

# OPENING STATEMENT AS PREPARED FOR DELIVERY

November 19, 2015



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**Chairman Carlos Curbelo**  
**Subcommittee on Agriculture, Energy and Trade**  
**“Improving Size Standards for Small Farmers and Ranchers”**  
**November 19, 2015**

Good morning. I call this hearing to order. Next week, Americans will gather around tables across the country, in an abundance of goodwill for one another, to celebrate a time honored tradition — Thanksgiving. America’s oldest holiday is inextricably linked to American agriculture. Approximately 46 million turkeys, two billion bushels of wheat, and 750 million pounds of cranberries will be consumed. And, I’ll note, that Florida makes significant contributions to our nation’s generous bounty that we’ll all enjoy and share with our friends and families over the Thanksgiving holiday.

Florida is the country’s largest producer of squash, fresh tomatoes, and fresh snap beans among a great deal of other fruits and vegetables. Obviously, this would not be possible without the hard work of our nation’s small farmers and ranchers. So, I think it is a fitting time that this Subcommittee is discussing legislation that will help ensure that they have access to federal programs and are given appropriate consideration by federal agencies. Today, the Subcommittee on Agriculture, Energy and Trade will examine H.R. 3714, the Small Agriculture Producer Size Standards Improvements Act of 2015, introduced by our colleague, Representative Mike Bost of Illinois. Small business size standards are used by the federal government to determine eligibility to receive certain federal contracts and Small Business Administration guaranteed loans. They are also used by federal agencies when they analyze the economic impact of new regulations on small businesses.

The existing size standard for agricultural enterprises, \$750,000 in annual receipts, is established in statute and has not been updated in 15 years. It applies to 46 different agricultural subsectors from citrus groves to beef cattle ranching. In contrast, the size standards for all other industries are developed through a Congressionally-mandated rulemaking process that is transparent and allows small businesses to provide input. The Small Business Administration analyzes a number of factors – average firm size, startup costs and entry barriers, industry competition, and the distribution of firms by size – and then proposes changes to small business size standards through the notice and comment rulemaking process. It seems to me that small farmers and ranchers have been neglected for too long. The size standard setting process for agricultural enterprises needs to be modernized. The existing statutory size standard does not account for changes in industry structure, costs of production, economic conditions, or other factors.

That is why I am proud to join Ranking Member Meng in cosponsoring H.R. 3714, which was introduced by Representative Bost. The Small Agriculture Producer Size Standards Improvements Act of 2015 would strike the \$750,000 statutory size standard and require the SBA to establish size standards for agricultural enterprises through the notice and comment rulemaking process. It would also require those size standards to be periodically reviewed at least every five years. This will ensure that size standards for small farmers and ranchers are up to date so that they are able to compete for federal contracts, have access to SBA guaranteed loans, and are considered when agencies draft new regulations. I want to thank Mr. Bost and Ranking Member Meng for their legislation and the witnesses for appearing before the panel today. I look forward to hearing your thoughts on this important legislation. With that, I yield to the Ranking Member for her opening statement.