NATIONAL
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Testimony of Tom Haag
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Regarding
"Producer Perspectives on the 2023 Farm Bill"

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Chairman Austin Scott, Ranking Member Shontel Brown, and Members of the House Agriculture Committee, thank you for the invitation to testify today before the General Farm Commodities and Risk Management Subcommittee.

My name is Tom Haag. I am a fourth-generation family farmer in south-central Minnesota where my son and I grow more than 1,700 acres of corn and soybeans. I currently serve as President of the National Corn Growers Association (NCGA).

Founded in 1957, NCGA is a farmer-led trade association with nearly 40,000 dues-paying corn farmers nationwide and more than 300,000 corn growers who contribute to corn promotion programs in their states. The NCGA mission is to create and increase opportunities for corn growers and our vision is to sustainably feed and fuel a growing world.

Farmers across the country are busy today planting seeds and preparing for a strong crop and future harvest. The hearing today and the Committee's continued outreach is laying critical groundwork for a strong, bipartisan farm bill. Corn growers are as optimistic for this process as we are for this year's harvest. Thank you to all the members and staff for your tremendous work on behalf of the American farmer.

In terms of farm bill priorities, the consensus number one issue for corn growers continues to be protecting federal crop insurance. As users of the commodity programs, NCGA also supports improvements to strengthen both the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) commodity programs. Together, the crop insurance and commodity programs authorized through the farm bill are the most significant federal risk management tools for corn producers.

This morning I will focus my testimony on NCGA's approach to the farm bill and offer our top recommendations for the crop insurance and commodity titles.

2023 Farm Bill Approach

As a grassroots led association, NCGA and our affiliated state associations have worked with grower leaders from across the country to develop principles and prioritize policy recommendations for the farm bill. We are working closely together to ensure the next farm bill addresses the current and future needs of all corn growers.

The values, objectives, and areas of emphasis for corn growers in the 2023 farm bill are best summarized in our key principles:

- Protecting federal crop insurance
- Strengthening the producer safety net
- Bolstering U.S. international market development efforts
- Supporting voluntary conservation programs, and
- Championing initiatives important to rural America.

Our farm bill recommendations seek to make existing USDA programs more effective, efficient, and responsive through strategic investments and policy enhancements. The 2018, 2014 and earlier farm bills have all laid a great foundation for the modern producer safety net that Congress can continue to build upon.

Since the 2018 farm bill was signed into law, corn growers and stakeholders within the broader farm economy have faced and weathered a litany of difficulties and challenges outside of producers' control. Key risk management tools and USDA programs continue to be stress tested by natural disasters, economic challenges, and black swan events like COVID-19 and global conflicts. Corn growers appreciate efforts by Congress and the Administration to provide temporary and ad hoc assistance for these unusual risks and losses that were uncovered by existing federal programs. While recent programs outside the farm bill have benefited producers, the reauthorization of the farm bill is an opportunity to strengthen the effectiveness and responsiveness of these risk management tools for farmers.

After studying potential new programs and novel approaches to these challenges, we continue to find that most of our members are more supportive of improvements to existing crop insurance and commodity programs than creating entirely new, complex, and untested structures or schemes. NCGA has a track record of advocating for market-oriented farm policies that help growers manage their risks. Our focus for the safety net continues to be on accessible tools geared towards revenue, which factors in both yield and price risks that producers face throughout the growing and market seasons.

Corn growers appreciate the complicated budget environment in which the upcoming farm bill legislation will be developed. This March, NCGA and over twenty affiliated state associations joined a letter signed by 400 national, regional, and state agriculture associations, "to express our strong support for providing the Senate Committee on Agriculture, Nutrition, and Forestry and House Committee on Agriculture with sufficient budgetary resources to write a new bipartisan, multi-year, comprehensive, and meaningful piece of legislation."

With over ninety million acres of corn planted across the country most years, NCGA understands small improvements and changes to federal policies can potentially lead to large budgetary impacts. Given the nation's fiscal outlook, debt, and deficit, we recognize that hard choices will have to be made on federal priorities. Just as corn growers work to be good stewards of the land, we also strive to be good stewards of federal farm safety net resources.

