



TRANSCRIPT

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**TRANSCRIPT OF WISCONSIN FARM BILL FORUM LISTENING SESSION WITH
AGRICULTURE SECRETARY MIKE JOHANNIS AND MODERATORS PAM
JAHNKE, WISCONSIN FARM REPORT, WTDY/Q106 RADIO IN MADISON, WI; BOB
BOSOLD WAXX/WAYY RADIO IN EAU CLAIRE, WI; AND MIKE AUSTIN
WTAQ/WDEZ IN GREEN BAY, WI AT THE WISCONSIN STATE FAIR
IN WEST ALLIS, WISCONSIN ON AUGUST 4, 2005**

REP. MARK GREEN: We're here today to talk about ways in which government can be at least a little piece of the answer. The 2002 Farm Bill has worked well for Wisconsin. I am proud of what we've been able to accomplish. I actually had one of the covered seats on that final committee that wrote the MILC program, Milk Income Loss Contracts. And I have great pride of authorship on it.

No program is perfect. But as the previous speakers have mentioned it brought into the state over \$430 million. Every one of us here hopes it never kicks in. We hope nobody has to rely on the MILC program. But the fact that it is there provides an important risk management tool that our farmers need, something that they can take to the bank when they look to get financing assistance to afford the MILC program is very important, very helpful.

Now we have a wonderful opportunity, and so we have this forum on the Farm Bill. We have a wonderful secretary in Mike Johannis, someone I'm proud to know. I think he's doing a great job for us in Washington. We're very lucky to have an Ag Secretary who's from the heartland. He grew up on an Iowa dairy farm. He has been a leader in agriculture as governor in Nebraska. He is someone who understands what farming is like in the heartland, in the upper Midwest. So I think that all gives us great confidence.

As the previous speakers have mentioned, the governor has mentioned, and he's right to point to it, President Bush did express his support for the MILC program back some time ago here in Wisconsin. The speaker of the House Denny Hastert a couple months ago did the same. Now we've got to get it done.

And nothing is easy. As Senator Kohl rightly pointed out this isn't one person, the secretary by himself. The senator and I and so many others have to have worked to get it done, and I believe we will because it is so very important.

Without further ado, let's get the Forum going. I want to introduce to you the great Ag Secretary, someone who's a friend to all of us who understands dairy farming and understands the great challenges we face here. Please join me in welcoming the governor and secretary, Mike Johannis.

[Applause.]

SEC. MIKE JOHANNNS: Thank you very, very much. Thank you. It's great to be in Wisconsin. Let me start out and make a couple of acknowledgements here to your governor. It's great to see you again, great to see Jessica. I spoke to Stephanie right before I went on stage with you, and she sends her warm regards, wished she could be here with us, but she wanted me to say hi to Jessica.

Senator Kohl, it's so good to see you. Thank you for being here. From the first day I met the senator we hit it off because we share this dairy background in common. So it is good to see you here. And then the congressman Mark Green, thank you for your very kind words.

As the congressman indicated I did grow up on a dairy farm near in a community called Osage, Iowa, not all that far from here. Now I see puzzled expressions on your face here thinking well where is Osage, Iowa? So I'll start out and explain that to. Osage is actually south of Stacyville and St. Ansgar and straight east of Manley, so now you know where Osage is at.

[Laughter.]

We grew up on a dairy farm. There were three sons and a daughter, and my parents were very, very hard workers. I tell people that after growing up on a dairy farm with John and Adeline Johanns everything in life has been really pretty easy after that if you know what I mean. But anyway, Dad had three sons, and he knew how to build character in his sons, and discipline. He would hand us a pitchfork and send us to the barn or the hog house or whatever, and we would stand you know knee-deep in you know what. And we would pitch away, and that's how he built character in his sons. Now little did he know that actually what he was doing was preparing his son Mike for a life in politics, right?

[Laughter.]

I want to also say thanks to our singers. They are so great. The young people that were here to do the Pledge of Allegiance, and let me also acknowledge our great moderator Pam. Pam, you've got a lot of personality. I'm going to tell you that.

[Laughter and applause.]

I'm also going to do some tag teaming on the moderators. Bob Bosold -- is it Bosold? Bob is going to be with us a little bit and Mike Austin.

This is actually the fourth forum we've done, and we will be doing these all across the country. We started in Tennessee, went to North Dakota. We were in Minnesota yesterday. When Pam interviewed me this morning she said, well you were the toast of the town in Minnesota. I said, No, you heard that wrong; it was actually very toasty in Minnesota yesterday. It was pretty warm. But we've had great forums, great input.

First and foremost I wanted to emphasize this is your forum. I'm going to sit back mostly, take notes, listen to what you have to say. Those microphones are there for you. There is no comment that we don't want to hear. This is really your opportunity to offer your thoughts about the Farm Bill.

Now reference has been made to the Milk Income Loss Contract program, the MILC program. The administration supports that program, I support that as Secretary of Agriculture. One of the things that the Senator asked me when we first met is, will they have money in the budget for the MILC program? At that time I hadn't seen the budget because I hadn't been confirmed yet, so I said I'm not sure. But I will tell you soon after I was confirmed the budget

came out, the money was in the budget for the MILC program, so now the remaining piece of this is to get the job done.

[Applause.]

Now if I might just offer just a couple quick thoughts on where we're headed here. When I first started out on this idea of getting across the country to do Farm Bill Forums I will tell you the person who encouraged me most is a great friend of Wisconsin, and that's the president of the United States, President Bush. In fact it was interesting to me, we had only started to talk about this and I saw him at the White House a day or so after those initial discussions had started. I don't know who his contacts were, but the first thing he said to me is, I hear you're going to do listening sessions across the country for the next Farm Bill. He said, I am really excited about that.

So why don't we start out today and hear from a good friend, President George W. Bush? Take it away.

[Showing of audio video tape.]

PRES. GEORGE W. BUSH: "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.

"As we look to improve America's farm policy, we will 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.

"Finally, we must ensure 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 toward meeting these goals. I thank you for all you do for our country, and thank you for listening."

[End of video]

SEC. JOHANNIS: Great. That's the president.

[Applause.]

As we headed out to do these, ladies and gentlemen, we wanted to provide some thoughts about areas of interest. And so we've identified six areas of interest. We'd ask you to offer some thoughts on those, but it's an open mike, so we welcome your thoughts really on any topic.

I would mention if you do have a specific issue relative to a farm program and something you're trying to work your way through, we do have USDA employees here that will help you on those specific issues. So if there's something specific we can help you with, we want to connect you with the right person.

The six areas: Challenges for new farmers. We start our Farm Bill Forums by hearing from the next generation of farmers who are out there, and we want to make sure our policy is doing the right thing for the next generation. So we raise issues about this Farm Bill and unintended consequences. Are there things happening with this Farm Bill that would make it difficult for that next generation of farmer or rancher to get into agriculture?

The second question relates to a topic the President referenced, and that's competitiveness. How can we remain competitive not only in our own domestic market but in the global markets? I will share with you that 27 percent of U.S. farm cash receipts come from foreign markets. Therefore it's a significant issue that we remain competitive in those markets.

The third area relates to farm program benefits. Is the current distribution program of benefits effective? Benefits could stabilize farm prices and incomes. Current programs however -- crop insurance is a good example -- distribute assistance based on past and current production levels. And some argue that what this really does as a matter of policy is result in the creation of large farming operations.

The fourth area relates to conservation. Farmers we believe are the first and the very best stewards of the land. Agriculture plays a major role in managing our nation's resources. What are we doing with our conservation programs that you like? What could we be doing that would be better?

The fifth area is rural economic development. It is hard for me to imagine a Farm Bill that doesn't have a significant rural economic development component. What can we do in farm policy that encourages a strong and vibrant rural America?

And then the last area is the area of expansion of ag products, markets and research. Just recently an Energy Bill was passed. A major component of that Energy Bill for agriculture is a renewable fuel standard of 7.5 billion gallons. In those states that produce ethanol and biodiesel that was met with just tremendous applause if you will. People were very, very excited about that opportunity. But I will share with you, 25 years ago had you promoted ethanol in a Farm Bill people would have been puzzled by that. Why are you doing that? Why would that be a part of the Farm Bill? But research has shown that we can produce energy in this country -- I've said many times I'd much rather secure our energy from the fields of America than the oil fields of the Middle East.

With that, ladies and gentlemen, let me just say it's a pleasure being here. This is your time; we want to hear from you. God bless you. God bless America.

[Applause.]

MODERATOR: Well, with that being said, thank you, Mr. Secretary -- we are just about ready to begin with your thoughts and comments. Again my name is Pam. I am with the farm broadcaster Network in Madison. I have the privilege of speaking on behalf of agriculture on the radio stations as well as television stations across Southern Wisconsin. It's my privilege to be here.

Ground rules. I am, as another governor would say, the boss. We are going to try to be as strict as possible with regard to the time limits and also keeping you corralled on certain subjects. The Secretary alluded to it. In the back of the room there's a pamphlet with the six questions USDA would appreciate your attention to. We know many of you have other issues that aren't covered by these six questions, but with regard to a free-flowing and constructive Farm Bill Forum, we'd like you to concentrate on these six issues and save the non six issue comments if you will for the open microphone portion of the forum at the very end.

If you deviate too far from these six questions it is my prerogative to essentially dismiss you and ask you to please be seated. We will not tolerate (unclear). There's not going to be any finger-pointing, accusations and so forth. As you heard the Secretary is here to listen to constructive comments on where we go in 2007. If you prefer to turn this into a stage play and drama, you will be excused from the tent. So let's make sure we're clear on that.

There's a set of lights you can pay attention to if you'd like. They will essentially tell you green is go, red means that will be enough. Like I said, I get to the point pretty quick. You'll know when your time is up. Let's make sure we don't have to go any farther than that, all right?

The six questions are in this folder. If you need one, put your hand up. You are not required to get up and speak in the microphone because I've interviewed some of you. I know that's real thrill for you, so feel free to submit written comments. There are comment boxes around the edge of the tent. You can submit those. Also on-line, great opportunity to concentrate on those six questions. Think about your answer and then submit it via the Internet-- USDA.GOV, and then click on the Farm Bill Forums and you'll find the six questions there you can e-mail your responses back.

Everything you say is being transcribed including the moderator's comments, and it's all designed to make sure they don't miss any details and can take it all back to Washington, DC for the record. Keep that in mind.

That also means I need you to be pretty good on the enunciation, ladies and gentlemen. That means say your names slower and where you're from clearly and if you prefer what you represent or what your occupation is. All right?

With that being said, one of the first questions we want to address in this Farm Bill Forum is the next generation. I'll read the question. First one on the list is, "How should farm policy address any unintended consequences that discourage the next generation of farmers from entering production agriculture?"

Our first speaker is a young lady you've already recognized-- who will introduce herself. To my left, kicking us off on our Farm Bill Forum.

MS. SHANNON DWYER: Thank you. Hello, and welcome to the Wisconsin State Fair. I would first like to thank Secretary Johanns for his time here today. My name is Shannon

Dwyer, and I'm a member of the Kewaskum FFA. I am a dairy producer from Allenton, Wisconsin, which is a little agricultural community just 45 miles north of Milwaukee. I'm a fifth generation dairy producer, and my parents, Tom and Mary Dwyer, own 65 Holsteins and rent the dairy from my grandparents. I'm not just another girl wearing a blue and gold jacket. My roots are deep into the Wisconsin dairy business, and I am proud of my family's dairy.

