

**Council for Native American Farming
and Ranching, Meeting: August 14-15, 2012
CD2 8-14 Track01 to Track05**

[Start of CD2 8-14 Track01]

Female Voice: Welcome back, everyone. I know you're having wonderful conversations. Please feel free to refresh your coffees, get a bottle of water or your juice and cookie, and we'll start back with our presentations.

Joanna Stancil: All right. The next on the agenda is a presentation by USDA's Farm and Foreign Agriculture Service Mission Area. First up is Daniel Whitley, director of the Office of Civil Rights for Foreign and Agricultural Service. Welcome.

Daniel Whitley: Thank you. Good morning, everyone.

Participants: Good morning.

Daniel Whitley: Wow. We can do better than that. Good morning, everyone.

Participants: Good morning.

Daniel Whitley: That's better. That's better.

Male Voice: [Indiscernible]

Daniel Whitley: What was that?

Male Voice: [Indiscernible]

Daniel Whitley: Again, my name is Daniel Whitley, and I'm the director for the Office of Civil Rights in the Foreign Ag service. Now, our agency does not do a whole bunch of

programming. We have two major programs which we will get into and I'll talk about a little bit. But what I wanted to do is start out with an overview of FAS and what we do and our importance to American agriculture, then get into some of the details of the actual programs where I think we can partner and build better relationships and have opportunities with the Native American community.

Now here is a description as you would read it on the FAS Web page of who FAS is and what we do, but I will explain it a little differently than it reads. Our mission at the Foreign Ag Services is quite simple. It's to create, protect, and enhance U.S. Ag exports. As you know, American agriculture is the only sector in the entire U.S. economy that has a positive trade surplus every single year.

Male Voice: Preach on, brother.

Daniel Whitley: Not manufacturing, not services, not pharmaceuticals, none of these other industries return a positive trade surplus every year, but agriculture does, and it is vital to the American economy. For every \$1 billion in exports, it creates roughly 8,000 jobs. Let me repeat that because that's important. In a time where we're talking about unemployment, we're talking about a lot of policy issues that affect the overall global and domestic economy, it's important to remember that U.S. agriculture creates jobs. When we create

export opportunities, we create jobs, and that's roughly 8,000 jobs for every \$1 billion in exports.

Now, to carry out our duties, even though our mission is simple, which is to create and improve exports, we have a number of more complex activities that we take underway. We have an extensive data analysis unit that's regarded as the best and most unbiased in the world. The reason we're able to have the best and the most unbiased in the world is because we have a Foreign Attaché Corps that covers roughly 100 offices in over 150 countries. And we have roughly 100 members in our Attaché Corps working in these offices, and they're our eyes, our ears, and our first voice in these countries. They are the first to let us know when a problem is arising. They are the first to try and resolve these problems. And they negotiate on behalf of U.S. agriculture and the administration. And as you can see, we're well covered throughout the world. Right now, no one will be surprised that we have our largest quantity of offices in China. We have roughly six offices in China, and there are proposals to open two more new trade offices in China as we speak, provided Congress gives us the proper funding, but that's a different question.

But with these offices and with the Intel that we get from these offices, we're able to provide American agriculture with the information they need to make the decisions for proper

business management. We get weekly; monthly, daily reports on cropping conditions, on prices, on weather, on all the aspects that farmers, ranchers, and processors need to be successful in their businesses. We package it up and we share much of that information with the rural community.

And this is important because over 25 percent of all cash receipts come in the form of exports. So if you take 1/4 of a row crop acreage, all of that will go overseas, not even consumed domestically. It's going overseas. So ag exports are vital not only to the American economy but to the global economy because our presence helps feed many starving and under-, malnourished individuals around the world. When you hear about food security, we cover a lot of that as well.

Now, programs. We have two core units that have programming opportunities that I think make a good fit for tribal colleges and particularly the Native American communities. One of our areas is the Office of Capacity Building and Development, and they are charged with helping a market become a vital market for U.S. ag trade. And the story that I like to tell is, 30 years ago, Korea was our top food aid recipient in the entire world. And through our trade capacity building and technical assistance programs, last year, they were our number five market, over \$10 billion in exports. So that's what this unit does for FAS. They help develop markets in various countries.

Now, this is a particular organization, the Intertribal Ag Council, that has partnered with us to help share information with businesses and tribal communities and Native American communities on how to export. Many people come and they hear how great exporting is, but they don't have the intel. So we partner with the IAC through what we call market access program funding to help educate and inform businesses all over the country but specifically in various areas on how to export.

