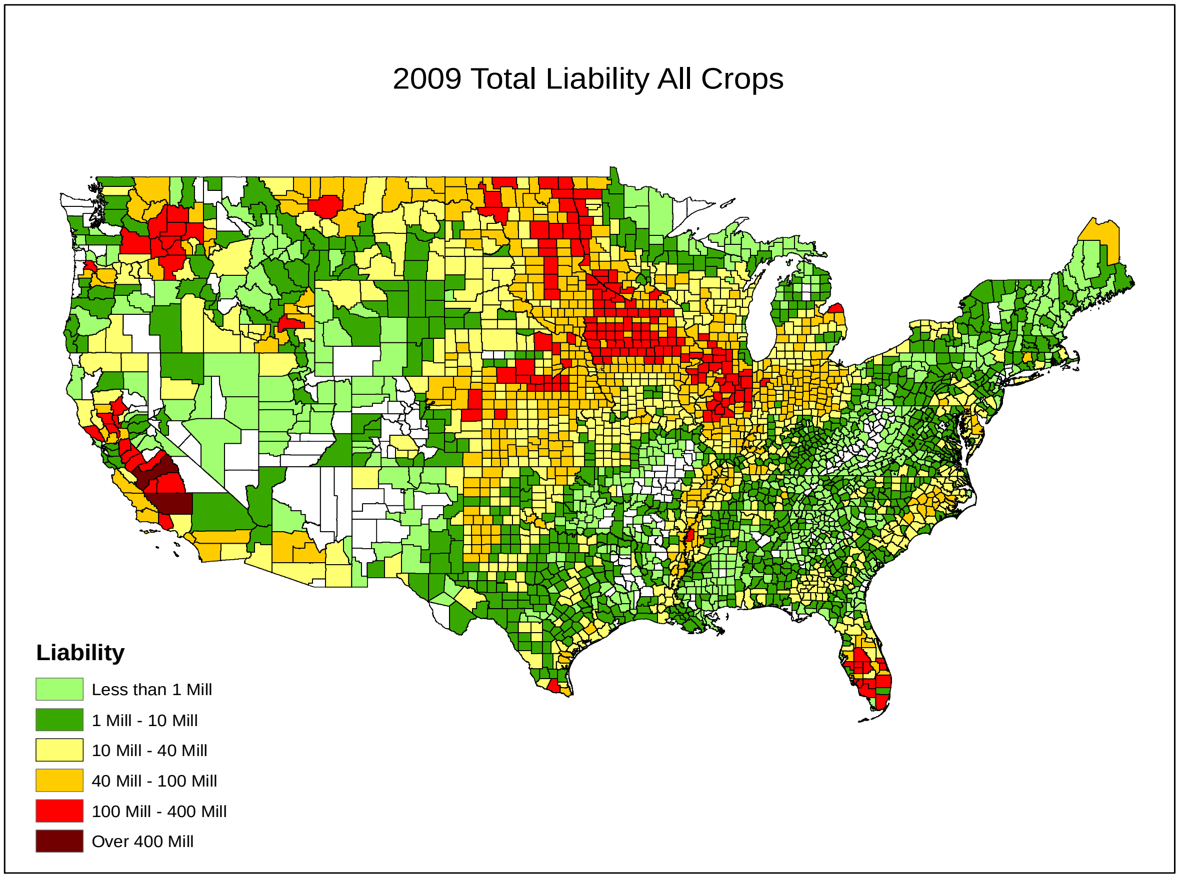
Working Toward the Next Farm Bill

Mr. Chairman, as we move forward toward development of the next Farm Bill, it is important that we approach this new legislation with an eye toward truly making a difference in the future of the lives of millions of rural Americans. We can strengthen production agriculture, while also building and reinforcing the future of rural communities. Production agriculture and rural America deserve no less from the next Farm Bill.

In the coming months, I look forward to bringing the experiences of the many farmers, ranchers, and other rural Americans to the table. I also look forward to offering the insights and expertise of our professional USDA staff, who have had the experience and pleasure of partnering with and learning firsthand about the needs of producers in the field. It is my pledge to assist, provide technical assistance, and help better frame the debate toward the topics and issues that are most important to our constituents.

I look forward to working with you, Mr. Chairman, and every Member of the Committee on that endeavor. I would be happy to respond to any questions that Members might have.

