



**NATIONAL SORGHUM PRODUCERS
A 2022 REVIEW OF THE FARM BILL: COMMODITY GROUP
PERSPECTIVES ON TITLE 1
TESTIMONY**

Presented to:

House Committee on Agriculture

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**1300 Longworth House Office Building
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Presented by:

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Thank you Chairman Scott and Ranking Member Thompson for the opportunity to speak to the committee today. My name is Verity Ulibarri, and I am a fifth-generation diversified farmer from Melrose, New Mexico, on the eastern central side of the state and have been a member of National Sorghum Producers for more than 10 years. The climate in my region necessitates being very conscientious about the crops we grow, as we are very limited on the amount of rainfall we receive each year. The 20-year average for rainfall in my county is just under 16 inches, and in 2020 we saw a record-low of only 6.7 inches of rain for the entire year. The innate drought-tolerance of sorghum as The Resource-Conserving Crop™ make it an excellent fit for my operation.

Just as the harsh climate in eastern New Mexico requires me to carefully consider the optimal crops to plant each year, it also requires me to take steps to mitigate my risk. This is where Title One becomes incredibly important not just to me but all farmers and ranchers across the country. As we are seeing continuous erratic weather patterns - longer and more extreme droughts in some regions and more frequent flooding in other areas - the farm safety net and robust crop insurance program that helps farmers adequately mitigate risk and volatility becomes vital to the sustainability and continuation of family farms. Similarly, the disaster funding provided at various times over the past few years has been instrumental to this end, and if funding is available, sorghum farmers would like to see a disaster-type program become permanent law.

We are thankful for the support provided by crop insurance. I know it is not “Title 1,” but it continues to be the cornerstone of the modern safety net, and we appreciate all the work that has been done to defend and strengthen it. From a sorghum standpoint, there is still much work to be done in this area. Due to the nature of the program, drought-tolerant, resource-conserving crops like sorghum are not rewarded but instead punished—rated such that insurance for competing crops is more affordable. We worked closely with the committee in the last farm bill to address this issue, and continue to work closely with RMA. However, we still have a long way to go in providing real solutions to farmers.

Due to the leadership of this committee during the 2018 Farm Bill, we have had the opportunity to collaborate with RMA on a study paving the way for an irrigated insurance product that enables sorghum farmers to insure sorghum at higher yield levels and for less premium. Many irrigated farmers on the western plains are facing significant declines in groundwater availability, and transitioning some or all of their irrigated acres to sorghum enables them to use water much more efficiently. However, under current yield and rating structures, most existing and prospective sorghum farmers actually face a penalty. Collaborating with RMA, we are optimistic a new option will be available for the 2023 crop year.

On Title 1 specifically, the changes to the ARC and PLC programs have been positive overall. Farmers in the Sorghum Belt use PLC more extensively than ARC, but for those that do use ARC, the new formula has been helpful. The change to the way in which the reference price is calculated was also a very positive development as it makes reference prices more reflective of price and cost realities. However, given the level to which prices and costs have increased and the speed with which this has occurred, PLC reference prices are now too low. The same situation is true of marketing loans, which remain an important cash flow tool for our farmers but are now much too low relative to current risk. We believe reference prices and marketing loan

rates must be adjusted upward to remain relevant, and would urge the committee to consider an index or more aggressive inflator tied to fuel and fertilizer prices as U.S. farmers need to maintain their productivity through such turbulent times.