FFA has helped develop my communication and leadership skills and encouraged me to get involved in agriculture and pursue my career into the heart of the dairy industry. It has allowed me to see changes in others and see shy children blossom into leaders within their community.

Programs like FFA and 4-H are great institutions that help us to develop our skills and become strong leaders. What a great way to invest in tomorrow while growing the leaders of today.

Today I would like to thank you for recognizing the young people dedicated to a profession in agriculture as the future and heartbeat of America. This fair is a place where we celebrate this fact and display the fruits of our labor. As your administration balances the budget and continues to invest in America and world peace, we ask for your continued support for the FFAs, 4-H and other programs and locations for the most skilled leadership and communication and to teach constructive community engagement.

Secretary Johanns, as a farm boy yourself, upon your arriving here in Wisconsin I'm sure you quickly realized that you have arrived in cow country. Welcome to America's dairies. Dairying in Wisconsin is more than a lifestyle for over 15,000 families. It is the economic giant of our state. Dairying is everyone's business here. If you live in Wisconsin the cows directly impact you. Dairying is the lifeblood of the state. In fact 11 cents out of every Wisconsin dollar is generated directly of dairypersons just like me. And one of every eight jobs in Wisconsin provides a paycheck and a steady income for thousands working in the dairy industry.

Did you know that every cow in my family's farm generates \$17,000 -- that's right \$17,000 for our local community annually? The cool thing is, my cows never go on vacation, take sick days, call for 911 or attend school. But their economic impact helps build roads, support education and keeps the local businesses running. They do all this while caring for the land and water. Because they do it all naturally, many people don't understand cows are the state's first natural recyclers, turning grass into milk in a glass.

Dairy cows because they are natural recyclers help keep our soils healthy. The manure they produce is 100 percent organic natural fertilizer and it's the absolute best way to naturally feed our soils.

The Farm Bill is going to impact me and other professionals in my generation. And while Americans deserve an abundant food supply, they also exist in a world of global terrorism. Let's keep America's food grown on American soil. Where else in the world do we have the ability to care, protect and monitor our performance other than here?

Thanks to your agency the USDA, our performance in agriculture is monitored and measured far beyond (unclear). Together with you I pledge to produce the world's safest foods and most environmentally friendly products possible just (unclear), watch out for policies that lack common sense and sound science, continue to support programs that allow young and new farmers to begin a career in agriculture.

This can be accomplished in the upcoming Farm Bill by supporting programs that allow Wisconsin to stay competitive both nationally and globally. Don't allow divisional disputes within the dairy industry to divide our industry. Keep programs that are national in scope like the MILC program. This effort has taken the regional polarization out of the area and has helped take some of the volatility out of our prices.

Like the FFA creed suggests I would pledge to the generations who follow, I believe in the future of agriculture, with a faith born not of words but of deeds. As FFA members and young producers, we look to government leaders to provide a clear vision and a sense of direction for this great nation. May the present and future generations of producers have faith in the future of this great industry and the hope that this Farm Bill will provide (unclear) and better days through better ways.

Secretary Johanns, ladies and gentlemen, I am proud to stand before you today, and I'm even prouder to represent the hands of thousands of producers just like me that feed America and the world.

MODERATOR: Thank you.

[Applause.]

We're going to concentrate our attentions on young folks in our audience right now. Again, remember the first question, how should farm policy address the future generation? Our speaker to the right also addressing the same subject.

MR. STEVE SCHALLA: Thank you. My name is Steve Schalla, and I'm a member of the Kirchayn Trotters 4-H Club. And on behalf of Wisconsin 4-H program, we'd like to again welcome Secretary Johanns to the Wisconsin State Fair. The state fair is a perfect place to experience how significant agriculture is to the state of Wisconsin. Of course Wisconsin is the dairy state. The dairy industry contributes over \$20 billion to the state economy and provides over 160,000 jobs.

While walking the grounds here at the fair it's easy to see that Wisconsin is not only the dairy state. Top commodities produced in Wisconsin behind number one milk include cattle, corn, soybeans, potatoes, cranberries, hogs, eggs and broilers. Wisconsin leads or is the top producer nation of many products, some of which may surprise you. In addition to number one cheese production, for example, we're also number one in snap peas, cranberries and ginseng. These diverse industries combine to provide over 400,000 jobs and generate over \$50 billion in state economic activity.

As you can see, agriculture is a big deal in the Badger State.

So with this rich agriculture history, how do we encourage today's MTV generation to get into agriculture? With Wisconsin continuing to become more urban and ethnically diverse, how do we reach those city youth and embrace these new cultures? The answer is the continued support and growth of youth programs such as 4-H and FFA.

Personally, without the 4-H program I never would have considered the agriculture field as a career path. Looking back on my 4-H career, I am amazed and privileged and so appreciative of all the opportunities and experiences I was able to take advantage of. The importance of programs like 4-H, FFA can never be overlooked. These programs plant seeds of tomorrow's agriculture industry.

People ask me all the time why I chose agriculture as a career path. I like to joke-- I say "job security." America isn't going to stop eating anytime soon. But in all reality, I like working on the farm, my grandparents' farm, and I enjoy working outside and working with the livestock. But there's one reason, one thing that really sold me to the industry, and that's the people. These people hold the highest standards, ethics and morals. They're friendly, kind, caring, yet disciplined and hard-working. I am inspired by their accomplishments and will strive to be as successful as they have been.

In short the 2007 Farm Bill provides a fantastic opportunity to ensure that current and future generations have the best education, resources and support to fulfill their potential.

To conclude I would like to thank Secretary Johanns for coming today to listen to the agriculture communities of Wisconsin. We understand what a tremendous opportunity this is, and we'll do our best to help you with your tasks of preparing the 2007 Farm Bill. Thank you.

[Applause.]

MODERATOR: Thank you. Well, we are going to take a break because we've got other farm broadcasters that are going to get up here and moderate. The microphones are open. We ask you state your name, where you're from and your occupation. We'll begin with the grower to my right-- name, occupation and location, please?

MALE: (unclear), town of Randall, Kenosha county. I am a small dairy farmer, grow corn, soybeans, some hay for sale, occasionally some wheat. My wife stated the other day, been watching the crops dwindle in the field from the heat and said, she's not signing for another loan. We have been at the same location for 142 years. We worked daily without interruption for over 100 years without a mistake-- no change of tenants, ownership family all the way through. I am the end of the line.

And far as milk prices are better right now but right now crops are killing us. We're in the driest part. If we don't get federal assistance I'm through next year. Oil is \$60 a barrel, how are we going to grow corn at \$2.00, beans at \$5.00 a bushel and even begin to think about coming out? It doesn't work. As far as crop insurance goes, suburbanites can probably better understand it if you got a \$200,000 house, if you got a fire the first \$60,000 you eat yourself. And that's about the way it stands with crop insurance.

The way my pencil runs and talking to the local co-op, anybody paying land-rents in the \$80 to \$100 range already got \$300 in an acre of corn. And that didn't figure harvesting, trucking, drying, crop insurance or interest on the loan. And here we are. Some of our corn crops in that area down there already figured to be paid at a 60 percent loss.

Crop insurance won't even come close to making the expense. Without federal help we are in trouble. And that's before we can get to the rest of the Farm Bill.

Some of the other issues I want to cover--

MODERATOR: Well, you're not going to get a chance. I appreciate what you're saying but again with respect to the time I'll have to again remind everybody two minutes and focus on the six questions that are -- I'm sorry.

Young lady, go ahead. We're going to go to 12:00 or a little after because we've got a slight delay. Go ahead, young lady.

MS. JILLIAN MCGUIRE (sp): My name is Jillian McGuire. I am from Dodgeville. I am the Dodgeville FFA president, and I think we need to get more youth involved into the ag program because when I get older and have children I want my children to be able to put a face to their food. I want (unclear) to get involved in the agriculture so we don't have to go to other countries to get our ag products that we've been making back here. And I'd like to quick jump to confirmation. Through the past Farm Bills my family was able to take sensitive land and to conserve it to a trout stream without using up any valuable (audio break).

[Applause.]

MODERATOR: Thank you, Governor Jim Doyle, for joining us today. They've got other commitments. Senator Kohl is obviously going to go milk those cows again I guess and make sure we're all supplied well. Good to see you.

[Applause]

Let's continue on -- the gentleman to my right.

MR. TOM SHWARTZ (sp): Good morning, Mr. Secretary. My name is Tom Shwartz, and I represent Wisconsin Rural Partners, the USDA recognized Rural Development Council for the state of Wisconsin. In 1972 the Rural Development Act gave secretary of agriculture a responsibility for coordinating Rural Development. In 1988 the Presidential Initiative for Rural America created a national rural development partnership which was funded through multiple federal agencies including Transportation, HHS, Veterans Affairs, and USDA. All this was coordinated through USDA but funding was discretionary.

From 1980 to 2000 Rural Partners received between \$50,000 and \$116,000 per year through the cooperative agreements with USDA, but because it was discretionary the funding for these states and also the funding amounts varied.

It causes problems (unclear) planning, yet we were able to deliver the programs and services mandated by the cooperative agreements by leveraging the federal money (unclear) three times. The 2002 Farm Bill included the National Rural Development Partnership codification and was given (unclear). The effect was to give NRDP structure in the right funding and the Ag Appropriations Committee recommended a \$10 million funding. We continue to wait for the provisions of the Farm Bill, however, to be implemented. USDA has not lived up to its statutory responsibility, but it has however provided some funding.

The most recent funding was in 2003 in the way of \$72,000, and in 2005 we have received no funding. We're operating entirely on private funds and waiting for USDA to implement the new structure, and we have contacted our assigned leadership, notably Undersecretary Dorr and Deputy Undersecretary Gonzales. Neither has taken action to implement those mandated provisions of the Farm Bill.

Frank Frassetto, our director in Wisconsin, has done an outstanding job being our advocate, and we really appreciate the help he's provided us.

The inaction (unclear) to all state Rural Development Councils in extreme financial jeopardy. The 37 cooperative agreements currently in force, all have ceased operations. The rest, including us, are in serious financial trouble. We have operating funds until the end of October.

One last thing. Here's what we're looking for. We need implementation of the National Rural Development Coordinating Committee, State Rural Development Councils being provided with emergency funding for structure until structure is implemented, and finally that the Secretary of Agriculture recommend full funding in the 2007 Farm Bill as recognized by the Ag Appropriations Committee.

And if I could, I would like to present you with a couple of things. Hopefully they will not be collector's items.

MODERATOR: Thank you. I'm going to continue while you hand that off to the Secretary. Now it's time to channel the microphone to my left, and Stewart, again remember concentrate on the Farm Bill questions. Two minutes.

MR. STEWART HOOVER: Thank you, Mr. Secretary for coming to Wisconsin. Welcome. We appreciate you coming here and hearing our concerns. I would mention three things.

MODERATOR: Introduce yourself, Stewart.

MR. HOOVER: I'm Stewart Hoover. I'm a dairy farmer, and I'm with Farm Family (unclear) USA. I'm up in Northeastern Wisconsin.

