

Transcript of Delaware Farm Bill Forum with
Under Secretary for Natural Resources and the Environment Mark Rey
And Moderator Ed Kee Harrington, Delaware - October 15, 2005

MODERATOR: Okay. Looks like you're all ready to go today, and I'd like to welcome you to the USDA Farm Bill Forum here at the Delaware State Fairgrounds. My name is Ed Kee, and I'll be your moderator this morning. I serve as the vegetable crop specialist and agricultural program leader for the University of Delaware, which could be related to the USDA.

Anyway, to get started I'd like to introduce Kristie Angstadt and Dustin Borntregor -- Dustin is with the state 4-H Team Council and Kristen is with the state FFA -- to lead us in the Pledge of Allegiance.

[Pledge is recited.]

MODERATOR: Thank you. We'd like now to introduce some of the folks in the audience. I know from Senator Biden's office, Kevin Smith is here. Kevin? And from Representative Castle, Kate Rohr. And I just met the gentleman from Senator Carper's -- Larry Windley in the back. Larry? Were there any other representatives from our congressional offices here? Okay.

John. Is there anybody else that has slipped through the net? Okay.

This morning we're very honored to have Delaware Secretary of Agriculture Michael Scuse to help us start the morning with a few comments. Michael?

[Applause.]

SEC. MICHAEL SCUSE: Good morning to everyone. I would like to welcome the Under Secretary here to the first state. Senator Carper, it's good to see you again as well. I think the Under Secretary, if you all don't disappoint me, we'll hear some very good comments regarding the Farm Bill, what has worked in the past, what you would like to see in the future. Delaware is in my opinion home of some of the finest farmers to be found anywhere in the United States.

Sussex County is the number one poultry-producing county in the United States. We're home to a great vegetable industry here in the state, as well as our grain industry, horticulture industry, and thanks to the equine survey that NAS helped us put together last year we now are recognized as a top equine state in the United States. So our agriculture is extremely diversified. And Kate War (sp) has just become a new equine owner out there. Kate?

I would like for the Under Secretary, a couple things that as he goes around the United States, he and his counterparts, holding these listening sessions regarding the Farm Bill, one thing that I think everyone needs to keep in mind, the discussion on large-

scale corporate farms. And here in Delaware those large-scale corporate farms are farms that are owned by families. They're run by husbands and wives, daughters and sons, and grandsons and granddaughters. And those farms in Delaware range from 2,000 acres to 6,000 acres. But they are family farms.

The other thing I'd like to see when the discussions take place regarding the upcoming Farm Bill are the proposal that the states have been working on for the last three years, and that's for the specialty crop block grants to help those producers out there that don't receive the traditional subsidies, to help the small producer who's producing fresh market crops, as well as that large-scale vegetable processor or producer to keep them in business and help them with technology to keep them in business.

So I think this morning's session will be interesting. I see some of our finest farmers in the audience, and I don't think they'll disappoint me. So thank all of you.

[Applause.]

MODERATOR: Okay. Next I'd like to introduce our distinguished United States Senator Tom Carper. Senator Carper.

[Applause.]

SEN. TOM CARPER: Thanks very much, Ed. And good morning, everybody. Thank you all for coming today. To our conveners, those that have worked to pull this all together. I want to say to the Secretary, Secretary, Secretary Scuse and to Marlene Eliot (sp) and to others who have been part of hosting us today, to the folks here at the fairgrounds and to Ed Kee who gave up a Saturday morning of his own he'd committed with his family doing something else, thank you, Ed, for being here.

I have had a chance to talk with Under Secretary Rey and to welcome him here. He's from Canton, Ohio, not far from where I went to school at Ohio State. So I'm glad to welcome an old Buckeye here to Delaware. We're kidding, there's a place just about 30 miles north of Columbus, Ohio, where Ohio State is located, a little town called Delaware. And until I was about 21 years old I thought Delaware was a town just north of Columbus, Ohio. Then I found out it was a whole state. When I got out of the Navy I came here and the rest is, I guess the rest is history.

I think it's terrific that Secretary Rey is here to listen. My father used to give me some advice and maybe somebody in your family gave you similar advice. My dad used to say, God gave us two ears, one mouth, use them in that ratio -- and do a lot more listening than you do speaking. He's going to be starting to work along with a lot of other folks in the Department of Ag and around the country with Secretary Scuse and other secretaries of agriculture, members of Congress, especially the folks on the Ag Committees in the House and the Senate, to begin shaping the next Farm Bill. And it's not something we want to rush.

We don't need to rush into it. The one current Farm Bill's in place for about another 24 months or so. But it's a chance to start thinking ahead, thinking outside the box as to what farm policy and ag policy is going to be in this country, ought to be in this country when little farmers, young farmers like this little baby right here, when this little baby is ready to become a --

How old is that baby? Three months old. Does that little baby have a big sister? How old is she? Eight years old? All right. Well, we want to make sure whether you're three months old or eight years old or a whole lot older than that today, -- if you're in the front row -- that we're still going to be raising chickens here and corn and soybeans and vegetables and a whole lot of other things as well, and making money and preserving our open space at the same time.

I stopped at a gas station yesterday, filled it up with gas -- it's down to about \$2.70 a gallon, which is better than it has been. And we're going to see ups and downs in the price of gasoline. We're going to see real steep climbs in the price of natural gas I'm afraid this winter, and we're going to start paying our heating bills we're going to not like very much what we see.

Down in a country way to the south of us, down in Brazil where as you know they raise a lot of corn and a lot of soybeans, they've also figured out how to reduce their reliance on foreign oil. And roughly a third of the fuel that goes into the cars, trucks and vans of the folks that are driving down in Brazil today comes from the stuff they grow in their fields on their farms. Comes from sugar cane, comes from soybeans. They raise a variety of different kinds of grasses, which they've used to harvest and turn into ethanol.

And when you look at the Energy Bill which we passed this past summer in Congress, there's a real recognition that the folks in Brazil maybe have it right and that not only do we want to use the food that we grow in our fields here in Delaware and across the nation to feed us and to help feed the rest of the world-- we also want to use those fuels. Soybean oil, whether it's corn, the grasses that we grow here and down South, some of the sugar cane that they grow as well, begin using more and more of that to help fuel our vehicles, not just to fuel our bodies-- but to fuel our vehicles and reduce our reliance on foreign oil.

Today as we gather here, almost 60 percent of the oil that we use in our cars, trucks and vans today across America, 60 percent comes from foreign places. A lot of it from places where I'm sure we're sending them our money and they're frankly using our money to turn around and hurt us, harm us, and harm our people around the world. That's not very smart, and we can be a lot smarter and a lot better.

The good thing about it, to the extent that we can use soybean in lieu, and displace some of the diesel fuel that we are using, our Deldot vehicles, our farm vehicles, our buses and other diesel vehicles on the road, to the extent that we do that we not only do good things for farmers, we do good things and reduce our reliance on foreign oil, we also do good things for our environment. And that is what I call a win/win/win situation.

The last thing, Gwendolyn (sp) and I were up at University of Delaware Biotechnology Center a couple weeks ago and we visited again different aspects of the biotech center. One of the operations we visited there was a place called Fraunhofer where they are taking plants, using the plants, they inject them with different kinds of elements, and then they use the plants to generate vaccines. And it's a vaccine you can develop more quickly to treat all different kinds of diseases, and they can do it with fewer harmful side effects for the rest of us. That's the kind of thinking outside the box that we are doing here in Delaware, and it's the kind of thinking outside the box that we think we need to do for the country.

I think it's great, Secretary Rey, that you're here. For everybody who's come out today to join him and talk to him and share our thoughts, I think it's wonderful that you're here.

Last thing I'd say is, I'm a big believer in home ownership. Delaware leads the nation in home ownership; almost three-quarters of our people live in their homes actually own the home they live in. It's one of the highest home ownership rates in the country. Georgetown, Dover and Wilmington don't have a very high home ownership rate. It's only 50 percent compared to 75 percent for the country.

Today I'm hosting a home ownership fair, faith-based home ownership fair. We're partnering with a lot of our churches in Central Delaware to enhance home ownership. If I slip out a little bit early today I want you to know that's where I'm going to try to find some new homeowners, potential homeowners, and help make them homeowners. Thank you all for coming today. God bless you. Thank you.

[Applause.]

MODERATOR: I just wish Tom Carper a good day, and that the Blue Hens win down in Richmond. But that's another subject.

It's now my privilege to introduce Mark Rey. Mr. Rey has served as the under secretary of Agriculture for Natural Resources and Environmental Science since October 2001. He has an extensive background in natural resource and conservation policy, serving for a time on the staff of the United States Senate Committee on Energy and Natural Resources. Please welcome Under Secretary Rey.

[Applause.]

SEC. MARK REY: Thanks for that kind introduction, Ed. And thank you also, Mr. Secretary, Senator, for joining us today. And finally I'd like to thank the Delaware State Fair Board for their hospitality in allowing us to hold this event here this morning.

