

STATEMENT OF KENT PEPLER

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FARMER, MEAD, COLORADO

ON BEHALF OF THE ROCKY MOUNTAIN FARMERS UNION

BEFORE THE U. S. SENATE AGRICULTURE COMMITTEE

CONCERNING

UNITED STATES FOOD AND FARM POLICY AND DEVELOPMENT OF
2007 FARM AND FOOD POLICY

Chairman Harkin, Ranking Member Chambliss, Senator Salazar and Members of the Senate Agriculture Committee, I am honored to have been asked to be here today to present the ideas and suggestions that are important and critical in the development of the next food and farm policy for this great nation.

My name is Kent Pepler, President, Rocky Mountain Farmers Union representing 25,000 farm and ranch families in Colorado, Wyoming and New Mexico. I also farm full-time near Mead, Colorado and grow silage, corn, wheat, sunflowers and alfalfa hay. Until just a few years ago I also produced sugar beets, malting barley and feed livestock.

I had the privilege to serve on the Colorado Farm Service Agency, from 1995 to 2001, serving for a period of time as the Acting State Executive Director and Assistant State Executive Director. I currently serve on the USDA Agriculture Trade Advisory Committee (ATAC) on Sugar and Sweeteners and the Highland Ditch Company Board of Directors.

The farm and food policy of this nation is comprehensive and critical to all Americans. The policies and programs should aggressively address social, economic and eco-systems needs and opportunities within our great country. The appropriations needed to achieve goals and objectives established by the policies and programs should be a commitment made by Congress and Americans should not be short-changed!

To frame the importance of food and farm policies in 2007, we must reflect on the impacts of: high energy costs, multiple years of natural disasters, variable market prices for commodities, the loss of young people and job opportunities in rural America, and the increasing number of rural Americans without affordable health insurance. We would also want to reflect on the positive contributions that commitments to renewable energy, the development of local and regional food markets and stronger conservation programs have begun to have on rural America and urge your expansion on those policies and programs.

In the development of 2007 food and farm policies, let me state that Rocky Mountain Farmers Union offers its strong support for nutrition programs, including the Food Stamp Program,

commodity distribution programs and Community Food Security Provisions. Improvements in the Food Stamp program through the use of the Electronic Benefits Transfer System (EBT) has reduced fraud and enables program dollars to assist those in need. I want to also express our support for continuing the Community Food Security Grant program and achieving the goals and objectives outlined in the 2002 farm bill which are still relevant today. We urge expanded efforts to promote the Farmers' Market Nutrition Program, the Senior Farmers' Market Nutrition Program and expanding the effort to have the National School Lunch and Breakfast Programs purchase locally or regional produced foods. All nutrition programs should meet the USDA dietary guidelines.

Rocky Mountain Farmers Union urges that the development of the trade title in the next farm bill Congress focuses on improving international food assistance programs with the use of food and development aid for those here and abroad who are poor and endangered by natural disaster and famine, to assure their survival and not to destroy their domestic farm and food policies. We urge that oversight be provided by hunger and agricultural organization to ensure that distribution of assistance reaches those intended to be served and not used by the host country for other purposes, such as export revenue. We urge that the next farm bill prohibit the export of pesticides not registered for food and fiber uses in the U.S. for food and fiber uses in other countries. We urge that the farm bill include a directive to the USDA to appoint active producers to the Agriculture Trade Advisory Committees and that the department reimburses the cost of travel and lodging to attend committee meetings.

Rocky Mountain Farmers Union also encourages the continued expansion of the National Organic Certification Cost-Share Program. We also encourage the development of a program that provides economic incentives and support to those producers making a conversion to organic production. We also urge that steps be taken to protect the investment made in the development of traditional seed varieties and organic seed varieties from contamination by non-plant genetic seed varieties.

Rocky Mountain Farmers Union supports a strong public research component in the upcoming farm and food policy legislation within the USDA, ARS and land grant and community colleges to fund independent research to the benefit of producers and consumers. We urge research into production alternatives to energy and chemical intensive methods of production. We urge a public research commitment to the development of uses and markets for alternative crops, including renewable energy. We urge finalized funding for the greenhouse complex at the USDA Agricultural Research Service Center Great Plains Research Center in Akron, Colorado.