The current Farm Bill represents protection through the countercyclical program for most farm commodities, and it extends through 2007. As you mentioned MILC program will expire if it's not extended. We appreciate the comments of support we've had previously, but it has to get done because September 1 is coming.

Mr. Secretary, I must tell you that I think perhaps AMS has perhaps lost its direction. The fact is, especially in terms of the federal order hearings and the comments and the directions that have come down from AMS. As you remember the dairy program was considered in the last Farm Bill, and a centerpiece of the reform was open cooling. That meant a Wisconsin farm could be pulled on say the Midwest order or the Florida order or wherever those federal order. And it worked super. It said that now the new rules that are coming down from AMS are putting fences around our market. And that's very much of a concern to us.

I had one more thing but I'll skip it.

MODERATOR: You can always write it up, Stewart, and submit it before you leave, or on the Internet. Thank you my friend. Good to see you. We're going to wrap up just this hour with the gentleman to my right representing Wisconsin Agribusiness. But now remember, we're only going to take about a five-minute break just long enough for me to get off and him to get up here. So don't hesitate to keep your place in line if you want or at least to resume testimony. And now the final speaker for this hour, and I'll thank you in advancer for your attention. Go ahead.

MR. RICH SCHEUERMAN: Thanks, Pam. Mr. Secretary, my name is Rich Scheuerman. I'm the president and CEO of Alto Dairy Cooperative. Alto is in Wisconsin (unclear) owned by farm families from across the state and the upper peninsula of Michigan, and they provide us with over 1.5 billion pounds of milk annually and we convert into commodity and specialty cheeses.

Our cheese and its associated byproducts are distributed nationally into food service, industrial and retail markets. Alto has 500 hardworking employees, and the largest of our two plants in Alto, Wisconsin is the largest cheese plant east of the Mississippi.

I appreciate the opportunity to share with you today my concerns as you and your staff begin the daunting task of drafting the next Farm Bill. My focus is of course on the dairy provisions in that important legislation.

The health of U.S. dairy producers is tied directly to the health of dairy processing. Our ability to turn milk into quality products is in turn dependent on our ability (unclear) on the investment being employed in the commercial process.

The current federal milk pricing system is complex and is unresponsive to changes in the industry. It favors some regions of the country over others, and is based on milk allowances and yield factors that do not reflect reality.

The largest milk producing state California, actually opts out of the federal system and replaces it with their own state system which in my opinion serves that state's processing industry better than the federal order system.

I worry daily about the 1100 member employee families that rely on (unclear) dairy for their livelihood. Our ability to provide them with a long-term source of income is dependent on being able to produce our products profitably. We work hard to control our nonmilk costs, but are pressured by (unclear) industries by rapidly escalating utility and fuel costs. We improve efficiencies every day and (unclear) the size of our manufacturing facilities. But industry-wide cost pressures along with the shrinking milk and cheese (unclear) which resulted from the last round of dairy reforms make bringing an adequate return to our members very difficult.

A more processor-friendly milk pricing system in California gives those processors a competitive advantage over those who buy milk in the federal system. (unclear) dairy provisions of the next Farm Bill, I encourage you to close oversight to ensure it is not business as usual. The dairy industry needs your strong leadership to make (unclear) changes in the federal order system to ensure the U.S. dairy industry is competitive both domestically and globally.

These changes should include a simpler pricing mechanism which is more responsive to changes in plant cost and technology. The milk pricing system should provide fair returns to producer and processor alike in all regions of the country.

Changes I feel should be implemented include mandatory inclusion of California in the federal system; streamlining of the current hearing process; and reduction or elimination of multiple product classifications (unclear) orders.

I know this is a lot to ask. But my conclusion from observing the dairy industry for the last 17 years is that the system is broke and it needs to be fixed. Thank you.

MODERATOR: All right. That's the beginning of what is going to be the Wisconsin version of the Farm Bill Forum. Remember, we will be taking your comments until 2:00 this afternoon with the last few moments really open mike. So if you're in line please feel free to maintain that position. We're going to take about a five-minute break, allow the Secretary to stretch his legs, and we'll swap moderators. My name is Pam. I'm privileged to be along with you. Thank you to the Ag Secretary for selecting Wisconsin. Take a break and we'll be back in a moment.

[Recess is taken. Off and on the record.]

MODERATOR: Why don't we start with your name, where you're from and your affiliation if you would because this is being transcribed and recorded so the Secretary and his staff in the future will know. So we'll turn it over to you -- name, affiliation, and two minutes. Thank you.

MS. MARGARET KROME: Thank you very much. Margaret Krome. Policy Program Director of the Michael Field Agricultural Institute. Also I'm privileged to serve on the board of the Agriculture Trade and Consumer Protection for the state of Wisconsin. I appreciate being able to serve (unclear) tremendous leadership. I don't normally get this personal, Mr. Secretary, but I want to compliment you on your ears. I think it's rare for the USDA to undertake this kind of comprehensive listening, and I appreciate the time and I appreciate the thoughtfulness of the questions that you asked. You really get to the point. I appreciate them and I will get to the point as well.

How do we address getting farmers into agriculture? One of the big things is to try to reduce some of the deterrents. We need a healthcare policy, we need to do everything we can to support cooperative healthcare. Cooperatives -- any number of opportunities for pooling our rural citizens so that we can provide healthcare that will allow farmers to get into the business. It's one of the biggest deterrents.

One of the other things that we need is to support some of the programs that are in the last Farm Bill. The Beginning Farmer Ranch and Development Program is one small example. We need to look at our commodity program policies. We need to be changing them, restructure them around support around conservation. That will help as we decouple that from export commodity to produce, we're able to get away from building up the cost and pricing of land that our commodity produce currently obviously favor, and that is a major impediment for beginning farmers.

How do we support competitiveness overseas? I think the Secretary (unclear) comments about bioenergy, energy-based initiatives are important. We need to be structuring our policy around a WTO-compliant program, Conservation Security Program kind of program. We need to have that implemented as it was passed in the last Farm Bill.

We need payment limitations so that the commodity programs we have go to all farmers and are accessible to all farmers.

Last comment. We have all around this nation tremendous capacity for entrepreneurial development. We don't give it the support that it needs, technical assistance for things like a dairy business innovation center in Wisconsin that builds on specific technical assistance to farmers and others wanting to do rural entrepreneurial development.

MODERATOR: Thank you, Margaret. Let me just say as you start -- because obviously two minutes isn't a lot of time, let me just say a blanket thank you to the Secretary. We all know we appreciate him coming here, and I don't think that's going to go a long way in developing farm policy because he knows he's appreciated. I think he's heard that a lot and he knows he's appreciated, so start right off with your name, affiliation and get into the meat of your topic, please. We'll get a lot more done. Thank you. You're on.

MR. MIKE RYAN (sp): Yes. I'm Mike Ryan from (Bon Bright) (sp) County. Myself, my wife, my son and daughter-in-law run an 80-milking herd, Holstein herd. We're very appreciative of the MILC program that was ended, and we're hoping that it will continue. For

myself and the upcoming generations it is very important that they can make their payments and pay their bills and support their local implement dealers and feed mills in the community. And that is very important that we keep our businesses close to us, and that this makes for less time (unclear). Thank you. I support it and I hope you support the MILC program.

MODERATOR: Thank you very much. Also, joining us for the session is Congressman Mark Green who has rejoined us. Thank the congressman for being here too in real support of the MILC program. Over here.

MR. DAVID DUSKY (sp): Thank you. My name is Dave Dusky. I'm a farmer from Southern Green Lake County, northern Dodge County, (unclear), and I farm approximately 800 acres producing corn, soybeans and vegetables and also raise Holstein steers. Along with my brother I'd like to take this opportunity to thank you to provide comments to the Farm Bill because of the short time frame, (unclear) Questions Number 1 and 3 relating to the farm program benefits and the changes needed to correct unintended consequences from the last Farm Bill as the prohibition on growing fruits and vegetables on program acres had significant consequences for my operation and others in Wisconsin.

The Farming Flexibility Act of 2005 cosponsored by most of the Wisconsin congressional delegation would correct the situation immediately, but if it does not pass right away it needs to be included in the next Farm Bill.

The prohibition on growing fruits and vegetables, particularly hits Midwest grower myself. I grow vegetables for processing for DelMonte and other vegetable processors, and I rent a large portion of my land. Landlords are reluctant to rent land to process vegetable growers because it will hurt their base calculations in the future.

Because of our wonderful climate we cannot double-crop on a consistent basis to eliminate the vegetable growing prohibition. Also I cannot pass my personal vegetable growing history to my family. Wisconsin is a leader in the process vegetable production and this provision in the Farm Bill does not help growers like me. We need to have that provision which allows fruits and vegetables for processing to be grown on program acres as long as there is an acreage reduction in the payment.

Additional future recalculations of base acreage should treat vegetable growing for processing on base acreage to be the same as production of the program crop.

MODERATOR: Thank you very much. We have time for -- if you've got more comments don't forget you can go online. Make sure you pick up one of these brochures. The web address is on the back, written (unclear) online comments are accepted. This microphone to my right.

MS. SHERRIE TUSSLER: Good afternoon. My name is Sherry Tussler. I'm the executive director of the Hunger Task Force of Milwaukee. Hunger Task Force should be familiar to the USDA. We're the USDA's 2004 Sunshine Award winner. We won the (unclear) in Excellence Award. Hunger Task Force is a hunger public policy organization with deep roots in the local community. Today we're operating a food drive at the Wisconsin State Fair. Fairs (unclear) change (unclear) can get in for reduced price admission, \$1.00. Last year we raised \$99,000 (unclear) at this fair alone. (unclear) show you the support that we receive from the community.

Our concern about the Farm Bill for 2007 is that you didn't extend any invitation to anti-hunger groups, and we're very concerned about the Food Stamp program. USDA's Food

Nutrition Consumer Services oversees the Food Stamp Program and it represents more than 40 percent of USDA's budget. The Food Stamp Program is the first line of defense against hunger in the United States. In our opinion it's the most important federal food assistance program that helps low-income people get the food they need when they lack money to buy it.

Here in Wisconsin this program has a well-established history of being broken. Federal oversight of the program results in hefty fines for the state in the largest urban area, Milwaukee. The primary role of having full participation in the program (unclear) back burner to secondary issues such as error rate reduction strategies and seemingly ridiculous investment activities. The net result is an overly complex, heavily administered federal programmatic (unclear).

Last year Hunger Task Force distributed 10 million homes, food to 85 local charities serving 45,000 individuals on an average in Milwaukee County. A fully-run Food Stamp Program not only makes people dependent on charitable organizations but it confuses people about the true strength of the farming and agricultural aspects of our economy. Everyone knows that we produce enough food in the United States to feed every citizen and that we cheaply feed other nations, so what excuse could there be for children to go to bed hungry in Milwaukee or any other community?

I hope that in the future listening sessions you will invite other public policy folk. I think it's important to include all of us. Thank you.

MODERATOR: Thank you very much. Before move on the Secretary has a few comments he'd like to make.