It's my pleasure to be here this morning on behalf of Agriculture Secretary Mike Johanns to hear directly from Delaware farmers and rural residents about issues of

concern. In preparing for the development of the 2007 Farm Bill, Secretary Johanns announced in June the first in a nationwide series of Farm Bill Forums to be held across the country.

That first forum was held in Nashville, Tennessee. We have conducted 32 more since and have planned several others through the end of this year.

In addition, various under secretaries like myself will all be conducting forums such as this in the hope that no voice is left unheard as we develop this next Farm Bill. Before we get too far along with this forum we have a message from the person who asked Secretary Johanns to solicit ideas from as many people as possible while conducting these listening sessions. I think we have a tape recording that we're going to hear.

[Playing of videotape]

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 videotape]

SEC. REY: As you can tell from that message, the President is determined to see that the comments you offer today be used while formulating what this next Farm Bill will look like.

As was mentioned in my introduction, I'm the under secretary for Natural Resources and Environment with jurisdiction over the USDA Forest Service and the Natural Resources Conservation Service. My career has been spent working on conservation, and as you may know the Farm Bill is one mechanism that helps us do that.

The previous Farm Bill was considered landmark legislation for conservation funding and for focusing on environmental issues. The conservation provisions of that bill have assisted farmers and ranchers in meeting environmental challenges on their lands. That Farm Bill also simplified existing programs and created new programs all seeking to enhance the long-term quality of conservation on working farms, ranches and forestlands.

What goes into a Farm Bill can have long-lasting effects on our nation's natural resources, and that's why we're here today, to hear your thoughts, comments and concerns about what should be included in the next Farm Bill.

To that end, Secretary Johanns has developed six specific questions that we're seeking answers on today. The first question relates to challenges for new farmers. How do we prepare farm policy to provide a future for new entries into the agricultural community? Policies that we develop, in our judgment, should welcome the next generation of farmers and avoid unintended consequences like higher land prices.

The second question relates to how we stay competitive in a world marketplace. Today over 27 percent of cash receipts for agriculture come from abroad. That's a very, very large piece of all farm income across the country. We must remain competitive in both domestic and global markets in order for American agriculture to succeed.

The third question relates to farm program benefits. Is the current distribution system the most effective way of distributing benefits? Benefits should stabilize farm prices and incomes. The current programs -- crop insurance is a good example and we've had some conversations around the country about that already -- the current programs distribute assistance based on past and current production levels. Some would argue that those programs favor larger farms over smaller ones.

The fourth question relates to conservation. That's the one I'm most involved in. How do we do our conservation policies in a way that provides for cooperative conservation? I continue to believe, as does the President and the Secretary, that our farmers are the best conservationists in the nation. Some suggest anchoring farm policy around conservation and the tangible benefits produced like cleaner air and water and less developed landscapes.

The fifth question relates to rural economic development. How can federal rural and farm programs provide effective assistance in rural areas? If you look back at farm bills of the past, there wasn't much there relative to rural economic development. In the 2002 Bill it was a pretty significant piece of the legislation.

Once upon a time farming and rural America were synonymous. But the demographic and economic characteristics of some rural areas have changed, in a few cases dramatically. Some believe we should invest more in the infrastructure of rural America and that the next Farm Bill should carry that forward as a primary objective.

Then the last area is expansion of agricultural products, markets and research. We have great resources at our disposal at USDA. We want to know what we're doing right with those resources in terms of research. And if we're not doing things right, what should we be doing instead?

Agriculture is rapidly changing. Some say policies should do more to help develop new products and new markets. Those are the six questions we're most interested in hearing from you about. Obviously if you have other concerns we're eager to hear those as well as you step forward to speak.

If we run out of time or you simply think of something you forgot to say, please know that you can always go to WWW.USDA.GOV and click on Farm Bill Forums. The comments submitted on the web in writing or provided here today will all be given the same weight and the exact amount of study and analysis.

Before asking questions today or offering your statements, please state your name, city, state and your involvement in agriculture and connection to the Farm Bill. Also please speak as loudly and clearly as possible, not just because the acoustics here are a bit challenging but also so that our transcriber can accurately capture your thoughts. All of these sessions are transcribed so we'll have the opportunity to look at what you've had to say as we reflect on it at the end of these sessions.

Finally, I'd like to offer a specific message for the younger folks here in the front row. You are the reason for this tour. We hope the ideas and advice that we get as a result of these sessions produce legislation that paves the way for your future success. So don't be shy about stepping up to the microphone and offering us your thoughts since you are going to be the beneficiary or the victim of whatever the next Farm Bill looks like.

I've pretty much said everything I need to say now. What I'm going to be doing from here out is listening, taking notes on what you're saying so that I have some notes to

work with when I go back and visit with the Secretary and my other under secretaries as we reflect on all that we've heard around the country through these sessions.

So thank you for being here today, and I look forward to a productive discussion this morning.

[Applause.]

MODERATOR: Thank you, Mark. Just before we get started with your comments I'd like to just cover some minor housekeeping items. We are here to listen, the group up front. And as the day goes on you are asked to visit the booths in the back. They have a wide array of information of the various USDA programs that you might be interested in, and they can answer any questions about those programs.

There's the USDA Help Desk, which is the desk by the front doors. On that desk we hope you've signed in, and there's also a paper with the six questions that Under Secretary Rey just referred to. And it may be wise to just distribute those to make sure you have them.

In the interest of hearing from as many of you as possible today, we're going to ask that you limit your comments to three minutes each. You'll notice Greg Hudson over here on my left has a green. Yellow means you have 30 seconds. Red means it's time to wrap it up. If he comes out of his chair and looks like he's going to tackle you, you'd better stop talking. No, that's not true.

But we're flexible. Obviously we have some time. The main thing is to get your point across.

As Mark Rey said, if you have something else you'd like to say, you think about it on your way home or tomorrow, you can do so by clicking on WWW.USDA.GOV and click on the Farm Bill Forum link and submit your comments electronically.

Also if you've brought a written statement you'd like to leave for the Under Secretary to take back, there's a box on the desk at the front of the room, and you can drop it in the box.

Finally, we'd like you to just step up to the microphone, be relaxed, speak clearly, and try to stay within the timeframe as much as possible.

Again, as you come to the microphone please state your name, the town or city you're from, your state and your role in agriculture if you're a farmer, an agency person or something else.

And it would be helpful but it's not mandatory but if you could frame your question or comments into one of the six issues on the paper, that may be helpful, but if it's outside those comments or you don't see how it relates don't get hung up on that. Just

go ahead and please make your statement.

So with that, it will turn into a true listening experience and we'll ask people to come up and feel free to queue up down the centerline. We don't want to waste a lot of time waiting for people to work their way up, so just line up as it comes, as you want to speak. And I'll ask for the first few people to take the mike.

MS. SARA BUSKER (sp): Good morning. I'm Sara Busker here today representing the 52,000 young people who participated in Delaware 4-H programs last year. Under Secretary Rey, welcome to the First State, and to my hometown of Harrington. I'm a third-generation 4-Her actively involved in the family dairy and poultry farm. I'll continue my education next fall pursuing a degree in agriculture. After that I hope to be involved in ag education, extension education, or in production agriculture. Whatever my choice, I'll be a part of the next generation of American farmers.

Continuing education whether I'm a provider or a recipient will be essential for tomorrow's farmers. The challenges faced by my generation will be no different than those faced by generations before me. Economic challenges, a fair price for products produced, ever-increasing input costs, and the cost of land and equipment have always challenged America's farmers. But throughout history it has been advances in technology that have allowed our farmers to remain viable.

USDA and University Research Partnerships have been the major sources for technological advances. Extension education programs have brought these advances to the farm. Practical applications of this research have allowed farmers to make their operations more efficient and profitable.

It's imperative that the next Farm Bill will provide support for continuing research and education. The future of American agriculture will depend on it. Technological advances in agriculture will help the next generation of American farmers, my generation, to as we say in 4-H, make the best better. Thank you.

[Applause.]

MR. ROBERT BAKER: Thank you, Under Secretary, for coming. My name is Robert Baker. I farm in the Middletown area. I am the president of Delaware Farm Bureau, and I'm also a supervisor on the board of the Newcastle Conservation District, so I also believe in conservation. I think we have an opportunity in the rewrite of the new Farm Bill if we put more money into conservation. And I'll expand into why I think that's a good idea.

First of all, the Farm Bill was always designed for the reasons that you and the President stated, to put money into farmers' hands and help our local economies. Farmers have not participated in the economic boon that happened in '90s. And it's important that

we keep our rural economies healthy.

Our local communities are suffering greatly now because of land use issues partly created because the farm community did not participate in that economic boom. Additionally, farmers cannot access the equity that's in their land, so that is multiplying the problems that we have in our local communities because of that imbalance from farm income compared to land prices.

