



Testimony of Brad Doyle
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Before the U.S. Senate Committee on Agriculture, Nutrition, & Forestry

“2023 Farm Bill: Perspectives From The Natural State”

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Good morning, Chairwoman Stabenow, Ranking Member Boozman, and distinguished members of the Senate Committee on Agriculture, Nutrition, and Forestry. It is a privilege to join you and offer testimony on farm bill perspectives from Arkansas.

I am a soybean farmer from Weiner, Arkansas, and am here today representing the American Soybean Association in my current role as president. Founded in 1920, ASA represents more than 500,000 U.S. soybean farmers on domestic and international policy issues important to the soybean industry and has 26 affiliated state associations representing the 30 primary soybean-producing states. Farmers produce soybeans in nearly every state represented by members of this committee.

In Arkansas, soybeans represented the crop with highest acreage and highest value of production in 2021, according to USDA National Agricultural Statistics Service (NASS). In Michigan, soybeans ran a close second behind corn in these crop production categories in 2021.

Nationally, U.S. soybean farmers produced a record-high 4.44 billion bushels on over 87 million acres in 2021. Our soybean farmers help provide countless products needed and enjoyed by consumers, including healthy edible oils and other food ingredients, protein-rich livestock feed, and clean-burning biofuels, among others. A 2019 study conducted by the United Soybean Board and National Oilseed Processors Association estimated Arkansas soybean producers generated nearly \$442 million in wages and over \$4.2 billion in revenue for the state.

These benefits would not be possible without the efforts of the United Soybean Board and the Arkansas Soybean Promotion Board, the partner organization of the Arkansas Soybean Association. These agricultural research and promotion programs, also called “checkoffs,” are funded and managed directly by soybean farmers, and the funds raised go toward research, promotion, and education initiatives, all of which are aimed at improving yield, sustainability, and driving demand for U.S. soy products. This brings a return on investment—over \$12 for every farmer dollar invested in the checkoff—to farmers like me, who are then better able to support our families, employees, and rural communities.

As the committee begins the farm bill reauthorization process, we thank you for holding this hearing.

Farm Bill Feedback Process

In preparation for the next farm bill, ASA started the process of gathering feedback from farmers last year. Educational sessions for our board members and state soy affiliate staff were held in September, and an in-depth farm bill survey was administered to soybean growers in the fall. Since early 2022, ASA has held 12 virtual farm bill listening sessions—both by region and by topic—with interested soybean farmers and state soy affiliates across soy’s 30-state growing region.

Feedback gathered from the survey and listening sessions, combined with written comments and current policy resolutions, contributed to ASA’s farm bill priorities document released publicly in May. This document is attached to my testimony. ASA looks forward to continuing discussions on these priorities to refine our requests by early 2023.

Farm Bill Budget

Recently, experts from the University of Illinois and the Ohio State University wrote a piece titled, “Reviewing the Latest CBO Farm Bill Baseline¹.” In this, they note:

“The baseline is a critical component to a farm bill’s reauthorization because budget law also requires that the ag committees not spend above their baseline when they reauthorize. This creates a zero-sum game under the baseline—increases in spending for any program or title must be accompanied by decreases in other programs or titles—and it drastically complicates the politics and debate for reauthorization. For the 2023 reauthorization, the baseline estimates CBO produces in 2023 will apply to the effort.”

When considering the “zero-sum game” scenario described above, it is difficult to see how the current budget baseline will provide for needs in the next farm bill.

As I will share in this testimony, soybean growers have legitimate needs for improving farm safety net programs for our crop. Meaningful conservation programs have greater farmer demands than resources that are available. As we work to diversify markets globally, trade promotion programs need greater investment. The same is true with energy, rural development, research and other programs. And we want to preserve, protect, and perhaps even enhance programs like crop insurance that are so important. We also want to maintain both agricultural and nutrition titles in the next farm bill.

With the many challenges facing farm country—global food security concerns, economic and geopolitical volatility—there are many needs to address in the next farm bill. We believe that increased budget resources to write the next farm bill are justified to address needs throughout this comprehensive piece of legislation.

