



TRANSCRIPT

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OF
TEXAS FARM BILL FORUM
WITH SECRETARY OF AGRICULTURE MIKE JOHANNIS
AND MODERATORS TONY PURCELL WITH THE TEXAS STATE NETWORK
AND TONY ST. JAMES WITH KFLP
TEXAS TECH UNIVERSITY, LUBBOCK, TEXAS
WEDNESDAY, OCTOBER 5, 2005

MODERATOR: Let's make sure we have room for the Color Guard here. We'll start our program with a little pageantry. We'll begin with the posting of the colors, the junior ROTC.

Okay, we have a number of dignitaries here. First, let's bring out Chancellor David Smith of Texas Tech University. And our Congressmen, Second District of Texas Ted Poe, Mike Conaway of the Eleventh District, and the Nineteenth District Congressman Randy Neugebauer.

And now may I present United States Department of Agriculture Secretary of Agriculture, Mr. Mike Johannis. (Applause.)

By way of introduction, my name is Tony Purcell. I am the Agribusiness news director for the Texas State Network. We're based in Dallas. We broadcast on nearly 140 radio stations around the state. And I'm a bit overdressed up here, me and Chancellor Smith. I was getting ready to come out here to Lubbock this morning from Dallas -- (inaudible) -- suit. (Laughter.) He said, "The only thing is the Secretary is not wearing a suit. You may take off your coat." So I'm going to do that. (Laughter.)

You know, whether you're a cotton grower looking at the top rates for the crop you're about to harvest, whether you're in livestock production and looking at the EQIP program to make your operation more environmentally friendly, if you're a needy person or a hurricane victim who is investigating nutrition programs, you have a stake in this Farm Bill. In fact, when you get right down to it, if you eat or if you wear clothes, you have a stake in this Farm Bill. So this is a very important session, and we're looking forward to it.

Start with a little pageantry. The Lubbock Estacado Junior ROTC. Please rise as they present the colors.

(Colors presented.)

Please remain standing for the Pledge of Allegiance. It will be led by Padon Holt, the Texas FFA Area 1 President and Jane Wagner, the Texas 4-H Council.

(Pledge of Allegiance.)

Our National Anthem will be sung by Ashley Prewett of Texas Tech University.

(National Anthem.)

Thank you very much. You may be seated.

Now, as the administration and the Congress fashions this Farm Bill, we need input, and that's what we're here for today. Secretary Johanns has been doing these, and they are Listening Sessions. What you have to say is what is the most important thing we're going to hear here today.

We're going to begin with a few remarks from the stage. I'm pleased to introduce the chancellor of Texas Tech University, Mr. Dave Smith.

CHANCELLOR DAVID SMITH: Thank you. Well, first of all, I want to welcome everyone here today on behalf of Texas Tech University and the system, and of course the Secretary, who has a distinguished career - and actually this is not part of my formal remarks, but I must say that he is truly a man who has experienced many things in the world of business, agriculture. He walks the talk -- a man that has led the state of Nebraska and of course now leads our country's efforts in the area of agriculture. We want to thank him for spending some time with us and of course being on the campus of Texas Tech University, of which we are particularly proud, and particularly the work that we do here in agriculture, the relevance of our programs, whether it be in either ranching or farming, and of course some of the innovations that we're doing in our College of Agricultural Sciences and Natural Resources. I think "relevancy" is the keyword. And of course we're a partner with him on many efforts, and we're very appreciative of that, of our USDA out here, plant stress and other things that we do at Texas Tech.

It is a pivotal time. As a matter of fact, you and I have something in common. We were talking just a moment -- most people wouldn't know this -- but you and I had to decide for many years in this area of subsidies whether our families had brown or black and white cattle and how big those stanchions were. I, like you, spent many a summer on our dairy farm. And it took me a while to figure out why all the grandkids went to the dairy farm in the summer. When we figured it out we had to put all the hay out, we figured that rather quickly. But you're a man that's labored in those [inaudible], and we appreciate that and what you bring to this job.

In addition, we're excited to have our Congressional leaders here today and them hosting this event. Congressmen Neugebauer, Mike Conaway have done a tremendous job in Midland, and of course Ted Poe, if you could just see the passion from our Second Congressional District of what he's dealing with post-Rita in the eastern part of our state.

So again, on behalf of our university and in the health sciences system, we welcome you to Texas Tech. And we have great people in this land who not only are a vibrant part of our economy, and I know you'll hear a little bit about -- but they are a vibrant part of our culture and heritage and our belief systems out here. And it's still a place, as you know in Nebraska, where handshake has value. And that's what you're going to find from these folks and what they mean to us at this university and how relevant they are to our programs. So on behalf of Texas Tech and the greater community, I welcome you here and are very honored to have you, sir.
(Applause.)

SEC. JOHANNNS: Thank you.

MODERATOR: It is now my distinguished privilege to introduce Congressman Ted Poe of the Second District of Texas to also give us some remarks.

REPRESENTATIVE TED POE: Thank you very much. It's an honor to be here with

you. My name is Ted Poe. I represent the Second Congressional District down in Southeast Texas. And this morning very early the Secretary flew into Southeast Texas to view the damage from Hurricane Rita, and especially to our rice farmers in that area. He talked to rice farmers then he went to Louisiana and he talked to rice farmers there to see the damage of Katrina and Rita over there as well, and I want to thank him for coming to Texas to share his insights and also listen to our farmers.

Our rice producers are the major farm commodity in Southeast Texas that I represent. They are interested of course in getting more markets. That is their goal to have more markets throughout the world so that they can sell their rice. I'm a big supporter of the farm industry, and one of the reasons why is because I personally think it's a national security issue. As we become more and more dependent on foreign oil for our energy, we never want to get to the point in this country where we are dependent on foreign countries for our food. So I think that the Secretary, and his background especially as a farmer, will bring a lot of insight and we'll listen and take all of your suggestions back Washington and help not only the administration but Congress do a better job with the Farm Bill.

Am I supposed to introduce? - I guess I am -- Mike Conaway -- he's one of our new members of Congress, just like I am -- represents numerous counties here in West Texas, and I want to turn the mike over to him and he'll make a few comments. Michael Conaway.
(Applause.)

REPRESENTATIVE MICHAEL CONAWAY: Thanks, Ted, I appreciate that. Welcome, everybody this afternoon. I'm here like you to listen like the Secretary is here to listen. You're here to talk to us, and us standing up here blathering at you is not why we filled this room. I don't think we could get seven of you in this room if you come just to hear us talk.
(Laughter.)

So I want to thank the Secretary for scheduling this meeting, to allow producers from all of West Texas to come and get a shot at him, and sit up here and listen to what your thoughts are. And given my experience with District Eleven, which is the district south of here, I know we're in for a treat this afternoon as you're going to tell him exactly how you feel, and you're going to sugar-coat it a great deal. So thank you all for making the efforts to come this afternoon. Secretary, thank you. Dave Smith, wherever you went, thank you for allowing us the access to the Texas Tech facilities.

It's now my great pleasure to introduce my good friend Randy Neugebauer. Those of you from Lubbock have seen Randy and I on stage before. (Laughter.) This is a little less tense than the last time we shared a microphone. You often ask can we get along together, and we do. Dana and Suzanne and I and Randy are good friends. We do not breed any ill will. We ran against each other for Congress. He -- (inaudible) -- (laughter.) Randy's a great guy. He's in his second term down in Congress, serves on the Agriculture Committee with me. He's going to be one of those voices -- and I will have mine two in two years when we begin to craft the policy that is the Farm Bill, the new extension, the new reauthorization. He's a good guy, and it's my honor to introduce to you Randy Neugebauer from District 19. Randy? (Applause.)

REPRESENTATIVE RANDY NEUGEBAUER: Well, as someone said, if you want to get reelected, be brief. And so I am going to be very brief. I certainly want to thank Chancellor Smith for providing the Texas Tech and these facilities for this Listening Session.

I want to thank my two colleagues for coming down and participating in this. Farm policy affects every district in America, and so it's great to have Mr. Conaway and Mr. Poe here.

We're certainly glad to have Secretary Johanns here. I just told -- we had a little press conference -- and one of the things I said is that I've had a couple of opportunities to meet in a

public setting with the Secretary, but also met privately with him. And one thing that the people ask me about, Mr. Secretary, they say, "What's the new Secretary like?" And one of the things that I said, and I really mean this, is the Secretary is a good listener. He came in at a pretty interesting time as far as farm policy. He's had to deal with some mad cow, animal ID, and hurricanes, and trade issues, and cotton, Brazil, Step 2 issues. He stepped into a situation and I tell you has done a great job in listening, and particularly listening to the people that are involved in agriculture, because he comes from that agricultural background. As has been alluded to, he grew up on a dairy farm in Iowa, and served I think two terms as the governor of Nebraska. And while he was the governor of Nebraska, what the Secretary knew as governor of Nebraska, as he knows as the Secretary now, is that trade is an integral part of farm policy as we move forward. Many of our commodities, the domestic demand for those commodities is flat. And if we're going to increase the number of customers for those commodities, we've got to go out into the world. As you know, 95 percent of the folks in the world live outside the United States. So he's been very active in that.

So I'm going to make my remarks brief. But, Mr. Secretary, welcome to West Texas and thank you for having this Listening Session. Ladies and gentlemen, the Secretary of Agriculture, Michael Johanns. (Applause.)

SEC. JOHANNNS: Thank you very, much. It's great to be in West Texas. It's great to be in Texas. Let me express my appreciation. That was a very warm welcome you gave me. It tempts me to do an informal survey just to see what's going on here. This Saturday when Texas - - (laughter) -- will be playing Nebraska, how many of you will be rooting for Texas Tech? (Cheers.) Those aren't very good odds. But I do appreciate the warm welcome.

I always tell this story right after I got elected governor of Nebraska, but before I was sworn in, I was invited to go to Kearney, Nebraska and give a speech, and so my wife Stephanie and I drove out there. And we got there, and a nice introduction, nice comments -- just like we've heard today. I'm making my way up to the podium, and everybody stood up and applauded, just like you did. And so I got to the podium, and I said, "You know, that's really very nice of you, but I haven't done anything yet." And somebody in back yelled out, "And when you do, we won't be standing." So -- (laughter) -- But it is good to be here.

Let me say to Tony we appreciate you being the moderator for this. Tony Purcell and Tony St. James, they were -- we've got two Tonys -- I think I can hardly go wrong if I refer to Tony, but they're kind of the enforcer. Two minutes goes awfully fast, and we're going to have a lot of people who have something to say. This is a packed house, standing room only. And so we're going to try to go through this pretty quickly. But Tony is the guy that's going to have to say two minutes are up. And I would say that in an event where we have so many people who are interested in this farm policy, if you don't get a chance to talk today, or if you feel like you got cut off before you really got off your chest what you came here to day, please get in touch with us. I take phone calls, we have a Web site, usda.gov that you can click onto and just type in your comments, letters -- whatever it is, we want to hear from you. Like I said, today might be the first forum where we -- we're going to do our best, but we might not get to everybody -- most of you, I hope we do, but I certainly hope we do.

Now, reference was made that I did grow up on a dairy farm, and I did. So I saw a little confusion. You probably want to know where that's at exactly before we get started today, so I better clear that up. It's actually in the state of Iowa. You're still confused. Where in the state of Iowa? Well, it was near Osage. Nobody is nodding their head yet, so I'll clear that up. You're wondering where Osage is at. Osage is south of Stacyville and Saint Ansgar, and it's straight east of Manly. So now you know where Osage is. (Laughter.)

I tell people my father had three sons. He knew how to build character in his sons. It was very simple to him. We were handed a pitchfork and we were sent to the barn or the hog

house or the chicken house, and we stood about ankle deep in you-know-what. We pitched away. That's how John thought he was building character in his sons. Little did he know, he was preparing me for my life in politics. (Laughter. Applause.) I said that at another Farm Bill Forum -- I forget the Congressman that was with me, but he cracked a smile. (Laughter.) You guys are a bit more excited, so I appreciate it. (Laughter.)

