



# TRANSCRIPT

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**TRANSCRIPT OF NEW MEXICO FARM BILL FORUM WITH AGRICULTURE  
SECRETARY MIKE JOHANNNS AND MODERATORS FRANK ORPHEY OF KGRT  
RADIO IN LAS CRUCES AND DR. PAUL H. GUTIERREZ, ASSOCIATE DEAN FOR  
EXTENSION AT NEW MEXICO STATE UNIVERSITY AT THE LATINO/HISPANIC  
FARMERS AND RANCHERS CONFERENCE IN LAS CRUCES, NEW MEXICO ON  
AUGUST 26, 2005**

SECRETARY MIKE JOHANNNS: (In progress.) Or maybe you've made application for a loan and you're wondering what's going on, or your conservation program is this, that or the next thing. We want to help you with that, but that might be best handled by some of the USDA people that are here today. So if you've got a specific problem, reach out to us, we want to help. But, like I said, we kind of want to get the big picture of the Farm Bill. We're talking about these areas, first, the challenge for new farmers -- how do we do farm policy in a way that provides opportunity for young people to be involved in agriculture?

The second area is competitiveness. I'll talk a little bit more about this when I wrap up after the forum today. But, you know, 27 percent of our farm cash receipts come from the export market. And in some areas it's much larger than that. Some areas it's a very high percentage. But if you just look at the total it's 27 percent.

The third area relates to the farm program benefits: Are they evenly distributed? Are we providing benefits in a way that is fair to all of agriculture?

The fourth area is our conservation programs: How are we doing there? What might we be doing different?

Rural economic development -- we've heard a lot about rural economic development -- I'm pleased to report most of it positive -- but how can we help small towns, rural communities, in their future?

And then the final area is just the expansion of ag products, markets and research, what we could do there that might be better of different.

Ladies and gentlemen, in conclusion it is really great to be here. Thank you very, very much, New Mexico, for the warm welcome -- and it is a little bit warm, isn't it? But we'll get to that. That's just all part of it. It's summer.

And let me again say thank you to the moderators.

Now what's going to happen from my standpoint: I'm going to pretty much sit this microphone down and listen. I'm not going to take a lot more time here -- really don't want to take any, because this is your time, not my time. Get to the microphone, offer your thoughts. At the end of the program I'll do some wrap-up comments. But, again, don't be shy. This is your

opportunity to tell us what's on your mind. Take it away.

FRANK ORPHEY: All right, ladies and gentlemen, first off, as moderator I'm kind of stuck in the in-between here, because, like I said, I grew up in the same situation as we all have, and I'd like to spend five or ten minutes talking to Secretary Johanns, but there a lot of us here, and we would like everyone to have a chance to state their opinion this morning, and we don't have all day.

So, as moderator, being appointed as moderator, it is my job to make sure that everything went smoothly and to make sure that everyone gets a fair and equal amount of input. Is that understandable?

Okay, all right, so what we're going to do first off everyone that's going to speak will have two minutes -- we'll be calling by counties -- and of course we have a timekeeper down here as well that's going to let me know when we're starting to run over. And, like I say, we're going to take calls from the counties. And at the end -- this is important to remember -- we are going to have an open commentary. So don't leave right after you've put your two cents' worth in, because there might be something towards the end that you're going to want to hear about.

Like I said, it's a pleasure for me to be here today and a pleasure to be a part of this, and I hope that everyone here leaves with a positive response and answers to any and all questions that they may have come to have answered by the USDA.

So, without further ado, let's go ahead and let's invite Rebecca and Lindsey both to present the first questions for Secretary Johanns.

REBECCA MEDINA: Secretary Johanns, the Farm Bill policy should address unintended consequences that discourage future generations of production agriculturists from entering this career by promoting agricultural education, especially in urban communities.

Through programs like FFA, 4-H and others, students learn valuable information about agriculture and the world around them. Without these programs many students from rural communities may not even dream of pursuing a future education in agriculture. Those students who grow up in urban communities are missing out on this education. Most students lack the basic knowledge about agriculture, and this hurts our agricultural industry. If these students learn more about agriculture, they will be more informed about agriculture issues that face this country. These students are also being discouraged from entering production agriculture careers because they never have had the chance to experience one receives when they help others and provide services for the good of others.

By promoting agricultural education, especially in urban communities, the next generation of agriculturists will not fear entering into this great and noble profession. They will embrace it. Thank you. (Applause.)

LINDSEY THOMAN: Can everyone hear me? Good. Mr. Secretary, in this life we will always have unintended consequences to deal with in all that we do. New farmers and the next generation of farmers should be well educated in the risks that a venture like farming like possess.

Being upfront and forward with the truth about farming will not necessarily discourage future farmers. An example of this is my grandmother Ophelia Chavez. Fifty years ago, when my grandfather passed away, she was faced with the choice to either sell the family farm or to make it a success. Well, she made a go of her chili and pecan operation, and when asked if she

would have backed down in knowing all she would face, she immediately replied no.

Success is not the case for all farmers today. These days there are many more things to considering before jumping onto your tractor: the expense of the land, the regulations that come with the operation, subsidized credit, education, and if your crops will fetch a fair price. Each of these things, along with many others, should be well thought over before becoming a farmer. The youth of tomorrow are being enlightened and inspired about agriculture through organizations like 4-H and FFA. It is our job as leaders to teach and share information with the youth that might become the leaders of our agricultural communities of tomorrow.

The youth that are interested in farming should be given all the knowledge available in order for them to make correct decisions and better themselves in the future. Thank you. (Applause.)

SECRETARY JOHANNNS: Let me say thank you to those young people. And now, before we get to the testimony from the rest of you, I brought one more thing that I want to do: a message from a good friend of yours. So, with that, let's roll it.

PRESIDENT GEORGE BUSH (from audiotape): "Thanks for letting me speak to you at this Farm Bill forum. America's farm and ranch families provide a safe and abundant food supply for our people and for much of the world. You represent the best values of America: stewardship of the land, hard work and independence, faith, service and community. Mike Johanns understands the importance of America's farmers to our country, which is why I chose him to lead our Department of Agriculture. I'm proud of his work, and he will lead our efforts on the next Farm Bill.

"Secretary Johanns and I believe the first step in this process is to ask each of you how today's Farm Bill is working and how it can be better. And as we look to improve America's farm policy, we'll continue to focus on the following goals.

"See, America has about 5 percent of the world's population, which means 95 percent of your potential customers are overseas. So one of our goals must be to ensure that America's farmers and ranchers have access to open global markets. A second goal is that we want future generations to have plenty of opportunities to go into agriculture. Thirdly, we need cooperative conservation that encourages good stewardship of our land and natural habitats.

"We also need to act wisely in delivering help to our nation's producers. And we must promote cutting-edge agricultural products and research.

"And, finally, we must ensure a good quality of life in rural America.

"The Farm Bill is important legislation that meets real needs. The next Farm Bill should further strengthen the farm economy and preserve this way of life for farmers and ranchers of the future. Hearing your advice is an important step towards meeting these goals. I thank you for all you do for our country, and thank you for listening."

SECRETARY JOHANNNS: There's our president. (Applause.) All right, we're ready for the testimony.

VOICE: Mr. Secretary, members of the audience, thank you all so much for being here. I know most of you traveled so far to be here, but I would like for you all to give a nice welcome applause to President Joe Shirley of the Navajo Nation who traveled early this morning to be

with us also to give us a good message. Thank you. (Applause.)

JOE SHIRLEY, JR., PRESIDENT, THE NAVAJO NATION: It's a real honor to meet you sir, Secretary Johanns. I was looking forward to meeting with you, maybe putting forward some comments related to the Farm Bill ever since I heard about it. So thank you very much for being here.

I'm Joe Shirley, Jr., president of the Navajo Nation, the biggest tribe in all of Native America, here in the 50 states.

One of the things I wanted to put forward was that we'd like to establish a meaningful dialogue, on Native America, including the Navajo Nation. I hear reference to the counties and the states, and I'd like to see tribes be a part of that.

Talking about the Farm Bill, policy reform that could be considered there is maybe an Indian title. We just help pass that energy bill up on the Hill, and there was what we call the Indian title -- there is some of the uniqueness related to tribes relative to the natural resources. Well, we could do the same thing with this Farm Bill, because we are indeed very unique. I don't know how they calculate it, Mr. Secretary, but they tell me that on Navajo land we are about 30 years behind the times. So you can tell by that we have to be a part of the mainstream, but we have some catching up to do, and maybe you can put forward an Indian title in the Farm Bill, and maybe we can talk about somehow ways of catching up. Otherwise we also want to get educated like on Navajo and Native America too on some of the intricacies of the Farm Bill, some of the programs that are found within the U.S. Department of Agriculture. We need more personnel out there to relate to us. We have 110 townships on Navajo land. We do have a membership of over 300,000. We have land, about 25,000 square miles. So it's a big chunk of land, and they never could educate my people. We need people out there to make appearances at the agency council meetings, township town hall meetings. We want to invite you to -- lastly, I want to invite you to make a visit to Navajo Country, Navajo land, and if you could do that we'd really appreciate it, and we could continue our dialogue at that point. Thank you very much, Mr. Secretary. (Applause.)

MR. JUAN MARINEZ (sp): Good morning, Mr. Secretary, Juan Marinez (sp) from the state of Michigan. We're not used to this sunny weather. We had a lot of overcast. So excuse all the perspiration. (Laughter.)

I'm attending the First National Conference of Latino Farmers and Ranchers. I'm located at Michigan State University with the extension service, and doing research in particularly with the new emerging farmers in Michigan. We rank tenth in the United States. And they're not coming out of the traditional places like we've traditionally heard. We will hear a lot of that today. But the largest growth rates of the new farmers are coming from new immigrant farmers, predominantly Mexicans. And the next big wave is farm workers. I always like to use the equation it's the -- you know, being the cook at the deli with the wish of always wanting to own your farm. And when we look at growth rates across the nation, these two categories are the two categories that are increasingly going to be in the future producing the food of our country and of the world. And when we reflect at the old Farm Bill and when we look at the language of the new Farm Bill, we need to have specific language that incorporates these emerging markets here in the United States. And right now at the present time immigrants and farm workers and any farmer programs are not categorized. So therefore you cannot qualify your training if you had previous farming experience in Mexico, to qualify as a beginning farmer here, as well as having 10 or 15 years of experience being a farm worker to qualify you for experience as a beginning farmer. And so it's a really a crucial critical problem that's covering the whole United States. And I'd like for you to seriously consider that as you proceed in making the next Farm Bill.

Thank you, Mr. Secretary. (Applause.)

SPEAKER: Good morning, Mr. Secretary. I'm a rancher and farmer. We have a big operation. We're the fourth generation family in Memphis, Texas, and I'm 180 miles from Crawford, Texas, where George Bush has a ranch. He's a rancher like I am. We're only 180 miles apart. But I think we're close on FSA. And we started operations in 1970s, and until 1980 we kept on going deeper. We were doing real good. Well, come '85 all of a sudden -- (inaudible) -- looking good, had all our payments up current and everything, and here comes '85, and all of a sudden I can't make it. I said, What's wrong? He said, Well, it's just you ain't got enough cattle.