Crop Insurance

Delivered through the successful public-private partnership model, federal crop insurance has a proven track record of helping producers quickly respond to natural disasters. Corn growers consistently rank crop insurance as the most important program and title of the farm bill.

To meet the growing list of challenges and demands of tomorrow, NCGA believes crop insurance must continue to be protected and strengthened as the cornerstone of the federal safety net. Throughout the development of the new farm bill, corn growers will strongly oppose any efforts to restrict producer access to crop insurance products and oppose harmful program cuts that would negatively impact crop insurance products, their delivery, or the sound structure of the program.

NCGA is a proud and active member of the Crop Insurance Coalition which is comprised of a diverse range of farmer, lending, input, conservation, and crop insurance organizations that work together to advocate on behalf of crop insurance.

Corn growers are grateful that leaders on the Agriculture Committees are committed to educating their peers on the benefits of this risk management tool and the critical role it plays in the agricultural value chain.

One area where crop insurance can be improved is the cost of coverage to producers. While inflation has made headlines for increased input costs including fuel, fertilizer, and land, the costs of purchasing crop insurance have also risen. Farmers paid $6.55 billion in premium costs for 2022, a seventy-five percent increase from $3.75 billion in 2020, before the onset of the recent high input cost environment. The higher costs for coverage have added pressure on growers already facing difficult decisions about managing rising costs.

NCGA broadly supports increasing the affordability of crop insurance for producers. Many corn growers are still able to purchase endorsement policies and higher levels of buy up coverage, but for others, the individual costs of purchasing coverage can discourage higher levels of coverage therefore leading to a higher risk profile.

Data published by the Risk Management Agency (RMA) demonstrates how federal crop insurance is a major pillar of risk management for the nation's corn growers. According to RMA's summary of business, in 2022, corn growers purchased federal crop insurance coverage on over 79.8 million acres of corn, of which 11.3 million acres had additional companion and endorsement policies. Nationwide, corn farmers insured $66.5 billion in liabilities through the purchase of over 384,000 policies that earned premium.

Last year, in response to widespread drought and other natural disasters, total crop insurance indemnities for corn have so far totaled $4.28 billion. Despite the large scale of indemnities, the nationwide loss ratio for corn is 0.68, far less than the statutory target of 1.0. A loss ratio below 1.0 means that crop insurance payments were less than the total premiums paid by producers and the federal government. Over the past twenty years, from 2003 to 2022, the national loss ratio for corn has averaged 0.72.

Most corn growers purchase revenue protection policies, which protect against loss of revenue due to a production loss, change in price, or a combination of both. In 2022, revenue protection policies alone covered over 73.8 million acres of corn. Built into these policies is harvest price protection, which is critical coverage for farmers who forward sell their corn and other crops, as well as livestock producers who produce their own grain. Yield protection policies covered an additional 4.9 million acres of corn in 2022.

Corn growers also have access to many endorsements and options including several area-wide policies. In 2022, 4.65 million acres had coverage through the Supplemental Coverage Option (SCO) and 3.19 million acres had coverage through the new Enhanced Coverage Option (ECO). The policies are optional endorsements where growers can pay for additional area-based coverage on top of their underlying crop insurance policy. Corn growers also purchase hurricane insurance protection-wind index (HIP-WI), margin protection policies, and whole-farm revenue protection (WFRP). In 2022, HIP- WI endorsement covered 1.5 million acres, representing $256.8 million in liability for corn, and paid $131.2 million in indemnities for all commodities with the top recipients in order by crop including corn, soybeans, and cotton.

NCGA and affiliated state organizations continue to partner with other entities for the study and creation of improved crop insurance endorsements and policies. Whether through federal research and development or private development for approval of federal policies by the Federal Crop Insurance Corporation (FCIC), NCGA and our state associations have been successful in developing policies that follow sound insurance principles and are actuarially appropriate. Examples of these successful efforts include the widely adopted Trend-Adjusted Yield Endorsement and the recent voluntary endorsement for corn producers who split apply nitrogen.