I do bring greetings from the boss, the guy I work for, the guy that I got to know as governor -- he was governor a couple of years before he became President of the United States. I will tell you what you came to know about this man, and that is he is a man of great leadership and conviction. And I tell you what, having been near him now for nine months on his Cabinet, my respect has only deepened for George W. Bush. So he sent me along with a greeting, and we're going to do that greeting, and then I was just going to turn to you and say, "Take it away, Tony." So how about the greeting from the President?

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

Secretary Johanns and I believe the first step in this process is to ask each of you how today's Farm Bill is working and how it can be better. And as we look to improve America's farm policy, we'll continue to focus on the following goals. See, America has about 5 percent of the world's population, which means 95 percent of your potential customers are overseas. So one of our goals must be to ensure that America's farmers and ranchers have access to open global markets. A second goal is that we want future generations to have plenty of opportunities to go into agriculture. Thirdly, we need cooperative conservation that encourages good stewardship of our land and natural habitats.

We also need to act wisely in delivering help to our nation's producers. And we must promote cutting-edge agricultural products and research. And, finally, we must ensure a good quality of life in rural America.

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

SEC. JOHANNNS: It's all yours, Tony.

MODERATOR: Thank you, Mr. Secretary. Now we have to get to the business at hand. As we said, this is a Listening Session and so we're waiting for your comments. Now, there are a few ground rules that we need to establish here. You can see by the size of the crowd here that we'd never get through everybody in three hours. So limit your comments to two minutes. Now, we have a lighting system to help you, as I understand over here on the wall. It's going to be displayed as green for the first minute and a half. It will turn yellow for 30 seconds. And then it will turn red. When it turns red, you're done. (Laughter.) Now, if we have a problem with that, we do have several members of the offensive line of the Red Raiders waiting in the wings -- (laughter) -- and they will help us maintain the two-minute limit. In order to get as many comments as possible, that's what we have to do. So let's begin the comment session. There's a microphone over here and a microphone over here. It will be first-come-first-serve after the first two speakers.

The first one we'll hear from is Riley Branch (sp), Texas FFA Area 2 President. Riley?

MR. RILEY BRANCH (sp): Thank you. Mr. Secretary, representatives, I am, like he said, Riley Branch. I'm President of the Area 2 Association, and I'm here today alongside Mr. Padon Holt, President of the Area 1 Association -- (inaudible) -- Plainview FFA District, and Matt Davis, vice President of the Area 1 Association. We are proud to be here today representing the Texas FFA and its 61,000 members.

The Texas FFA is concerned about how competitive U.S. agriculture is going to stay and how this competitiveness is going to affect our future agriculture. Here in America, farmers produce enough crops to not only serve America's needs, but to also serve many throughout the world. It is becoming more difficult for farmers to produce an equal amount of product because of rising costs of inputs. We believe that continued support from the government will help farmers meet these inputs with equal opportunities.

The 2002 Farm Bill has proven to be one of the most essentially and fiscally-responsible pieces of agriculture legislation, and the Texas FFA would like to see it continue without change, because we believe that it works. Thank you. (Applause.)

MODERATOR: Thank you, Riley.

Next we'll hear from Aaron Jennings, the Texas 4-H President.

MR. AARON JENNINGS: Mr. Secretary, on behalf of the youth of Texas and the one million members of Texas 4-H, I thank you for considering the challenges facing the young people who desire to become involved in production agriculture. I have a desire to return to my family's ranch in order to produce sheep and cattle for our great nation. However, I realize that without supplemental income it will be difficult to generate enough farm profits to support a family. Today in my county, whose largest industry is agriculture, only a small percentage of producers under the age of 40 depend solely on farming and ranching. The rising cost of land, capital, equipment and fuel are a deterrent to young farmers. Additionally, young farmers are discouraged when they see older, more established farmers leaving their farms because of their inability to overcome the economic setbacks caused by natural disasters or severe and sudden market swings.

Therefore, farm policy must demonstrate the ability to keep farms and ranches in production. These policies must have a well planned, flexible and available infrastructure. Because of the diversity of agriculture, these policies must be broad-based to encompass the needs of all. They should also be flexible enough to avoid inadvertently assisting one segment of production at the expense of another.

Agriculture must remain strong for economic reasons as well as national security. Since our producers are competing on a global market and produce the safest food supply in the world, policy should ensure that labor and environmental regulations are not cost-prohibitive. In view of terrorist activities, America should not depend on foreign food supplies, which would have detrimental results.

Therefore, on behalf of next generation of farmers, I believe that farm policy should be flexible and broad-based in order to ensure the survival of all segments of production agriculture. Thank you. (Applause.)

MODERATOR: Thank you, Aaron.

Now, you all had a brochure as you came in. On the back of that brochure are these six specific areas the Secretary would like to have addressed in this Listening Forum. So if you'll

review those, remember the light system -- green, yellow, red.

And I would remind you that this session is both being transcribed and recorded and broadcast live on about six or seven radio stations. So let's maintain some decorum. (Laughter.)

So, with that, let's begin the comments. Just step up to either the microphone over here or the microphone over there, and we will alternate. I'll go first to this microphone. The second comment will come from this microphone, third over here, fourth over there and so forth. And, as you begin your comments, please state your name, where you're from, and if you represent an organization or what your affiliation in agriculture is. So, with that, let's begin with your comments with this microphone over here.

MR. GAIL KRING: Thank you. Mr. Secretary, my name is Gail Kring. I'm the President of PYCO Industries here in Lubbock. Our company has cottonseed oil mills in Lubbock and Greenwood, Mississippi. We're a cooperative with over 100 members, and we are just one of the many businesses throughout the processing and distribution chain that depend on crop production for our livelihood.

A farm program that provides support and stability for producer agriculture is not only good for the farm economy but for the general economy as well. In 2002, we put in place a farm program that provides the necessary support and stability in such a manner that does not distort overall production and pricing. In determining the right direction for the next Farm Bill, you only need to look as far as the current farm program to find the blueprint for success. We thank you for being here in Lubbock today. (Applause.)

MODERATOR: Thank you very much. Over here.

MR. KID GALLOWAY (sp): My name is Kid Galloway. I'm a West Texas cotton farmer. I farm about 500 acres just over near Alton, Texas. And I wish to say the 2002 ought to go on. It is that simple. Wouldn't our life be great? But it's not. The problem is global production. Right now we're looking at prices on cotton with a low price support, low prices -- You can't market your cotton when you can't sell it as cheap as the other entities out there. We have got to have good trade agreements. We have got to abide by those trade agreements that we made.

The other problem we have is that cost production is lagging. Even with the price supports that we have now, Congressmen, it's not going to work in five years, because the cost of production is rising so rapidly that no one -- I don't care how big you are -- is going to be able to produce cotton at 74 cents. It just ain't going to work.

So what we need is to lower production. And I don't have a solution to that, but I know it's something that has to be done.

And an area that I'm really concerned about is our young farmers and how prohibitive it is to get into farming nowadays. When you're talking \$100,000 stripper or \$150,000 for a tractor, including \$200,000 stripper -- land at \$1,000 or \$1,500 an acre, who can afford it? Who can get into farming? Nobody. And we need to come up with a way to do that. And I'm in favor of limiting the -- lost my train of thought -- but I'm in favor of capping the subsidies and limiting those subsidies. And we've already got a cap in place, the preemptive rule, and it will slow the subsidies down and encourage our young farmers to stay in business and stop this massive commercialization of agriculture. Thank you.

MODERATOR: Before we go to the next speaker -- we'll be going over here to the right -- if you have a cell phone, please turn it off or put it on vibrate.

We'll go here. Next comment on the right.

MR. JOHN MCCLUNG: Mr. Secretary, members of Congress, my name is John McClung. I'm the President of the Texas Produce Association, representing the fruit and vegetable industry statewide. First, I'd like to thank you for being here today and taking time with us. And I'd like to run through a little bit with you what's happened with produce industry in Texas in the last 10 or 15 years.

Fifteen, twenty years ago, Texas was the number three fruit and vegetable-producing state in the country. When the 2001 specialty crop grant money was divided up that Congress appropriated, that was divided according to the value of the fruit and vegetable crops in that state. Texas had slipped to tenth place, tied with New York. There are reasons that happened, and I'd like to go through that with you, and I hope those numbers do not cover -- was the fact that during that time Texas transitioned from being a producing state where now about half of what we sell both within Texas and to the rest of the country is -- almost all of it from Mexico. And that's had a tremendous impact on the domestic producers and domestic shippers

Let me give you an example. When I first came to Texas about six years ago, in Starr County -- Starr County is right along the river, down on the west side of the Rio Grande Valley - the biggest employer in that county was Starr Produce. It was a big, thriving, growing concern. As of this year they are out of business. Their shed is now a barn for school buses.

About four weeks ago -- less than that -- I also manage three federal marketing orders. The guys that or the committee that run the cantaloupe and honeydew marketing order have voted to eliminate that marketing order. Why? They're put out of business by Central American imported melons. Interestingly, Mexico is ready to be put out of business by Central American melons along with us.

But yesterday in the LA Times there was a fascinating story about the -- comments which I don't have time to finish. But I got a couple in. Thank you for your time.

MODERATOR: Okay, fine. Let's go over here to the left.

MR. LLOYD ARTHUR: Mr. Secretary, members of Congress, I'm Lloyd Arthur. I'm from Ralls, Texas. I'm the vice President of the Texas Farm Bureau, and I'm a cotton and grain sorghum farmer.

The Texas Farm Bureau supports the overall concept of the 2002 Farm Bill, particularly its flexibility to allow the farmers to respond to market conditions in terms of what to plant. This program has been especially helpful in times of low prices.

The direct payments have been helpful in providing the minimum safety net. These payments provide the dependable cash flow that is necessary for long financial commitments. We support the continuation of the marketing loan and the countercyclical programs supplemented by the direct program. These programs provide an important safety net for U.S. agriculture in times of low prices and adverse trade situations.

Improving trade is a high priority. Currently we are exporting one-third of our production. We need to continue to programs and allow producers the flexibility to adjust to global market changes. Marketing education and direct marketing by producers should be a part of any future farm legislation. The Texas Farm Bureau is currently involved in an effort to assist producers in marketing their products directly to overseas buyers. In dealing with foreign interests, it is critical that loans or other financial guarantees are available to assure a loan institution's financial stability. It is important that the market promotion and foreign market development programs continue.

Crop insurance simply has not worked very well in Texas. While Texas is a beneficiary state, we get more in payments than we produce in premiums, the overall production per program has worked in critical situations, but not all the time.

Conservation programs have been very effective providing cost share assistance for needed important conservation practices. Programs such as EQIP, GRP, WRP and CRP, have been well maintained in Texas, and Texas is one of the largest states in the CRP program. The conservation CSP program, however, does not work well in our area because of the attraction of the payments to those producers has not been well maintained.

Regarding the rural development and encouraging the next generation of producers, we would suggest that the short answer to these questions is profitability. We need profitability within our own structure for these to work. We want to thank you for being here. (Applause.)

MODERATOR: I would point out that if you are not able to finish the comments that you wanted to make, out in the lobby there are some pads where you can write out your comments and put them in the box. Or you can go to USDA's Web site, which is USDA.gov/farmbill, and make your comments there.

So, with that, it's back over here to the right.

MR. WALLY DARNEILLE: Thank you very much. Mr. Secretary, members of Congress, thank you very much for coming to Lubbock today to listen to us. We commend you for your openness in holding these Listening Sessions around the country.

My name is Wally Darneille, and I'm President and CEO of Plains Cotton Cooperative in Lubbock. We're a member-owned cooperative which produces, warehouses and markets cotton produced in Texas, Oklahoma and Kansas. We also have a textile mill in Littlefield, about 45 miles up the road, where about 650 employees make denim that is made from the cotton, which they produce.

We run about 20 percent of the U.S. cotton crop through our cooperative. We market it both domestically and on the world stage. In short, our operation is very much in keeping with the stated objectives of the 2002 Farm Bill, which is to facilitate the movement of commodities in global markets.

