

MINUTES OF THE HOUSE AGRICULTURE AND NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman John Faber at 3:30 P.M. on February 14, 2007, in Room 423-S of the Capitol.

All members were present.

Committee staff present:

Raney Gilliland, Kansas Legislative Research Department
Emalene Correll, Kansas Legislative Research Department
Jason Thompson, Revisor of Statutes
Florence Deeter, Committee Assistant

Conferees appearing before the committee:

Paul Johnson, Kansas Catholic Conference
Donn Teske, Kansas Farmers Union
Zach Goodman, Kansas Cattleman's Association
Hal Luthi, Kansas Cattleman's Association
Candy Shively, Secretary of Integrated Service Delivery, Kansas Social and Rehabilitation Services
Dan Nagengast, Kansas Rural Center

Others attending:

See attached list.

The Chair opened the hearing on the Federal Farm Bill.

Paul Johnson, Kansas Catholic Conference, noting the importance of agriculture in Kansas and commenting on the fundamental changes in Kansas during the past 30 years, stated that the federal subsidies to farmers primarily benefit the largest farms and, although the consolidation of agriculture may be inevitable for 75% of the food system, encouraged members to support independent agriculture producers, especially local and organic farmers (Attachment 1). He said the 2007 Farm Bill could be a catalyst to promote local food opportunities.

Donn Teske, Kansas Farmers Union, listed items which he said should be included in the new Farm Bill, addressing especially the Competition Title to diminish the control of a handful of corporations that control the nation's food supply, and Country of Origin Labeling, both of which he said should be fully implemented (Attachment 2).

Zach Goodman, Kansas Cattleman's Association, provided written testimony by Allan Sents, President of the Kansas Cattleman's Association, testimony which said the Farm Bill provided an opportunity to address weaknesses in the Packers and Stockyards Act (Attachment 3).

Hal Luthi, Kansas Cattleman's Association, said that implementing the Country of Origin Labeling (COOL) by September 2007 is a crucial part of the Farm Bill; he encouraged the Kansas legislature to require such labeling within the state (Attachment 4).

The Chairman welcomed Candy Shively, Secretary of Integrated Service Delivery, Kansas Social and Rehabilitation Services (SRS), who updated the Committee on the Food Assistance (Food Stamp) Program (Attachment 5). She stated that the federal food stamp program, through the USDA (United States Department of Agriculture), is administered by SRS, providing eligible low-income households assistance in purchasing food for home consumption. Stating that the household benefit averages \$190 and serve 184,000 persons in Kansas, nearly half of whom are children, she said SRS serves approximately 64.5% of those eligible for food stamps. Noting that the USDA estimates that every \$5 in new food stamp benefits generates \$9.20 in economic activity, she said the Food Stamp Program is due for re-authorization in 2007 through the Farm Bill; the President has proposed enhancements to the Food Stamp Program.

Dan Nagengast, Director of Kansas Rural Center (KRC), spoke indicating that 54 % of money allocated in

CONTINUATION SHEET

MINUTES OF THE House Agriculture and Natural Resources Committee at 3:30 P.M. on February 14, 2007, in Room 241-N of the Capitol.

through the Farm Bill; the President has proposed enhancements to the Food Stamp Program.

Dan Nagengast, Director of Kansas Rural Center (KRC), spoke indicating that 54 % of money allocated in the Federal Farm Bill was spent on food and nutrition. One of the primary goals of KRC is to increase the number of participants who can advocate for the nutrition aspect of the Farm Bill. A food stamp program in several eastern Kansas counties is checking H. & R. Block income tax reports to determine eligibility for federal benefits provided in the food stamp program.

Referring to Paul Johnson's data on the county map, Mr. Nagengast said the percentage of rural population is much lower. These areas rely on the Value Added Grants, which allocated to Kansas, a very small amount compared to the amount procured by other states. The 9006 Grants, which are energy related and can apply to various entities provide generous amounts of money for sustaining developmental projects. He said one of Governor Sebelius' initiatives for rural areas has to do with providing trained personnel in the acquisition of grant money.

Mr. Nagengast spoke without written testimony and said most of this information can be found on websites. He later provided a list of those addresses (Attachment 6).

Mr. Lee Robbins, Kansas Cattlemans Association addressed the committee extemporaneously supporting the COOL initiative for the improvement of profits in the beef business. Maintaining separation between imported and exported beef is of concern to KCA and its members. He asked the committee to carefully consider the passing of COOL. The Chairman requested he submit written testimony for the committee.

Written testimony was submitted by Doug Wildin of Doug Wildin & Associates Ranch Brokers, supporting **HB 2391** (Attachment 7). Dana Peterson submitted information regarding the Kansas Farm Bill Coalition news release (Attachment 8).

The Chairman announced the tour of the Rolling Hills Landfill tomorrow morning, February 15th. Transportation will be provided; meet at the East Door of the Capitol at 7:30 a.m. He noted the committee will be meeting in 241-N beginning on Monday, February 19, 2007.

The meeting was adjourned at 5:30 p.m. The next meeting is scheduled for February 15, 2007.

HOUSE AGRICULTURE COMMITTEE GUEST LIST

DATE: February 14, 2007

NAME	REPRESENTING
Leslie Kaufman	Ks Co-op Council
Paul Johnson	Ks. Cath. Conf
Don Wagoner	Ks. Rural Center
Don M. Kera	KCA
Donna Seiler	Ks F-U
John Bump	Ks F-U & KCA.
Mary Furd	KRC
BEATRICE SWANSON	Ks CATHOLIC CONFERENCE
Candy Shively	SRS
Pam Jacob	SRS
Carole Jordan	KDA
Steve Adams	KDWP
Hal Luzzi	KCA
Zack Goodman	KCA / Farmer
Michael Old	KCA / Former Member
Rodney Dwin	KCA /
Lee Robbins	KCA-Rancher
Anikka Martin	KCA
Corey Mohr	KDOC

**HOUSE AGRICULTURE & NATURAL RESOURCES COMMITTEE
PAUL JOHNSON – KANSAS CATHOLIC CONFERENCE
FARM BILL HEARING – FEBRUARY 14, 2007**

Thank you for this opportunity to share new priorities for the 2007 Farm Bill. In this hearing, there will be specific, new priorities offered. We hope this is only the beginning of a robust and substantive discussion of the next Farm Bill. Farm Bills have a tremendous impact on the structure of Kansas' agriculture and the future of rural Kansas. We support fundamental change in the 2007 Farm Bill and will spell out these proposed changes to farm payments, trade, market fairness, stewardship incentives, food programs and rural development.

We have seen fundamental change to the structure of Kansas' agriculture in the past 30 years. From 1978 to 2002, the number of hog farms in Kansas declined from 13,329 to 1,939 with 79 farms (of over 7,500 hogs) selling 1 million of the 1.3 million hogs sold. In the same period the number of dairies fell from 5,691 to 1,042 with 19 dairies of over 1,000 head having sales of \$152 million of the \$244 million in dairy product sales. From 1995 to 2004, USDA subsidies for farms in Kansas totaled \$7.9 Billion with 20% of the recipients receiving \$6.6 Billion or 83% of those subsidies. The Kansas Department of Agriculture estimates that these subsidies have increased the value of Kansas' farmland from 25-40% thus giving the largest farms the extra economic leverage to buy or rent more land.

The National Catholic Rural Life Conference, the Kansas Rural Center and dozens of family farm organizations nationwide have developed a sustainable agriculture agenda for the 2007 Farm Bill called **NO TIME FOR DELAY** that can be read at the Midwest Sustainable Agriculture Working Group website (www.msawg.org). These policy options will enhance economic opportunity for more farmers, provide environmental stewardship for the long run and increase rural prosperity. I have included four issues papers from this agenda in my handout. I have also included a copy of a letter to United States Congressional leaders detailing specific issues that should be included in a Competition Title for the 2007 Farm Bill. The other document in this handout is a Kansas map showing county participation in the federal food stamp program. The food stamp program and emergency commodity programs comprise one-half of the spending in Farm Bills.

The concentration and consolidation of agriculture may be inevitable for 75% of the food system. There is no independent poultry market. With the takeover of Premium Standard Farms by Smithfield, only 10-15% of the hog market will be independent. Captive supply of cattle has taken over 80% of the beef market. With the bankruptcy of Farmland Industries, Kansas now has only two grain companies. In the last ten years, genetically modified seed has taken over the vast majority of the soybean market and half of the corn market. While Kansas has over 60,000 farms, 5,000 of these farms account for 75% of all farm sales.

What can Kansas do to creatively respond to new and emerging local food markets? The sales at Kansas' farmers markets have dramatically increased in the last ten years. Consumer preference for local and 'naturally' grown food continues to grow. Organic food sales have been growing at double-digit rates for a decade. The new USDA Food guidelines stress five daily servings of fruits and vegetables. Today Kansas is importing 98% of the produce consumed in the state. If Kansas could capture 10% of these imports, it would mean several million dollars for local communities. Kansas has about 70 small meatlockers but spends very little effort promoting these small businesses. Fundamental changes in the 2007 Farm Bill could be the catalyst to promote local food opportunities.

- Scale down the direct farm payments, eliminate the counter-cyclical payments and redirect those dollars to fund conservation programs.
- Fully fund the Conservation Security Program for working farms and reserve 20% of the Conservation Reserve program for continuous CRP and the Conservation Reserve Enhancement Program.
- Develop a Competition Title that addresses the unprecedented level of horizontal market consolidation that effectively eliminates a competitive free market for family farmers and consumers.
- The Value-Added Producer Grants program should be reauthorized and provided with \$50 million annually in mandatory spending targeted to help create self-employment opportunities in farming and local communities.
- A new Farm, Food and Rural Transitions Competitive Grants program with mandatory farm bill funding for integrated research, education and extension should be established to improve the competitiveness and viability of small & moderate size farms.
- The Beginning Farmer and Rancher Development Program should be funded to support collaborative local, state and regionally based networks to supply financial and entrepreneurial training to assist beginning farmers and ranchers.
- Ensure adequate funding for the Food Stamp program, increase the minimum benefit and streamline the administration of the program.

We stand ready to work with the Kansas Legislature to increase local food sales. \$1 million of the Economic Development Initiatives Funds should be directed to Commerce's Agriculture Marketing Division to increase local food sales.

**USDA subsidies for farms in Kansas totaled \$7.9 Billion
1995 through 2004**

Year	Conservation Subsidies		Disaster Subsidies		Commodity Subsidies		Total USDA Subsidies	
	recipients	payments	recipients	payments	recipients	payments	recipients	payments
1995	33,950	\$155,917,023	6,391	\$11,429,687	89,018	\$253,387,895	103,737	\$420,734,604
1996	33,552	\$152,813,664	1,079	\$1,819,709	107,124	\$399,445,375	116,646	\$554,078,748
1997	32,526	\$153,051,658	1,542	\$2,113,479	107,020	\$374,084,212	116,203	\$529,249,350
1998	29,607	\$117,417,567	49	\$14,229	105,299	\$762,068,069	112,781	\$879,499,865
1999	28,203	\$108,904,813	12,765	\$43,441,286	105,610	\$1,248,732,842	113,230	\$1,401,078,942
2000	27,835	\$104,225,242	14,972	\$30,809,763	105,743	\$1,099,660,062	112,689	\$1,234,695,068
2001	29,270	\$110,695,753	36,715	\$130,973,509	103,551	\$827,213,668	112,107	\$1,068,882,930
2002	30,061	\$108,093,526	30,462	\$62,264,017	95,117	\$286,191,166	111,750	\$456,548,708
2003	30,336	\$110,938,105	45,579	\$227,638,671	102,066	\$468,840,259	110,855	\$807,417,035
2004	31,959	\$119,338,988	6,418	\$13,606,112	95,085	\$507,389,124	104,336	\$640,334,224
Total	58,147	\$1,241,396,340	79,872	\$524,110,463	159,316	\$6,227,012,671	177,101	\$7,992,519,474

Concentration of USDA Subsidy Payments

Pct. of Recipients	Pct. Of Payments	Number of Recipients	Total Payments 1995-2004	Payment Per Recipient
Top 1%	17%	1,780	\$1,355,350,082	\$761,433
Top 10%	66%	17,806	\$5,269,563,965	\$295,943
Top 20%	83%	35,612	\$6,656,972,380	\$186,931
Remaining 80% of recips.	17%	142,449	\$1,346,618,566	\$9,453

****Resources**

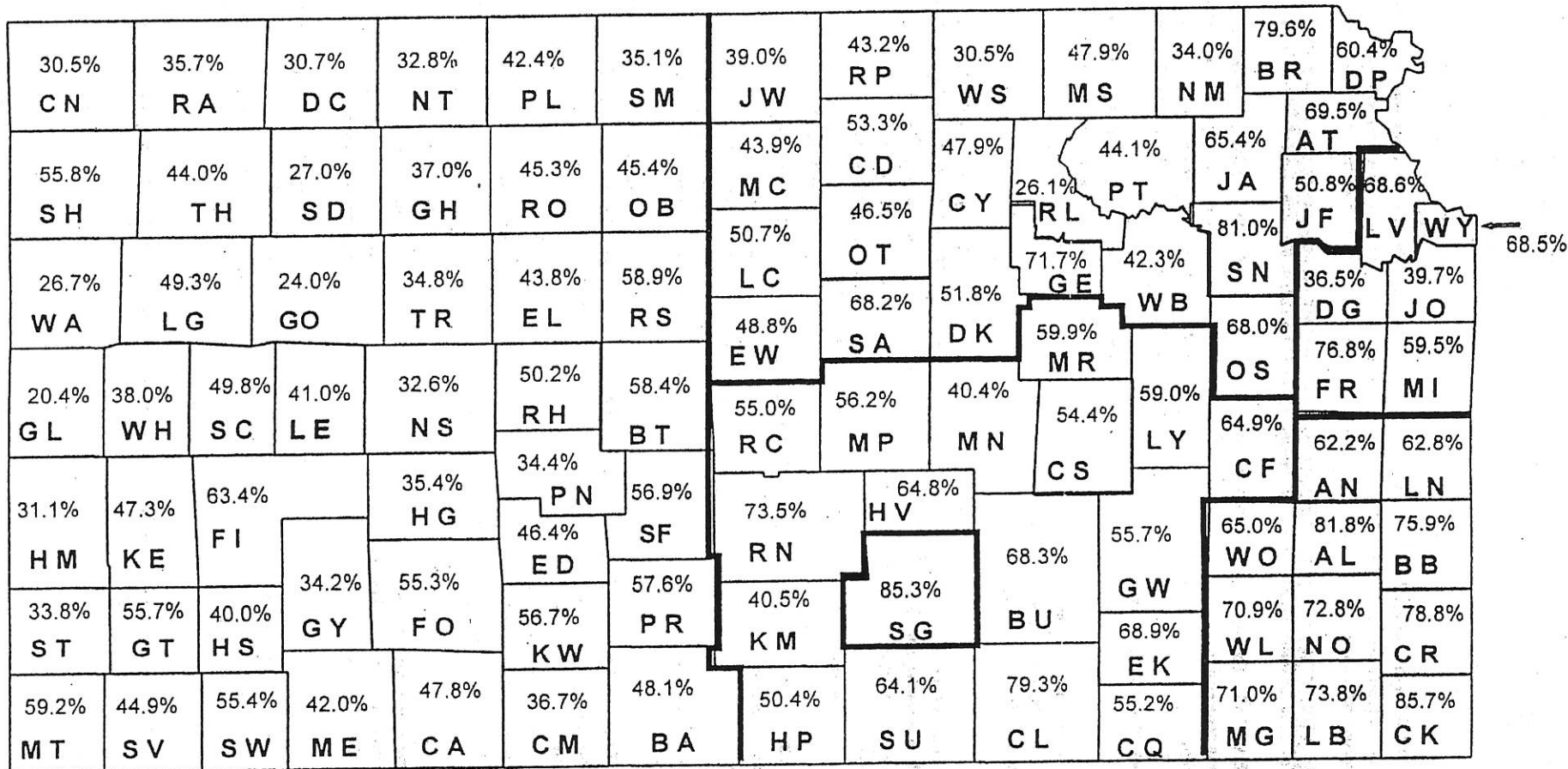
Midwest Sustainable Agriculture Working Group
www.msawg.org (Farm Bill comments - Plant Breeding)

For a broader discussion and analysis of farm bill law and administrative actions concerning rural development and asset-building programs, you can receive quarterly Rural Action Briefs from the Center for Rural Affairs by emailing Jon Bailey at jonb@cfra.org.