SEC. JOHANNIS: Let me just tell you thank you so much for being here. I would mention that we are actually going to do forums that are dedicated to the issues you talked about across the country as a part of our Farm Bill listening sessions. So we heard your comments a month or so ago, and so we are dedicated to doing exactly what you have suggested. And stay tuned, get on our website, and you'll see information as to where we will be at with those forums.

MS. TUSSLER: We appreciate that.

SEC. JOHANNIS: Thank you.

MODERATOR: We move on to my left.

MS. JUDY SKOAGE (sp): Hi. My name is Judy Skoage, and I'm here as a consumer not a farmer. I care about what I eat, I care about how it's grown, I care about how the farmer and his (unclear) workers are treated, and I care about how they are able to treat the land. I mostly am interested in provisions of the Farm Bill that will make the transition to organic.

This will help bolster local markets, keep the farmers, smaller and mid-sized farmers in business, keep money in the local economies, the local communities. That will support the local communities and it reduces transportation. If I can buy vegetables that are grown 50 miles from my house why should I buy it when they come from Brazil or wherever?

I do not want GMO. I do not want BSE. I do not want hormone additives or antibiotics improperly used on my food. This is this -- not GMO, not BSE. This is cutting edge agricultural products and research, organic. The provisions in the Farm Bill -- the way to do this the best is support the conservation provisions in the Farm Bill that are already in the 2002 Farm Bill fully funding, cap payment levels at \$250,000 that will help pay for these other programs.

Support small and mid-sized farms. The sustainable agriculture research and education programs, the Beginning Farmer and Rancher Program, the Conservation Security Program-- this is the key. This will help the farmers keep their land. Value added products grants, farm market promotion program, farm (unclear), all good programs that need more money. Thank you.

MODERATOR: Thank you very much. To the right.

MS. VALERIE GAFFNEY (sp): Hi. I'm Valerie Gaffney from (Marcel) Wisconsin. I talked to you. I'm a wife, a mother, a business partner and (unclear) operation and a full-time ag teacher. My students spoke to you earlier about the programs she sees working. I personally know in my 30 short years here on this earth I have three brothers come into agriculture on the production side. Each took a different route as far as getting set up. Your programs are working. You just need to continue your on-the-farm support.

As far as my home base on our angus operation, the programs we are concerned with is the large number of acres coming out of the CRP program in the next year or two. Those bids compete against us when we're bidding for pasture-land, extra cropland. And we use it a little bit more differently than the majority of the states. We rely on pasture to grow our feed.

Thirdly, it's through the conservation programs we're redoing our barnyards and some of the silting on our land since we have such sensitive soil that there is no one else standing at the end of our driveway offering us matching or helping us fund these programs. And that's very helpful. The downside is we're committed to 20 years with the U.S. government to maintain those things. And who wants to commit that long to that kind of program and keep that kind of (unclear) -- it's a deterrent for young producers.

On the other side, in the next generation going I think that's up to this audience. We all have a personal stake in that, and that needs to be our message. I ask that the older producers leave the industry gracefully and with encouragement, it did feed your children. It provided you income. It put your kids through college. Let us younger generation have a chance to produce the next generation of farmers. Thank you.

MODERATOR: Thank you very much. Remember, if you don't finish in two minutes you can go back and get in the back of the line. Just let everybody have a chance to at least present one two-minute opportunity. Sue.

MS. SUE BEITLICH: I'm Sue Beitlich, and I'm president of the Wisconsin Farmers Union. And we think it's important to remember that the support of individual producer income with an adequate safety net is vital in farm programs. We need to keep in mind and not lose sight of what the original federal farm programs over the past 50 years have ensured with orderly marketing of commodities so that the American people have a safe and reliable supply of their food, nutritious food and provide farmers a fair return for their labor and their product.

The program has helped reduce hunger, improve the health of American families and kept farmers on the land, and we want the 2007 Farm Bill to assure the same goals. We also support components of direct and countercyclical payments, marketing loans and loan deficiency payments. These dollars have brought money to our state farmers and rural economy.

We also think it's imperative that a dairy component be included in this Farm Bill and one that is comparable to the current MILC. We appreciate your words of support today, saying you do support MILC. We hope that can get done, we can get that extended. Time's clicking away here and dairy farmers do deserve a safety net.

It's a different climate now negotiating this Farm Bill than it was in 2002. We've gone from federal budget surpluses to very large deficits. We've gone from relatively high crop prices to lower prices, and our balance of trade has weakened where we're becoming an importer of food importing more than we are exporting.

Our producers' costs of production are skyrocketing. When we talk about countercyclical payments, these types of things, Farmers Union does support payment limitations. We believe targeting benefits to more producers is important. The concentration of large payments to a few producers is not the intent of farm programs, and we support efforts to cap payments at lower levels and to eliminate the multiple entity and the generic certificate loopholes in the 2002 Farm Bill.

We also wonder about the overproduction that occurred with this 2002 Farm Bill, and we think there's a few things we can do; it's listed in our comments. I think the main one is the renewable energy. We need to continue pushing for that, we're pleased with it. We can appreciate the Conservation programs. We want to keep extending those and fully funding them. And most important is country of origin labeling. We need to see labels; people have a right to know where their food comes from. I'll submit my written comments.

MODERATOR: Thank you, Sue. Appreciate it. To my right.

MR. JOHN DINOWSKI (sp): Good afternoon, Mr. Secretary, Congressman Green, Mr. Moderator. (audio break)

-- spend a couple minutes today talking about the Food Stamp Program as well. The Hunger Task Force has been in business since 1974, and we've got a lot of insight into and experience with the needs of low-income people in this community. Because this particular program feeds over 350,000 people in our state, which by the way is a record, and also feeds over 140,000 people in Milwaukee County, I think it shows the need for this vital supplemental nutrition program.

Two significant points I'd like to make today, and I'll submit the rest of my comments electronically tomorrow. First, we ask, we strongly encourage congressional decision-makers to maintain and preserve the existing structure of the Food Stamp Program. There are congressional proposals out there to block-grant the program, and also provide so-called super-waiver authority. We think these are absolutely the wrong policy priorities for this particular program. That will not help more hungry people.

Secondly, we ask, strongly encourage congressional decision-makers to preserve the Food Stamp Program during this fall's budget negotiations. We've heard a lot of talk about the difficult budget choices the House and Senate Agriculture Committees need to make. And we know there's some very difficult choices ahead, but we do not understand how a supplemental nutrition program like Food Stamps might be disproportionately targeted for cuts while massive subsidy programs to large agriculture interests are not.

Food Stamps provide about \$1 of benefit per meal. Our nation's priorities ought to start (unclear). We can maintain and expand (unclear) allowance (unclear) benefit. Like I said I'll submit the rest of my comments tomorrow electronically, but thank you for your attention, and enjoy the rest of your time in Wisconsin.

MODERATOR: Thank you very much. Brad.

MR. BRAD DOOSY (sp): Good afternoon. I am Brad Doosy. I'm vice president and agriculture banking officer for M&I Bank of Marshall, Wisconsin, right in the heart of berry country here in Wisconsin. I'm also a member of the Wisconsin Bankers Association Agriculture Section Board of Directors.

I want to address the question regarding the future of production agriculture as it relates to the Farm Bill. I'm what they call part of lost generation here in Wisconsin in the dairy industry and agriculture as a whole. I was one of the generation that graduated from college in the early '80s, mid '80s, and were discouraged by our parents from farming. I was not able to get out of the family farm, (unclear) farm. Luckily I was fortunate enough to get into the banking world. I actually find it kind of ironic because I'm pretty lucky; in the last 18 months I started 10 young farmers in this state, which it's a great thing.

The biggest challenge I face as a banker when we address young farmers is lack of equity as it relates to the amount of capital investment it takes you to get into agriculture. My request is that in the future Farm Bill you expand upon the FSA Beginning Farmer Direct Loan Program and Beginning Farmer Guaranteed Programs. On the direct loan side, we need the individual loan limit increased from \$200,000 to \$400,000. In addition I feel this money should be more flexible to account for entity formations between family members, niche marketing ideas, agritourism enterprises, and other related industries that support agricultural interests and the rural communities they support.

The time for this is now. Based on demographics, in the next 10 years many farms in this state and I venture across the nation will be changing into the next generation's hands. If we fail to address this issue now we will fail the next generation. We could end up with another lost generation from our rural landscape. Thank you. Have a great day.

MODERATOR: Thank you, Brad. To my right.

MR. NICK DANIELS (sp): Thank you. I'm Nick Daniels. I'm a dairy farmer from Kenosha County. First thing, don't fix parts that are not broken. Planting flexibility, continuation of loan rates and programs that allow farmers to take their planting signals from the marketplace, not from the government. And progress on the environmental front with practices that improve soil, water, and air quality.

On question number one, we need a level playing field out there. We need to also have flexibility in the Farm Bill when WTO negotiations are completed that they can mold and fit into each other.

On question number two, the next generation of agriculture producers are a combination of both new farmers and siblings of farmers today. A key factor in determining success in any business is the education and experience base of the individual starting the new enterprise. These attributes will be needed to use new technologies that will be coming in the future. We also have great Land Grant Universities here in Wisconsin which some dollars can be funneled into to expand on those technologies and bring those things to light.

One example in Europe students that complete or advance their training are eligible for higher payments or they have access to programs that otherwise would not be available to them.

It should also be recognized that more rural parts of the country have special needs. It is important to remember that a healthy agricultural economy is important to a healthy rural economy. Along with that rural businesses need equal access to Internet and other telecommunications, support to education and healthcare.

The significant way of improving farm income is to increase the investment by farmers in projects that will capture more value added dollars. Such farmer-owned ventures provide for rural development, increased competition in the marketplace, and increased farm income from the market. An example of that is the ethanol and the biodiesel things that are coming about.

MODERATOR: Thank you. Thank you. To my left.

MR. JOHN PEDERUSI: Thank you, Mr. Secretary, for coming today. I'm John Pederusi, vice president of Ronde (sp) Cheese Company in Brownsville, Wisconsin. As a proprietary cheese company we process approximately 1.5 billion pounds of milk annually, which we market nationally as a trademark cheese and we market our whey and protein products globally.

As you contemplate the 2007 Farm Bill I ask you to use the marketplace more and regulation less. The support program MILC program, the federal market order system (unclear) prices mixed with the NASS survey, the CME cash and futures market creates a massive root that frustrates many of the market participants. The forward contracting this past spring or early in the year, risk management tool used by commodity markets worldwide, has led to legislatively denying deny many market participants but not all.

The support program conflicts with the hedging, and in turn the direct conflict with the MILC program has been discussed repeatedly. At the recent CNE Dairy Forum floor traders expressed their frustration very succinctly. Their industry is so complex no one can help you.

Market participants rely on a price support to coordinate their activities. Prices are distorted or hidden by regulation; participants cannot knowingly participate correctly. In today's marketplace winners and losers are too often determined in the political arena rather than in the competitive market arena.

Diligent government employees are denied doing the best things because the political process is a process of compromise. The best ideas are negotiated off the table in search of the lowest common denominator acceptable to the political power brokers. This is not a good business model. Innovation and price practices (unclear) in competition are smothered by jockeying political and regulatory advantage and also limits the effectiveness of your own personnel.

MODERATOR: Thank you very much. To my right.