We have about 37,500 stakeholders in 49 states. We sent out over 200,000 checks last year, totaling over \$1 billion. Our message to you today is very similar to what you've heard in the Listening Sessions around the country. The 2002 Farm Bill is working. It is providing the safety net for our producers around the country that they need to survive in the world markets. Many other countries are willing to give lip service to not subsidizing their producers, while at the same time they come in the back door with different programs. We certainly have faced this in a lot of markets.

It's working not just for our producers but for all of the members of the rural communities of America -- the equipment dealers, the seed dealers, the fertilizer producers, the bank, the value of real estate. We're lucky in West Texas to have had leaders over the years who have understood the importance of agriculture. We commend them for what they have done in writing the 2002 Farm Bill, and we humbly beseech you that you continue the provisions of that bill in 2007. Thank you very much. (Applause.)

MODERATOR: Over here to the left.

MR. KENNY LUNSGERT (sp): Good afternoon, Mr. Secretary. My name is Kenny

Lungert (sp). I grow sod in the Oklahoma Panhandle near Guymon. Mr. Secretary, I've had -- you have asked to address six questions regarding the new Farm Bill. After considering these questions, my answers are quite simple. The current Farm Bill provides an opportunity to make a profit. The opportunity to be profitable undoubtedly is the first consideration of new generations of farmers.

The current Farm Bill enabled us to be competitive in foreign markets. The current Farm Bill is an excellent conservation environmental proceeds. Profitable agriculture is a key factor in the economy of rural America. The safety net provisions of the 2002 Farm Bill in the form of countercyclical payments has given producers a chance to be profitable when faced with low world prices, and has certainly provided the stability we need in the new Farm Bill. The ability to establish a crop yield base in the new Farm Bill will ensure continued stability. Mr. President, again, the ability to establish a crop yield base in the new Farm Bill will ensure continued stability.

The current Farm Bill provides world market access for my cotton. It provides the necessary entities to invest in product research and development. In summary, Mr. President, the current Farm Bill works. I urge you to continue your support of this important legislation in the current form. Thank you, sir. (Applause.)

MODERATOR: Here on the right.

MR. JARED SPOKIE (sp): Thank you, Mr. Secretary. My name is Jared Spokie (sp), and I raise cotton in southwestern Kansas. I also manage a cooperative gin there that serves 594 members in Kansas. One of the primary reasons we grow cotton in our area is the lower cost of production and water conservation, which go hand in hand with each other. In today's world, we cannot afford to pump enough groundwater to irrigate crops such as corn. Cotton requires less water; therefore we save money and conserve an important resource.

Today's farmers face greater risk than many of our counterparts in other industries, and many of the factors that create those risks are beyond our control. The weather could wipe out an entire crop or bring in a record crop. The value of the U.S. dollar has a direct impact on our competitiveness in global markets. However, a stable farm program goes a long way in helping us face these risks. A stable and consistent farm program provides the foundation we need to make long-term investments in our farming operations, and it provides incentives for future farmers. The safety net provisions of the 2002 Farm Bill in the form of countercyclical payments when faced with low world prices has provided us the stability we need, and we'd want to see in the new Farm Bill. The ability to establish a yield base in the new Farm Bill will ensure continued stability.

In conclusion, Mr. Secretary, the 2002 Farm Bill is fair and it works. I sincerely believe it addresses the issues in which you requested input. When the 2007 Farm Bill is written, it should be a carbon copy of the legislation passed by a bipartisan Congress in 2002. Thank you. (Applause.)

MODERATOR: Over here on the left.

MR. LELAND WHITE: Mr. Secretary and other members of the panel, we appreciate you all coming here and listening to our comments today. I'm Leland White. I'm a cotton producer, and I'm also on the board of the Lynn County Soil and Water Conservation District and in Ward 119. We believe the present Farm Bill has basically worked for farmers and for consumers. The present bill keeps the farmers in business and benefits also the consumer. Since the present Farm Bill went into effect, farmers' cost of inputs have risen dramatically. More specifically, the energy costs have increased for some as much as 100 percent and higher. With some minor changes the Farm Bill will continue to keep agriculture working in the United States.

The CRP program needs to continue -- (inaudible)--but will need some change to make it fair throughout the United States. Also the designation of "beginning" or "young" farmer need some changes. These designations can be better handled in the state, local, county or district stage. In the interest of time, we cannot elaborate in detail on most of these questions.

Finally, we believe in an extension of the present Farm Bill that will allow farmers and the administration more time to work on other challenges. Thank you again for your willingness to be here. (Applause.)

MR. SHAWN HOLLIDAY (sp): Mr. Secretary, Congressmen, thank you for being here. My name is Shawn Holliday, I'm a producer in Dawson County, fourth generation. I strongly urge you to keep the current farm structure and provisions of the 2002 Farm Bill, a bill that was written with the most farm industry input of any Farm Bill in our country's history. Our family has been farming in Dawson County since its inception. Farming has not always been the easiest way of life, but through the support of the American people and their belief that this country should stand on its own two feet when it comes to food and fiber, we have always been able to work through the different economies we have faced. Now more than ever, with the high cost of energy and the [inaudible] global markets, this Farm Bill is very important to our ability to make long-range decisions that pay back. Program benefits are not a windfall but a necessity to keep our infrastructure and rural economies in motion.

The 2002 Farm Bill also addresses conservation. Through its cost-share programs, we have been able to improve systems, increase our water use efficiency even while facing hostile markets.

Again, I would like to urge you not to digress. A strong agriculture needs a strong support. Support less than what we have received in the 2002 Farm Bill would be disastrous for our rural economies. Thank you. (Applause.)

MODERATOR: Over here.

MR. TOM WALLOP (sp): Thank you. My name is Tom Wallop (sp), and I appreciate very much that you have come to this listen to us today -- not necessarily as a gripe session but to let us speak from heart about the bill.

I recognize you have a fiduciary duty to the taxpayer of the United States of America to spend the money well. And through that and direct payments come from the taxpayer, and the reason we need those direct payments is because we do not play on a level playing field, such as minimum wage, EPA restrictions and wetland sanctions, simply so we cannot ship our goods and services to.

Isn't it a shame that we saw the ability of these two young men to stand here today and talk about agriculture and want to go into agriculture, and yet if it was such a profitable -- farming that you can make a lot of money in, they'd be in it today, and my son as well, instead of looking for other opportunities to get a job -- because there is no money in the farming industry today.

Thank you again for coming. And one of the last comments would be we also need the FSA offices in place to get the government's help, since they're in place today, to help us make this money and keep us on the right track. A guy likes me like to look at somebody in the eye and -- (inaudible) -- appreciate it again. (Applause.)

MODERATOR: Thank you. Let's go back over here.

MR. WELDON MELTON: Mr. Secretary, thank you for coming. My name is Weldon Melton, I'm a farmer in Hale County.

Mr. Secretary, protect the security of the United States. Keep the 2002 Farm Bill, a fully funded 2002 Farm Bill, in place come 2007. American agriculture is a vital and strategic industry. It must be protected and nourished. The 2002 Farm Bill does just that. This bill provides a safety net for American agriculture that is a fair and equitable program. We must not expect the American producers to compete with farmers that have no minimum wage laws, and none or very minimal environmental regulations. The American farmer cannot be expected to shoulder the entire cost of keeping the environment healthy and the rural economy strong alone. The federal government, like it passes those regulations, must assist the American farmer in bearing that cost.

The administration as well must not allow countries in the WTO that are more adept at hiding their subsidies, such as currency manipulation or free irrigation, to dictate to the American people how they will ensure a safe and secure food and fiber source.

The 2002 Farm Bill also encourages young farmers to enter into the industry. Young farmers can enter into this industry because the 2002 Farm Bill gives them, and perhaps more importantly their bankers, a secure and stable source of income. The stability offered by this bill allows the young farmers, and some of us old farmers as well, to make long-range plans. Instituting payment limits will not roll time back. It will not bring back the '50s' lifestyle. Advocating more payment limits can only work if you also roll back tractor costs, seed, fertilizer and fuel costs.

Mr. Secretary, protect the security of the United States. Keep the 2002 Farm Bill a fully funded 2002 Farm Bill. Just rename it the 2007 Farm Bill. (Applause.)

MODERATOR: I'm sure glad he said "old farmers" -- I thought you were fixing to say something else. Over here. (Laughter.)

MR. L.G. RAUN: Congressmen and Mr. Secretary, thank you for holding these sessions and for the opportunity for us to express our views. My name is L.G. Raun. I'm a rice farmer from El Campo, over in Wharton County, other side of the state, close to where you came from this morning.

Our farming operation involves my brother, my wife and myself. We farm as tenant farmers, a family farming operation on leased land. My family and I have grown rice for over 90 years, since Grandpa migrated down from Nebraska. I've also grown milo, corn and soybeans in the past also.

I currently chair the Texas Rice Producers Legislative Group, and I have also served for 15 years on the county committee in Wharton County administering the federal farm programs. At the same time I've been doing that I've been farming for the last 30 years. I farmed under seven different agricultural acts. These have been -- some of them have been good and there have been some bad policies -- I've seen all of those. I've seen them, I've had to administer them, and I've farmed under them.

U.S. agriculture today is the envy of the world. We take care of our needs and the rest of the worlds during peace, during war, disasters and famines. And we create millions of jobs, we support rural economies. And we do all this while also helping to sustain some of the cleanest air, water and soil in the world.

Today we are faced with the culmination of low commodity prices in crop agriculture with extremely high input costs obviously driven by record high energy prices. Farmers'

pessimism today is the worst that I have ever seen. Bankers are sweating examiners while massaging farmers' cash flow projections in this next year. Today, if it were not for the safety net provisions of the current Farm Bill, you would see a catastrophic meltdown of U.S. agriculture before you right now.

Mr. Secretary, we urge your support of the continuation of the current Farm Bill provisions in the next Farm Bill. Farmers and ranchers in rural communities and all of agriculture are depending on you and Congress to support us in this effort. Our future is in your hands. Thank you. (Applause.)

MODERATOR: Back over here.

MR. ERIC KEARN (sp): My name is Eric Kearn (sp), from Ackerly, Texas. I farm in Howard County. And the years I've waited returning to the family farm, for several reasons one of those being I didn't see much of a future in dryland farming in West Texas during the drought years. But I have moved back, that's my future, and now I have some overwhelming concerns. In fact, a few gentlemen have already spoken about, as far as I heard some of you people said you get out what put into it. And I like my banker, he's a nice guy, but I've gotten to know him a little too much here these first few months. (Laughter.) And I think -- and I look at it like I would any business, is the parity price. You know how cotton is -- (inaudible) December, 2004 around \$2.20 per pound, and we're receiving 37 cents on a pound, top goes up to 50 cents. And with that huge of a gap I can't see what we can do to maybe make that a little bit smaller a gap. I don't know what's happened to all that money, and how everything can inflate by 30 to 35 percent from 1980 to 2005, when the crops that we produce are getting the same or less. We have some great technology now that's available to us, but can we do it with the money we have left over. We need to evolve and make changes, but how can we do that when there's nothing left over, to put into next season. And I think that parity price is something you definitely need to look at. I can't sit up here and tell we don't need any changes -- we always need change, as long as it's for the better. Farmers have been evolving and changing and going about their daily business much differently than they did 10-15 years ago, and I think that has to be -- come from the D.C. side as well. We have to prepare for the future. (Applause.)

MODERATOR: Go ahead, sir.

SPEAKER: Mr. Secretary and Congressmen, we appreciate you coming to Texas today, sitting down with us on this forum. I am the President of the Texas Wildlife Management Association, and we are responsible for collecting local county commissioner money, which amounts to approximately \$2.5 million a year, to go into our State Wildlife Services Department out in San Antonio. The umbrella is USDA APHIS Wildlife Services, as you well know.