And I believe by putting money into conservation that we can meet many of the objectives that we're required to meet anyway under the economic laws that are in place now.

About the last thing that a farmer can afford is to meet these environmental objectives, and to put that money into a local community farmers spend the money locally, it stays in their community, and we will be able to meet those conservation goals.

When a farmer's making a decision whether he can buy health insurance for his family or put in a grass waterway or meet clean air standards, it's not a hard choice for him. He cannot meet those conservation goals.

Being a member of the World Trade Organization as the U.S. is, we are going to be required in the future I believe to move away from price and production supports anyway. And it would be a wise choice for us to put the money into conservation. The EU is now pretty much giving entitlement payments to their farmers, and I don't think it would be too hard for us to see that we can meet a lot of objectives and have a win/win situation by putting the money into conservation.

Thank you for hearing me.

MS. MARGARET VIVIAN: Good morning, gentlemen and everyone else. I think we would as part of the Chesapeake Bay Foundation, which I represent this morning we'd say ditto to what Mr. Baker has said. So I thought it was appropriate that I'd get up now. My name is Margaret Vivian. I am with the Salisbury, Maryland, office of the Chesapeake Bay Foundation. I speak on behalf of the Bay Foundation this morning at this listening session because we felt this is where we needed to be rather than in the Baltimore session, which is focused more on nutrition.

I also thank you for that extra minute. I feel like I have plenty of time to talk.

CBF is really concerned with helping farmers in order to help save the Chesapeake Bay. I realize I'm in the Delaware Bay watershed this morning, but I speak on behalf of almost all of Delmarva as well because what concerns lower Delmarva and Maryland also concerns Delaware.

We believe the Chesapeake Bay is a national treasure, and it's something that should be restored and conserved. We also believe that well-managed farmland is one of

the Bay watershed's most environmentally compatible land uses. Farmers play an enormous role in the battle to protect and restore the environment and in particular the Chesapeake Bay.

Implementation of conservation practices that reduce nitrogen and phosphorus run-off is essential in order to restore the Bay and the water quality in the Bay. Nationally three out of four farmers who wish to participate in federal conservation programs are unable to do so because of insufficient funding to meet the need.

The 2007 Farm Bill should expand programs most used by Bay watershed farmers to reduce this polluted runoff. In particular we would like to see increased funding for the Environmental Quality Incentives Program, the Farm and Ranchlands Protection Program, and the Conservation Reserve Program. Most importantly perhaps for us is also the Conservation Security Program.

We believe an expanded CSP is a model for the future for federal farm programs. It links farm income support with conservation, is allowable under international trade rules which you alluded to; it rewards all good farmers regardless of their production type, which is also critically important; it reduces regional inequities of farm payments by including all types of farming not just program crops; and it will allow all conservation oriented farmers to participate.

In addition, minor changes to the implementation of these programs could make them much more useful for reducing polluted runoff such as the inclusion of a nutrient index as a companion to the soil conditioning index used in the eligibility for the CSP.

The 2000 Farm Bill also needs to help solve a problem of excess manure, which is particular to Delmarva in terms of poultry, by providing research and incentives for alternate uses for poultry litter such as waste to energy such as Senator Carper alluded to.

Finally, we note that a large amount of research documenting the water quality benefits of agricultural BMPs has been conducted in this region. In addition, the Bay watershed has one of the most extensive water quality monitoring networks in the country. Consequently, we believe we can provide accountability for the additional funds that would be targeted to improve water quality in the Bay region while maintaining our rural working landscapes.

Chesapeake Bay Foundation will be submitting written comments through the website as well that are more extensive than the ones that I've put out here. Thank you.

MS. JENNIFER DANGLE: Good morning. My name is Jennifer Dangle. I work with the Maryland Public Interest Research Group. We're also here for many of the same reasons-- the Baltimore session is not focused on these sort of topics. I'd just like to quickly follow up on what's been said already.

We are an environmental advocacy organization as well that is very concerned

about the future of farming in Maryland and the surrounding areas. The federal farm bill has incredible inequities in the distribution of funds. The Midwest and the Western states receive a lot more funding than the Atlantic states even though the Atlantic states face far higher land costs. And because of the critical environment around them and the additional regulations that the states require for them in operating their farms, their costs are incredibly higher.

We feel that improving conservation funding is one of the best ways that we can solve not only the inequities in the Farm Bill but also make it possible for farmers to do what they want to do, which is help the environment and to meet the state regulations that are placed upon, while staying profitable.

So we would just like to kind of say "ditto" to what's already been said. Thank you.

MR. MARTY ROSS: I hope I don't owe you money. It's good to see you, Mr. Kee. My name is Marty Ross. I'm a farmer from Delmar, Delaware. It's great when you're in a small area like Delaware and Maryland where everybody on the stage and in the audience you almost know. It's a good thing.

First I want to compliment USDA staff you have here in the region. Richard and Marlene and our own Leolga Wright was in the back of the room, our Sussex County office, a great staff, great people. So when you see Secretary Johanns, tell him he's got a great people down here working, and they're easy to work with.

I will take about three minutes. I usually don't write my comments but in order to keep my comments down to three minutes I needed to write them. I agree with many producers around the country that say the current program is working. It may not be perfect, but it sure beats the heck out of any previous program we have used. I also agree with Secretary Johanns that USDA programs must be WTO-compliant. However, we must recognize that agricultural subsidies do exist worldwide. We have to vigorously fight international efforts to undermine U.S. farm policy without simultaneous and equal changes abroad.

It's been reported that one problem with our current program is that it contributes to increased land values. This is a good result, not a bad one. Increased profitability should result in increased value of assets. The principle reason we see many landowners selling property is because the industry of agriculture is not keeping pace with the rest of the American economy. Cheap land will not help this problem. It will only make it worse.

Conservation programs have worthy goals, but the downside is they compete with farmers for usable cropland. Riparian buffers, wetland restoration efforts, and other programs offer absentee landowners more money than the rent offered by the farmer currently farming the land.

I like the idea of shifting some of the funds to green initiatives. However, funding renewable and alternative energy initiatives and new value-added product production would be much more financially supportive of farmers.

The CCC buyer energy program is a green program that needs to be fully funded. Producer-owned ethanol plants in the Midwest have caused a shift in commodity price structure. The investment by the USDA through this program has increased farm income, created a second income to the farmer investors, reduced farm program payments, and complements to value-added and renewable energy grant programs.

It is true that tax incentive programs have positively impacted the sale of renewable fuels. These incentives however do not assist producers to build plants to meet new demand. I appreciate the effort by USDA to reach out to farm producers. No matter the outcome of this process, at least the effort to listen has been made.

I can only hope that the message being sent by farmers across the country of "tweak it, don't trash it" is heard. I didn't have in my comments, but I will add since I have a bit of time I think, had we received this prior to the meeting in the notice the questions it would have been helpful. Maybe it was an error on just my part, but it was an e-mail. Then maybe we could have actually referenced the questions to comments. Thank you.

MODERATOR: Who's next? For some people that are just coming in, you basically have three minutes to speak, and we welcome all comments. Chris?

MR. CHRIS CADWALDER (sp): Good morning, Under Secretary Rey. My name is Chris Cadwalder, and I'm from Felton, Delaware.

I was raised in Eastern Pennsylvania, Bucks County. And I happen to be a 30-year-employee of USDA National Agricultural Statistics Service. My life has been most closely tied to the Northeastern part of the United States, and the Midatlantic states of Maryland, Delaware and the Washington, DC area.

One point that I think should get serious consideration in the 2007 Farm Bill is substantially higher increased funding for farmland preservation, particularly targeted to specific areas. Farmland on the East and West Coast I believe is being lost at a much rapid, more rapid rate than the rest of the United States, and it's also on the East and West Coast where the majority of special commodity production occurs.

I believe that the protection of farmland can be targeted specifically for areas like the Delmarva Peninsula. Just in Delaware we have been losing over 10,000 acres of farmland annually. The reasons for this are quite obvious-- due to the increase in population in New Jersey, Eastern Pennsylvania, Metropolitan Washington area, people are moving further away from their employment in major cities and development is spreading now throughout the Delmarva Peninsula.

I believe that if we don't have the foresight to invest in our agricultural land base and protect farming acres for the future that the Delmarva Peninsula will end up being like New Jersey and Eastern Pennsylvania.

And of course that has consequences also in regards to conservation and the environment with the Delmarva Peninsula being sandwiched between the Delaware and Chesapeake Bay.

Thank you.

MODERATOR: Next? Some brave soul wants to come up? All comments are welcome, either prepared or off-the-cuff.

MR. DOUG SCOTT: I don't know about being a brave soul, but I'm here. Good morning, Under Secretary Rey, Secretary Scuse, Dr. Kee. My name is Doug Scott, and I'm assistant secretary of Resource Conservation at the Maryland Department of Agriculture. On behalf of Secretary Riley I would like to extend our opportunity to address this session.

