

Good Morning Senators,

My name is Craig Hill. I am a family farmer from Milo, Iowa. I farm 1,200 acres of corn and soybeans in rotation while producing pork from farrow-to-finish with a herd of 200 sows. I am actively involved in the Iowa Farm Bureau Federation. On behalf of the Iowa Farm Bureau Federation and my family, thank you for this opportunity share my thoughts on the 2007 farm bill.

All farmers are interested in earning a fair wage for their labor and an adequate return on their capital investment. Iowa farmers would likely agree that the perfect vision of agriculture would include a "level playing field" or a "chance to compete in open markets" where there are no such things as tariff barriers, export subsidies, currency manipulations and perhaps, even without domestic subsidies. This seems like the perfect goal for the 21st century. However, the reality is, this concept is just beginning to materialize.

Trade ambassadors representing the United States recently laid a bold proposal before our partners in the World Trade Organization. To date, our WTO counterparts deny their own agriculture policy shortcomings and insist that the only path to freer trade is one that requires the United States to unilaterally disarm. This concept is flawed. As a farmer, it troubles me greatly to imagine implementation of such one-sided policies.

Until WTO negotiations yield real market access and material gains in net farm income we continue to need an effective safety net that provides support in times of low income. Iowa farmers firmly believe that this safety net should be consistent with our international trade obligations as spelled out in the current WTO agreement. To be clear, I feel that the next farm bill should extend concepts of the Farm Security and Rural Investment Act of 2002 until a new WTO agreement is reached. Our negotiating position in the WTO can only be weakened by moving away from farm policy that has largely worked to smooth the ebbs and flows in commodity prices.

Farmers will be willing to move away from "amber box", policies when WTO negotiations yield economically proportionate increases in market access and reductions in foreign export subsidies. If this occurs, amber box reductions should be replaced with an equal increase in "green and blue box" eligible programs. Greater emphasis could be placed on working lands conservation programs, direct payments or enhanced crop insurance programs. Iowa farmers are optimistic about the future of agriculture in our great state. We would rather rely less on government programs and increasingly more on strong markets. Recent growth in renewable energy markets is strengthening rural Iowa one community at a time. Perhaps it will take us more toward a vision of agriculture where markets provide ample profit opportunities. Until that occurs, the safety net provided by the farm bill is a necessity.

On behalf of myself and Iowa's Farm Bureau members, thank you for this opportunity to address your panel. We look forward to working with you as you consider the next farm bill.