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Oral Testimony, *Given to the House Agriculture Subcommittee on General Farm Commodities and Risk Management*

On behalf of the National Sorghum Producers, I would like to thank this subcommittee for the opportunity to discuss federal crop insurance and its impact on the grain sorghum industry and my farm.

My name is Jarrod Spillman, and I farm near Hoxie in Sheridan County in Kansas. I raise wheat, sorghum, corn, sunflowers, and soybeans in a diversified operation that also includes cow-calf pairs.

I want to talk about some specific concerns that sorghum producers have about the crop insurance programs for grain sorghum. Sorghum is the least insured of the five major row crops. For 2008, grain sorghum was only insured on 59 percent of its planted acres compared to 74 percent for corn and 76 percent for cotton.

Price elections for sorghum are a major influence on whether or not producers plant it. Because of how the Risk Management Agency sets our sorghum CRC price for the upcoming planting season, sorghum tends to be an afterthought to producers when it is time to choose a crop mix. For the 2009 crop season, corn RA price was set at \$4.04, soybeans at \$8.80, wheat at \$8.77, and sorghum set at \$3.56 per bushel for CRC.

This sends a signal to farmers to plant anything but sorghum. Don't we want farmers to have an equal choice of coverage so they can fairly choose what crops to grow? It's especially important that drought tolerant crops that are to be grown in a semi-arid region have a fair shot at making it into the field.

It seems to me that we would want sorghum to be competitive with other crops. Choosing sorghum in environments like mine would prove to be much more beneficial considering our lack of rainfall. Unfortunately, many farmers will instead choose whichever crop offers the most

gross profit potential offered by the insurance companies and possibly end up planting a crop that will not have the best chance of making it to harvest.

Sorghum is a water sipping crop that provides excellent mulch and protection against soil erosion. This particular crop grows quite well in my region and provides a good overall bushels to the acre return. But instead of planting sorghum, farmers will continue to plant higher insured crops to protect themselves from possible drought. A good example of the “insurance farming” that goes on is in wheat. Wheat’s insurance price for the 2009 year is \$8.77 per bushel. This caused many to drill this crop directly after dry land corn, or even after the previous wheat crop. This is not a good environmental choice for farmers. Why do it? It’s simple, they get a guaranteed profit, but not a guarantee that their crop will be raised to harvest.

If we can get RMA to come up with a price election methodology that can make sorghum price competitive to producers such as myself, then we may see a shift in acreage back to sorghum. This shift needs to occur, especially in the semi-arid parts of the country. Doing so will ultimately conserve our water table, provide more grain because we are planting a viable crop, and provide the mulch needed in the Plains states to keep our precious soil where it belongs.

I also want to take just a minute to talk about transitional yields. T-yields, are used in lieu of actual yield history when producers are new to a crop. RMA needs a more transparent system of assigning T-yields. A new system should not penalize one crop against another. T-yields are influencing the planting of higher water use crops when the data doesn’t support such a decision.

I would like to thank this subcommittee for the chance to testify. I’d be happy to answer any questions you have.