I'm pleased to be able to be here in our sister state of Delaware with whom we work very well with and face similar challenges. We share much information with our neighbors and them back with us. For the farm families in our states we strive to make our programs as similar as possible.

Our secretary often states that agriculture knows no state lines, and he has directed his staff in that manner. Unfortunately the legislature doesn't always agree, but we do our best. Maryland has a long history of many accomplishments in the conservation arena. One of the highlights that we have in our state is our MAWQCS program, Maryland Agriculture Water Quality Cost Share Program, that has spent over \$90 million of state funds and \$11 million from farmers in the installations of agriculture conservation and water quality best management practices.

We're celebrating our 21st year this year, and those practices equate to three per day for 365 days a year for 20 years. Because of our strong partnerships among our local, state and federal programs these accomplishments are possible. We have parallel interests in crafting a Farm Bill that can keep this momentum going.

I will now make a few specific comments about programs. The Conservation Security Program needs to be fully funded and continue on its current path. It is working as intended in Maryland by rewarding the best and encouraging additional conservation. As you are aware, Maryland had a tremendous sign-up, one of the best in the nation, with 50 percent of our farmers achieving Tier III. That is a testament not only to strong programs in existence but also to farmers' strong conservation ethic. CSP provides great opportunities for promoting and leveraging additional conservation and continuing management over a long term.

On EQIP we feel EQIP must be funded at least at current levels, and with a strong emphasis on animal waste management. There are proven benefits in Maryland. Manure management continues to be one of our biggest challenges, and it is important that federal programs continue to support in the ground conservation measures that allow farmers to be proactive in addressing manure management and other resource concerns. It will assure locally led conservation remains a significant component of the program. The diversity within each state and region requires flexibility to be built into EQIP so locally significant resource issues can be targeted and addressed.

On technical assistance, the delivery system needs to be enhanced for programs to work. There needs to be a trained corps of technical staff whose main objective is working with farmers to find the best tools available to address resource concerns. Technical service providers work on discrete pieces of implementation-- the need for public employees who address the bigger picture, innovation, program enhancement, and farmer education is not diminished by contributions of the private sector.

Again, I would like to express my thanks for the opportunity to address these issues. Governor Ehrlich and representatives in Washington will work with USDA and Secretary Johanns to help us leverage our assets so we can achieve as much on-the-ground conservation work as possible. That is what separates agricultural conservation from the rest of the conservation arena. We put the dollars to work. We know what can work, and we know how to sell these projects.

The districts, state Departments of Agriculture, and USDA form a partnership that is the envy of the non-ag resource conservation world. I pledge we can accomplish even more if we are assured of the resources to carry these missions forward. Thank you.

MODERATOR: Thank you. Anybody is welcome. All comments are welcome. We've heard from a lot of agency folks. Those comments are welcome, as are any farmer comments, especially farmer comments. Maybe a farmer from Greenwood might like to say something? If this moment of silence continues I'm just going to start picking on you. Please state your name, where you're from, your age, your net worth. Just kidding. Go ahead, Keith. I'm sorry.

KEITH (farmer from Greenwood): I appreciate the opportunity to be here and meet the Under Secretary and Secretary Scuse, my friend Ed Kee. My family for years have turned our back on programs, the money programs, and the reality became that we had to participate. And I want the Secretary to know that the only thing we had left out of our corn crop to take home was the LDP portion. And it meant a lot, it means a lot to us. It keeps us in business. And we're suffering pressure, a lot of pressure from development and in my personal opinion the only thing that's going to stop the development in our part of the world is profitability in agriculture. I know that can't be a giveaway deal but --

And then I have some real issues with the old farm program, and I don't fully understand some of these things. Some of these programs have got more tripwires in

them than a minefield in Cambodia. But in California a lot of farmers and ranchers send their attorneys to the FSA office to do the work, and to be an active farmer and rancher and be limited in staff we don't have a lot of time to spend reading and working over these programs.

I don't have problems with the staff that are at the county offices. They do a great job. But it's pretty complicated program.

But I been impacted by a program, and I don't fully understand the CRP program where they take land and plant it in trees for 15 years. Well, I was trying to develop, put several farms together to put some irrigation systems on, and my neighbor put the program into CRP program, 15 years, paid \$140 or \$150 an acre about three years up front I understand. This is really unfair competition for farmers, young farmers, old farmers, all farmers. I'm certainly an old farmer. That's my primary concern is the complicated programs, which I'm going to have to get myself immersed into because it's the only way we're going to remain viable in the business. Thank you.

MODERATOR: Keith, if I may as a moderator, can I ask you a question? I hate to put you on the spot. But one thing I hear is from vegetable growers is to keep commercial vegetable commodities whether grown for processing or fresh market, everything from asparagus, beans, potatoes, pickles, out of the commodity subsidized programs. Could you comment to that one way or the other, please?

KEITH: Yeah. I fully concur with that. I think they should remain outside the program. I'm here from the government to help you is dangerous. And I been through that. It upsets the balance of production -- the corn, the beans, the wheat, the barley, what not. The only reason --

I'll make another comment too. We need the grain crops as rotational crops for the vegetable crops, but we certainly don't need controls and quota systems for the vegetable production because it's not good for business. Once you start down that road you got to keep going, and the corn, beans, wheat, barley, cotton and peanuts things like that. I'm having to learn, I'm being forced to learn to farm the government program.

MODERATOR: Keith, thank you for answering that. And other growers may have different comments.

SEC. REY: Having what you said what you just did about not having a program similar to the grains, the states have worked on the inclusion of a block grant to go to the states for all the specialty crops. Are you in favor of some type of funding to do research and to look at new markets for products in the vegetable industry?

KEITH: I'd have to answer that in the affirmative, yes. You take, there's a lot of research goes in corn, beans, and wheat, barley, cotton, things like that. So you can't level the playing field forever, buddy. But certainly given the present price of commodities -- and I share with you the vegetable production is no panacea of

profitability. There's an awful lot of risks there. And of course with risk there's benefit. Sometimes we struggle to see the benefit.

MODERATOR: Keith, thank you. I put you on the spot, but as always you handle the pressure well. And there may be differing opinions, and that's what this is about. Anyone else that would like to come up and make a comment? I'm not moving until at least five more people come up and say something. We're going to barricade the doors. Here we go. Remember to state your name and place.

MR. BOB WILSON: Bob Wilson. I was born about four and a half miles west of town on a farm. Have been in farming one way or another all my life. There was a couple comments made, and I don't know how they're going to fit into this 2000 Farm Bill, but I'd just like to add to them.

The tree program that Keith just alluded to I was involved with one of those just as an observer and commenter to a farm about a mile down the road that was planted in trees. The fellow that put it in trees was not a farmer, so I asked one of the, I believe it was NRC man or one of the program managers anyway, how much of this farm after the 10-year period I think it was would revert back to farmland. He said only 50 percent of it. The rest of it was going to revert back to wetlands and could never be farmed again.

The other thing was, and I apologize for not bringing it with me because of some other personal problems-- the Farm Journal, the latest issue. I don't know whether any of you read that or not, but there's a very interesting article and if you want a copy of it I'll be glad to run a copy and Xerox it to you. It's talking about closing FSA offices over the USDA came out with this and they were using some fictitious figures and they used Deere and Company for one said they only had so many facilities that sold machinery to customers. Well, they didn't take into account that Agro, Case IH, all of these, and a lot of minor suppliers supply other things. So the figures didn't jibe for what they were putting in there. And I can't remember some of the specifics of the article. And like I say, I apologize for not bringing that.

And probably got some more things to say but just getting that card on a short notice and my mother being in the hospital and I been running back and forth there, plus some other things, and I didn't really have a chance to categorize it in these categories. I apologize for that. And I welcome these sessions. I welcome the dignitaries for taking the time to be here and giving us the opportunity to speak. Thank you.

MODERATOR: Thank you. If anyone thinks of something else, they're welcome to come back to the mike. Again, if you'd rather jot down comments you could drop them in the box or go on to the website. Robin.

MS. ROBIN BLENT (sp): I'm Robin Blent. I'm a third-generation farmer. Both my mom and dad's parents were farmers. My parents are farmers. My youngest brother is a farmer. And I have farmed for over 20 years. I'm located in Southern New Castle County, Delaware. I'm also a first alternate on the FSA County Committee.

And one of the funding issues I would like to see, many people in this room know that I on the side also marketed and serviced crop insurance for six years. Different producers have their own philosophy as far as utilizing the crop insurance program. I however was a strong believer obviously because I was an agent for six years. But I would like to see more funding for the crop insurance program. At least there is crop insurance. There are many improvements that need to be made to the program, especially when covering expenses due to insurable causes of losses.

I'm glad to see that the state of Delaware has the CRC programs offered on small wheat. It's not available in barley but anyhow. So there again it's the crop insurance issue. Thank you.

MODERATOR: Thank you, Robin. Who's next? Bill. Please.