For an update on Farm Bill and Agricultural Policy contact National Catholic Rural Life Conference (515) 270-2634, www.ncrlc.com.

Kansas Department of Social and Rehabilitation Services Integrated Service Delivery Economic and Employment Support

Estimated Food Stamp Participation Rates in SFY2006 July 2006



USDA Food Stamp Participation Rate for Kansas in 2003: 55.0%

USDA National Food Stamp Participation Rate in 2003: 56.0%

Estimated FS Participation Rate for Kansas in 2006: 64.5%

NOTE: Counties with estimated FS participation rate below 50.0% are displayed in red..

EMBARGOED UNTIL THURSDAY, JAN. 18, 9AM

January 18, 2007

The Honorable Tom Harkin
Chairman, Senate Committee on Agriculture, Forestry and Nutrition

The Honorable Saxby Chambliss
Ranking Member, Senate Committee on Agriculture, Forestry and Nutrition

The Honorable Collin Peterson
Chairman, House Committee on Agriculture

The Honorable Bob Goodlatte
Ranking Member, House Committee on Agriculture

The Honorable Patrick Leahy
Chairman, Senate Committee on the Judiciary

The Honorable Arlen Specter
Ranking Member, Senate Committee on the Judiciary

The Honorable John Conyers, Jr.
Chairman, House Committee on the Judiciary

The Honorable Lamar S. Smith
Ranking Member, House Committee on the Judiciary

Dear Chairmen and Ranking Members:

The undersigned 211 organizations strongly urge you to make the issues of agricultural competition and market concentration a top priority as Congress considers the crafting of agricultural legislation and the next Farm Bill. During the 2002 Farm Bill debates, public testimony provided clear and compelling evidence of the need for free market competition and fairness for the nation's farmers and ranchers. Since that time these concerns have become even more urgent and prominent in the public eye.

Today, a small handful of corporations overwhelmingly dominate our food supply. The concentration of market control in the top four firms in U.S. food retailing, grain processing, red meat processing, poultry processing, milk processing, and nearly every category of food manufacturing is at an all time high. Corporate mergers and buyouts have concentrated the power of these firms and increased their ability to unfairly manipulate market conditions in their favor. This unprecedented level of horizontal market consolidation effectively eliminates free market

competition to the detriment of independent family farmers and consumers.

Compounding the problem associated with horizontal consolidation is the rapid trend toward vertical integration. Manufacturers, processors, and packers increasingly control all stages of production and inventory through commodity ownership and one-sided contracts. This corporate control of production unnecessarily eliminates market transparency, creating an environment ripe for price manipulation and discrimination. It replaces farm-level decision making with centralized corporate planning and leaves farmers trapped in long-term debts tied to short-term, non-negotiable production contracts. In addition, top retailers and packers increasingly engage in relationships with dominant suppliers that exclude smaller competitors and minimize price competition. Because both supply and demand are controlled by the same few players in the market, the basic principles of supply and demand cannot function.

A critical role of government is to ensure fairness by facilitating properly operating markets and balance in the economic relationships among farmers/ranchers, consumers and food companies. Currently, inadequate federal legislation and the lack of enforcement of anti-trust policies allow a handful of corporations to continue to consolidate market power, manipulate prices, and create anti-competitive market structures. Federal government inaction has a dramatic, negative impact on not only farmers and ranchers, but also on rural communities, the environment, food quality, food safety, and consumer prices. It undermines sustainable production practices and state and local laws that support family-scale, sustainable farm and ranch operations.

Policy makers often voice the laudable policy goals of maintaining a diverse, farm-and-ranch-based production sector and providing consumers with a nutritious, affordable food supply. However, government failure to redress industry concentration -- both vertical and horizontal -- is thwarting these policy goals and driving the earnings of farmers and ranchers down and consumer prices up.

To address these problems, we urge you to champion a strong, comprehensive Competition Title in the 2007 Farm Bill. We also ask that you co-sponsor and support any of the following measures of this comprehensive package if they are introduced as separate or combined bills and to work for speedy congressional consideration of these proposals.

• **LIMIT PACKER CONTROL/MANIPULATION OF LIVESTOCK MARKETS**

1. *Captive Supply Reform Act:* This legislation will bring secret, long-term contracts between packers and producers into the open and create a market for these contracts. The Captive Supply Reform Act would restore competition by making packers (and livestock producers) bid against each other to win contracts. Currently, formula contracts and marketing agreements are negotiated in secret, where packers have all the information and power. These formula contracts and agreements depress prices and shut small and independent producers out of markets. The Captive Supply Reform Act would require such contracts to be traded in open, public markets to which all buyers and sellers have access.

2. *Prohibition on Packer-Owned Livestock:* Meat packers such as Tyson, Cargill, and Smithfield Foods use packer-owned livestock as a major tool for exerting unfair market power over farmers and ranchers. This practice fosters industrial livestock production and freezes independent farmers

out of the markets. Packer-owned livestock has been proven to artificially lower farm gate prices to farmers and ranchers while consumer food prices continue to rise. By prohibiting direct ownership of livestock by major meatpackers, a packer ban addresses a significant percentage of the problem of captive supply which packers use to manipulate markets, and would help increase market access for America's independent producers who currently experience great restrictions in market access due in part to packer ownership of livestock.

• **INCREASE FAIRNESS IN AGRICULTURAL CONTRACTS AND MARKETS**

3. *Fairness Standards for Agricultural Contracts*: In order to address the worst abuses contained in processor-drafted contracts, legislation that provides a set of minimum standards for contract fairness is urgently needed. Such standards should include at a minimum the following:

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- (a) prohibition of the use of forced, mandatory arbitration clauses, which have been used by some packers or integrators to force growers to give up their access to the courts, even in the case of fraud, breach of contract, misrepresentation or other blatant contract abuses by the integrator or packer firm;
 - (b) clear disclosure of producer risks;
 - (c) prohibition on confidentiality clauses;
 - (d) recapture of capital investment so that contracts that require a significant capital investment by the producer cannot be capriciously canceled without compensation; and (e) a ban on unfair or deceptive trade practices, including "tournament" or "ranking system" payment.

4. *Clarification of "Undue Preferences" in the Packers & Stockyards Act (PSA)*: Packers commonly make unjustified, preferential deals that provide unfair economic advantages to large-scale agriculture production over smaller family owned and sustainable farms. Courts have found current undue preference legal standards virtually impossible to enforce. Additional legislative language is needed in the PSA to strengthen the law and clarify that preferential pricing structures (those that provide different prices to different producers) are justified only for real differences in product value or actual and quantifiable differences in acquisition and transaction costs. Specifically, we are asking to:

- (a) Make clear that farmers damaged by packer/processor unfair and deceptive practices need not prove "harm to competition" to receive a remedy.
- (b) Make clear that "pro-competitive effects" or "legitimate business justifications" are not recognized packer defendant defenses, and not necessary for farmer-plaintiffs to prove the absence of, in a court case under the PSA.
- (c) Require courts to award attorneys fees to successful producer plaintiffs under the PSA.

5. *Closing Poultry Loopholes in the Packers & Stockyards Act (PSA)*:: USDA does not currently have the authority under the PSA to bring enforcement actions against poultry dealers. Poultry producers should have the same basic enforcement protection that is offered to livestock producers when packers and livestock dealers violate the PSA. We seek legislation to clarify that USDA has authority over PSA violations involving poultry dealers in their relations with all poultry growers, including those who raise pullets or breeder hens as well as broiler producers. The PSA enforcement loophole for poultry dealers should be closed.

6. Bargaining Rights for Contract Farmers: Loopholes should be closed in the Agricultural Fair Practices Act of 1967 (AFPA) and processors should be required to bargain in good faith with producer organizations. The AFPA was enacted to ensure that livestock and poultry producers could join associations and market their products collectively without fear of retribution by processors. These goals have not been attained due to loopholes in that Act. Retaliation by processors is commonplace in some sectors. Legislation should be enacted that promotes bargaining rights and prevents processor retaliation.

• **ASSURE ADEQUATE MARKET INFORMATION AND TRANSPARENCY FOR PRODUCERS AND CONSUMERS**

7. Livestock Mandatory Price Reporting: The Livestock Mandatory Price Reporting Act of 1999 (LMPRA) requires packers, processors, and importers to provide price, contracting, supply and demand information to USDA, which then uses the information to create price reports for livestock producers. Since its implementation, bureaucratic inertia has blocked effective enforcement of the LMPRA and prevented the Act from operating to benefit independent livestock producers. The Government Accountability Office, at the request of Senators Harkin (D-IA) and Grassley (R-IA), has reviewed USDA implementation of the Act. In December 2005, the GAO issued a report documenting lengthy lag times for USDA corrections to missing or incorrect information from packers, and the failure of USDA to inform the public about violations of the Act revealed in USDA audits. The LMPRA was reauthorized in September 2006 without including GAO recommendations to improve the Act. If USDA does not implement these recommendations, Congress should amend the Livestock Mandatory Price Reporting Act in 2007 by incorporating the GAO report recommendations as legislative directives to USDA in implementing the Act.

8. Mandatory Country of Origin Labeling: Country of origin labeling (COOL) for beef, lamb, fresh fruits, fish and shellfish was passed as a provision of the 2002 Farm Bill. Mandatory COOL for the fish and shellfish commodities was implemented by USDA in April of 2005, but COOL implementation for all other commodities has been successfully stymied by the meatpackers and retailers. Country of origin labeling is a popular measure that allows consumers to determine where their food is produced and also enables U.S. producers to showcase their products for quality and safety. It also limits the ability of global food companies to source farm products from other countries and pass them off as U.S. in origin. Congress should reauthorize COOL to reiterate its benefits to producers and consumers and should provide funding to ensure that USDA undertakes immediate implementation of COOL.

In conclusion, farmers, ranchers, and consumers across the country are asking for these legislative reforms to ensure fair markets and a competitive share for family farmers and ranchers of the \$900 billion dollars that consumers pay into the food and agriculture economy annually. Market reforms remain a key ingredient for rural revitalization and meaningful consumer choice. The legislative reforms summarized above are key to achieving the goals of promoting an economically healthy and diverse agricultural production sector and providing consumers with healthy, affordable food.

Thank you.

Sincerely,



Sustainable Agriculture Coalition

Working for public policies that support the social, economic and environmental sustainability of agriculture, natural resources and rural communities.

Farming Opportunities and Fair Competition Policy Options for the 2007 Farm Bill

Why Now?

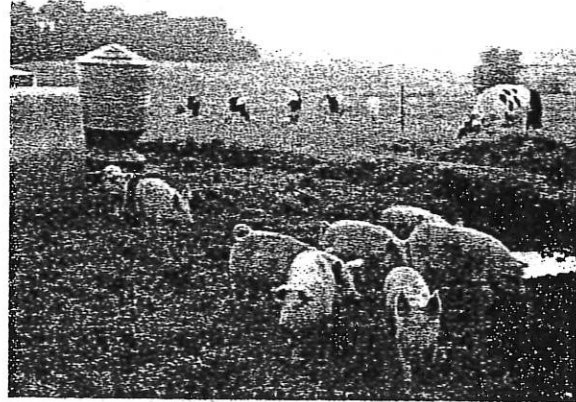
The family farm is in jeopardy. Present trends reveal the U.S. has moved to a significant extent to a dual system of agriculture. At one end of the spectrum are small, often part-time farms, producing a small percentage of all farm products and depending on non-farm income for their living. At the other end are very large farms that account for a majority of all farm product sales. In the middle, and hanging in the balance, are full-time mid-sized family farms.

Family farms matter to the viability of rural communities. Replacing midsize farms with big farms reduces middle class entrepreneurial opportunities in farm communities, at best replacing them with wage labor. The result is harmful to society.

The concentration of farms and ranches into ever larger units and the decline of agricultural self-employment are not the inevitable results of inexorable forces of nature. Rather, concentration in agricultural production is driven by decisions – policy choices and biases – that can be reversed.

What We Need

The family farm system can be strengthened by increasing farming and ranching opportunities, restoring fair competition in the marketplace, and by improving the viability and sustainability of small and moderate-sized



family farms and ranches. But to do so we need critical reforms in the 2007 Farm Bill. We need a New Farmer Initiative that will address the unique needs of a new generation of farmers and ranchers, and also those that are looking to begin again by establishing new farming systems to enter new, emerging markets. We need commodity program and payment limitation reform to stop subsidizing farm consolidation. We also need a new Competition Title to help restore openness and fairness to markets, including strengthened enforcement of the Packers & Stockyards Act and the Agricultural Fair Practices Act.

Act Now

Ask your Senators & Member of Congress to pass a new farm bill now, without delay. Urge them to support a New Farmer Initiative to foster a new generation of farmers and ranchers; commodity program reform to level the playing field for small and mid-size family farms; and a Competition Title to promote competitive and fair markets. See other side for specific proposals.

SUSTAINABLE AGRICULTURE COALITION

Farming Opportunities and Fair Competition Policy Options for the 2007 Farm Bill

Commodity Program Reform

- *Effective Payment Limitations* – The single most effective thing Congress could do to strengthen family farms is to cap subsidies to mega farms. We support effective payment limitation reform, to close the loopholes that have allowed some farms to collect seven-figure government checks each year, spurring farm consolidation and overproduction.
- *Other reforms* - We also need to stop expansion of subsidized cropping into prairie grasslands, re-orient farm support to green payments for effective conservation, improve planting flexibility, and eliminate or reduce the harmful structure of agriculture, environmental, and world food impacts of marketing loan gains and loan deficiency payments.

New Farmer Initiative

- *Beginning Farmer and Rancher Development Program* - The farm bill should fund the BFRDP to support collaborative local, state, and regionally based networks and partnerships to supply financial and entrepreneurial training, mentoring and apprenticeship programs, "land link" programs, and education and outreach activities to assist beginning farmers and ranchers.
- *Individual Development Accounts (IDAs)* - We support a pilot program for new and aspiring farmer and ranchers using special matched savings accounts to assist those of modest means to establish a pattern of savings and develop assets to get started in agriculture.
- *Beginning Farmer Land Contract Program* – The current pilot program should become a permanent nationwide program, allowing USDA to provide limited loan guarantees to private sellers who self-finance the sale of land to beginning farmers and ranchers across the country.
- *Beginning Farmer Down Payment Program* - The Down Payment Loan program should to reduce interest rates and increase the maximum allowable sales price, to reflect current market realities.
- *Conservation Incentives* - The farm bill should strengthen special conservation incentives for beginning farmers and ranchers.

Competition and Fair Agriculture Markets

- *Packers and Stockyards Act and Agricultural Fair Practices Act* - A Competition Title for the next Farm Bill should amend and strengthen the Packers and Stockyards Act (PSA) and the Agricultural Fair Practices Act (AFPA) to ensure fairness in the agricultural product market place and increase the access of farmers and ranchers to market information.
- *Office of Special Counsel* - To ensure effective and timely enforcement of these measures, we support the establishment of an Office of Special Counsel for Competition and Market Access Issues at USDA to investigate and prosecute violations.

Crop and Revenue Insurance

Whole Farm Revenue Insurance – Diversified farmers and ranchers are at a clear disadvantage when it comes to insurance because the programs that address their needs are not available nationwide. The 2007 Farm Bill should expand whole farm revenue insurance options so that they are available nationwide within the next few years to diversified crop and crop-livestock farmers.

Organic Crop Insurance - The farm bill should end the current discriminatory policies that are charging organic farmers more in crop insurance premiums and then, should they experience a drought or other disaster, paying them at convention crop prices.

Credit Title Reform

Direct farm ownership and operating loan limitations should be increased modestly, and indexed to inflation. Alternative crops and enterprises should be loan eligible.

Rosario Mora with her son, Hector. Rosario and her husband have started a farm enterprise with SAC member group ALBA in Salinas, CA.



For SAC's full Farm Bill Platform and for more information, see www.msawg.org



Sustainable Agriculture Coalition

Working for public policies that support the social, economic and environmental sustainability of agriculture, natural resources and rural communities.

Research and Extension Policy Options for the 2007 Farm Bill

Why Now?