Attachment 1



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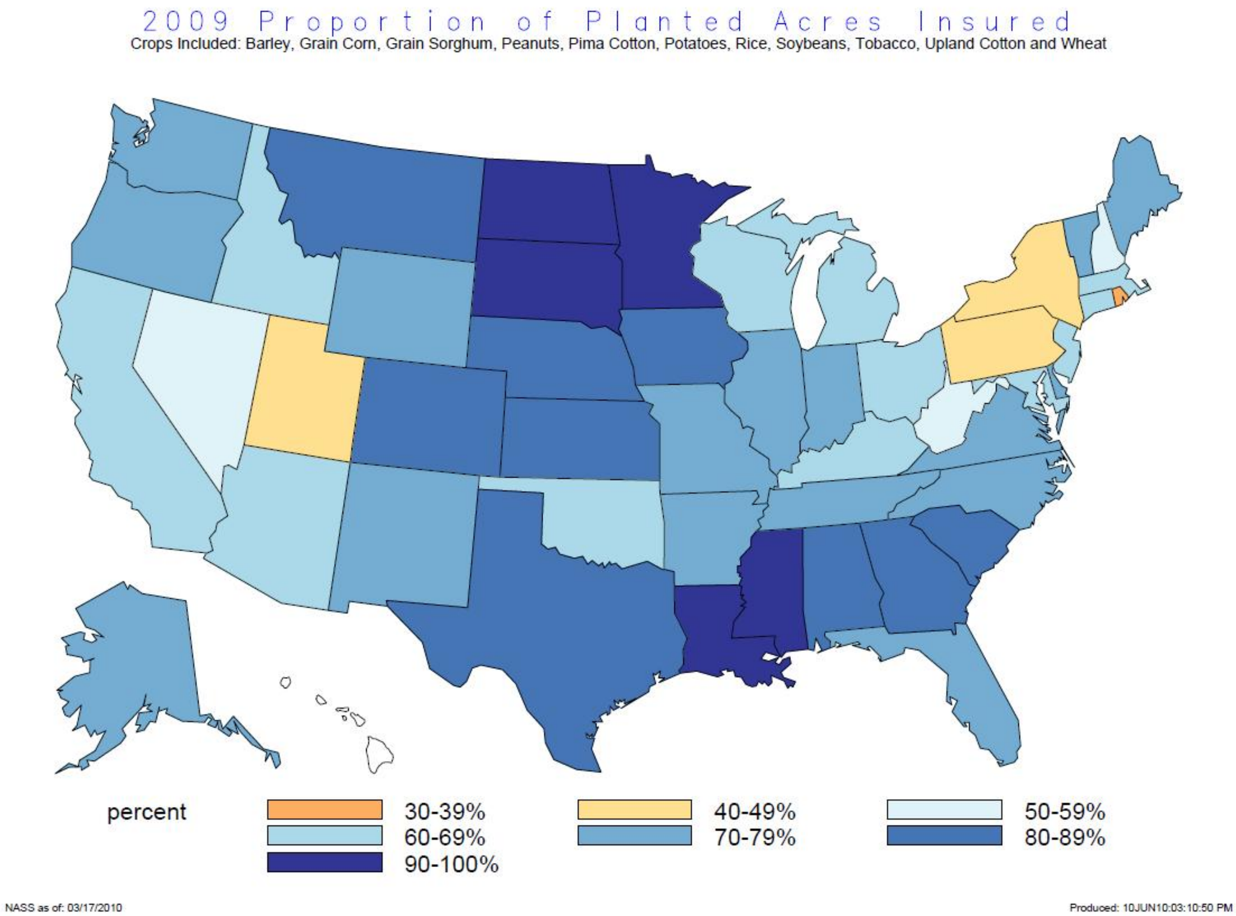