Agriculture Risk Coverage (ARC)

NCGA supports the continuation and improvement of the Agriculture Risk Coverage (ARC) program, which provides important counter-cyclical revenue coverage for farmers with base acres. After nearly a decade of experience with ARC, corn growers have identified two specific components within the existing formula where Congress can significantly improve the commodity program's effectiveness. These statutorily set factors are the maximum payment rate and the coverage level.

Despite higher-than-average commodity prices in recent years, the ARC County program has supported growers experiencing revenue losses when yields were reduced due by natural disasters. For example, in the 2020 crop year ARC county provided $41.5 million in assistance to corn growers in yield impacted areas, while the price-based PLC program was not triggered nationally for corn growers.

Under current law, ARC county payment rates may not exceed ten percent of the ARC County benchmark revenue. In reviewing recent Farm Service Agency (FSA) county level data when ARC payments have been triggered, the maximum payment rate has often limited assistance provided to producers enrolled in the program. In practice, the maximum payment rate acts as an additional de facto payment limitation within the ARC program.

NCGA supports increasing the maximum payment rate above ten percent in order to provide increased assistance to growers who experience significant revenue losses. While our members remain supportive of the ARC County program, the maximum payment rate currently limits assistance and does not adequately address the true depth of the losses producers experience.

For example, in 2020, growers across Iowa and neighboring states suffered major losses due to the devastating derecho. The storm and accompanying damaging winds hit millions of acres of highly productive crop land in August before corn harvest could begin. The yield losses were widespread and deep enough in Iowa for ARC County to trigger payments in multiple counties, but the program's effectiveness in offsetting losses was restricted due to the ten percent benchmark revenue limitation.

NCGA also recommends increasing the coverage level for ARC County above the current eighty-six percent of the county revenue benchmark. This change would make the commodity program more responsive to growers facing revenue losses. Corn growers understand and agree that no federal program should be designed to cover one hundred percent of losses or make farmers entirely whole. However, the current coverage level was previously set during the 2014 farm bill and now deserves reconsideration.

The two proposed changes are simple, straightforward, and effective in strengthening the safety net. Increasing the maximum payment rate and the coverage level will allow producers to receive more responsive and more adequate assistance in times of revenue losses, particularly in areas experiencing disasters. The February 2023 CBO baseline projects average ARC County payments of $21.10 per corn base acre. The two changes are expected to increase the average per base acre projected payments for corn growers.

Although ARC County and revenue-based federal crop insurance policies both offer forms of revenue protection, Congress designed the programs to offer complementary risk protection by covering different losses. For example, ARC County provides protection when prices are lower than a historical benchmark period. Crop insurance will not cover those situations because the prices used in crop insurance guarantees reset each year. ARC County provides useful protection in years in which prices have declined from a historically higher price period, while the crop insurance revenue policies provide price protection within a single year.

NCGA and our grower members also remain appreciative of the multiple policy improvements to the ARC County program in the 2018 farm bill including provisions incorporating trend adjusted yields; increasing the transitional yield, i.e., yield plug; and shifting the primary source of yield data for the ARC County program from the National Agricultural Statistical Service (NASS) to aggregated crop insurance data from RMA.

Price Loss Coverage (PLC)
NCGA supports the continuation and improvement of the Price Loss Coverage (PLC) program, which provides important price protection for farmers with base acres. Corn growers value having the PLC program as an option particularly during periods of deep and sustained lower than average commodity prices. For this farm bill, NCGA is focused primarily on improvements to the effective reference price escalator.

The current statutory reference price for corn is $3.70 per bushel, which is well below current market prices and long-term historical average prices. From 2012 to 2021, the national marketing year average price for corn was $4.31. The PLC reference price for corn was eighty-six percent of the average historical prices, translating to an eighty-six percent level of protection.
Over the most recent five-year period of 2017 through 2021, the national marketing year average price is slightly lower at $4.21, with the reference price representing protection at roughly eighty-eight percent. Notably, when the current marketing year for the 2022 crop finishes, these historical average prices will likely increase considerably.