Many people who come to us have no information or knowledge about brokerage firms, freight forwarders, how to coordinate where they only pay for a share of container space, all the different intricacies that are involved with exporting products. But we use third party organizations to partner with to help share that information and educate and inform various businesses to bring in to our program. This is an area that I think we can increase. I've actually talked to our deputy administrator who runs these programs, and he is committed to help in increasing these opportunities for the Native American communities, so that's something we're very proud of.

Trade capacity building. In this particular unit at FAS, we have a number of different programming opportunities. Now, it's primarily focused on universities, but we have a very good track record in working with what we call MSIs, minority-serving institutions, which tribal colleges certainly fall under. And

what we do here is carry out various activities in markets that we want to try and grow. So for example, we may identify a country in Africa whose port facilities don't have proper refrigeration at the port. So we may bring in a tribal college to partner with us and carry out the activities and the technical assistance they need so that we can get our shipping vessels, so we can get our products into that market safely, in a timely fashion, so they can be exported and consumed in that country. And we partner with universities all the time to do these sorts of initiatives.

Also, we often bring in various experts from other countries. We bring in scientists. We bring in educators and professors into the United States and have them travel all around the country, educating them on new technologies and farming practices, sharing research, even cooperating with them on different research initiatives where the partnership lasts beyond their visit. Again, this is an opportunity where we have where we think we can work better with our tribal colleges and universities. So those are just a few examples of what we're doing at FAS specifically with the tribal college and minority-serving institution community (MSIS).

Now, here is a list of some of the colleges that we've worked with in the past. Some of these may be familiar to you. I was able to read many of your bios last night, and I can tell

you it's quite an impressive group. But Bay Mills, Chief Dull Knife, College of Menominee Nation, Diné, Navajo, Southwestern Indian, these are all institutions that we've already worked with. But we've also pledged to increase our work with more communities. We have planned to do an outreach activity this year to find new tribal college, universities, including Fort Berthold, Turtle Mountain, Cankdeska Cikana, United Tribes Technical, as well as Sitting Bull. And our efforts here are to not only strengthen our relationship with tribal colleges but also increase the funding opportunities that we do provide to tribal colleges.

MSIs last year made up about three to five percent of our funding. But as the director of the Office of Civil Rights, I've worked with our administrator and many of our deputy administrators, and we want to increase that by 100 percent over the next three years. So we are hoping to get that five percent of the 10 percent of our total funding for these opportunities. Not only that, we also want to increase the number of participants in our programs. We've been at around 17 MSIs, and this is not only tribal colleges but Hispanic-serving institutions as well as historically black colleges and universities, but we also want to double that number over the next five years from 17 to 34.

So we are working to improve many facets of our outreach and our involvement and participation in our programs at FAS. And I would pledge to you, as I stand before you today, that as long as I'm the director of Civil Rights, I will assure you that we will increase the diversity of the audiences that we provide outreach to. We will increase the diversity of the applicants who apply for our programs. And ultimately, we will increase the diversity of the successful applicants who end up partnering with USDA Foreign Agricultural Services.

[Track 2]

Daniel Whitley: So with that, I'll take any questions you might have.

Female Voice: State your name please. I'm sorry. Anybody have any questions?

Sarah Vogel: Sarah Vogel. What do you see the major opportunities being for native food producers for foreign sales? Or what's the interest? What's the lay of the land?

Daniel Whitley: That's a really good question, and we get that question oftentimes. Right now, we have an aggressive effort underway through what we call our SRTGs, state regional trading groups, and they assist small and niche producers which they would most likely fall under and trying to bring them into our export arm. And opportunities are vast. Three out of the last five years, we've had record exports. This year, we're set

for \$137.5 billion. And the way that NAFTA, the success of NAFTA, with Canada and Mexico having a proximity to the United States, many of our small producers have an opportunity to begin exporting at least to those nearby countries, Canada and Mexico, but also to expand it to some of the hot markets which we've identified as China, as everybody knows, as well as Southeast Asia. We've seen a lot of growth in that market. Their economies are going up. Their middle classes are growing. And many of you probably know the first thing people improve upon when they move from low income to middle class is their diet. And we're the best in the world producing high value products, and that's where the markets are.

Sarah Vogel: One sort of a follow-up question. I used to be a state commissioner of agriculture, and I was active in MIATCO, which I guess has a different name now. But in those days, I don't know that the State Departments of Agriculture had much outreach to Native Americans or our Native American tribes or Native American producers. So that's something you may want to, when they get together or something, you may want to subtly or not so subtly encourage some of those State Departments of Agriculture to do more outreach to the folks that are likely to be prospective partners with FAS in the long run.

