

TRANSCRIPT

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OF GEORGIA FARM BILL FORUM WITH AGRICULTURE SECRETARY MIKE JOHANNIS AND MODERATOR RANDALL WEISEMAN OF SOUTHEAST AG NET MOULTRIE, GEORGIA, OCTOBER 18, 2005

MODERATOR: I'd like to welcome each and every one of you here to our special Farm Bill listening session this afternoon. We have a few things we'd like to get out of the way before we actually start things. I'm Randall Weiseman with Southeast AgNet Radio Network, and we're very pleased and honored to have the gentlemen on the stage with us this afternoon. Before we actually get to all the presentations, we have a lot of folks that are here today for specific reasons. But as you can see, we have some young folks on the stage that are here for a specific reason first of all.

Before we actually get into the introductions, I would like to first of all ask everybody to please stand at this point in time, as we would like to do the Pledge of Allegiance, as we have members of the 4-H and FFA with us at this time.

[Pledge of Allegiance]

Our thanks also to the Colquitt County High School Marines JROTC, with us here today too. We appreciate you coming.

At this point in time, we also have the National Anthem. Please remain standing, as Dr. Todd Tribune will bring us our National Anthem this afternoon.

[National Anthem.]

Again, we say thank you to Colquitt County High School Marines, JROTC.

[Applause.]

Well, folks, we're here to talk about agriculture, talk about the Farm Bill, and we have some distinguished folks with us, but first of all I'm going to start at the very end, a man that many of you know, especially in this reason. I'd like to first of all introduce and let him give some comments as we get started. District 1 congressman, Jack Kingston.

REPRESENTATIVE JACK KINGSTON: Thank you, Randall. It's great to be here, and I look forward to your questions and comments. I serve on the House Appropriations Act Subcommittee, and have worked closely with Saxby over the years. I think that it's important that we have good coordination between the House members and Senate members. Of course, with the secretary of the administration, we go to this very, very important Farm Bill renewal. I also serve on the Appropriations Committee with Congressman Sanford Bishop, and we work on a bipartisan basis to try to do what we believe is best for the USA policy.

Thank you for coming here and thank you for letting me be here.

[Applause.]

MODERATOR: And of course, there's another familiar face for many of us here in the crowd, in the audience this afternoon. I don't really have much to say about this man. There are so many things that have been said, and I'm going to let him talk at this point in time. How about a round of applause for our U.S. Senator, Saxby Chambliss.

[Applause.]

SENATOR SAXBY CHAMBLISS: Well, thank you, Randall, and thank all of you for taking time to come out today. I could not be more pleased to see this kind of crowd out here and to have an opportunity for you to dialogue with Secretary Johanns.

Let me just say very quickly, Mr. Secretary, there are some folks that I want to make sure you know who they are. That's my state FSA Committee, Duke Lane. Duke is chairman of the committee. Dr. Harry Lee Kemp is right next to him there. Ronnie Lee is right up front-- Mary Alice McGee and Chuck Lee. These folks do a terrific job of making sure that our farmers comply with the regulations. They have a very difficult job, and they do a terrific job of it.

We're in the last couple of years now of the current Farm Bill, and as we move into the 2007 Farm Bill it's critically important that we hear from the folks who utilize the Farm Bill about what's important to them, what works and what doesn't work. Some of you will remember that in 2001 and 2002, when I was serving in the House, then Chairman Larry Combest, Ranking Member Charlie Stenholm, and a number of us went around the country. We did 12 listening sessions all around America. We heard from farmers, and we took what information we got from those sessions back to Washington and incorporated that into the 2002 Farm Bill.

I could not be happier than to have Secretary Johanns do exactly that same thing, get out in rural America and find out what's working, what isn't working, and what direction we need to go in, so I'm very pleased that he's here today.

I'm also pleased with my good buddy, Jack Kingston, who has not just been my colleague, but he is my close, personal friend. He's here today. He's being a little modest too when he said, well, I serve on the Appropriation Committee. Let me tell you, I can do everything I want to as an authorizer to get something passed, but unless Jack tells me I can spend the money, we don't get to spend it. So Jack is a critical asset and a critical part of the team together here to make sure that we not only have good farm policy, but we have the money to support that farm policy.

Thank you for being here, and we look forward to literally listening to you today. We didn't come here as politicians to talk; we came to listen, so thank you for being here. [Applause.]

MODERATOR: And, of course, a man who's been traveling all across our nation listening to folks just like us here today-- ladies and gentlemen, how about a big Georgia welcome to U.S. Ag Secretary Mike Johanns. [Applause.]

SEC. MIKE JOHANNNS: Thank you very much.

Let me just start out and say it's great to be in Georgia. We have had a great day. Let me say to the congressman and senator, it is a pleasure being on the stage with them.

Ladies and gentlemen, I'll tell you what you know already, and that is that you've got a great team here in Washington. The senator's observation is right. We can have a lot of great ideas, but unless the Appropriations Committee goes along with it, it doesn't go very far.

Congressman, it is great to have you here on the stage also.

Let me, if I might, just express my appreciation to our color guard -- they've already been recognized -- and Dr. Tribune, who did the National Anthem, which I thought was beautiful.

Throughout the audience today, you'll see 4-H and FFA members. When I was growing up, I participated in both organizations, 4-H until I got to high school and then FFA when I was in high school. You will see in just a few minutes that we start these forums with some testimony from 4-H and then from FFA. That's what this is all about, is trying to make sure that we do the right things for the next generation of individuals who want to be involved in agriculture, young people.

I should also let you know that just a few minutes ago I made an announcement about a new FSA administrator, and this is going to be a name that you recognize. Teresa Lassiter, from right here in this area, will be our new FSA administrator.

[Applause.]

I told Teresa just a few minutes ago that she's got a pretty non-controversial job. Wouldn't you agree?

Well, let me point out to you, this is the 28th forum that we have done around the United States. We are not done yet. This is the 18th forum that I've done personally and I've been in all parts of the country, and it's been a great experience.

I grew up on a farm and I was telling people at lunch that sometimes I need to explain where that farm is at. I'll just tell you that that farm was near Osage, Iowa. I see all these blank stares out there. Well, I'll tell you where Osage is at, and we'll get that out of the way real quick here. Osage is south of Stacyville and Saint Ansgar and 20 miles east of Manley, so now you know where Osage is.

I bring greetings from a great friend of yours who really encourage me to do these forums. With that, I think we're cued up here to do a greeting from the President of the United States. We can run it.

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

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

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

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

SEC. MIKE JOHANNIS: Great. How about a round of applause for the President? [Applause.]

Well, the senator really outlined the format here today. This is not about me taking the next half hour talking to you. This is really your opportunity to offer your thoughts about farm policy.

What I'm going to do here is sit back and I'm going to take some notes. In fact, I will anticipate that I'll probably have very little to say during the forum itself just simply because if I take time, that's less time for you, and we have an overflow crowd here. I'll be surprised if we are able to get everybody's comments in, but we're going to try to do that. Maybe at the end, if there are a few minutes, 5 or 10 minutes, I'll take some notes along the way here and offer some observations, but this is really your time, ladies and gentlemen.

As soon as the 4-H and FFA speakers are done with their testimony, I hope you'll line up at the microphone and offer your thoughts, your opportunity to talk about farm policy directly to two of the most significant people in the House and the Senate, and to myself as Secretary of Agriculture. We're anxious to hear from you. Thank you. God bless you.

[Applause.]

MODERATOR: We're about ready to get started. Before we do, let me hit a couple of notes real quick. We're asking that you please keep your comments down to two minutes. We want to get as many people in as possible, and we do have a red, yellow, green light system set up over here. When you see the light come up red, that means

stop. We don't want to cut anybody off, but at the same time we want to get in as many people as we can, so if you would, please try to adhere to that. That's the main thing we want to get across.

Also, as you come up, we ask that you please state your name, also where you're from, and also your involvement at Agriculture if at all possible so that everybody will know who you are and what's going on. Also, we want to remind you that this entire proceeding is being taped, so they can use this to listen to back at further times. So, again, all this will be taped.

With that, I don't want to talk any longer. We really want to get things started. As the secretary said, we're going to be starting with comments from FFA and 4-H. We'll start off first of all with 4-H.

MS. LAURA WARREN: Good afternoon. I am Laura Warren, a representative from the state 4-H Board of Directors and I come from Mitchell County. As many of you know, South Georgia is a large producer of many different types of agricultural products, so I've grown up in that environment. My family is not actually involved directly in agriculture, but I know a little bit about it from growing up in that environment.