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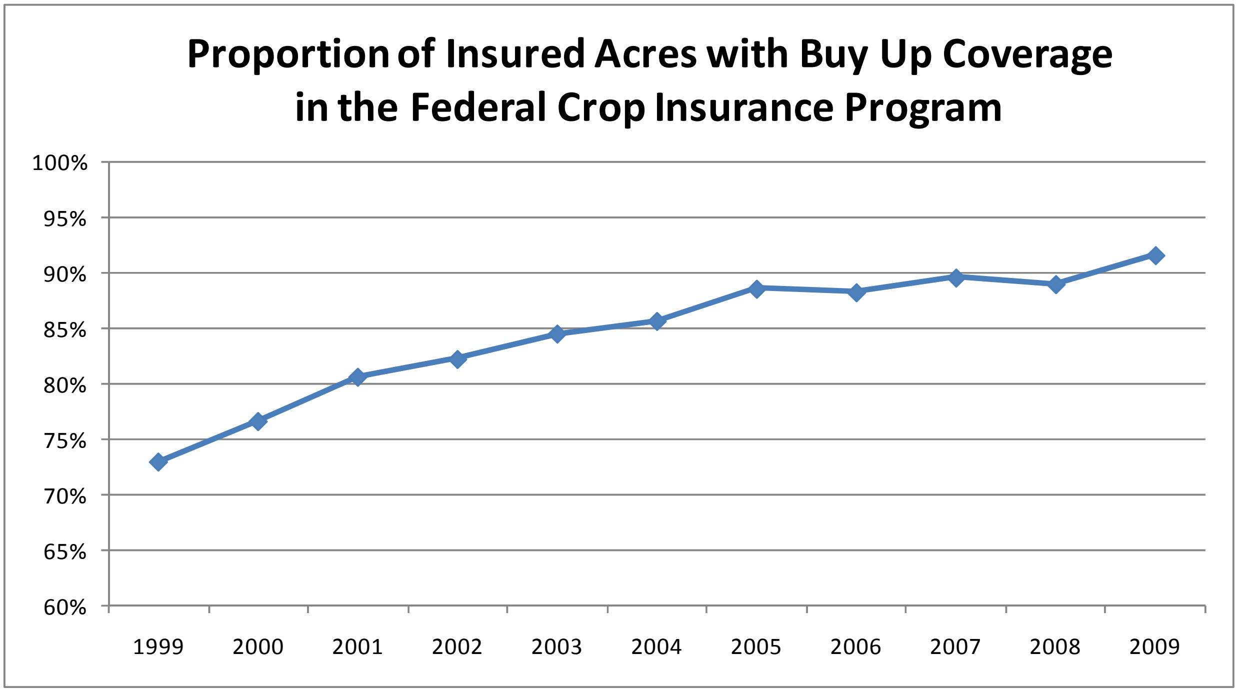

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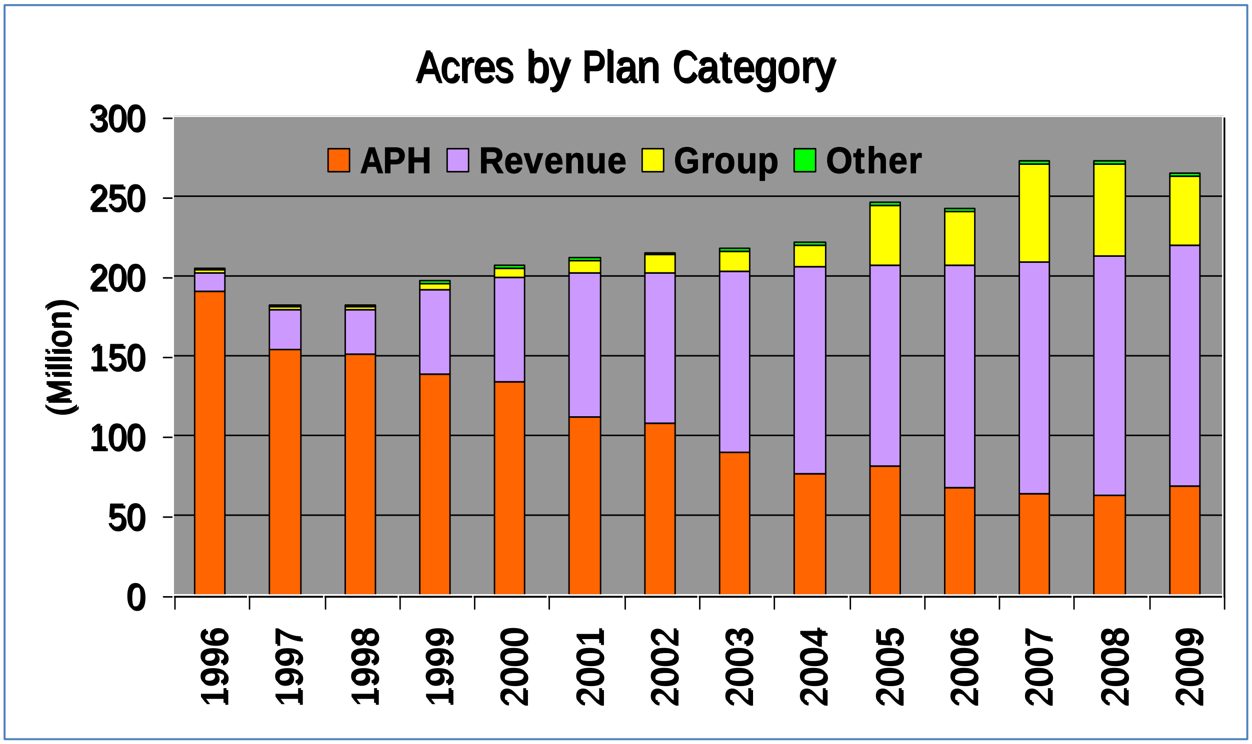

Attachment 5