I ranch about an hour southeast of here. We've been -- I'm only the second-generation rancher, but we've been in constant sheep production for 63 years. And in order to do that we have to protect ourselves from predators. The funding through Wildlife Services is most critical to us and everybody in the Texas Sheep and Goat Raisers' Association, which is also represented here by several members. We urge you to continue and increase funding anytime possible for our wildlife services projects. We can't afford to lose any more tools. We have aerial programs, we have people on the ground. But it is vital for the sheep industry to survive in order to protect our livestock and our livelihood. Thank you. (Applause.)

MODERATOR: Yes, sir?

MR. MARION SNELL: Yes, sir, Mr. Secretary, I want to thank you for coming and listening to us today. My name is Marion Snell. I'm from Southern Dawson County, Ackerly, Texas. I'm here with my wife, my two sons and daughters-in-law, and we are farmers. I want to make that clear. And my family has farmed in Dawson County for most of the last century.

Mr. Secretary, the reason we are here -- and I can tell you this -- there's a whole lot of places I'd rather be than right here today -- but the only reason we are here, because we see a crisis looming on the horizon that is going to get catastrophic for family farmers. If something is not done in the near future, a lot of us in this room -- and I'm not just speaking for myself, that we won't be here for the implementation of the 2007 Farm Bill. But I don't believe that we should scrap the 2002 Farm Bill, Mr. Secretary. But I do believe that there could be improvements. Whenever this bill was enacted, it probably came close to working. But since then, in 2002, our energy prices have tripled. Our fertilizer costs have more than doubled. And that's just the tip of the iceberg. We cannot continue to farm below the cost of production. Farmers today are mortgaging their land for the second or third time just to stay in agriculture. Now, there is something wrong with that picture. I mean, in America any businessman would do that just to stay in business. I mean, we are beating the world and America, we are trying to keep our food supply safe, and safe from the terrorist activities. But we cannot continue to do this without profitability. Thank you, Mr. Secretary.

MODERATOR: Right here.

MR. DALE ARTHO: My name is Dale Artho and I'm a soybean, cotton, wheat, corn farmer and cattle producer in Wildorado, Texas. I'm Secretary of U.S. Grains Council, which is a foreign market development arm for corn, sorghum and barley. I serve on the National Sorghum Producers, and the Texas Grain Sorghum Producers. Thank you, Mr. Secretary, for stopping in to share our ideas with you today. I would like to see the farmer program stay as it with no change. Any changes at this time will be detrimental to WTO negotiations. Unless we can negotiate real-market access that provides our clients fair rates with low inbound rates, we only will reap the minimum and won't realize gains for U.S. producers. We must negotiate to tariff rates, not an in-bound rate. Studies show the applied rate must be below 28 percent before U.S. farmers can give up domestic support.

[Inaudible] the farm program has also reduced land values. When we reduce land values, how will we support our school systems and hospitals in rural America? Land value provides the tax income for these vital institutions in our rural communities.

And I'd like to add a comment, a remark about FSA. We need those guys to be out there with our farmers. They're our partners in this business. Thank you, and I still got a green light to ask questions. (Laughter. Applause.)

MODERATOR: Thank you very much. Over here.

MR. WESTIN MUCCHI (sp): Good to see you, Mr. Secretary. My name is Westin Mucchi (sp), and I'm a cotton producer in Gaines County. It's a cotton operation, and it's a partnership family farm. And I'd like to see the 2002 Farm Bill stay intact as it is as we continue to expand it and extend it without change. And I look at it as a rural development program in our area. In our small town we're very rural and we have to have the stability in this farm program where the spending plans are used and transferred to our local economy who are supporting businesses, the fuel dealers, equipment dealer -- and I don't want to leave out my banker also. I've got to have him.

Also, those core businesses provide jobs, and we have to have jobs in the rural economy to keep people in rural areas for rural development. That money has to turn, make a profit.

This 2002 Farm Bill to me provides a stable platform and a stable structure and a safety net for us to do all these things. Again, I'd like to see the 2002 Farm Bill stay as it is without change. (Applause.)

MODERATOR: Yes, sir?

MR. MARK WILLIAMS: Gentlemen, my name is Mark Williams, I farm in Farwell, Texas. We're 100 miles northwest of Lubbock. My son and I grow cotton, corn, cattle, green beans and wheat.

The most important thing I want to say here today is to recommend the continuation of the 2002 Farm Bill. It was developed over two years of hearings in a bipartisan effort, and I can't imagine a Farm Bill any better than the one signed by President Bush in 2002, the most balance between food and nutrition, rural development, trade promotion, conservation and farm commodity programs. It also balances farm program benefits between payments not directly tied to production and between payments that depend on production, such as the marketing loans.

Mr. Secretary, I look at the total industry of agriculture as a long train, and the engine of that train is production agriculture. It just takes a little stimulation today to keep the whole train moving forward. All that economic activity is dependent upon the health of farming [inaudible]. We should look at farm program payments as a stimulation to all the industries, represented by the cars pulled by that train. I will challenge anyone here to disprove the notion that there is probably way more tax revenue produced by this stimulation than the cost of farm programs themselves.

The next thing I want to talk about is unintended consequences. I think one of the main components of Farm Bill issues that discourages young farmers is the threat of payment limitations. What other industry tells its entry-level young men that before they even start that they can only get so large, no matter what their efficiencies might be by increasing the size of their operation? It makes as much sense as telling him that he must use a four-wheel planter when much more efficient sizes are available. I guarantee that our major export competitor doesn't limit the size of his producers. How can we compete when we are artificially limiting our producers and our payments?

Finally, Mr. Secretary, I encourage you to listen to growers here today and growers across this nation. If there's one thing that we have said very consistently, it's maintain this Farm Bill in its current form. Thank you. (Applause.)

MR. RAY PREWETT: Mr. Secretary and Congressmen, I'm Ray Prewett. I'm President of Texas Citrus Mutual and executive vice President of the Texas Vegetable Association. As a representative of Texas's fruit and vegetable industry, I would like to add my voice to what you've heard from other listening sessions, and that is that we believe that produce, fruits and vegetables, should have a prominent role in the 2007 Farm Bill than they've had in the past. I'll mention a few items.

Nutrition policy. The new dietary guidelines emphasize the importance of fruits and vegetables in the American diet. And, among other things, the new Farm Bill should provide authorization for the fruit and vegetable SAP in all 50 states. It has a lot of implications as you know beyond merely feeding those kids. It teaches them a lifestyle of eating fruits and vegetables.

Invasive pests and diseases. We need a stable and permanent funding to protect us from a growing onslaught of pests and diseases, due in part from our increased imports.

EQIP. EQIP addresses a wide range of needs. In Texas, water conservation is a top priority, and we believe that water conservation should be added as a separate national priority in that program.

Maintain flex acreage provisions. It would probably be no surprise to have a

representative of the fruit and vegetable industry saying that we'd like to maintain that provision that's in the 2002 Farm Bill.

National Organic Program. As organics continue to increase worldwide, it places a greater demand on the need to increase funding for the program and for the research grants, and we encourage that to be part of the Farm Bill.

Finally, I'd like to mention the immigration issue. Immigration is not going to be a part of the 2007 Farm Bill, but I feel I need to take this opportunity just to emphasize how important that issue is. And we don't have time, nor do I necessarily have the solution to that problem, except to say that the enforcement-only type of approach to immigration that's being talked about on the talk shows and lots of other places would be absolutely devastating to American agriculture and the produce industry. So we must have a comprehensive approach to that problem. Thank you very much.

MODERATOR: We'll take two more comments, and then we'll take about a 10-minute break, so you may want to stretch and so forth. So go right ahead.

MR. TROY SKARKE: Thank you. Gentlemen, my name is Troy Skarke, and I'm grain sorghum producer and wheat farmer from the Armstrong County, Carson County of the Texas Panhandle, right southeast of Amarillo, Texas, and I also serve as a director on the Texas Grain Sorghum Board.

The 2002 Farm Bill was the most significant piece of farm legislation ever written for sorghum farmers, because it equalized the sorghum loan rate with other feed grains on a national basis.

However, at the county level I still do not have the equal program, and it hurts my ability to conserve and produce while remaining a profitable farmer. However, my first priority would be to keep the current Farm Bill program concept in it, even extend it to 2010.

I encourage you, Mr. Secretary Johanns, to make conservation a top priority in the next Farm Bill. I believe water quantity is just as important as water quality, and I have the Ogallala Aquifer right below us.

Even more important on my farm is FSA. I would encourage the USDA to look at all the programs to ensure that semi-arid crops are not at a program disadvantage in semi-arid regions.

I support CRP, but I also support programs that reward us for good farming practices, like no-till or reduced-till practices.

EQIP is another program that has worked for farmers as well as for our customers, like our producers.

Crop insurance is one example of a USDA program that has unintended consequences in encouraging high water usage crops to move into semi-arid regions in the sorghum belt. I would like to see a program that benefits the producers that choose to minimize the use of groundwater to produce the crop, and this can be done by incentives to grow more drought-tolerant crops.

I think a great concept is the Conservation Security Program. I think it should be spread out over a larger area, so more farmers in the region can take advantage of it. Thank you, sir. (Applause.)

MODERATOR: Thank you very much.

One final comment over here before we take a break.

MR. BRAD HIPINGTON (sp): Mr. Secretary, members of Congress, my name is Brad Hippinton (sp). I'm a family farmer from Lewisville, Texas. My wife and I have three young boys, and we operate a -- we try to operate a modern, efficient, conservation-minded family farm that grows cotton, peanuts and corn. I'm one step ahead of all these young men and women right up here in the front, because I am a first-generation farmer. There aren't very many of us in this area.

My desire today is to convey to you, Mr. Secretary, my support for this current Farm Bill. I wholeheartedly support the reauthorization of this Farm Bill and the components of it as far as 2007. This Farm Bill's reauthorization is key to long-term economic viability in our area. Without this reauthorization, we'll have a very uncertain future. The current Farm Bill is WTO compliant, provides for conservation and research, and most importantly provides a very needed safety net for our producers, which is our minimum wage in world markets -- (inaudible) --

This is especially important now as our economy keeps growing and adapts to world markets at a very uneven levels of competition in other countries. So without these safety nets there would be nowhere for the producers to finance their crop inputs. This greatly concerns me, because I'm one of the youngest farmers in my area, and I'm 38.

MODERATOR: Time flies when you're having fun, doesn't it? (Laughter.) Okay, we've been going pretty good here for a while. So we'll take a 10-minute break. If you're in line to step up to the mike, try to remember who you're standing next to, so we can get back in your same position. So with that -- and my friend Tony St. James will be up here after the break. We'll be back here in about 10 minutes.

(Break.)

MODERATOR: And, remember, we're trying to get answers to those six questions. So let's start.

MS. LINDA GAITHER: Mr. Secretary and Congressmen, we are delighted to have you along today, and thank you for holding these sessions. I'm Linda Gaither, and I'm chairperson of the Lubbock Chamber of Commerce. And it is just really important to us that you would care enough to come to hear us here today.

The businesses that make up the chamber are really diverse, in size and in industry. But one thing we all know, and that is that agriculture is our driving force in our economy. And recently the Lubbock Chamber celebrated its 100th -- (inaudible) -- in the first nine months of this year, and that is for expanding in new businesses, and really that's an unprecedented number. This kind of economic climate has been in large part to the success of the 2002 Farm Bill. That's why I'm here, on behalf of Lubbock business to express our view that the Farm Bill in its current form should not be changed when it expires in 2007.

The Chamber of Commerce supported the efforts of area ag leaders and elected officials who collaborated and labored for over two years to create the thoroughly thought-out and bipartisan Farm Bill in 2002. Today we again stand in support alongside them and join them respectfully urging no changes in the new Farm Bill. Thank you for your consideration, and I hope you enjoy your visit to Lubbock, the giant side of Texas. (Applause.)

MR. DEAN BELL (sp): Good afternoon, Mr. Secretary and Congressmen, moderators -- and some of my favorite people in the whole world, Texas farmers and ranchers. I'm Dean Bell (sp) with Texas Parks and Wildlife Department, and I appreciate the chance to visit with you just for a minute this afternoon. I'm going to be providing you some written remarks also for the

record.