First of all, no farm bill is going to be perfect for everyone at the beginning, but Secretary Johanns' listening tour is a good beginning. Some have stated that the capitalization of program benefits and some land prices has pushed land prices higher, and this increase in land prices is a barrier for new farmers who are trying to get into the agricultural field.

I'm not exactly sure how to present this so that it is fair for both owner and producer; however, many farmers I have spoken with have said that farm programs work best when the owner is also the producer. However, new farmers are usually forced to rent land for financial reasons. In many cases there is not an abundance of land even for sale. Some farmers have expressed concern over selling their farms because of capital gains taxes. If there were incentives such as reduced tax rates for selling land to a beginning producer, it may be helpful.

Also, the majority of young people who are just out of college do not have the practical experience necessary for beginning a farm of their own. Perhaps a mentoring program, possibly an apprenticeship program, would be helpful where the student was allowed to have class credits for working on the farm and the owner was given some type of tax incentive. That could possibly be a solution to that. This may even foster a relationship where the children would have an inside track with the owner and possibly purchase the farm later on.

Lastly, credit is sometimes a major issue for a beginning farmer. Maybe a liberal lending program for beginning farmers would be a good start. I thank you for time and good look with the bill. [Applause.]

MODERATOR: Now we have a representative with the FFA with us this afternoon.

MR. WARD BLACK: Well, good afternoon. I am Ward Black and I am from the Jackson County FFA Chapter. This year I'm currently serving as the 2005-2006 State FFA president. Just like Laura, I grew up in agriculture. My family lives on a small beef cattle farm in northeast Georgia, and so I've grown up around cattle and shown cattle. For the past six years, I've been involved in that.

Today I've been asked to present some unintended consequences of national farm policy. I think there's two consequences. The first is federal funding. Some people across this nation think that federal funding for agriculture is just for our own good. They don't see the importance of agriculture and they don't see the importance that this industry plays within our lives, within the consumers' lives, and with the lives of citizens around the world. To continue this funding, a strong national farm policy is needed.

The second one is barriers of entry. I have an economics class right now and it talks about the barriers of entry are important to recruit people into a specific industry. The barriers of entry for agriculture can include the access of capital, especially for people who just graduated out of college and young farmers who want to start a farm on their own. The access to capital is needed to continue a successful farm. By continuing federal funding and by giving young farmers access to capital, we can continue a strong farm policy. Thank you. [Applause.]

MODERATOR: We are off and rolling. As you see, we have microphones set up on both sides. We ask that you please stand up to the microphone. If you want to start lines, that's fine, and I'm just going to go back and forth between the two microphones. We have somebody already at this microphone. I'm going to start right back over here once again.

Sir, if you'd like to stand up at that one that would be fine. I'll catch you next.

MS. KATHY COX: Good afternoon, Mr. Secretary. Thank you for being here in South Georgia. Representatives, Senator, I'm state superintendent of schools, Kathy Cox. I'm here to talk about the importance of agriculture, but more importantly the importance of agriculture education.

As you probably know, Mr. Secretary, agriculture and agribusiness is Georgia's number one industry. Being that, our public schools have to recognize that we need to continue to grow bumper new crops of people entering this vibrant, important industry of our state. Our state FFA chapter is the third largest in the nation. We have that many students participating, thousands and thousands across the state. We consider the FFA program our number one dropout prevention program in our high schools because FFA makes everything relevant and makes science and math come alive for our students. It also gives them a lucrative career to enter into.

I also, of course, as a state superintendent of schools, encourage the USDA to continue its support of the School Lunch Program. In the state of Georgia this is extremely important as we have, unfortunately, far too many children who come to our schools without the basic necessities of a good meal, and nutrition, good nutrition, helps students learn.

I just want to say also on the behalf of all of the people who work in our schools and our schools' cafeteria, this idea that it's school lunches that are causing kids to be a little bit on the chubby side, I think maybe we ought to take a look at Nintendo and Game Boy and the television, rather than the school lunch ladies. They do a fabulous job, and it's through your program that is keeping our students from going hungry and their ability to learn.

So as you enter into this rigorous debate over the Farm Bill, I hope that you will keep foremost in your mind that we have a lot of students and a lot of people who need to enter this industry, so your support of agriculture education K-12 would be appreciated. Thank you to what our representative and senator do to support that already. Thank you very much.

MODERATOR: Thank you. [Applause.]

MR. ROGER THOMPSON: I'm Roger Thompson from Pulaski County, Hogansville that is. I want to welcome and thank you all for coming. Mr. Johanns, Senator Saxby and Congressman Kingston, it's an honor to have you all here. My concern, the truth, is where we are and where we're headed with agriculture.

Today we see prices where we cannot compete with the world around us. Here we are trying to grow something and give it away, and we can't do it. We have diesel processors and fuel processors, and if we don't get some vital diesel or some help to use up this grain to support us, we're in a lot of trouble.

I had the privilege last year in November to sit down with Mr. Keith Collins, who is the chief economist of this country, and we talked about a lot of issues. He said if we're going to keep agriculture in this country, we're going to have to do something with these Asian countries, like in trade, like China and all these people to keep this growth coming. He said but they will take agriculture from this country, and it's not going to be long off.

I proposed a bill in 1998 that would keep agriculture to go from now to now on, and that's a two-cent surtax that you could use, and it would put \$60 billion into the Farm Service Agency to fund USDA, all the employees and have about \$30 billion for target prices to compete with all these other countries. Certainly, I think that this is a step for us to go forward with. Thank you very much. [Applause.]

MODERATOR: Thank you.

MR. VAN MURPHY: Thank you. Mr. Secretary, I'm Van Murphy, a farmer from Brooks County, Georgia, just south of Moultrie and joining the Florida line. I also manage BCT Gin Company, which is owned by 94 cotton and peanut producers. We gin and warehouse cotton and handle peanuts for a local sheller.

I want to thank you for coming to South Georgia today, and I want to say that the 2002 Farm Bill has worked for farmers in Georgia in the southeast. I want to thank our senator, Saxby Chambliss, for the job and the wisdom and the hard work that he did in helping us write that Farm Bill and having the insight and desire to continue that bill through 2011. I think that's a very important point that we need to keep what we've got. The current program provides an important safety net for production agriculture and does so in a responsible manner. Spending under the Farm Bill is much less than originally projected, as you well know.

Countercyclical payments along with direct payments and the Marketing Loan Program protect farmers from fickle weather and commodity markets while allowing farmers to respond to market signals and not distort overall production in prices. Today farmers face a lot of great risks, a lot more than other business people out there. Many factors are beyond the farmer's control. An effective farm program is essential for providing stable production and financing and marketing.

We're looking forward to the new Farm Bill, and it's vital that the U.S. maintain a stable, predictable and equitable farm policy. Such policy supports rural America and permits U.S. consumers to continue access to safe, the most affordable, and the most secure food and fiber in the world. I ask that you would continue to support this program.

Just talking about this fuel cost, our fuel costs and all the other supplies that farmers are dealing with has gone up 50 to 60 percent in the last few months. Farmers at the bottom of that ladder, we cannot pass on the cost to anyone like other businesses do.

MODERATOR: Sir, I hate to cut you off, but we are trying to keep this to two minutes.

MR. VAN MURPHY: I'd just like to close by thanking you for serving. I appreciate you taking on that responsibility and ask the Lord to bless you and your family.
[Applause.]

MODERATOR: Again, we ask that all those who speak maybe try to keep a little eye on the lights. When you see the yellow light, we're down to almost out, and the red light means stop. We're trying to get as many as we can.

MR. TOM STYLINGS: Mr. Secretary, Senator Chambliss, Congressman Kingston, I appreciate you all coming today. I'd like to welcome you to my hometown, Saxby's hometown, and to the state of Georgia. We thank you for coming. I'm Tom Stylings

(sp). I'm a cotton farmer, a cotton ginner, a cotton warehouseman, a peanut warehouseman, and my wife and I operate a cow/calf operation over in Mitchell County.

Again, Senator Chambliss, Senator Cochran and Congressman Kingston are strong allies for U.S. agriculture and they have been. Mr. Secretary, I know that you've been chosen by this administration to set policy for the international agriculture markets for the United States, and I hope that you will be a strong ally of the U.S. agriculture economy.

There's a statement that sticks in my mind and has through the years. I've been involved in agriculture for about 30 years. Believe it or not, it was on a bumper sticker the first time I ever read it. But it says, "Never before has so few fed so many for so little." I know that you've heard that statement before, but it has deep meaning. With high fuel costs, high chemical costs, and input costs in the last 15 years have doubled leaving nothing out. Commodity prices are at a level that were higher in the '70s than they are in 2005.