NCGA supports strengthening the PLC effective reference price "escalator," which was first included in the 2018 farm bill. The effective reference price allows the program to have more responsive levels of protection that can rise and fall in response to actual market prices. Under current law, the effective reference price for a crop year is the higher of the statutory reference price or eighty-five percent of the five-year Olympic average market price, capped at 115 percent of the statutory reference price. For corn the escalator is capped at $4.26.

For corn growers, the effective reference price is expected to trigger higher levels of price protection starting with the 2024 crop year. In the February 2023 baseline, the Congressional Budget Office (CBO) projects that the effective reference price for corn will be $4.01 per bushel for the 2024 crop year, at the current maximum of $4.26 for the 2025 and 2026 crop years, $4.25 for 2027, and $3.71 for the 2028 crop year. According to these CBO projections, this mechanism will provide additional support for corn growers through at least four of the five crop years of the 2023 farm bill. However, the potential support is expected to be restricted by the 115 percent cap for at least two crop years.

Similarly, the Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri estimates that the average effective reference price for corn over the next ten crop years (2024-2033) will be $4.05 per bushel. According to FAPRI, this mechanism will provide additional support for corn growers through all five crop year years of the 2023 farm bill, including effective reference prices of $4.01 for the 2024 crop year, $4.24 for 2025, $4.25 for 2026, $4.24 for 2027 and $4.14 for the 2028 crop year.

Both economic models and baselines demonstrate that the escalator will provide corn growers with an increased effective reference price through the majority of the crop years covered through the 2023 farm bill. These automatic increases in protection will provide meaningful support to corn growers through current law even if prices continue to be volatile or decline.

Corn growers recognize that improvements to the PLC effective reference price can also enhance risk protection for producers. NCGA supports strengthening this market-oriented mechanism by raising the 115 percent cap or otherwise modifying the effective reference price formula to be more responsive to changes in market prices. The February 2023 CBO baseline projects average PLC payments of $26.13 per corn base acre. Improvements to the effective reference price formula are expected to increase the per base acre projected PLC payments for corn growers.

A major challenge for corn growers in evaluating and pursuing potential changes to farm programs is the most recent bearish projections by CBO for long-term commodity prices. CBO projects that marketing year average prices for corn will fall to $3.90 for the 2028 marketing year, decreasing further to $3.80 for the 2029 crop year, before increasing ten cents to $3.90 for the 2030 and 2031 crop years.

These price projections and their proximity to current statutory reference prices practically means that any increase in the statutory reference prices will have large federal budgetary costs. More meaningful enhancements in recognition of recent prices and higher costs of production will have even greater federal costs.

Commodity Program Administration
NCGA is committed to ensuring farm programs work for producers. The farm bill provides an important opportunity to highlight areas where implementation of commodity and loan programs has gone well and where Congress can help improve upon the administration of farm programs.

In terms of program designs impacting both the PLC and ARC commodity programs, NCGA opposes lowering payment limits and adjusted gross income eligibility limits below current statutory levels. Corn growers also believe FSA should have more flexibility to accommodate the growing complexity of farm business structures and intergenerational family farms. We remain committed to the decoupled nature of commodity programs from current production in order to avoid government programs driving or distorting planting decisions. NCGA supports the voluntary update of base acres and program yields when applicable.

Implementation of the current farm bill has been fairly smooth, helped by familiarity of the programs, adequate sign-up periods, and increased transparency of the program components, as well as USDA fact sheets and additional resources on farmers.gov. We commend the Committee for continued support of web-based decision tools that help facilitate growers' education and evaluation of commodity programs and options.

Corn growers support continuing the annual opportunity to choose between commodity programs. We appreciate that commodity program sign-up periods are now similarly timed with crop insurance decisions, which allows coordinated risk management decisions to be based on current market conditions.