In 1970, we had 350 mamma cows we bought from FSA -- me and my brother and dad got together as farmers. I come out of the service in '82, Joe did, and daddy had 300 acres of his own. We started the operation. We had 15 years in '85. Uncle -- (inaudible) -- was collateral -- (inaudible) -- books. We owned 1,020 head, had 12 sections of land. We lacked ne year and a half paying everything off.

(Inaudible) -- 18-wheelers coming in -- (inaudible) -- cows coming in. He loads them all up. They kill 7 or 12 mamma cows we have to bury them -- calves, bought the next batches -- cleared off. Later we found out -- (inaudible) -- used our attorney Al Patterson (sp) -- he'll help you with declaring bankruptcy -- you'll need it -- (inaudible) -- carcass, after they -- (inaudible) -- cattle, take a trip, don't worry about it. (Inaudible) -- stealing from the government. You can't touch anything, can't sell anything. It turns out that it -- (inaudible) -- I'm just saying where do you go in line when the government's done wrong to you? (Inaudible.) Thank you. (Applause.)

MR. LUPE GARCIA: Yes, I'm Lupe Garcia. I'm here with the outreach -- I do outreach for the USDA and with the Hispanic Farmers and Ranchers in Dona Ana County and El Paso County. I'm also the president of the La Union Soil and Water Conservation District, and I'm also the vice president of the Board of Latino National Farmers and Ranchers. And I'm also the president of the Hispanic Farmers and Ranchers of America here in Las Cruces, and we have farmers throughout the southwest.

But what my main intent is, since I do outreach here for the USDA, is that we need to motivate our young farmers -- and I mean all our young farmers -- whites and all minorities. We need to shorten the process that it takes to get the loans approved for beginning farmers, especially the young ones, so we can motivate them. We need to get operating loans, farm ownership loans.

I had one young farmer here -- he's also on my board, one of the boards -- it took 11 months to get a farm ownership loan. He was lucky that farm was not sold from under him. This is much too long, and we need to motivate our farmers. We need to give our youth on the farm, those ones that are interested in staying on the farm, we need to do this, and it's vital to America, because we don't have enough youth going into agriculture. And I want to see whether you could do this.

Also, we need somebody on your staff in Washington, a program person that has authority that we can talk to and can answer our questions and get action done, because too many times they hear us and nothing gets done. (Applause.) We need to have a person who can account to us, and account to you, sir, because otherwise we don't get nothing done. And you go out here and we need help out here in the Southwest and throughout the country. Minority farmers need a lot of help, especially with the fuel costs the way they are. And these are the key aspects I'd like to present. Thank you. (Applause.)

MODERATOR: Thank you. As I said earlier -- I don't know if I'm the right guy or not for this - I'd like to hear everybody's comments, but we do have to keep them to two minutes, so please keep your comments brief. Thank you.

MR. BILL MCCAMLEY: Thank you, Mr. Secretary. My name is Bill McCamley. And as the chairman of the Dona Ana County Commission, I'd like to welcome you to our county, and I thank you very much for coming here to listen today. I'm actually here to talk to you about my other hat. I'm the executive director of the New Mexico Rural Development Council, and as you probably know the Rural Development Councils were formed in 1991 under George Bush, Sr., and we provide a very, very needed service to rural communities. You talked about rural economic development -- our organization is doing economic development projects right now in 16 very small communities around the state. We provide a real needed service in that we have a clearinghouse for information for rural communities in terms of how they do their economic development, and also serve to have strategic goals for rural communities. A lot of times the communities are small and they want to do this, but they don't have the resources, they don't have the personnel, they don't have the expertise. And we help provide that.

You know, doing economic development in urban areas is extremely easy: you've already got the people, you've got the schools, you've got the education -- it's already there. Doing economic development in a town like Artesia or a town like Raton or a town like Lordsburg is rough. And all I ask is that when the budget comes around you don't forget about the Rural Development Councils that are doing this needed work around the country. Thank you, sir. (Applause.)

MR. JOEY LAIRD (sp): My name is Joey Laird (sp) from South Texas. I'm in South Texas, round San Antonio. I'm a vice chairman of MAP, Minority Agriculture Producers. I represent at least 100 producers in our area. We had to organize because we have the same problem that all these other gentlemen and ladies have had, reference to program benefits -- we've got disaster programs that we need corrected. We've got insurance that we need corrected. We've got a problem with as you well know our diesel fuel has gone sky high, close to \$2 a gallon. We had never seen anything like that before.

Our EQIP program -- you've got to be very wealthy to be able to have enough points to be able to qualify for our EQIP program. I don't think that's fair. We don't have the money to have those points, and that's the reason these people get these points, because they've got the money to be able to have those resources.

Another you mention, you go to your local USDA personnel, which I understand. They said, you know, if you need any problems, you go to your USDA. The problem is USDA local. (Applause.)

MR. MIGUEL SAPASALAN (sp): Mr. Secretary, thank you for being here today. My name is Miguel Sapasalan (sp). I'm a small farmer in Taos, and I conducted my graduate research on the acequia systems. I'm not sure if you're familiar with the traditional acequia systems in northern New Mexico. It is one of the oldest kinds of agriculture here. It came with the Spanish, heavy in Arabic traditions. When the Spanish came and established the acequia systems, they brought these crop types from the Old World. At the same time, they brought Mexican settlers, who in turn brought their crops. And with the Native Americans in the area and their crop diversity, I argued in my thesis that northern New Mexico very well could be a cradle of crop diversity for America. And I'm concerned now about transgenic crops and how that might contaminate our native crops, our heirloom varieties. And I urge you, Mr. Secretary, to -- with our tax dollars going to this farm bill that we do not support research or distribution of these transgenic crops, because we are not sure about the health impacts on our ecosystems, on

our children and the impact to our heirloom varieties, our native varieties of crops. So I would also urge that we implement conservation programs and keep our genetic stock pure, so that we can have an adaptable agriculture in these changing climate times. So that is the comment I bring to you, Mr. Secretary, that we really look at the root of our agriculture, which is the seeds, and that we keep those as pure and that we keep the culture as we can, and keep the cultures that are maintaining those seeds on the land and doing agriculture, and help them with any land or water issues they might have with the economic pressures that are removing us from the land. Thank you, Mr. Secretary. (Applause.)

(MODERATOR GIVES DIRECTIONS.)

MR. ALFONZO ABEYTA: Mr. Secretary, my name is Alfonzo Abeyta. I'm from Colorado. And today I'm going to ask you to -- the distribution of farm program benefits is the topic I'm going to be covering a little bit. We need to have some kind of clause in our bill that does not give all the money that's appropriated to the farmers to big corporate and to our part-timers. We need minorities to have some of this money so that -- and also to small farmers.

For example, in 2004, there was X amount of dollars appropriated for the minority farmers. I went to my office, FSA office, and they did not know anything about it. And I'm sure that most of these people here didn't even hear about that appropriation of those funds for minority farmers.

Also, in disaster programs, we get left out as minority farmers and small farmers in disaster programs, mainly because there's not enough money to go around. We need to have a different appropriation so that all of us will get part of that pie.

And one of the things that I think that we need to also address is guaranteed loans in this bill. None of our banks don't even talk to us on FSA guaranteed loans. We need to give more incentives to our banks so that we can get guaranteed loans.

I know that it was discussed that we should have an Hispanic bank. I don't agree with that. All we need is FSA to give incentives to our local banks. Why should we have to pay 10 percent interest when we have a loan for 3 percent? So FSA is putting out more money to us that banks could handle.

I have a couple more things. You know, FSA treats us as farm laborers, not as farmers.

And one last thing. I would like for the Secretary of State to spend a little time with us and face some of our needs and some of our discriminations that have been brought forward by the past FSA administrators. Thank you, Mr. Secretary. (Applause.)

MR. DON BUSTOS (sp): Mr. Secretary, thank you for honoring us by being here. My name is Don Bustos (sp). I own a small organic farm in the Mesilla Valley, three and a half acres. I make my whole entire living off of farming in those three and a half acres. I employ one full-time employee, and we use up to six employees throughout the summer as needed. We depend on farming as a living to subsidize our whole family and our whole communities. I would like to see in the new Farm Bill, sir, a small farm title to address limited resource growers in the United States. It is important that a lot of this big money for subsidies going to the community, to the commodities, be shifted to start helping small-scale farmers develop their own rural economic projects within their own communities.

It's about time that we start looking in the country to create our markets instead of going

to other foreign countries, which is definitely needed, but I think more research has to be going to directly create markets within our own countries. In New Mexico we are number one on food poverty issues. Our children don't know where their next meal is going to come from. We have the ability to grow our food here, or we don't have the resources to do it. So I would ask for new monies for markets. I would ask for streamlined -- not loans, because I don't think loans are good for anybody in northern New Mexico, and specifically small growers -- but grants directly for the growers to help improve their projects. I would like to see my money coming into the state universities to address the stable agricultural projects within the local communities, designed for the universities to help them actually do the work on the ground, sir. Thank you very much. (Applause.)

SPEAKER: (Spanish not translated.) (Applause.)

MR. JOSE GARCIA: Good morning, Mr. Secretary, my name is Jose Garcia, and I work for the University of Missouri Extension. You may wonder what a University of Missouri Extension person does in Las Cruces, New Mexico. And the reason for me being here is because I'm attending the National Hispanic/Latino Farmers Association Conference, the first one.

And you may also wonder you know the National Latino/Hispanic Farmers Association, where does that come from? And Latino farmers and ranchers are increasing rapidly in not only the state, but also the whole country -- (inaudible) -- the first conference.

My reason for talking to you today, Mr. Secretary, is because I am the only person in the extension and in the state of Missouri trying to provide support, assistance, education and training to minority farmers, including Latinos, African Americans, Asians. And I think it's very important, given nationally that the trend is increasing as minority farmers, and to a large extent probably actually are providers of food in the future is to get more support for those kind of programs in extension, through USDA, through the CSREES, can provide effective assistance to the new entry farmers, Asian farmers, Indian farmers, Latinos and other minority farmers. Thank you very much. (Applause.)

MR. TIRSO MORENO: Mr. Secretary, my name is Tirso Moreno. I am the general coordinator for the Farm Worker Association of Florida. I wanted to present to you other issues affecting farm workers. But given the urgency because of the disaster with the hurricane last night, I wanted to ask you what kind of a stand the department had to also protect or support the farm workers who are also affected. Part of agriculture is to help rebuild their crops. Our people lose their job they're not going to have the resources to support their families.

So we'll need you to do something right away over there, and we want to know from you what you're going to do -- assign funding, assign some kind of resources to take care of our people in south Florida.

And, also, we need something permanent to protect our people in the Farm Bill. The farm workers don't have much protection. I know we've got protections for farmers, but farm workers need to be protected also in the Farm Bill when there are disasters that affect them too. We need somebody to coordinate the force to protect our people, to support our people in these kinds of disasters in the future. We need you to assign us some programs or some kind of support for our people, so they can survive, because we need the farm workers. Agriculture will not survive without the millions of farm workers in this country. If you don't need them, but then we don't need them. But I know the farmers will need the farm workers now and in the future, and we need them to stay there. We need to support them to go through the disasters so they'll be there when the farmers need them to pick the crops. Thank you very much. (Applause.)