Daniel Whitley: Right. No, you're absolutely correct. As a matter of fact, I know the NASDA Conference is coming up, and

I think I read yesterday where the secretary will actually be participating, and my administrator would be there, so this is something that they definitely intend on raising.

Another thing I do want to share is that the department has launched an outreach initiative where every agency has to develop an outreach strategy plan for the next five years. And I co-chair that committee in my particular agency, and a component that we're required to have and we're highly encouraged to have is inclusion of these diverse audiences: Native Americans, Hispanics, African-American, the whole gamut, women beginning and new farmers and ranchers. So every agency is in the process of developing an outreach plan to target all of these various communities that may have been missed in recent years. Yes, ma'am?

Janie Hipp: Janie Hipp. Aside from that avenue, I know the MAP program has been very effective in its ongoing relationship with Intertribal Ag Council. There are quite a few tribes that have export product constantly in the stream -- and Zach just walked back in; we're talking about MAP.

Male Voice: Yes, ma'am.

Janie Hipp: And they do export readiness training. And my understanding is that the tribes who do participate in that program have a trademark that is used for those products that is free to use from IAC and that the tribes that do participate in

that have a really -- they have the interesting challenge of having a high market demand. And so it just really has been a boon I think to a lot of tribes. And Zach is here with us today and tomorrow and can speak to IAC's experience with that. But export markets, to me, are sometimes overlooked by tribal governments. And the ones who have put that toe in the water have been very successful with it. There's a high desire for Indian products in Asia and in Europe. So I just think it's an area that we can continue to help on, I think.

Daniel Whitley: Oh, absolutely. And this is the economist in me coming out, but when you think about it, 95 percent of the world's consumers live outside the United States. We're only five percent of the world's population. So when you're thinking about selling a product, do you want to sell to just five percent of the world or 100 percent of the world? And if you want to sell to 100 percent of the world, you have to think outside the context of the United States. And when you talk about growth, developed countries are mature. The Europes, the Japans, the Australias, many of the rich countries are already mature. The growth opportunities are in -- obviously, everybody knows about China and India, and both of those countries are expected to have -- to average eight percent growth over the next decade. And following behind those countries, we have the Southeast Asian countries -- Thailand, the Philippines,

Malaysia, Vietnam, they're going to average about five percent growth. That doubles what we want to see in the developed world. So you have to think in the context of trying to sell to where the growth opportunities are. So I think you're exactly right.

Mark Wadsworth: I got a question now, statement too. Mark Wadsworth, Shoshone-Bannock Tribes. Anyway, I got that down.

[Cross-talking] --

Daniel Whitley: Now Mark, it sounds like you're setting me up for a hard question.

Mark Wadsworth: The agriculture economics economist comes in me too, but I see the opportunity not only do we as Native Americans have the opportunity for cattle and ranching, but I think that our youth, when you were talking about working with the tribal colleges, is what I would like to see or maybe it's being done more. I had the opportunity to go to a trade show in Paris as a part of that and seen the outlook of it. But I guess what I'm getting at is do you offer internships for young Native Americans maybe within these colleges? And maybe in the forefront, thinking down the road, is there any way you could partner with a college to develop some sort of agricultural marketing degree with a tribal college? Because I think that in that, agriculture is not just only production but it's also sales and everything else.

Daniel Whitley: Mark, I'm way ahead of you. This summer, we brought in two WINS Students, which is the Washington Internship Program for Native Students. It was our Office of Civil Rights that brought these students in. They had a 10-week internship, as a matter of fact; they're still with us, 10-week internships with our office. And the only reason we stopped at two because we ran out of money. But to the extent that we have funding, we try to bring in a number of students each and every summer and give them those internship opportunities. And I can tell you I was quite impressed with their backgrounds, their passion for agriculture. We get some interns occasionally who are going to have that core passion for agriculture, but their passion for agriculture was really strong. They were sharp on the technical aspects of farming economies and the business utilization of agriculture, and it was just a really good experience and we had some really good students. So we hope to grow that over future summers.

With respect to the curriculums in the actual colleges, we don't really get into that too much. That would be more or less vocational-type agriculture. But we're open to working with administrations at universities and talking about the students and the curriculums that we've seen be successful in our agency. But we pull a lot from AgEcon, international policy, international development curriculums, and they seem to do quite

well. And don't discount our Foreign Attaché Corps. Many, many people come in our agency because they want to work in our overseas offices, and that's a strong, strong draw that we use to pull in the top talented students. So if you guys can be advocates for our agency about the different career paths that we have, we'd be gracious for that as well.