We would, as this farm act approaches, we would appreciate the inclusion of language in the bill that recognizes the state fish and wildlife agencies as full partners with USDA. We would also suggest language that ensures having wildlife as a co-equal with soil and water conservation in the bill. We had enjoyed and do enjoy good cooperation with all USDA agencies in Texas. And, frankly, without the Texas farmers and ranchers that provide the habitat 98 percent of the time for publicly-owned wildlife resources, we're out of business and we don't have jobs. So the farm act may as well be called the Wildlife Conservation Act. It's very important to the landowners and producers in Texas.

We think to better serve the landowners who are trying to put conservation on the ground we hope that the legislation would include language that links your conservation program strategies to state comprehensive wildlife conservation strategies. This is better known as state wildlife grants. They're becoming more and more the way we do business in the state fish and wildlife agencies. This would be a very landowner-friendly thing. We would like to see continued program flexibility to deal with issues unique to individual states and regions. For example, in the South Plains west of here we have a situation going on with prairie chickens where permanent high quality cover is needed to handle existing populations. That's going to have to be really the cooperation of farmers and a wildlife-friendly CRP program.

We would like to also ensure that program funding in Title I not in any way conflict or counteract conservation programs funded in Title II. We base this on a lot of producers. We would hope that payments would ensure better integration and water conservation. I think you heard from several farmers and ranchers already here today the importance of water in Texas -- not just here in Ogallala but all over the state. And that's a top priority with Parks and Wildlife Department in a land and water conservation plan. That's job number one for us as a fish and wildlife agency and we have to do that in concert as well with you and with farmers and ranchers.

We would hope the USDA would reauthorize and fully fund all the flagship conservation programs that are in the current Farm Act. And I think everyone here is well aware of all the acronyms -- I'm not going to say them. But we would also plead with you for an increased number of positions for paid professionals within the NRCS and within the Farm Service Agency.

MODERATOR: Thank you for your time. Remember to keep your comments to two minutes. You can watch the lights to the side. Once it turns yellow, you have 30 seconds. Thank you.

MR. JIM WILKERSON (sp): Mr. Secretary, my name is Jim Wilkerson, a peanut, cotton and wheat farmer/producer in Seminole, Texas, which is about 80 miles south here. My father, three brothers, my son are all a family rely on growth crop production to make our living. Mr. Secretary, it is very important not only to my family but to this region. I would like to thank you for taking the time to come all the way to Lubbock, Texas to hear our concerns and our ideas.

In this area it takes quite a few acres of land, adequate equipment and a good banker to economically make a farming operation work. We were disappointed that the President's budget proposal calls for such extreme cuts to payment plans. These types of cuts will devastate the majority of the peanut and cotton farming operations in this region. The payment limits which are in the 2002 Farm Bill do and will allow us to stay on the land and continue to farm. We urge the administration to keep the current payment limit structure in place and ask that it be carried over into the next Farm Bill intact.

I believe that I join with the majority of the farmers in this region by saying that I do not

want to see major changes in the next Farm Bill.

As a Western Peanut Grower Board member, the 2002 Farm Bill to this point has worked well for peanut growers. Speaking on behalf of peanut farmers, we would like to see the next Farm Bill continue with the same provisions that were making the program successful in the past three and a half years. The other day my son asked me a question -- and he loves to farm -- he asked me the other day -- in the new Farm Bill are we going to get cut so hard that am I going to need to find another job somewhere? And I couldn't answer his question. Thank you. (Applause.)

MR. BENITO RODRIQUEZ (sp): Congressmen and Mr. Secretary. (Off mike.) I honored to have the privilege to speak before you this afternoon. My name is Benito Rodriguez (sp). I'm a full-time farmer. I grow cotton and milo in Swisher County. I grew up on a small farm in Swisher County and got a loan for the beginning farmr loan program in 94. However, now we are seeing problems.

Swisher County has been designated as a disaster county for the last [10?] consecutive years. And, as you know, during these times the farm -- (inaudible) -- depressed, lower prices in most commodities. The Farm Security and Rural Investment Act of 2002 did not -- (off mike) -- produce. Many believe there is going to be a continued credit in Rural America. They are wrong. (off mike) -- transactions are made by massive chain banks. Community reinvestment is something of the past. Where you used to have 30 farm loan specialists now you have five. -- (off mike) financed local bank. At the same time, most farmers in my area have either gone out of business or have increased their size for efficiency even though costs have doubled, if not tripled. With the FSA direct loan program we can survive. Without it there is no protection. The direct loan program has gotten us this far without it the future looks bleak. -- (off mike).

I would like to ask your consideration for changing the present Farm Bill with the loans -- (off mike) -- Thank you. (Applause.) Thank you.

MR. TED HIGGINBOTTOM: My name is Ted Higginbottom. I am a farmer from Gaines County, Texas, where I raise peanuts, cotton, watermelons, wheat and run a cattle operation. And I am here today as President of Western Peanut Growers Association located in Seminole, Texas. Western Peanut Growers represents the producers of approximately 70 percent of the peanuts grown in the state of Texas. We want to join the majority of the farm organizations and farmers in asking for the continuation of the current farm program, especially as it relates to peanuts. For the first time in history the peanut industry, consisting of growers, shellers and manufacturers, are united in support of the current peanut program.

The reason for this support is the Farm Bill helps more with the whole industry. We feel that currently in that program as it is being administered in 2005 should be continued. With a continuation of the Farm Bill we can regain our position in the world export market while continuing to supply the domestic market with reasonably priced peanuts, as we are doing today. We strongly urge you to support the American farmers and consumers by helping us gain a continuation of the current farm program. Congressmen and Secretary, thanks for coming to Lubbock, Texas. (Applause.)

MR. LUKE LEWIS (sp): Mr. Secretary and Congressman, my name is Luke Lewis (sp). I'm from Canadian, Texas, in the Northeast Panhandle, the Texas Prairie region located in the Panhandle. I would like to express my thanks to comment on the upcoming 2007 Farm Bill. As a professional biologist, I am committed to the conservation of the land with the landowners here in the [inaudible] eastern county region in the Eastern Panhandle. Our organization works with private landowners to encourage ecotourism and conservation for farmers and ranchers in our region. There are many facets we discussed in the upcoming Farm Bill. But I want to focus on two. The International Association of Fish and Wildlife Marketing Groups suggests here in

Texas as an NGO that it's working with many rural landowners and communities through grants. We've been involved with several voluntary public recreational areas to encourage ecotourism in various regions.

We encourage you to support the concept with these elements through the Conservation Title that will provide funding to NGOs that go from field to field. This will allow dollars for operational costs, tech network, land, education of various NRCS and FSA programs that encourage landowners.

Second, I would encourage in 2007 to find a mechanism for exceeding the 25 percent county cap. Conservation warrant many exemptions -- i.e., CRP, WRP and WREP. Any counties' cap with CRP don't allow wildlife conservation on particular programs such as CB-43(a), CB-29 and CB-3333. Our region has a wonderful opportunity to incorporate this program, but funding has been very limited over the years as other programs ranking higher in these counties. Such species as the lesser prairie chicken, wildlife quail are left unprotected. Also, bio-lake habitats or riparian ecosystems are not being adequately funded to control expanding invasive plant and shrub species.

Please consider these requests. It's like where the rubber meets the road and landowners in Great Plains willing to do good conservation for the land. (Applause.) Appreciate your time.

MR. DAVID CLEAVINGER: Hello, Mr. Secretary, I'm David Cleavinger, Secretary of the National Wheat Growers, and I farm in the Wildorado area. We grow wheat, corn, cotton, grain sorghum and cattle. I want you to notice today we have a large crowd, and because that sends out a signal that all across America we've seen these large crowds when you had these Listening Sessions. And it indicates that we have a problem in agriculture.

I'm sure this room would be adequate if there were no problems. But we see an overflowing crowd. And because of that there are problems that we have no control over.

When you heard the President speak in the opening address, when he talked about global markets, there was a stir in the room. Why was that? Because we believe in trade and we believe in world trade. But yet until we see that reflection in our local markets, we have got to have a mechanism that helps us get to that global trade. That mechanism is the successes of the 2002 Farm Bill, the continuation of the direct payments. And that's the direction we need to go. We need to build on those policies of the 2002 Farm Bill and strengthen them.

We worked with these Congressmen in past issues. They've done a tremendous job representing our area, and we look forward to working with them on in upcoming days on the 2007 Farm Bill. But I want to point out something. In New Orleans, this administration and former administrations were told that the levees are weakening. And yet policies were not adhered to to make sure the levees did not break. And it ended up costing us \$200 to \$300 million dollars.

I look forward to working with you and these Congressmen to make sure the policies of American agriculture are strong and that we will build on the successes where agriculture does not become the next New Orleans. Thank you. (Applause.)

MR. ROSS WILSON: Good afternoon, my name is Ross Wilson with the Texas Cattle Feeders Association. We appreciate the opportunity to be here with you this afternoon.

We urge the following concepts be seriously considered as you prepare for the next Farm Bill. One is to minimize the policy that distorts the competitive market system. We strongly oppose efforts to limit marketing options available to cattle producers. Such proposals limit ownership of cattle and restrict marketing agreements and place the cattle industry at an unfair

competitive disadvantage with other supplies of protein both domestically and internationally.

Oppose government supply management programs. Ensure compliance from our trade partners to the WTO rules of trade agreements. We must be able to remove unfair trade barriers in a more timely manner, or we must quickly impose sanctions and tariffs to ensure compliance. We encourage support and full funding of the market-access program and market development programs through third party cooperators. Reduce the unfair and counterproductive regulatory burdens, as you certainly have heard from many in the comments -- on producers. We support science-based regulations obviously to ensure protection of our food supply and the environment in a cost-effective and economically viable manner. And to increase federal investment in agricultural research to increase efficiency and resolve environmental, food safety, cattle health and other challenges faced by producers.

One of our competitive advantages over foreign producers has been leading edge research and development programs supported by government and the private sector. The USDA must maintain the scientific expertise to protect producers from the -- (inaudible) -- safety of our food and the quality of our environment. We also urge adequate funding for important environmental programs such as EQIP.

And, in closing, Mr. Secretary, we very much appreciate your recent decision to -- an announcement about the animal I.D. [inaudible] and managed by the private sector. I know that the members on the stage agree with you on that, and we're appreciative that hopefully that will not be a matter for the 2007 Farm Bill. Thank you. (Applause.)

MR. CALVIN KYL (sp): Thank you, Mr. Secretary and members, for hearing our concerns today. I'm of Calvin Kyl (sp) with the Dairy Producers of New Mexico. We're a grass-roots voluntary association representing dairy producers in Texas and New Mexico, and our association actively participates in affecting public policy. Therefore I want to outline what we support and oppose.

Dairy Producers of New Mexico believes in open and free trade for milk, and does not support state contracts for the purpose of milk price supports -- the price of milk -- or any form of dairy compacts, as we rely on markets throughout various states. We oppose any legislation that would use the federal milk marketing order or other federal programs that protects a safe pricing pooling plan from the effects of interstate commerce unless the state plan prices milk at levels no less than federal milk marketing order prices. And Dairy Producers opposes Milk Income Loss contract programs because it does not help all producers equally; as well as any form of direct payments from the government based on production, because payments end up distorting markets and reducing milk prices.

Dairy Producers of New Mexico supports the continued and full funding of food safety, anti-agri-terrorism, anti-ecoterrorism endeavors, which include animal tracking as well as programs to maintain national herd health, because it's important for the national security that the food supply be protected.

We support the concept that environmental stewardship funding should equally be available to all producers, and especially support Farm Service Agency and Natural Resource Conservation Service in their support of dairy research. It's important these programs likewise be fully funded.

And, lastly, your comment about pitchforks goes hand in hand with -- it brings back fond memories. We support utilizing those materials for biofuels -- (laughter) -- resources and funding to facilitate the development and implementation of these biofuels. There's also biofuels in the cotton industry. As you well know, we have cotton waste products and stocks and the residue there that we want to go to the same program. Thank you, Mr. Secretary. (Applause.)