Crop Insurance

An area of farm policy that must be maintained is crop insurance. Farmers rely heavily on this risk management tool and consider it the most effective and important component of the farm safety net. It must remain affordable. With input costs higher in every area of my operation, I cannot afford to have the crop insurance premium subsidy reduced in the next farm bill.

In 2021, Arkansas soybean farmers paid nearly \$19 million for crop insurance protection on over 2.6 million acres of soy, according to USDA Risk Management Agency (RMA) data. This program allows farmers to select coverage that meets their needs each year and responds in a timely manner when losses are triggered. The competitive private sector delivery system allows farmers to find the best service providers for our operations.

¹ Coppess, J., K. Swanson, N. Paulson, G. Schnitkey and C. Zulauf. "[Reviewing the Latest CBO Farm Bill Baseline.](#)" *farmdoc daily* (12):80, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, June 1, 2022.

Title I Farm Safety Net

Farm safety nets are not created for the good times, but instead the bad times. Currently, we are experiencing strong soybean market prices, but agriculture is cyclical. An effective safety net is needed for the times when commodity prices decline.

Soybean growers experienced firsthand the challenges of an ineffective safety net in recent years and strongly urge improvements in the Title I farm safety net components of Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) for soybeans.

Soybeans have long been U.S. agriculture's top export crop. Foreign markets were destinations for more than 50% of U.S. soy production in the last marketing year, as is historically consistent in recent years. China is the largest importer of soybeans in the world, so our commercial export relationship with China is critically important. Even with ongoing efforts to diversify and open new markets, almost a third of all soybeans grown in the United States are destined for China under normal trade conditions.

During the height of the China trade war in 2018, U.S. soy stopped flowing to the market during the peak export period that fall. Soybean prices fell by about 20%, but the producers of the crop received no PLC payments and little from the ARC program. USDA stepped in with ad hoc, temporary support to farmers through the Market Facilitation Program (MFP).

If soybeans, one of the largest two crops by area in the U.S., did not receive help through Title I during this critical situation, it is hard to imagine a scenario where the Title I safety net could provide meaningful help with the current reference price. In fact, the *farmdoc daily* piece referenced above regarding the latest ten-year CBO baseline estimate notes: The “[marketing year average] for soybeans is forecasted to be above the reference price in every year and would not be expected to trigger any PLC payments.”

Furthermore, the reference price is intended to help cover variable costs during prolonged periods of low prices. As previously mentioned, input costs have risen significantly and are expected to remain elevated for a period of time. While the soybean reference price was not adequate in the past, it is looking to be even less helpful in the future as the current reference price will represent an even smaller share of the cost of growing soybeans in the future.

In addition, there is a significant disparity in soybean planted acres compared to base acres, the historical acreage on which ARC and PLC benefits are provided.

In Arkansas, soybeans were planted on 3.04 million acres in 2021; soybean base totaled 2.24 million acres. In Michigan, soybeans were planted on 2.15 million acres in 2021; soybean base totaled 1.07 million acres.

Nationally, in 2021, soybeans were planted on 87.2 million acres. By comparison, soybean base totals 52.5 million acres. 34.7 million acres of planted soybean acres were not protected by the soybean provisions of ARC and PLC in 2021. While some of these 34.7 million soybean acres may have been corn or wheat base, for example, these other crops may not correlate well with the losses being experienced on the farm. Some beginning farmers have little base on their farms, and

greater adoption of no-till conservation practices has enabled farmers to cultivate row crops in new areas that have no base.

Looking ahead to the next farm bill, we respectfully request that the committee consider: 1) increasing the soybean reference price for calculating ARC and PLC, and 2) providing the option (not requirement) to update base acres. It is important to note that a combination of remedies to address these deficiencies is needed. For example, if an option to update base acres is allowed, it may not be exercised if the reference price for soybeans remains where it is currently set.

