

Rich Felts

Owner/Operator/Partner of Felts Farms LLC in Kansas

Senate Agriculture, Nutrition and Forestry Committee

The Agricultural Act of 2014 Implementation After One Year

February 24, 2015

Chairman Roberts, Ranking Member Stabenow, and members of the committee. It is an honor and privilege to sit before you today. My name is Rich Felts. I live near Liberty, a small but thriving community in Montgomery County, Kansas. We farm very close to the lowest point in Kansas – a spot in the Verdigris River as it leaves Kansas and enters Oklahoma. In this community, my wife Shirley and I have raised four children and are the proud grandparents of six spoiled grandchildren. My brother, Larry, and I are the fourth generation to farm this ground and my son, Darren, and nephew-in-law, Adam, both of whom do the heavy lifting now days, are the fifth generation. Together, we farm 3,000 acres of ground – everything from highly productive to marginal – where our primary crops are wheat, soybeans and corn. We also have facilities to market 4,000 head of hogs annually; the past few years we have custom-fed breeding stock before marketing the pigs when they reach 270 pounds. We also background about a 60 head cow herd. Additionally, I am serving my first term as president of the largest agricultural organization in the state, Kansas Farm Bureau. To the 40,000 voting members of our organization, Chairman Roberts has been a steadfast advocate for producers who farm in areas of the country where Mother Nature throws droughts, freezes, floods, fires, high winds and pest invasions at us, sometimes all in the same year.

Personally, this is a very timely hearing. Just last week I was in the Montgomery County, Kansas Farm Service Agency (FSA) office making decisions on reallocating my base acres, updating my crop yields and determining which Title I program I wanted to enroll in for the next four years. And, I do want to

emphasize four years as I am hopeful that whatever the future of farm policy happens to be, it will provide more certainty and stability than what farmers and ranchers all across the country had to deal with in 2011, 2012 and 2013.

Without question, crop insurance has been the cornerstone of the safety net for Kansas producers over the past decade. Like most farmers, I can tell you about my crop production year-by-year just by remembering some very significant weather events. In 2007 we had *the* Easter freeze in April that killed off nearly all of the wheat and then in late June and early July we experienced what is considered to be the flood of record on my property next to the Verdigris River. Not only did we have no wheat production, the flood decimated our corn and the waters didn't recede soon enough to allow us to rehabilitate the soil in time for us to plant soybeans or any other crop. In 2011 we had a March that felt like July. It was so hot that whatever wheat did produce grain was harvested somewhere between 30 and 45 days ahead of normal, with about 60 percent of our normal production; the farther west you drove the worse it was. At that time, with the help of Chairwoman Stabenow, Ranking Member Roberts and USDA Secretary Vilsack, a lot more attention from multiple federal agencies went into determining "flash" drought conditions and how quickly those of us in Kansas could be impacted.

Then came 2012. This committee is no stranger to the nationwide impacts of the drought that year and Kansas was no different. By this time my friends in western Kansas were three to five years into a drought. If it were not for the federal crop insurance and the Livestock Forage Program (LFP), many would not be farming today. Our members in western Kansas sure wish a limited irrigation crop insurance product was available back then; they do remain hopeful USDA will approve such an option soon.

As you know, the 2014 Farm Bill amended and brought back to life the LFP provisions which expired before the rest of the titles in the 2008 Farm Bill, making it retroactive to October 1, 2011 and allowing the program to more effectively assist farmers and ranchers as the drought entered our state in 2010 and slowly spread over the next three years. When the signup opened this past year, 62,000

Kansans applied for LFP assistance and while I understand that payments are expected to be significant this year we hope weather conditions improve and our livestock producers do not have losses at this level moving forward.

If it were not for the federal crop insurance and the Livestock Forage Programs, many Kansas farmers and ranchers would not be in operation today. The banks would not be willing to give these hard-working Americans an operating note or line of credit, agricultural producers would not be protecting and conserving our natural resources for future generations, Main Street businesses such as the hardware store, grocery store or various agribusinesses would take a severe hit and likely be forced to close, and our nation would not be able to provide the food, fuel and fiber that the world depends on us to provide.