MR. MATT BROCKMAN: Secretary Johanns, Congressmen Neugebauer, Conaway, and Poe, it's an honor and privilege to be here today. My name is Matt Brockman, and I'm the executive vice President of the Texas and Southwestern Cattle Raisers Association. We represent 13,000 cow/calf and stocker producers in Texas and surrounding states. I'll be echoing the comments made by our fellow organization, Texas Cattle Feeders, as it relates to overall farm costs.

The market-oriented path set out in the '96 Farm Bill and carried forward has been one that has provided a good, stable supply of feedstuffs for the livestock industry in this state. We urge you to continue it in that direction.

EQIP is the most useful tool for maintaining conservation. And I'd also like to talk about private landowners and producers in Texas need more flexibility within the NRCS guidelines in order to implement the conservation programs. And by this I mean responsible brush control programs. We have other brush control programs administered by other state and federal agencies that have led the way in providing an effective tool for our ranchers, but we would like to see EQIP place more emphasis in this area.

Resource concerns -- in fact, at the state level, by the State Technical Advisory Committee, mirror that of the National Technical Advisory Committee, with the exception of one issue, and that's water quantity. We would urge that Congress and the administration look at that issue. You have the resource concern, poor water quality -- again, this flow into the concept of brush control and what it can do.

Disease surveillance is a big issue. The livestock industry is by far the largest industry in the state of Texas. But we've got problems, gentlemen, with tuberculosis, brucellosis -- the BSE issue is a big one -- and fever ticks on top of that -- mandates -- this requires us just to urge you to look into this in the next Farm Bill for disease eradication and control programs.

Lastly, the unintended consequences are really important to us. And by that I mean in the last Farm Bill the mandatory country-of-origin labeling language got put in at the last minute. If you want to look at programs like this or language like this, please do so with proper review in the planning control and not do it in the eleventh hour. Thank you very much.

MR. KEVIN CAVE: Hello, I'm Kevin Cave, President of the Martin County Cotton Growers. In our county we handle about 140,000 baleen cotton acres -- baleen cotton. Approximately 75 percent of that goes to skip row and another 10,000 irrigated acres.. The current farm program provides an important price segment for production agriculture adjusted on a fiscally responsible payment, even though the farm payment is much less than originally projected.

Countercyclical payments along with direct payments in the marketing loan program protect farmers from fickle commodity markets -- (off mike) -- county's health and distort overall production. Today farmers face greater risks than the vast majority of businessmen. Many factors are beyond the farmer's control: A strong dollar, unanticipated over-supply in high production years, depressed prices and especially natural occurrences that wipe out entire crop. We're ahead of disaster -- and Martin County crop insurance only covers about 30 percent of our production costs. An effective farm program is essential for providing stability in production, financing and marketing.

There are no corporate farms in Martin County, where the majority of the -- (inaudible) -- Most producers are second- and third-generation farmers that do not have outside jobs. Very little -- (inaudible) -- and payment limit provisions allow our family farms to be an adequate size to provide a living for our families. Any restriction or reduction in payments or payment limits

places financial hardship on our families.

Looking forward to the next Farm Bill, we believe that the continuation of the fair farm program will serve agriculture very well. We ask your continued support of this legislation in its current form. Thank you, Mr. Secretary. (Applause.)

JOSE DODIER (?): My name is (Jose Dodier ?) from Zapata County. I'm here as chairman of the Zapata Soil and Water Conservation District and as a partner of Don Jose Land and Cattle Company, which is a cow/calf operator.

The Farm Security and Rural Investment Act must have a strong conservation title. Conservation works. It has worked for decades in this state and across this nation. The evidence is out there in the landscape. The country looks good. NRCS is probably the best partner that most farmers and ranchers have. Conservation plans are cost-effective and easy to implement in most cases. I think we need to add to the wildlife in South Texas and to step to the forefront as an economic booster for producers. I'd like to see an enhancement of the Wildlife Habitat Improvement Program.

I also want to talk to you about an issue that we have been fighting for over 40 years in South Texas along with USDA -- and I'm speaking of the River Riders and Tick Inspectors. This is a battle to control fever tick infestation. I'm here to tell you today we are now losing that battle. The infestation is spreading north and has crossed the quarantine line of just out of 83. And I wish you could come down there and see what it does to producers that get quarantined. Their cattle are exposed to continuous [inaudible] and strain die, and some of them die. Producers lose money and have no safety net. They need help. I want this Farm Bill to have a safety net for these diseases. It is something that's spread north from Mexico, and we need more help -- additional personnel and equipment. Thank you for your patience. Thank you for being here today. (Applause.)

MR. ED HIRN (sp): Hello, I'm Ed Hirn (sp), a cotton producer from an area about 80 miles south of here, an area where four counties come together. It's included in both the Congressmen's districts, including Dawson, Howard, Borden and Martin Counties. I have a family farm operation -- my son testified earlier today concerning some of the concerns of young farmers who are facing getting in the business these days. They're legitimate concerns.

Having farmed 33 years, I farmed the various Farm Bills, and I have yet to see the perfect Farm Bill. And I'm thinking this -- I know we had it prior to the '02 Farm Bill. I think that was probably as close as it comes to being that way. You know, there are probably good things we could pass in that bill itself. But he's on a lot of these boards -- right now he's the President of the cotton board, which is a local organization -- hears a lot of concerns from the various family farmers. And it is family farmers in our area. It's not corporate farmers, as David talked about earlier also. So it is a family-farm-oriented place. Family people come make a living out of the dirt. We don't have a secondary job, most of us -- family farming is our life. So it's an important part of our economy - it is our economy basically in those areas.

So it's important that we have a Farm Bill that will provide a safety net in the future for our farmers, not only young farmers, but old farmers alike, so we can continue that way of life. And I think the '02 Farm Bill does that -- maybe there are some ways we can improve it. But I will now speak of the past -- this is about as good as it gets, so to speak. So it's a good bill. There's a lot of concern about as far as escalating energy prices, which is a concern maybe you could address. But I would like to ask that this administration please approve the Farm Bill that's comparable or compatible with the '02. Thank you. (Applause.)

MR. CRAIG MARTIN (sp): Hello, Mr. Secretary, my name is Craig Martin (sp), and I'm a young farmer from Terry County. We farm a family farm. I'm fourth generation. I have

the privilege to farm with my dad and uncle on this operation. We farm cotton and milo. I would like to see the 2002 Farm Bill carried forward and extended.

As a young farmer, this Farm Bill projects a critical level of stability that allows me to attain financing and make long-term plans for my operation. Importantly, as a beginning farmer, it concerns me -- (inaudible) -- payment limitations. In the next five years my dad and uncle will be retiring from farming, and I will be taking on their share. So limiting the restrictions on these payments will hurt me in the next five years of the farm bill -- it's going to be real difficult to continue to farm.

And, also I'm limited in the amount of resources that's available. To make any such changes would affect me substantially. And also, in conclusion, I'd like to end very optimistically that this Farm Bill is a good starting point for me. It has enabled me to get started as a young farmer and to continue this Farm Bill to enable other young farmers like myself to continue to grow in the farming industry. Thank you. (Applause.)

MR. DONALD MARVEL (sp): Mr. Secretary, Congressmen, my name is Donald Marvel (sp). I have had a business in Southwest Texas for 73 years. During my entire adult life I have farmed -- my brother and I now operate a cotton and grain farm that includes 6,400 acres. Most of the land that we operate is irrigated, some is operated as dry land. During most of the 50 years that I have been farming in West Texas, I have operated under many different Farm Bill programs. I can say without hesitation that the 2002 Farm Bill has proven to be one of the most effective financially responsible pieces of farm legislation that I have ever seen -- and, more important, it worked.

The current Farm Bill makes sense and offers protection to Texas farmers from the standpoint of both natural disasters and economic disasters due to low prices. It has also been very helpful insofar as the conservation and environmental provisions of the current act. The way you are encouraged to reduce soil erosion and water conservation. In my view, the skyrocketing energy prices that we are now experiencing -- it is certainly not the time to make any changes to the current Farm Bill.

In conclusion, I would just say that I think the 2002 Farm Bill is an excellent piece of legislation and the Department of Agriculture has done a good job of administering it in a responsible way where it truly helps the farmer and imposes minimum burden on the American economy. Thank you. (Applause.)

MR. RAY WILLOUGHBY: Thank you, Secretary Johanns, and members of Congress for being here today and listening to us. I'm Ray Willoughby, the President of Texas Sheep and Goat Raisers' Association. And the 2007 Farm Bill issues I'd like to comment on today are priorities for the sheep and goat industry.

First I'd like to ask the Secretary for the continuation of the wool loan deficiency program. This program also assists the mohair industry. It was established in 2002 to help producers struggle through the ongoing demands of production wool and mohair, and loss of sheep in farms and ranches. We ask the Secretary to support the authorization for the wool base rate at \$1.20 per pound for graded wool and \$0.60 a pound for ungradable. These rates are currently \$1.00 and \$0.40, respectively.

We would also ask that the base loan rate on mohair be increased 2 percent from \$4.20 to \$4.40. This would provide the full benefit of the program as intended, and it would put wool on par with cotton in the marketing loan program.

Secondly, I would like to ask the Secretary to support the funds for a livestock protection pilot program for lambing [inaudible] to be included in the final section of the '07 Farm Bill.

This would be similar to the pilot program that has already been done with the cattle and swine industries, and is available now to the cotton industry with their -- (inaudible) -- act. The problem with establishing this program has been that there is no futures market for lamb, therefore making it difficult to determine the risk involved and ensuring the price you pay for live lamb. I am hopeful that even without a futures market [inaudible] that it is possible to provide insurance to lamb producers against price volatility.

And, lastly, I would ask the Secretary to continue funding the Wildlife Services program, at least at the current level. This has been a very beneficial and appreciated program to help producers protect their livestock and livelihoods from the ever-present and growing predator problem. Funding for this program has been reduced over recent years, forcing the creation of more local predator control associations. But with the high cost of hiring trained technicians and reliable equipment, especially aircraft, local associations can't pay the entire bill. I firmly believe that continuing cooperative efforts between the property owners and wildlife services is the only way to manage predators. Thank you very much. (Applause.)

MR. DEAN MCINTOSH: Thank you, Mr. Secretary, Congressmen. My name is Dean McIntosh. I work for a grain company in Amarillo, Texas by the name of Attebury Grain. We employ about 150 individuals, and we are serving producers in about 40 different communities in Texas, Oklahoma and New Mexico. We provide grain storage and farm inputs to these communities -- have been for over 50 years -- and we serve probably 5,000 producers I would say roughly. I think probably I'll be echoing many of the comments I've heard here regarding the 2002 Farm Bill.

There's no question that federal rural farm programs provide financial assistance to the producers and the companies they do business with, such as ourselves. One goal of farm policy we noticed has been to enhance and stabilize farm prices and incomes. We're concerned about farm program benefits being reduced because of budget restrictions. It'd seem to be appropriate that the counties that are truly farming, the counties that receive most of their income from agriculture, need to be identified and targeted as a top priority for farm program benefits. An example of this would be to continue the incentive programs such as those being created for ethanol production. These programs are excellent for spreading rural investment and production. I would add that in order for these rural communities to remain healthy, adequate access to competitive rail transportation is essential to provide market export opportunities for crops, such as sorghum, of which 40 percent is exported annually. Lack of competitive rail transportation, rising fuel costs and fuel surcharges, rising costs of purchasing the rail transportation and rising energy costs cause major reductions in producers' bottom lines. I don't see this trend changing at all in the near future. Because of this, any reduction in the farm program benefits to producers in this region will be devastating not only to the producers but also to the rural ag business community that serves them. We encourage the USDA to give serious consideration to keeping the current farm program. Thank you. (Applause.)