MODERATOR: Thank you, sir. Let's take one last question over here, and we're going to take a very, very short break, folks, to take care of some things in the background.

MR. TOBY BOSTWICK: Good morning, Mr. Secretary. I'm Toby Bostwick from the east side of the state with Ag 50, and also the National Sorghum Growers. I appreciate you coming through New Mexico.

Today we as farmers face many challenges that past generations did not face. We have national security concerns involving the contamination of our food supply; public pressure to develop environmentally-friendly farming methods; rapidly rising labor, machinery and most of all energy costs, while consistently getting prices for our commodities that our grandfather received.

The main problem I feel is our trade -- increased foreign competition in U.S. markets, while foreign trade barriers impede our export growth of U.S. products. Half of our wheat crop goes out of our nation, and four out of 10 rows of our sorghum crop also is exported.

I wonder, Mr. Secretary, about a U.S. ag economy under a progressively limited Farm Bill coupled with further liberalization from the Doha Round in '07 coming. What I feel we need for future successes on the 2002 bill, nothing should be done to jeopardize our planting flexibility. The market, not the government, should dictate our planting sources. We need to keep domestic support within the commodity title and no less than that is authorized in the '02 bill. I would like to see income supports rather than price supports. Currently the direct payment is non-trade distorting and falls within the WTO obligations. There are too many profit-takes in our current insurance program that the funds don't become and get to the landowners. I'd like to see us expand our NAP insurance programs and other programs offered by the FSA.

In short, Mr. Secretary, the '07 Farm Bill is more than just a piece of legislation. It is literally going to be an investment in rural America. I invested my family and my livelihood in rural America under historic farm programs. I certainly can't afford a reduced Farm Bill. As we and you, American farmers must have some bit of certainty if we're going to expand this industry. Thank you. (Applause.)

MODERATOR: Thank you, sir. I apologize. I saw you standing in line, but if you would give us a short five-minute intermission to take care of some things.

(Intermission.)

MODERATOR: All right, thank you for your patience in the intermission, ladies and gentlemen. At this time I'd like to reintroduce Secretary Johanns. We're going to begin over here.

SPEAKER: (In Spanish.)

MS. ARI STOMA DINADO (sp): Hello, Mr. Secretary. I am Ari Stoma Dinado (sp), and I come from a group of Latin farm workers in Washington State. This is the interpretation for the gentleman.

They found it necessary to form a group of young farmers. They formed a corporation, and the purpose of this is to survive. They're looking for credits. They're looking for credit in order to purchase the necessary packing equipment that exists and is plentiful in Washington

State, and is still in good condition. What they seek to do is to export to foreign markets. What's being presently done is that the packing is being done by packing plants that are taking a good share of the profits and giving them only what's left.

He further expressed that these farmers are people who love the land. They were born there and they will die there, and they are simply seeking economic improvement so that they can sustain in that lifestyle. (Applause.)

MR. BLAKE CURTIS: Thank you. Good morning, Mr. Secretary. My name is Blake Curtis. I come from the eastern side of the state, in Clovis. I'm a fourth generation New Mexican. We homesteaded here. We're still on the original ranch -- homesteaded from both sides of the family. My granddaughter will be the sixth generation New Mexican if she chooses to stay there.

We have a situation that exists involving CRP. There are three counties on the eastern side of the state. Those three counties are enrolled at a 35 percent level. As you know, the Farm Bill authorizes 25 percent. During the first expiration, there will be 150,000 acres that will become available or come out and hit the market. It won't be available -- it won't be allowed to be considered for reentry into CRP until well below the 25 percent level -- 150,000 acres would represent about a \$4.5 million impact to our area. The cost of this is, number one, the \$4.5 million. We're concerned it will also have a cost on the value of land. What does that do? It costs bankers in lost collateral and landowners in their ability to borrow money. Additionally, we're concerned that part of this production area would go idle because people would idle land in preference to other land that might be more productive, and it would also encourage wind and water erosion and then additionally the loss of wildlife habitat.

What's the solution? We're thinking that you have the authorization in the existing Farm Bill to extend contracts. If we could have extensions from three to five years and modifications that would allow maybe for individuals to graze every other year and reduction of payments by about 30 percent, those offsetting funds could help to offset the cost to the Department of Ag. And additionally allowing people to graze could offset the loss of income. We hope you'll give this consideration, and generations of agriculturists of New Mexico will appreciate you. Thank you, Mr. Secretary.

MODERATOR: Thank you for your time.

(Moderator directions.) USDA has provided laptops which allow us an Internet connection, and we are actually looped up to different extension services throughout the state, and they have comments that we would like to stream over the Internet to this forum this morning. So what I am going to do, if you will take a very short break, we are going to go to the system now and we are going to any county for their comments on the Farm Bill over the Internet.

MR. WOODS HOUGHTON: Mr. Secretary, thank you for coming to New Mexico and thank you for this technology where we did not have to travel to visit. I'm Woods Houghton. I'm a county agricultural agent in Eddy County. I have four producers who have asked me to voice their concerns.

One is the next Farm Bill needs to address unintended consequences with the increased cost of fuel, fertilizer, cost of chemical and water increases while crop return on investment stays steady or declines, and this makes it difficult for the producers to stay in production and for young producers to make payments on their loans. So they feel the next Farm Bill needs to address that.

The other one is non-programmed crops. Alfalfa is the number one production crop in New Mexico, and is the number one production crop in Eddy County. And oftentimes programs are developed for prominent crops such as corn and has a detrimental effect on the alfalfa market. And so there needs to be a process in the Farm Bill to mitigate that from occurring.

The third item was moving USDA offices from small rural towns into larger regional cities. While this may not be a major loss -- or seem like a major loss of one or two jobs, but if you're a town of 1,000 or 2,000 people, that would be the same as losing 1,000 jobs if you're a town of 10,000 people. So they'd like to keep the small rural offices or make an effort where they regionalize -- not to larger towns but regionalize to smaller towns and increase rural development by leasing offices in small towns where it's needed.

The fourth item was technology and reliance on USDA on newer technologies. While in any county in much of New Mexico we have some ranches that are still using four- and five-party phone lines, so they're going to have no Internet connection or have no phone. We also have a few ranches that still do not have electricity. And so the ability to still work with paper would be appreciated. Thank you again.

MODERATOR: How cool is that, folks? I think that's great. We'll be checking in with other counties and other officials from around the state who couldn't make it here today later on. So we'll continue with the forum.

MR. JOSE GUZMAN: My name is Jose Guzman. I come from Washington State. I grow apples. And when me and my wife signed up for a loan for land, we buy it, we were very happy with that. My daughters and my family -- everybody was really happy with that. But today we pay, because we don't get any money back from the warehouses. We love to see something buy it -- you guys can help us with that -- to our warehouse, or get some money from the budget to be able to pack our own apples for the next generation. I think that's it, and I would like to see that in the next budget for 2007. Thank you. (Applause.)

MODERATOR: Thank you, sir. Next.

MR. SYD STRIEBECK (sp): Mr. Secretary, I'm Syd Striebeck (sp) with the Ag 50 of Eastern New Mexico, and also want to reiterate it says a lot about you when you're willing to come out here and sit out in the hot sun in rural New Mexico and listen to what we have to say, and we certainly appreciate it. (Applause.)

We just want to bring up some points that partly have already been said. But as we consider the 2007 Farm Bill, we need to make sure that it's innovative and that it has flexibility, because one of the things we have to do in agriculture is we have to be light on our feet and be looking for innovative ways to expand the opportunity to keep young people in agriculture. And just some examples that have been mentioned, the NAP program and flexibility in crops. We've got nine program crops. We should have some kind of national pool and some incentive program both in the USDA and to the citizens and the county committees where we reward a county committee that brings forth a proposal that's really innovative that is something we can implement in other areas, because usually problems aren't specific to a specific area.

The second thing is education. And we know that that's been an important focus of the USDA, and we just want to encourage you to continue that. We need to educate the citizens of America in terms of what agriculture does for them. And then we also need to emphasize through our community colleges and junior colleges -- we need to educate our farmers and our ranchers on some of these programs and on new innovations, because that's something that we

could help them tremendously with.

And the third thing, just to reemphasize, if we want young people to stay in agriculture and to stay in rural areas, is we have some of our rural economic development programs -- there are lots of those that are great programs, but through education we can educate people on what opportunities are available out there, so that we can keep the young people on the farm. Thanks again for being here. (Applause.)

SPEAKER: (Spanish not translated.) (Applause.)

MS. MARISTA SILVA (sp): Mr. Secretary, I'm Marista Silva (sp), and I'm here, unfortunately, to complain against the USDA. In 1982, I requested a loan. I was faced with many barriers and it was not something I achieved. I continued with this from '82 to '92, and then I finally gave up. I was not able to buy my ranch. Eventually though I did meet a person who was willing to sell me the ranch directly. It was with a very high price, and I'm paying very high interest rates.

I'm not sorry that I bought this. I was a rancher in my native land, Mexico, and now I'm a rancher here. Thank you. (Applause.)

MR. MAX BIST (sp): Mr. Secretary, I'm Max Bist (sp). I'm also with Ag 50 of Eastern New Mexico. Our area has a significant region of irrigated farmland, which is irrigated through a source that you're familiar with, Ogallala Aquifer. In fact, our area contains the extreme southwestern section of that valuable aquifer.

In terms of water conservation in the Farm Bill, we believe that the EQIP program has really worked well in our area. However, Mr. Secretary, we would ask the department maybe consider revamping the CRP or Conservation Reserve Program as it affects irrigated farmland. It's just not resulted in much sign-up or enrollment in our part of the state.

And, finally, Mr. Secretary, and I know this issue doesn't have to do at all with the Farm Bill, but our group strongly supports continued reform and hopefully repeal of the state inheritance taxes. They've been a drag throughout our state on secession and passing down farms and ranches to succeeding generations. So we would hope that Congress would hopefully repeal the state inheritance tax, or alternatively raise -- substantially raise the exemptions, lower the marginal rates and for sure keep the step up in basis. And, again, Mr. Secretary, we really appreciate you being with us, and thank you. (Applause.)

MS. SIPIDIA (sp): Mr. Secretary, Sipidia (sp) with Dona Ana County Utilities. Again, I want to thank you for the support and everything that USDA has done for our projects.

As many of you might not know, USDA assists rural communities in water, waste water and solid waste projects. We were fortunate this year to be funded by one of those projects. Dona Ana County has over 35 colonias communities within our county. There are many, many people out there without basic facilities. It's something that we're out there trying to help them -- provide for them. The grant funds allow us to do this at a reasonable rate, and something that they're able to live with as well.

The relationship that we've developed over the years has been invaluable to us. RUS has made it possible for many residents to provide simple necessities to their homes -- bathrooms -- something many of us take for granted. These are great people. We've been out there, we work with them, and right now our project request is -- (inaudible) -- as you know. We want to continue to thank those people funding it, and just keep that interest alive and knowing that we

are out there doing good things. We're protecting the groundwater that's below us and one of our most precious resources. And, by the way, I'm a graduate of this university over here. (Inaudible.) Thank you for being here. (Applause.)