Conservation

My wife, son, brother-in-law, and I farm in northeast Arkansas, which is probably best suited for growing rice and ducks, but we have made a business of finding ways to leverage conservation to grow a variety of crops and to share what we have learned with others. Investing in conservation is a proud legacy in our family.

Our combined agronomy, soil, and plant breeding research backgrounds have allowed us to experiment with over 120 different combinations of cover crop species, wildlife food plot seed seeding rates, and other factors to find solutions that will work for farmers in this part of the country. In the 1980s, my father-in-law took 100 acres out of production and built a reservoir and series of canals to capture and save all the rainfall for the farm. Today, we pump that reservoir water back into the fields for irrigation during the summer and supplement or even replace our groundwater, creating significant water savings. We have implemented no-till, despite the many challenges of doing so on flat ground. Our fields act as a winter habitat for wildlife, creating an agritourism opportunity for hunters.

Like me, soybean farmers are committed to improving soil and water and leaving the land better than they found it. ASA conducted a survey a few years ago and learned that, on average, our growers implement 14 conservation practices and spend more than \$15,000 each year on conservation. On many farms, that is a substantial amount—especially during times like these with record high prices for fertilizer, fuels, and other inputs.

For years, farm bill conservation programs have been in place to help farmers cover these costs and mitigate the risks associated with implementing new practices. However, many of the programs have become increasingly complex over time, creating challenges for the farmers who want to tap into them to improve their operations.

To provide a few quick examples: Regulatory burdens regarding program enrollment and adaptive management throughout the life of a contract hinder participation. Due to technicalities or miscommunications, some Natural Resources Conservation Service (NRCS) conservation payments do not come to fruition on time for work to be completed—or ever. Mid-contract management under the Conservation Reserve Program (CRP) is unwieldy, and, due to restrictive policy, growers suffering from natural disasters have been unable to leverage their CRP acres to feed neighbors' livestock until it is too late to do so. Early adopters of conservation are increasingly unable to

access conservation programs due to limited funding and the fact that many of them have exhausted the available conservation practices in their area.

Yet, farmer demand for voluntary, incentive-based working lands programs like the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP) always outpaces available funding: Between 2010 and 2020, just 31% of farmers who applied to EQIP and 42% of those who applied to CSP were awarded contracts.

As you develop the next farm bill, we respectfully request the committee's attention in adequately funding these programs to meet demand. ASA also encourages you to consider directing funding to programs and practices that address cropland soil quality and health, water quality and quantity, provide regulatory predictability, and save input costs; to develop climate smart provisions that focus on total on-farm ecosystem services, not just additionality; to emphasize working lands programs over land retirement programs; and to consider incentives that encourage adoption of precision agriculture technologies, the use of which has a wide range of environmental benefits. The Growing Climate Solutions Act, which arose out of this committee and passed the Senate with overwhelming bipartisan support, should be included in the farm bill if not enacted by that time.

Above all, we ask that you remember that when it comes to conservation, there is no one-size-fits-all solution. Farmers grow soybeans across the country, from New York to Florida and west to North Dakota and Texas. The farm bill's conservation programs must be flexible enough to accommodate this country's wide range of conservation needs, crops, soil types, farming practices, and weather systems

Soybean farmers have many ideas about how to use the farm bill to improve and expand conservation on American farms. We look forward to working with the committee in this important effort.

Trade

The success of U.S. agriculture—and Arkansas agriculture specifically—is reliant upon our ability to access markets around the world. Soybeans are Arkansas's top agricultural export, and half of the soybeans grown here are destined to be exported abroad.

U.S. soy producers have recognized the benefit of USDA's trade promotion programs like the Market Access Program (MAP) and the Foreign Market Development (FMD) program. Utilizing MAP and FMD funds, ASA—through the World Initiative for Soy in Human Health (WISHH) and the U.S. Soybean Export Council (USSEC)—has leveraged those dollars to increase market access, address technical barriers to entry, and create on-the-ground capacity and demand for U.S. soy.

While we have carefully cultivated our largest export market, China, the past five years have also shown how important market diversification is for U.S. soy's long-term success. Using MAP and FMD dollars, our industry has invested in growing demand in export markets outside China.