My name is William R. Parker. I hate to do this. I been around this town for 62 years. And I farmed. I'm a retired farmer, but I just couldn't let an opportunity like this go without saying something. I'm the world's worst public speaker. A fairly good debater.

But there's a few things here, just a couple points that I wanted to make. And I'm very familiar with all the issues, everything that happens, that has happened. But I would like to know how many farmers are in this room that are 100 percent farmers that make all their money from farming. I'd just like to see a show of hands. (pause) As you can see, this area you know should have this room filled right here. And the farmers that would talk to you or should talk to you are not here. They're all out here, friends of mine, that are tilling my farms, working their tail ends off, and they're not making the presentations and do what they need to do to get the best things happened to them.

And with this being said, I'm going to make one comment about the environment. When I was born in this area the environmental problems were no problem because everybody lived on a farm. There was a few people in town. It was no problem to take care of the sewage, and it was a wonderful place to live. Now all the environmental problems have been caused by too many people on too few acres, and that's what's happening in everything in this country. There's too many people, too few acres, and they're living where everybody wants to boat, fish and be on the water. If they took all the septic plants on the Eastern shore and the Peninsula and made them empty and open fields so you could see what was happening, we would have no environmental problem whatsoever. None.

But they have the numbers, they have the people, and they can write any kind of legislation they want. They can get any kind of variances they want to dump manure everywhere they want. I can't get nitrogen to run one foot on my farm where I don't want it. If I leave a strip one foot wide there's no nitrogen. I want to know how nitrogen goes 26 miles down a ditch into the river when I can't get it to move a foot.

Now that being said, there's going to be more people. The value of the land has gone completely crazy. There's going to be more people, there's going to be fewer acres no matter what you do. And I think the first thing that should be addressed is all the population and septic, sewage and that sort of thing first. I don't know how to do it exactly, but I think the people should know the difference in human waste and animal waste.

Now it's easy to pick on farmers because there's no numbers. But humans are the ones that are causing these problems. And we have to address it at some point in time.

Down at the Narrows where we boat, they've built condominiums all around the waterways, on piling, on every area there is down there except the marina. I just think those things are going unnoticed at all. The people that are trying to promote the environment and the really well-thinking people -- but they don't understand they are contributing when they have the half acre, one-acre, three-quarter acre or two-acres compared to the farmers that have 50 acres, 100 acres, 1,000 acres or two or three. The farmers are not the problem I don't think, at the level they're being pushed on.

And all these regulations and rules. When I quit farming three years ago I would have had -- I don't have any more time, I'm sorry -- but I would have to hire another person full-time to take care of my farming operation. That would have been another \$40,000 or \$50,000. So thank you very much.

[Applause.]

MODERATOR: Thank you, Bill. Who's next? Leolga. Again, if you've already commented but something else occurs to you, feel free to come back up.

MS. LEOLGA RAY: Leolga Ray -- actually speaking on behalf of FSA offices. I want to say that this last Farm Bill we did was probably one of the easier ones to implement. It was more time-consuming because producers had a lot more options that they could take. I will tell you I've heard many producers that have come in our office now say, be it good or be it bad, if it weren't for our offices they would no longer be in farming.

Personally, the bill that we have now has worked well. There were some concerns depending on what year it is and how the crops are harvested or what the prices are with payment eligibility. And at this point in time we all know for LDP purposes, which we're in now there is a \$75,000 limit. Whether there is some provisions where depending on the economy for that year and or the prices if this could be changed during the Farm Bill, not having to change legislation but have it in there where depending on the prices that Congress may have the option of changing that limit would probably be greatly appreciated.

Again personally, I think the Farm Bill that we have implemented is a good one. In regards to Keith and his vegetable question that he had about being able to diversify,

with FSA normally if you have been a vegetable producer in previous years you stand to lose some payments if you go over your base. However if we do a new Farm Bill they want to consider being able to allow producers that have reported in the most previous years to be able to bring their vegetable history into play.

Specifically in Sussex County we had a lot of older producers who were not involved in the programs at all. We now have new producers that are becoming involved, and they are growing vegetables, and they would like to see this part put into the Farm Bill.

MODERATOR: Thank you, Leolga. Who else would like to make some comments? Yes, sir.

MR. JAY CHARLIN (sp): My name is Jay Charlin. I'm an Assateague Coast keeper down in Worcester County, Maryland.

First of all I'd like to say to the gentleman in black, you are a great public speaker. You really are.

I'd also like to echo what he said about people. There are too many people moving to Delmarva too fast. We are not, certainly in my county, Worcester County, we are not able to maintain the infrastructure and keep up with the influx. I think if you look around Sussex County, Delaware or Accomack County, Virginia, you'll see the same thing.

Another thing I want to suggest, and I know this is kind of a radical subject, but I've worked a lot with farmers in Oregon and here. And this is not really a federal issue either, but if something could be done to relax subdivision regulations in agricultural areas so that we could rearrange property boundaries so that when a farmer is asked or when agriculture is asked to maintain buffers around waterways it doesn't actually take land out of production. If we could rearrange property so that there could be large contiguous chunks of land available for agriculture and that those were set back from waterways we were trying to protect I think that would be a big benefit. What we can't do right now is move property lines so that you have workable farms that are set back from waterways. I just wanted to propose that as kind of a radical solution, something to be looked at for the future. Thank you.

MODERATOR: Thank you. Someone else? Here comes two. Good.

MS. CATHY FOGEL (sp): My name is Cathy Fogel. I'm a dairy farmer west of Harrington. I just gave the gentleman an article I got, someone gave me from USA Today. It's on the proposal by our trade secretary Rob Portman to do away, to recommend trimming farm aid by 60 percent. I don't know if any of you saw it. What I want to know is, in light of this article and in what the USDA has done for us in the past in subsidizing farming, if the government chooses not to subsidize farming anywhere anymore -- I agree with Mr. Baker that we're not going to do that permanently -- will you

be able to give us, or will the Farm Bill give us some marketing skills so that we can, or some areas where we can --

Because as a group we don't come together very much. Some skills to be able to market our products and use them to get the best dollar out of what we grow.

I also would like to see you make our programs easier to use, more farmer-friendly so that like Mr. Carlisle said we don't have to have a lawyer come up and do the things we need done.

And the environmental programs that you offer us I'd like to see some of them be a little more open-ended so that our local agencies had a little more flexibility in what they could and couldn't do with the program you offer and with the funds that are available to them.

And that's all. Thank you.

MODERATOR: Thank you. Someone else was getting ready to come up.

MR. JIM DEETS: My name is Jim Deets. I farm in the Middletown area about 600 acres. I'm not a public speaker, and I don't usually get out in the public.

You gave us this nice handout, which is handy, and as the other guy said if we'd had it earlier we would have probably been more prepared.

Number 1, 2, 4, and 5. It all says, number one, how do we bring young people in? Number two, be competitive overseas? Number four, how can the policy achieve conservation and environmental goals? And number five, how can rural and farm programs provide effective assistance in rural areas?

Well, these are all important issues. But the number one issue right now for the farmers is how are you going to help preserve us farmers? Because without us farmers none of these goals you set are going to be usable.

Number 3, it seems to work. It's just that it's not keeping up with our production cost. Right now as a grain farmer without the programs not figuring in any labor, any equipment upkeep or cost for any insurances, if I'm selling 125 bushels of corn at \$2 a bushel I'm losing \$21 an acre. On soybeans without any program help I'm losing \$8 an acre, and that's just what I'm spending for seed, lime, fertilizer, and fuel and hauling, stuff of that nature, stuff that's risen with the cost of inflation that farmers can't pass on to truckers that's hauling grain. They're getting a fuel adjustment cost. I'm sitting in the grain-mill lines with them and I'm not getting a fuel adjustment cost.

And all of industry is raising their cost but we have no way of doing that. Anyway, that's basically --

The program's working. I think it needs some tweaking. And a lot of special interest groups have interests, and I think their interests are important, but if we don't keep the farmer around it's not going to help to do that.

Thank you.

MODERATOR: Thank you. And thank you for sharing that cost data. As Mark said, this input does get processed and it does get saved. And the analysts and everyone else will factor all this in. So that's very good information. Who else would like to speak? Yes, sir. Remember to state your name as everyone comes up to the mike, and try to stand close to the microphone too.

MR. MICHAEL HAGGY (sp): My name is Michael Haggy. I come from Crumpton, Maryland. And I'm a part-time farmer, and I did not put my hand up when the gentleman over there mentioned full-time farmers because I do not derive more than 25 percent of my living from agriculture.

I grow corn and soybeans and a small amount of hay in Talbot and Queen Anne's Counties. For my accent I'll put anybody to rest since I am a first-generation immigrant, and I'm enormously grateful to be in this country. I left my homeland because I was almost regulated out of that, because of the agricultural restrictions. My family had farmed there for nearly 800 years. My brother is continuing that battle.

