



Testimony of Allyson Maxwell – April 29, 2022

Chairwoman Stabenow, Ranking Member Boozman. Thank you for this opportunity and thank you for making the time to travel to Michigan to hear directly from farmers. My name is Allyson Maxwell. I farm along with my husband, Peter, in Beaverton, MI. We raise sugar beets, corn, soybeans and wheat. We also operate Maxwell's Pumpkin Farm in the fall alongside our family where we sell pumpkins, squash and ornamental corn directly to the public. Peter and I are proud to be a part of a multi-generational, diversified, environmentally-verified family farm that has the privilege of providing food, fiber and fuel for our world.

Our farm operation is typical for our part of the state but unique compared to crop rotations in other parts of the country. In recent years, our rotation of crops has helped to manage our risk and make our operation more resilient to sharp turns in the markets. For example, when there has been a downturn in corn or wheat prices, our sugar beet production has served as the anchor. With corn and wheat prices where they are today, it is very likely that they will serve as our anchor this growing season. As the Committee begins to evaluate policies for the next Farm Bill, I appreciate being able to share some of my own experiences as a board member for Michigan Corn Growers Association and as member-owner of the Michigan Sugar Company.

To begin, I would like to provide a bit of background information on the two commodity organizations that I am representing today.

Michigan Corn Growers Association

The Michigan Corn Growers Association is the only organization that solely focuses on the interests of Michigan corn farmers. It has nearly 1,400 members and represents the interests of roughly 14,000 farmers in the state.

Corn farmers are proud of the work they do to provide food, fuel and fiber to the world. Corn is Michigan's largest row crop by production, and we produce an average of 335 million bushels each year. Most of Michigan's corn production goes either into ethanol fuel or livestock feed, which creates economic ripple effects that further benefit our state's economy.

Environmental sustainability and stewardship continue to be important to corn farmers as well. Between 1980 and 2015, U.S. corn farmers have made significant advances including: decreasing the amount of land required to grow one bushel of corn by 41%; reducing soil loss

per acre by 58%; and reduced greenhouse gas emissions by 31%. Corn farmers have shown that they are at the forefront of sustainability, and we stand ready to continue to lead in this area.

Michigan Sugar Company

The sugar beet industry in Michigan dates to the late 1800s and all four of our factories – located in Bay City, Caro, Croswell, and Sebawaing – were built between 1899 and 1902. By the 1950s, the sugar beet industry in Michigan had coalesced around two main companies, Monitor Sugar Company and Michigan Sugar Company. These companies were privately owned and contracted each year with growers throughout the state. In 2002, Michigan Sugar Company was facing financial difficulties and was purchased by its growers, becoming a cooperative. In 2004, Monitor Sugar Company faced similar challenges and its growers, in collaboration with the Michigan Sugar Growers, purchased the company and merged them together. The story of Michigan Sugar Company is a true success story of grit and ingenuity of Michigan Farmers. An entire industry which serves as an economic lifeblood in 20 Michigan counties could have left the state entirely, however, the farmers banded together and leveraged the cooperative model to keep a critical industry in the state. This is a story that has repeated itself in other sectors in Michigan and is an incredible testament to the cooperative model and farmers in this state.

Today, Michigan Sugar Company has nearly 900 grower-owners, and is the third largest beet sugar company in the country. Every owner is obligated to grow one acre of sugar beets for every share of the company they own. Each year our owners harvest around 4.7 million tons of sugar beets on 160,000 acres in the thumb and central Michigan. These beets are turned into 1.3 billion pounds of beet sugar.

Michigan Sugar Company has 1000 year-round and 1,100 seasonal employees. Nearly 200 of the year-round employees are corporate and the rest are manufacturing, union represented positions. Michigan Sugar annually pays wages of more than \$65 million. Our total direct economic impact to the state is \$600 million and our indirect economic impact is \$1.8 billion.

As an industry, we take our commitment to our communities, the environment, and our workforce very seriously. Every year our company donates tens of thousands of dollars to local nonprofits and community organizations. We also annually donate over 100,000 pounds of sugar for everything from community bake sales to food banks. Our factories are located predominately in rural areas where we are often one of the only companies with the ability to offer significant support to important these organizations. As a result, we are not only a key part of the economy in our growing region, but also, of the social safety net.

As a grower-owner, we are quick to adopt new technologies and practices to help water and soil quality and limit our carbon footprint. Our factories have a similar story. Since 2004, we have reduced our energy usage by nearly 40%. Finally, Michigan Sugar invests heavily in our workforce. Not only does Michigan Sugar Company offer high paying jobs with good benefits, but we have tuition reimbursement and apprenticeship programs to ensure that no job within our company is out of reach for any employee regardless of their current role.