I look forward and really appreciate Senator Chambliss coming up with the extension of the Farm Bill to 2011. It's a terrific safety net, and everybody that's involved in agriculture is willing to take the 2.5 percent cuts across the board. But it gives a tremendous structure and a foundation to work upon for the next Farm Bill.

When Laura was speaking earlier, she said that her family was not in agriculture, but yet she knew automatically that she's directly affected by agriculture and the payments that we receive in agriculture to make farm commodities cheap. If we have to chase after a gallon of milk five years from now or 10 years from now as we phase subsidies out, then hear what I'm saying, that milk will be \$9 a gallon, and we too will be lined up at the base of the silver trailer waiting for Commodity Credit Corporation and Steve Gill and his group to give us a gallon of milk.

MODERATOR: Sir, I hate to cut you off again. We need to move on. Thank you for your comments. [Applause.]

SENATOR SAXBY CHAMBLISS: Since Tom and Van have both mentioned the extension of the Farm Bill, let me tell you what they're talking about for those of you that don't know. In the budget reconciliation process, we have been asked by the leadership of the House and the Senate to achieve \$3 billion in savings from agriculture over the next five years. In order to do that, it's necessary that we look at each of the three pots of money from which we spend your money as part of the Farm Bill. That's conservation, food stamps and the commodity side.

As we look towards 2007, it's difficult to project out beyond 2007 from a reconciliation standpoint when the Farm Bill is going to expire in 2007. So what we had to do was to extend the Farm Bill out for five years for scoring purposes only and baseline purposes only. We're actually going to write the next farm bill in 2007. There's no question about that. We're absolutely going to do that; we're going to have to do that.

But it was necessary in the budget reconciliation process to extend it out to 2007, so that's what they're talking about relative to the extension of this current Farm Bill.

MODERATOR: Thank you, Senator.

MR. BILL GRIMM: Good evening Congressman, Senator, and Mr. Secretary. Welcome to South Georgia. My name is Bill Grimm (sp). I own my business, Lewis Taylor Farms, 3,000 acres of produce. We employ about 450 people in our operation, and I want to talk to you about something today that's a little bit different than the Farm Bill. I want to talk to you a little bit about labor issues.

Right now, labor is question number one that we're dealing with for our next generation. In my opinion that can be summed up in one word; labor is going to be our problem. Labor's one of the most critical issues facing both today's generation and our future generation of fresh market produce growers. For the last eight years we've been working with the people from Georgia and from the southeast vegetable farmers, with congressional delegations, and also with other various parts of the U.S. agencies, the Farm Bureau and other people, about our workforce and what's going to happen and what kind of problems we're having with a legal and dependable labor workforce.

The fact that approximately 90 percent of our workforce is undocumented is a pretty good indication that the effort that we've done so far has failed. Many of us in the H2A Program have access to the legal workforce, but prohibitive costs and excessive litigation makes this program virtually unworkable. One of the biggest costs, produced by one of the USDA's own surveys -- this is a survey that produces an adverse effect at wage rate. The adverse effect at wage rate is the mandatory U.S. part of DOL that makes it mandatory what we pay in our wages, which is right now \$8.07, besides providing free housing, free transportation, and all the other amenities that go with it.

We believe that the parameters and the job classifications of this study that was done by USDA, which is a field and livestock workers study that USDA chooses to use as your study, we think is unfair. It's got way out of line because the producers are getting so much bigger now, and it's just skewed way out of proportion. We'd ask you to take a look at that, our specialty crop program. We need something to change the survey so it won't be skewed up 2.5, 6.5 or 4.2 percent.

MODERATOR: Thank you, sir. [Applause.]

MR. HONICUTT: Thank you, Mr. Secretary, for coming to Georgia and to Moultrie and Colquitt County, and I assure you that you already understand it's hard for us slow-talking southerners to get much in at two minutes, so maybe we ought to extend that to three. [Laughter.] I'm Jack Honicutt (sp). I was born in Colquitt County, raised here, worked here all of my life. I'm 69 years old, and I've been around and in, and involved in farm and farm finance all of my life.

A little sidebar about my friend Saxby; we agreed that if he didn't tell anything in Washington, I wouldn't tell anything in Moultrie, and that's worked out pretty good, Jack. Kingston, you didn't have that to worry about.

Thank you for coming back. I wanted to share a couple of credentials about myself. I have been in finance for 44 years. I understand farm bills. I understand the good side of them, the bad side of them, the complaints around them. We really can't survive without a good, quality, equitable farm bill. It's got to happen, no ifs and ands.

It was interesting to hear one of the FFA students say we need to make farm entry more attractive. Well, when I was a youngster growing up, I felt like the second-tier Alaskan sled dog because when I wasn't in school, I was following the mule; and the scene didn't change all day long, same scene. That's not what we want to portray to our young people coming up that would like to enter the farming profession.

Having been around finance for all those years and dealt with farmers, farmers are a different breed of cat, so you have to deal with them differently; they're hard, dedicated people who want to be successful and want to continue to provide the food and fiber this country needs. What I encourage you to do is let's keep the plan intact. Don't be monkeying with it for the next two or three years, but let's work diligently to get a new bill started and to make it fair, equitable and attractive to our farm community.
[Applause.]

MODERATOR: Yes, he's correct. Two minutes go fast. You know what we deal with in radio each and every day. Real quick I do want to bring up one thing. We do want to make sure that everybody that does come up to the microphone that you please keep your comments restricted to the Farm Bill. That's what we're here for today. If you have any other related issues that you'd like to talk about, there are USDA personnel here back in the back corner, and they'll be glad to talk to you about anything else. But we'd like to keep all of our comments strictly to the Farm Bill today for anybody coming up to the microphone.

Sir?

MR. STEVEN HAROLDSTON: My name is Steven Haroldston (sp) and I'm from Donalsonville, Georgia. I'm a real small farmer down there. I farm about 150 acres. What to do with this next farm bill just depends on who you ask. We need a good, strong farm bill. We need a safety net. LDPs and cyclical payments pay off. Down in our area you just can't get any land to rent. The prices are up so high you can't buy any.

Getting started is an issue. He was just talking about it over there. You can't get started in agriculture down where I live. You've got people farming 10,000 acres and drawing over \$1million worth of government payments, and you can't compete with that. They're buying their chemicals cheaper, they're buying their tractors cheaper. They can afford to pay \$3,000 for a 200-acre circle of land. It just don't cash flow when you put it on the paper and take it to the bank. They just won't let you do it.

USDA provides assistance to young farmers, small farmers. I actually have a loan with them. It worked out pretty good for me. If you can make it cash flow, they'll work with you. I don't know how long we can be able to make it keep working with the way everything is going with the limits at the size they are. It's just not working out for everybody.

MODERATOR: Thank you. [Applause.]

MR. RAYBURN ANDERSON: My name is Rayburn (sp) Anderson. I'm a landowner in Bulloch County, Georgia. Thank you, Mr. Secretary, for being with us in Georgia. Thank you, Congressman and Senator, for what you've always done for us in agriculture. We know you will be with us in the future, so thank you so much. On our farm we have row crops, beef cattle, timber, and we also participate in the Bobwhite Quail Initiative Program. We try to enjoy some of it as we work also.

I think I'm a good steward of the land. I want to leave the land better than I found it. I have children and grandchildren, and certainly I think it's important for us as adults to make sure we leave it in better shape than what we found it. I strongly support maintaining wildlife as a co-equal objective, with soil and water and the natural resources in the '07 Farm Bill. I encourage full funding of wildlife conservation programs, practices, technical assistance, and program delivery at the local level. That's important we feel. I'm supportive in maintaining and enhancing programs and practices that provide cost-share incentives and to establish native habitat for Bobwhite quail and other wildlife dependent upon the habitat that we have around the farm. All, especially the Bobwhite quail as we've seen in the past, are in serious decline.

I support funding to increase vegetative field buffers like CRP and CP33. You all know how important these programs are, and we should continue this in the '07 Farm Bill. Additionally, we feel that you could add some producers to this list by increasing incentives for irrigated land. That would bring in other acres there. Program and practices are needed for heavy, thin and prescribed burning of our pine stands around the state. Pine habitat is to continue the long-leaf conservation priority area also. We feel it's important to do the prescribed burning and also continue the Long-Leaf Conservation Program.

MODERATOR: Thank you, sir. Thank you very much; appreciate it. [Applause.]