That aside, I wanted to say that the existing programs, particularly the conservation programs as set forth in the 2002 Farm Bill are I believe exceptional. Unfortunately I have not had that confidence because of the article that the lady produced of a commitment to continued funding. I don't think we need to reinvent the wheel. The existing conservation programs are effective, and there must be a commitment to them. And these include CSP, CREP, EQIP, etcetera. But there must be an equity in funding distribution between the landowner and the tenant, and that has led to a tremendous amount of disregard for them and nonacceptance from operating farmers -- those who are purely tenants I mean and not owner-occupiers.

With a subsidized food system of food and fiber that we have in this country, there must be a public commitment to that production and to the people who produce those materials because otherwise there will be continued pressure on the biosphere. Agriculture needs to diversify, not just nationally but locally, and utilize regional products. There needs to be a public commitment to this. I thank you.

MODERATOR: Thank you. Sir, can I just ask a question? What -- I assume your home country was Great Britain?

MR. HAGGY: It's England, yes.

MODERATOR: England. And I'm just curious because I love going there, what part?

MR. HAGGY: In Gloucester, in the west part of England. It's a nice place to visit, but this is a great country to live.

MODERATOR: Thank you.

[Applause.]

MODERATOR: Christina.

MS. CRISTINA GALLANT (sp): I am Cristina Gallant. I'm from the Delaware FFA Association. I come from Smyrna, Delaware. And as a young agriculturalist, it's impossible not to notice the globalization of the agriculture industry. What we from the Delaware Association FFA Association think-- (audio break)

-- other sources of energy we could really prosper as an industry.

My last point is that we have learned that we can live without oil because we've found other ways of producing it, but we can't live without food. So it's really important with homeland security that we keep youth interested in the agriculture industry and that they don't feel that we are going to be put down as we try to prosper in our future endeavors in the industry.

[Applause.]

MODERATOR: Thank you. Let me just pause for a moment. Cristina and the young lady sitting next to her, Hally Thompson (sp), are students in my class. I teach three courses at the university -- vegetable science, fruit science, and then in the winter session I teach a course called "Issues in Agriculture." And in that course we try to get the young people to understand and grapple with the things that are being mentioned today.

It's easy to teach the course because basically I throw them in a van and take them out to farms and processing plants and just have fun that way. I don't build a lot of lectures. But I would also say it's probably the most productive course I teach, and I was proud of Cristina. She's taking fruit science this semester, and she worked in that 14 percent apples from China. She's working for extra credit is what she's doing here, not that she needs it. But anyway, it's good to see the young people proceeding.

Okay, someone else, or someone that has spoken that would like to come back?

MS. BARBARA MOORE: The name is Barbara Moore. We have farmed in the Smyrna area. I'm a fourth-generation farmer, and I'm still trying to do all the bookwork. I don't have anything prepared, but we also need-- on the way down here beings we're doing conservation and I was very rude to a conservation man here the other day that wanted to ask questions because we have so many interviews. I apologize to him for

being rude.

But we need to also educate the lawn people. Beings the sun is out this morning, I passed five lawn people that are running around putting fertilizer on so they'll have job security. They have no idea, they're not interested in whether it's going to the Delaware Bay, Chesapeake Bay. But it comes back on to us farmers. We have to fill out reports, how much fertilizer, how much nitrogen, all the things. After you pay \$500,000 to \$600,000 for your fertilizer bill you're not going to put an ounce more than what you need. In fact you're going to do less. The same thing with sprays.

Also, I have a dairy farm. We are constantly having people move in, getting around us, reporting us to the state because we stink. We need to have some help. I was in one of the foreign countries with Dr. Henlei (sp). They make gas from manure. We can do the same thing here with chicken manure, we can do the same thing with cow manure. I was in Sweden and they have a great big furnace. I live close to Kent County. They heat a whole town with straw off the field to do away with the pollution. We need to look into those areas.

I was also buying a farm when -- I'm not picking on the potato farmers -- but I was trying to buy a farm when the people from Long Island came down and bought up ground in our particular area. And we all fussed about the potato farmers. The potato farmers are struggling just like we are. But if you look at the map you look at Long Island and it's surrounded with water just like we are. They have nothing but houses.

We have a (unclear) bit of ground in the Smyrna area. You have a real estate man that's calling at least once a month wanting to pay high money for your farm. I have three generations. My husband still works as long as he can work, 14 or 15 hours; a son, a grandson, and a child that's been with us since he was 10. He doesn't even want to be interested in farming on his grandparents' farm because the risk is too great. He didn't even want to go in halves. So that's a younger generation that's 30 years old.

We have quite a problem. I went in Value City the other day to get a bargain. I found a bargain. A nice jar of carrots about this big around, and about this high, a \$1.59. Turkey. I picked up another piece of bargain and it was noodles made in Italy. We do definitely have a problem.

Thank you -- if I fussed too much.

MODERATOR: That's great. Thank you.

[Applause.]

MODERATOR: Bob, come on up, please. Bob, I know you came in late but just remember to state your name and your home town and your role in agriculture or roles.

MR. ROBERT GARY: For those who do not know me, I'm Robert Gary from

Kent County, grain farmer, chair of the Agland Preservation Program and president of the Kent County Farm Bureau.

I have a lot of mixed emotions about the present Farm Bill. I know the money is going to be short because of the other issues we have in our country. And I don't have all the answers, but I do have some angles.

I'm frustrated many times by the number of programs that come through USDA and the paperwork and complications that go with it. I know a lot of people that wouldn't be in agriculture are in agriculture now because of these programs. Sometimes I wonder if they're working the programs instead of working the ground.

I'm kind of like the old H. R. Hutton or whoever it was said they got it through earning it. I'm not narrow-minded enough to know that we can compete on a world market without some help. How in the world can we grow grain for what we're expected to grow it for without any assistance against countries that can use any kind of chemical or any kind of seed they want to use without paying any duty to the seed company for special technology and things like that.

But I also believe that many of the programs have kept farmers farming that would have been better off if they'd been doing something else, supporting another farm in operation. So I guess I want to sum it up by saying I think the Farm Bill should be much less complicated. There's way too many programs, way too many angles to get money to way too many people that's not benefiting the farmer himself that's the producer. And we absolutely have to have producers in this country. We're buying way too much out of this country and sending way too much money out of this country for other things. Agriculture's one of the producers that we have in this country, and I loved what the girl said about the 14 percent of the apples coming, not because you emphasized it but that's the thinking.

Where do our vegetables come from? What happens if we seal the borders, totally seal the borders? What do we have in this country, and what do we have supporting agriculture that will be here regardless of what happens?

I think the Farm Bill should address the security issue and the complication of the existing Farm Bill when they write the new Farm Bill.

MODERATOR: Thank you, bob.

BOB: By the way I would love to have been here when it started but I have grandchildren showing so if you see me leave I'm trying to stretch myself two places.

MODERATOR: We understand, and we appreciate everybody making the effort to come out. And we appreciate the comments. You can tell they're heartfelt, real, and they're good information.

Who else would like to say something? Austin?

MR. AUSTIN SHORT: Good morning. I'm Austin Short, state forester. I have the pleasure for working for Secretary Scuse as a state forester, but also I am the fourth generation in our family farm in Sussex County.

I want to talk about one thing we haven't talked too much about today, and that is forestry, not so much the concerns that were expressed earlier about CREP but forestland in general. It's a very important part of the state; it's one-third of our cover. It provides many benefits and as often sometimes the CD in the bank when farms need money in a bad year they sell their timber.

I would hope that the 2007 Farm Bill will continue to have a forestry title as the 2002 Farm Bill does. And I would also encourage USDA to look for ways to further integrate forestry practices into existing programs -- be it CSP, EQIP or what have you.

You know we've heard a lot today about concerns about water quality and that sort of thing. Certainly a well-managed and well-run forest is one way we can help to address that.

I would also add, working for the State Department of Ag there as was said previously, there are numerous programs out there. It's hard for landowners to keep them all straight. It's sometimes hard for us to keep them all straight working with landowners. Any way we can work to streamline those and make it easier, I think while it's obvious it's certainly very important.

It was mentioned earlier about conservation easements. I think they certainly play an important role, particularly in a state like this. It's not the only answer. But anything we can do to work toward those type programs I think is also important, not just for farmland but for forestland as well.

And I think the last two things I want to say is, there's a lot of concern about the loss of commodity payments. If that does occur I think perhaps one other alternative we can look at, as I think Mr. Baker mentioned earlier, is environmental services. To date landowners do not receive any income from the many benefits they provide such as clean water, carbon sequestration, clean air, that sort of thing. I think that may be one option we can look at that both farmland and forestland can help provide and landowners can be compensated for as a means to offset perhaps future reductions in commodity payments.

The last thing I'd mention, we heard a little bit about energy, use of agriculture products for energy. I will also echo that as well as forests. It may not have a large role here in Delaware but certainly in some parts of the country the use of wood products for energy is a renewable resource and I'd argue much better than fossil fuels.