MS. GLOJEAN TODACHEENE: Welcome, Mr. Secretary. My name is Glojean Todacheene. I'm the vice president of the Shiprock Chapter, which is the local government in the northern part of the Navajo Nation. We're in the San Juan River Valley, and recently President Shirley and Governor Richardson signed the Navajo Nation San Juan River Water Rights settlement. This is going to go before Congress. If Congress passes it, then we will be able to have our irrigation canals rehabilitated. We will also have a water treatment plant built, which will take water to the Navajo Nation communities in the Gallup area. It's call the Navajo Nation Gallup Water Pipeline. So with your influence we need help with talking to the congressional leaders. So, Mr. Secretary, you can help us on that.

The second thing is please continue to provide funding to combat the noxious and invasive weeds so that -- especially on the tribal nations -- these seeds and what-not flow through the river and these begin to take over a lot of our native plants.

Third thing, there is a lack of jobs in many of the tribal nations, and we need student employment. Students who get out of college, are in college, a lot of times they're told they have no experience. So we need funding for them so that they can work during the summer or during the school year. Thank you, Mr. Secretary. Thank you for your time. (Applause.)

MS. HELEN DUNYON SMILEY (sp): Good morning, my name is Helen Dunyon Smiley (sp). Secretary Johanns, thank you for giving us the opportunity to come together and communicate with you one on one.

The concern I'd like to address this morning pertains to two of the questions that you gave us to try to participate with you. My first concern I'd like to address: Is there any measure being taken to make sure rural America will be here for the next generation, my grandchildren? I'm in the process of seeking farmland around Memphis, Tennessee to convert into the organic livestock industry. My research and market analysis shows that market is high in demand in this industry. Most of the farmland in this region is being sold out to subdivision developers. Our small farmers are getting out of business, because they cannot survive.

Another concern is I've been in sales and marketing for 30 years. I have tapped into a profitable industry that with my experience I can market into the health-conscious community, Internet sales and world market in the Memphis area. This vehicle will keep our small farmers that are left and encourage others to get into farm and ranch. In the mid-South there is no organic industry there.

Yet to get where I need to be, I need funding resources to buy a local slaughterhouse and expand it into processed meats. I also need farmland to keep holding stock that wait for slaughter.

In closing, with this it's a definite fact there's a growing Muslim community, Hispanic community and a large Jewish community in the Memphis area. This is keeping the sheep and goat industry alive today. My business plan will keep these farmers in business and will grow in demand.

I am a single Hispanic woman, minority. Can you, sir, direct me to the state and federal departments that can help me help farmers? I have recently been to the local rural development. They didn't have no knowledge of minority funding and grants. All they had to offer me was a

B&I loan. And but I can do it in grants. I can go to investors and conventional loans. But to get started I need help. (Applause.)

MS. PAULA GARCIA: Mr. Secretary, thank you for being here and thank you for the opportunity to speak with you. And welcome to New Mexico. My name is Paula Garcia. I am the Director of the New Mexico Acequia Association. As was mentioned earlier, the acequias are the community-based irrigation systems that have been in New Mexico for centuries, and continue to be used in much the same way they were used several hundred years ago by the initial settlers, and it's one of the riches of New Mexico. And we're located throughout the state, but are mainly concentrated in north-central New Mexico in the areas of Taos, Mora, Rio Arriba, and San Miguel Counties, which has high percentages of Hispanic population, but also some of the highest rates of rural poverty. And it's our interest to rebuild and reclaim and recreate our local food systems. The area that I'm from, which is Mora County, used to be known as the bread basket of the Southwest. It produced abundant crops, abundant goats, and was a very fertile area. Like other areas of small-scale farming, we've gone through a transition. We aren't the same farmers as we were in the time of our parents and grandparents. And we want to be farmers. We want to be farmers and ranchers. And there has to be access to capital for those of us that want to start and continue our traditions. We want to stay on the land. It's very important for those of us who have generations on the same ranch to stay there and farm in that same place. We have a very special relationship with the land. There's a spiritual and cultural connection to the places that we're from. We continue to practice our cultural traditions around the land and the water.

Some of our land and water, some of the most sought-after by real estate developers and speculators. And so the next Farm Bill ought to create a greater safety net for those areas that have those tremendous development pressures. In some parts of New Mexico the land is going for over \$100,000 an acre. And so there's tremendous pressure to keep the farmland and water rights in place in agriculture, and that could be strengthened into the next round of the Farm Bill.

Finally, small-scale farmers like ourselves, we need technical assistance -- in addition to access to capital -- technical assistance in order to access those programs and technical assistance that's geared towards our communities in a way that's culturally appropriate in consideration of our unique cultural approaches to farming our traditions.

In closing, overall the next Farm Bill has to acknowledge the small-scale farms are being put -- (inaudible) -- needed. And that would recognize that the next evolution of food and farm policy in this country would have a stronger emphasis on the small-scale diverse farms. Thank you, Mr. Secretary. (Applause.)

MR. PAUL STOUT: Good morning, Mr. Secretary I am Paul Stout from the small rural community of Broadview, New Mexico, which is on the far east side of the state close to the Texas Panhandle. I come before you today representing two organizations. I serve as the president of the New Mexico Wheat growers Association, and I also serve as the vice president of the Rocky Mountain Farmers Union, which represents the states of New Mexico, Colorado and Wyoming. And I thank you for coming to our state and hearing our concerns.

As you have heard from many of the people out here, we have a long and diverse agricultural history dating back before the Spanish colonial era. I would say that our greatest challenge today is the rising cost of doing business. We as a nation produce the safest food supply anywhere in the world. A key component of that cost of doing business is environmental, and high labor standards along with equipment and energy costs, and costs to purchase land. We are at a competitive disadvantage with other nations around the world, particularly Central and South America, and also nations like China and Australia, where the main issues relate to

currency exchange.

At this time I'd like to put in a plug for a land-grant institution, New Mexico State University. For many years the Agriculture Economics Department has provided cost and return estimates on what it costs to do business in farming and ranching. It is our intent that this data be utilized nationally for the benefit of our producers and to educate the consumer about production agriculture, separating the myths from the truth -- one of those myths being that farm programs are nothing but a windfall profit scheme.

We believe that the determination of budget outlays and payments for commodity programs, conservation programs and risk management should be indexed to the true cost of production as provided by these reports not only from New Mexico but from all of the 50 states of the union. And we believe that these payments should be tailored for each state or region to account for differences in climate, crops grown and soil types. The one-size-fits-all approach does not and will never work. Given our past disasters in the Western United States or the Eastern United States have now been affected. We cannot continue to survive as long as the playing field continues to be unlevel and inequitable. We must establish a support payment plan that includes as little global competition and ensures that our producers are able to meet expenses and obtain a profit while delivering value to consumers. Thank you. (Applause.)

MS. LOUISE MAFANG GUTIERREZ: Mr. Secretary, my name is Louise Mafang Gutierrez (sp), and I come from the great state of Washington -- not Washington, D.C. -- Washington. And I'm here to speak to you on several issues regarding the Farm Bill. But first I'd like you to know that someone mentioned earlier that -- I think it was you -- that there was a doubling of Latino farmers throughout the United States. But in Washington State there's been a tripling of Latino farmers that are going into farming. So we are talking about the new generation of American farmers.

We've seen -- our CBO has been fortunate that -- our community-based organization has been fortunate -- it's called the Center for Latino Farmers Rural Community Development Resources, and I'd like you to recognize all those gentlemen in the front row that are a part of our delegation, and because of them we are here today and because of them they are the future of farming in America.

We've been working with the new generation of American farmers. Most of them are farm workers that have become farm owners. Because of them we were able to get our program started, and because of USDA we were able to have an outreach program to reach them. We have identified over 250 farmers in our state that are Latino farmers that are new generation farmers. What we are doing is helping USDA count and outreach to the farmers so that they can have access to USDA services. Before they had never really -- they had made an attempt, but because of lack of bilingual and culturally-sensitive staff in these offices they were not able to access services.

I think we have been fortunate that we had Assistant Secretary Vernon Parker and Paul Gutierrez and Under Secretary Moseley actually made a visit and had a small Listening Session in our area. And because of them we have seen a change in the FSA offices in a very positive way. And I think that's the way it should be. It should be partnerships, because we are there to help the farmers as USDA is supposed to be helping the farmers. So we should work in partnerships.

So, related to that, number two, it's important that -- I'm going to take a little bit more time -- we need to have resources, equitable resources for limited resource and minority farmers. We've had in a lot of these programs rural development. We don't see that in a lot of these

programs. An example is rural development. We don't see that equity there in the services that are provided. We need some cooperative funds. You had two or three farmers talk about that. Right now cooperative dollars are given to, in our particular state, to one organization. They've been getting it for the last 10 years, and there's no opportunity to be able to get cooperative dollars for cooperatives that are being set up. So we need some grant funds -- and someone has talked about it as well -- to help these growing farmers set up a cooperative so that they can have those kinds of trainings and also money to be able to loan as part of this cooperative. We know that we have banks that are willing to partner with us, if USDA is willing to provide some resources and say, Okay, we'll provide this much money, we'll match it, and that's the way it goes.

The other thing is I already talked about diversity in staffing. And I just want you to know that we're talking about people who have a passion and a love for the land, and that's what you've been hearing. And I think those are the new generation of farmers in the future. They're just like the way the other farmers are: they love the land, they want to farm, they just want the same opportunities. Thank you. (Applause.)

MODERATOR: Thank you. Once again, folks, please keep an eye on the time. We want to be sure everybody gets the opportunity to speak this morning, so keep it brief. Thank you.

MS. ROSE GARCIA: I'm Rose Garcia, and I'm executive director of Tierra del Sol Housing Corporation, and I've been with Tierra del Sol for 25 years. It's a nonprofit rural housing development organization that works in southern New Mexico in the colonias with West Texas. We work very closely with Congressman Bonilla's office, Congressman Pearce. And through the years we've developed over 5,000 units of rural housing, with much of the resources from your Rural Housing Services Agency, and locally we know it more as "rural development."

But I'm here to tell you that I really appreciate the years of experience that we've had with rural development housing. The staff -- there's so few of them left, because many are retiring or the agency is being reorganized and offices cut back to urban areas. And I want to urge you to try to very quickly transition in some new people to cross-train with those that you have left, and treat the ones you have left with maybe a little bit more TLC and to keep them there so that they can pass on their knowledge, the institutional knowledge that we need in the field.

What I care very much about is the agricultural workers. You heard this whole day about the farmers and agriculture, et cetera. But the work force is very important -- it drives their economy. And the agricultural workers live a very distressed life in this part of the country, and I develop housing for farm workers to help stabilize them the little bit that we can. And I urge you to keep the rural housing programs with your department rather than they to be reorganized. I know there's been a lot of discussions of national policy to reorganize the housing into the Department of Commerce, other agencies. But I think that it's worked with your Rural Development Agency. So if it works, don't try to fix it -- and just maybe support it a little bit more.

But I want to thank you very much for all of the hard work that your people have done in the many years that I've worked with them. Thank you. (Applause.)