MR. RANDY GEIGER (sp): I am Randy Geiger. I'm been a dairy producer all my life, 36 years on my own. I live in Manitowoc County, Wisconsin, about 30 miles south of Green Bay. The farm has been in the family 138 years, and I'm also chair of a milk co-op, Manitowoc Milk Producers, which has about 2800 members mainly in Wisconsin.

Challenges facing new farmers and ranchers -- dollars to get up and going are virtually impossible when you look at land prices that are not priced in relationship to commodities. There should be some type of incentive that those who sell land to producers or new ag producers get some type of incentive that the money can be used to set aside for retirement without a huge tax because producers let's face it are using that for their retirement.

World trade has some drawbacks. We at times are competing with Third World countries and Third World wages. In the United States we cannot survive on that. When it comes to world trade with food, my main concern is that a very small percentage of this food is inspected

from foreign countries. This in turn puts a huge disadvantage on the American producer because we are inundated with different types of regulation.

And with animal ID coming down, our products could be mixed with the foreign products. If there's contamination, the U.S. producer with animal ID will be the target of an investigation.

Effectiveness and distribution of farm program benefits. For years most commodities have had a consistent safety net. Milk, which is probably the most perishable, has not had a consistent safety net for years. That is why I feel it's important that the Milk Income Loss payment continue through the 2007 Farm Bill and also some type of very positive safety net into the 2007 Farm Bill.

MODERATOR: Thank you very much. Again, if you've got more comments than you can get in in two minutes, please submit them in a written form or on the web or if time allows back to the end of the line and again. To my left.

MS. SIMBERLY MARSH (sp): Thank you. Greetings to the congressman and to Secretary Johanns. I'm Simberly Marsh and I direct the Lutheran Office for Public Policy in Wisconsin which is the legislative advocacy office of the largest Lutheran denomination in the country, (unclear) Church of the Miracle. I grew up in Waukon, Iowa, and I know where Osage is. I have a friend from there as well who's been called to be the president of (unclear) college in Blair.

This year there's a large number of faith leaders across the country who have called on Congress in relation to the reauthorization of the Farm Bill and particularly because of the Food Stamp Program. There's a real concern within the faith community about any possible cuts in the Food Stamp Program because we were very thrilled that the Child Nutrition Programs were reauthorized very well last year and we were pleased with the improvements in the food stamp program current 2002. I'm not quite as harsh on the program as Sherrie Tussler. I think she sees firsthand problems with it in Milwaukee.

But the state is able to take the form from 18 pages to four. We now have a swipe card, and it's much easier to use the program. (audio break) -- we'd like to see the bottom benefit of \$10 raised at least to \$25 so people who go through the work of bringing in all their paperwork to sign up. It is very important, and I'd like to see lots of more elderly women around the state who probably are ones who are least enrolled to consider doing that.

The program really is important for so many of the families in our state, and the partnership we see within the faith communities that exists between our networks and service providers and the Federal Nutrition Assistance Programs is very important. So we're very concerned that there is a sort of an unnatural competition between the commodity programs and the Food Stamp Program. I agree with John Dinowski (sp)-- we're very afraid of having a block grant or a super-waiver related to Food Stamps because many of the entitlement programs such as AFDC no longer are entitlements. We don't want to see that happen to Food Stamps.

MODERATOR: Thank you very much. Again, written comments on the web -- you're all invited. To my right.

MR. RANDY SHORE: My name is Randy Shore representing M&I Bank. M&I Bank continues to support FSA Direct and Guaranteed Programs to protect against long-term liability of production agriculture in this country. We are the eighth largest ag bank in the United States

servicing Wisconsin and seven other states. Meeting the financial needs of livestock producers in our trade areas is a substantial part of our business.

Nutrient management issues are challenging producers on several fronts -- environmental, economic and social. New technologies are being evaluated and implemented to address livestock waste concerns. FSA needs to partner with producers, technology developers and ag banks to finance facilities and processors that will address these concerns.

We need to embrace viable alternatives for nutrient management that will recycle the (unclear), reduce odor and improve water quality at the same time the system should ensure a return for the stakeholders and provide (unclear) in the rural community helping to ensure their economic future.

I am proposing a producer loan guarantee program and technology developer grant program to assist in moving nutrient management plans forward. We're submitting those today. These programs would be outside of and in addition to any guaranteed or grant programs currently in place.

Another issue is feed store facility loan program eligibility which should be expanded to include not only whole grains, other than whole grains, but hay crops such as alfalfa, clover and so on for the storage for baleage, large and round square bales and so on.

Thirdly, the direct and guaranteed loan program should be expanded to include technical service providers to production ag, including present field operations such as planting in spring and spreading applications, harvesting and manure handling. Thank you.

MODERATOR: Thank you, Andy. Mila.

MR. BILL AUSTIN: Hi. My name is Bill Austin and I'm a corn farmer, corn, bean farmer from Columbus, Wisconsin. I just have a couple of real quick comments. I can talk 10 minutes on any one of these six or all of them, but one, don't fix what isn't broken. The commodity programs have worked fairly well. There's problems, but you know between the Farm Program, the LDP payments, CCP payments, the crop insurance payment, the package has worked if you look back over the last four years. Don't change everything.

Number four, how best to achieve conservation and environmental goals-- the CSP program looks like it has tremendous potential. We're four years into the PINE program. We're still in pilot programs. We've got two in Wisconsin -- you know, the second one this year, second watershed. I mean if you're serious about conservation, fund the darned thing. I think it has a lot of potential.

The third thing, you mentioned with ethanol saying 7.5 billion gallon renewable fuel standard in the Energy Bill -- we've been talking 20 years about it. I don't know what the next ethanol issue or idea is. But when somebody comes with a new idea give them a little bit of rope to at least hang themselves with. Some of these things will work. Some won't. But ethanol is one that's been there for 20 years and it's finally just getting enough traction -- you know it's proven it works.

There are other things like that out there that have worked very well for rural development. You know, when people come up with them let's try them. Let's not be so rooted in the past or in some other industry or whatever that we don't look at the real issue. Thank you.

MODERATOR: Thank you. To my right.

MS. SALLY KOONTZ (sp): Good afternoon. I'm Sally Koontz. I'm from Jefferson County. My husband and I are fourth generation farmers, and in the last two years Jefferson County (audio break) this acreage base is 1.4 percent of what Jefferson County has -- put in reserve. Is this the best program dollars to use for our Farm Bill, also to promote and enhance and stabilize farm income and prices?

This program raises farmland prices, retail values of cropland, affects land adjacent to the wetland reserve area. Both federal and state tax dollars are also used for these programs. In many cases they are also sold back to the DNR after cost share payments are sold to the original owners.

I myself have bought land and are affected by these acreages. I'm not saying Wisconsin's Wetland Reserve Programs are bad. They are very useful. But I think the dollars, there needs to be more study into these programs on the effects it causes us farmers.

MODERATOR: Thank you. We're going to take a break here in a couple minutes, but we're going to take one more from each side and then just take a quick five-minute break again. Michael Austin from Green Bay is scheduled to be here and take over our last hour. We will do that. But again, one more from each side. Mike, you're up.

MR. MIKE SOLTER (sp): Mike Solter. Again, (unclear) pork producer, past president of Wisconsin Pork Association. I got one comment, animal ID is pushing and you hear great things coming out of DC about that, implemented instantly, how good it works. I've been in a pilot project down here in Wisconsin for a year. It's very cost-effective. It's not anywhere's near - you can implement it as we hear from the DC.

So if you put anything in the Farm Bill let's handle it very cautious. If we're going to put it in it has to make sense to the farmers time wise and cost wise (unclear) facility. Then there's the liability process of it -- who handles the records, when do they become available. There's many concerns with this animal ID. COOL is mentioned. It's great. But that's with a lot of added cost in handling food.

You have to take a survey, people say they're willing to pay for it. When you go in the grocery store it's a different thing when you look at the cost of putting this implemented animal ID in place. So as a pork producer I do agree it's needed, but it cannot be pushed on to any farmer whether it's a pork producer, beef producer, fish producer. There has to be supplemented --

Thank you.

MODERATOR: Thank you, Mike. One more before I break over here and then a quick five-minute break. So don't go away.

MALE SPEAKER: Thank you. Thank you, Mr. Secretary, Congressman Green soon to be Governor Green and (unclear) --

MODERATOR: You got two minutes. You got two minutes.

MALE SPEAKER: Fine. There are only three guys. I'm here to thank you for streamlining Section 515 in the Rural Housing Program and I'm the president of Wisconsin Housing Preservation Corporation. As a result of that streamlining we've purchased 18 properties here in Wisconsin and we want to purchase more. We're particularly grateful for

Russell and Mike's efforts on our behalf. I talked to Congressman Green about it. They have solved some problems. We need to get more because you need to be able to purchase these properties without spending a lifetime talking to you and your staff to get it done. Thank you.

MODERATOR: All right. Thank you very much for all the good comments. Again we're going to take a five-minute break so the Secretary can stretch his legs, let a drink of water, and we'll be right back so don't leave your place in the line. Mike Austin from Green Bay will be up next as your emcee. Thank you.

[off and on the record]

MODERATOR MIKE AUSTIN: (in progress) WTAQ/WDEZ Radio in Green Bay. And WFRV-TV in Green Bay as well. I must admit I'm honored as well. You talk about two strong advocates for agriculture -- our Secretary of Agriculture Mike Johanns and also a congressman I've known for a couple of decades has always been on the side of Wisconsin agriculture. That's Mark Green. So I appreciate both of them listening today.

Again I want to remind you, this is not a debate, not a dialog, it's just a conversation. So please do share your couple of minutes and the secretary as we can see has been taking notes, taking everything to heart. I do want to remind our speakers, you see the lights-- green means, yellow means you have 30 seconds, and then red means stop. Please try to stay within those limitations.

Also kind of limit your comments to the six questions. I think you've heard those before, so I hope you will stay with those. First we had Pam Jahnke, a former Regional Farm Broadcaster of the Year. Bob Bosold was on, and he was National Farm Broadcaster of the Year. People are wondering, what are you doing up here, Mike? I say, Well, I was brought here just in case we had technical problems and the Secretary of Agriculture'd have a spare light real close to him, so that's the case.

Again, when you go to the microphones please state your name and if you're representing an organization.

MS. ANN LINEBERGER (sp): Good afternoon. My name is Ann Lineberger. I'm from Chicago public schools, consists of 613 schools and over 400,000 students, 85 percent of whom are eligible for important income support programs like Medicaid and Food Stamps. I'm really happy to hear you'll be having hearings to address that.

I do in fact want to address the six points but as they relate to the Food Stamp program. Number one, talking about our next generation almost a fifth of the children in the United States are living in food insecure households. In terms of our country's ability to compete internationally, I don't know how we can expect our kids to be competitive if they are going to school hungry and can't benefit from the education they are receiving.

The Food Stamp Program is both fair and effective. Over 95 percent of the benefits from the program go to households with incomes under the federal poverty line. The Food Stamp Program also encourages work through the incentives that it provides to Food Stamp recipients.

As I'm sure you're aware hunger is not isolated to urban areas. It's also a rural issue. And I would really encourage everyone to not support the proposed cuts to the program, to bring them full circle and relate it back to the agricultural piece.