Thank you very much.

MODERATOR: Thank you. Who else would like to make some comments?
Yes, sir.

MR. BRUCE SNOW: I didn't come down here necessarily to say anything. My name is Bruce Snow and I'm a fifth generation farmer. My son is just getting into farming, and I live across the street more or less from Michael.

A couple concerns on the new Farm Bill. I got out of college in the early '80s and they wrote the first Farm Bill where they started throwing money at us, and then they finally got into the '96 bill where they were going to wean us off. And that was, you know not wean us completely off but then midstream I had a crop planted, you guys wrote a new Farm Bill, I had already made my business plans based on the old one, and that's a big part of my income. I'm a businessman. I'm a family farmer, but if I'm not a businessman I'm broke and then I'll be working in town.

But you know, you wrote a Farm Bill and tried to implement, middle of the crop year. That was a big concern for me that, and I hope that doesn't happen with the next Farm Bill.

If we look at the amount of money we're being given today through the Farm Bill to help the farmer compared to the last Farm Bill when they were saying they were going to wean us off, I just read where this is going to be a good chance this crop year will be the largest money ever paid out by the USDA for commodity programs.

Big concern for me is, we need -- I read the questions and unintended consequences, you know that they made some major improvements on the insurance programs offered to farmers, and I have taken the opportunity to learn from USDA a little bit about them and participate in some of them. Disaster programs, they don't want to do them, they want to do them. You know, when there's a disaster that's when obviously people need help; we need to have some money available for that I feel.

You know, maximize U.S. competitiveness and kind of in the rural areas -- I don't know the Farm Bill addresses the transportation needs for the commodities that we have. Fuel prices increasing. Our rail system has been improving a little bit in the last few years, but it's been overlooked.

The biggest part of the commodities I grow come down the Mississippi. There's a lot of fighting between different environmental areas and stuff to rebuild the locks, improve the river system, make it more usable. You know, maybe we need some money there.

But I realize LDPs this year are a lot of money, and I think it's going to contribute greatly to the cost of the farm program for the government. And that's a problem with trade organization. It's a world market but at the same time we get back to direct payments and you talk about land values, I don't think in my area I don't think the USDA can keep my values of land at all competitive with what's happened to land values. I

don't think they need to fool with it. It is what it is. The amount of people, the price of land, everything else. But as a profitable farmer, I need to look at land rents and things like that. When I get into direct payments they really get tacked on to my land rents. If there was some way we could maintain the countercyclical and LDPs more and not in favor of the direct payments because they just seem to just float right through my operation.

But I think the conservation programs are here to stay. They're not a bad thing. They provide incentives to good farmers that are good for the environment, and but my concern is the amount of money as a taxpayer and just I'm also a committeeman for FSA and it concerns me the closing of offices across the country. I see all this money you're spending and I see my office having to cut back on postage. You talk about you guys didn't get these? Because we're limited as just the dollars we can spend on stamps, but yet we're going to spend \$4 or \$5 billion just on corn LDPs alone this year, not that that's a bad thing, but we need to look at where that money is going through this thing.

If we want some assistance then we have to have the people to implement it.

MODERATOR: Thank you. Anyone else? Anyone that would like to come back that thought of that important point they wanted to make? Anyone that hasn't spoken yet? Bill. Please.

(off-mike)

MODERATOR: Thank you, Bill. That is a theme. I know Mark's comments earlier, just casual comments before the meeting started, I think you're hitting on a theme about that the farm bill should address the transition to the next generation and what you just said Bill and Bruce said, who owns the land? In my case I own a small farm, not that this is an official deal. You've all been through it. But Nathan Hayward is planning to put a bunch of concrete through it, or thinking about it. Now whether my farm stays as a farm won't mean much to the future of agriculture anyway, but if you add mine up on top of thousands of others then that's the issue.

Incidentally, I'm working on that issue. I'm going to make that highway go somewhere else. But that's not the purpose of this meeting.

Okay. Someone else? There must be some good comments, some good thoughts, more good thoughts. It's a little bit after 11:00. We're scheduled to go to 12:30. Obviously I don't think we'll do that. We were scheduled to have a break at 11:00 but with the number that we have we thought we'd just keep working through for awhile and make sure everyone got a chance. There's an opportunity for more comments or new comments. Bill?

(off mike)

MODERATOR: You're asking Mark or someone to comment? The USDA bill

or the audience? Mark's going to make some comments at the wrap-up that I think he says we'll talk about that.

Yes, sir?

MR. FREEMAN EVANS (sp): Thank you. My name is Freeman Evans. I come from Catonsville, Maryland. I also represent Chesapeake Fields Farmers Co-op. For those of you not familiar with that, we have three new organizations under the Chesapeake Fields that we've started in Chestertown, and our motto is "Preservation Through Profitability." We are focused on value-added and specialty crops presently marketing overseas and getting into the snackfood business in this country.

USDA has been very helpful in our start-up and technical assistance, and we would like to see that continued as we move into an infrastructure building phase of this development. We feel we can eventually take some of the burden off the government of direct support to us by these value-added and specialty crops. And we would just like to see more support as we continue that endeavor. Thank you.

MODERATOR: Thank you. Someone else that would like to comment? Keith? Please.

KEITH: I got just one comment. Economics said food and fiber will be paid for. Young businesspersons will see it happens. And our government needs to know whether it will be through subsidies, subsidies and the marketplace, or all subsidies. So I push that out there for you. And I agree with Bill that when you lose the incentive to own your land the work ethic's going to go down the tube. Thank you.

MODERATOR: Thank you. Okay. As many of you know Michael's family have been in the auctioneering business. I'm going to do this almost like an auctioneer. Anybody else that would like to make anymore comments? Going once -- gentleman just walked in the room. You saved us. Come forward. Tell us who you are and where you're from and what's on your mind. Thank you.

MR. ALAN JONES (sp): My name's Alan Jones. I'm chair of the Governor's Council on Forestry, past president of the Delaware Forestry Association, and I am a private landowner and tree farmer.

I just would like to speak to the landowner assistance is really, it's the main incentive for people to put their land in trees and to maintain it that way. And then I know the federal dollars are very important to the operation of the Delaware Department of Agriculture, and for that we thank you and hope it continues.

Thank you.

MODERATOR: Okay. Before Under Secretary Rey makes some wrap-up comments we're going to do the auctioneer thing. Anybody would like to make any final

observations or comments for the record, for input into the next Farm Bill? Yes. Go ahead. Kristie.

MS. KRISTIE ANGSTADT: Hi. My name is Kristie Angstadt, and I actually come from Camden, Delaware, where I grew up on my grandparents' farm for my first 15 years. Right now when we're talking about the young people with farming, honestly I wear this jacket today because I have a history in farming. Without my history in farming right now there would be no hope for me to have a possible future in agriculture. As we said before there's hardly any land for us to go around and be able to purchase.

If you want to give a future of agriculture to your young people then you need to start providing us with land, money, any help we can get because without that you aren't going to have the future agriculturalists. You're going to have metropolitan areas everywhere that you look.

So I'd just like you to keep in mind as you're writing this bill that you are affecting your youth and your possibilities of having to deal with those other countries that don't have to depend upon the same regulations that we do for our crops that guarantee that you're getting something that hasn't been treated with some sort of pesticide that isn't regulated on how much there's in it or --

It upsets me to see that, you know, there might be no possibility for me to have my own farm one day. Thank you.

[Applause.]

MODERATOR: Thank you, Kristie. That hits on the theme that Bill and some others had talked about and makes it very real. Any other comments? Okay. Go ahead, Bobbie.

MR. ROBERT THOMPSON (sp): Robert Thompson, Hartly, Delaware.

We do some grain farming, raise some dairy replacements. My only comment is, if we could get Bill's question answered directly now it might stimulate some more questions or comments. Thank you.

MODERATOR: Okay. If that's all right with Secretary Rey, maybe he'll make a wrap-up, and that may stimulate a few more questions or comments. Bill?

BILL: (off-mike)

MODERATOR: If anybody else speaks from the audience and doesn't come up, we'll just pass that mike around because -- yeah. It's for the record.

BILL: I was just curious. I have no idea how anybody feels about this--I haven't heard. But the government has to decide how they want to run the system of agriculture.

Rather they can't give everything away. They can't not support farmers. This is a very complex issue, and I don't know what's going to happen. I have no idea. A lot of us that are farmers now have other interests -- Mike, myself. And you know we're moving into real estate and Mike's doing other things. But the farming, somebody does have to do that like Bruce said earlier. And I'd be curious to see how the government really does feel. Thank you.

MODERATOR: Thank you. Okay. With that, I will turn the microphone over to Under Secretary Rey for wrap-up comments and his thoughts on today's event and the Farm Bill in general.

SEC. REY: Thanks, Ed. And thank all of you for your contributions today. In numbers you are a somewhat smaller group than the average that we've experienced, but I can tell you in terms of the percentage of those of you who wanted to offer your thoughts that was much higher per capita. So while you may be smaller in numbers you're larger in opinions and insights.