A great example of this is the work U.S. soy has done in Egypt. Over the past five years, the demand for U.S. soy in that country has increased 184% to 2.67 MMT in marketing year (MY)

2020/21. We have invested MAP and FMD dollars on the ground in Egypt to facilitate trade missions with Egyptian buyers, engage in-country with the local poultry and aquaculture industries, and build an understanding of the quality of U.S. soy with Egyptian customers. As their domestic poultry and aquaculture industries have grown, so too has their demand for high-quality, U.S. soybean meal to feed those animals and fish. Thanks to these critical investments, Egypt now sources more than 80% of its soy from the United States.

I have been fortunate to join USSEC and WISHH on several international trips to see the work being done around the world to champion U.S. soy in these export markets. In addition to my travels, we have hosted several delegations of international buyers here in Arkansas, where our customers have seen the work we do on the farm to produce those high-quality beans that are in demand around the world.

However, programs like MAP and FMD are in significant need of funding increases. For fiscal year 2021, 67 organizations like ASA received MAP funding and 21 received FMD funding. With the increase in the number of cooperators and adjustments for inflation, a steady budget of \$200 million annually for MAP means the full pool of funding available to cooperators is more akin to \$129 million.

It is critical for the continued success of U.S. agriculture that additional resources are invested in trade promotion programs in the 2023 Farm Bill. We respectfully request doubling the minimum annual mandatory funding for MAP to \$400 million and FMD to \$69 million.

Energy

Created in the 2002 Farm Bill, the Biodiesel Fuel Education Program seeks to stimulate consumption and investment in biodiesel and renewable diesel, which are advanced, low-carbon biofuels derived from a variety of vegetable oils, including soybean oil, animal fats and used cooking oil. Information and outreach activities funded under the Biodiesel Fuel Education Program have raised awareness of the benefits of biodiesel fuel use and complemented incentives Congress provided in 2005 when it enacted the Renewable Fuel Standard and biodiesel tax incentive. For example, from 2014-2018 the biodiesel industry leveraged \$3.6 million from the Biodiesel Fuel Education Program to raise an additional \$17 million non-federal dollars. The industry used the funds to promote biodiesel's sustainability attributes, provide technical assistance to original equipment manufacturers, develop fuel quality assurance programs, and promote biodiesel blending in home heating oil.

Unfortunately, the Biodiesel Fuel Education Program no longer receives mandatory funding; after 2018, it switched to discretionary funding, and Congress has unfortunately appropriated no funding to the program. This program remains a priority for soy growers. There is still much work to be done in terms of market growth—especially as industry continues seeking ways to play a larger role in greenhouse gas emissions reductions in the aviation, marine, and surface transportation sectors.

In addition to the Biodiesel Fuel Education Program, when considering on-farm renewable energy opportunities, the 2023 Farm Bill should place priority on energy projects and programs that can utilize soybeans and other crops.

Biobased Products

There are over 1,000 biobased products made with soybeans, ranging from industrial lubricants to cleaning supplies to asphalt sealant to running shoes—all made with ingredients grown right here on Arkansas farms.

Biobased products made with soy protein and oil are sustainable. Unlike fossil fuel-based feedstocks, soybeans capture carbon dioxide from the atmosphere. They also fix their own nitrogen for energy, limiting chemical-based fertilizer applications. And, like me, most soybean farmers use conservation tillage, which disturbs less soil, reduces fuel use, and helps sequester carbon on cropland. Consumers and the general public continue to increase demand for sustainably produced products, and Arkansas' soy growers are ready to help deliver products with environmental benefits, including lower greenhouse gas emissions, reduced energy costs, lower volatile organic compounds (VOCs), reduced exposure of workers to toxic chemicals, credits toward LEED certification of some finished products, and reduced processing costs and environmental compliance fees.