It's just as important to remember, the federal crop insurance program only pays farmers when they have experienced a loss – whether that be from lack of yield production or a lack of revenue. I would be remiss if I did not at least mention that I have been blessed with some very productive crop and livestock producing years, 2014 being one of the highlights. These are the years that keep me excited to farm. I never enjoy calling my crop insurance agent or scheduling a time for the adjuster to visit any of my fields but I do know that the premiums I pay every single year allow me to sleep at night knowing if I manage my business in a proper manner and just in case Mother Nature has other plans for my field I can still call myself a farmer next season.

Two weeks ago Kansas Farm Bureau hosted a Commodities Conference where our members heard from state Farm Service Agency (FSA) and regional Risk Management Agency (RMA) employees. In Kansas we are fortunate to have a strong working relationship with these agencies and the folks who work there. We also have a great partnership with the first land grant university in the nation – Kansas State University. The Extension branch of the university has published several informational factsheets and is just wrapping up a series of producer outreach and education events on the new Title I programs within the 2014 Farm Bill. Farm Bill education efforts between K-State, Kansas Farm Bureau and the FSA

have been stellar, with nearly 200 public meetings across the state. But this is a very complex Farm Bill; between the decisions of yield updating, base reallocation and farm program selection, there is a great deal of data to sort through, calculations to make, and often multiple landlords and/or tenants to communicate with – some of whom do not live nearby. And while the online decision tools have been extremely helpful, many of our members don't have computer access or the technical expertise to use them effectively. Additional time and certainty throughout the signup period may be very beneficial as producers work through the process.

Again, we commend Secretary Vilsack and the employees in Kansas FSA, NRCS and RMA on their efforts to implement this Farm Bill in a timely manner and their leadership to ensure policies among multiple sister agencies are coordinated and up to date with evolving farming practices.

Our members, however, have run into a glitch; on some operations when a covered commodity such as corn was planted following a non-covered commodity – such as rye or any other fall-planted cover crop – the corn acres are not being recognized as eligible for base reallocation. As you know, a growing number of producers across the country are planting cover crops to not only reduce soil erosion and compaction but also to increase microbial activity, improve soil structure and enhance water infiltration. We found out about this issue last fall and immediately reached out to our state FSA office as well as Senators Roberts and Moran. We appreciate all of their assistance in communicating this issue to FSA headquarters, where Secretary Vilsack and his team took the necessary steps to remedy the problem. We hope this software fix will be available soon. Members of Kansas Farm Bureau and producers all across the nation who are caught up in this situation must be given adequate time to determine how they address their base acres given this new information.

Additionally on the topic of cover crops, turnips and radishes are two plants that are often included in cover crop mixes because they do a great job of breaking up a hard pan in addition to improving soil structure and enhancing water infiltration. But because they are technically vegetables,

farmers must schedule a field visit and pay a fee to FSA in order to verify that the cover crop was not harvested as a vegetable. Clearly cover crops, regardless of what is in the mix, are not intended for harvest as a vegetable; and cover crop mixes that include turnips, radishes or any other vegetable should not be penalized with additional fees versus cover crop mixes that do not.

While not under the jurisdiction of this committee, farmers and ranchers all across the country have to deal with a magnitude of weather events as well as burdensome intrusion of government. Whenever Kansas Farm Bureau hosts a meeting – anywhere from Johnson City to Johnson County – we receive more questions about EPA, OSHA, USFWS, DOT, CFTC and FDA regulations than we do about farm programs. I grew up believing the USDA was the “people’s department” and I can truthfully say throughout my adult farming career this has been the case. USDA has been responsive to drought, they have been proponents for trade, they implement strong conservation measures through volunteer programs and cost share agreements, and they help keep our food supply safe. Other departments and agencies within the federal government have not be a friend to agriculture or rural America. As this committee continues to discuss and champion the causes those of us back on the farm believe in, I strongly encourage you to keep in mind how the reckless behavior of some of the other governmental entities burdens farmers in Kansas.

In closing, crop insurance is a crucial tool for farmers across the United States. It is the *only* program producers like me actually put our own skin into every year. It protects us from catastrophic losses and precludes the need for unbudgeted ad-hoc disaster legislation that often takes Congress years to pass and even more time for USDA to dole out. The positive changes this committee made to crop insurance in the 2014 Farm Bill will only solidify the program as the cornerstone of risk management moving forward. The other major changes to farm policy in the 2014 Farm Bill will take some more time to fully understand, but one thing is certain, farmers and ranchers appreciate the certainty a five year

Farm Bill brings to their operation. Thank you for your time and I would be happy to answer any questions you may have.