

TESTIMONY

2012 House Agriculture Committee Field Hearing
Agriculture Policy Review
March 30, 2012
Jonesboro, Arkansas
Presented by, David C Hundley

Chairman Lucas, Congressman Crawford, other members of the Committee and guests, my name is David Hundley. I am a producer from Bay, Arkansas and I am also the General Manager for JHM, Inc. a third generation diversified agricultural business that includes a cotton gin and grain elevator located in the First District. Thank you for hosting this hearing in the First Congressional District of the Great State of Arkansas, and for the opportunity to testify before you regarding farm policy issues at my Alma Mater – Arkansas State University.

According to a recent study released by the University of Arkansas, Agriculture is the single largest industry in the State of Arkansas and the First Congressional District is by far the most diverse in the State with cotton, grain, poultry, catfish, baitfish, livestock, sweet potatoes and forest products all contributing over \$17 billion of value added to the Arkansas economy. That is 17 cents of every dollar generated in Arkansas of value added. Arkansas agriculture provides 275,435 jobs which is one in six of all jobs. The contribution of agriculture sector as a percentage of GDP in Arkansas is greater than in any contiguous state as well as the average for the Southeast region of the United States. The Arkansas Agriculture sector as a percentage of GDP is 10.37%. Arkansas is in the top 10 states in the production of 10 agricultural commodities.

Arkansas agriculture is responsible for generating jobs in all 20 industries in the North American Industry Classification System used for economic analysis. Employment in the top five NAICS industries total 197,599 jobs which accounts for 72% of all jobs in Arkansas being generated by agriculture. The value being generated in these top five industries total \$12,274 Million. I believe it is obvious that Agriculture is vital to the Great State of Arkansas as well as the United States of America and it is imperative that the

integrity this industry is preserved with sound Farm Policy as there has never been a great nation without a strong and sound agriculture sector.

An economically viable agriculture is essential for the United States of America to remain as the greatest country in the world. In my opinion, we need smart policy that meets the following criteria.

1. The 2012 Farm Bill should recognize the contribution of the American farmer and work to preserve the farmer and farm family by providing tools to manage risk, access credit, and ensure the ability to create and maintain our farming population.
2. Farm programs should not favor the production of one commodity over another. Farm programs should work for all commodities and protect farmers against the unique risks associated with each commodity and various methods of production, such as irrigated production.
3. Farm programs should be fair and available to all producers regardless of size, commodity grown, income, or business structure. Means testing is not fair or effective policy. Setting such tests would be detrimental to the family farms in Arkansas.
4. The Farm Bill should help farmers deal with the myriad of regulations that they currently face from multiple government agencies. Many existing regulation put American producers at a disadvantage to their foreign counterparts. On environmental issues, farmers are land stewards and should be recognized for their efforts to preserve the land for production and conservation. Incentives to preserve land work.
5. Congress should recognize that farmers receive very little funding when compared to the Nutrition components of the Farm Bill. Any increase in funding for nutrition programs should not be offset by cutting programs dedicated to American farmers. We cannot bite the hand that feeds us.
6. Risk management tools should be uniquely tailored for each crop. A one size fits all program will not work, especially in this region of the country. We need risk management tools for

protection against all risks including yield loss, price declines, revenue declines, and input cost spikes. Without such a safety net, lenders will not be willing to risk capital and credit will not be available for farmers to operate.

America today is made up of largely urban society and these urban born, urban raised citizens take their daily food & fiber for granted. Most of these same urbanites take the American Agricultural system for granted and spend countless dollars fighting to over regulate and destroy the same system that sustains their daily existence. While the average American spends less of their disposable income than many other developed countries on an excellent and ample supply of food they do not understand that a 60 pound bushel of wheat that is worth \$6 to an American Farmer makes approximately 100 loaves of bread which sell for an average of \$3 per loaf. The American Media's misconception that a one dollar bushel rise in the price of wheat causes bread to increase in price by 50% cannot be part of the policy process. Can this person be involved or effective in creating a sustainable viable agriculture policy? The average cost of the newest John Deere cotton harvester is over \$600,000 dollars. A farmer that needs to add an additional harvester should not have to navigate a myriad of USDA regulations to justify its existence.

Today I am respectfully asking that we lay aside partisan politics and engage the great base of knowledge and skills possessed by the American Farmer to craft a sound Farm Policy that is based on real economic principles. While most farmers are supportive of the current farm bill commodity programs, it's clear that Congress wants to transition to a new safety net risk management approach and away from direct payments regardless of the underlying commodity price. I believe safety net programs, including the direct payment program should be tied to actual production costs and actual in year production. Safety nets should offer less in the good years and not limited to an arbitrary limit in the lean years. It needs to be a program that promotes efficiency to growing progressive producers while not ignoring small family farms who garner that same efficiency by engaging the entire family and utilizing off farm income. We are all American Farmers and neither should be admonished or admired through class warfare more or less than the next.

In summary, the producers and citizens of Arkansas require a strong agricultural industry to provide for their existence and to contribute to the strength of American Agriculture. I believe that the entire country would be better served if the base of knowledge and skills of the American Farmer were engaged in a serious discussion about the best ways to construct a new out of the box approach to really sound Farm Policy. Their very existence today versus the opportunities that Mother Nature provides on an annual basis is testament to our ability to constantly adapt on a minutes' notice. The greatest threat today remains the monopolization of all the industries that we as farmers rely on to purchase our daily inputs. These monopolies have the ability to reduce their per unit cost while at the same time the general public calls for American Agriculture to remain small family farmers.

Mr. Chairman, It has been my honor to be a part of this discussion and I want to thank you for holding this hearing in the First Congressional District of the Great State of Arkansas.

David C. Hundley

David Hundley farms corn, rice and soybeans at Bay Arkansas and is also the General Manager at JHM Inc. His responsibilities at JHM Inc. include farm management and the day to day activities involved for all tenant rental agreements and Farm Service Agency compliance. He is also responsible for purchasing corn for their local elevator and hedging contracts resulting from the purchases and the marketing of approximately 2 million bushels annually. He also assists the General Manager of RHM Gin Co. overseeing their partnership interest in a cotton gin. Since 1987, he has also held positions with notable success, at Terra International as a Location Manager and Greenway Equipment as a John Deere equipment salesman. He was also a founding partner in AgWatch Media, a local farm market broadcast that provided daily farm markets to radio stations throughout Arkansas.

David gained his Bachelor of Science in Agriculture Business & Economics degree at Arkansas State University in 1985 and Masters of Science in Agriculture in 1987. While at ASU he was a member of Alpha Gamma Rho a national professional Agriculture fraternity and served in the Student Government Association. He was former Board Member of the Craighead County Farm Bureau. David lives in Jonesboro, Arkansas with his wife Lori of 27 years and their son Mackenzie and they have 2 grown sons Chase and Ben living in Fayetteville Arkansas. When not working, David enjoys cooking and barbequing, and he and Lori love to travel. David C. Hundley can be reached at

**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: David C Hundley

Organization you represent (if any): N/A

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: XX

Signature: David C. Hundley

** 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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