Policy Issues

The Farm Bill contains a number of programs that are important to my family and our farm for both our sugar and corn production. As you consider reauthorizing the Farm Bill, I would like to call your attention to some of the key issues that affect us as farmers here in Michigan.

US Sugar Program

U.S. sugar policy is structured to serve American farmers, consumers, food manufacturers, and taxpayers as it comes at no cost to the U.S. Treasury. U.S. sugar policy has operated at zero cost to taxpayers 17 of the past 18 years and is expected to do so again this year. USDA projects zero cost over the next 10 years, as well.

The success of this program has been highlighted by the COVID-19 pandemic. As a mother of three, I found shopping for groceries during the spring of 2020 was incredibly challenging. Shortages of everything from flour to toilet paper were rampant. As a grower owner of Michigan Sugar Company, I was proud of the fact that, of all the items I had trouble finding, sugar was not one of them. By ensuring domestic production the sugar program provides a resilient supply-chain for this important commodity. A commodity which is not just a staple in many kitchens, but also an important ingredient in everything from baked good to cosmetics and vaccines.

While our sugar program has worked, the loan rate for raw cane sugar and refined beet sugar has not kept up with inflation nor the rising costs of production. It no longer provides a realistic safety net for our producers. Since the early 1980's as a sugar industry we have closed 68 processing facilities and most outside investors have exited the remainder of the industry due to the high risk and low returns. It was our family farmers who stepped up to rescue the industry from further closures of their factories, mills, or refineries. Now many of those are struggling. Operating margins are being squeezed each year, due to rising labor, fuel, seed, fertilizer, equipment and interest rate costs that hit our producers in the field and at the factories they own.

Having a loan rate that is closer to actual costs of production would provide a more effective safety net to our producers. As such, we would support examining how the farm safety net could be updated in the next Farm Bill for Michigan producers to better match actual operating costs for producers.

Input Costs

Rising input costs are a major concern for all farmers. Specifically, fertilizer prices have soared to record levels, and several companies have unfortunately made a bad situation worse for growers by applying for tariffs to be applied to imports of phosphate and nitrogen fertilizers, respectively. The Michigan Corn Growers Association continues to focus on addressing high input costs, including direct requests that the companies voluntarily withdraw their tariff petitions.

On our farm, we've seen significant increases in input costs since last year. Nitrogen prices are 2-3 times higher, glyphosate is 3-4 times higher, potash is 3 times higher, and fall phosphorus and potassium prices are 2 times higher. The farm credit system has been an incredibly important tool in dealing with these radical price increases. As Congress looks to help farmers handle input costs, I hope that they recognize the important lifeline that the farm credit system offers farmers to cope with higher than anticipated costs.

I appreciate that Farm Bills are often crafted to reflect various commodity price dynamics at the time that they are written, and I know many of the other panelists here today will provide the same perspective -- while we are seeing higher prices in many commodities, it does not translate to higher profits because we are paying so much more for our input costs.

Farm Credit System

Much of what we have been able to achieve on our farm has been made possible by a reliable source of funding from GreenStone Farm Credit Services. The Farm Credit System's role in rural America is critical, and our local GreenStone branch has truly been a valued partner to us. Having a farmer-owned credit cooperative is extremely important, especially in these volatile times. GreenStone understands what we need as farmers and can help us to be successful in our operations; something that a non-specialized lender can't provide.

The Farm Credit System is also limited by regulation that prevents them from lending to non-farmers. Expanded eligibility in this area would be beneficial so that non-farmers wanting to partner with farming operations could be eligible.

ARC/PLC

We appreciate Chairwoman Stabenow's efforts to improve the ARC/PLC programs for corn growers in Michigan and urge the Committee to continue to look for ways to ensure producers have market-based risk management tools. These programs provide vital economic safety nets for family farmers in Michigan.

Crop Insurance

I learned from a young age the importance of crop insurance. In the 1980s, I saw my aunt and uncle almost lose their farm because they had no insurance. The safety net provided by crop insurance is vital to maintaining the agriculture industry in this country especially in the face of increasingly unpredictable disasters like droughts, floods and other extreme weather.

We strongly urge Congress to protect crop insurance provisions as they write the next Farm Bill. Crop insurance is one of the most vital safety nets for farmers and serves as a key lifeline especially for younger producers. We have experienced both drought and excessive rain events on our farm, having a solid risk management tool to manage our losses is the only way we can continue to operate.