There are economic advantages to using soy in manufacturing and consumer goods. Soybeans are renewable and abundant. As mentioned earlier in my testimony, last year U.S. soy growers harvested a record crop of 4.44 billion bushels—which has helped reduce America's dependence on foreign oil. Soy-based bioproducts also create jobs. Released in 2021, USDA's most recent report on the economic impact of the U.S. biobased products industry found American-made biobased products added \$470 billion and over 4.6 million direct and indirect jobs to the U.S. economy.

The Senate Agriculture Committee has always been a champion of biobased products and efforts to grow the biobased economy through programs like USDA's BioPreferred® program, which was created 20 years ago in the 2002 Farm Bill and expanded in 2018.

The BioPreferred® program was developed to spur growth in the rural bioeconomy, provide new markets for farm commodities, and increase the use of renewable agricultural resources. However, despite the intent of Congress in previous farm bills, the goals of the BioPreferred® program are still not being realized. According to the most recent data, the Federal Service and Construction Contractors reported \$76 million in biobased product purchases in fiscal year 2021—truly a drop in the bucket when looking at the \$650 billion in overall federal procurement that fiscal year. Unfortunately, one likely cause is that the program is underfunded: its \$3 million budget pales in comparison to the \$39 million allocated to Energy Star, a similar government program focused on energy efficiency.

In addition, the 2018 Farm Bill directed USDA and U.S. Department of Commerce to develop North American Industry Classification System (NAICS) codes for biobased products and renewable chemicals, but last December the Office of Management and Budget still declined to do this. While the biobased products sector is rapidly expanding and developing new product innovations, federal procurement has flatlined. The 2018 Farm Bill sought to address that, but it seems more needs to be done.

Here in Arkansas, our state legislature was a national leader in passing the Biobased Products Act in 2005, which requires state agencies to prioritize biobased products in procurement decisions if they are practicable and consistent with maintaining a satisfactory level of competition. The program was developed using the same federal guidelines that designate biobased products that qualify for preferred procurement under USDA's BioPreferred® program. The success and robustness of the BioPreferred® Program can thus have trickle-down effects to states and other stakeholders. The 2023 farm bill must reauthorize and provide adequate funding for BioPreferred®, and we look forward to working with the committee to further improve and modernize the program.

Nutrition & Research

My wife is a soybean breeder, particularly for food-grade soybeans, and our business strives to develop high-yielding, non-GMO soybean varieties with higher protein, higher sugar content, and other characteristics we learn about from customers around the world. Demand for soy as an ingredient in plant-based foods in the U.S. and abroad is growing dramatically: A 2021 Bloomberg Intelligence report predicted the plant-based food market will exceed \$162 billion within the next decade, growing over 450%. For consumers who choose plant-based alternatives, the 2020-2015 Dietary Guidelines for Americans recommends fortified soy-based products over products derived from other plants because of their overall nutritional content. ASA supports the increased use of soy in foods and beverages, including foods used in federal nutrition programs, to provide options to consumers making these food choices. We welcome opportunities in the 2023 Farm Bill to promote soy as a food ingredient.

The importance of publicly funded research to U.S. agriculture cannot be overstated. Our land-grant university system plays an important role in educating and training the next generation of plant breeders—like my wife—and in developing new varieties of soybeans for growers in Arkansas and across the United States. Congress has recognized the importance of continued innovations in agricultural research through the creation of new programs such as the Agriculture Advanced Research and Development Authority (AGARDA), designed to support long-term and high-risk challenges for U.S. agriculture, and increased investments in priority areas for soybean growers like fertilizer management, nutrient management, and soil health.

ASA applauds these investments and looks forward to supporting additional programs in the 2023 Farm Bill. Increased investment in soybean-centric research—be that biobased products, input management, or new and stronger seed varieties—will benefit not just soybean growers but the entire value chain.

Conclusion

In this written statement, I have highlighted some, but not all, of our farm bill priorities outlined in our recently released farm bill priorities document (which follows). All are important and will continue to be reviewed and refined by ASA by early 2023.

Thank you again for this opportunity to share testimony on farm bill perspectives from Arkansas. We appreciate your commitment to agriculture and look forward to working with you to craft the next farm bill.