MS. CHERYL PARSONS: Thank you for coming today to listen to us. My name is Cheryl Parsons, and I'm the conservation issues coordinator for the Georgia Wildlife Federation out of Covington, Georgia. Our more than 50,000 members, who are mostly sportsmen, encourage the intelligent management of our natural resources and wildlife. We are losing more than 50 acres of open space in Georgia to development. There's been a trend for larger timber companies to sell their timberlands to developers. An example of this is a recent sale of portions of Oconee woods and the wildlife management areas to developers.

The continuing loss of wildlife habitat to development makes it even more imperative to increase funding for farmers to set aside land for wildlife habitat, yet the promises represented by the 2002 Farm Bill has failed to materialize, and the key conservation programs have been seriously cut back each year through the appropriations process. Nationally, in fiscal year 2004, 74 percent of farmers applying for funding through the 2002 Farm Bill's conservation programs were rejected. Only 26 percent of applicants received assistance to undertake environmental improvements. In Georgia, at the end of fiscal year '04, many environmental policy incentive program applications were left unfunded.

The state also lacked the dollars in '04 to fund projects such as the Farm Land and Ranch Land Protection Program, Wildlife Habitat Incentive Program, the Wetlands Reserve Program, and the Grasslands Reserve Program. These programs provide benefits to all taxpayers by providing clean water and air, healthy soil, recreation opportunities and wildlife habitat. The public needs the Farm Bill conservation programs to maintain and pass along our great wildlife legacy to future generations. These conservation programs should be reauthorized. The level of funding should be increased and the allowable acreages for these programs should be increased. Thank you.

MODERATOR: Thank you. [Applause.]

MR. HATTEN: My name is Rick Hatten (sp). I'm the chief of Forest Management for the Georgia Forestry Commission. I thank you for letting me talk to you today. I actually work for all of these people out here, and the Farm Bill is one of the best tools that we have that helps me be able to do that job.

The Forestry Commission is also working with other groups in the entire southeast, one of them being the Southeast Forestry and Wildlife Farm Bill Working Group. That group is putting together a proposal that will be addressed to you, focusing on some of the forestry titles, and very specifically the Forest Stewardship Program. We feel that's one of the best programs you have, and it seems to have good support from Congress. Within that program, you could improve it by creating an incentive or cost-share component to it. We realize that the Forest Land Enhancement Program that used to provide that cost-share assistance is not very high on people's list right now, but we feel the Stewardship Program could be better even with the loss of the Forest Land Enhancement Program.

Another issue that we're looking at are invasive species moving into the area. I dare say that the dreaded Kogon grass is probably within 25 miles of us right now and getting closer everyday. Your constituents in Mississippi probably have told you plenty about Kogon grass. We don't need it here, and we need some help to keep it out of here, along with many other invasive species that are coming into this state with the increase amount of foreign trade we have. Things are getting shipped in to our ports that our inspectors are missing because there's not enough of them.

MODERATOR: Okay. Thank you. [Applause.]

MR. MARK MOBLEY: Mr. Secretary, we appreciate your being here today. My name is Mark Mobley (sp), and I'm a cotton farmer and tomato farmer from Moultrie, Georgia. Mr. Chambliss about half raised me. I'd encourage you and the President to listen to Senator Chambliss and Congressman Kingston because they know a lot about farming and what's good. I'm not much of a speaker, so I've typed something here to read.

Mr. Secretary, I appreciate your time and willingness to hold these listening sessions about farm programs. Before looking ahead to the next farm bill, I would like to make a couple of comments about the challenges to our current program. We're just now at the midpoint of the life of this bill, and my hope is that this program will be allowed to remain unchanged through its completion of the 2007 product. A stable and consistent farm program provides an essential foundation upon which to make long-term investments that are necessary in today's agriculture. With that in mind, I understand that current budget pressures may require reduced spending in order to contribute to deficit reduction. Any required cut should be done in a manner that is equitable across all parts of our farm bill and across all commodities. In addition to structure, the Farm Bill should be maintained. This would include current eligibility rules and payment limit provisions. The budget process should not be used as a vehicle for rewriting farm policy.

As a final point, I hope that we see the continuation of the Step-2 Program for as long as possible. I understand that the recent WTO ruling found fault with the program; however, the Step-2 Program is an integral part of cotton's marketing loan, and the negative impacts of any possible changes should be carefully considered.

Looking ahead at the next Farm Bill, I believe that a continuation of the current program will serve agriculture very well. There are several key advantages worth knowing. The current program provides planting flexibility to growers and effective safety net in times of low prices and minimal impact on overall planning and prices.

Mr. Secretary, thank you for this opportunity to offer my views. Thank you. [Applause.]

MR. ONEY HUDSON: My name is Oney (sp) Hudson. I'm from South Bibb, a farmer in South Bibb County. I'd like to thank you for the opportunity to speak to the congressman, the senator and the secretary. I'm glad the secretary told us where he was from. I hope they gave him instruction on gnat blowing. If they didn't, he needs a course.

Our Farm Bill is not perfect, but I don't think it's broke. I was blessed in August to go on a mission trip to Argentina with a Methodist minister. We went to southern Argentina and we saw beautiful farmland. It looked like the top soil was 4 feet deep. We didn't see an irrigation outfit anywhere. It was hundreds of acres just fenced with beautiful large crops on it. You got in the rural area and the rural people were living in

mud huts. That tells me something about America's Farm Bill, and I appreciate what you all do.

Specifically, I want to talk about the reorganization of the service of that Farm Bill, the FSA offices and the reorganization of them. I'm 59 years old, and I've been walking in and out of ASCS offices and FSA offices since 1968 now. I finally got one that's got quality personnel, a one-stop shot, and not too far from my house. I get good service delivery. If I'm not familiar with them, I've got some personnel that will help me with what I need to know and help me with the forms that need to be filled out.

I would appreciate serious deliberations, both in the House and the Senate, on the reorganization of the farm service agencies. Particularly, I don't want you to mess with my office. [Laughter.] [Applause.]

SENATOR SAXBY CHAMBLISS: Is there anybody else out there that feels that way?

[Chorus of affirmations]

The Secretary made an announcement a little bit earlier today, just for the benefit of all of you, that FSA Tomorrow has been postponed right now. And we're going to step back, they're going to take a look at it, and we're going to have a dialogue between the House, the Senate and the Department of Agriculture to make sure that we look at this issue. Frankly, we have not considered the closure of any offices since 1991. A lot of things have changed in agriculture since that time. To the credit of this Secretary, I think his proposal was ambitious, but also he listened to Capitol Hill because we were hearing from you folks. So we're going to take a step back and we're going to continue to dialogue about this. There are going to be some reforms made in FSA, but it's going to be with your input and with the leadership of the secretary on this issue.

MODERATOR: Thank you, Senator.

MS. JANET SHELDON: My name is Janet Sheldon. I live here in Moultrie. I have lived in Georgia since 1992, and I moved here from Florida because of the land. It's beautiful here. The reason I am speaking to you is I work with the Georgia Conservancy. We think that farmers, forestry people, and the ranchers are some of the most conservation-minded people in our state. We would like to see the Farm Bill continued so that it rewards them for doing the things that they're currently doing and to encourage them to do more along this line, for example, like conservation tillage, which saves water and reduces the need for as much irrigation; perhaps reward the farmers for doing that.

Also, I'd like to echo what the gentleman on the other side said about the Bobwhite Quail Initiative and helping our farmers to become better stewards of the land and encouraging that. One of the things in the Conservation Security Program that they said that I think bears being repeated was to "reward the best and inspire the rest." I think that

that's what should be done with the Farm Bill, and you should help the farmers in other ways than just the straight ag. Thank you very much [Applause.]

MR. STEVE HOWSTON: I'd like to thank you for being here, that I can look you in the eye and tell you what I say instead of on the telephone. I'm from southwest Georgia. My name is Steve Howston (sp) My big concern is these payment limitations, multiple payments. People drawing all these payments is going to be the death of the family farm. You won't be able to pass your farm on to your children because any farmland that's productive, these mega farms are drawing it up. It's getting bigger every year. We're in a terrible competition with them, trying to compete with them. They set up these partnerships. You've got to be aware of it. They are probably able to contribute to campaigns that we can't.

But anyway, that's my main concern. I was born on the farm, picked my daddy up dead off the farm. Anyway, it's tough out there. These people drawing these multiple payments are in competition against us. They offer our landlords more than we can give. They set these things up and they're protected by law. They draw these multiple payments and keep getting bigger every year. The number of farmers drop every year. There's going to be fewer and fewer farmers and there won't be such a thing as a family farm. It will be corporations. That's the way I see it, and I appreciate you listening to me. [Applause.]