Agricultural research and extension for sustainable and organic agriculture, public plant and animal breeding, renewable energy and conservation, minority and beginning farmer outreach and development, agricultural and rural entrepreneurship, food systems and public health, and other critical areas is drastically underfunded. The demand for sustainably produced agricultural products continues to grow, but sustainable agriculture research funding has been stagnant and even declining. Organic farming's share of federal research dollars is miniscule relative to the size of the organic sector. The situation in publicly funded plant and animal breeding is so serious that the United States is likely to lose a competitive edge if more public plant and animal breeding programs and personnel are lost. New markets, new farming practices, new business models and cooperatives, and new ideas in how to revitalize rural communities are incredible opportunities and more research in these areas is needed to take full advantage of these trends.

What We Need

The 2007 Farm Bill should establish a Farm, Food, and Rural Transitions Competitive Grants program to provide new, increased funding for integrated, inter-disciplinary, outcome-based research. A new regional Rural Entrepreneurship and Enterprise Facilitation program should be authorized and



funded by the farm bill. The minority farmer outreach and assistance program should be more adequately funded. Organic research programs should receive a fair share of USDA resources reflecting the growth and opportunity of the organic sector. Funding to improve public plant and animal breeding programs should include increases for projects that focus on crops and breeds critical to sustainable and organic systems as well as on the collection, preservation, and evaluation of germplasm collections, the foundation of our food security.

Act Now

Ask your Senators and Member of Congress to pass a new farm bill now, without delay. Urge them to support the research and extension needs of rural communities, beginning and minority farmers, organic and sustainable agriculture, public plant and animal breeding, conservation and renewable energy, and food systems and public health. See other side for specific proposals.

SUSTAINABLE AGRICULTURE COALITION
Research and Extension Policy Options for the 2007 Farm Bill

SAC advocates redirecting significant federal resources to Research Title for programs that serve the research, extension, development and business needs of small and mid-size farmers and ranchers and rural communities wishing to capture more of the food dollar and to grow small business and self employment opportunities in rural communities. Funding for research and extension to improve the way we grow and raise our products and improve markets is critical to remaining competitive in domestic and world markets and ensuring the viability of family farms and ranches. Key components of this increased investment should include:

- **Farm, Food, and Rural Transitions Competitive Grants Program** – The 2007 Farm Bill should reinstitute significant mandatory funding for outcome-based integrated, interdisciplinary research, education and extension. The program should specifically address the needs of small and mid-size farm profitability, new and beginning farmers, agricultural and rural entrepreneurship, public plant and animal breeding and genetic conservation, ecosystem services, renewable energy, conservation effectiveness, innovative rural development strategies, food system-public health interactions, and local and regional food systems development.
- **Rural Entrepreneurship and Enterprise Facilitation Program** – By creating entrepreneurial networks and partnerships, this new program would create jobs, spur community innovation, and increase the start-up rate and reduce the failure rate of small rural businesses. It would be run regionally and involve all stakeholders.
- **Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers** – This successful program should receive funding equal to its full authorized level of \$25 million a year and should emphasize outreach through community-based organizations.
- **Organic Research Portfolio** – Organic research programs at USDA should be increased dramatically to at least 2 percent of the total research

budget at USDA, consistent with the size and growth of the organic sector. Also, the Organic Production and Marketing Data Initiative should be reauthorized, with directives for the regular reporting of organic price information and other pertinent organic sector data.

- **Integrated Organic Program** – This competitive grants research and extension program should be expanded to at least \$15 million per year in farm bill funding, including increased emphasis on marketing, policy, economic research, and extension.
- **ARS National Program for Organic Agriculture** – The Agricultural Research Service should be directed to start a new national program for organic agriculture, overseen by a new National Program Leader for Organic Agriculture, with start-up funding of no less than \$20 million per year.
- **Public Plant and Animal Breeding Research** – The National Genetic Resource Program should be reauthorized. Funding to improve public plant and animal breeding programs within USDA, ARS, Land Grant and other institutions, including non-profit organizations, should include increases for projects, programs and personnel that focus on crops and breeds critical to sustainable and organic systems and funding for the collection, preservation, and evaluation of germplasm collections, including participatory farmer cooperative projects.



For SAC's full Farm Bill Platform and for more information, see www.msawg.org.



Sustainable Agriculture Coalition

Working for public policy that supports the social, economic and environmental sustainability of agriculture, natural resources and rural communities

Conservation and Environment Policy Options for the 2007 Farm Bill

Why Now?

The modern era of conservation in agriculture that began in 1985 and reached its greatest height with the 2002 Farm Bill, must now enter a new phase. The role of conservation in federal farm policy can no longer be that of a secondary option. The necessity for conservation to take a new, more primary role is the result of a confluence of factors that include soaring unmet farmer demand for conservation programs, the destructive economic pressures of traditional production subsidies, international trade rules, and the building urgency of an agro-ecosystem moving out of balance. It is time for agricultural policy to reward greater resource protection that enables continued production, rather than greater production that places our natural resources at risk. Rural America needs this shift to occur now, before any more economic and environmental ground is lost to the status quo in federal farm policy.

What We Need

An effective safety net for farmers should advance the widely-supported goals of fostering family farms and environmental enhancement. In our view, one key to this policy objective will be a comprehensive 'green payments' stewardship incentives system that includes, at its heart, an expanded and streamlined Conservation Security Program.

The farm safety net should be made available



to all types of farmers and farming systems while also rewarding innovation and the creation of public goods. Farmers can help provide healthy soils, clean water, and good habitat with the right support. The Conservation Security Program supports conservation on farms and ranches of all types in all regions, and comprehensively addresses soil, water, wildlife, energy and other resources of a healthy agricultural system. It can be complemented with strong conservation compliance rules, cooperative conservation partnerships, and the right mix of other stewardship incentive options and conservation easement programs.

Act Now

Ask your Senators and Member of Congress to pass a new farm bill now, without delay. Urge them to support the Conservation Security Program as the comprehensive, national base program for working land conservation. See other side for specific and additional proposals.

SUSTAINABLE AGRICULTURE COALITION
Conservation and Environment Policy Options for the 2007 Farm Bill

• **Conservation Security Program:** The CSP should be retained as the primary stewardship incentives program to reward superior conservation systems on land in agricultural production. An adequate and protected funding mechanism should be provided to ensure implementation of a true nationwide program serving all of agriculture on a regular basis. The payment structure should be streamlined, and environmental standards kept high, with a stronger focus on sustainable and organic farming system approaches to comprehensive conservation and environmental enhancement.

• **Cooperative Conservation Partnerships:** The current Farm Bill's Partnership and Cooperation Initiative should be reauthorized as the Cooperative Conservation Partnership Initiative and significantly be strengthened. The new CCPI will support special projects through which multiple producers will address a specific resource concern or set of resource concerns related to agricultural production in partnership with state agencies, producer associations, non-governmental organizations, and other entities. The full range of resource concerns should be eligible and the program should be administered primarily through the State NRCS offices.

• **Conservation Compliance:** The conservation compliance regime should be re-linked to the crop insurance program and expanded to cover all cropland eroding at unsustainable rates. A "sodsaver" provision should be enacted that prohibits all commodity, insurance, and conservation subsidies on all native prairie and permanent grasslands without a cropping history. Waiver guidelines should be strengthened and waivers made subject to independent review. Consideration should be given to extending compliance to cover nutrient leaching and runoff from land enrolled in the federal programs.

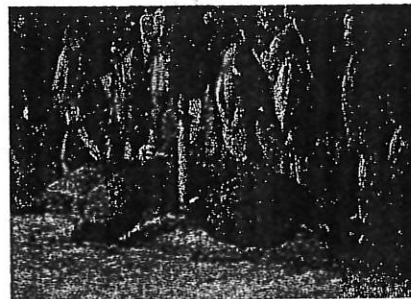
• **Conservation Title General Provisions:** The 2007 Farm Bill presents an opportunity to strengthen the entire conservation portfolio by expanding and adding non-program specific general provisions to establish some broad ground rules and create a stronger foundation for addressing critical agro-environmental issues in a more comprehensive and cost-effective fashion. As part of this effort, the Resource Conservation Act should be reauthorized.

• **Wetlands Reserve Program:** The WRP should be retained with an enrollment directive of no less than 250,000 acres per year nationwide, with a strong priority for permanent easements. We also support a directive to offer incentives to landowners to allow public access to the land as part of community development plans for hunting, fishing, hiking, birding, and other public recreational amenities.

• **Conservation Reserve Program:** CRP should be retained as a land retirement program with improvements to the environmental benefits index and inclusion of environmentally benign measures for dealing with invasive species. In light of the repeated renewal of many CRP contracts on environmentally sensitive land, we support the inclusion of voluntary long-term and permanent conservation easements on particularly environmentally sensitive land as a new CRP option. At least 7 million acres, or 20 percent of total CRP acreage, whichever is greater should be reserved for CCRP and CREP enrollment.

• **Environmental Quality Incentives Program:** EQIP should be amended to restore provisions that ensured that its overall effects on the environment are positive, including a reasonable payment limitation. The cap should not be greater than \$150,000 in any 5-year period. Payments should not be made to build or expand confined industrial livestock facilities. These measures will provide for a more equitable distribution of EQIP funding and prevent abuse.

• **Agricultural-Based Energy Conservation and Production Sustainability Criteria:** Sustainability criteria should guide all conservation and energy title programs that seek to promote renewable energy. Within each program, evaluation and ranking criteria used to make individual grants and loans should also use the same basic set of sustainability criteria.



For SAC's full Farm Bill Platform and for more information, see www.msawg.org



Sustainable Agriculture Coalition

Working for public policies that support the social, economic and environmental sustainability of agriculture, natural resources and rural communities.

Marketing and Rural Development Policy Options for the 2007 Farm Bill

Why Now?

American agriculture is experiencing a transformation. A resurgence in consumer demand for healthy and sustainably-produced food, increasing interest in local and regional markets, and rapid advances in information and farming technology—all of these factors are coalescing to form a unique set of opportunities and challenges for farmers and rural communities. The current farm bill contains some nascent programs to help farmers and rural communities tap these emerging alternative markets and new business trends, but relative to demand and opportunity, these efforts need to be greatly expanded. We must act now to ensure that farmers and rural communities will be able to tap emerging markets and new business trends.

At the same time, rural communities are looking to leverage their local resources into the entrepreneurship and small business success necessary to ensure lasting economic vitality. Revitalization of family farming and ranching should be pursued as part of a larger strategy to revitalize agricultural communities in an equitable manner that provides meaningful employment and gives people a stake in the community. Farm bill funding should help support the establishment of owner-operated farms and rural businesses. Priority should be placed on proposals that enhance self-employment opportunities for low and moderate income people and communities and also achieve lasting environmental benefits.



What We Need

We need a comprehensive set of marketing and rural development policies that will help farmers realize the potential of new markets and foster lasting rural economic revitalization. SAC and its partners have developed innovative initiatives with a documented track record of increasing sustainable family farm production and fostering rural small business development. The package includes federal support to spur value-adding enterprises, organic farming, farmers markets, and rural micro-enterprise and entrepreneurial development.

Act Now

Ask your Senators & Member of Congress to pass a new farm bill now, without delay. Urge them to support policies to foster new market opportunities, value-added agriculture, and sustainable rural development. See other side for specific proposals.

SUSTAINABLE AGRICULTURE COALITION
Marketing and Rural Development Policy Options for the 2007 Farm Bill

SAC advocates redirecting significant federal resources to programs that serve the marketing and business development needs of producers seeking to improve farm income by entering niche and value-added markets. Key components of this increased investment should include:

- **Value-Added Producer Grants Program** - The VAPG program provides assistance to independent producers to pursue market opportunities that will add value to their agricultural operations and raise their incomes. The 2007 Farm Bill should raise funding for this program to \$50 million annually, prioritize projects that improve the profitability of small and mid-sized farms and improve land stewardship, and create a new granting category for the development of value-based food supply chains serving an agriculture of the middle.
- **Organic Certification Cost Share and Organic Transition Payments** - The existing cost share program should be expanded to cover the increasing farmer demand for, and cost of, organic certification services. A new conservation-based organic transitions payment program should be enacted and funded to spur transition by providing technical and financial assistance for the adoption of organic farming-based conservation practices and systems.
- **Farmers Market Promotion Program** - The FMPP provides competitive grants to develop direct farmer-to-consumer marketing ventures, including farmers markets. FMPP should be reauthorized and allocated \$20 million in annual farm bill funding.



To revitalize our rural areas, the Rural Development Title of the 2007 Farm Bill should focus on entrepreneurial development and asset- and wealth-building for rural people and communities. The following initiatives would create a sound policy framework in which to pursue these twin goals:

- **Rural Micro-Enterprise Program** - Most new jobs in very rural areas come from small non-farm proprietorships. Micro-enterprises are businesses that employ five or fewer individuals and do not have access to the commercial banking sector. Congress nearly passed a rural micro-enterprise program in the last farm bill; the 2007 Farm Bill authorize the program and fund it at no less than \$50 million a year.
- **Community Entrepreneurial Development Program**-- The 2007 Farm Bill should create a \$75 million a year Community Entrepreneurial Development Program based on four pillars of rural economic and community development: mobilizing local leaders; capturing local wealth; energizing entrepreneurship; and attracting youth.
- **Individual Homestead Accounts**-- The 2007 Farm Bill should include an Individual Homestead Account program, funded at \$250 million annually, to invest in matched savings accounts for individuals in rural high out-migration areas to improve skills and build assets, allowing communities to institute strategies that address depopulation..

For SAC's full Farm Bill Platform and for more information, see www.msawg.org



Donn Teske
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dteske@bluevalley.net

House Ag Committee Hearing on the Farm Bill
2-14-2007
Donn Teske

Thank you Representative Faber for allowing Farmers Union the time to address the upcoming Farm Bill. We realize that the Farm Bill is a work of Congress, however it is important for our state Legislature to also know the goals of all of the segments within their state so that as issues arise our representatives know ALL of their constituents concerns.

Kansas Farmers Union believes that the following should be incorporated into the upcoming Farm Bill. It should;

- Provide an adequate safety net that is counter-cyclical and based upon the cost of production.
- Implement a strong Competition title.
- Value the environment by fully funding authorized conservation programs as they were originally envisioned.
- Fully implement Country of Origin Labeling.
- Maintain or lower payment caps; to keep more farm families on the farm!
- Provide new resources and other efforts to add differentiated value to family farmers, ranchers and fishermen for sustainability and competitiveness of specialty crops, livestock and seafood products.
- Values the less fortunate by fully funding food and nutrition programs.
- Prioritizes proactive renewable energy efforts to revitalize rural America, through farmer and rancher-owned community based projects.
- Provide tools to allow America's food and fiber producers to be competitive in the global economy through a strong competition title.

Today I would like to address specifically the Competition Title and Country of Origin Labeling.

A strong competition title is more relevant today than even at the turn of the last century when market concentration led to the formation of the Populist movement and eventually the Packers and Stockyards Act. An act that is woefully enforced!

As our nation's agriculture structure is continuing to become more concentrated market opportunities for America's producers are becoming extremely restricted. It is difficult in today's era for producers to have market access at a price that allows them the opportunity to have an effective quality-of-life from production agriculture.

HS AGRICULTURE AND NATURAL
RESOURCES COMMITTEE
2-14-2007
ATTACHMENT 2

As the markets are becoming more restricted so are the inputs. I believe the United States puts itself in significant peril when the seed, the breeding herds, the poultry flocks, etc. becomes the domain of a few. Without diversity what happens when a disease or a genetic flaw develops and the nation's entire supply source is affected? What about agri-terrorism?

Often trade talks are centered on government subsidies as the key component to unfair trade practices that are detrimental to developing nation's agricultural producers. Subsidies probably are a problem, but subsidies are a result of need. The striking thing that I hear when I visit with my farm friends from other countries is that the same Corporations that control our marketplace control theirs! They try to pit farmer-against-farmer around the world as well as here in the United States. It's not farmer fighting farmer, it's farmers around the world fighting market control!

Kansas Farmers Union very much believes that our income should come from the marketplace; however a fair price, or parity, from the marketplace is non-existent. And it's not the consumers fault either. You all, being associated with agriculture, have heard the data on just how little of the consumers' food dollar is actually spent on the commodity in the product. Often 3 cents of Wheat in a loaf of bread is quoted. Our problem is that there is no longer a true "free market." Market concentration has taken true competitiveness out of the system.