I also want to welcome the Marylanders that are here. We will be doing a similar forum probably November 18 in a location in Western Maryland, but it was good that you could make it here today. This is probably an easier trip for you, all things considered than making it out further west in the state.

As I have worked on these, there's been sort of an unintended symmetry to the states I've ended up holding these sessions in. Last month I held one in Alaska, and yesterday I held one in Rhode Island. So I've got the full sweep in terms of geographic distribution. Today in Delaware I'm sort of working my way back up in the size categories now to somewhat larger states.

As you might guess there's a lot of diversity of views reflecting the diversity in American agriculture. But there are some themes that are emerging that are pretty constant from state to state whether you're talking about a large western state like Idaho or a smaller eastern state like Delaware. One of those themes is the pressure of development on agricultural tenure. You all experience that firsthand here in Delaware. What you probably don't appreciate is that it's just as big a problem in Idaho as it is here, Idaho being one of the five or six fastest-growing states in the country right now. You think of Idaho as much bigger, but of course much of the land is not suitable for agriculture because it's too arid or it's owned by the federal government. The amount of land that is in private ownership that's suitable for agriculture is what is directly in development's path, much like that same category of land is here.

And that's something that seems to be a pretty consistent thread throughout a number of agricultural states that we visited.

Another constant theme, probably the single most consistent theme we've heard, is a concern about what the future holds for the next generation of farmers and ranchers. And that's of critical concern to us because as we look across the demographics of U.S.

agriculture today the median age of a U.S. farmer is about just under 55 years of age, and we are now up to close to 40 percent of U.S. agricultural land that's leased rather than being farmed by a primary owner.

We don't believe that tenure is irrelevant to productivity. Indeed, we think quite the contrary that one of the things we're hearing is a developing concern over land tenure and the difficulty, A, keeping in agricultural production and, B, making it available to the next generation of farmers.

So I think in the next Farm Bill you'll see something that will be more forward-looking and will look at trying to make it easier for new entries into the agricultural market and making it easier for farmers to retain ownership of their lands. Not all of the problems associated with that can be dealt with in farm legislation. Other parts of it involve tax legislation and capital gains treatment of land and other assets. But those are also things that we're concerned about and looking at as we move forward in other areas of public policy.

A third area of concern that we've heard about pretty consistently although with some different points of view depending on which region we are in and what kinds of producers we were talking to, was the importance of trade. As was indicated earlier Trade Representative Portman along with Secretary Johanns were in Geneva this week offering a very aggressive proposal to our trading partners. One side of that proposal was our offer to reduce trade-distorting subsidies, both crop subsidies and export subsidies. But the other side of that proposal was what we expect our trading partners to do in response to that. And that is, to remove trade barriers to our products entering into their markets.

The reason we think that formula is essential to the success of American agriculture lies in a single statistic, and that statistic is that our rate of productivity in agriculture today in the United States is increasing at twice the rate of our consumption of food products. So unless we're all going to commit to eating twice as much as we do today, which would probably not result in a happy prospect for many of us, myself particularly, then the secret to our increased success in productivity lies in developing expanding markets abroad.

So that's why we made the trade proposal that we did. That's why we hope to succeed in a round of trade discussions that will open foreign markets to U.S. products, and why we hope to continue the increase in trade of U.S. products abroad, which has been escalating rather rapidly over each of the past four years.

Those are some of the themes that we've been hearing as we've been going around the country. At this point I'm not in a position to tell you what exactly we're going to do in response to them. Probably wouldn't be that fair to those states we haven't yet visited because we're still collecting information from people like you in other states, and we'd like to have all of that before we sit down and start to look at what the next Farm Bill should look like.

But I can tell you, those are the things we're hearing, and we're going to do our best to reflect on what we hear and to make the next Farm Bill something that is forward-looking for the future of American agriculture.

With that, I'm appreciative for all your thoughts. I'll give the microphone back to our moderator to wrap this up in whatever way he chooses.

[Applause.]

MODERATOR: Thank you. Mark, I thank you for coming. I just hate to cut off any comments, so here is the absolute final chance. Does anyone else have anything they'd like to share for the record? I think you've done a great job. I think it's been across the board, and as I said earlier it was heartfelt and sincere. And to me the heartfelt and sincere part is a reflection of what I've found with every Delaware farmer I've interacted with over the last 30 years, which means just about all of them.

It's a great industry, but it's great because there's great people.

Michael, you're sitting over there patiently. Would you like to make a comment before we finish?

SEC. MIKE SCUSE: Yeah, thank you, Ed. I appreciate it. I wasn't disappointed. What I heard here today is pretty much what I had expected to hear. The National Association of State Departments of Agriculture-- we have also been working on the Farm Bill. We had a meeting in Chicago in August. We had one in Cooperstown, New York, three weeks ago. And in three weeks we're going to have another meeting in Kansas City.

And many of what you said here today is the same thing that we're hearing from around the United States. One thing I've urged my counterparts to seriously consider is something that was brought up here earlier today, and that's our conservation practices, to make sure money for those conservation practices goes to the farmer, not necessarily the landowner.

We have got to find a way to keep that money in our producers' hands if we're going to make changes to the Farm Bill and put more conservation in it. Alternative energy has been a hot topic of conversation with our counterparts, and we'd like to see more done in the Farm Bill to promote alternative energy.

And yes, from one end of the United States to another, we all would like to see changes made in crop insurance.

One of the things I was disappointed in this week was in fact the proposal that was laid on the table at the WTO to eliminate the subsidies in exchange for the elimination of tariffs. This country tariffs products coming into this country is

approximately 12 percent. The worldwide average to our products going out is 62 percent.

We do need the elimination of tariffs, but we also need to look at the way that other countries subsidize their products. We receive the direct subsidies but in many countries around the world their agriculture too is heavily subsidized. It's just done in a different way. And we need to address that.

And I was disappointed that offer was put on the table without discussion with the agricultural community and the other states' Departments of Agriculture and what effect it would have on our states. We do have a conference call this Thursday that I am leading with JB Penn from the Foreign Ag Service, and that I assure you will be the very first question as to why that was in fact laid on the table without discussing it with any of the states.

CSP, again there's from one end of the country to the other everywhere they'd like to see CSP fully funded. The comment was made about the attorneys going to California to the offices for sign-up and the need for that. I have to make a comment here. We don't need lawyers to go do the sign-up for two reasons here in Delaware and Maryland as well because, number one, we've got the greatest farmers in the United States. But we also have without a doubt the very best people working in our FSA offices. We have got the very best.

[Applause.]

SEC. SCUSE: And as a farmer who's got elected to the county committee in 1976 for the very first time at a very young age, it's been an absolute pleasure to work with the quality of people that we have in our offices.

There's a great deal of concern. We've got some dairy farmers here. There's a great deal of concern of what's going to happen to the dairy industry. It's extremely difficult to be a dairy farmer here in the Northeast. We would like to see something done to help our dairy farmers across the country and especially here in the Northeast. We don't need to lose that industry here. It's a vital part of agriculture for the Northeast.

The one common theme has been young farmers in the next generation, and the concern is not just here in Delaware. But that concern again is throughout the United States. Everyone out there wants to know how we're going to put the land and the next generation's hands and how we're going to keep that next generation interested in agriculture. And again it was said here today -- profitability. We've got to find a way to keep our farms profitable. Profitability is the best agricultural lands preservation program in the world. If our farmers are profitable, they're not going to be selling out to development. I don't know of a farmer out there who really and truly doesn't love and believe in what they're doing. But when it comes to the bottom line and they've got to go face a banker, there's some hard decisions that have to be made.

Transportation. You're exactly right. It was brought up. Transportation again is a major issue especially with the high cost of fuel today. We need to look at our system of transportation for moving not only grain but all agricultural goods throughout the United States. So the issues that were brought up today are the very issues that we're trying to address at the national organization for input and inclusion hopefully in the next Farm Bill. So I appreciate the Under Secretary coming here and listening to what our Delaware and our friends from Maryland have to say. And I truly appreciate the comments. Again, you didn't disappoint me, and your comments I know the Under Secretary will take them back to Washington and I'm going to take the comments back to our next meeting, which is Kansas City in three weeks. And we're going to do our very best to make sure that you're heard. Thank you.

[Applause.]

MODERATOR: Okay. With that I'd just like to make one comment. Agriculture is about change. The market forces, the forces of capitalism is all about change. Sixty years ago as we finished and won WWII there were 587 tomato canneries and vegetable processors in just the states of Delaware and Maryland. Now there's just a handful.

Agriculture changes. I think what this is about and what the Farm Bill is about and your input is about is how to manage and direct that change for the best good.

Again, your comments have been great, and I hope you all have a good, productive and safe harvest season for the rest of the fall. Thank you. Bye.

[Applause.]