MS. DEANNA STRICKLAND: I am Deanna Strickland. I'm from Bulloch County. My husband and I farm about 1,000 acres of cotton and peanuts there. We have transitioned out of tobacco, and we are now growing pick your own vegetables. That kind of brings me to one of the things I would like to say. We found out no one really wants to pick their own. [Laughter.] They enjoy coming to the farm, and it's just too hot for them to pick any vegetables.

I want to thank you, Secretary, for coming. The other two gentlemen on the stage with you can probably fill you in on me about as well as anyone else. Thanks, guys. It's very nice to see you here.

I also want to include one other thing. My husband is the county chairman at the FSA Committee and has held one form of that office or another for about 14 years. I worked for FSA when it was ASCS. I also serve on the Governor's Agriculture Advisory Commission, and I was on the State School Superintendent's Task Force for Agriculture Education. So as you see, I'm very, very committed to agriculture.

Fortunately, several of the people right ahead of me stated pretty much what my concerns were. But as I travel the state and the Midwest -- I've just returned from Kansas a few weeks ago -- I find that most people are concerned about losing agriculture in the United States. We must have a strong farm bill. We must retain our ability to grow our own food. Now my time is out, but I am so glad you came because we needed this session so badly. Thank you. [Applause.]

MODERATOR: Again, a reminder. Anybody that would like to make comment concerning the Farm Bill, just please step up to the mike as we continue to rotate back and forth for any of the new folks that have just come in in the last few minutes.

Commissioner?

MR. TOMMY IRVING: Mr. Secretary, I'm Tommy Irving, commissioner of Agriculture for Georgia. We want to welcome you here, and we're really pleased that you could be here with our two farm leaders. We've got excellent representation in Congress.

I want to mention two things that haven't been discussed. We're getting a lot of calls about avian influenza. We're going to need your help. We're going to be first-line workers with you if that shows up any place on this side of the globe. We want to make sure that your staff is aware of the fact that we want to be calling you. If we might have to do detox, we want to immediately put it under quarantine if it shows up here. I promise you we'll act responsibly.

One other thing that we want to get on your radar screen and that we think that you should take the leadership in, and that's biomass per energy. These are the two burning issues in Georgia. I promise you because my phone rings constantly, wanting to know what the state is doing, what you're doing to encourage Congress and encourage Washington to do in this important field. I think we've got to have an energy policy that allows us to be listed, depending upon foreign sources of oil. I think we're being cheated, and I think it's going to take some less dependence upon foreign oil to alleviate that.

I've been told by people that know more about it, in the scientific community, that Georgia could be self-sufficient in energy if we could develop a clear signal plan for using biomass for energy production. I think we ought to make that a mission for the future. These are the things I think that we've got to look forward to, and we'll be working with you to try to accomplish all of these things. Thank you for coming.

MR. STANLEY SCARBOROUGH: Mr. Secretary, welcome to South Georgia. I'm Stanley Scarborough (sp), the production manager for Center Ridge Farms. Our company currently represents production of 2,500 acres of blueberries and 250 acres of blackberries in Georgia. At present, the blueberry industry in Georgia is growing at a rate of 10 percent per year and the blackberry at 15 percent per year.

I'm here today as the vice president of the Georgia Fruit and Vegetable Growers Association. The 2007 Farm Bill provides us a golden opportunity to address important nutrition issues in America. The new dietary guidelines recently issued by USDA and DHH recommend that all Americans should eat 5 to 13 servings of fruits and vegetables a day. These guidelines are the strongest statements ever about the need to increase consumption of fruits and vegetables.

It is our belief that one of the top priorities of the Farm Bill should be able to expand fresh fruit and vegetable consumption among our youth. Currently, funding for the Fresh Fruit and Vegetable Snack Program is only available for 25 schools, eight states, and three Indian tribal organizations. This means only 225 schools out of approximately 100,000 in the U.S. have this snack program in place.

When this program is implemented, the results are startling. These schools represent that students begin eating more fruits and vegetables starting the first week this program is in place. Students who participate in the snack program ask their parents to buy more fruits and vegetables at home, and the pilot program conducted in 2002 demonstrated that students spend less dollars on soda, snacks and chips. Thank you for your time, and we would like to support nutrition in our school system. [Applause.]

MR. JAMES KENNEDY: Mr. Secretary, Senator Chambliss, Representative Kingston, again, I'd like to welcome you all here today and thank you for coming to hold this forum for us. I'm James Kennedy. I'm Vice Chairman of the Gwinnett County, Board of Commissioners over in Suwaneeburg, Georgia. I farm. We grow cotton, peanuts, and long-leaf pine seedlings.

Listening to Commissioner Irving, most farmers here today's biggest plight is fuel costs, whether it's diesel fuel, gasoline, fertilizer, or whatever. They have no way of passing that increased cost on. My biggest concern -- as we've just went through two disasters in the Gulf Coast, and you see how it affected us here locally -- is we look at other means, urgently, to alleviate this problem. This terrorist stuff is going all over the world. Two storms just about brought us to our knees. What would a terrorist attack on our fuel resources do in this country?

Again, that's all I've got to say. Thank you all for coming. I appreciate what you all do. [Applause.]

MODERATOR: Again, a reminder that we have an open mike on this side. For anybody that's come in to the room, if you have any comments about the 2007 Farm Bill, this is the time to do so. Just step up to the mike, and we'll recognize you when your time comes around.

MR. WILL HARRIS: My name is Will Harris. I've raised cattle in Early County, Georgia and I market my own beef, and I'm a USDA label White Oak Pastures. Before I start, I'd like to thank Senator Chambliss for some help he's given me in the past getting that business established.

My concern today is that I sell my beef through a supermarket chain and through a health food distributor. In both of these markets, I have competition from beef that's imported from the country of Uruguay. Now I don't mind competition. I expect it, it's a way of life. I welcome competition, but I think I have the right to have fair competition.

There are several issues that I could bring up, but I'm going to limit my comments to what I believe is the process of equivalency. My understanding is that this Uruguayan beef is brought into this country with a USDA inspected label just like my beef. But it's my understanding that a USDA representative may have never seen the beef nor the cow it came from.

Now, I don't believe that the American consumer, when he or she picks up a beef product with USDA on there, believes it came from a foreign country and the USDA inspector had not seen it. It's a little bit complicated by the fact we don't have mandatory country-of-origin labeling. Again, there are several issues I could bring up, but I'll restrict my comments to this. Thank you. [Applause.]

MR. DAVID SAPP: My name is David Sapp (sp) I'm from Mitchell County. First, I'd like to echo our neighbor from Statesboro and Bulloch County, Rayburn Anderson's comments about the wildlife portion of the Farm Bill. I have a farm and it's an active farm, and I'm really interested in wildlife because it complements farming, as you well know, Senator and representatives.

Between the state's Bobwhite Quail Initiative and the FSA program that got initiated this year, I think we're going in the right direction to bring back our native Bobwhite quail. That to me is a legacy that's known around the world, that Georgia has been and will continue -- if we continue to work at it -- to be the quail-hunting capital of the world. Thank you. [Applause.]

MR. REGGIE THAXTON: My name is Reggie Thaxton. (sp) I'm a senior wildlife biologist with Georgia Wildlife Resources Division in Forsythe. I live in Forsythe, Georgia. I appreciate very much you all being here today and providing this forum for comment, and I greatly appreciate all the comments about the Bobwhite quail and I coordinate the state's quail initiative.

Our agency fully supports funding for a strong farm bill, particularly the farm bill conservation programs. They have the potential to impact wildlife habitat at the landscape scale more than any other types of programs out there. This is critical for maintenance of many wildlife species. In that regard, we strongly support maintaining wildlife as a co-equal objective with soil, water, and other resources in the upcoming Farm Bill.

Beyond that, we strongly encourage full funding for the provision of adequate levels of technical assistance and program delivery at the local levels. That's critical to getting these programs on the ground and working with producers. Of course, we are particularly supportive of maintaining, enhancing programs, and providing incentives for the establishment of native habitats for northern bobwhites and other grassland-dependent wildlife species that are in serious decline.

We are very excited about and appreciate the habitat buffers for upland birds CP33 practice. That is probably the single most beneficial practice that's ever been established

in the Farm Bill for quail and these other grassland-dependent species. We also encourage new initiatives in this upcoming bill to look at managing field corners, heavy thinning and burning the pine stands, and other programs and practices that can provide for this critically diminished habitat. Thank you very much. [Applause.]