Attached is a letter to Congress on market competition from the National Campaign for Sustainable Agriculture which Kansas Farmers Union was a co-signer. I won't take your time today to read it to you, however it is strong, it is accurate, and it addresses the specific issues that need to be addressed. I do hope that you will make time to read, and absorb, the message of it in your busy schedule.

Now just a quick comment on Country of Origin Labeling.

Country of Origin Labeling is an issue whose time has come. Every other G8 nation in the world has country of origin labeling except the United States. It was passed in the current farm bill and then this administration refused to fund it.

The main issue raised against it in the rural communities was the massive cost that it was going to take to implement it. That statement wasn't true, because all imported cattle are already identified and the rest would be of U.S. sources, but this administration was going to require that all domestic animals be identified.

Now with animal ID on the horizon even that argument holds no weight. As animal ID proceeds mandatory country of origin labeling should be an intricate extension of the system. Why is the ID ending at the slaughter house?

Thank you very much for your time.



Donn Teske

ational Campaign for Sustainable Agriculture

July 29, 2005

The Honorable Bob Goodlatte, Chair
The Honorable Collin Peterson, Ranking Member
Committee on Agriculture
United States House of Representatives
Washington, DC 20515

The Honorable F. James Sensenbrenner, Jr., Chair
The Honorable John Conyers, Jr., Ranking Member
Committee on the Judiciary
United States House of Representatives
Washington, DC 20515

Re: Unfair Competition and Consolidation in Agriculture

Dear Chairmen and Ranking Members:

The hundreds of organizations signed below strongly urge you to make the issues of agricultural competition and market concentration a top priority as Congress considers the crafting of agricultural legislation. During the 2002 Farm Bill debates, public testimony provided clear and compelling evidence of the need for free market competition and fairness for America's farmers and ranchers. Since that time these concerns have become even more urgent and prominent in the public eye.

Today, a small handful of corporations overwhelmingly dominate the nation's food supply. The market control of the top four firms in food retailing, grain processing, red meat processing, poultry processing, milk processing, and nearly every category of food manufacturing is at an all time high. Corporate mergers and buyouts have concentrated the power of these firms and increased their ability to unfairly manipulate market conditions in their favor. This unprecedented level of horizontal market consolidation effectively eliminates free market competition to the detriment of independent family farmers and consumers.

Compounding the problem associated with horizontal consolidation is the rapid trend toward vertical integration. Manufacturers, processors, and packers increasingly control all stages of production and inventory through commodity ownership and one-sided contracts. This corporate control of production unnecessarily eliminates market transparency, creating an environment ripe for price manipulation and discrimination. It replaces farm-level decision making with centralized corporate planning and leaves farmers trapped in long-term debts tied to short-term, non-negotiable production contracts. In addition, top retailers and packers increasingly engage in relationships with dominant suppliers that exclude smaller competitors and minimize price competition. Because both supply and demand are controlled by the same players in the market, the basic principles of supply and demand cannot function.

The role of government should be to facilitate properly operating markets and to bring balance to the economic relationships among farmers/ranchers, consumers and food companies. Instead, inadequate federal legislation and the lack of enforcement of anti-trust policies have allowed a handful of corporations to continue to consolidate market power, manipulate prices, and create anti-competitive market structures. Government inaction has a dramatic, negative impact on not only farmers and ranchers, but also on rural communities, the environment, food quality, food safety, and consumer prices. It undermines sustainable production practices and state and local laws that support family-scale, sustainable farm and ranch operations.

Policy makers often state policy goals of maintaining a diverse, farm-and-ranch-based production sector and providing consumers with a nutritious, affordable food supply. However, government failure to redress industry concentration -- both vertical and horizontal -- is thwarting these policy goals and driving farmers' earnings down and consumer prices up.

National Campaign for Sustainable Agriculture

To address these problems, the following legislation should be enacted:

1. Prohibition on Packer-Owned Livestock: Packer-owned livestock is a major market power tool for meat packers such as Tyson, Cargill, and Smithfield Foods. This practice fosters industrial livestock production and freezes independent farmers out of the markets. Packer-owned livestock has been proven to artificially lower farm gate prices while consumer food prices continue rising. A packer ban -- prohibiting direct ownership of livestock by major meatpackers -- addresses the problem of captive supply which packers use to manipulate markets. A packer ban would help increase market access for America's independent producers who currently experience great restrictions in market access due in part to packer ownership of livestock.

2. Producer Protection Act: This proposal is designed to set minimum standards for contract fairness in agriculture. It addresses the worst abuses contained in processor-drafted boilerplate contracts. It includes: (1) Clear disclosure of producer risks; (2) Prohibition on confidentiality clauses; (3) Prohibition on binding arbitration in contracts of adhesion; (4) Recapture of capital investment (so that contracts that require a significant capital investment by the producer cannot be capriciously canceled without compensation); and (5) A ban on unfair trade practices including "tournament" or "ranking system" payment.

3. Transparency/Minimum Open Market Bill: In the absence of a mandatory minimum open market volume, all producers will be forced into unfair contracts with specific packers. This bill will require meat packers to purchase at least 25% of their daily hog and cattle needs from the open market and will limit the ability of packers to use their owned and contracted livestock to manipulate prices down artificially.

4. Captive Supply Reform Act: This legislation will bring secret, long-term contracts between packers and producers into the open and create a market for these contracts. The Captive Supply Reform Act would restore competition by making packers (and livestock producers) bid against each other to win contracts. Currently, forward contracts and marketing agreements are negotiated in secret, in a transaction where packers have all the information and power, with the result that these contracts and agreements depress prices and shut small and independent producers out of markets. The Captive Supply Reform Act would require such contracts to be traded in open, public markets to which all buyers and sellers have access.

5. Clarification of "Undue Preferences" in the Packers & Stockyards Act: Packers commonly make unjustified, preferential deals that provide unfair economic advantages to large-scale agriculture production over smaller family owned and sustainable farms. Courts have found current undue preference legal standards virtually impossible to enforce. Additional legislative language is needed to strengthen the law and clarify that preferential pricing structures (those that provide different prices to different producers) are justified only for real differences in product value or actual and quantifiable differences in acquisition and transaction costs.

6. Closing Poultry Loopholes in the Packers & Stockyards (P&S) Act: USDA does not have the authority to bring enforcement actions against poultry dealers. The P&S Act oddly omits this authority even as USDA can enforce the law against packers and livestock dealers. We seek to clarify that USDA's authority over poultry applies not only to broiler operations, but also to growers raising pullets or breeder hens. These loopholes should be closed.

7. Bargaining Rights for Contract Farmers: Loopholes should be closed in the Agricultural Fair Practices Act of 1967 (AFPA), and processors should be required to bargain in good faith with producer organizations. The AFPA was enacted to ensure that farmers could join associations and market their products collectively without fear of retribution by processors. These goals have not been attained due to loopholes in that Act. Retaliation by processors is commonplace in some sectors. This legislation should be passed to promote bargaining rights and prevent processor retaliation.

8. Mandatory Country of Origin Labeling: Country of origin labeling (COOL) was passed as a provision of the 2002 Farm Bill. This popular measure allows consumers to determine where their food is produced while allowing producers to showcase their products for quality and safety. It also limits the ability of global

National Campaign for Sustainable Agriculture

food companies to source farm products from any country while passing them off as U.S. in origin. The meat packers and retailers have successfully stymied the effort to implement this law. Congress should immediately implement COOL to benefit producers and consumers as intended in the law.

Our country's farmers, ranchers, and consumers—both rural and urban—are asking for nothing more than a fair market and a competitive share for family farmers of the \$900 billion dollars that consumers insert into the food and agriculture economy annually. Market reforms remain a key ingredient for rural revitalization and meaningful consumer choice. Laws to promote fairness and healthy competition, such as those outlined above, are key to achieving the goal of promoting an economically healthy and diverse agricultural production sector and providing consumers with healthy, affordable food.

Sincerely,

NATIONAL ORGANIZATIONS

Alternative Energy Resources Organization
American Corn Growers Association
American Raw Milk Producers Pricing Association
Animal Welfare Institute
Campaign for Contract Agricultural Reform
Campaign for Family Farms & the Environment
Center for Rural Affairs
Community Food Security Coalition
Corporate Agribusiness Research Project
Defenders of Wildlife
Earth Cluster of Franciscans International
Farm Aid
First Nations Development Institute
Food First
FoodRoutes Network
Global Exchange
GRACE Public Fund
Grassroots International
Humane Society of the United States
Independent Organic Inspector's Assoc.
Institute for Agriculture and Trade Policy
Justice and Witness Ministries, United Church of Christ
Land Stewardship Project
National Assoc. of Latino/Hispanic Farmers and Ranchers
National Campaign for Sustainable Agriculture
National Catholic Rural Life Conference
National Center for Appropriate Technology

NATIONAL ORGANIZATIONS

National Contract Poultry Growers Association
National Family Farm Coalition
National Farmers Organization
National Farmers Union
Organic Consumers Association
Organic Farming Research Foundation
Organization for Competitive Markets
Oxfam America
Public Citizen
RAFI-USA
R-CALF United Stockgrowers of America
Sierra Club National Agriculture Committee
Small Farm Today
Small Planet Institute
Soybean Producers of America
Sustainable Agriculture Coalition
The Urban Agriculture Network
Union of Concerned Scientists
Weston A. Price Foundation
Women, Food and Agriculture Network
World Hunger Year

REGIONAL ORGANIZATIONS

Agriculture of the Middle
Appalachian Sustainable Development
Concerned Citizens of Central Ohio
Delmarva Poultry Justice Alliance
Federation of Southern Cooperatives/Land Assistance Fund
Midwest Organic and Sustainable Education Service
Michael Fields Agricultural Institute (WI)
New England Small Farm Institute
Northern Plains Resource Council

REGIONAL ORGANIZATIONS

Rocky Mountain Farmers Union
Southern Institute for Justice (MS)
Southern Sustainable Agriculture Working Group
Western Organization of Resource Councils
Western Sustainable Agriculture Working Group
Action for a Clean Environment (GA)
Agricultural Missions (NY)
Agriculture & Land Based Training Association (CA)
Alabama Contract Poultry Growers Association

State and Local Organizations

Alaska Farmers Union
Alm Hill Gardens (WA)
Alliance for Sustainable Communities (MD)
Amanecer, Inc. (TX)
American Agricultural Movement of Texas
Appalachian Crafts (KY)
Archdiocese of Dubuque Rural Life Office (IA)
Arkansas Farmers Union
Berkeley Farmers Market (CA)
Bottega Restaurant(AL)
Boulder County Farmers Markets(CO)
Bronx Greens (NY)
Brykill Farms (NY)
C.A.S.A. del Llano (TX)
California Certified Organic Farmers
California Coalition for Food and Farming
California Dairy Campaign
California Farmers Union

National Campaign for Sustainable Agriculture

- Caretaker Farm CSA (MA)
 Catholic Charities of Kansas City-
 St. Joseph, Inc. (MO)
 Catholic Charities Parish Social Ministry
 Dept, Archdiocese of Louisville KY
 Catholic Charities, Diocese of Sioux City
 (IA)
 Catholic Rural Life, Archdiocese of
 Dubuque (IA)
 Chemung County Council of Churches
 (NY)
 Chez Fonfon Restaurant (AL)
 Church Women United of Chemung
 County, NY
 Church Women United of New York
 State
 Churches' Center for Land and People
 (WI)
 Citizens Action Coalition (Indiana)
 CitySeed (CT)
 Colorado Genetic Engineering Action
 Network
 Commission on Peace and Justice of the
 Roman Catholic Diocese of Albany (NY)
 Commodity Growers Cooperative (KY)
 Community Action Resource Enterprises
 (OR)
 Community Alliance with Family Farmers
 (CA)
 Community Farm Alliance (KY)
 Cornucopia Institute (WI)
 Court St Joseph #139, Catholic Daughters
 of the Americas, Corning-Elmira, NY
 Dakota Resource Council
 Dakota Rural Action
 De Comunidad a Comunidad (Community
 to Community Development) (WA)
 Delta Land and Community (AR)
 Diocese of Jefferson City (MO)
 East End Community Organic Farm (NY)
 Ecological Farming Association (CA)
 Ecology Ministry, Social Justice Office,
 Archdiocese of Santa Fe (NM)
 Endangered Habitats League (CA)
 Environmental Action Committee of
 Westmar (MO)
 Faces of Food (MO)
 Family Farm Defenders (WI)
 Family Farms for the Future (MO)
 Farm to City Pittsburgh (PA)
 Farmer Johns Organic Produce (NJ)
 FH King Students of Sustainable Agriculture
 at UW Madison (WI)
 Florida Organic Growers and Consumers
 Foodshed Alliance of the Ridge and Valley
 (NJ)
 FORGE, Inc (AR)
 Future Harvest - CASA (MD)
 Genesis Farm (NJ)
 Georgia Organics
 Georgia Poultry Justice Alliance
- Go Wild Campaign (WA)
 Good to Go Foods (NE)
 Grass-Roots (NY)
 Grassworks (WI)
 Heartland Center, Office of Peace and Social
 Justice, Diocese of Gary (IN)
 Highlands Bar and Grill (AL)
 Hmong American Committee (CA)
 Horseheads Grange #1118 (NY)
 Idaho Rural Council
 Illinois Farmers Union
 Illinois Stewardship Alliance
 Indiana Campaign for Economic Justice
 Iowa Citizens for Community Improvement
 Iowa Farmers Union
 Jackson County, WI Democratic Party
 Just Food (NY)
 Kansas City Food Circle (MO)
 Kansas Farmers Union
- Kansas National Farmers Organization
 Kansas Rural Center
 Kirschenmann Family Farms (IA)
 Ladies of Charity of Chemung County (NY)
 Maine Organic Farmers and Gardeners
 Association
 Maysie's Farm Conservation Center (PA)
 Michaela Farm (IN)
 Michigan Farmers of Union-Kent County
 Michigan Farmers Union
 Michigan Land Trustees
 Mid Nebraska Pride
 Minnesota Farmers Union
 Minnesota Food Association
 Minnesota Project
 Minority Agriculture Producers Co-op (TX)
 Missouri Farmers Union
 Missouri Organic Association
 Missouri Rural Crisis Center
 Montana Farmers Union
 Nature's International Certification Services
 (WI)
 Nebraska Farmers Union
 Nebraska Sustainable Agriculture Society
 Nebraska Wildlife Federation
 New Entry Sustainable Farming Project
 (MA)
 North Carolina Contract Poultry Growers
 Association
 North Dakota Farmers Union
 Northeast Organic Farming
 Association/NY
 Northeast Organic Farming
 Association/Vermont
 Northern Thunder (WI)
 Northwest Coalition for Alternatives to
 Pesticides (ID)
 Office of Peace & Justice, Diocese of Gary
 (IN)
 Ohio Ecological Food and Farm Assoc.
 Ohio Environmental Council
 Operation Spring Plant, Inc. (NC)
 OR Sustainable Agriculture Land Trust
- Past Regents Club of the Diocese of
 Rochester NY
 PCC Natural Markets
 Pennsylvania Association for Sustainable
 Agriculture
 Platte County Farm Bureau (NE)
 Politics of Food Program, Inc. (NY)
 Powder River Basin Resource Council (WY)
 Provender Alliance (OR)
 Red Tomato (MA)
 Research, Education, Action and Policy on
 Food Group (WI)
 Rhio's Raw Energy (NY)
 Ross' Creek Farm (KY)
 Rural Vermont
 Save Family Farms & Ranches (SD)
 Seedcom (NY)
 Shinn Estate Vineyards (NY)
 Sisters of Providence, St. Marys of-the-
 Woods (IN)
 Sisters of St. Francis of Tiffin, OH
 Slo Buy Fresh Buy Local (CA)
 Small Farm Resource and Training Center
 (CA)
 Social Concerns Department, Catholic
 Charities, Diocese of Sioux City, IA
 Social Concerns Office of the Diocese of
 Jefferson City (MO)
 South Dakota Farmers Union
 Southern Research & Development Corp.
 (LA)
 Sprout Creek Farm
 St. Joseph's Catholic Church in Easton
 (MD)
 St. Matthew's Episcopal Church, Iowa Falls,
 Iowa
 Sustainable Earth (IN)
 Sustainable Food Center (TX)
 Sustainable Lancaster (PA)
 The Second Chance Foundation (NY)
 Watershed Alliance of South Kent (CT)
 Texas Farmers Union
 Three Roods Farm (MI)
 Tilt Producers of Washington
 Trappe Landing Farm & Native Sanctuary
 (MD)
 Tree Roots Buying Club (MI)
 Tufts Food Awareness Project (MA)
 Tuscarora Organic Growers Cooperative
 (PA)
 Urban Nutrition Initiative (PA)
 Valley Stewardship Network
 Valley Watch, Inc. (IN)
 Veritable Vegetable (CA)
 VA Association for Biological Farming
 Washington Farmers Union
 Washington Heights Little Seed Gardens
 CSA (NY)
 Wellspring CSA in Wisconsin
 Western Colorado Congress
 Willow Creek Farm (WI)
 Winter Garden Sustainable Agriculture
 Coalition (TX)

Zach Goodmyer

Zach Goodmyer

Cattle Competition issues.