Conservation and Sustainability

We are committed to sustainability on our farm and ensuring that we are protecting the land and water. We are fortunate to live and farm in the backyard of the beautiful Saginaw Bay. Farming in the Saginaw Bay watershed where our families and communities enjoy being able to fish and swim also drives the imperative to continually improve our environmental footprint. We are constantly adopting new technology on our farm that can further improve soil health and water quality. We are proud to participate in the Michigan Agriculture Environmental Assurance Program or MAEAP which provides assurance for our operation that we are following federal standards.

We utilize cover cropping on our operation (radishes and clover) to maximize our soil health, limit our carbon footprint, and reduce runoff and erosion. We also utilize technology that analyzes the soil health of every part of our fields so that we know the exact mixture of nutrients that we need to return to the soil.

It is imperative that we continue to provide not only the tools to farms like ours to provide both incentives and regulatory assurances to adopt new practices and technology but also the on the ground support to ensure that these dollars can be effectively deployed on the ground.

We appreciate Senator Stabenow's ongoing support of conservation programs in the Farm Bill. She has championed historic investments in farmer-led conservation to protect our Great Lakes and waters and understands that American agriculture is part of the solution in addressing climate change. One example is the Regional Conservation Partnership Program (RCPP). Senator Stabenow created this program in the 2014 Farm Bill and pushed to triple mandatory funding in the 2018 Farm Bill to expand conservation partnerships. These partnerships will leverage nearly \$3 billion in new private sector dollars over the next decade and both the Michigan Sugar Company and Michigan Corn Growers Association have participated in RCPP programs.

We understand and support sound science in agriculture, including as it relates to Climate Smart Agriculture. It is imperative that US EPA decisions concerning the registration and reregistration of pesticides be based on the best available science and informed by experts from their own Scientific Advisory Panel reviews. The loss of tools using poor quality studies and questionable science will put our ability to implement Climate Smart Ag practices at risk and could severely undermine the sustainability of the Climate Smart agenda. One example is access to atrazine for use in corn production in Michigan, which allows farmers to grow corn more efficiently and sustainably. Growers need the support of congress and the administration to ensure that the best available science is utilized for all important decision concerning these critically important production tools.

International Market Development

We appreciate the Committee providing permanent, mandatory funding for the Farm Bill trade title programs in the 2018 Farm Bill. However, to bolster U.S. international market development efforts, further boost U.S. agricultural exports, and help U.S. agriculture and related businesses in rural America prosper, we believe that Market Access Program (MAP)

funding should be increased to \$400 million annually; and Foreign Market Development (FMD) program funding to \$69 million annually. MAP and FMD are entering a third decade without increase. Adjusted for inflation and for sequestration, the real dollar value of each program continues to diminish. Fully one-third of MAP funding has been lost to sequestration, inflation, and program administration. FMD hasn't had a raise in 19 years. MAP has been at the same funding level since 2006.

Michigan corn growers have put these funds to good use through our work with the U.S. Grains Council and we've had many successes in growing international markets for our corn, ethanol and DDGS.

The return on federal investment in these programs is significant and undisputed. Between 1977-2019 these programs resulted in \$24.50 return for every dollar invested.

New/Beginning Farmers

According to the Michigan Farm Bureau, the average age of a farmer in Michigan is 56 years old which is only slightly below the national average of 57.5 years old. That's a troubling statistic when you consider agriculture's contribution to the state's economy [is \\$101.2 Billion annually](#).

I hope the Committee considers maintaining and strengthening programs to ensure we have a pipeline of new farmers to replace older farmers as they age out. For our operation, the FSA young and beginning farmer loan was a critical lifeline and I would encourage the Committee to continue to look at ways to strengthen the safety net for young and beginning farmers. Agriculture is an increasingly capital-intensive industry – equipment alone for planting and harvesting can quickly add up to over a half a million dollars. It's nearly impossible for new entrants to enter farming if they do not have additional resources.

Closing

I appreciate the Chair and Ranking Member's time and the opportunity to provide testimony on the impact of the Farm Bill for Michigan's corn and sugar beet farmers. For my family, and many family farmers in our state, the Farm Bill provides key programs that enable us to run successful businesses that provide food, fuel and fiber to the world.

As Congress discusses reauthorizing the Farm Bill, I hope that the issues facing farmers today will remain top of mind. A successful Farm Bill reauthorization should continue critical loan programs for new and existing farmers, while bringing them in line with the economic realities facing farmers today. In addition, finding ways to strengthen and finetune the farm safety net, including crop insurance, will be of the utmost importance as we face new weather challenges. We should also continue to explore new opportunities for international market development to ensure that U.S. agriculture remains competitive in the global marketplace.

Thank you again for the opportunity to provide testimony, and please do not hesitate to reach out if I can provide any additional information.