**ASA Priorities for the 2023 Farm Bill
May 25, 2022**

As the House and Senate Agriculture Committees lay the foundation for the 2023 Farm Bill, the American Soybean Association shares these initial priorities which will be further refined into more specific requests by early 2023. These priorities reflect feedback gathered from 12 virtual farm bill listening sessions held this year, an in-depth farm bill survey administered to soybean growers in late 2021, and current policy resolutions.

General

- Increased budget authority for the next farm bill is justified in this current environment marked by economic and geopolitical volatility. Additional resources are needed to address needs and interests throughout this comprehensive piece of legislation.
- Congress should maintain the agricultural and nutrition titles in the next farm bill.
- Review of USDA staffing, technological capabilities and cybersecurity, and pathways for knowledge transfer should occur to ensure readiness for farm bill implementation. Gaps should be prioritized to receive appropriations or farm bill implementation funding.
- Policy should support innovation in data collection, data analysis, and internal data sharing between USDA agencies, while emphasizing the confidentiality and nonpublic disclosure of individual producer data.

Farm Safety Net

- Crop insurance is the most effective and important component of the farm safety net and must remain affordable.
- The Title I farm safety net components of Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs must be improved for soybeans. Strong consideration should be given to increasing the soy reference price combined with an option for farmers to update base acres. Planting flexibility must be maintained.
- Marketing assistance loans must be maintained, and consideration should be given to increasing marketing loan rates.
- Program eligibility should not be restricted through means testing.
- As a condition of receiving Title I and crop insurance benefits, farmers are required to meet specific environmental standards such as protecting water quality, wetlands or soil health. These should be maintained but not augmented.
- If a standing disaster assistance program is created, the financial protection provided by Title I programs and crop insurance should not be reduced to fund the disaster program, and it must not undercut or disincentivize participation in crop insurance.

Conservation

- Conservation programs must remain voluntary, incentive-based and flexible; one size does not fit all. Early adopters must be fully eligible for conservation programs. Regulatory burdens regarding program enrollment and adaptive management should be reduced.

- While all resource concerns are important, funding should be directed to programs and practices that address cropland soil quality and health, water quality and quantity, regulatory certainty and saving input costs. Funding should be directed to working land programs over land retirement programs, and the Environmental Quality Incentives Program (EQIP) should take priority over the Conservation Stewardship Program (CSP).
- Conservation Reserve Program (CRP) acres should remain approximately unchanged from current levels. Rental rate limits should remain the same or increase. Haying and grazing provisions should be revisited, both for mid-contract management and under emergency scenarios.
- Climate-smart provisions should reward farmers for overall ecosystem services provided and year-round ground cover, not just additionality. Growing Climate Solutions Act provisions should be included if not already passed.
- Incentives to encourage use of precision agriculture technologies and specialized equipment to implement certain conservation practices should be considered.

Trade

- The Market Access Program (MAP) and Foreign Market Development Program (FMD) are successful public-private partnerships which are cooperative, cost-share programs between private industry groups representing farmers and USDA. Annual funding should be doubled to \$69 million for FMD and to \$400 million for MAP.
- USDA's export credit guarantee program (GSM-102) and the Facility Guarantee Program (FGP) should continue and be fully utilized.
- International food aid programs should allow for increased flexibility for monetization requirements.

Energy

- Authorization and funding for the Bioenergy Program, the Biodiesel Fuel Education Program, and Biobased Market Program (BioPreferred Program) should be included.
- When considering on-farm renewable energy programs, priority should be placed on energy projects that utilize soybeans and other crops.

Rural Development

- Statutory authority and funding should be provided for the Higher Blends Infrastructure Incentive Program.
- Reliable broadband coverage remains out of reach for many in rural America, yet it is essential for precision agriculture technologies, farm efficiencies and community connectivity. The Broadband-ReConnect program should align with the goals of other broadband programs supported through the bipartisan infrastructure law.

Research

- Increased investment should be provided in priority areas strategic to soy interests.

Nutrition

- Opportunities to promote soy as a food ingredient should be included.