My name is Allan Sents. I am currently the president of Kansas Cattlemen's Assoc.

This year cattle producers have an unprecedented opportunity to address marketing issues through the Farm Bill. Some Legislators are exploring the possibility of a cattle chapter. This chapter would address current weaknesses in the Packers and Stockyards Act. The continued concentration in the cattle and beef industries is being driven not by economic efficiencies. Instead it is increasingly driven by an effort to reduce or eliminate competition. As a result, independent operations have been and will continue to be forced out of business, not because they lack operating efficiency, but instead they will be refused equal access to the market. A cattle chapter to the Farm Bill may involve contractual fairness standards, limits to captive supply by the packer and clarify the P & S rules about preferential treatment in the marketplace. These needed reforms have not had a serious debate for almost 100 years, a debate obviously overdue as farm share of the beef dollar shrinks while packer concentration increases.

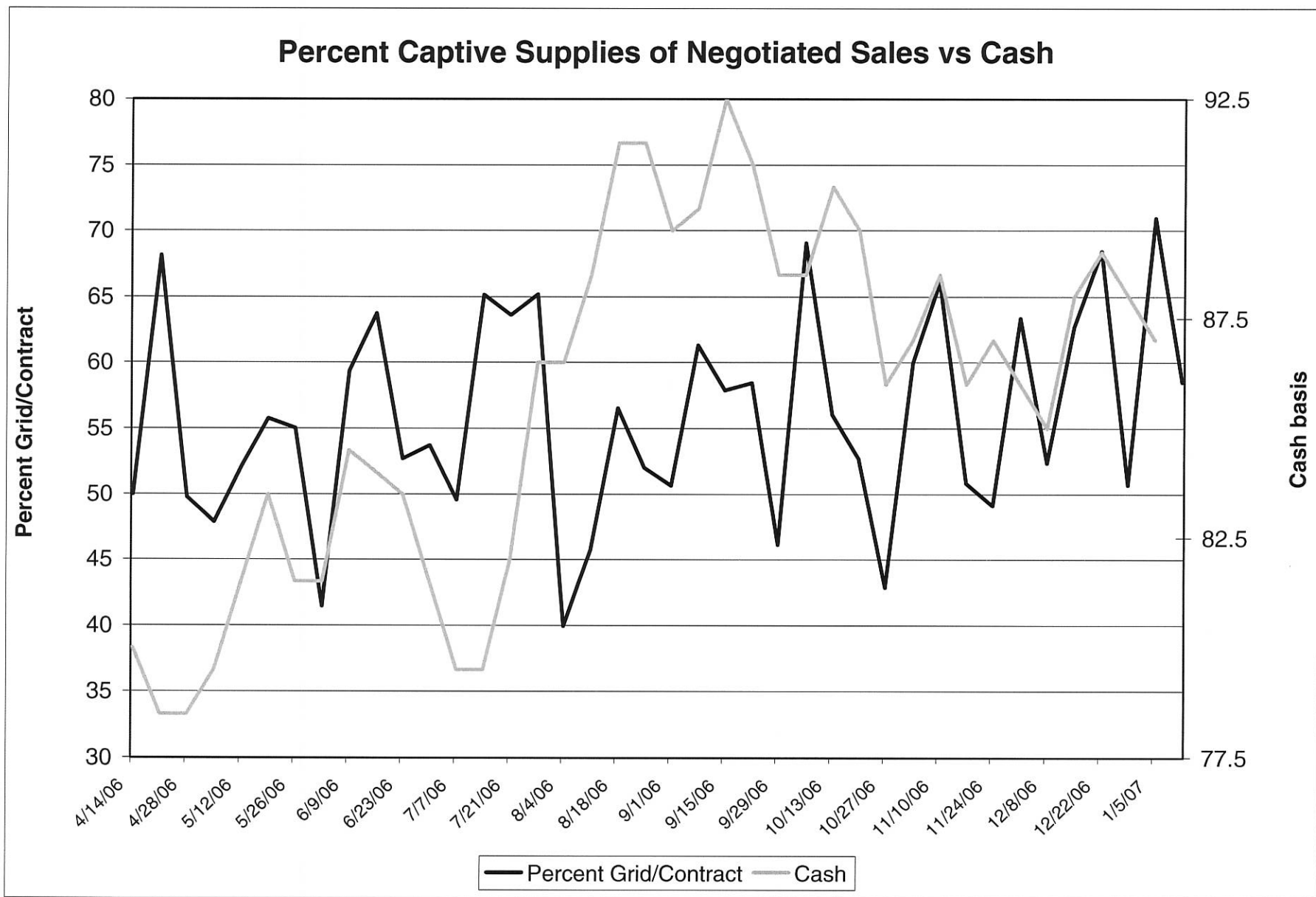
Mandatory price reporting was implemented in a way to provide unwarranted packer protection and cumbersome methods. The practice needs to be changed to allow public knowledge of all prices regardless of volume or participant.

Along with my testimony I'm enclosing two charts from USDA. Both of these charts show the effects of captive supply on cattle prices.

Thank you for your time.

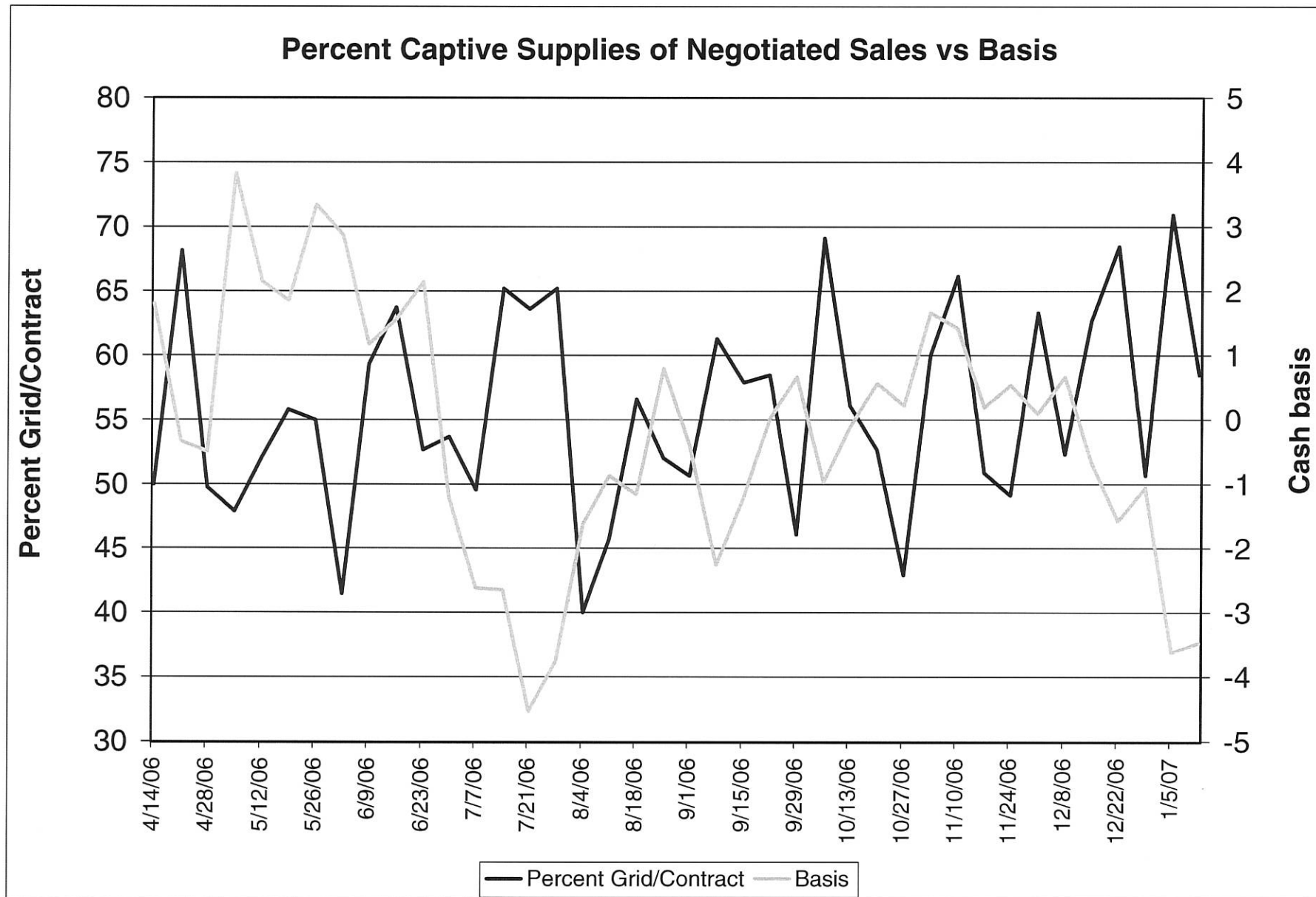
Allan Sents

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3-X



The information contained herein is based on data obtained from outside sources believed to be reliable. However, such information has not been verified by us and we do not make any representations as to the accuracy or completeness Source: USDA

3
3-2



The information contained herein is based on data obtained from outside sources believed to be reliable. However, such information has not been verified by us and we do not make any representations as to the accuracy or completeness. Source: USDA

Testimony Regarding COOL in the Farm Bill

In the 2002 Farm Bill, mandatory country of origin labeling requires a label on meat products stating where the animal was born, raised, and processed. Labeling was to take effect in September 2004, but opponents of mandatory labeling have stalled funding and delayed its implementation.

Anything other than an implemented mandatory system is ineffective. Consumers have the right to know where their food is coming from. Producers have the right to distinguish their livestock as products of the United States.

Last month, Rep. Denny Rehberg (R-MT) introduced legislation that would move up the implementation date of mandatory country of origin labeling from September 2008 to September 2007.

Implementation of Country of origin labeling would provide consumers with distinction between U.S. and foreign beef. The U.S imports millions of cattle and billions of pounds of beef every year. In 2004 U.S. imports were 1.37 million head. In 2005, 1.815 million head were imported into the United States. Importation of foreign cattle and beef keeps rising. 3.005 billion pounds of beef and veal were imported in the U.S. in 2003. In 2005, it had risen by 594 million pounds.

COOL is a marketing tool, however, the U.S. is being scrutinized by international markets due to foreign animal diseases. Eight cases of BSE have been found in Canada since 2003. Japan has confirmed its 32nd case of BSE. In 2006, U.S. exports were down 51.3 % from 2003. Since re-opening its border to U.S. beef last year, South Korea has halted shipments from a number of plants across the United States. Nineteen countries still have a ban on U.S. beef. Those countries include Argentina, Australia, Belize, Bolivia, Brazil, Brunei, China, Ecuador, the French Pacific Islands, Indonesia, Israel, Kenya, New Zealand, Qatar, Romania, South Africa, Turkey, Uruguay, and Venezuela.

How is the international market going to be able to distinguish which products are born, raised, and processed in the United States, and which products are imported here and sold, misleading consumers. The U.S. could potentially lose its entire international market. Country of Origin labeling will let the international community know where their beef comes from.

U.S. producers, Kansas producers, raise the safest and highest quality product in the world.

According to the United States Department of Agriculture's results of the nationwide beef checkoff survey, "Ninety-two (92) percent of those surveyed would strongly agree or somewhat agree that "if it were possible, all or at least some portion of the Beef Checkoff dollars should be used to promote only U.S.

born and raised beef." Even if promoting only U.S. born and raised beef meant canceling the checkoff assessment on imported beef and beef products, 75.4 percent of the survey respondents still strongly or somewhat agree that a portion of the checkoff dollars should be used to promote only U.S. beef. Currently, about \$8 million or 10 percent of the total assessments collected comes from imports."

The U.S. government and U.S. producers can be relieved from the cost burden to implement COOL. By removing cattle from the J-List, COOL will automatically be implemented.

Kansas Cattlemen's Association is asking you for 2 things regarding COOL. We are asking you for a resolution that would support implementation of mandatory country of origin labeling by September 2007, and we are asking you for a bill to implement country of origin labeling within the state of Kansas, a bill that requires retailers to provide a placard listing the country of origin for fresh cuts of beef, pork, poultry, and lamb.

In 2005, the Montana Legislature enacted the Country of Origin Placarding Act, House Bill 406, which is similar to what we, as producers, are asking you to do.

Chairman, members of the House Agriculture Committee, Kansas Cattlemen's Association appreciates the opportunity to give testimony today, and I would be happy to answer any questions on behalf of the association.

Shively

Candy Shively

Kansas Department of

Social and Rehabilitation Services

Don Jordan, Secretary

House Agriculture and Natural Resources Committee
February 14, 2007

Food Assistance (Food Stamp) Program Update



For additional information contact:
Public and Governmental Services Division
Kyle Kessler, Deputy Secretary

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HS AGRICULTURE AND NATURAL
RESOURCES COMMITTEE
2-14-2007
ATTACHMENT 5

**Kansas Department of Social and Rehabilitation Services
Don Jordan, Secretary**

**House Agriculture and Natural Resources
February 14, 2007**

Food Assistance (Food Stamp) Program Update

Mr. Chairman and members of the Committee, thank you for the opportunity to brief you on the Food Stamp Program. My name is Candy Shively, Deputy Secretary of Integrated Service Delivery for the Department of Social and Rehabilitation Services. The Food Stamp Program is a Federal program administered by the agency that provides a monthly benefit to eligible low-income households to assist them in purchasing food for home consumption. The program is administered at the Federal level by the United States Department of Agriculture (USDA). In Kansas, we also call the Food Stamp Program the Food Assistance Program.

Eligibility for the Food Stamp Program is based on financial and non-financial factors. With certain exceptions, a household that meets the eligibility requirements is qualified to receive benefits. Generally households with income below 130% of federal poverty and with no more than \$2000 in countable assets can qualify for the program. Households with at least one member who is 60 or older can have up to \$3000 in assets. A household is defined as a single individual or group of individuals who live and eat together. Many able-bodied, childless, unemployed adults have time limits on their receipt of food stamp benefits.

In Kansas, the program currently serves 184,000 persons, of which 47% are children. The average monthly benefit per person is \$85.61, and the average benefit per household is \$190.00. Benefits are issued electronically on the Vision card. In FY 2006, the State issued a total of \$185,134,708. These benefits are spent at local grocery stores, farmers markets and other stores in Kansas to purchase food for home consumption. Only food, and plants/seeds to grow food can be purchased with food stamp benefits.

Although we are reaching more and more households eligible for food stamp benefits, SRS estimates that we are only serving approximately 64.5 percent of the statewide low-income population that would qualify for food stamps. This participation rate varies statewide from a high of 85 percent in Sedgwick and Cherokee counties to a low of 20-24 percent in Gove and Greeley counties respectively. The attached map shows the estimated participation rates for SFY 2006 for all counties of Kansas. The most current official participation rate for Kansas from the United States Department of Agriculture is 55% which is from FY 2003.

The USDA estimates that every \$5 in new food stamp benefits generates \$9.20 in economic activity. If Kansas increased participation by 5%, that would result in a yearly food stamp benefit increase of \$8.2 million and generate an additional \$15.1 million in economic activity. There are many benefits to increasing participation in the Food Stamp Program including helping more low income families with their food and nutrition needs as well as transition to self-sufficiency. In addition, the increased food buying power generated by the program generates economic activity, supports the local and state economy, and supports farming in Kansas.