Female Voice: Mary?

Mary Thompson: Good morning. Mary Thompson from North Carolina. I am somewhat familiar with MAP program, and I spoke with Zach about it through the IAC organization. Is there one on the East Coast? Is there a major partner?

Daniel Whitley: Yes. We have over -- we call cooperators -- we have over 75 cooperators that we work with, and that's just a fancy word for commodity group or a group of producers who produce the same product to join forces. And they are over 75 and they are located all around the country. And the MAP program is a co-chair program authorized through Congress to the tune of \$200 million annually. And the private sector, the cooperators, they chip in another \$300 million. And that half a billion dollars goes to promote and advertise U.S. agriculture products all over the world. And that is our primary program at the agency. We work with U.S. Grains Council, American Soybean Association, and National Cotton Council. This is really the

biggie of the groups we work with at the Foreign Ag Service. But we have cooperators all across the country.

Mary Thompson: So I'll just check out your website and I'll find all that?

Daniel Whitley: Yes. And the SRTGs, the MIATCO which she mentioned, they have a new name now, Food Export Assistance or something.

Sarah Vogel: Yes.

Daniel Whitley: But we do one that services the East Coast. And if you reach out to them, they will let you know which cooperators that they work with in that region and who is available.

Mary Thompson: Thank you.

Sarah Vogel: The one way of getting into those groups is by contacting your State Department of Agriculture. And the State Department of Agriculture is going to have the commissioner. It's going to be a member of the regional group, and then the regional groups get together on a national level but they promote regional foods. And they get a lot of money from USDA.

Daniel Whitley: Oh, absolutely.

Sarah Vogel: And it's a network I think that -- well, this is real old information, but I never once saw a Native American company in that network, but this was quite some number of years

ago. But it could be and it would be perfect because I think that's, as Janie said, there is a lot of demand and a lot of romance and why not turn all the romance into money?

Female Voice: I think this is a prime example of the lack of knowledge out there. Maybe you can't read about some of these programs.

Daniel Whitley: Right, right.

Female Voice: I know just a little bit. I've got so much more to learn.

Daniel Whitley: Right.

Female Voice: Prime example.

Daniel Whitley: Oh no doubt. I mean we definitely have to step up our outreach efforts, absolutely.

Female Voice: Thank you.

Female Voice: Well, if there are no more questions, we'll move on to our next presenter. Thank you, Daniel.

Daniel Whitley: Oh no, thanks everybody.

Female Voice: Yes.

Female Voice: Thank you.

[Track 3]

Female Voice: All right. Next, we have Michael Alston, deputy administrator for Insurance Services with the Risk Management Agency. And you should have new material to take home with you or we'll ship them for you on your stack.

Michael Alston: Good morning, everyone.

Participants: Good morning.

Michael Alston: Wait a second. Maybe you guys didn't hear me. Good morning, everyone.

Participants: Good morning.

Michael Alston: All right. I'm Michael Alston. I'm the deputy administrator with the Risk Management Agency, and I oversee the Insurance Services mission area. And I'm going to give you an overview of Risk Management Agency and the Federal Crop Insurance Corporation, talk to you a little bit about what we do within RMA, and then I finish up giving you some examples of some of our partnership opportunities over the last year.

It is nice to see some familiar faces like Janie. In fact, Janie, at one point in her career, she worked for RMA, and in fact, she was in charge of our Risk Management Education Division. So what I'm going to present is very familiar to Janie. And I'm sure Juan Garcia, the administrator for FSA, he just left and I just wanted to give him a big kudos for his efforts within FSA. And as we move forward with this new Farm Bill, as Juan would like to say, RMA is now the cornerstone of a safety net program. So Juan, I just want to be consistent with my message.

Juan Garcia: I know. [Cross-talking] --

Michael Alston: All right. By way of background, folks, this is our 75th year within the Risk Management Agency Federal Crop Insurance Corporation. As you can see, from 1937, that's at the time of the Dust Bowl in the Midwest so you can understand the reason why we need to have some type of economic stability because of the Dust Bowl. And as of today, we're experiencing severe drought. Over about 65 percent of the country is in a drought status. About 80 percent of our corn and about 65, 70 percent of soybeans are in some type of drought status. So it is important to have some viable options for producers out there and this is one of the options, is Federal Crop Insurance. Last year, in 2011, we insured about \$114 billion. That's "B" with a billion dollars of crops. That's 265 million acres we insure in over 130 crop coverage levels that we offered.