MR. JOEL SCOTT HOUSE (sp): Good morning, Secretary. I'd like to welcome you to New Mexico, and I'd like to also reemphasize we want to invite you to Navajo Land. My name is Joel Scott House (sp). I'm a project manager. I build schools and youth facilities on the Navajo Nation. And I think one of the big things -- we're very interested in just the things that you just recently heard, is the technology of today, the Internet. We have satellite systems on our nation,

all 110 communities. We want to work to continue to improve that dialogue, and improve the communication with the USDA and the Navajo Nation in providing the message out to our farmers about technology and what's available and also how to build our nation.

We need your assistance to have more active participation from your program by hiring bilingual people that can use the Navajo language to teach farming to our people, because like our president said we're about 30 years behind. I think we're very economics in knowing the economics of self-sustainability and that's really why we want to ask you to come out and visit with us, talk with us. We can communicate. With that, we can create a partnership and we can provide a better service to assist USDA to help its people to become better farmers. Thank you very much. (Applause.)

MS. NORA BAILEY: Good morning, sir, and welcome to New Mexico. My name is Nora Bailey, and I am contract administrator in the city of Sunland Park just south of here. All of the engineering and construction work right now in the city is on my desk. And I speak to the question about how do we get rural economic development. And one of the critical answers is we continue building the infrastructure. The president mentioned the quality of life in rural communities, and infrastructure is absolutely critical.

And I believe it's Title VI of your Farm Bill, sir, that talks about rural development, and I have come simply to raise the importance of that in the whole scheme of things with the Farm Bill.

The city of Sunland Park is very easy to locate on the map. It is a point on the map where four cultures, three states, two countries meet in one point, mile marker one and a river runs through it. In 1990 the per capita was \$3,412. And I had not been in the city very long when I discovered those numbers, and I went through the Census and there were only 10 communities in the state with that, and we were one of them. So we are a very low-income community.

We have benefited from your colonias program, sir. Last year you funded a treatment plant for us that we finished. You have bought a water utility for us. And we want you to know we appreciate it, and the critical nature of continuing your rural development activities in the state of New Mexico and around the country. And I hope that I'm speaking also for other colonias who could not be here.

I want briefly to make the point that the impact of the money that you spend in colonias communities is greater than it will look on a spreadsheet when you look at it, and I found that quickly in street-lighting project that you didn't fund, but it was a park -- and just the lights brought light -- it changed those people's communities. I'm from the Midwest. We think nothing of streetlights. So what you do in colonias communities makes a very big difference.

I discussed my meeting with the mayor of Sunland Park, and he wanted me also on his behalf to thank you for coming. And, as I leave, if you would permit me to just one second -- I want to read a letter, because you have outstanding staff who have worked with her. And this was written to Clyde Hudson, who is your program director in the Las Cruces office, with whom we have worked, and it reads as follows, sir:

"Dear Mr. Hudson, We recognize you today, Clyde, because you exemplify the very best of a special breed. Most people think of federal employees as strangers in faraway places. You are a federal manager who has chosen to serve in that most important place, home. Your responsibility then is to balance federal requirements with the realities that you know to be true on the home front.

"In your interaction with Sunland Park, you have brought wisdom and excellence to bear on both of these arenas. You have done this with the highest of professional standards. You have cared about the needs of Sunland Park. Under your leadership, your highly competent staff members have worked with us so that together we have been able to achieve both federal and local objectives. You help us, and we thank you. Jesus Ruben Segura, Mayor."

Please continue what you're doing. Don't let it slip by. Give us more if you can. Thank you. (Applause.)

MODERATOR: Thank you. Folks, we're going to take one more, and we'll take a very short intermission once again, and I'll be welcoming Dr. Gutierrez, and he'll be moderating the rest of the show today. So one last comment before a very short intermission.

MR. GENE LACKEY (sp): Good morning. My name is Gene Lackey (sp). I'm the eldest son of a southeast New Mexico cotton farmer. I'd like to read a statement prepared by him.

American farmers only want one thing in the development of the 2000 Farm Bill. We simply want policies that will allow us to make reasonable profit. If that were accomplished, all six of the forum questions would automatically be solved.

"One, profits commensurate with other industries will keep our brightest and best on the farm.

"Two, profitable domestic renewable fuel markets will reduce our dependence on global markets.

"Three, reasonable profits should eliminate the need for subsidies.

"Four, with adequate revenue, farmers are great conservationists and environmentalists.

"Five, renewable fuel plans in related industries would revitalize rural America.

"Six, profit is the driving machine for product development, marketing and research related issues.

"Presently we are at an historical point in U.S. agriculture. Our country needs relief from foreign fuel dominance, while U.S. producers need relief from unfair global commodity markets. USDA farm policy, led by you, Mr. Secretary, can solve both problems simultaneously. For the policy to work, it must be voluntary, and it must be profitable. Most producers are very satisfied with the 2002 Farm Bill. Even for the lack of a better alternative, we'd like to stay with a similar bill in 2007. However, the 2007 bill should offer producers two options.

"Option one would mimic the 2002 bill. Option two would eliminate producer direct subsidies, in return making producers eligible for a new type of multi-peril crop insurance. This high guarantee insurance becomes the producer's only safety net. The new insurance would use the same mainframe as the original version, except the coverage now on the premium subsidies would be dramatically different. Their 80 to 90 percent level APH would be the most highly-subsidized level. APH would be derived from high production years. Only production for renewable fuels would qualify producers for option two. The USDA would pay for these highly-subsidized levels from forgone subsidies. The goal of option two is to create a renewable fuel commodity that draws acreage away from surplus commodity costs. Two birds are killed with one stone. One, U.S. consumers reap the benefits of lower-cost renewable fuels; two, reduced

acreage of standard commodity costs provides better price opportunities in domestic markets. Right down to the USDA will create a very healthy ag economy, as well as a very healthy consumer economy.

"Respectfully submitted, Wilbur Lackey (sp)." Thank you. (Applause.)

MODERATOR: Thank you, sir.

Now, ladies and gentlemen, once again it personally has been a real pleasure to be up here. I'm going to share the stage with Dr. Gutierrez when we come back after this short intermission. Once again, thanks so much to Mr. Chapman and Secretary Johanns for having me here this morning. And I'm going to stick around for the rest of the session. It's been really cool, and I don't know -- I'm only 21 years old, and I get to do a lot of cool stuff in this town, but to be a part of the agricultural community growing up and seeing people from all over the state and all over the country come here today has really given me a boost in confidence personally in our system. So from me too, thank you very much for having me here this morning. (Applause.)

We'll be right back after a short intermission. Thank you.

(Intermission.)

DR. PAUL GUTIERREZ: Let's go ahead and get started here. Again, my name is Dr. Paul Gutierrez. I'm with New Mexico State University Cooperative Extension, and we're going to try to move right along here. If you count the people still standing in line and the time we have left, we need to really concentrate on staying on time.

So I'm going to honor the time limit of two minutes, and so if I interrupt you, don't take it personally, but we've got to start moving.

But I would like to thank Calabreas (sp), their producers, Ag 50 Clovis and NMSU for running water here on this warm afternoon -- morning, I should say -- it's going to be a warm afternoon.

So, without any further ado, where did we leave off? Over here, this gentleman. Yes, sir?

MR. RICK COURTNEY: Mr. Secretary, I'm here today through invitation by Carmen Lopez of your Albuquerque USDA office, and I'm standing before you today at the invitation of Susan Pelsey (sp) of your Las Cruces USDA office.

My name is Rick Courtney. I'm the executive director for the Truth or Consequences Housing Authority. I come before you today to speak to you about the concerns of the preservation of low-income multi-family housing.

Fortunately, rural development has done a comprehensive study on the potential train wreck that's fixing to happen in multi-family housing. And I'm here to just ask you to encourage the New Mexico office to embrace those issues and see if we can move forward in dealing with the backlog on the rehab needs for multi-family housing. Thank you.

MR. RAY KASCUN (sp): Roy Kascun (sp), New Mexico. I'm a first-time farmer/rancher, and according to the USDA socially disadvantaged. But my problems are no different than a lot of people's regarding the FSA. My belief is that you have a very serious attitude problem in most of your bureaucratic personnel. They are on a power trip and do no

want to follow the code of federal regulations, do not wish to implement the decisions in the National Appeals Division, ignore the Freedom of Information Act and the Privacy Act, and I think you need to look into it, sir. Thank you.

MR. KEITH BIGAY (sp): Good morning, Mr. Secretary. My name is Keith Bigay (sp) from the Navajo Nation and also Lynette Lan (sp) also from the Navajo Nation, and we're going to occupy the same two minutes. And we're both with the Navajo Nation Land Use Planning Communities. And the Navajo Nation has been very fortunate under the very able leadership of the Navajo Nation President Joe Shirley, Jr., and the 20th Council of the Navajo Nation Council. There are laws for all communities to do land use planning. And over the many years that the Navajo have existed on the reservation, no government has allowed the communities to do the best land use options or long-term 50 years or 100 years. And we were very fortunate that we were able to help communities plan. And only in the last five years we came across the fact that it takes very professional expertise to do land use planning. There are 110 communities who have that expertise, and we'd like to ask you, sir, Mr. Secretary, if you can allow some of your programs, one of your programs at the USDA to work with the Navajo Nation regarding land use planning. And we have been working with the New Mexico USDA and Arizona USDA during the last few years, making some very good progress to expand some of those sources. Thank you. (Applause.)

MS. LYNETTE LAN (sp): He occupied the two minutes. I'm going to say very briefly in one sense we do need -- our reservation -- our Navajo Nation is the size of West Virginia and we have little to no services from USDA, and we want to see grandmothers, our families, our children get some services out there. We need your help. We have been getting help. And we're very thankful for Vernon Parker, for Annabelle Romero and everybody to come out and see the Navajo Nation. But we still need to continue that relationship. We want your help. Secretary Johanns, thank you. (Applause.)

MS. LIGHTHEART FILETA (sp): Secretary Johanns, thank you for being here today. My name is Lighthouse Fileta (sp), and I work with the New Mexico State University Cooperative Extension Service. In this position I direct the Food Stamp, Nutrition Education and expanded Food and Nutrition Education programs, both of which are funded through the Farm Bill. And I do appreciate the fact that you're going to have a forum specifically for those programs.

But I did want to express how important these programs are in New Mexico and in the nation in providing both families and communities with very practical education to make healthy food choices and to better feed their families.

So we in New Mexico, we rank number one in food insecurity and number three in hunger. So these assistance programs do make the difference in many families in New Mexico between going hungry or being able to feed their families.

Further nutrition education that we provide in these programs to youth and families is particularly critical right now in helping stem the tide of obesity and ultimately control health care costs. Research has shown that for every dollar spent on programs like FNET, \$10 are saved in health care costs.

And, lastly, I would like to express my appreciation that nutrition education and food assistance programs are a part of USDA. My background is actually agriculture, although now I work with nutrition, and to me it's a circle. Nutrition or eating is the end point of agriculture.

Currently every county in New Mexico has food stamp nutrition education or the FNET

program in addition to the Navajo Nation and the Zuni Tribe. And we just would like to express our appreciation for funding in the past, and we would like for you to ensure that this funding continues. Thank you. (Applause.)