MR. KEVIN COGGINS: Mr. Secretary, welcome. My name is Kevin Coggins (sp). I'm a farmer from Lakeport, Georgia. Our farm is a diversified vegetable operation. Vegetable production in Georgia is very dependent on the Cooperative Extension Service, based on the research efforts from the USDA stations in the southeast. However, federal investment into agriculture research dedicated to fruits and vegetables have been extremely limited, especially crops in the southeast, and our research needs are unique and important.

Vegetable crops in Georgia are typically characterized by high-production input costs, unique market challenges with dramatic reductions in cooperative extension staff and research personnel. Support for specialty-crop research has been significantly reduced. Research investment in agriculture should reflect the importance of fruits and vegetables to the American diet. Over 50 percent of the food pyramid is provided by fruits and vegetables. I believe research funding for the USDA should also reflect the same 50 percent importance.

We have a major problem not only here in Georgia but across the nation with a disease called phytofera. If it gets in your field, you have to leave. You can't do it. I've lost over 500 acres of my own land to this disease. In the U.S. it's estimated that there's 250,000 acres that have been affected by Phytofera. It's a major economic loss to our groves. Our scientists know very little about this disease. We have no control for the disease chemically or environmentally. We have tried to find sufficient research funds in Washington to address this critical problem, but to no avail at this time. I hope the 2007 Farm Bill will provide research grant opportunities to address emergencies and emerging pests quickly with the dedication to help growers abort a potential disaster of a disease like phytofera.

SEC. MIKE JOHANNIS: I want to respond to that.

MODERATOR: Go ahead.

REPRESENTATIVE JACK KINGSTON: Kevin, I tried to pronounce it correctly on the airplane coming down with the secretary and was not able to do so, but I want you to know -- and Emily Howard is sitting right in front of you from our office -- that we have put money in the Ag Appropriations Bill to start some study on that. There's no other study that is taking place. Saxby was able to put some in the Senate side, so we've got our toe in the door right now on that. That's the beginning of it. We do have some studies that are going to start next year on it. It's because of you all's efforts, but it is something we're very concerned about.

MR. KEVIN COGGINS: Thank you much.

MR. BILLY SANDERS: Thank you very much for allowing me to have the distinguished honor and privilege to speak to three very distinguished and public servants of this nation for the business of agriculture. My name is Billy Sanders. I'm a fourth-generation farmer from Dooley County raising cotton and peanuts. I have a son and a nephew, fifth generation farmers that farm with me, and also my wife. All of them are making contributions with land, finance and work. We work as a partnership. I would encourage you to allow family operations to pool their resources to be able to survive this day and time. I would also encourage you to try to preserve some way for us to pass our farmlands on to future generations so our farmlands could survive.

Being site specific, concerning the CSP Program, I'm a supervisor from our local Dooley County soil district. The CSP program that we were allowed to participate in our area the past year, our farming operation achieved a Level 3, which I'm very proud of. One thing I would like to encourage you to do, though, is that it is a very different program. It's a very good program that needs to be encouraged in that the farmer could know that his watershed district could be coming up for application, at least one year, preferably two years, prior to time of application. This program demands that there be a proof and record keeping of the previous two years to be able to qualify for the program. That would be a very strong recommendation that would come from my watershed district. Thank you. [Applause.]

ROGER: I'm also a farmer, a little shrimp. I'm doing the agriculture program for the state of Georgia. I've been working with this project now for about four years. When I called Mr. Collins about four or five years ago, I told him I'm trying to do some aquaculture. He said, Roger, what in the world of you doing with aquaculture? I said, well, Mr. Collins, whether you know it or not, it's the next import next to oil. I said it's time for us to try to take some of this market. When I said that, he said, I really didn't realize that.

I've been working with this project and have been successful, but in truth I need a lot more support. We got this one shrimp under agriculture. That's the only facet of aquaculture that's under agriculture. Of course, the bill hasn't been funded, but it will be one day, maybe when George gets enough money. But anyhow, I'd like to have the Congressman Jack Kingston and the senator's support in trying to keep this thing going across the state of Georgia. I feel it's a lot of opportunities for farmers. This shrimp is like no other shrimp. When you take a salt water shrimp and grow it in fresh water, you really have a product. Thank you.

MALE SPEAKER: Good afternoon, Congressman Kingston, Senator Saxby. Secretary, we appreciate you coming down and being with us. I was talking earlier to the former dean of the Agriculture College here at the University of Georgia, Dr. Buchanan, which he's here. Me and him were discussing the problem that we're having now in Georgia with this tomato wilt virus. It's really becoming a big problem with tobacco. It's going to put the tobacco business out in Georgia. If something's not done, it's going to really be detrimental to the peanut crops along with a lot of other vegetable crops.

I was asking Dean Buchanan if anything was being done. He mentioned to me that we probably need five scientists working on it at the university. At the present time we have no one working on it. I hope somewhere in the new Farm Bill, Senator and Congressman, you all can maybe appropriate some money for that. I know that you all talk with people here in Georgia, and it is really becoming a big problem. It's taking its toll in our county, on Evans County. I'd say the peanut crop is going to lose 30 percent to this disease, and at the present time, we don't have anything to combat it. Thank you for coming. [Applause.]

MODERATOR: We're going to take one more quick comment, and then we're going to take a 10-minute break and we'll be back with more.

MR. JOHN KAZEE: Thank you very much. I'm John Kazee (sp) with Livestock Marketing Association. I also represent the Georgia livestock markets. I wanted to bring up a point that I would like to see considered in the Farm Bill.

EPA has considered livestock markets as a CFO [CAFO], confined feeding operation, by their definition. There are some matching funds, equip funds, for getting them in compliance as far as pollution and that; however, because they qualify under the definition of a CFO in the equip regulations and information, they don't qualify for the matching funds. That's a disparity that needs to be looked into and try to take care of that problem, if we could, in that bill. Thank you.

MODERATOR: Thank you.

Folks, we're going to take a quick, 10-minute break. Anybody, again, that has any comments they'd like to make about the 2007 Farm Bill, we'll pick this back up in 10 minutes. Thank you.

[Recess. Off and on the record.]

MODERATOR: Let's get ready to get started. Ma'am, I believe you're up, so go right ahead.

MS. GRACE FRICKS: Thank you. I appreciate you being here in Georgia, and particularly rural Georgia. Just a few minutes ago someone asked me what part of agriculture I was in. I'm from North Georgia. We grow the cabbage patch kids. I'm from Cleveland, Georgia. My name is Grace Fricks, and I run a private nonprofit called Appalachian Community Enterprises. What I wanted to talk to you about is a part of the Farm Bill that has to do with rural entrepreneurship.

What we do is we help grow small businesses, very small businesses called microbusinesses. In Georgia, 87 percent of all the small businesses are microbusinesses. That means businesses that are run with five or fewer employees. Eighty-seven percent of all the small businesses are micro. What I've asked is that the Farm Bill continue to

include the micro-loan programs, the low-interest loan programs. Rural people, we don't want a hand out; just a hand up. These are loan programs. They get paid back, and these help start small businesses.

Also, we hope that you would help start entrepreneurship early. Get that pipeline of entrepreneurs going by putting entrepreneurship and financial literacy in the schools from K through 12. Finally, if you would encourage and put in more expanded support for the training, the technical assistance. The very smallest of the businesses, the mom and pops, need to grow. Thank you very much. [Applause.]

MODERATOR: Thank you.

MALE SPEAKER: Thank you all for being here today. I'm just a peanut and cotton farmer down in southwest Georgia, north of Whigham. Mr. Secretary, I'm halfway between Climax, Georgia and Vada, Georgia, so that would tell you exactly where I am.

I want to tell you that the peanut portion of the Farm Bill is working. Since the program has been changed, I like it. I think if we can keep it in the next Farm Bill it will be profitable to southwest Georgia and to the nation and keep us in the peanut industry.

Everybody talks about the fuel costs and we can't pass it along, but everybody sure is passing it along to us. Every part I pick up at the John Deere place or any other place, there's a surcharge added to it. I know there might have to be some cuts, but do it in a way that we can stand it because before this last farm bill, I really questioned whether I could continue farming. I said, well, with this farm bill, I think there's a safety net in place that I can do it. Actually, I thought by this point in time I'd be out of debt, but it hasn't worked out that way.

We have some problems in our industries with diseases and stuff, and we thank Representative Kingston for that funding you do for the tomato wilt and everything else in the peanut deal. With some crops that we can grow and make a yield on, we can stay in business. Thank you all. [Applause.]