Corn growers continue to utilize the opportunity to elect programs on an annual basis as shown in FSA-published data. In the 2022 crop year over 91.7 million base acres of corn were enrolled in the commodity programs, including 54.7 million corn base acres in ARC-County, 35.6 million in PLC, and 1.3 million in ARC-Individual. For the 2021 crop year, producers enrolled 45 million corn base acres in ARC-County, 48.4 million in PLC, and 1.3 million in ARC-Individual. In terms of percentages, for the 2022 crop year, 59.7 percent of corn base acres were enrolled in ARC-County, 38.9 percent in PLC, and less than 2 percent in ARC-Individual. For the 2021 crop year, 47 percent of corn base acres were enrolled in ARC-County, 51 percent were in PLC, and less than 2 percent in ARC-Individual.

Corn growers appreciate the working relationships with the FSA local, state, and federal offices. NCGA encourages the continuation of the Acreage and Crop Reporting Streamlining Initiative (ACRSI) and similar efforts to improve the farmer customer experience and create greater efficiency throughout multiple USDA agencies. The agencies within the Farm Production and Conservation (FPAC) Mission Area are already working more closely together and should continue to share common data and best practices.

Building upon the lessons of the pandemic, we believe opportunities exist to further reduce the reporting burden on producers. USDA should continue to find more ways to either utilize data already submitted to the department or to allow for the submission of additional information electronically, which may reduce the number and length of in-person visits to county offices and save farmers both time and money.

While the use of marketing assistance loans (MALs) is small among corn growers, the program remains an important risk management tool, particularly for corn growers without base acres. According to FSA, for the 2022 crop year around 4,700 MAL loans have been issued covering over 360 million bushels of corn. For the 2021 crop year, 6,208 loans were issued on over 468 million bushels of corn. The national loan rate for corn is $2.20 per bushel.

Additional Farm Bill Priorities
In addition to the crop insurance and commodity titles, the farm bill includes programs important to corn growers including trade, conservation, agricultural research, rural broadband, energy, and the biobased economy.

In the trade title, NCGA supports increasing Market Access Program (MAP) funding from $200 million up to $400 million annually and the Foreign Market Development (FMD) program funding from $34.5 million up to $69 million annually. These programs boost U.S. agricultural exports and help agriculture and related businesses in rural America. NCGA is supportive of H.R. 648, the Agriculture Export Promotion Act introduced by Representatives Newhouse, Panetta, and many more members. An independent study showed that between 1977 and 2019 these programs resulted in a return of $24.50 for every dollar invested and a 13.7 percent average annual increase in value of agricultural exports.

In the conservation title, NCGA supports three initiatives to make the existing working land programs more effective in combatting weed resistance, reducing nutrient losses through farmer-led collaborative watershed projects, and speeding the development and adoption of innovative conservation practices by strengthening the interim conservation practice standard program. Corn growers also encourage the committee to examine opportunities for increased flexibility within conservation programming.

Corn growers support legislation to enable producers to more easily adopt precision practices that will allow them to remain competitive in a rapidly modernizing industry. NCGA has endorsed H.R. 1459 the Producing Responsible Energy and Conservation Incentives and Solutions for the Environment (PRECISE) Act as introduced by Representatives Hinson, Panetta Finstad, and Craig. NCGA also supports H.R.1495 the Precision Agriculture Loan (PAL) Act introduced by Representatives Feenstra, Panetta, Tokuda, Thompson, and Guest.

NCGA supports H.R. 1290 introduced by Representatives Finstad and Costa which would clarify propane storage as an eligible use for funds under the storage facility loan program. Corn growers are also supportive of H.R. 1219 the Food and Agriculture Industry Cybersecurity Act led by Rep. Pfluger. This bill will take necessary steps to protect farmers across the country from growing cyber threats.