Last year, we also experienced some tremendous challenges. We started off with the flooding in the Missouri and Mississippi River. And if you recall, at Birds Point-New Madrid, the levees were breached. Then we experienced the drought in Texas, in Oklahoma. Then we had the excessive rainfall in North and South Dakota in the Upper Midwest. And then we finished the year off with Hurricane Irene on the East Coast. Tremendous challenges in agriculture. And last year, we paid out close to \$11 billion in losses. And out of that \$11 billion, not one customer, not

one producer had a problem in not receiving their payment timely. So that tells us a couple of things. It tells us that this public/private partnership that we have with 16 private insurance companies, they absolutely work. This is a map from July 17, and if you look at the current U.S. drought monitor, it's more red than anything else that's out there.

So this public/private partnership that I just mentioned, we partner with 16 private insurance companies, and they sell and service the Federal Crop Insurance program. From RMA's standpoint, we oversee the product. We make sure that they follow all the rules and regulations and the policies. It doesn't matter which one of the 16 companies you may go to because the price, the rates are all the same. It is a federally insured program so they're all the same. As our FAS speaker talked about, he mentioned that one out of 12 jobs comes from agriculture. That's from the grocery store all the way to the farm and folks doing everything in between. So this is an important part of our economy and our economic stability.

So I talked to you about the insurance companies. We refer to them as approved insurance providers. They sell and service to products. They hire 16,000 insurance agents and about 5,000 loss adjusters. So when you have a problem with your crop, you will call that insurance agent, that company, not RMA because we contract with those folks to actually service our products.

Another function of RMA, I talked about Janie Hipp, is our risk management education and outreach in which we take great pride in our efforts to reach out to producers across a spectrum and to educate them regarding mitigating their risk. That's just not just crop insurance, but that is legal risk, human resource risk. We look at the whole gamut of managing one's risk. Of course, we would like if they can purchase insurance, but also, we understand that there are other opportunities for them to mitigate that risk. And so we take great pride in that.

Each year, we have a substantial amount of money that we partner with, with different groups, and at the end of my presentation, you will see a couple of slides that specifically go into some of the partnerships that we have with our Native American producers that are out there because we also, we recognize that that is a market and a group that needs to understand more and more of how to mitigate their risk and how to understand the leveraging of their power more effectively.

One of the big issues that crop insurance and anyone who is out in agriculture understands that you have to work with your lending institution, your bankers. I think all bankers require that you have some type of insurance before you go out and can plant your crop. Crop insurance is one of those avenues where you can do that. Working with your banker, you can decide not

only what crop, what coverage level you want to elect, and how much you want to purchase.

Now, you must choose an agent. Then where do you find an agent? You can find an agent in a number of different places. One, you can go into the county FSA office, and the FSA office will have a list of crop insurance agents there. You also can go to the RMA website and look on the agent locator, and the agent locator will guide you and direct you to where you can find an agent that services your area. A couple of things you need to know about the agent, they also can help you understand the different products that we offer because we offer a number of different insurance lines. If it's revenue protection, if it's yield protection, if it's a group policy, there is a number of different things, and you have to make that educated decision as far as what kind of coverage level that you will like to have on your farming operation.

I talked about earlier that we cover about 130 different crops. And here, it says too much rain, too little rain, and then of course, the drought. But also insect and disease, fire, wildlife, failure of irrigation, and really, if there is a loss out on your field, if it's not due to poor farming practice, you can think of it probably as insurable. You probably could think of it as insurable if it's not because of poor farming practice.

[Track 4]

Michael Alston: I talked about some of the revenue coverages and talking about the buy-up, and this is where you can buy coverage up to 85 percent. You can start off at 65 percent and work your way up to 85 percent coverage levels.

The one thing about crop insurance, and sometimes, I like to mention this, and it's different from other programs within USDA, is that a couple of things take place on the producer end. The producer has to make several decisions. There are several decision points in this whole process. First, the producer has to decide to elect to have crop insurance. Second, he or she has to decide what coverage level they want and what kind of crop insurance. And then the third issue is that producer pays a premium, pays into this. Oftentimes, you hear crop insurance paid out \$11 billion. Let's not lose sight at the beginning of this whole year, people paid into the program. It's just like homeowner's insurance. It's like auto insurance. And oftentimes, you have homeowner's insurance that you have every year, and you just kind of hope I never have to call the agent because I hope nothing happens. And it's the same thing with crop insurance. Yes, I have it just in case. If something happens, then I know I have that peace of mind, that I could be made whole again. And that's what really the buy-up really that option does for producers.