Rocky Mountain Farmers Union supports a comprehensive competition title that addresses current anti-trust practices and ensures anti-trust laws will be enforced.

As I stated, the farm and food policies contained within the 2007 farm bill will be comprehensive and far-reaching. I have addressed tools that will help prevent hunger and provide tools for research beneficial to family farmers and ranchers and the consumers they feed. For the balance of my testimony I want to focus my remarks on the tools necessary to improve the marketing opportunities for the commodities we produce, improving the health of our soil, water and air through conservation programs, enhance the economic opportunity for

people through sustainable rural development and decrease our need for imported fossil fuels through the development of community-based diverse energy throughout rural areas.

Rocky Mountain Farmers Union urges future farm programs to include an income support mechanism, continuing the existing direct payment program and a counter-cyclical program payment indexed to the cost of production for periods of low commodity prices.

Rocky Mountain Farmers Union calls for the establishment of a farmer-owned commodity loan, some refer to as a Strategic Biofuels Feedstock Food Reserve, on a limited amount of production for an individual operator. Providing farmers a tool to empower themselves, on a voluntary basis, to influence market prices and protects against years of poor crop production.

Rocky Mountain Farmers Union supports limits on farm program payments to an individual producer. Income support payments, a result of a non-performing farm program structure to lift market prices are a direct subsidy to the purchaser of the commodity not the producer.

Rocky Mountain Farmers Union supports the inclusion of a dairy program that includes a safety net and a supply management system to protect producers from market collapses. We support the continuation of the sugar program that provides substantial economic stability to producers and economic benefit and good paying job in many rural communities.

Rocky Mountain Farmers Union supports the inclusion of a permanent disaster assistance program, including a livestock indemnity program. The program should compliment the establishment of a viable risk management program with premium assistance at 100 percent coverage levels.

In both the commodity support program and risk management program, support or coverage should be based on actual production history (APH), where available. For situations without APH, the yield cannot be lower than county Farm Service Agency (FSA) yields. We urge the establishment of APH yield floors to protect the producer in the event of successive crop disasters.

Having served on the state FSA committee, I know first hand the hard work staff at the County and Colorado FSA office do in helping administer and deliver the many programs included in the current farm bill. I urge any future attempts to dismantle the farm program delivery system at the local level would be rejected by Congress. Farmers and ranchers rely heavily on the folks at the local county office and they need more funding and staff, not less.

The next farm program should link support program to participation in conservation programs, such as the Conservation Security Program (CSP) that is an integral part of production practices for both farmers and ranchers. We thank chairman Harkin for his leadership on CSP and urge full funding of the program to ensure participation of all eligible farmers and ranchers. We urge increased funding for the National Resources Conservation Service (NRCS) technical services to assist farmers and ranchers in the development and implementation of conservation cost-share programs.

The right conservation programs, linked with an adequate commodity programs, with a

commitment of appropriated dollars will provide the tools to farmers and ranchers to protect our eco-system, the water, land and air while producing food, fiber and fuel for our nation. Without providing the tools and dollars necessary we force sacrificing the economic viability of American family farmers and ranchers and the health of our environment to produce our renewable resources of feed, food and fuel.

We urge future farm legislation to continuing to strengthen our nation's commitment to alternative and renewable energy development in this country. We urge incentives to encourage producer participation directly in the development, ownership, processing and distribution of renewable energy and fuels.

We urge future farm programs establish a grant program that will assist a local Rural Electric Cooperative (REC) to upgrade their system to monitor the flow of electricity both ways within their system to assist their customers to participate in generating energy and electricity for their farm and ranch, with surplus energy able to enter the grid through viable interconnection and net metering programs.

We urge that Congress assist with expanded research opportunities for other community-based alternative and renewable energy opportunities that will be economically beneficial to family farmers and ranchers and the rural communities in which they live.

We encourage the development of a Renewable Energy Standard (RES) that includes biofuels, wind, solar and other renewable energy sources.