The Food Stamp Program is due for reauthorization in 2007. The vehicle for reauthorization is the Farm Bill. The Administration released its proposals for the Farm Bill on Wednesday, January 31st. Changes proposed by the President to the Food Stamp Program include eligibility improvements such as excluding retirement savings accounts when determining eligibility and eliminating the current cap on the dependent care deduction. There are also increased restrictions especially in the area of program integrity through added sanctions related to error rates. Kansas has joined a majority of States in supporting further improvements to the program including increasing the minimum allotment for one and two person households to enhance benefits and program access for the elderly and persons with disabilities, further reforming the Food Stamp quality control (QC) system, and strengthening nutrition education initiatives.

Overall the Food Stamp Program in Kansas is an effective and critical support program for low income citizens. I will be happy to stand for questions.

**Kansas Department of Social and Rehabilitation Services
Integrated Service Delivery
Economic and Employment Support Services**

Estimated Food Stamp Participation Rate by County in SFY2006

Data Sources: Monthly MR600 Reports / US Census Bureau / EES & Other Economic Indicators

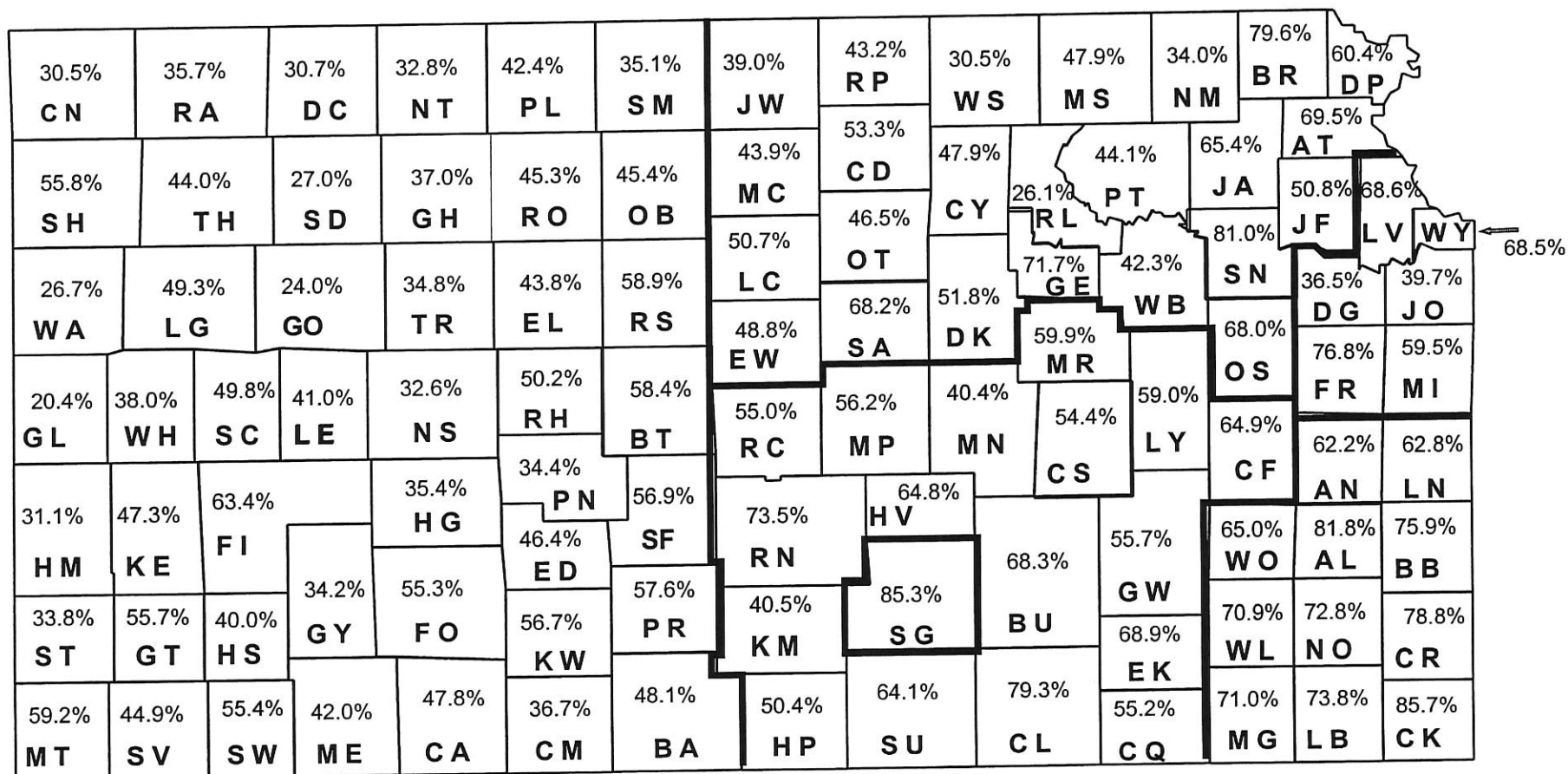
July 28, 2006

County	Average Monthly Number of FS Participants	Estimated Food Stamp Participation Rate
Allen	1,590	81.8%
Anderson	626	62.2%
Atchison	1,342	69.5%
Barber	275	48.1%
Barton	1,977	58.4%
Bourbon	1,638	75.9%
Brown	1,061	79.6%
Butler	3,509	68.3%
Chase	171	54.4%
Chautauqua	315	55.2%
Cherokee	2,746	85.7%
Cheyenne	89	30.5%
Clark	119	47.8%
Clay	428	47.9%
Cloud	572	53.3%
Coffey	518	64.9%
Comanche	65	36.7%
Cowley	3,717	79.3%
Crawford	4,456	78.8%
Decatur	108	30.7%
Dickinson	915	51.8%
Doniphan	546	60.4%
Douglas	4,362	36.5%
Edwards	170	46.4%
Elk	318	68.9%
Ellis	1,224	43.8%
Ellsworth	256	48.8%
Finney	3,300	63.4%
Ford	2,180	55.3%
Franklin	1,968	76.8%
Geary	2,316	71.7%
Gove	69	24.0%
Graham	112	37.0%
Grant	434	55.7%
Gray	182	34.2%
Greeley	26	20.4%
Greenwood	546	55.7%
Hamilton	96	31.1%
Harper	378	50.4%
Harvey	1,902	64.8%
Haskell	183	40.0%
Hodgeman	66	35.4%
Jackson	812	65.4%
Jefferson	749	50.8%
Jewell	156	39.0%
Johnson	9,691	39.7%
Kearny	212	47.3%
Kingman	347	40.5%

Kiowa	189	56.7%
Labette	2,251	73.8%
Lane	69	41.0%
Leavenworth	3,851	68.6%
Lincoln	184	50.7%
Linn	744	62.8%
Logan	128	49.3%
Lyon	2,660	59.0%
Marion	472	40.4%
Marshall	484	47.9%
McPherson	1,257	56.2%
Meade	194	42.0%
Miami	1,412	59.5%
Mitchell	279	43.9%
Montgomery	3,426	71.0%
Morris	344	59.9%
Morton	191	59.2%
Nemaha	316	34.0%
Neosho	1,562	72.8%
Ness	91	32.6%
Norton	179	32.8%
Osage	1,114	68.0%
Osborne	215	45.4%
Ottawa	228	46.5%
Pawnee	245	34.4%
Phillips	252	42.4%
Pottawatomie	770	44.1%
Pratt	563	57.6%
Rawlins	110	35.7%
Reno	5,695	73.5%
Republic	242	43.2%
Rice	630	55.0%
Riley	2,047	26.1%
Rooks	266	45.3%
Rush	188	50.2%
Russell	465	58.9%
Saline	3,815	68.2%
Scott	175	49.8%
Sedgwick	47,064	85.3%
Seward	1,788	55.4%
Shawnee	15,071	81.0%
Sheridan	73	27.0%
Sherman	457	55.8%
Smith	150	35.1%
Stafford	324	56.9%
Stanton	88	33.8%
Stevens	256	44.9%
Sumner	1,721	64.1%
Thomas	344	44.0%
Trego	124	34.8%
Wabaunsee	220	42.3%
Wallace	56	26.7%
Washington	194	30.5%
Wichita	105	38.0%
Wilson	918	70.9%
Woodson	289	65.0%
Wyandotte	17,443	68.5%
State Totals:	182,821	64.5%

Kansas Department of Social and Rehabilitation Services Integrated Service Delivery Economic and Employment Support

Estimated Food Stamp Participation Rates in SFY2006 July 2006



USDA Food Stamp Participation Rate for Kansas in 2003: 55.0%

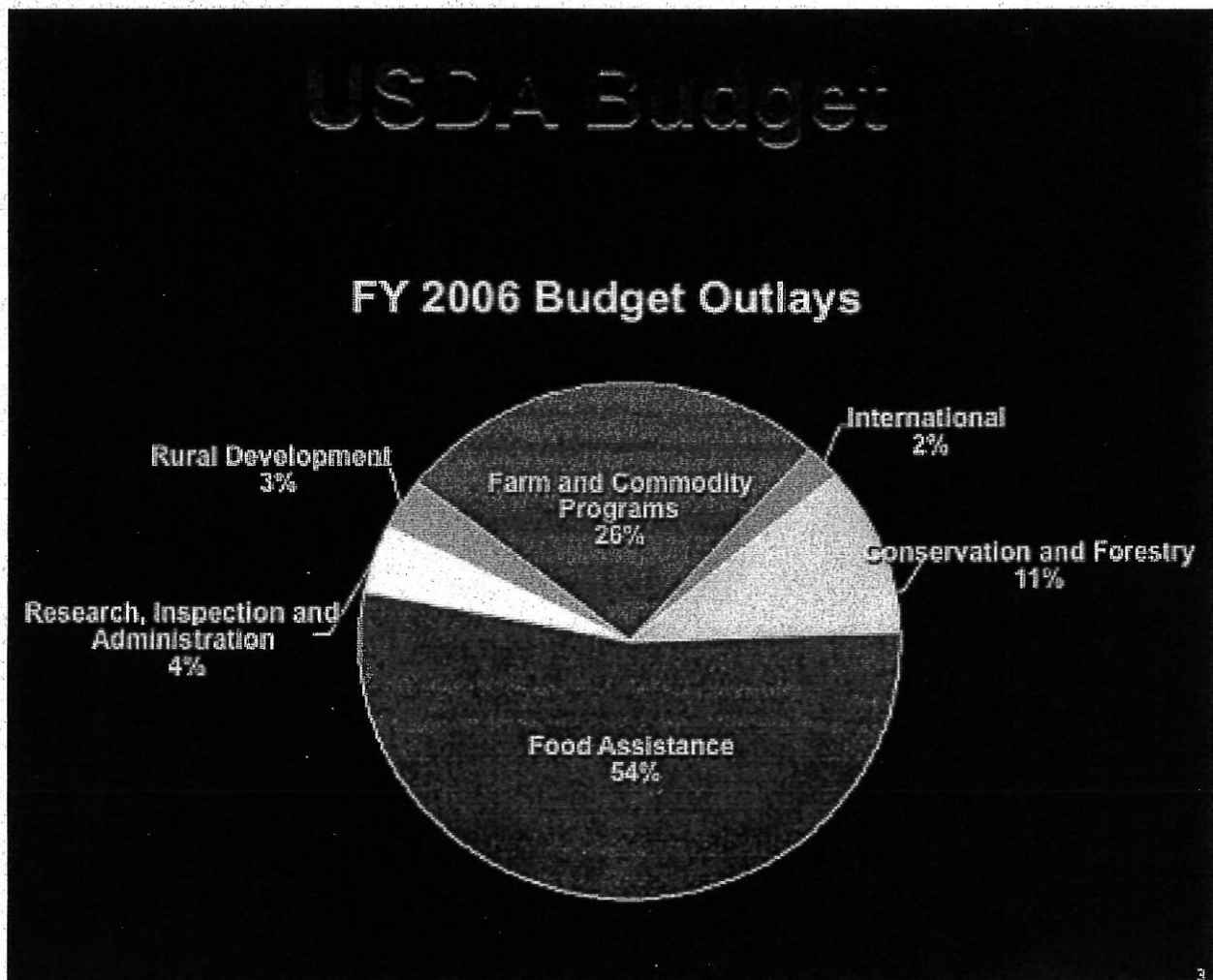
Estimated FS Participation Rate for Kansas in 2006: 64.5%

USDA National Food Stamp Participation Rate in 2003: 56.0%

NOTE: Counties with estimated FS participation rate below 50.0% are displayed in red..

Links pertaining to the testimony of Dan Nagengast at the House Agriculture Committee Farm Bill Hearing, Feb. 14, 2007, 3:30 p.m.

2006 USDA BUDGET OUTLAYS - FARM BILL



-From USDA Rural Development Power Point Presentation. Undersecretary Thomas Dorr, February 2007

2006 ENERGY EFFICIENCY GRANTS FROM USDA

Renewable Energy and Energy Efficiency Grants (e.g. 9006 grants)

<http://www.rurdev.usda.gov/rbs/farbill/>

9006 Grant Recipients listed by States for the Year 2006

<http://www.rurdev.usda.gov/rd/newsroom/2005/9006GrantRecipients.pdf>

2006 VALUE ADDED PRODUCER GRANTS FROM USDA

USDA Value Added Producer Grants (e.g. VAPG)

<http://www.rurdev.usda.gov/rbs/coops/vadg.htm>

2006 VAPG Grant Recipients by State

<http://www.rurdev.usda.gov/rbs/coops/VAPG%202006%20Recipient%20List.pdf>

FOOD STAMP PARTICIPATION RATES AND THE BUSINESS CASE

Food Stamp Participation Rates by State

<http://www.fns.usda.gov/oane/MENU/Published/FSP/FILES/Participation/Reaching2004Summary.pdf>

Business Case for Increased Food Stamp Enrollment

<http://www.fns.usda.gov/fsp/outreach/business-case.htm>

State by State Food Stamp Benefits with a 5% Increase

http://www.fns.usda.gov/fsp/outreach/pdfs/bc_table.pdf

News Release concerning H&R Block/SRS collaboration to promote Food Stamp Applications

<http://biz.yahoo.com/bw/070102/20070102005070.html?.v=1>

Doug Wildin & Associates



Ranch Brokers

John C. Wildin
Associate Broker

1 North Main, Suite 517 • Hutchinson, KS 67501
(620) 662-0411 (24 Hours) Fax: (620) 662-2521

TESTIMONY OF DOUG WILDIN REGARDING HB 2391, A PROPOSAL TO INCREASE THE WHEAT TAX MILL LEVY, PRESENTED TO THE KANSAS HOUSE OF REPRESENTATIVES AG & NATURAL RESOURCES COMMITTEE Feb. 13, 2007

Thank you Chairman Faber and your Committee for allowing me to present a number of good reasons for the Legislature NOT TO APPROVE a WHEAT TAX INCREASE.

My name is Doug Wildin. I sell large farms and ranches for a living and farm for a hobby – hobby farming was not my intent (and still is not!) when I started farming but when a business sells what it produces below the actual cost of production, that business is more accurately described as a hobby rather than a business.

As a member of the Kansas Wheat Commission from Oct. 29, 1992 until June 30, 1995, it became very evident to me that until the Kansas Wheat Commission demonstrates that they will do a much more effective job of using current wheat tax funds in a manner which will substantially improve wheat prices, they should not be given an increase in funding.

For example, a major portion of Kansas wheat tax funds go to the US Wheat Associates which they are supposed to use to increase wheat export sales into the world market. But WHAT BENEFIT is it to wheat producers for US Wheat Associates to spend millions of wheat tax dollars selling US wheat BELOW the COST of production prices, and use up our water and soil fertility to grow that wheat?

And while the stated intent of the USWA is to increase wheat exports, in the 10 year period from 1983 to 1992, the US SHARE of the world wheat market DROPPED 20%, yet the funding for USWA during that 10 year period more than DOUBLED, and the SALARIES of the 19 employees in USWA's Washington office INCREASED 40% in just the last 5 years of the drop in export sales! (verification attached)

But USWA has a way of convincing Kansas Wheat Commission members to continue that ridiculous funding: Nov. 1993, one KWC member was given a 19 day, all expense paid first class trip to Asia. Then 3 months later, another KWC member was given a 17 day, all expense paid first class trip to Latin America, EACH OF WHICH was hosted by the USWA. What do you supposed USWA let KWC board members see they didn't want them to see? But they must have had a fun time using the wheat tax from fellow farmers and going to good shows, eating in exotic restaurants, etc. because they voted after they returned to keep full funding for USWA, in spite of the poor performance of USWA.