MODERATOR: I know we have some new folks that have come into the building. Let me remind you, again, that this is our 2007 Farm Bill listening session. If you have any comments to make whatsoever concerning just that, the 2007 Farm Bill, we limit you to two minutes. At that point in time we do ask that you also please state your name and where you're from, and also who you represent, whether it's an individual farmer or a certain organization.

MR. BEN DEAL: My name is Ben Deal (sp). I farm in Appling, Wayne and Pierce counties in the southeast part of the state. I deal with three different FSA offices. This isn't what I'm up here for, but I would really appreciate it if you all would send them the same set of books so they'd all have the same rules.

A problem I have is I'm a very diversified farmer in row crops and cattle and also vegetables. My main cash crop is corn silage. I can get an LDP payment on that silage, but I cannot get a CCC loan, and I do not understand this. It would be very helpful to farmers like myself -- and there are several others in my area that grow silage for the dairies -- if we would be able to get a loan on this silage and also maybe even the hay that we produce to help us store this hay on the farm until such time that we can sell it to our end users. That's my comments. Thank you.

MODERATOR: Thank you.

MR. RUSTY PRITCHARD: Good afternoon. Thank you for being here in Georgia, Secretary Johanns and Congressman Kingston. We really appreciate your attention to these issues that are really important for all of Georgia. My name is Rusty Pritchard, and I'm an agriculture economist with the National Wildlife Federation, the nation's largest member-supported conservation, education and advocacy organization. We have represented hunters, anglers, and wildlife enthusiasts since 1936.

The future of Georgia's landscape and character of our rural communities is at stake as we look forward to this next farm bill. The last farm bill marked a new era of conservation programs on working farms, like this landmark conservation security program. Those programs are a triple win for rural Georgia. Those conservation dollars improve habitat for wildlife, which is important to hunters and anglers. They support vibrant, local economies and they keep farmers on the land in the face of development pressures.

This week Georgia papers in Moultrie, Albany, Tifton and Atlanta have all emphasized these points in print, and I'll leave you a copy of these editorials, Secretary. These conservation programs, important as they are to Georgia farmers, all Georgia farmers can access these conservation programs in distinction to the direct subsidy programs. These programs benefit all of Georgians, but they've been cutting back year after year in the appropriations process.

One more point is that American farm policy used to be made in America, but our trade negotiators seem to want something different. In the next two months when the World Trade Organization meets in Hong Kong, they're going to make decisions there that affect our lives here. If we're going to play in this free trade game and continue to support our farmers, then we need to trade proof our programs of farmer support. That means expanding the kind of support allowed by WTO rules, like the conservation payments provided under CSP and relying just a little bit less on direct commodity subsidies which are constantly under threat.

Conservation programs in the next farm bill ought to be treated as integral components of foreign policy, not as luxuries to be cut when funding runs short. Our nation's farmers deserve to be rewarded for the benefits that they provide to society. Thank you. [Applause.]

MODERATOR: We do have microphones set up on both sides. Whichever side of the room you're set up on, that's fine; you can walk to each one.

MR. KEN HAMILTON: Mr. Secretary, I'd like to thank you for being here today. My name is Ken Hamilton. I'm a vegetable grower right here in Colquitt County. The dynamics of American agriculture is changing. In 2004, specialty crop production in the United States was valued at \$55.9 billion. That represents over 50 percent of the total plant agriculture in the United States. However, more than 90 percent of the funds in our commodity programs focused on traditional crops. Food and vegetable crops are typically characterized by high production input costs and very unique and volatile market conditions.

We look to the 2007 Farm Bill to help address some of these issues for our industry; not by creating direct program payment to growers, but in support for research conservation and marketing programs. One of the issues that we must address in 2007 is payment limitations and conservation program participation based on annual gross revenues.

With most USDA payment models, whether used for disasters or conservation, the same guidelines apply for me as for a corn or cotton grower. However, specialty crop producers have tremendously higher input costs for production than traditional crop farmers do. I can normally expect to have over \$5,000 in a crop of pepper or eggplant before I ever harvest any. However, when a disaster occurs, I have the same \$80,000 payment limit as a cotton or corn producer. If my production cost is \$5,000 per acre, then the \$80,000 limit will only cover me 16 acres, whereas a cotton farmer with the \$500 per acre input cost will get reimbursed for the cost of 160 acres. We must find ways to address this discrepancy between the traditional and agronomic crops and specialty crops. Future U.S. foreign policy must account for these costs of production differential. Thank you very much. [Applause.]

MR. TOM CURL Thank you so much, gentlemen, for coming to listen to us. My name is Tom Curl. I'm a retired farmer, and I started in 1948. I'm presently a board member of the American Corn Growers Association. I feel the farm problem is a political problem, only a political problem, and no other kind of a problem. I'm glad you're here listening to us instead of Monsanto, Con Ag and others. It's an absolute disaster when our only trade surplus is in scrap metal and scrap paper. This is America. Don't let the World Trade Organization and CAFTA dictate our farm policy.

Our problem is also price. A safety net's not much good if it's only six inches up off the floor. You go to a farm sale. You see no younger farmers bidding on land. We're losing farmers at a rate of 1,700 every half hour I've read. Who's going to replace them? Do you think Monsanto can do it all? Those genetic crops are hurting our exports. I don't know if genetic engineering is good or bad, but I do know it's hurting our exports.

Again, I want to thank you for coming here. You have a hard job to do. Remember, you're about our only straw to grasp on to. Thank you very much. [Applause.]

MODERATOR: Our topic again this afternoon, the 2007 Farm Bill. If anybody has any comments that they would like to make concerning just that, the Farm Bill, now is the time to do so. Just step up to one of the two mics.

MR. KEITH GRIFFIN: Gentlemen, thank you all for coming. I'll be brief. My name is Keith Griffin. I'm from Bainbridge. We've got about 4,000-acre operation. That's not a mega farm; our farm is a family farm. Part of it was an uncle's, part of it was another uncle's. A brother rented it. We bought our neighbor's small farm. What we need to maintain what we have -- we've been successful. I'm not going to apologize for it. We don't need high-counter cyclical payments; we need decent prices. But if we get low prices, we need some kind of support, and we need to maintain those payment limitations as close as we have in the past.

Bankers don't like volatile markets, I promise you. They want something steady. Whatever we can do to maintain a steady course, we'll always have agriculture. Thank you. [Applause.]

MODERATOR: For those of you who have just entered the room, if anybody has any comments from the secretary concerning the 2007 Farm Bill, now is your chance. Again, we ask that you please limit your comments to two minutes if you do have a comment whatsoever.

With that said, it looks like all the comments are there, so we're going to take a little brief recess.

[Recess. Off and on the record.]

REPRESENTATIVE JACK KINGSTON: Thanks so much for being here today. We certainly appreciate all your comments and the patience that all of you all have had sitting through here. There was a lot of information that was exchanged. One of the things that I heard abundantly that is outside the Farm Bill but something that Saxby and I are working on is to end the death tax so that you can pass your property on to the next generation, and then those young 4-Hers have an opportunity to start a farm without a high entry fee. Fuel costs, alternative forms of energy, we're certainly not going to wait for the Farm Bill to address that. Other issues, H2A, I hope we don't wait for the Farm Bill to jump on that.

There's been a lot of great information here. I know I can speak a little bit for Saxby, that we're both very, very proud of the comments that have been made to the Secretary of Agriculture here in Georgia. Thank you. [Applause.]

SENATOR SAXBY CHAMBLISS: Let me just echo what Jack said there. I know all of you are awful busy and you've got a lot of other places you could be today. But to take time to come out and express yourself to the secretary means an awful lot to us, and

I know, obviously, it means an awful lot to him. I've seen him taking a lot of notes over here, so I know he's going to take those back and digest them.

Just a couple of things. Commissioner Irving raised the issue of alternative fuels and the fact that we need a long-term energy policy. He's exactly right. Jack and I have been trying to develop a long-term energy policy for years in the Congress, and finally we've got an administration that understands how bad we need one. Thank goodness, back in the last day of the session that we ended up at the end of July, we did pass, on the House and the Senate side, a long-term energy bill that will provide a policy for this country to not just make sure that we have a steady supply of petroleum and other energy products today, but it's looking down the road to our children and grandchildren.

Secretary Johanns comes from a part of the world where they use ethanol as an alternative fuel. It's a big item for him out there, but we've never had the wherewithal, from a resource standpoint, to put quantity of corn that we needed into the ground to provide a resource for an ethanol facility. Now, what we're seeing is that there are many other resources that are available.