NCGA continues to engage in multiple broad-based coalitions and is supportive of farm bill recommendations from these collaborative entities. As a steering committee member of the Food and Agriculture Climate Alliance (FACA), NCGA was involved in FACA's farm bill working groups. NCGA also continues to be involved with the AGree Economic and Environmental Risk Coalition (E2 Coalition) that focuses on recommendations for agriculture data and reducing policy barriers to conservation practice adoption. NCGA is supportive of the Agriculture Innovation Act, S. 98, introduced by Senators Klobuchar and Thune, which would strengthen USDA's ability to confidentially aggregate data the department already collects and allow for potential research on topics important to producers.

Challenges in the Corn Economy

In 2022, U.S. corn farmers planted 88.6 million acres of corn, producing over 13.7 billion bushels with an estimated value $91.7 billion. Corn farmers faced weather challenges last year that reduced planted acres and were detrimental to productivity in some regions. The USDA March Prospective Planting Report indicates farmers intend to plant 92 million acres of corn in 2023. Given an estimated planted-to-harvest-acres ratio and USDA forecast yield of 181.5 bushels per acre, 2023 has the potential to be a record production year surpassing 15.2 billion bushels. Corn planting progressed ahead of a five-year pace in the first half of April, but many acres remain to reach completion with continued possibility for weather delays. Plus, the full growing season and harvest period of weather and environmental uncertainty remain.

Widespread drought and intense heat impacted much of the corn belt during the 2021 and 2022 growing seasons. Unfortunately, growers across the great plains are still facing extreme (D3) and exceptional (D4) drought conditions, which could impact planting and productivity of corn this year. According to the U.S. Drought Monitor, approximately twenty-eight percent of corn production is located in areas experiencing drought as of April 18, 2023. The latest report shows that ninety-eight percent of corn production in the state of Nebraska is within areas with drought conditions along with seventy-eight percent in Kansas, sixty-three percent in Texas, and thirty-nine percent in Iowa.

In other parts of the country, corn growers are facing delays in corn planting due to late snow, excess moisture, and flooding. It remains too early to know if corn production will be as heavily impacted as it was in 2019 when wet weather conditions during planting season across the high plains and throughout the Missouri River Basin prevented many farmers from accessing flooded fields. Nationwide, 2019 set a record with over 19 million acres of cropland reported as prevented from being planted, including over 11 million acres of corn.

Inflation, particularly around farm input prices, continues to be a major concern. Inputs such as diesel, machinery, building materials, and labor all experienced notable increases in price during 2021 to 2022. The most significant input cost increase has been fertilizer. Historically fertilizer costs are about one-third of the operating costs for growing corn but are estimated at forty-six percent of corn operating costs for 2022 and 2023.

Although fertilizer costs have declined from 2022 peaks, fertilizer remains costly compared to prices over the past decade. Depending on the form of nitrogen, April 2023 farm prices were fifty percent to more than eighty percent higher than the 2009-2020 average price.
Similarly, prices for phosphorus fertilizers were more than fifty percent higher and potash thirty percent higher. Fertilizer nutrients are especially critical in corn productivity and returning those nutrients is important in maintaining healthy soils.

Although production costs have been higher in recent years, corn prices have also seen volatility and large swings in prices over the last two years. As the economy transitions towards lower inflation, commodity prices tend to move down faster than costs. For the 2023 crop, USDA projects the average farm price of corn at $5.60 per bushel, a full dollar lower than $6.60 per bushel estimated average farm price for the 2022 crop year. If realized, corn growers will face a

17.9 percent drop in corn price from 2022 to 2023, compared to only 1.3 percent decline in projected cost of production for corn.

With average costs for 2023 mostly unchanged from 2022 and with corn prices notably lower, projected farm margins are expected to be much tighter in 2023. Average corn yield in 2023 is expected to be higher than the drought reduced 2022 yield, but even higher yields would be needed to maintain revenue levels given the expected lower corn price.

Market Demand and Sustainable Corn Production

Corn and corn byproducts are a valuable part of the U.S. economy, helping to meet food, feed, and energy demands. Nearly forty percent of the corn grown in the U.S. is used for livestock feed and over forty percent is used for food and industrial purposes, including ethanol production. NCGA continues to work with partners on developing and supporting new uses of corn, including through the biobased economy. The top three priorities for NCGA this year include passage of the farm bill and improving both foreign and domestic demand for corn.