MR. NOR GOOD, SR. (sp): Good morning, Mr. Johanns. My name is Nor Good, Sr. (sp), and I come from a nation where the unemployment rate is between 50 and 70 percent annually and regularly. The poverty rate is 10 times the national average. The per capital income is three to five times lower than the lowest rate of any community in mainstream America; where the cancer, tuberculosis and diabetes rates will be considered in economic proportions in any other American community besides mine; where 62 percent of the population is between the ages of 0 and 18, where 60 percent of all students entering grade 9 can expect to drop out before finishing grade 12; and where 100 percent of the resident population have been taxed either directly or indirectly by a loved one afflicted with alcoholism, drug abuse or suicide; where the principal source of income for individuals, families, and the community and the government was derived through agricultural production; where 80 to 90 percent of the developed agricultural resource within our nation are at least now Caucasian farmers or ranchers; where just recently a program funded by USDA's Farm Services is finally gaining momentum and actually providing community members with a hand up versus a hand out. This program, entitled the National FSA American Community Outreach initiative already established a solid reputation of reaching those who have never really had this. This is an issue that is quite frankly empowering the powerless to dream the American dream.

You see, Mr. Secretary, my home is the Great Chippewa Cree Nation, and we're located on the Rocky Boy Indian Reservation in North Central Montana, and I'm a chief operating officer for the National Tribal Involvement Association, who has had the privilege of administering this program over the past three and a half years. In that time, we have assisted in placing over \$8 million in FSA loans to over 200 American Indian farmers, ranchers and youth to tribes located in the Lower 48 States.

MODERATOR: You're going to have to wrap up.

MR. GOOD (sp): Mr. Secretary, I offer you a solution, and that solution is this program funded by FSA but in danger of being deleted from their programs because of budget cuts. This program can be replicated across minority lines to the Hispanic community, which is why I'm here, to the African American community and to the Asian community. Thank you, Mr. Secretary. (Applause.)

MODERATOR: Again, emphasizing time -- there's still a long line for two minutes -- you may not get through this. So I encourage you to not even take the two minutes if you don't need them. Just make the point to the Secretary.

MR. EDGAR CODY (sp): Hello, Mr. Secretary, my is Edgar Cody (sp). And I'm from the -- (inaudible) -- from the Navajo Nation, and I would like to restate President Shirley's call for more representation on Navajo from USDA, greater access to programs of assistance, education and technical assistance, development of infrastructure, e.g., roads, on the Navajo Nation -- all of these items can be categorized under an Indian title of the Farm Bill.

Second, I want to say it is misleading in the least to characterize the rest of the world as potential consumers. In areas of the rest of the world, our farmers -- the true economic opportunity for farmers here is their own domestic market, the economic buying power of the Central American countries and Dominican Republic that are part of the CAFTA agreement is equivalent to the state of Connecticut. Why not allow small farmers more access to Connecticut's markets, as well as the rest of the United States. What is needed is caps on the

subsidies that benefit the largest and most vertically integrated farms. Thirty-eight percent of U.S. subsidies goes to 50 percent of U.S. producers. Only six farms in New Mexico receive subsidies over \$250,000 in 2003, according to the Environmental Working Group -- or from them. Farmers around the world are suffering from the price commodity prices caused by subsidies to large farms.

In closing, all I have to say is just focus more on development for small farmers' access to domestic market to ensure economic life rather than seeking out mystical foreign markets. Thank you. (Applause.)

MS. SHARON LOMBARDI: Good morning, Mr. Secretary, it is a pleasure to have you here today. My name is Sharon Lombardi. I'm executive director of Dairy Producers of New Mexico. The Dairy Producers of New Mexico is a grass-roots association for our New Mexico and West Texas dairy farmers. As you probably know, New Mexico is seventh in the nation in milk production, first in the nation herd size. We're often solely-owned and operated. Dairy Producers of New Mexico actively involves itself with public policy. So I'm going to make sure you understand exactly where we're coming from. So I will tell you what we support and what we oppose.

We believe the 2007 Farm Bill has the ability to help the entire dairy industry by being a truly national Farm Bill and not a fragmented one. For instance, the milk income loss contract program does not help all producers equally. Dairy Producers of New Mexico opposes any form of direct payments from the government based upon production. Such payments distort the market, reduce milk prices and waste tax dollars.

The Dairy Producers of New Mexico also opposes forward contracting milk. DPNM believes that this program overrides USDA's administrative rule-making authority. However, DPNM would not oppose any program that allows a producer and a handler to agree to establish a cash price for some or all of the producer's milk for a period not to exceed one year or longer as nonfat milk is used in class I, and none of that milk participates in the uniform pricing or producers price differential of the order.

The Dairy Producers of New Mexico opposes any form of daily compact. DPNM believes that we rely on the ready market of milk throughout the various states. We believe in an open and free market of milk, and we do not support the creation of state compacts.

MODERATOR: Sharon, you're red.

MS. LOMBARDI: Thank you, Dr. Gutierrez. We also support the federal milk market orders and biofuels, and we're here to assist you in any way, shape or form, Mr. Secretary. Thank you. (Applause.)

MR. PAT WOODS: Mr. Secretary, my name is Pat Woods. I'm from Eastern New Mexico with the Ag Committee of 50 also. I'm also a county Farm Bill president and Secretary-treasurer of Farmers Electric Co-op. I have three concerns, one being I'm a big-time producer compared to the rest of these people. I farm about eight thousand acres and run about 1,500 head of cattle. The big direct payments that I get from agriculture is \$8.00 an acre, sir. That's not enough to farm any land to speak of, if you know anything about the cost of fuel.

My other concern is about food safety. As you know, the time just before Christmas wrecked our beef market for a period of time. I would like to see this food that's imported across the borders inspected -- 100 percent inspection -- make those importers pay that inspection. It doesn't have to be a cost to the USDA.

And my third concern in the U.S. is the fact that we're having troubles with rail lines coming down from the north to the south carrying 100 car coal -- low sulfur coal -- and also our Corn Belt corn -- 100 car Corn Belt corn coming in to feed our cattle. We have some major problems with those railroad lines, and that sounds crazy to talk about in the Farm Forum.

And, sir, I want to thank you very much for your support with the Beef Check Off. Thank you for the great thing that happened there. (Applause.)

MR. MARK MARLEY: Mr. Secretary, my name is Mark Marley. I'm a sheep and cattleman from Myers, New Mexico. In fact, this morning when you got that acre of New Mexico sun, sir, you didn't realize it was going to be quite such a warm acre. (Laughter.)

I came today representing the American Wool Council and the sheep industry of the United States. There are some 67,000 sheep producers -- families raising lamb and wool covering the entire United States. We raise lamb and wool throughout. Some of it we have been very -- our industry has been in decline, and for the first time 2004 marked an increase in sheep numbers in the United States. And part of that is a direct result of some of the farm programs and some of the USDA programs that it's initiated, and we want to ask you to continue as you look for the Farm Bill, to reauthorize the wool loan program, but put it at -- authorize it at the best rate \$1.20, as the industry and research has indicated was the appropriate level, not at the \$1.00 that legislation had in the 2002 Farm Bill, at the dollar level that had a cost score of \$20 million when in reality over the last three years that cost has not exceeded \$8 million in any one of those three years. So we feel like \$1.20 is more appropriate and will be in line with what the actual cost estimates should be.

On the other programs that the USDA has had that we would like to see them considered in the Farm Bill this time is realignment retention program. I think that is the single biggest reason that you saw sheep numbers increase in 2004 was a direct result of that sheep industry realignment retention program. Those are the two main issues, and also risk management for the sheep industry. It's something that you've been asked about and has been declined, but the sheep industry is looking at creating solutions for itself. And I want to thank you. (Applause.)

MR. LARRY SPOMAYIS (sp): Hello, my name is Larry Spomayis (sp), and I'm from 70 miles east of Lubbock, Texas, and actually I'm from Dickens County nonetheless not a minority farmer left in that county.

And the reason I'm here is that back in '81, '82, '83, my dad had 4,000 acres and he went to FSA, got a loan, but the loan was always late -- six months later they would give us this loan -- I mean, they'd tell you where to get it. So they go into bankruptcy, at no fault of my dad's. And at that time they leased seven tracts, and FSA told my dad if they were there to lease -- that those tracts were used to keep -- (inaudible) -- didn't want them. So I took over and I paid for them. I paid over \$500,000 over 15 years. And then they come back in 2000 and reinstated -- said, Oh, by the way, we want those tracts back. And I was reading the code. (Inaudible) -- it's in that FSA handbook. It says that when a compliant has been filed all adverse action must be stopped -- foreclosing, liquidation, all of that. Well, while this is pending, the FSA still came and sold some of my best parts of land. In that time I made my living -- only had seven tracts -- (inaudible) -- recommendation to the Secretary in the Farm Bill --

MODERATOR: Your time is --

MR. SPOMAYIS (sp): Okay. Well, he needs to do something about it. I want him to check, and I want those four tracts back because it is in the civil lawsuit, and I'm -- (inaudible) --

want them back or I will -- (inaudible) -- FSA and the government, because you know it's -- I paid a lot of money and I'm not going to sit back, and you know half a million dollars is a lot of money for me, and I'm not just going to give it away. They gave it -- it was released -- and then they came back.

MODERATOR: As the Secretary said earlier when he opened this session this morning, there are specialists here from USDA that I would encourage you to speak directly to regarding this issue.

MR. SPOMAYIS (sp): I just don't know what they're doing there.

SPEAKER: Buenos dias, Mr. Secretary. I had the honor to meet you earlier this year in Washington, D.C. during our roundtable meeting organized by the Rural Coalition, and I thank you for your willingness to listen.

It's very important, Mr. Secretary, that any new Farm Bill or any new farm policy include all elements that are part of agriculture for agriculture workers. And these are questions of justice. As you know, Mr. Secretary, from 1942 to 1964 farming and Mexicans came to this country to work on the Braseros program to produce -- (inaudible) -- America to win the war.

(Inaudible) -- in the region, in southern New Mexico region and out to west Texas a labor force that works every day producing the food that helps us live in the very prosperous communities. In this region the labor force is about 5,000 to 12,000 agricultural workers. They provide a very important benefit for our economy, especially for the border economy. But they don't benefit from their labor. They receive low wages, work in dangerous working conditions and suffer all types of abuses. And I can talk all day about the suffering of farm workers, but let me call your attention to one very important problem: unemployment in the fields is growing. Today, as a result of NAFTA, more and more farm workers are working less or are even unable to work at all. In order to be competitive, NAFTA has forced agricultural employers, especially large agribusiness, either to move their production south of the border or to mechanize production and introduce more technology to make the -- (inaudible) -- cheaper. Fewer workers -

MODERATOR: Make your recommendation.

SPEAKER: Yes, few workers produce more than 10 years go. The mechanization in agriculture is a serious problem for farm workers, a serious threat for farm workers. So today I'm here to request that you help us deal with this serious problem. Our recommendation is that we would like to make -- we would like to be able to engage in a dialogue with small farmers, especially with Hispanic farmers of the region, under the auspices of your department. Thank you. (Applause.)