MR. ALLIS BATES (sp): Secretary Johanns, Congressmen, I appreciate your patience listening to these farmers here today. My name is Allis Bates (sp). I'm a fourth-generation farmer in Midland, Texas. I'm also the father of four beautiful children that I hope some day will be farming alongside of me.

Let me begin by saying that I strongly support a continuation of the 2002 Farm Bill. This Farm Bill has been an important safety net for my operation. The lingering drought since 1992 in our region around Midland made it difficult to survive financially on the farm. There were many times from about '99 to 2003 that the only way I approached my banker was on my knees. Without the current Farm Bill, I truly believe that the ag economy surrounding Midland would have been lost.

The Farm Bill provides the minimum stability necessary for bankers to stand by their ag

clients so that they can continue farming. And I believe this Farm Bill has done that better than any previous Farm Bill. As you well know, rural areas also benefit from a strong ag economy. This Farm Bill supports hundreds of thousands jobs in agricultural support industries in rural America. It provides a stable financial foundation for production and financing and marketing our crops. The 2000 Farm Bill works. It works well, and it should be -- I encourage you to continue to extend it to the future for my generation and hopefully for my kids' generation. I appreciate your time listening to us. (Applause.)

MR. JOHN RICHARDS: Good afternoon. My name is John Richards. I'm a certified -- (inaudible) -- I live in Swisher County, Texas. I manage a farming operation including myself, three brothers, a nephew. We farm cotton, wheat, grain sorghum, corn and cattle. The 2002 Farm Bill provides us with an important safety net for our operation. It also provides and supports hundreds of thousands of jobs in agricultural support industries across the country. It provides the structure that allows us to make long-term plans for our operation. It is vital for the U.S. to maintain a stable and equitable farm policy. As the administration and Congress move in the direction regarding the next Farm Bill, no greater success is the Farm Security Act of 2002. The combination of market loans and direct countercyclical payments - (inaudible) -- Farm program benefits do not disappear-- (inaudible) -- they are almost immediately transferred into local economies through businesses that support our operation. These are the local seed and fertilizer providers, implement dealers, gins, grain elevators, banks and U.S. consumers all benefit from the Farm Bill. The 2002 Farm Bill has been successful and should be maintained. Thank you. (Applause.)

MODERATOR: Just as a reminder, when you step up to the microphone if you will get as close as you can, so those outside here can hear.

SPEAKER: Thank you. Mr. Secretary, Congressman Neugebauer and Congressman Conaway, thank you for this opportunity to protect the Constitution of the United States. I want to say above all I love all you farmers. I assume that probably everybody in here is farmers. I appreciate all you do -- your ranching, your range, your cows, corn, wheat - whatever you do, I appreciate it so much, because I wouldn't have it on my table if it wasn't for you. I'm not here to [inaudible].

In World War II, when I went into the Army, I took an oath to uphold and defend the Constitution of the United States, and that's exactly what I intend to do today, because a lot of times that -- you cannot have a constitutional government and free hand-outs, subsidization of anything -- any free enterprise that takes advantage of government is illegal. It's not in the Constitution. And I think you'll have to agree with me, Congressmen, that that's absolutely true. The way that you can put a case to this -- do I as an individual have the right, can I force you, my neighbor, to do something in order for me to accomplish a particular goal?

Now, if I have that right, I could delegate it out to -- (inaudible) -- But if I don't have that right, I can't delegate it out to anyone. There's a certain amount -- because I as a farmer -- if I were a farmer -- or do you as a farmer have a right to go to your neighbors, whether they be farmers or nonfarmers, to get him something -- force him to do something in order for you to accomplish a particular goal? Do you have a right to force your neighbor to deal with money? To give it to them so they can give it back to you to compete in the free-enterprise system? After all, farming is a free-enterprise system.

MODERATOR: Thank you for your time. Please remember to stick to the six questions the Secretary has asked for. Go ahead.

MS. DENISE POE: Yes, good afternoon. My name is Denise Poe I'm President of (West Country ?) Resources here in Lubbock. And thank you, Mr. Secretary, for being here today. And I grew up on a farm in Kansas, and I grew up in the '70s, and my dad was kind of an

activist farmer, and he drove his tractor to Washington to talk for farmers. So I'm happy to come here today to Lubbock to speak to you face to face.

So, and I want to talk to you today about the value-added grant program. We haven't talked about that. But I'm a consultant and I write a lot of these grants, and about nine of those have been awarded. And I have two teenagers, and I've seen a lot of the young people here today, and value-added agriculture and it is so important -- and these funds really help the young farmers get started and provide additional income.

I think one thing I'd like to talk about -- one of my clients is the Texas Hair Sheep Association, and they started a couple years ago with grants with 28 members, and they are now 100 members. We've taken a problem which hair sheep hides are docked in the slaughterhouses. We've developed a market for those hides, and created an opportunity. And the only way we were able to do that is with this program. And this is going to affect the entire hair sheep industry. And they want me to personally thank you. But there's been many other success stories. And I work in Texas and all over the country. I've done this work for 11 years, developing value-added agriculture. And I think it's the future for the young people today.

The other thing that's very important is the business and industry loan program. Many times we use those funds as well to partner with the grant program. But I would really encourage you to take a look at that program and expand it. (Applause.)

MODERATOR: Thank you.

MR. DOV JEFFREY (sp): Mr. Secretary, Congressmen. My name is Dov Jeffrey (sp) and I'm a fourth-generation farmer. I have consolidated for generations the farms that my farming family has had. And, as a consequence I now farm Deaf Smith to Loving, to Hartley County to Borden and back home. And we have all been greatly remiss in not thanking you for the wonderful people that you have working for you in all of these countries. I can say without a doubt that in every county that I have operations -- and they're small -- that your people are trying very hard to implement very hard rules and for that reason we should continue the same Farm Bill with as little changes as you can possibly tweak it with, so that they won't have to continue their education. Just on that alone -- it seemed like every week they've got to go to school to learn another rule, another regulation. If you could just lighten their load in the paperwork that they have to do, and the paperwork that all this audience has to do just to comply with the farm program -- that would be greatly appreciated.

Specifically with regard to the conservation area, I represent a small community that have water-filled CED, and the conservationist said, You know, the nitrates in water -- you can get this put into the conservation reserve program. In the end, naming Dallas for our urban sprawl and where I heard about -- (inaudible) -- we need it out here in West Texas. (Applause.) Thank you.

MR. MIKE RYAN: Mr. Secretary, Congressmen, thank you very much for being here today. My name is Mike Ryan. I'm executive vice President of Citibank-Texas, headquartered here in Lubbock. Citibank finances 400 ventures to the tune of approximately \$150 million a year for row crops, cattle and agribusiness. Personally, I grew up in a cotton farm here in Lubbock and farmed with my dad nine years -- been involved with ag lending 23 years.

Mr. Secretary, I would recommend the 2002 Farm Bill be carried forward in its current form. It is vital that the U.S. maintain stable farm policy. As lenders, we are looking at all the income streams. And if the current Farm Bill is not extended, it will be extremely hard for our producers with the cash flow they're operating, given the low commodity prices and the much higher cost of production.

The 2006 Farm Bill has proven to be one of the most effective and fiscally responsible pieces of agricultural legislation ever approved, and I would like to see it carried forward without change. Mr. Secretary and Congressmen, please don't let any of these comments fall on deaf ears. Thank you very much for being here. (Applause.)

MR. CHRIS SNODGRASS: Mr. Secretary, I'm Chris Snodgrass. I'm a John Deere dealer in Brownfield and partner with my brothers in several more locations. We are definitely in favor of this Farm Bill. My comments are brief. I hope that you'll go back to Washington and be steadfast in your position for 100 percent support of this Farm Bill.

The part that concerns me is the heavy level of politics that's involved that could be at the expense of all these discussions. Senator Grassley is a big hurdle, a great man. He's head of the Finance Committee. He's for cutting these payment limits. That's not what's good for all of his sake -- I've got a customer that I could get you in touch with, he farms close to the factory in Waterloo where John Deere tractors are built, and he'll share with you it's not what's good for his community.

Steve Verett, that man sitting right here, he has a position at the Cotton Growers, he and Rickey Bearden -- and Rickey Bearden is the President of High Plains Cotton Growers -- I'd like to ask you to invite these guys to Washington to sit down with a guy like Senator Grassley and educate him -- show him on paper how it won't work without this program. Without this program, it would be devastating for my business. A lot of customers, a lot of these farmers, have gauged the expansion of their business on this 2002 Farm Bill.

One more thing. I would like to ask you to help educate America. As they bring up these Web sites and they see these payment limits published, help them understand where they're going. They're under the impression that these payment limits are going to Las Vegas, they're being put on the table. Those payment limits are engaged in America in the survival of Deere, Cat, Monsanto -- the list goes on and on. I appreciate your coming today, and thank you for coming. (Applause.)

MR. JOE HURST: Mr. Secretary, gentlemen, we do appreciate you being here. Mr. Snodgrass, I heard him -- he's a competitor of mine, but what he says is true, and we need you take what words he said back.

My name is Joe Hurst. I'm part-owner and general manager of Hurst Farm Supply -- we're John Deere dealers also -- we employ between 75 and 85 people throughout the year.

Now, let me begin by saying that the 2002 Farm Bill has been one of the most effective pieces of agriculture legislation ever written and approved. It contains an adequate foundation in market loans, direct and countercyclical payments that form a safety net needed by my customers. Therefore I would like to see it carried forward without any changes, simply because it does work.

Since the enactment of this 2002 Farm Bill, we are finally seeing some excitement in the agricultural industry that was lost for many, many years. Young farmers are now--even though it's difficult -- they're now given the opportunity to stay on the farm. All farmers are now able to make projections in paying their financial structures, and they're able to update the lower end of their equipment, which helps us as a John Deere dealer, but it also enables the farmer to have more efficient equipment and also operate by meeting the safety standards of this day and time. Never before has this Farm Bill delivered such a consistent farm policy that has enabled the flexibility of products and stability of support as our current 2002 Farm Bill. This program has benefited my business, as well as other businesses connected to agriculture. And, as statistics show, these benefits are injected straight into the local economies which in turn reaches operations that are outside our local region.

With all this said, it's my belief that the 2002 Farm Bill has had a positive impact on our economy in West Texas and it does provide the stability and consistency necessary to support our agricultural industry. Therefore, I do recommend that the 2002 Farm Bill be carried forward in its current form. Thank you. (Applause.)

MR. DANIEL HANCOCK (sp): Mr. Secretary, Congressman, I want to thank you for being here today and for holding these hearings all across the United States. My name is Daniel Hancock (sp), and I'm a fourth generation cotton farmer down in the Lynn County area, which is right south of Lubbock here. My granddad started farming in the early 1900s. He farmed right out 55 years and this he farmed 1,300 -- he could make a living doing that. My dad started farming in 1956 and he just retired this year, and he farmed 2,400 acres. And he did that to make the same average living.

I myself started farming in 1980 when I came back from college, and it takes about 4,000 acres for me to build and maintain the same kind of standards. I say all that just to point out that prices, as you are fully aware, are not where they were when Granddad started. The prices of cotton today are about less than when they were when I started farming. Steel is up 60 percent, fuel bills, fertilizer, seed, on and on. These suppliers are able to make a living making a profit -- they pass on surcharges. We cannot do that. If we were able to pass on a surcharge we wouldn't be here today. So I say to you that I am in favor of the Farm Bill. The only way my lender will continue to deal with me and support my business is with a good, strong safety net. That safety net supports, as we all know, to answer some of your questions -- number one, this is the number three question: Does the administration and Congress look for direction regarding the next Farm Bill? The blueprint exists in the Farm Security Act of 2002, the combination of market loans, direct and countercyclical payments was an effective safety net for my operation.

To answer the number one question, it is vital that the U.S. maintain a stable, predictable and equitable farm policy. The 2002 Farm Bill meets each of these criteria and has done so at a cost less than originally projected. I believe in 2004 we came in at \$15 billion less than the projected 2005 at \$10 billion. My comment would be that with the surplus it would be a disaster for different things.

But we sure want to again thank you for coming. I appreciate your time. (Applause.)

