

Testimony Presented to the  
U.S. House Committee on Agriculture  
By Bowen Flowers  
Farm Bill Field Hearing, Jonesboro, AR  
March 30, 2012

First, I would like to offer my thanks to Chairman Frank Lucas, Ranking Member Collin Peterson and Members of the Committee for the chance to provide input on importance of an effective and flexible farm policy. My thanks are also extended to Congressman Rick Crawford for hosting today's hearing. My name is Bowen Flowers and I operate a diversified family farm partnership in and around Clarksdale, Mississippi, which is about 150 miles south of Jonesboro. My crop mix includes cotton, corn, soybeans, wheat and rice.

Mr. Chairman, I understand the daunting task facing this committee with the development of new farm legislation. Budget pressures will mean addressing a broad array of interests and priorities with less money. In my opinion, agriculture is willing to make a proportionate contribution to deficit reduction, but efforts to impose inequitable reductions on agriculture should be strongly opposed.

With respect to production agriculture, I encourage this committee to take into consideration the diversity of production practices, costs structures and risk profiles. A one-size-fits-all farm program cannot address this diversity and I hope that the eventual farm bill will offer a range of programs structured to address the needs of the different commodities and production regions.

I also urge the committee to complete the farm bill this year – in advance of the expiration of the current legislation. We need some certainty regarding farm

programs as we look at the long-term investments necessary to keep our farming operations economically viable.

Although my operation has a diversified mix of crops, I consider cotton my primary crop. As you are well aware, cotton faces the additional challenge of resolving an ongoing trade dispute with Brazil. In that dispute, a WTO panel found fault with cotton's marketing loan and target price. In preparing for the expedited farm bill debate, cotton producers had to make some difficult policy decisions. To that end, the National Cotton Council has proposed dramatic changes to upland cotton programs by eliminating the target price and introducing a formula that will allow the marketing loan to adjust lower in times of low prices. In place of the target price, as well as the ACRE program and the direct payment, the cotton industry is proposing a revenue-based insurance product that will address a level of risks for which current insurance products do not offer affordable options.

I strongly support the industry's proposal, known as STAX, and hope the committee looks favorably on this option when crafting the next farm bill. I commend the National Cotton Council for developing this area-wide revenue-loss crop insurance program. It should be noted that since this is a crop insurance program, producers would be required to pay part of the cost of such coverage. Covering up to 95% of revenue is especially important in my region based on high cost of inputs and thin margins. Several years of 5-10% revenue losses would be economically devastating to my operation.

While I am a diversified producer, it is important to note that cotton production is the most significant economic driver in my area. It means jobs on the farm, in gins, warehouses and on through the production and processing cotton cycle. The

spin-off impact on rural communities in the Delta and other regions for input suppliers, equipment dealers and others is also significant. Even a moderately sized city such as Clarksdale is very dependent upon agriculture. Therefore a viable cotton farm policy is especially critical to our rural economy.

As a cotton farmer, I understand that my ability to produce a crop will be dependent on strong demand for my product. The U.S. cotton industry sells both to domestic textile mills as well as international mills, and both markets are extremely important. Fortunately, the 2008 farm bill included programs that benefit both markets.

In the case of U.S. textile mills, the '08 farm law introduced the Economic Adjustment Assistance Program. The program is a success story that is revitalizing the U.S. textile manufacturing sector and adding jobs to the U.S. economy. The program provides a payment to U.S. textile manufacturers for all upland cotton consumed. The payment rate from August 1, 2008 through July 31, 2012, is 4 cents per pound of cotton used, and will be adjusted to 3 cents per pound beginning on August 1, 2012. I encourage the continuation of this important program in the new farm law.

In addition, the continuation of adequately funded export promotion programs, including the Market Access Program (MAP) and Foreign Market Development (FMD) Program, are important in an export-dependent agricultural economy. Individual farmers and exporters do not have the necessary resources to operate effective promotion programs which maintain and expand markets -- but the public-private partnerships facilitated by the MAP and FMD programs, using a

cost-share approach, have proven highly effective and have the added advantage of being WTO-compliant.

Mr. Chairman, I would also like to voice my concerns about efforts to further tighten payment limits or impose arbitrary means tests. Effective farm policy must maximize participation without regard to size or farm income. Artificially limiting benefits is a disincentive to economic efficiency and undermines the ability to compete with heavily subsidized foreign agricultural products. I appreciate the pressures from some in Congress for even more restrictive limits, but I would like to remind the Committee that the 2008 farm bill contained significant changes with respect to payment limitations and payment eligibility. In fact, the 2008 farm law included the most comprehensive and far-reaching reform to payment limitations in 20 years. The limitations were made more restrictive, and the adjusted gross income test was substantially tightened. As part of the 2012 farm bill, I urge this committee to not impose any further restrictions on payment eligibility including lower limits or income means tests.

In conclusion, I will touch briefly on two final points. First, crop insurance is a critical tool for effective risk management. I personally purchase crop insurance coverage on my crops. With the STAX product, the cotton industry is proposing to broaden the menu of insurance choices. I encourage all existing products be maintained as well. Second, conservation programs were strengthened in the 2008 farm bill, and I hope those programs will continue to provide workable options for Mid-South farming operations.

Thank you again for the opportunity to offer these comments. I will be happy to answer questions at the appropriate time.

**Richard Bowen Flowers, Jr.**

Married to Susan Livingston  
One Daughter Anderson 6 years old

Partner in Omega Plantations

Member First United Methodist Church

President of Delta Council-Present  
Member, Past Director and Past Vice President of Delta Council

Founder, Delta Wildlife  
Past President

Producer Delegate, National Cotton Council  
Past Board Member, National Cotton Council

Past President, Mississippi Soybean Promotion Board

Director of Covenant Bank

Board of Directors Staplcotn Marketing Co-op

Commissioner, Drainage District

Commissioner, Coahoma County Soil & Water District

Mississippi State University  
B.S. Agricultural Engineering Technology & Business

Eagle Scout with silver and gold palms  
God and Country

Committee on Agriculture  
U.S. House of Representatives  
Required Witness Disclosure Form

House Rules\* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2009.

Name: BOWEN FLOWERS

Organization you represent (if any): \_\_\_\_\_

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2009, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: \_\_\_\_\_ Amount: \_\_\_\_\_  
Source: \_\_\_\_\_ Amount: \_\_\_\_\_

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2009, as well as the source and the amount of each grant or contract:

Source: \_\_\_\_\_ Amount: \_\_\_\_\_  
Source: \_\_\_\_\_ Amount: \_\_\_\_\_

Please check here if this form is NOT applicable to you: \_\_\_\_\_

Signature: \_\_\_\_\_

\* Rule XI, clause 2(g)(5) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.

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