HS AGRICULTURE AND NATURAL
RESOURCES COMMITTEE

2-14-2007

ATTACHMENT 7

We SELL • Large Farms • Ranches • Feedyards • E'

And I recently heard a member of the KWC state he was not producing wheat below his cost of production. He was deceiving himself as well as everyone else because he was obviously using land costs, equipment costs, fuel costs, etc. of 10 or 20 years ago because you CANNOT use TODAY'S land, equipment, fuel costs, etc. and accurately say you are breaking even, much less making a profit!

With the PURCHASING POWER of a bushel of wheat being nearly the lowest it's been in history, there simply is NO WAY a young farmer can start from a scratch and make a go of farming. So who is going to do the farming 20 or 30 years down the road? Do you want to have to depend on highly unstable imports of grain?

Since farmers have absolutely nothing to say about the prices they receive for what they produce and with the ever increasing gap between the prices they receive and the prices they have to pay to farm, they MUST have a way to PRICE what they produce. It's way past time for KWC to step up and make a genuine, diligent effort to help farmers come up with a method to obtain higher wheat prices rather than go crawling to Washington with endless begging for another subsidy.

Clear back in Aug. 9, 1992, the KWC passed a motion directing K-State to "expedite and aggressively pursue the development of a pricing system for wheat and other farm commodities to replace the 100-plus-year-old pricing system which obviously is not working properly". But nearly 15 years later, K-State has not presented a plan nor have we heard of any effort by KWC in all those years to push K-State to develop a pricing system, using the sophisticated computer systems & electronic equipment we have today.

In 1984, W. W. Graber, the first KWC Administrator from 1957-1963, proposed a logical and fair two-price system for wheat consumed in the US to be priced at 90% of parity. And that was at a time when the cost/price squeeze was not nearly as severe as is today. Furthermore, a two-price system would eliminate the need for price supports.

Diligent support and promotion of a two-price system by the KWC is another way KWC could be investing Kansas wheat tax funds to genuinely demonstrate wise use of wheat tax funds. And surely no one feels that an increase in the price of only 10 cents per loaf would be a problem for consumers.

There are also a number of ways KWC could demonstrate wise use of funds: for example, last year there was drought in several wheat producing nations and a little-publicized report stated that world wheat supplies were at a 20-year low. But we never heard one word from KWC as to what those supplies actually were. If the report was true, KWC should have expressed major concern over the fact that wheat only reached about \$5.00 per bushel – but, we never heard one word out of them!

And rather than spending millions trying to export wheat at bargain-basement prices, another logical use for KWC wheat tax funds would be to make every effort to increase US consumption since the US is the most dependable and wealthy nation in the world, If the US consumption of wheat was increased by only one pound per year (or one loaf) that would give producers a market for 5 million bushels of wheat!

While some may say increasing the wheat tax won't amount to many dollars per producer, the issue is why provide additional taxes to fund an organization that is not using current taxes to the highest and best use.

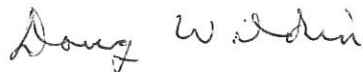
I've called for my tax refunds since being on the KWC as refunds are the most effective way for producers to convey the message to KWC that they are not using wheat tax funds for the maximum benefit and effectiveness for wheat producers.

Recently the Kansas of Wheat Growers moved in with the Kansas Wheat Commission (which was not the original intent of the wheat check-off and should be illegal). It's ridiculous for KWC share wheat tax funds with KAWG because one wheat official told me KAWG had done such a poor job of representing wheat farmers that they had less than 600 paid members out of approximately 20,000 Kansas wheat producers.

Another prime example of KWC failing to give proper consideration to all Kansas wheat producers is the fact that while this hearing is relative to an issue that will affect all Kansas wheat farmers, notice of this hearing has not been in even one farm publication that I read! Evidently KWC doesn't want this committee to hear from wheat producers who feel the KWC is not making the highest and best use of the Kansas wheat tax.

Thank you for your time. If you have any questions I will try to answer them.

Doug Wildin



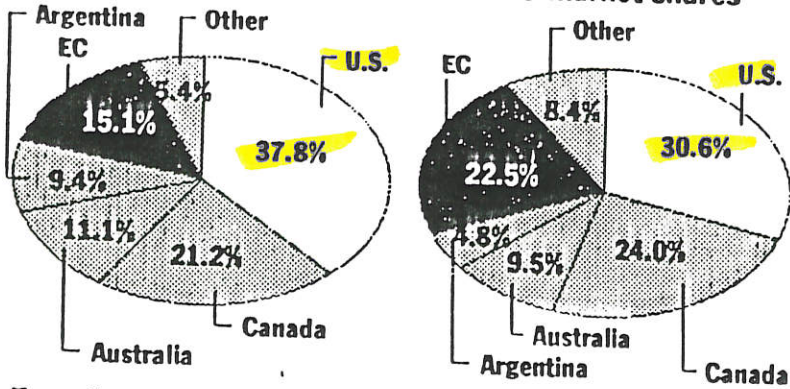
Ph. 620/669-7092

World wheat market shares

United States' share of the world wheat market has fallen by almost 25 percent during the past 10 years, while the European Community's has increased by about 50 percent.

1983/84 market shares

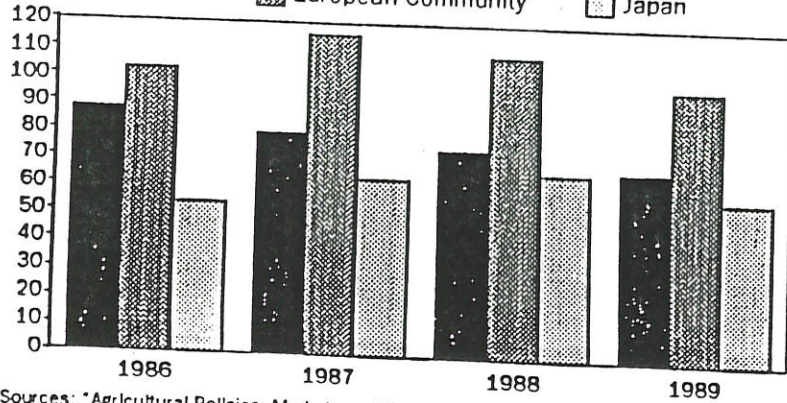
1992/93 market shares



Agricultural subsidies

Although most countries that subsidize agriculture have reduced farm subsidies since their peak in the mid-'80s, the European Community still outspends the United States. In billions of dollars.

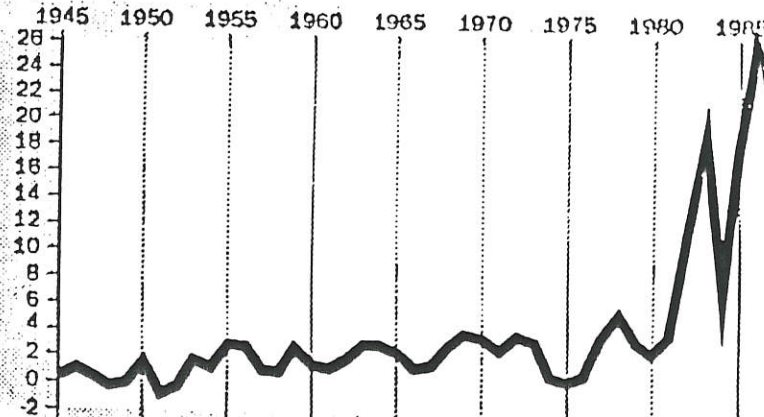
United States European Community Japan



Sources: "Agricultural Policies, Markets and Trade," OECD Monitoring and Outlook Series, 1990; U.S. Department of Agriculture

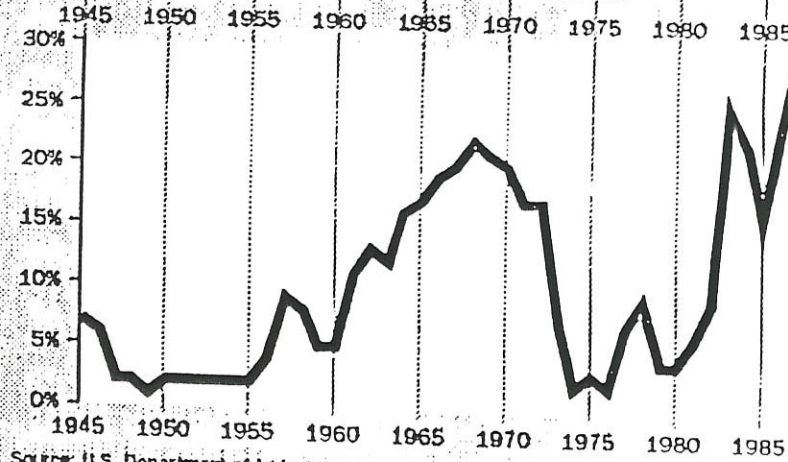
Net U.S. farm expenditures

Here are the net expenditures for family farms. Figures include commodity loans and purchases, direct payments, interest, direct export credit, storage facility loans, storage and handling and operating expenses. Figures are in billions.



Subsidies as portion of income

Government payment as a percentage of farm income.



Source: U.S. Department of Agriculture

Agriculture U.S. losing edge in exports

By Fitzgerald
Wichita Eagle

the United States
world agriculture as

European Community's has increased by more than 50 percent.

For Kansas, the nation's leading producer of hard red winter wheat, that is a disturbing trend, especially

"Can one make a moral case for the government

will lose jobs and even more market share if they are approved, resulting in a lower standard of living in this country.

7-4

U.S. WHEAT ASSOCIATES, INC.

FUNDING ANALYSIS

(In Thousands)

<u>FISCAL YEAR</u>	<u>PRODUCER BUDGET</u>	<u>FAS BUDGET</u>	<u>TEA, MPP BUDGET</u>	<u>TOTAL USW BUDGET</u>	<u>TOTAL FAS & TEA, MPP</u>	<u># TIMES PRODUCER BUDGET IS MATCHED</u>
1981	\$1,810	\$4,315	--	\$6,125	\$4,315	2.4
1982	2,046	4,341	--	6,387	4,341	2.1
1983	2,505	4,747	--	7,252	4,747	1.9
1984	2,646	5,581	--	8,227	5,581	2.1
1985	2,801	5,920	--	8,721	5,920	2.1
1986	3,071	6,263	--	9,334	6,263	2.0
1987	2,760	5,847	2,670	11,277	8,517	3.1
1988	2,760	6,459	4,665	13,884	11,124	4.0
1989	3,000	6,494	7,395	16,889	13,889	4.6
1990	3,110	6,729	4,728	14,567	11,457	3.7
1991	3,100	8,221	7,045	18,366	15,266	4.9
1992	3,484	7,901	3,170	14,555	11,071	3.2
1993	3,503	7,308	3,810	14,621	11,118	3.2
1994	3,803	6,300	* 3,000	13,103	9,300	2.4

Projected

1988

SCHEDULE OF U.S. WHEAT EMPLOYEES SALARY/COMPENSATION COSTS
(U.S. CITIZENS ONLY, 1988)

Position	Annual Salary	Payroll Taxes	Annual Pension	Annual Med/Life	Annual Disability	Parking/Transp.	Total Compensation
Washington Office:							
Accountant	28,908.00	1783.30	2,690.80				
Sp. Asst Pres.	37,646.00	2449.05	3,784.60	1,616.40	134.54	300.00	33,433.04
Dir. Spec. Proj.	52,903.00	3394.99	5,290.30	1,616.40	188.23	1,812.80	47,277.08
Mkt. Spclst.	24,435.00	1629.97	2,443.50	1,616.40	264.52	300.00	65,714.64
Exec. V.P.	64,057.00	3494.50	6,405.70	1,616.40	122.18	300.00	30,547.05
Receptionist	16,128.00	1114.81	1,612.60	1,616.40	320.29	1,800.00	79,639.33
VP & Dir. Planning	64,057.00	3494.50	6,405.70	1,616.40	80.63	300.00	20,850.44
Programs Asst.	21,347.00	1438.51	2,134.70	3,561.84	320.29	300.00	78,139.33
Sec'y/Mail	16,213.08	1120.21	1,621.31	1,616.40	106.74	300.00	28,888.79
Sec'y Finance	19,681.00	1333.98	1,966.10	3,561.84	81.07	300.00	20,952.06
Dir. Finance	56,015.00	3494.50	5,601.50	1,616.40	280.08	1,800.00	68,807.48
Fiscal Officer	38,753.00	2517.69	3,875.30	1,616.40	193.77	300.00	47,258.15
Admin. Asst.	32,795.00	2148.29	3,279.50	3,561.84	183.98	1,800.00	43,748.61
Exec. Asst.	36,032.10	2348.99	3,603.21	1,616.40	180.16	1,800.00	45,580.88
Dir. Marketing	64,057.00	3494.50	6,405.70	3,561.84	320.29	300.00	78,139.33
Asst. Planning	31,954.00	2098.15	3,195.40	1,616.40	159.77	300.00	39,321.72
Dir. Programs	52,903.00	3394.99	5,290.30	3,561.84	264.52	1,800.00	67,214.64
Sec'y. V.P.	17,975.00	1229.45	1,797.50	3,561.84	89.88	300.00	24,953.67
President	98,000.00	3494.50	9,800.00	3,561.84	480.00	1,800.00	114,836.34
Total Washington	769,837.18	45,472.87	78,983.72	50,168.00	3,849.19	16,012.80	962,321.76
Portland Office:							

1993

SCHEDULE OF U.S. WHEAT EMPLOYEES SALARY/COMPENSATION COSTS
(U.S. CITIZENS ONLY, 1993)

Position	Annual Salary	Annual Payroll Tax	Annual Pension	Annual Medical	Annual Disability	Annual Life Ins.	Parking/Transp.	Total Compensation
Washington Office:								
Br. Accountant	39,783.00	3282.83	3,978.30					
Sp. Asst Pres.	54,308.00	4344.93	6,430.80	1,935.60	218.81	324.00	300.00	49,802.54
Dir. Spec. Proj.	73,819.00	4790.44	7,381.90	2,971.92	298.69	381.60	2,175.00	69,920.56
Exec. V.P.	84,369.00	4924.81	8,436.90	6,784.56	404.90	381.60	2,184.60	95,517.40
Receptionist	30,193.00	2548.38	3,019.30	7,638.88	464.03	381.60	300.00	108,299.82
Mkt. Spclst.	37,743.00	3110.85	3,774.30	6,784.56	188.08	381.60	2,184.60	43,258.50
VP & Dir. Planning	84,369.00	4924.81	8,436.90	1,521.12	207.59	247.20	300.00	46,980.86
Programs Asst.	28,018.00	2388.19	2,801.60	8,088.32	484.03	324.00	300.00	104,984.68
Data Proc. Spec.	38,107.00	3137.97	3,810.70	4,231.44	154.09	381.60	300.00	38,136.52
Dir. Programs	71,731.00	4788.84	7,173.10	1,835.60	209.59	300.96	300.00	47,801.82
Sec'y Finance	27,259.00	2328.80	2,725.90	6,784.56	384.52	381.60	2,175.00	83,406.62
Dir. Finance	71,731.00	4788.84	7,173.10	2,122.08	149.92	230.40	300.00	39,779.58
Admin. Asst.	47,013.00	3801.47	4,701.30	6,784.56	394.52	381.60	300.00	86,569.14
Exec. Asst.	52,385.00	4201.88	5,238.50	2,598.96	288.12	381.60	2,184.60	65,025.34
VP & Dir. Marketing	84,369.00	4924.81	8,436.90	5,334.00	464.03	381.60	2,175.00	67,278.48
Asst. Planning	45,870.00	3701.42	4,587.00	3,631.60	251.19	351.38	300.00	108,086.34
Sec'y/Mail	23,228.00	2029.49	2,322.80	4,231.44	127.75	200.16	300.00	58,372.58
Sec'y. V.P.	28,018.00	2388.19	2,801.60	4,231.44	154.09	247.20	300.00	32,439.64
Fiscal Officer	45,870.00	3701.42	4,587.00	4,231.44	251.19	351.36	300.00	38,136.52
President	128,000.00	5470.20	12,800.00	6,784.56	704.00	381.60	2,175.00	59,072.40
Dir. Comm.	59,099.00	4608.94	5,909.90	1,521.12	323.04	381.60	300.00	38,136.52
Total Washington	1,154,878.00	80,120.32	115,467.50	94,732.32	6,350.73	7,001.28	21,323.80	1,479,679.25
Portland Office:								
Admin. Asst.	23,848.00	2540.40	2,384.80	4,811.78	131.16	203.52		33,919.64
Director	73,819.00	6131.13	7,381.90	6,784.56	404.90	381.60		94,683.09
Dir. Tech. Info	77,709.00	6254.23	7,770.90	6,784.56	427.40	381.60		99,027.69
Asst. Dir.	34,744.00	3543.92	3,474.40	4,231.44	181.09	280.80		48,463.63
Total Portland	209,920.00	18,469.67	20,992.00	22,612.32	1,154.58	1,247.52		

417
from 1983

John Bunck
 Jack Staatz
 Wayne Hagerman
 / Harper
 Linda Hessman ✓

South America/USWA Supervisory Tour
 Cairo, Egypt Amman, Jordan/Governors Tour
 South Africa/USWA Supervisory tour
 Casablanca/Cairo/Paris/AOM Meet/USWA Milling School Opening
 South America/USWA Supervisory Tour

\$ 6107.53 11/02/95 thru 11/19/95 17 days
 3489.74 09/30/94 thru 10/14/94 15 days
 10130.68 10/29/94 thru 11/18/94 20 days
 3748.04 11/12/94 thru 11/23/95 11 days
 02/21/94 thru 03/11/94 19 days

KWC Paid all expense except Linda Hessman, her trip was paid by USWA

7-7

estimated cost by KWC for 4 trips == \$ 23,475.99

I wonder how many Ks. wheat taxpayers would call for their refunds if they knew of the extensive trips taken by wheat Commissioners, funded with their tax money, all of which are hosted by US Wheat Associates, which is the major recipient of wheat tax funds - about \$600,000 annually. Do you suppose the majority of Ks. wheat taxpayers feel this is wise and efficient use of wheat tax funds?