MODERATOR: We're running out of time, and I know that there's a lot of comments and a lot more of you would like to make your comments heard. We've got time for a couple more. If you're unable to make your comments here, remember you can make them online. You can also mail them in. And if you'd like to make FedEx -- I believe a courier will work also.

SPEAKER: Thank you all for being here today. I'd just like to talk about the number one question on the program. I'm a family farmer born and raised on the farm west of Slaton. My wife was born and raised on a farm west of Slaton. And thank God for her being a farm girl. We had five children -- five of those children are sons of mine and my wife, and they farm with me in a partnership, and I'd just like to talk about how hard it was for me to help them get started.

We started our partnership in 1993, and it took a high-priced lawyer and a lot of money for the USDA to say that we were all separate persons in that partnership. If we hadn't have done that, we would never have survived to this day.

The next thing I'd like to talk about is in the early 2000s when the drought and the boll weevil were eating us up, and we were doing everything we could to try and overcome it, we had to refinance equipment that we had done paid for to pay off our operating loans in those two years. And after this new Farm Bill come along, it gave us some breathing room to where we could continue. If it hadn't been for that, I don't know if we would still be here today.

My ancestors have been farming forever and my kin farm is still in Germany farmed by a kin. And I would just like to hope and pray that this family Farm Bill could continue, because I don't believe that corporate farming is the way to go.

A lot of people call our partnership a large operation -- we farm like 7,000 acres now. We started out at about 2,500. And we still do most of the work ourselves. If they think that because of the numbers we're not a family farm, I'd like to argue the point that we are. I'd like that to be the main answer to this question here, is that there are family farms that are large, but when you divide seven by five it's not that big. And I just hope that we can continue. A lot of people say, 'Well, why don't you quit if you can't make it?' Well, it's in our genes. (Laughter.) We've been doing it all our lives. We don't know anything else. I appreciate you all being here. I hope I haven't wasted anybody's time. (Applause.)

MR. MATT ALEXANDER (sp): Mr. Secretary, Congressmen, thank you for being here to listen to our comments. My name is Matt Alexander (sp). I farm in (Rolling Plains -- (off mike) -- the National Cotton Council. The 2002 Farm Bill has worked well and should be maintained. It provides an important safety net for production agriculture, and it's done so at a cost below producer's -- (inaudible) countercyclical, direct payments, marketing loan program protects farmers from unpredictable weather patterns and volatile commodity prices. The farm program allows flexibility to respond to market signals without distorting production and prices.

Farmers today face many factors, which are beyond their control. There's a world oversupply of certain commodities in years of high production leading to low prices for what we produce. The strong dollar is a detrimental factor in international trade. The cost of farm diesel has tripled since the fall of 2003. In recent weeks we have seen crops damaged or destroyed by natural disasters, such as hurricanes and hail storms. Having an effective farm program in place is critical for stability in financing, producing and marketing agricultural commodities.

As we look ahead at the next farm bill, this country must maintain a consistent and equitable farm policy. This will protect our rural infrastructure, and continue to provide American consumers with the safest and most reliable supply of food and fiber in the world at the lowest possible price.

Mr. Secretary, I respectfully ask for your support in maintaining the current Farm Bill. (Applause.)

SEC. JOHANNIS: I hate to do this to you, but I knew this was going to be a forum, when I looked at the size of the crowd, that we weren't going to get to everybody. And three hours actually goes pretty fast, unless you're standing up back there.

I believe very strongly that these three gentlemen deserve a round of applause. (Applause.) As you know, they were here from the beginning. I've had people from the House and Senate show up at these Farm Bill forums, but it's only been a handful that had stayed for the entire thing. So I think that speaks volumes about these guys, and I appreciate it immensely.

And, ladies and gentlemen, let me tell you how much I appreciate your testimony in all of the things that you have offered today as we start to think about farm policy and what we should be thinking about in 2007.

I wanted to offer just a few closing comments, and offer you a thought or two, and then I think we'll wrap it up and we'll head on down the road.

First, in terms of process, there was some discussion that we were starting this early -- and it sounds early -- you know, 2005 -- you're looking at the 2007 Farm Bill. But actually if

you think about the timing it is really not that early. What do I mean by that? We wanted to get pretty well across the country and we're halfway through Farm Bill sessions -- I'm more than halfway through in terms of the ones I personally scheduled. But in order to do that kind of extensive effort across the country, we knew it was probably going to take us through the end of the year. In fact, I think these things will last pretty well through November, maybe even into December, and there might even be one or two after the first of the year. So we needed some time to do that. So that gets us into the first part of 2006.

The House and the Senate are also going to be out. I'm not sure when it will be, but I can almost guarantee that they'll want to hear firsthand from people -- do some field hearings or whatever. And so that probably takes a pretty fair part of 2006. That's before really anything gets put to paper really in terms of a specific piece of legislation. There are all kinds of ideas floating around out there. We've had Farm Bureau in from another state just yesterday as a matter of fact, and they gave me a pamphlet that they've been working on for many months that they want me to consider. And it hasn't even been approved by the full Farm Bureau, but at their next annual meeting they'll be doing that. So our work is going on here.

By the time all that is factored in, and you let groups have the time that they need to kind of work through this, you're starting to realize that we're pretty well need the end of 2006. Now, it occurs to me that it is in that point in time, end of 2006, or probably more likely the first part of 2007, that you can actually get down to a point of time, end of 2006 or probably more likely the first part of 2007, that you can actually get down to a point where you're talking about specific proposals, legislation, hearings, debate, whatever else is necessary to get the next Farm Bill put in place, because it's like all of you -- you want to have some idea -- somewhere out there before this thing expires what the 2007 Farm Bill is going to look like.

So when you factor all of this in, our timing really isn't ahead, and we're going to be using all this time between now and that first part of 2007 to get a Farm Bill.

Now, a couple of thoughts. Your part of the country played such a key role in 2002, because you had such strong leadership from a former Congressman who really, really was instrumental. In fact, when I was governor of Nebraska I actually worked with his staff to a certain extent in terms of our input into the 2002 Farm Bill. I was the lead governor for the 2002 Farm Bill for both the Western Governors and Midwest Governors Association. So I had a significant role to play in terms of that 2002 Farm Bill myself.

The nationwide listening tours have, for me, been a remarkable journey across American agriculture. And I think that's the best way of describing it. I grew up in Iowa on a dairy farm -- I joke about that dairy farm, but it was a very, very different atmosphere than what I heard farmers talking about today -- you know, 30 cows, a dozen sows, 50 head of cattle, 160 acres -- we sometimes rented 80. And you know what? -- we were very average farmers. I'm not trying to make the case to you that we were the small of the small farmers. We were very average farmers-- some would be a little bit bigger. But we even had farmers in our areas that were farming 80 acres or 120 acres. So a lot has changed in the last 50 years. And so this has been a tremendous journey this year for me across the United States, a journey across American agriculture.

There are some very, very interesting things. Again, I come from a state now before January that was very involved in the Farm Bill, and we're a lot like Texas, the state I came from -- you're just bigger. Of course you're bigger than a lot of states -- all of them I guess. But think about it. We do what you do back there. We raise cattle, we have cow/calf, we had fat-cattle operations, we had wheat, corn, soybeans -- we don't do cotton back there and we don't do rice -- but very, very familiar with many of the things that you're talking about and we have some pretty significant sized operators there too.

One of the things that I learned is that two-thirds of American agriculture is not subsidized at all. Two-thirds of American agriculture really operates without a subsidy; it is non-program crop foods -- your fruits and vegetables. It's a whole array of products out there. It literally constitutes two-thirds. They have a lot of interest in this Farm Bill -- as you heard today, fruits and vegetables got up today and testified, and they talk about research and they talk about market access and enforcement of sanitary and phytosanitary measures and all of these things. In some respects, because of their significant place in the export market -- and, again, they do battle with the imports -- in some respects their safety net is vastly different than what I am used to from the state I came from and what most of you have talked about today. Their safety net may be phytosanitary enforcement. Their safety net may be the best and latest research. Their safety net may be us doing everything we can to get them market access into countries where quite honestly they can't sell their products today. Their safety net may really very much be trade. And that's just the nature of American agriculture -- it's very diverse.

Depending upon what part of the country you're in, I've had farmers -- I know this is a sensitive topic, but I'll say it anyway -- I've had farmers step up to the microphone at Farm Bill sessions and say, "We need payment limits." I didn't hear any of that -- well, "any" is too strong a word, but 99 percent of the testimony today said, "Don't go there, don't go there."

But depending upon what part of the country you're coming from, you're going to get different testimony. We've heard almost unanimous support for conservation -- not 100 percent. Some of our cow/calf people out there worry that our payments for conservation raise the cost of grassland, grazing land. We heard that in North Dakota, we've heard that in some other cow/calf states. But it has been pretty solid. I mean, there's a lot of support for conservation.

We have heard a unanimous statement of support for rural economic development programs. I have yet to be at a Farm Bill Listening Session with a single negative comment about the rural development economic program. They're making a difference out there, whether it's the waste-water program, the water treatment program, the addition to the hospital that was financed through a USDA loan. It could be a dozen other things. But it has been absolutely unanimous.

I like what I heard today where you're pretty united in Texas. Across the country there is one heck of a debate about future farm policy in the payments, in the subsidies, in the payment limitations and that sort of thing.

Well, let me just tell you what I believe. And I said this I think the third or fourth day that I was Secretary of Agriculture: I believe this nation's investment in agriculture makes a tremendous amount of sense. It is the right policy approach. I could give you a half an hour on that, but we don't have a half an hour. But whether you're talking about food security, whether you're talking about the fact that today I spend less of my disposable income on food as a consumer -- not a producer, as a consumer -- than just about any counterpart of mine anywhere in the world, you can see that the investment in agriculture in my judgment is enormously good policy. And I will say that anywhere, because I believe that is absolutely the approach we need to adapt.

I think as we look to the next Farm Bill, what I would like people to focus on is how to do farm policy in a way that recognizes that approach and recognizes that approach and recognizes that we must do it in a way that provides for the future of these young people that stood here at the mikes, the safety net that I heard about today, and I've heard about all across the country; that recognizes that two-thirds of agriculture as a much different sort of approach to a safety net, that 27 percent of our receipts do come from that export market. Cuss all we want, but the reality is that that export market is 27 percent of our marketplace. If you're a cattle guy here today and you look at the individual elements of that animal, 70 percent of our hides go the export market. All of those things -- 95 percent, as the Congressman mentioned, 95 percent of

the world's population lives outside of the U.S. All I'm saying to you is this: I do believe that we've got to be very, very thoughtful in terms of how we approach farm policy and how we do it right for American farmers and ranchers and all of agriculture, underscoring all of agriculture, because you see I feel strongly too that we are in this together. We need to promote agriculture for all segments of the industry. That's what we should be doing.

So those are some of my thoughts on this. I'm going to give a more detailed speech tomorrow, as a matter of fact, so stay tuned -- we'll put that up on our Web site. It's kind of my way of saying we're halfway through these Listening Sessions -- here's some of the things I'm thinking about. And we're going to talk about that a little bit. But I do want to just wrap up today and say I really appreciate your straightforward way of approaching this. You gave this a lot of thought. I noticed that when many of you got up here to offer your thoughts you had prepared, and you were looking down at your notes or your paper or whatever -- see, you gave this thought before you walked in here in terms of what you wanted to tell us. And that made for a very, very good Farm Bill forum.

Thank you. I will tell the President that you said hi. All right? God bless you. God bless Texas. (Applause.)

MODERATOR: Thank you, Mr. Secretary, for visiting us in West Texas, and we want to thank you for taking time out. We know you have a busy schedule. I want to thank my fellow members of Congress for their attendance today. I want to thank all of you. You did a great job. I'm very proud of you. As the Secretary said, you came with thoughtful ideas and thoughtful information that we need, that the Secretary needs. But again, Mr. Secretary, thank you again for your time. And as I said, and I think you can see now that the Secretary is a good listener. (Applause.)