The rural development title provides authorization for programs that assist rural communities on a wide variety of areas including planning, feasibility assessment, water and wastewater projects, broadband, value-added agriculture, rural business investment and a host of similar initiatives. It is our INVESTMENT IN THE FUTURE OF RURAL AMERICA. It is a commitment to creating a future for young people in small towns that are agriculturally dependent while building the capacity of those communities to change and adapt to new opportunities and new economies.

The 2007 Farm Bill should focus on three areas related to rural economic development.
? The first is to capitalize and nurture the New Energy Economy taking root in the countryside. By targeting those funds available under the energy grants to help build community-owned renewable energy systems that create new jobs, new wealth and new vitality. It is an opportunity to break our country's dependence on foreign fossil fuels while creating long-term value for rural America.

? The second is to continue to support the growing opportunity in producing fresh, local food. The future of our rural communities and its farming economy are at a crossroads between ever larger farms with their investment in capital intensive inputs and a new brand of entrepreneurial value added agriculture. The alternative model, entrepreneurial value-added agriculture, is a product-based system and produces local food for local consumption. It is a "Buy Fresh, Buy Local" initiative that links consumers and producers in a value chain of mutual commitment.

? The third is to optimize entrepreneurial development and small business growth. Rural communities grow and prosper when local businesses add a few jobs for new or existing activities. It is possible that a large ethanol plant will locate in your town, but more likely is the

internal growth of existing businesses that will build local economies. We want an economy that puts local youth to work in jobs with a future.

While the 2002 Act authorized significant funding for programs, the amount of actual funding that was appropriated fell well short of the target and left many of us discouraged by the lack of commitment in this administration to the needs of rural America. It is my hope that this reduction in funding can be reversed in the 2007 Act. The relatively small amount of funding that is authorized for Rural Development programs is important for some very good reasons.

1. It provides funding for grants that directly foster the formation of new businesses in rural communities. The Rural Cooperative Development Grants, Rural Business Enterprise Grants, Rural Business Opportunity Grants, Renewable Energy Grants and the Value Added Producer Grants are often times the catalyst that allows entrepreneurial individuals and cooperatives to make an assessment of the feasibility of new ventures.

2. It provides access to capital resources through the Business and Industry Loan Guarantee Program and the Cooperative Stock Purchase Program. This federal assurance allows new businesses to have lower cost funding for new projects and to assist producers in raising needed equity.

3. It provides grants and loans for water and wastewater systems in rural communities as well as options for telecommunications and broadband infrastructure. As you know, the infrastructure in rural America is crumbling and the need for rebuilding is immediate. The funding under this title is a vote of confidence in the future of our rural communities as well as a stimulus to the present economy and a hope for a better future.

4. It makes funding available for affordable housing and community facilities.

And so, to be successful the USDA Rural Development needs to have appropriated funding at least equal to the levels authorized in the 2002 Farm Bill. There needs to be a commitment to meet the high expectations raised in the past and to fund the initiatives as proposed. Don't let the excuse of no new money thwart this effort.

It is important that the Federal Government play a role in funding programs that build potential and sustain hope in a better future for rural communities. It is not a "pay as you go" effort, but a long-term investment in the potential of a group of people and the role they will play in a healthier and more prosperous America. It is a commitment that Thomas Jefferson would applaud as the basis for a stronger democracy and a more secure homeland. A question to Congress is: Are we going to abandon the heartland of this country and the food and fiber producers that can feed and clothe us for a system of global roulette?

In conclusion, thank you again for the opportunity to talk with you today about future farm and food policies for our great nation. We must at all cost preserve our right as a nation to develop our own domestic policies, that is not negotiable! Policies that assure the public access to high quality, safe and abundant locally or regionally produced food supply, tools to enable family farmers and ranchers to obtain a fair price for their commodities or value-added food product in an open and competitive market place and the tools to build a more independent sustainable domestic energy program based on diverse community-based renewable energy. Policies that not only enable us to provide the food and feed we need but also conservation programs and incentives that enable farmers to achieve a fair economic return for producing our feed, food

and fuel while at the same time protecting our local eco-systems, beneficial to earth as a whole.

Thank you.