The USDA's Economic Research Service estimates that for each \$1 billion of retail demand generated by Food Stamps, \$340 million are generated in farm production, 3,300 farm jobs and over \$110 million in farm value added. So I encourage you all to support the Food Stamp Program and maintain its current structure. Thank you.

MODERATOR: Thank you very much for your comments. Will you tell us who you are?

MR. RICK: Good afternoon. Rick (unclear) with Farm, 1600 acre, South Central Wisconsin. I have basically three comments on your questions. Your 1031 land exchange is hurting land prices. I deal with eight landlords and there's lawyers that don't know the difference between cropland and rockland. Eliminate that. And also the payment limits which help big farmers. All they do is just gobble up more land and (unclear).

Even the farm payments might be too high. I know you don't like to hear that, but that encourages landlords hear that you're giving them ten bucks they (unclear). So I guess that's basically all I had to say. I heard last weekend you want to make sure all the (unclear). I listen to this Milwaukee station inner city once in awhile and first thing they say, (unclear) negative. But I don't hear that. All I hear is (unclear). Thank you.

MODERATOR: Thank you very much for our insights. Appreciate that. The good looking gentleman with the glasses, go ahead, sir.

MR. ED BROOKS: My name is Ed Brooks. I'm chairman of the Board of Wisconsin Federation of Cooperatives which is a trade association of all different cooperatives in Wisconsin and also chairman of the board of Foremost Farms USA which is a regional dairy co-op. We have members in the (unclear) and western states. I'm a dairy producer in Sauk County, (unclear) which is 90 miles north of here. My wife and I milk all 50 cows, gentle brown Swiss cows.

One of the questions you pose is how should farm policy be designed to effectively and fairly distribute assistance to producers. One of the programs in the last Farm Bill was Milk Income Loss Contract program. This program has been incredibly important to dairy farmers across the country, in particular to those of us in the upper Midwest and in the Northeast. These are areas where the dairy economy is the predominant factor in the overall rural economies of the region.

Because of scarce federal dollars the program places a limit of assistance that any one producer can receive in the program in any given year. As a result we've seen the very effective and fair distribution of the dollars to dairy farmers. And unlike other farm commodity programs where benefits tend to accrue disproportionately to some very large operations, the MILC program and its common sense limits has resulted in a much more equitable distribution of the scarce dollars.

All farmers are eligible to receive MILC payments on the first 2.4 million pounds of milk. The volume cap means that 85 percent of all farmers in the country are fully eligible; even those that exceed the limits are fully eligible up until that limit.

We have seen the strong interest in seeing the MILC program or something similar continued in the next Farm Bill. We greatly appreciate the residents efforts and the other gentlemen on that stage earlier of continuing after this Farm Bill. We're talking about the next one. We'd like to see it continued in some form or other. We'd also like to see it not expire this year. Do something about that.

I will close by saying I perceive the MILC program as a very important supplement to the dairy price support program. That's an important part of the dairy safety net, for the price support program by itself in its present form is an insufficient safety net for dairy producers. Thank you.

MODERATOR: And thank you for your comments as well. I'm sure both the Secretary and the Congressman appreciate them. You can applaud. There's certainly nothing wrong with that if you're a supporter of the MILC program. Sir, go ahead.

MR. WALTER BEEDER (sp): Good afternoon. My name is Walter Beeder. I'm a dairy farmer 50 miles northwest of Milwaukee. I serve on the board of directors of Family Dairies USA. And also I'm director of Wisconsin Farmers Union. I've been an advocate for family farmers to the Ag Department of Wisconsin in helping farmers with financial problems and addressing the problem of young farmers. We need to give young farmers low interest loans like the United States government gave Chrysler.

Interest is way too high for these young people to start and to make the bottom line a lot easier. We need to address the problem with USDA as far as the problem with how they treat farmers with loans, that they clean up their act—(unclear) and other things like that.

On the subject of the MILC Program, we as Family Dairies support the extension of the program through the Farm Bill and like others say, why fix it if it's working?

Also the 15 cent assessment on dairy products should be assessed on all imports and our fellow producers in Hawaii and Alaska. If everybody pays, there's no problem. Otherwise, I don't think anybody should pay.

On the issue of country of origin labeling, it not should be voluntary. It should be mandatory so we know where the food is coming from and if we have a problem.

Thank you.

MODERATOR: Thank you, sir. And we thank you all. We want to remind you if you just came in you can go to either one of the lines, and sir you're up.

MR. BILL OEMICHEN: Good afternoon, Mr. Secretary, Congressman Green. I'm Bill Oemichen, I'm president, CEO of both with Wisconsin and Minnesota Cooperative Associations. Together we represent about 800 businesses owned by 2.9 million Wisconsin citizens and 3.4 million Minnesota citizens. And you may ask the question, how can the federal and rural farm programs give effective assistance in rural areas?

I want to talk about two. First of all, the MILC program you've heard quite a bit about today. But it obviously provides assistance to directly to dairy producers but it's also supporting the whole rural infrastructure. I can tell you back in the deep and dark days of 2002 and 2003 because of those payments most of the rural infrastructure was able to stay in place and continue supporting agriculture. Many of those are cooperative businesses, and so we strongly relied on the MILC payments. And they're very vital for the continued help of rural Wisconsin and the rest of the country.

So it's greatly appreciated your continued support for that program.

Secondly, is healthcare for farmers. Margaret Krome from the (unclear) Board talked about this earlier. But this is a vitally important issue not only for Wisconsin and Minnesota dairy producers and other farmers, but producers across the country. (unclear) are at a real disadvantage when it comes to healthcare. Just a couple quick statistics.

The average Wisconsin farmer for example pays three times as much for their health insurance as salaried employees, twice as much for their health insurance as other self-employed individuals. Why? Because insurers view farmers being a very risky occupation. Something that most Wisconsin farmers don't know that they need to know is that most insurance policies now exclude farm-related accidents. So if they're injured, they're not going to have coverage.

Well, USDA through USDA-Rural Development is providing support, and Congressman Green as well as Senator Kohl and Representative Obey have provided support to the Federation so we can create healthcare cooperatives. There's \$2.23 million already been appropriated, an additional \$2.25 million in the Senate Appropriations Bill, and we appreciate your support from that. Thank you.

MODERATOR: Thank you, Bill. Sir, your name and who you represent?

COUNTY COMMITTEE CHAIRMAN, JEFFERSON COUNTY: (unclear), dairy farmer from Jefferson County, and I'm here as a county committee chairman hoping that as FSA runs this farm program you will maintain the county committee form of running this program. Lately they've taken funding and put it into the temporary employee pool that we get paid out of, and I don't believe that's right because I think it's somebody's way of trying to eliminate the program.

I'm not here trying to keep my job because I'm running out of time next year. My job's over. I'm looking to the future. The county committee oversees the local administration of the program benefits, provides input for disaster notifications and weather and crop conditions. We handle appeals in a fair and equitable way of handling appeals between the farmers and the office. And I don't know who is going to do it if you don't have a county committee there to do it. Thank you.

MODERATOR: Thank you very much, sir. We appreciate it. Again if you would like to share your comments with the Secretary please get in one of the two lines. Sir, go ahead.

MR. KENNY DEVORE (sp): My name is Kenny Devore (unclear) Clear Horizons LLC, which is bioenergy (unclear) enterprise. Section 9006 of the Farm Bill promotes (unclear) unintended consequences, strictly nonfarm, nonrural, entrepreneurial participation in the grant competition for biomass, biogas. Please let me draw an analogy. Wind farm grants are not exclusively contracted to rural businesses or farmers. In fact they are constructed by developers and entrepreneurs in collaboration with landowners. So please don't continue to restrict biomass, biogas projects from the funds.

Representative Green, with such a combination in the Farm Bill you will find more urban Americans with a vested interest in participation in rural America as well as ensure more interest by America's elected (unclear). Thank you.

MODERATOR: Thank you very much. We appreciate it. Go ahead, sir.

MR. PETER BODKIN (sp): My name's Peter Bodkin. I'm coordinator for the public policy with the Wisconsin Council of Churches. I'm here to express my strong support for the Food and Nutrition Programs administered by the USDA. For the sake of all of those who face

food insecurity including low income families and individuals, the unemployed, children, students, the homeless, the elderly, the disabled, we urge that these programs must be preserved and strengthened.

Among the member churches of the Wisconsin Council of Churches are many congregations and individuals who are providing emergency food services and adequate paying policies to alleviate food insecurity. Through food pantries, meal programs and food banks congregations and community organizations are doing their part, but they cannot do it alone. As a nation we must also act through government assistance programs to help our neighbors in need.

According to one researcher, evidence of severe malnutrition-related health problems has almost disappeared in this country. The primary reason is Food Stamps. We hope you will advocate with policymakers on behalf of protecting the Food Stamp program from excessive budget cuts and oppose efforts to transform Food Stamps into a block grant program.

Many families that receive nutrition assistance still struggle to make ends meet in the face of rising costs. Moreover, many genuinely needy people, particularly unemployed childless adults and illegal immigrants are denied Food Stamp benefits. We urge an increase in the minimum benefit level (audio break) administering program increase it becomes much more difficult to give clients the attention they need. We urge that measures be taken to ensure that applicants have access to local offices while keeping caseloads management.

The USDA's Food and Nutrition programs are crucial instruments by which we can manage our abundant resources for the good of all, and we fervently hope that the 2007 Farm Bill will preserve and strengthen them. Thank you for this opportunity to express our concerns.

MODERATOR: And thank you. We appreciate that as well. Glad to see so many of you are articulating your thoughts so clearly and also putting such an emphasis on families, because that's what's made this country great and makes agriculture great as well. Sir, thanks for being patient. You're up.

MR. DOUG GASSLET (sp): My name is Doug Gasslet. I'm actually wearing two hats. I'm a (unclear) and cash crop farmer in Dodge County and also biologist for a conservation organization called Pheasants Forever. So I get to deal with both sides of a lot of the Farm Bill together, both the agricultural and the conservation end.

I want to make a couple comments on, first of all, the unintended consequences of the Farm Bill. As a person that rents most of the land that I work, some of the farm programs like the direct and countercyclical programs do very little to benefit me as a farmer. Most of that money goes directly towards land rent where the landlords are raising their land rent by \$20 to \$30 an acre because they know they can get that money in return. So that money really just goes through my hands into the landlord's, really not benefiting the rural landowners. Especially if that landlord does not live in the rural community that money does nothing to help the rural community.

The other part of that is the LDP, loan deficiency payments. I feel a lot of that money is just a subsidy to help farmers produce crops on poor-producing ground that they shouldn't be farming in the first place. It gives them a little added additional bonus to try and put that land into production. Ideally I'd like to see that money go towards working land programs like the CSP which really helps benefit the farmers that are doing the right thing on that land.

The other thing I want to touch on is the conservation role. I really feel those conservation goals should be fully funded and fully implemented. We need to be able to

continue the CRP, the WIP, WRP programs, to help those farmers stay on the land, take that land that's not producing good crops, take that out of production to benefit wildlife, the environment, help that farmer stay on the land as well.

We need to look at the sodbuster provision, which seems to be relatively weak in not stopping farmers from busting new land out into production, and we also need to really look closely at the 22 million acres of CRP that's coming back in for, may be coming back in for renewal in the next couple years.