Although most U.S. corn is used domestically, exports have comprised more than fifteen percent of total disappearance on average over the past five years. Mexico is the top U.S. corn export destination, accounting for twenty-seven percent of U.S. corn exports in the 2021/22 marketing year. We are extremely concerned with the implications of Mexico's recent decree banning imports of biotech corn will have on U.S. corn farmers and our nation's economy. Reaching a resolution on this issue is critical and necessary to reaffirm the precedent for the science-based-safety of biotech corn with our trading partners. NCGA supports the initiation of a dispute settlement under USMCA to reach a resolution.

Ethanol production represents thirty to forty percent of corn demand and results in valuable co-products, returning the equivalent of more than a billion bushels of corn as distillers grains for high-protein animal feeds, distillers corn oil for renewable diesel and biodiesel and CO_2 for beverage and food processing, as well as sequestration. Corn ethanol adds billions of gallons to our nation's fuel supply. Because today's ethanol cuts GHG emissions in half compared to gasoline, ethanol is a vital pathway for agriculture to help address climate change. Priced lower than gasoline, ethanol is available now to cut fuel prices, support domestic energy security and help build a clean energy future.

Use of new ethanol blends continues to grow including E15, often marketed as Unleaded 88, and E85, which is offered by a growing number of retailers. The ethanol blend rate hit a record high of 10.39 percent in 2022, supported by growing demand for these higher ethanol blends. Ethanol has and continues to be priced at a discount to unblended gasoline, resulting in greater consumer price savings with higher ethanol blends. For example, drivers in my home state of Minnesota saved an average of 17 cents per gallon in 2022 with Unleaded 88 compared to regular fuel, which is a 10 percent ethanol blend, and Minnesota drivers continue to save up to 20 cents per gallon with this low-cost, low-emission fuel choice. Corn growers support policies that maintain a level playing field for clean transportation solutions and take greater advantage of the ability for ethanol to further cut emissions and costs to consumers, including H.R. 2434 the Next Generation Fuels Act and H.R. 1608 the Consumer and Fuel Retailer Choice Act.

Corn farmers are committed to continuous improvement in the production of corn, a versatile crop providing abundant high-quality food, feed, renewable energy, biobased products, and ecosystem services. As stewards of the land, we understand the responsibility we have for creating a more environmentally and economically sustainable world for future generations with transparency and through continued advances and efficiencies in land, water and energy use. In June 2021, NCGA released the corn sustainability report and specific goals for 2030.

NCGA's Corn Sustainability Advisory Group (CSAG) has taken the lead in pursuing social sustainability within the corn industry. NCGA has been working towards ensuring our organization is inclusive and equitable, and finding ways to partner with other agriculture organizations to work towards the same goal. CSAG is in the process of developing a comprehensive plan to ensure we are working towards our best future.

Summary and Closing

Thank you for your consideration of NCGA's priorities for the 2023 farm bill. We appreciate the budget challenges and varied approaches to confronting current and emerging issues impacting the agricultural sector. Our shared goal is to make existing USDA programs more effective, efficient, and responsive through strategic investments and policy enhancements.

NCGA recommends Congress oppose efforts to cut crop insurance or to restrict producer access to crop insurance products. To improve crop insurance, the farm bill can address the affordability and costs for producers who chose to purchase coverage.

In the commodity title, NCGA has three specific recommendations for improvements including increasing the ARC County maximum payment rate above ten percent; increasing the ARC County coverage level above eighty-six percent; and strengthening the PLC effective reference price "escalator." Corn growers oppose lowering payment limits and adjusted gross income limits below current levels.

In closing, NCGA greatly appreciates your work in support of America's farmers, rural communities, and consumers. Corn growers stand ready to provide additional feedback, perspectives, and support as the legislative process moves forward towards a successful farm bill harvest this year.