What it all boils down to is that Ks. wheat taxpayers are PAYING to have USWA tell and show Ks. Wheat Commissioners HOW GREAT a job they are doing - can you imagine the thickness of the red carpet USWA rolls out EACH time? And they make sure all the Commissioners see is what USWA WANTS them to see - heckuva a deal, isn't it??

Nadine Griffin
 Kent Eddy
 Kent Eddy
 Wayne Hagerman
 Bruce Dirks
 Jack Staatz ✓

Monterey, Mexico/ Mexican Flour Miller's Meeting	651.95	02/28/93-03/05/93	6 days
Korea/ Meeting Plan Conference	3783.87	04/23/92-05/02/92	10 days
Canada/ Farm Leaders Grain Industry Course	405.60	03/07/92-03/12/92	5 days
Columbia/ ALIM Conference	1478.19	10/11/93-10/18/93	7 days
South America/ Milling Seminar, AOM E. African Ann. Conf.	7224.28	10/20/93-11/05/93	16 days
Asia, Japan/USWA Supervisory tour	7952.65	11/28/93-12/17/93	19 days

21,496.54

(+ Hassman this) 16 trips - total 44,972.53
 9 2-11 45



NEWS RELEASE

2630 Claflin Road

Manhattan, Kansas 66502-2743

Phone 913-539-0255

August 9, 1993

COMMISSION CALLS FOR KSU TO DEVELOP NEW PRICING SYSTEM

The Kansas Wheat Commission has called upon Kansas State University "to expedite and aggressively pursue the development of a pricing system for wheat and other farm commodities to replace the 100-plus-year-old pricing system which obviously is not working properly."

The board is comprised of seven wheat producers, appointed by Governor Finney to represent districts in the state.

The motion was approved by the commission on a voice vote. The motion noted in part, "In the past, Kansas State University has concentrated on the development of wheat which has produced higher yields and improved quality. However, disastrously low wheat prices, due in part to over-production, are ample evidence that Kansas State University needs to be devoting all-out efforts to develop a modern-day pricing system by making maximum use of sophisticated computer systems and other highly developed electronic equipment which will enhance producers' ability to obtain substantially higher wheat prices."

According to Bill Cox, director of the National Farmers Organization, the economic trade turn for agriculture is seven.

-- more --

"Even just \$1 per bushel increase in the price of the 375 million bushels of wheat normally produced in Kansas will generate \$2.6 billion in revenues to Kansas businesses and taxing entities using the multiplier of seven applied to the original \$375 million increase in wheat prices," said Steven Graham, wheat commission administrator. "Wheat prices today are only 33 percent of parity, which means wheat producers receive only 33 cents for the wheat that must then pay for \$1 worth of production and living expenses."

Robert G. Lewis, a former Department of Agriculture administrator in the Kennedy and Johnson administrations, was quoted in a September Wichita Eagle article as saying the average price received by U.S. farmers in August 1992 was \$106 per ton, which, adjusted for inflation, is close to the lowest ever known. Wheat prices in 1993 are unchanged to slightly lower.

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For more information
contact Steven Graham
at 913-539-0255

Wheat purchasing power hits all-time low

Due to the continued decline in the price of wheat, the purchasing power of a bushel of wheat is the lowest in the history of the world, according to the Nebraska Wheat Growers Association (NWGA).

"Right now, it is even lower than it was in the '30s, during the depression," said Bob Rauner, a wheat producer from Sidney, NE.

The low prices are caused by a combination of many factors: Large supply of U.S. wheat; economic trade sanctions; unfair trade practices

of State Trading Entities (STE's), like the Canadian and Australian Wheat Boards; unwillingness of USDA to use programs like EEP to combat European Union subsidies; the Asian financial crisis; and the loan price.

"All of these things are so tied together, it's difficult to separate them," according to Marvin Yost, Chairman of the Nebraska Wheat Board. "We are operating in a global economy, everything is inter-related."

"The USDA has been pushing GSM, and that's not nec-

essarily what the customer wants. Philippine millers would rather have EEP." Bob Nodlinski, NWGA President from Brule, NE, said. "The money is there, and hasn't been spent on wheat since July 1996. The 1996 Farm Bill said the government would use all tools available to increase exports. It is clear they are not.

While the 'Freedom to Farm' Act allowed marketing flexibility, it also has been a major contributor to the oversupply of wheat."

The accompanying chart

depicts farm prices that would have resulted if a three percent increase for inflation were applicable each year from 1948 to 1998. These charts were prepared by Kathy Helgerson, CED in Yankton, SD. Keep in mind that over the past 50 years, wages and retail prices have continued to go up. Has the American farmer stayed ahead of, or even equal to these increases? No, the American farmer has not even stayed equal to the rate of inflation. □

	1948	1953	1958	1963	1968	1973	1978	1983	1988	1993	1998
Beef Cattle	0.250	0.290	0.336	0.389	0.451	0.523	0.607	0.703	0.815	0.945	1.096
Actual 1998 price per Lb.	\$0.60										
Hogs	0.27	0.313	0.362	0.421	0.488	0.565	0.665	0.760	0.881	1.021	1.183
Actual 1998 price per Lb.	\$0.31										
Milk	0.05	0.058	0.067	0.780	0.090	0.105	0.121	0.141	0.163	0.189	0.219
Actual 1998 price per Lb.	\$0.12										
Wheat	2.73	3.165	3.670	4.253	4.931	5.716	6.626	7.681	8.905	10.324	11.968
Actual 1998 price per Bu.	\$2.19										
Corn	1.32	1.53	1.774	2.057	2.384	2.764	3.23	3.714	4.306	4.992	5.787
Actual 1998 price per Bu.	\$1.77										
Box of Wheaties	0.27	0.313	0.363	0.421	0.488	0.565	0.655	0.760	0.881	1.021	1.184
Actual 1998 price per box	\$3.19										
1 Gal. Of Gas	0.19	0.220	0.255	0.296	0.343	0.393	0.461	0.535	0.620	0.719	0.833
Actual 1998 price per gallon	\$1.25										
Postage Stamp	0.03	0.035	0.040	0.047	0.541	0.063	0.073	0.084	0.98	0.113	0.131
Actual 1998 price for 1st Class Stamp	\$0.32										
Birth of a Child	50.00	57.97	67.20	77.91	90.31	104.70	121.37	140.71	163.12	189.10	219.22
Actual 1998 cost	\$6,800										

Contact Information:

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Keith Miller, Phone: (620) 564-3363

Ray Kohman, Phone: (785) 479-2183

COALITION RELEASES DIRECTION FOR 2007 FEDERAL LEGISLATION

(TOPEKA, KANSAS – December 11, 2006) Never before has the entire agriculture industry in Kansas come forward with a common list of recommendations for the 2007 federal agriculture legislation. This landmark agenda and the full list of Kansas Farm Bill Coalition members can be accessed after 9:30 am local time on December 11, 2006 at: <http://www.kswheat.com/news.asp?id=9&newsid=282>.

This historic accomplishment between twenty general farm, commodity and other industry organizations, was the result of requests from Kansas Senators and Congressmen for a unified industry voice. That seed grew into the Coalition, who has worked for the past eighteen months to come together with the landmark release of 34 unanimous recommendations.

Jerry McReynolds, Woodston, Kan. farmer and past president of the Kansas Association of Wheat Growers, led today's announcement. "The past eighteen months have definitely proven to be a learning process with intense, honest, and open deliberations...not without a few tense moments."

At the first meeting in May 2005, the Coalition identified a distinguished Steering Committee of producers who structured the discussions and identified experts as resources. They include: Bob Timmons, Kansas Corn Growers Association; Keith Miller, Kansas Farm Bureau; Ray Kohman, National Farmers Organization; Don Teske, Kansas Farmers Union; Dennis Hupe, Kansas Soybean Association; Greg Shelor, Kansas Grain Sorghum Producers Association; Kendall Grecian, Kansas Livestock Association and Jerry McReynolds, Kansas Association of Wheat Growers.

"We agreed on many items and agreed to disagree on a few. Through it all, respect, honesty and service to our industry prevailed," McReynolds summarized for the Steering Committee who was on hand to assist with the announcement.

The Kansas Farm Bill Coalition consists of 20 Kansas agriculture organizations that have come together to achieve agricultural policy, which creates and sustains a long-term, competitive and profitable agricultural industry; while providing a safe and secure food, fiber and energy supply for consumers.

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Contact: Dana Peterson, Kansas Farm Bill Coalition facilitator, dpeterson@kswheat.com, Office: 785-587-0007. Mobile: 785-770-7347.

KANSAS FARM BILL COALITION

Member Organizations

Frontier Farm Credit
Great Plains Canola Association
Kansas Ag Retailers Association
Kansas Agri-Women
Kansas Association of Wheat Growers
Kansas Corn Growers Association
Kansas Cotton Association
Kansas Dairy Association
Kansas Farm Bureau
Kansas Farmers Union
Kansas Grain & Feed Association
Kansas Grain Sorghum Producers Association
Kansas Livestock Association
Kansas Pork Association
Kansas Seed Industry Association
Kansas Soybean Association
Kansas Wheat Commission
Kansas Women Involved in Farm Economics
National Farmers Organization
National Sunflower Assoc - High Plains Committee
State Association of Kansas RC&D Councils

Kansas Farm Bill Coalition (KFBC)

Mission Statement

A coalition of Kansas agricultural organizations working together to achieve agricultural policy, which creates and sustains a long-term, competitive and profitable agricultural industry; while providing a safe and secure food, fiber and energy supply for consumers.

Full Consensus Agenda

ADMINISTRATION

KFBC supports agriculture remaining the primary responsibility of USDA.

KFBC believes USDA should continue to maintain an efficient cost effective service delivery system at local level.

KFBC believes USDA agencies should work together to best serve the needs of the producer.

KFBC supports local producer involvement through county, state, and federal oversight committees.

KFBC supports simplified, single program sign up.

KFBC supports single certification for crop insurance and Farm Service Agency programs.

COMMODITY TITLE

Planting flexibility

KFBC supports continued planting flexibility in addition to the removal of fruit and vegetable penalty.

Commodity loans – Non-recourse marketing assistance loans and Loan Deficiency Payments (LDP)

KFBC supports commodity loans at or above current rates.

KFBC believes the Farm Service Agency should constantly review and make public the formula used to set PCP to ensure they accurately reflect market conditions.

Dairy

KFBC supports a market oriented national dairy program that includes a national income assistance component.

KFBC supports the continuation of the dairy price support program at or above current levels.

KFBC supports a faster, more equitable method of reform to Federal Market Orders (FMOs).

Hard White Wheat Incentive Program

KFBC supports federal government programs that offer incentives that encourage production of grains with marketable characteristics offering new marketing opportunities beyond traditional commodity markets.

Payment Limitation

KFBC supports maintaining "person status" for qualifying spouses with regard to farm program payments.

Emergency Agriculture Assistance

KFBC supports disaster assistance programs.

KFBC supports the evolution of risk management products to better meet producer needs of all agricultural commodities, which may reduce the need for disaster assistance. Until risk management tools are improved, disaster assistance should be available to protect producers of all agriculture products.

Other

KFBC supports the concept of revenue assurance programs, which would be available to producers of all agriculture commodities.

CONSERVATION TITLE**General**

KFBC supports separate and full funding for Conservation Title programs.

KFBC believes USDA conservation programs should be written and administered in a manner that

- (a) provides equitable access for all producers;
- (b) is designed to improve and enhance natural resources;
- (c) provides flexibility to states for establishing statewide or regional priorities;
- (d) minimizes bureaucracy;
- (e) does not increase the regulatory burden or land management control by governmental agencies;
- (f) provides applicants and participants timely notice of acceptance for the purpose of farm and ranch planning; and
- (g) gives priority funding to natural resources in the most need of improvement.

Conservation Reserve Program

KFBC supports a form of Conservation Reserve Program (CRP).

KFBC supports the continuation of the CRP and the continuous CRP. Tenant farmers' rights must be protected. Reasonable limits on participation should be included to protect the economic stability of individual counties or regions. Highly erodible land producing all crops should be eligible for enrollment in CRP.

KFBC supports federal funding of voluntary incentive programs for water quality and quantity conservation projects.

CREDIT TITLE

Beginning farmers

KFBC supports reauthorization and/or modification of existing programs that provide for public-private partnerships to enhance opportunities for beginning farmers that could include mentoring, transition support, and access to capital.

RURAL DEVELOPMENT TITLE

KFBC supports comprehensive rural economic development programs that are based on five pillars of rural economic and community development; mobilizing local leaders; capturing wealth; energizing entrepreneurs; improving infrastructure and attracting youth.

KFBC supports the Value-Added Producer Grants Program at funding equal to or greater than previously authorized levels, ensures timely reimbursement and prioritizes projects that improve the profitability of small and mid-sized farms & ranches.

AGRICULTURAL RESEARCH, EDUCATION, AND EXTENSION AND RELATED MATTERS TITLE

KFBC supports a balanced Research Title that serves the research, extension, development and business needs of independent family farmers and ranchers.

KFBC supports the Initiative for Future Agriculture and Food Systems (IFAFS) as established in the Agricultural Research, Extension and Education Act of 1998 and amended in 2002 should be fully funded through the life of the legislation.

MISCELLANEOUS TITLE

Crop Insurance

KFBC supports the continuation of a federally supported crop insurance program in the next farm bill generally modeled on current policy.

KFBC supports the evolution of risk management products to better meet producer needs. We also encourage continued producer education of risk management alternatives; efforts to refine existing risk management tools; and the development of new crop insurance and other risk management products.

KFBC supports that if a county is declared as a disaster, then the Risk Management Agency would plug in full t-yield or the farmer's actual production history (APH), whichever is higher.

KFBC supports risk management coverage for crop quality losses.

Animal and Plant Protection

KFBC supports fair and defined policy of producer indemnification in the event of bioterrorism or catastrophic disease outbreak.

Commodity Credit Corporation (CCC)

KFBC supports accounting procedures that credit CCC for the money that is reimbursed to CCC on producer loans, commodity sales and aid.

KFBC supports full funding of the facility loan program for on farm storage.