Then we have the catastrophic coverage. That pays the farmer 55 percent of their established commodity price in excess of 50 percent of their yield. And that's at the real, at the low end, that's at the bottom end of our insurance coverage loss. It starts off with that and goes all the way up to the 85 percent coverage. And there is a \$300 administrative fee for each crop in the pack.

I talked a little bit early about the APHIS's yield protection, the revenue history, and that's based off your revenues and historical yields. And starting in 2011 for corn, cotton, rice, canola, sunflower, wheat, grain sorghum, soybeans, barley, and malting barley that we offer not only the yield protection revenue but we also offer with the harvest price option and the harvest price exclusion. So these are some of the programs that we do offer. And so you can really tailor your insurance to whatever your needs are.

Here, I talked early about the group insurance and that uses the county average production. That's the NAS data, and we pay indemnities based on that county yield. Then we have the Pasture, Range, Forage. We have the Vegetative Index and the Rainfall Index, and it pays indemnities based on the index, not on your production. And then we have the Adjusted Gross Revenue, AGR and AGR-Lite. It's a little bit more complicated formula, but it's based off your Schedule Fs and of a five-year

average of your Schedule Fs. Save your question. It's really popular really out West with particularly some of our fruit and vegetable growers, and also in Michigan with some of the cherry producers and blueberry producers, it's real popular in those areas. And then of course we have some livestock coverage, the LRP, which protects on expected price, if the expected price goes down, and the livestock gross margin, LGM, and that protects against feed cost increases.

So this kind of gives you the makeup of the Risk Management Agency. We're at the headquarters in which the administrator and his staff are here. I'm in Insurance Services, and then we have a Compliance here in D.C. as well. In Kansas City, we have the product management and then we have the field offices. We have 10 regional offices within Insurance Services, and then we have six Compliance offices within Compliance. We have the private insurance companies and the AIPs we refer to them as, and they share a portion of the risk. Those AIPs usually have some type of reinsure. Some are international and some are not. And those international reinsures, they also assume some of the risk and they spread that out into different lines of insurance. And then we have the agents, and then at the bottom we have the Risk Management Education and Outreach, and I talked about some of the projects that they're doing.

I guess that's it for me. There are a couple more slides I guess maybe in the back with some of our projects that we have. Maybe it's in your handouts. There are some handouts there that talk about some of our partnerships that we have. In the back of the room, we have a SWOT analysis worksheet and also a risk management checklist for everyone here. And I think you guys probably have that in your packages as well.

Female Voice: Yes.

Michael Alston: Any questions for me? Janie?

Janie Hipp: No. Good presentation.

Female Voice: Excellent.

Michael Alston: Tell Bill that. Yes, sir?

Jerry McPeak: Jerry McPeak from Oklahoma Creek Nation. I am really involved in cattle production and have been for a long time. And I would be willing to bet that outside of the people who sit on the county committee that there is not one person in 100 in Oklahoma that knows about the pasture insurance. Gerry said a thing about it yesterday, and I hope I didn't look too surprised when he said something because I'm, like, "What the hell are you talking about?" We run, have run 300 cows and 1,000 yearlings, and there is not one -- not just Native American, but anyone in our area has no idea that that exists. Do all you folks know it exists?

Male Voice: No.

Female Voice: No.

Jerry McPeak: I mean maybe those folks sitting on the committees know. Did you know?

Male Voice: No.

Jerry McPeak: We don't know, I'm here to tell you. Freaking we don't know. Whoa. And when you're getting burned up right now, I mean I know that you guys hear about it, but I'm telling you, I flew to the northern part of the United States last week and the southern part, and our area where we are looks like a desert. The grass is not like it was last year. I mean Oklahoma with a drought. That picture you've got up there is outdated.

Michael Alston: Well, and that's why I mentioned that, and like I said, that was as of July 17. Today is much different, and like I'd mentioned early, I said 65 percent of the country is in some type of drought status. I understand fully because we have an office in Oklahoma, in Oklahoma City, and we fully understand that there are drought conditions in [cross-talking]
--

Jerry McPeak: We don't know about it. I mean how the hell do we not know about it? Well, I'm not chiding you at all. That's a rhetorical question for all of us. I mean I don't have any excuses. I got a college education and a master's degree, I

taught school, and I don't know. So how does anyone else know?
I'm in legislature for God's sake.