Tom Stallings and I heard a presentation one day about the use of cotton seed oil as a biodiesel product. While it's a little bit expensive right now, it's getting an awful lot cheaper with the way prices of gasoline are going. I'm firmly convinced that my grandchildren are going to put something different in their car when they go to the gasoline pump than we're putting in our automobiles today. I think we've got to do that. This long-term energy policy not only provides for additional exploration for resources in this country, but it also provides incentives for the expansion of ethanol and the development of other alternative fuels that's critically important to us.

A lot of you have mentioned conservation. I say every time I have the opportunity to brag on my farmers that my farmers are the biggest environmentalists in the world because farmers understand that unless the ground is protected, and unless the ground is available for the production of agriculture, then they're never going to be able to make a living in farming. So farmers are great environmentalists and know and understand what it means to protect the land.

As we move into the next Farm Bill, I'm very confident of the fact that the conservation programs that we have in place today are not only going to be expanded, but we're going to look at some other alternatives in conservation. We need your input as we go through that because I know there are a lot of ideas out there that we haven't thought about relative to the different types of conservation practices that the federal government can help farmers participate in. As we look at being WTO compliant, it's going to be necessary that we have more of those green-box items and those blue-box items, and conservation programs fit into those boxes.

I'm excited about the fact that you had an opportunity to be here to express yourself to the secretary. I look forward to continuing to dialogue with him and his staff as we move into 2007 when we write this next farm bill. I assure you, your being here today

and your comments today are going to be taken into account as we do rewrite that Farm Bill in 2007. Thank you very much. I'm very proud of my hometown and my home community for showing up and participating in such a magnanimous way today. Thank you. [Applause.]

MODERATOR: Thank you very much, Senator. For closing comments, once again we call on Secretary Johanns.

SEC. MIKE JOHANNIS: Well, I will offer a few closing comments. First, let me just say, Senator, you have every reason to be proud of your home town, but I also say your home town has every reason to be very proud of you. I think it speaks volumes to have the congressman and the senator here throughout the entire forum, and I applaud you for that. [Applause.] That's how seriously they take farm policy. I guarantee you, with these guys it doesn't change when they go to Washington. The same people you see here in your community are the people that work hard for you back in Washington. They do a great job.

I also want to say thank you to our moderators. They're the enforcer. They've got to be the one that says your two minutes is up. I thought you guys did a great job. I appreciate it. [Applause.]

This was an excellent forum, a really excellent forum. We had a tremendous crowd, standing room only actually when we started. I thought the quality of the testimony was excellent. You are really getting to the issues that we are trying to figure out as we talk about trade policy and as we talk about the next farm bill. Let me, if I might, just highlight a couple of things.

One gentleman observed that the farm program that is in place now, basically 90 percent of the funding goes to five crops. In your state you have a pretty significant involvement from the fruits and vegetables industry. You've got beef guys that got up here and testified. You've got a very diversified farm economy.

What does that mean? Well, if you look at the farm programs, about two-thirds of American farmers are not subsidized. There's this impression I think by some that every farmer is a programmed farmer, and that just simply is not the case. Two-thirds of farmers in America actually don't receive a subsidy. They are out there in the fruit and vegetable industry, or the beef industry, or the pork industry, and they pretty much operate 100 percent in the free marketplace. So when the produce people get up and talk about the need for research, labor reform, trade initiatives, phytosanitary enforcement, invasive species, those kinds of issues, that's the kind of dialogue we are hearing in terms of future farm policy.

Rural Development. We also get a tremendous amount of support. In fact, I will tell you, ladies and gentlemen, that of all of the Farm Bill forums I've done -- and like I said earlier, this is my 17th or 18th one -- I have yet to hear a single negative comment about the rural development programs. They are making a difference in rural America, whether

it's waste water, whether it's the wing on the hospital where we put some low-interest loan into it or whatever, and so they continue to get support.

The conservation programs get some debate but, quite honestly, not a lot. We get little debate in cow/calf country about conservation competing with grassland needs for grazing and running the price up because we're actually out there doing conservation. But that's about it. By and large, what you heard today is what I'm hearing across the country. I do believe the senator's observations are correct. No matter how you slice and dice the next farm bill, I do think you're going to have a very strong conservation initiative, much like the 2002 Farm Bill.

Now, if I might visit with you a little bit about trade and maybe offer something for you to ruminate on a little bit when you think about agriculture.

We have an interesting situation in the United States, more than interesting. In fact, in some respects it's an economic life or death situation for farmers. The situation is this. Our farmers and ranchers in the United States, in my judgment, are the most productive in the history of mankind. They just always find a way year after year to get a little bit better than the year before.

When I grew up on that dairy farm, if we had a corn yield of 100 to 125 bushels per acre, that's pretty tremendous. We thought that was in the vicinity of a bumper crop. Now, if you've ever raised corn, you know today that 200, 225, 250, 275 bushels per acre is not unusual. Over that period of time productivity has virtually doubled, but it's true of all commodities. Our beef products are better than they've ever been. Our pork products better than they've ever been, cotton, rice. I mean, you can go on and on, produce; we just continue to get better each and every year.

We trace productivity and we are growing our productivity from an agriculture standpoint about 2 percent a year. Now, that's very, very positive. That allows me as a consumer to walk into a grocery store and have the most unbelievable choice, and spend less of my disposable income than just about any person in the world.

Now, here's our challenge. Our consumption in our population is growing less than a percent a year. If you chart that out over a decade, you'd begin to see the dynamic that you're dealing with. You just have a terrific imbalance.

I'll add another statistic into that. Ninety-five percent of the world's population doesn't live in the United States. Ninety-five percent of the customer base for the products you raise, already raised, is outside of the United States. Now, I'll ask you to consider one last thing. Twenty-seven percent of your income already comes from the export market, and in some areas it's even more significant. For example, if you break down the components of a beef animal, we tend to think of the components as being that steak we put on the grill. Seventy percent of our hides are exported. Seventy percent of our hides go into the export market. I could go on and on and tell you individual components of agricultural commodities without an export market, quite honestly, we're

in very serious trouble. The important issue for us is that we do trade in a way that recognizes that this dynamic is here and provides an opportunity not only for you today, but in the future.

But that also impacts our farm policies. You heard one gentleman get up and say, boy, I'd really like to have you keep that Step-2 Program as long as you can. Now, some of you who are not involved in cotton maybe are sitting there saying, well, why did he say that? If he likes the program so much, why isn't he saying, Mr. Secretary, don't ever give up the Step-2.

Well, the Step-2 Program has run into problems in a WTO ruling. Some of you may push back and say, well, wait a minute here; what about that? Again, I will point out to you that this export market, for cotton especially, is an enormously important market. We've got to pay attention to it. Those are the things that we are working with. We say over and over again, we're not going to let the WTO run or write our farm bill, but we're also going to be mindful of the fact that we need to continue to build this export market.

Here's my last point, and I think this is a very, very important point. I will go to my grave maintaining that our financial investment in agriculture is a very, smart, wise federal investment, for a lot of reasons. One is that we have a very safe secure food supply growing right here in the United States. The economics of this are also very, very huge. So I just believe that that investment makes tremendous sense. Everyday that I am on this earth, I will advocate that it's a sensible approach in terms of fiscal policy for the federal government to make the adjustment in agriculture.

How we do it, though, is a very significant issue as we sit down to think about the policy approach to the next farm bill. We don't want to jeopardize what you are so successfully doing, which is production, and selling into that export market, and selling domestically. All of those things need to fit together.

Good farm policy is about a lot of things, ladies and gentlemen. It's good tax policy. It's a good farm program. It is good renewable fuel policy. It is, in my judgment, eliminating that death tax. All of those things fit together in this rather complex policy approach to developing a good farm program for you that spans well over and beyond the farm program that is written every five years.

I will say that I've got some great people in the House and the Senate who are really going to be significantly involved because they write the Farm Bill. But I'm going to do everything I can, after these listening sessions and working on trade issues, to offer our thoughts and suggestions as to what we believe would be good approaches in terms of that next Farm Bill.

Let me just wrap up and say thank you so much for being here. The senator and the congressman promised me that I would have a great time in Georgia, that we would have a great session. And you know what? You were absolutely right. These are quality people. God bless you all.

[Applause.]

MODERATOR: Ladies and gentlemen, I'd like to remind you real quick that if you'd like to make any comments via the Internet, just go to www.usda.gov, and you can make comments that way too. Again, thank you very much for coming this afternoon.