MR. JOE BENICE (sp): Good morning, Mr. Secretary. My name is Joe Benice (ph). I'm -- (inaudible) -- work as a resource director for the nation. And what I'm concerned about is called extension reservation program. And what that does is it concerns the same capacity as the extension program services that are provided throughout the state. But these programs are established on reservations, and within the state of New Mexico there's only two -- but for the Western United States there's only 26 -- and that's a component of the Farm Bill, to my understanding.

What we're doing here in the state of New Mexico is we formed a small task force in collaboration with the New Mexico State University to address that issue. So if there is any way that you can throw us some support for that kind of concept to enhance the education process for

Native Americans, they would sure appreciate that.

And the other side of the coin is some of these resource programs that we have been working with as a nation, we would like to see you keep that on as a line item, and although there are budget cuts, there's some way to enhance the line item. Thank you very much. (Applause.)

MS. IRENE GALVAN: My name is Irene Galvan. I represent the city of Lordsburg. We'd like to thank you for your support in awarding our community with an RUS grant. We have been fortunate in receiving funds to construct a new waste water facility, and now a grant to improve and reduce the high fluoride levels in our water system.

We are fortunate to have help and support of the Las Cruces office, Sandra Alarcon and Clyde Hudson, in providing technical support and opportunity and avenues to assist our community in providing a better quality of life for our children, who represent the future generation.

We urge and encourage you to continue funding the rural communities to improve our infrastructure. (Applause.)

ACHINA ZONG (sp): Hi, Mr. Secretary, it is an honor and a privilege to be in front of you, to talk with you. Thank you for the opportunity. My name is Achina Zong (sp). I am the executive director for the New American Farming Association in Portland, Oregon, and a member of the National Hmong American Farmers. Hmong farmers have many challenges that face them on a daily basis. For instance, lack of land -- and many of them do not own land, rather lease land year to year, because they cannot afford to purchase. This creates a lot of uncertainties for their futures, as well as other farmers.

The other thing is there's a lack of markets to sell their Asian specialty crops. Many grow Asian specialty crops, because they can use them for home consumption in case they cannot be sold. And also there is a lack of finance. A lot of them do not qualify for traditional credits, so they use the short-term finance, which is money borrowed one year and paid back.

We ask that you consider these and other programs that can help keep small farmers like Hmong farmers and allow them to farm into the future for the younger generation. And let the Farm Bill be a bill that will improve the lives of other farmers and ranchers. Thank you. (Applause.)

RUDOLFO MARTINEZ (sp): Mr. Secretary, Rudolfo Martinez (sp), mayor from city of -- (inaudible) -- I'd like to speak on behalf of the colonias program, a program that is very crucial for the rural communities of Southwest New Mexico. And I'd like to take the opportunity to commend your staff here at the local level, Mr. Clyde Hudson, Sandra Alarcon, Sylvia Saucedo. They have done a tremendous job not only for my community but for every other community in this area. We have been afforded the opportunity to receive funding for waste water treatment plant, improvements of our antiquated infrastructure. Again, I strongly urge you to continue supporting the colonias program, as well as having the mechanism to support our farmers and ranchers of not only New Mexico but the surrounding states. Thank you. (Applause.)

MR. SAM ZUNA (sp): Good morning, Mr. Secretary. It's an honor to be here with you. I want to thank you for listening to us. My name is Sam Zuna (sp). I'm from Cochiti Pueblo, where I do farming on my reservation. I'm also serving as the director of the New Mexico Travel Extension Task Force, and am an employee of New Mexico State University, and I want to thank the university for taking the leadership to help us improve extension services on the reservation.

New Mexico is home to over 150,000 Indian people, and there's 22 tribal nations here. And you heard President Shirley, Joe Muniz (sp) from Jicarilla -- many of these individuals serve on our task force. And in 2002 USDA did a count of Indian farmers and ranchers in New Mexico. Only 401 farmers were identified as Indian farmers on reservations. We know that's not true, because we come from a long tradition of being farmers and ranchers here in New Mexico. So New Mexico State took the lead to establish this task force, and we've started some 4-H intercartra (sp) programs. Joe mentioned the Indian reservation programs -- there's only two -- one in Zuni Pueblo and one on the Jicarilla Reservation -- more than 20 tribes do not have Indian reservation programs, extension reservation programs. So we ask you for your support. We ask that all 22 tribes on board supporting our initiative and all of our three tribal college land-grant institutions are also on board, and we're doing some wonderful work collaborating with many of the extension programs here in the state. Thank you so much for our support. Thank you. (Applause.)

MS. KAREN COWEN: Mr. Secretary, my name is Karen Cowen. I'm here today on behalf of the New Mexico Cattle Growers Association, with members in all 33 of our state's counties. We appreciate you coming today. But the six questions you gave us can't be discussed in two minutes let alone and probably can't be done in two years. So I'm going to try to briefly cover some things, and I have a written statement for you.

Americans have lost their competitive edge in the world market largely because of other federal mandates, and somehow we need to take account of that in our farm policy. Telling farmers and ranchers today that they must be more competitive to do better is simply not going to do it anymore when there's only 2 percent of us left, and we've about farmed ourselves or ranched ourselves out of business, because we have become efficient.

We have been the bargaining chip for world trade agreements. When you can deliver live cattle to Houston, Texas from Australia cheaper than you can produce them in New Mexico, something is vastly wrong with our system, and we need to look at it. In the last Farm Bill we saw a shift in commodity programs to conservation. I'm here to tell you the best conservation is to keep our farmers and ranchers on the ground and to assist them. Giving money to non-governmental organizations to erode private property rights is going to do nothing but drive the kids to town -- and in a really big hurry.

Protection of open space comes from a healthy agricultural economy where people are paid for what they produce, not what they don't produce. We need to go back and educate the public on who's really being subsidized here as we look at our farm policy, and we've all failed in that degree.

On a more positive note, we appreciate that federal lands were included in the EQIP program in Arizona and New Mexico in the last couple of years. A lot of Farm Bill programs are one-size-fits-all, and in the Western states where we have checker boarded and commingled lands those programs don't work because we have very little private land tied to state land and federal land, and we've got to be able to address the ranching unit as a whole.

We appreciate you being here today. We look forward to working with you and creating a Farm Bill that will save New Mexico's farmers and ranchers. Thank you. (Applause.)

MR. MAURICE KEANE: Good morning. My name is Maurice Keane. Thank you for holding the forum. I'm the president and CEO of Southwest Cheese, obviously not a native New Mexican, but have led a fantastic life here, and I would like to thank all my people in New Mexico for welcoming in -- originally from Ireland. We have an exciting new venture in Clovis,

New Mexico, which is in the news today, with the air force base. And Southwest Cheese has a new dairy plant in Clovis. It's a pretty unique one. It's a partnership between Glanbia, an international food company which is in Idaho, and all of these local farmers represented by Dairy Farmers of America -- (inaudible) -- It will produce when it's open and running fully, consume about 7 million pounds of milk a day, produce about 250 million pounds of cheese and 16 million pounds of whey. And in that way we're talking about \$300 million every year to local community -- farmers, employees and suppliers.

I'd like to make four points today I think in relations to the dairy industry. One, as somebody who is not from here but who is now very much living here with my wife and family, I see an efficient industry that can compete globally. We will circulate globally from this business. So therefore I think one challenge of this is to simplify regulations, bureaucracy, and this has got the industry focused on the market, too much bureaucracy has to focus on the schemes and regulations rather than to focus on the market, and that's the first piece.

The second piece, an example of that, is of course the federal milk order, and it just needs to be simplified. Again, it's excessively complex. In general probably the free market should be allowed to operate and have less government involvement, particularly in the ag industry I think it's important.

And finally, just as an example, farm surplus cheese, we will export our product to Asia, to South America and it's important that we will export this free of subsidy and onto the free market. It's important that we don't get impeded by any tariffs that those countries might put in front of us in retaliation to any of the TRQ tariffs that the U.S. might consider on NPC or similar tariffs. Thank you very much. (Applause.)

MS. DEBBIE HUGHES: Mr. Secretary, my name is Debbie Hughes. I'm the executive director of the New Mexico Association of conservation Districts. I work with the 47 Soil and Water Conservation Districts. First of all, I'd like to thank you for coming here. And I also want to let you know that we have a great working relationship with the USDA agencies here in New Mexico -- NRCS, FSA, Rural Development -- not only the folks here today, but all over the state they're doing a great job.

One of the things I want to let you know is the Technical Service Provider Program is working great here in New Mexico. We have a contribution agreement. The chief of NRCS worked with us, and we went and got state funds from our state legislature to contribute to paying for additional technical staff. What's great about it is we are creating jobs all over the state. We're in rural communities for additional technical support for the Farm Bill. We're also keeping our kids at home, keeping them in New Mexico and giving them jobs. So it's great.

As far as the Farm Bill program, I'd like to recommend a way that the EQIP is paid, the payments are made. We'd like to see the same method as WIP. Currently the EQIP payments are made on class docket that's in place at the time of the signing. Some of these contracts are 10 years. And what happens is that means that the cost of doing business in the practice in most cases increases over that time, but those payments don't increase. We can do this like we did the Great Plains program or like we're doing with the WIP program.

Also, I think it'd be great -- we've got seven conservation programs, if we could combine some of those -- EQIP, the premiere one is working great -- and just like to not have quite so many programs. It's a lot more work for our technical staff and for our producers to have to go in for different sign-ups and everything.

But, overall, thank you for spending time to get more tan here in our great state, and

really appreciate you being here and thank you for all you do. Thanks. (Applause.)

MR. JEREMY BARNES (sp): Hello, Mr. Secretary. My name is Jeremy Barnes (sp). I'm a young irrigated farmer from a drought-stricken region known as the Rio Grande Valley in South Texas, where our water has been allowed to be stolen in direct violation of the 1944 treaty. And that's what I'm here to talk about. I don't believe it is fair that we work so hard to stay out of the pocket of our insurance companies, and consequently we do not qualify for disaster programs. But due to the high cost of production, we still cannot cover our costs, whereas dry land farmers have significantly less production costs and reap the full benefit of disaster programs.

On a separate note, I might soon need a guarantee from the Farm Service Agency, and I have no confidence in my local FSA directors for their willingness or their interest in helping farmers, regardless of age or ethnicity. This lack of confidence is due to experiences suffered by my family and others in my area. Thank you for your time. (Applause.)

MR. MARTIN LOPEZ: Mr. Secretary, my name is Martin Lopez, and I represent the Mesquite Water and Sewer Association just south of town here. Just a little brief history: We serve roughly about 2,000 customers. The bulk of our customers are colonias residents, but we also provide service to various delis and farms and other agribusiness in the area, and we just would like to urge that you continue to fund the colonias program primarily. The infrastructure there has -- some of it resulted back in 1968 when the association began. I'd like to thank the staff here locally that we work with -- Mr. Hudson, Ms. Alarcon, Ms. Asile (sp), and I would again urge you to support the program. It really does impact a love of lives. Thank you. (Applause.)