My fear of that is that as a farmer I can barely make a living on the price of corn the way it is, and I can't imagine what adding 22 million more acres of crop production into production will do to the price of those commodities. Thank you.

MODERATOR: And thank you very much for your heartfelt thoughts as well. Those in line looking at those six points, please stay in line. But at this point and until the Secretary speaks we're actually going to just open it to any comments about the Farm Bill. So if you have some other comments you want to share and you get those to the point as well, we'd appreciate it. Again, please stay within your two minutes. Sir, please, introduce yourself?

MR. KEN BLOMBERG: Thank you. My name is Ken Blomberg, and I'm the executive director of Wisconsin Rural Water Association. We're an affiliate of the National Rural Water Association, and we represent over 600 public water supply communities in the state of Wisconsin.

As I drove down here from (unclear) Wisconsin, I passed scores of rural communities, farming communities that have benefited from the Rural Development Loan and Grant Programs. I'm here to ask that program to continue as hundreds of farming communities rely on the Loan and Grant Programs to keep their infrastructure and water and wastewater systems viable. As you know, a strong farming community will support a strong farming industry.

Our state association, the Rural Water Association, has a circuit-rider program that hopefully you're familiar with. Our circuit riders are working across the state of Wisconsin. The circuit-rider program works, achieves results. We're into our third decade of water circuit riders, wastewater circuit riders to keep communities across our state and across the nation strong and viable. And I thank you for the opportunity to give our program.

MODERATOR: Thank you for taking the time to be here today, and everyone who's here, be it oral or written comments. Don't forget as well you also can make written comments if you don't feel comfortable in front of a microphone, or you can go to [USDA.GOV/FARMBILL](https://www.usda.gov/farmbill) and add to your comments as well. Ma'am, go ahead.

FEMALE VOICE: Hi. My name is Nita (unclear). My concern is for the family farmer as they compete against factory farming because it's lower, and for example, they have smaller pens, smaller cages for chickens. Family farmers can't compete with those, so I wanted to voice my opinion that I think family farmers need more aid and assistance and also more incentive and assistance for organic farming because if (unclear) healthcare issues, and it's a great way to start on that is with prevention and having healthy food to (unclear). Thank you.

MODERATOR: Thank you very much. Sir, go ahead.

MR. TOM CROW (sp): My name is Tom Crow. I'm a private conservation consultant. I'm here today representing Environmental Defense. In Wisconsin only 48 percent of our farmers receive commodity subsidies, and the top 20 percent of the subsidized landowners are

collecting 71 percent of the subsidies. Subsidies as they are now are harming farmers at home and abroad by inviting higher tariffs on our exports and driving down crop prices in developing nations.

Many farmers are not surviving the system. Many farmers are not even eligible for subsidies because of the crops that they grow. We urge you to revamp the subsidy program, consider making payments to farmers based on those producers who are minimizing the ag impact on the environment.

Farm policy should reward producers who take steps to improve air and water quality, provide habitat for wildlife and serve in the frontline against sprawl. Shift payments to reward farmers who are doing a good job in harmony with the environment. Programs like the Conservation Security Program are doing just that, and the CSP is well-accepted here in Wisconsin. We only have a few watersheds that were eligible because of a lack of funds. We need much more funding for that Conservation Security Program.

We also urge you to put a cap of \$250,000 on federal payments, and we also urge you to not decrease spending for conservation programs. Those programs are very important to our state, and we don't want to see those dollars cut. Thank you.

MODERATOR: And thank you very much. Again, we have opened it up to any kind of comments. If you want to stay with the six questions, that's fine. But we have 18 minutes until the secretary will be speaking, so again if you'd like to share a comment please get in the line. Go ahead, sir.

MR. LEN BIRDIE (sp): Just a couple points as the next generation involved in agriculture. My name's Len Birdie, from southern Wisconsin. I'm a producer, custom operator, DSM (unclear) seeds. The estate tax. I hate that. I don't know if you knew about it, but (unclear) a little bit going back on that, the opposite side, gift taxes. Try and purchase the family farm has been in our family for over 150 years. We (unclear) gift tax. My friends working 40 years and do it more like 2 without getting into that. On top of that the 1031 is killing us in production. We're fighting Corporate America. The 1031 is just driving our land rents and land prices to where the average producer, even big producers can't compete.

The only other thing I guess I have an issue with is something with health care, the story of America. Cooperative healthcare, any options, any alternatives would be appreciated. I guess that's why I've taken an occupation off the farm. So thank you for your time.

MODERATOR: Thank you for your time. The Secretary and Congressman are glad to hear all these comments. Your name and your concerns?

MR. WILL HANSEN (sp): Will Hansen, State FSA Committee Chairman. I'm speaking for myself only. The next Farm Bill has to be WTO-compliant. It has to be something we can continue to promote, and 27 percent of the stuff we grow has to be sold someplace else. We can't quit doing that. Probably some of the things, the biodiversity that is happening we have to continue to push that forward. There's some things we can do for Third World countries that we are going to have to continue to promote. We can't put our head in the sand. I have nothing against the individual who wants to be organic. If you can do that, that's a value-added and work here.

We cannot continue to do that in Third World countries. Third World countries are totally organic. They are not being successful at it. We have to continue to tell the European communities that they have to accept some of these things, and do the best we can do to help the

Third World communities because it is the European communities who by not taking some of these things makes it impossible for some of the Third World communities to have some of the biodiversity that will make it healthier for them. Thank you.

MODERATOR: Thank you as well. Thank you for the diversity on comments. Ma'am, go ahead. Identify yourself, please?

PAMELA: Thank you for giving me the opportunity today. My name is Pamela (unclear). I'm a vegan and an animal activist. I realize the Farm Bill does not address animal issues. But nevertheless I would like to take the time to speak up.

To begin I would like to thank the produce farmers of Wisconsin. Without them we vegans would not have the bountiful array of food that we enjoy daily. It is to those who raise animals for the human consumption in factory farm conditions that I make an appeal today.

Mahatma Gandhi has said the greatness of a nation and its moral compass can be judged by the way its animals are treated. Please let our nation be (unclear) in the way it treats its animals. Let us put a stop to gestation crates, battery cages, steel farming, factory farming, downers and growth hormones. Let us allow the animals to lead the dignified life they deserve. Thank you.

MODERATOR: Thank you for taking the time to share your thoughts. Go ahead, sir.

MR. JOHN UMHOEFER: Hello, Mr. Secretary. I'm John Umhoefer, executive director of Wisconsin Cheesemakers Association. And you're here in a state with 125 cheese and butter factories, and we make the most cheese in the United States, and we're proud of that.

I want to leave you with one statistic that 90 percent of the milk coming from the state goes into cheese, and my message today for my manufacturers, I want to leave you with the thought that what we want is for you to help the dairy farmers of Wisconsin.

We need these dairy farmers in Wisconsin. We actually import milk to make enough good Wisconsin cheese for the United States. So we need every drop we can get and we need every dairy farmer in Wisconsin.

So let me mention just a couple things we'd like to see happen. You had a great program at USDA for forward contracting milk, and it's allowed our proprietary plants to do that with their dairy farmer. That program ended last December. It would be great to bring it back. It was a risk management tool, a modern tool, and there's no reason for it to expire other than politics perhaps. We need to have that come back.

The other thing we could do is shrink the number of federal orders in the United States. They're too complicated, they're too slow-moving, they're too hard to figure out, and they're too easy to manipulate by the larger players in this country. We need fewer orders and we need faster decisions from orders. If you could give us simply that, a six-month decision on federal order decisions instead of the two-year decisions we'd have something. We'd have good (unclear). Thank you, sir.

MODERATOR: Thank you, John. We appreciate it. Again, we do have the mikes open for about 10 more minutes, so if anybody else would like to share a comment either on the six questions or anything else, please get in line. Sir, thank you.

MR. MIKE WELLER (sp): My name is Mike Weller-- a hog, cattle and crop farmer from southwest Wisconsin. I'm proud to be a meat eater. I take good care of my animals because if I didn't those animals would not be economical to have on my farm.

The real issue I want to raise is the issue of continued regulation, more and more regulations coming down the pike that Wisconsin farmers and others have to deal with. Whether it's the CAFOS, the nutrient management plans, the (unclear) citing in this state, the list goes on and on. While we recognize we need to do better jobs in all these areas, to the extent these are unfunded mandates puts economic pressure on Wisconsin farmers. And it's almost to a point in some cases where we're going to be forced to have compliance officers on our farms to deal with these regulations in the future.

So to the extent that we can be sure that they are funded mandates, I think adds to a level of importance to these regulations as necessary.

In addition I'd like to speak to the competitive area for USDA to provide more applied research dollars in the production and health areas of animals. These are areas that can directly benefit Wisconsin farmers, and much of those research dollars appear to be going in basic research. While that's important it's the applied research dollars that really help us in the short term as farmers. Thank you.

MODERATOR: Thank you very much, and thanks for everything you do every day. Sir, go ahead.

MR. GERRY LEHMAN: I'm Gerry Lehman from Reedsburg, Wisconsin. I'm a member of Sauk County Board of Supervisors and also a member of its Land Conservation Committee. When you talk about the Farm Bill, I'm the only active farmer on county land conservation (unclear).

To me this is the biggest throwaway tax dollar program I've ever seen. The CSP program, if we had the dollars that has been thrown at issuing press releases regarding the Conservation Security Program we probably could fund twice as many acres as we have funded.

We seem to be running these offices with people as I say took five and a half years to get a degree in environmental resources and no one told them how to spell "cow" when they were in college. And it sure seemed like anybody that's targeted to the Grassland Reserve Program, the Wetland Reserve Program, the tree-huggers and the bunny-snuggers have found a way to siphon those dollars. I want to see that money go to actual farmers.

And I have a couple other issues. My neighbor from Reedsburg got up here and bragged about the MILC program and how we need it. And it's totally amazing about the people that think we need the MILC program need milk to keep their plants full. Have you ever thought about claiming a subsidy so Tyson can keep their plants full? That's all I have to say.

MODERATOR: Thank you very much, sir, for your comments and your candor. Sir, you're up. Go ahead.

MR. DON FREDERICK: I am Don Frederick. I'm a (unclear) member from Walworth County. Roger Zimmerman made a comment about protecting the county committees. I too feel we have to do that because I can assure you we don't even get along with our state committee all the time on decisions.

Another thing we want to be cautious of is the loss of personnel in our county offices. We need them. We're running a full person short right now. If the rest of the government offices worked as hard as our FSA offices in the state of Wisconsin do, our counties and our states would be a lot better off. (audio break) -- administration at the county levels. So that makes (unclear). Thank you.

MODERATOR: Thank you very much.

[Applause.]

MODERATOR: We have five more minutes for you to give your comments again on those six questions or anything else. Sir, go ahead.

MR. HERRING (sp): Bob Herring, town of (unclear). I was first speaker after (unclear). I didn't quite address all the issues I wished to address at that time. I'd like to address the CWT program. While it is considered successful in supporting the price of milk, it also encourages our dairy farmers to get out of business (unclear) those that are ready to retire, whatever, it may be a good program to them.