Michael Alston: Well, only thing I can say is if you don't know about some of these programs that we offer, I would encourage you to go to our website, encourage you to go to the USDA website to find this information out. And if you look on the back where we have partnered with folks to help get that information out, we also have -- I mean if you have insurance, and I don't know if you participate in crop insurance or not, but if you do, that's one of the questions that you can propose to the agent. So I just don't, I mean it's hard for me to say--

Jerry McPeak: I'm going to become the agent and I'm going to sell this to us. I'm going to follow up on that [cross-talking] --

Female Voice: We'll follow up on [indiscernible].

Michael Alston: Janie?

Jerry McPeak: I'll follow up.

Michael Alston: Yes, yes, yes, yes.

Jerry McPeak: PRF and AGR and AGR-Lite, is that a selection of one or the other?

Michael Alston: No, those are separate. Now, AGR and AGR-Lite, those are pilot programs, and so they may not be in Oklahoma.

Female Voice: Yes.

Jerry McPeak: Maybe not because we don't know any of them.

Michael Alston: Yes. But those are pilot programs, uh-hmm. And I mean again, if you don't [cross-talking] --

Jerry McPeak: And by the way, an AGR-Lite we'd be trying to drink in Oklahoma, just so you know.

Michael Alston: I don't know if I want to know that.

Jerry McPeak: I'm just telling you [cross-talking]--

Michael Alston: There may be an ATM age and there is some -- I don't think we want to know about all that.

[Track 5]

Joanna Stancil: I think we're starting to stack up some questions here. I think Janie and then it was Gilbert and then Sarah.

Janie Hipp: Janie Hipp. Mike, one of the things we could do as a suggestion is to have our regional office leads, the directors of those regional offices actually, at least annually, sit down with all tribal headquarters and really just have that relationship meeting and enlist. I know my tribe regularly prints information from RMA in our newspaper but I think it's very different, and I think maybe if we could get some kind of consistency going with the directors' offices and have them reaching out --

Michael Alston: And I know, and thank you, Janie, for the comment, and I know several of the directors have been out

meeting with the different tribes, and I know the director in Springfield, Illinois is traveling up to Michigan to meet with a group of Native Americans in upstate Michigan for that same purpose, Janie, of trying to get the information out. So I know they are trying to do that. Next question? Yes, sir?

Gilbert Harrison: Good morning.

Michael Alston: Good morning.

Gilbert Harrison: My name is Gilbert Harrison. I'm from the Southwest acclimation. And in the valley where I'm at, most of our farms are five to 15 acres, and it's really hard to kind of think how do we buy this insurance. We're on trust land, and I'm trying to figure out how do we apply some of these [indiscernible] public land, very small family farms, and it's tough to pay premiums, [indiscernible] making do every day.

Michael Alston: Yes.

Gilbert Harrison: Price of fuel, everything is going up [indiscernible]. My question is how do we address the small family acres? Not only that, [indiscernible] raise a lot of sheep [indiscernible], right now there is no grass, we don't have any. Those are all the kinds of questions [indiscernible], I think, in my mind I can see all these programs that you have. How can we sift all those individual producers [indiscernible]? Thank you.

Michael Alston: Gilbert, that's a very good question. How do you address some of the small limited resource producers, particularly when you want to address premiums of the insurance? Particularly for small limited resource producers, there is a waiver of some of the insurance premiums particularly at the cat level [phonetic]. So again, I would encourage you to sit down with an agent to talk about the types of insurance that you like, to talk about some of the waivers particularly at the cat level for small and limited resource producers. Understand and just know that even at the buy-up coverage levels, there, it is also subsidized. It is subsidized from 33 percent to about 80 percent subsidy of the premiums. So there is a subsidy that's incorporated within the premiums particularly of the buy-up coverage. But Gilbert, I encourage you to talk to your agent and find out what's available there in your area and also to find out the waiver as well at the cat level, okay? Thank you.

Female Voice: All right. In order to stay on track, we have two more questions, Sarah and then Mark, and then we need to move on to our next presenter. Thank you, Mike.

Sarah Vogel: This is in partial reaction to Jerry's question about why don't we know. I have a hypothesis, and I think the cure to the hypothesis is something that the Risk Management Agency might want to analyze a little bit. But my hypothesis is that crop insurance is a for-profit business out

in the world of the insurance companies and insurance agents and so forth. And oftentimes, those insurance agents are in the building or affiliated with a bank, and there are no banks really on Indian reservations. And I don't know Oklahoma that well, but that's what I would assume. And a good crop insurance agent, holy smokes what a person to have on your team. But if that crop insurance agent isn't going to drive 50 miles down to a reservation and the Native American is just isn't going to be told about those opportunities. The farmers I have dealt with over the years, and I've done a lot of work on crop insurance, forgive me --

Michael Alston: No, please.