MS. YOLANDA GIYA (sp): Good morning, Secretary Johanns, and Bienvenidos to the Land of Enchantment. My name is Yolanda Giya (sp), and I am the president on the board of directors for Belen Mutual Water Consumers and Mutual Sewage Water Association, and it was established in 1969. We are a small rural community, and I am here to ask you to keep supporting Mr. Clyde Hudson and Sandra and Sylvia for the continued support for us. We have just recently built a half a million dollar building with your help, and I would appreciate you just keeping in touch. Thank you. (Applause.)

MR. MARINO MARTINEZ (sp): I'd like to welcome you here, Mr. Secretary. My name is Martino Martinez (sp). I'm with the Dona Ana Mutual Domestic Water Consumers Association, and I just want to show that we would like support for future funding for the colonias, with staff here, local staff, with Mr. Hudson, Sandra and Sylvia. They've been very helpful in helping our community obtain this funding. It has affected several colonias in our service areas. As has been mentioned before, Dona Ana County has about approximately 30, a little over 35 colonias. Our service area encompasses three of those colonias. We are working on a regional project that is going to encompass 8 colonias out of the 35. It is going to be a regional project, and we are going to be needing future support. We are working on future water and waste water treatment facilities for the area, unincorporated area, and it will affect eventually colonias, affecting about 10,000 population. When we do this regional project, it's going to take in about 20,000 population residents in the northern end of the county. So I urge you to please support the colonias funding, and it will be very useful and impact quite a bit of residents. Thank you. (Applause.)

MR. HARVEY CHATFIELD (sp): I'm Harvey Chatfield. I'm a rancher about 75 miles north of here, and I'm also on the Sierra County FSA Board. I would just like to express I guess some gratitude for all the FSA people. If it wasn't for them, why, I wouldn't be in business today, and I heard a lot of criticism here this morning, but I've been pretty lucky in most of my

dealings here in Las Cruces, because most likely if it wasn't for them I wouldn't be here -- you know, be where I am today.

I think I hear that they might discontinue some of the loan programs, which I think might be a mistake for the young farmers and ranchers trying to get started out. And one of the things I was thinking about over this loan program bill -- see possibly maybe we could put into it an insurance. When you buy a home you have to insure it and everything, and if you buy a ranch or farm, maybe there would be some type of insurance to go along with the payment that you made every year that is a crop insurance that would -- against catastrophe, a flood disaster, a long-term drought or something, would pay your crop pay, if you were short -- help pay your annual FSA payments.

And another -- I'll try to cut it as short as I can -- but number two I think it's probably nothing to do with what you've done, but we've got NAFTA and CAFTA and SHAFTA and all kind of them good things now and what you're going to have to put up with. And if somebody would tell me how that we're going to compete with countries that have got the per capita income of a farm worker -- \$7 to \$15 a day -- I think that's going to be a bigger challenge than a lot of the -- other thing, to create a program that will keep all of us in business.

And on number four, on the conservation environmental things, the NRCS had a program they called --

MODERATOR: You need to wrap it up.

MR. CHATFIELD (sp): -- Grasslands Reserve program, which is for some of these sensitive areas I think is a great program, that we could put it in, but it is going to have to have the funding. We have to compete against the whole Southwest or the whole state or something like that, and it usually goes to the bigger places. If we could narrow that down to where each county had a little bit of funding, we would appreciate it. Thank you, sir. (Applause.)

SPEAKER: Mr. Secretary, you don't have that either in Iowa nor D.C. -- I hope you enjoy it, so thank you for coming. I'm an irrigated cotton-corn-vegetable producer from Deming. I'm also a livestock producer. I want to make two quick points. One is the unintended consequences of policy changes concerning rotational crops. Vegetable farming in this area is a three-year or four-year rotation between plantings of chili peppers or other vegetables. So cotton and small grains serve as rotational crops. Lowering the supports on loans will have an effect on other industries, the vegetable industry. We have a vegetable packing plant in our community that could suffer from reductions in the cotton supports as an unintended consequence.

I've also been a county committee member for over five years. In that time I've seen a drastic decrease in the amount of input the county committees and the local producers have on the administration of USDA programs. One exception is, as we mentioned, or heard from other producers, is the EQIP program works very well, other than the fact that cost of supplies outruns -- grow a lot faster than we can put the systems in, and then we don't get paid what we needed to get paid for it.

The EQIP program utilizes local work groups to make suggestions on how best to use those technical resources in an area. And the local producers get to help technicians and technical people figure out how to best utilize resources. That doesn't hold true in the other --

MODERATOR: You have to wrap up.

SPEAKER: -- USDA administered policies. One would be the RMA. We've got green

chili crop insurance. There's no inputs from the local level, and we have a policy that doesn't help anybody. Thank you.

MR. EDDIE VIGIL: Mr. Secretary, my name is Eddie Vigil. I serve on the New Mexico Association of Conservation Districts. I also serve on the National Association of Conservation Districts, representing the Southwest region, which is Colorado, Utah, New Mexico and Arizona.

I'd like to speak to you about the conservation security program, which is doing very well here in New Mexico. We believe that the program will provide more equity of payments to ranchers and farmers. The farmers and ranchers are the true stewards of the land and have been for generations and generations to come. This funding will help provide these farmers and ranchers -- it recognizes the good environmental work that they're doing, and it rewards them for the actions that they've taken to take care of the land. If they don't take care of the land, it's not going to take care of them.

Due to the limited funding this year, some of the producers who were eligible, but were ranked in the lower categories, were not funded. We believe this needs to be changed to allow these producers into the program. It is important to maintain the program as an entitlement program, and we look forward to working with you on the 2007 Farm Bill. And, like I said, the conservation districts across the United States are willing and they want to be there at the table the whole time. Thank you, Mr. Secretary.

MODERATOR: Thank you. We have four more people standing there, so these are going to be the last four recommendations to the Secretary, and the Secretary will make a couple of remarks, and then we'll probably call it a day. So, sir?

MR. MANNY CASARA: Good morning, Mr. Secretary. I represent a very small community in southern Dona Ana County. My name is Manny Casara and I'm the president of a board. The water table in this community is about 500 feet. The crops from the residents have to haul water from about 4 or 5 miles away in unsanitary containers comes in the Department of Agriculture, Mr. Clyde Hudson and Sandra and they help us establish a small system. And now we are serving about 174 customers, and the quality of life has come up considerably, and we urge you to continue with these programs so that you can help other communities in the same situation to obtain safe drinking water. Thank you so much. (Applause.)

SPEAKERS: Thank you so much. Good morning. Forgive my English. I'm from Mexico, from the Franco Democratico Campesino in Chihuahua, Mexico.

NAFTA is rated only from the perspective of the big actors -- the agribusiness, the corporations -- from the perspective from above, from a fistful of winners on agriculture. You must take into account that NAFTA, but also the Farm Bill affects not only American agriculture but also Mexican agriculture, and maybe your government are engaged with Mexico's and Canada's governments in an alliance for prosperity and security. You must have in mind that many times the policies you adopt here harm badly family farmers in the three countries.

The question is not only about exporting, about free trade; it's basically about the decent way of life for family farmers in the three countries. In 2008, NAFTA will arrive to its final stage on agriculture. Corn, beans -- we have no ties, no barriers to enter into Mexico. This is going to be completely harmful for three million poor campesinos in Mexico. They absolutely cannot compete with your corn and bean producers -- not only families, but communities are going to be destroyed. You must recognize that for every 30-ton container of corn you send into Mexico we send you back more undocumented million people.

MODERATOR: Sir, wrap it up.

SEC. JOHANNIS: Great job. How about a round of applause? (Applause.) You know, it got so warm out here, this microphone is even a little bit touchy here. So, let me say to each and every one of you how much I appreciate your participation in this Farm Bill forum. I think this is now the twelfth one we have done. Every one is a little bit different and a little bit unique.

I also want to express my appreciation for hanging in there. It is warm, and it is summer, and it's just kind of the nature of the beast if you will.

Coming from D.C., where I've only lived for six months in my life, I'll tell you something that you've probably heard over and over again and are probably sick of hearing, and that is take some solace in this. This is actually dry heat. So -- (laughter) -- hot is hot in my opinion.

But let me offer some thoughts on kind of where this rolls from here. When we kicked off these forums, a few people said to me, Gosh, it seems awful early -- you know, you're talking about a Farm Bill that goes through 2007. Why would you be starting at this point? Well, if you think about it, it's not really that early. We did want to get across the country. And that takes some time. It's a big country out there. And it especially takes some time if I wanted to be involved in it, just simply because there's one of me and there's a lot of states out there.

So we anticipate that these forums are probably going to take through the remainder of this year -- maybe even a forum or two after the first of the year.

You then start working on a Farm Bill with the House and the Senate in 2006. And somewhere in their schedule you have to start fitting in any hearings that they want to do. They'll probably do field hearings out in the country, and they'll probably do some hearings in Washington -- also got 10 dozen other things going on in their lives that they have to fit into that hearing schedule.

So what I'm saying to you is I would not be at all surprised if the actual work on the Farm Bill extends through the better part of 2006, just simply because the schedule tends to work that way. But it does have to fit in.

Well then we get into 2007. And it's my judgment that pretty soon after the first of the year we need to have a Farm Bill pretty well in place so the House and Senate can grab a hold of it and hopefully pass it and then send it on to the president for signature.

The reason why I feel we need to do that is that somewhere in the early part of 2007 -- hopefully as soon as possible -- we send a signal to the ag community as to what this Farm Bill is going to look like.

Now you heard all of the criticism. Of course we just went through an election year about the President's tax cuts and this and that. Well, I'll share some numbers with you. Those tax cuts for 2004 left \$4 billion in the pockets of farmers and ranchers in the United States, \$4 billion. Those tax cuts will do the same in 2005. And what has happened to our revenue? The economy has lifted, and our revenue picture is improving in Washington. We are actually on-goal to cut the federal deficit in half over the next five years, which is what the President promised, because we're holding the line on spending, but also we're doing everything we can to improve the economy.

Well, my role here is to do everything I can to improve the ag economy all across the board, every state and hopefully with every producer. And so that's what we're trying to do here in terms of the overall picture.

I made this point at a Farm Bill Forum in Iowa, and I've made it a number of times since then. Farm policy is about much, much more than just passing a Farm Bill. It's about the Energy Bill where we had a strong renewable fuel standard put into that Energy Bill. It's about tax policy, it's about what this gentleman said here at the mike a little while ago when he said, "We really need to repeal the Estate Tax." We agree with that. It is about leveling the playing field in terms of trade agreements because there are many parts of the world where we still face very high tariffs to our products that makes it very difficult to sell those products into that marketplace and be competitive.

It is about all of those issues and paying attention to that.

Last comment I wanted to offer on trade -- I did hear a comment about, You know we feel that agriculture's not always been at the table. I made that point in my Senate confirmation hearing, and I said my goal is to move agriculture front and center. So I am personally participating in all of the White House meetings on these trade issues, and I will be personally participating in the meetings where the actual negotiation goes on with other countries to make sure that we're paying attention to the agricultural issues.

With that, let me just wrap up here. I'm seeing it on your face-- you're hoping that Mike wraps this up here pretty quick. I just want to wrap up and say, Man, it's just been a pleasure to be in New Mexico. The hospitality has been great, what a tremendous Farm Bill Forum, you all deserve a great round of applause for that. Thank you, God bless you.

[Applause.]