But also it probably is necessary the way it seems on some of our trade deals we are letting in more dairy products. Prime example, Australia. In talking with our Congressman Ryan, he defends the deal. He defended CAFTA. I'm not a big supporter of all these deals even though I am a farmer and I guess we're hoping to sell a few kernels of grain to some foreign countries. It's been noted we need to sell 27 percent of our product elsewhere. We need trade. We need fair trade.

However, our imports increased from Australia by 1 percent, was pointed out to me by our congressman this is an insignificant amount. However, you take New Zealand, Australia, Chili, Argentina and a lot of other countries we get in under these good trade deals at 1 percent, pretty soon you got at least 5 and 6 percent. Two percent surplus is what kills our milk price.

NAFTA. When NAFTA started we had an agricultural trade surplus. We are now headed for a deficit. I don't know if there hasn't been anything to be learned from some of these deals or what, but I think some people are starting to catch on because the vote on the CAFTA agreement is much tighter. Even the farmers in CAFTA region had been opposed to this deal because they say it's more about the corporations than it is about farmers.

And also the other thing I'd like to address, probably the biggest threat probably in Wisconsin is elsewhere the agriculture and the farming community is land issues and the cost of land with the pressure from residential housing, especially like Kenosha County, Washington County, many of the different counties it's all taking place. It's almost impossible for farmers to compete. Thank you.

MODERATOR: Appreciate your time. We have two more people and want to get them in before the time's up. Sir, quickly to the microphone?

MR. RICHARD KLOSSNER: Mr. Secretary, thank you for coming to Wisconsin. My name is Richard Klossner. I'm with Family Dairies USA, general manager. We have about 4,000 members, about seven states. Our interest is with the MILC program as everybody else is, to get that extension done. We'd also like to comment on trade issues. We feel that when we do trade that we want to have fair trade, not free trade.

We want to make sure that our farmers come out of the deal with more than what we give away. We've got too many of these deals get cut because we give away technology or (unclear), and these things lead to, we seem to be the pawn in these trade negotiations. We'd like to not be that pawn.

I've heard a lot of the talk about federal programs and guarantees. I also farmed for 25 years. I've been through those guaranteed loans. When we do these guaranteed loans, we'd like to maybe have the government say how much money the bank can make off this guaranteed loan. I mean it's nice to have the government guarantee the loan, but if the bank is still making 2 to 3 percent over what they're borrowing the money for we're not coming out a whole lot ahead.

I've gone through the years of where we borrowed money and read into 18 percent interest. It's awful tough to survive when you're borrowing money that goes to 18 percent interest, and somebody else borrowed it for 8 or 10 and now you're paying 18.

We need to figure out how these things come together and make it so people can live on the land. We talked about food and we've heard Food Stamps all morning here. We have so many people that need Food Stamps, and here we're supposed to be one of the richest nations in the country, and we have our own farmers that are barely making it. We can't get money through our own farmers' pockets to continue. A nation who has a strong agriculture is the one that's going to survive in this world.

MODERATOR: Thank you very much, sir. We appreciate it. We have one more comment. Thank you all again for all your insight, your time. Sir, will you identify yourself?

MR. ROSS BISHOP (sp): My name is Ross Bishop. I operate a farm in Washington County. I have a commodity and beef operation. Thank you for coming so we can speak to you. I can add on his comments, my father and brother lost the farm in the 80's. We went through that 18 percent interest. I probably (unclear) rich person in that (unclear) my own place and continue farming. Interest rates are going to be an issue if the United States want to have cheap food policy it's going to fall on the farmer.

We need to somehow help the young farmer that wants to continue in this operation. I have crop insurance. And every time I make a claim, and I've made a claim five years in a row, my yield goes down so I don't get as much for my crop insurance. It's not helping me. I pay the same premium every year.

COOL I think is important if we're going to bring food in from Canada and Mexico no matter what it is, beef or vegetables, I think it's important to know where that comes from. I know where my shirt comes from. I know where my underwear comes from.

I hope the United States and Wisconsin, if you want to keep food produced here in the United States, which is the cheapest and safest, we need to help the farmer. Thank you.

MODERATOR: Thank you very much.

[Applause.]

MODERATOR: How about a round of applause for everyone.

On behalf of all the ag media in the state, Mr. Secretary, thank you for coming to Wisconsin and this unprecedented listening session. If you don't think the Secretary's taking your comments seriously, this is the fourth listening session he's had. When I shook his hand,

his hand was like this from all the notes he's taken. So again, we appreciate you taking all this information, and we know it's more than just dialog, that you will use this information to create legislation down the road.

Just an aside, I don't know if you noticed this, Mr. Secretary, or not, but I've noticed almost everybody that I've met that's been very articulate, outspoken, congenial, friendly and somewhat good looking is named Mike. Did you notice that as well? I was wondering about it.

Ladies and gentlemen, Secretary of Agriculture, Mike Johanns.

[Applause.]

SEC. JOHANNNS: Well, thank you very much. Maybe before I wrap up, because the congressman has diligently sat through all of this and I appreciate it so much, I would like to offer you an opportunity to say a few words. Then I'll kind of wrap it up. Congressman?

[Applause.]

REP. GREEN: Thank you. I'll make it a very few words. I want to thank all of you for coming out. You are helping us prepare the Farm Bill for 2007. And just to sort of build on what Mike Austin said, I can tell you as I was watching the Secretary here taking copious notes, paying attention, writing it down -- this input is important. It gives all of us a chance to make sure the Farm Bill is part of the answer and not part of the problem as we go forward in agriculture. Again, thanks to all of you for coming out and making it possible.

Lastly of course, thank you to our Secretary to take time to come all the way here to spend this time with us and listen to our comments. I think it speaks well for him and people of his office, and I think it's just wonderful. So thank you.

[Applause.]

SEC. JOHANNNS: Ladies and gentlemen, thank you so very, very much for being here. I appreciate it immensely. This is our fourth forum as I indicated. Next week we stay in the Midwest for the first part of the week. We'll be in Iowa at their state fair; looking forward to that. The state I grew up in, so it's always nice to get back to Iowa. Then from there we go way out West to California where of course they have a very large ag industry also. I would mention that we'll be doing these forums all across the country in the months ahead.

We'll also be doing some of the specialty forums I've referred to when the lady got up and talked about the Food Stamp issues.

About 50 percent of our budget, actually more than 50 percent of the budget at the USDA relates to nutrition programs. People oftentimes have the impression that budget Congress allocates to the USDA is used for farm programs. Well, it really isn't. More than 50 percent is used for Food Stamp programs, the School Lunch program comes out of the USDA; Women, Infant and Children Program comes out of the USDA. Then in addition to that, when you read about fires across the country or the management of the 190 million acres of forestland in this country, that also comes out of the USDA. The Forest Service is under our umbrella.

So when you add that all in, it is a smaller percentage of our budget actually that is devoted to farm programs. Not many people know that, but since we had so much testimony today on food programs I wanted to point that out.

You can see from the forum today how valuable these events are for us at the USDA as we start to get thinking about the farm program. Our belief was, before we started this, that the people who understood the programs the best and would have the most specific thoughts about how programs are working or not working are people like you. Farmers across the country who are involved in the program every day, people in Rural Economic Development that are involved in the program every day, people whose clients are dependent on that food assistance program whether it's the hot lunch at school or Food Stamps or whatever who are involved every day -- have stepped up to the microphone at these forums and given us some great ideas on how we might be thinking about the next Farm Bill.

Now let me, if I might, just kind of walk you through the process here as best I can determine it now some months ahead. We will wrap up these forums probably by the end of the year. We may do a few after the first of the year, but the vast majority of them will be done by December 31 of 2005. We will then start to work more specifically on what this Farm Bill should look like. In that effort, we will work with the House and the Senate, we'll work with the committees of jurisdiction, and by and large that's going to be the House Ag Committee, the Senate Ag Committee.

I am asked on an ongoing basis, "Will the Administration actually put forward a specific piece of legislation?" It's a little early to tell that. We want to get some more forums under our belt. But that is very possible that for the first time in 20, 25 years the Administration will have a specific proposal. In the event that is in fact the case, that will occur sometime a little later on in 2006.

Now in 2006 you can almost expect that the work on this Farm Bill legislation will be going hot and heavy. The House, the Senate, the administration, all of us will be working on this. Why? Not necessarily because we intend to pass the Farm Bill before the end of 2006, although that's possible -- but because as we turn over the calendar we'll be in 2007 which is year where it must be reauthorized, and we have to give the ag sector the road map of where the Farm Bill legislation is going to be headed because cropping decisions will be made, programs like the nutrition programs, they'll need to have an idea of what this program is going to look like.

So you can see we're actually not out here that early when you consider the timeline that we have to deal with. We would like to get the next Farm Bill in place as early in 2007 as possible.

The other thing I wanted to mention, we've heard a lot about trade today and we have at every Farm Bill session. The consistent message we hear is, look Mike, we're ready to compete with anybody in the world, and we believe in trade, but we want to make sure that we have fair trade, make sure we have the ability without unnecessary barriers to enter into marketplaces to sell our products.

We agree with that. That's the same language that I use and President Bush uses when he talks about trade.

If I might just offer a thought or two> A word of advice about the trade issue. It is very easy these days to kind of beat up on it. But it is enormously important part of what agriculture is about. It is 27 percent. Ninety-fivepercent of the world's customers don't live in the United States. They're outside of our borders. All of those issues weigh down on us. And it is also very easy to become convinced that every trade agreement has serious problems and downside for agriculture.

I will tell you in reference to the recent trade agreement which we had so much debate upon, the current situation today is this-- 99 percent of the products from those nations, those Central American nations, by prior trade concessions were in our marketplace duty-free, competing with the products that you raise, beef and pork, soybeans, dairy products, on and on. Duty-free, 99 percent of them were duty-free.

On the other hand, when you marketed your products into those nations, and it was not a small market, but 2.5 billion for ag products, much larger for all other products -- you paid very high duties. Beef 30 percent, and I could go on and on, product after product. And the WTO rules allowed those duties to go much higher.

The passage of this agreement leveled the playing field. Those duties will now come down for the majority of products immediately. For the rest of the products, they'll be phased down over a period of time. But because of the fact I believe that it's so easy to beat up on trade agreements, that message really never got delivered out there.

I would have beef producers stand up and say, "Mike, why is this good for me?" Well, it was so obviously good for beef, but it was obviously good for the rest of agriculture.

So I ask you then to work with these trade agreements, and you work in the organizations you're involved in, be very, very discerning about what that specific agreement is. Each agreement is different.

Let me just wrap up finally and tell you how much we appreciate what you do. It was great. I was in Minnesota yesterday. I heard from a lot of people and a lot of people from the dairy industry. Ladies and gentlemen, I'm going to go back to my job in Washington believing that you did that just for my benefit because that's where I grew up, on a dairy farm. I could not be more honored to be your Secretary of Agriculture.

And I also want you to know you could not have a better friend for agriculture than the gentleman we have in the White House at the moment, George Bush. I don't have to sit down 15 minutes and brief him about what agriculture is about. He comes from one of the largest ag states in the nation and he was governor there in the state of Texas and he has been a remarkable champion for agriculture in the United States, and it's a pleasure to work for him too.

God bless you all. Thank you for what you do.

[Applause.]