Sarah Vogel: And I'm a lawyer so a lot of work on crop insurance means they've sued RMA a lot of times. But that's what, I would imagine, is the issue, is that the private companies are basically looking for the big, big producers, the big money, the big areas where there is a lot of farming, and they just don't have the outreach. And how you fashion a cure for that, I don't know really know, but that's my hypothesis.

Female Voice: I think Juan Garcia has a response.

Juan Garcia: Yes. Mike and other members of the council, and I really appreciate Jerry's comment here, I think what we can do, Mike, is work with you all. We're under the same mission area. We have, of course, a database of a lot of

producers out there, farmers, ranchers, and so forth that we send out newsletters. We're also coming up with an initiative on gov delivery where we send out the information via e-mail, obtaining e-mail addresses and so forth. I think one way that we can accomplish this, and I understand the structure of the private agents actually selling this insurance and it's a good structure that they have, but I think what we need to do, Mike, is get with you all and through our Office of Communications, send out information.

As we send out information on FSA programs, it's to send additional information on RMA programs. For example, rainfall index policy options or vegetative policies that Oklahoma has and many of the other states. I pulled out a map here. It's available in many, many states. So I think that's what we need to do, is join forces here, Mike, and get some information out. That way, they can contact the agent in their local office. We're not going to be stating what agents there are available but at least that the product is available, and then you contact your agent in your Local County or area.

Michael Alston: That's fine, Juan and you know, last year, we worked on that particularly in Texas. We got information out through --

Male Voice: [Indiscernible]

Michael Alston: I'm sorry?

Male Voice: It started in Texas? [Indiscernible].

Michael Alston: That's okay.

Female Voice: Being from Texas. All right, moving right--

Michael Alston: But I just want to make one comment.

Sarah, you talked about, and your analysis is probably spot on--

Sarah Vogel: Hypothesis.

Michael Alston: Is spot on. Remember, they're private insurance companies and they are for profit. You're absolutely right in your analysis with the insurance companies. And insurance companies work hand in hand with the bankers as well.

Sarah Vogel: Yes.

Michael Alston: So what you said is -- and I mentioned that as well, that most insurance and bankers, they work hand in hand with each other to ensure that that crop has some type of coverage level.

Sarah Vogel: And we're going to hear later from IAC. They are going to be talking about the credit deserts, the absence of private lenders in many, in a lot of Indian countries, so it's a hurdle. I mean, anyway, big topic [cross-talking] --

Michael Alston: Thank you.

Joanna Stancil:

I'm sorry, we have -- Mark is waiting and we'll have to move on.

Mark Wadsworth: Mark Wadsworth, Shoshone-Bannock Tribes.

I was asked by a roundtable discussion from the Nez Perce tribe and also from the Coeur d'Alene tribe that there are certain situations on reservations in which you do permitting or leasing of land. And one of those stipulations that is available or options that is available through reservations is the ability to profit share. And one of the situations after running into Nez Perce is that they'll have a 1/3, 2/3 profit share off of the production. And what has been happening with that insurance agent and within your organization as a part of a distinction is you're saying that you will only pay to the producer. Now, these individuals that are sharing in that 1/3 are not sharing in the actual claim that is being processed through the agent, and they are very concerned about that, that there needs to be that door open if they are profit sharing that they also receive portion of the claim if it goes through. And I think that that needs to be handled on the upper portion of this through some policy or whatever we need to do for your recognition of those individuals because they are taking a risk also when they do that. And that was a major concern that they wanted to bring forth, and I think we should look at that more deeply.

I guess this last situation I'd like to ask is that on the same lines, we as a tribe, in some cases, choose to manage our own land, and it's called a 638 Determination. Within our

reservation, we manage the whole range unit itself. We manage all the fencing. We manage all their water developments. We structure that they bring the cows out at certain time periods. They have to salt and water and move the cows around.

Us, as a tribe, we would maybe be considered in looking at maybe this pasture or range for each product, but again, are we going to run into that same definition, "Are you guys a producer?" And I just want to get those out that maybe that's something that we really kind of need to look in a little bit more. Thank you.

Michael Alston: Okay. Thank you.

Joanna Stancil: All right. Thank you so much. I know we have Porter and Gerald also had questions. If they could hold those, maybe they could meet with Michael offline and talk about it. And then if we have time today, we'll present them back to the group and the responses. Thank you very much.

Michael Alston: All right.

[End of transcript]