

I appreciate the Committee's invitation for me to come here today and present my views on dairy in regards to 2007 Farm Bill. I am Logan Bower.

About Logan's Dairy Farm and family:

We currently milk 600 cows and farm 650 acres in the western end of Perry County, located in South Central Pennsylvania. I have been in business for the past thirteen years and I am the third generation to own and operate the farm our dairy is currently located on.

About Logan's Organizations

I am presently serving as the President of the Professional Dairy Mangers of Pennsylvania. I also serve as a board member for The Center of Dairy of Excellence, The Pennsylvania State Beef Council, The Perry County Planning Commission, and the Blain Lions Club.

Honorable Members of the United States Senate

I will address very briefly each of the following issues:

? I. Safety Net for the US Dairy Industry (MILC / Federal Orders)

? II. Farm Bill Funding - inequities in PA

? III. Trade (WTO)

? IV. Regulations

? V. Immigration Issues

? VI. Dairy Check-off

? VII. Conservation Programs

? VIII. Ag Research

? IX. TSP

I.) Safety Net

Reform Farm Safety Net - Preserve and expand the best features of existing farm safety net, including a trade-compliant income stabilization program for dairy producers. Develop new risk management, savings, and investment tools, such as farmer saving accounts linked to sales and stewardship, to gradually replace direct and other trade-distorting subsidy payments. Reform existing crop insurance programs to aid the development of alternative farm enterprises, including organic and other "certified" crops and products. In general, ensure that all future income support and insurance programs are reformed to set clear, meaningful

environmental standards, and to eliminate incentives to convert pasture and rangeland to cropland.

? The safety net should not discriminate between farmers of differing sizes;

? The safety net should not discriminate between farmers in different regions of the country;

The safety net should not result in price enhancement, meaning that it should not be an inducement to produce additional milk. The government's safety net should be just that: a device that prevents a collapse of producer prices, without stimulating milk output or sending inappropriate signals to the marketplace.

II.) Funding Inequities

Historically, many Farm Bill programs have not effectively addressed the needs of Pennsylvania's producers. Current farm programs and policies are needed to correct inequities in farm spending - half of which now flows to just eight states and 22 congressional districts. Although Pennsylvania has significant farm sales, our state receives a disproportionately small share of federal farm spending that is primarily based on production of a few commodities, including corn, wheat, rice and cotton. While states receive an average of seven cents from the USDA for every dollar in farm sales, North Dakota receives 19 cents and Pennsylvania receives just two cents from USDA for every dollar in farm sales.

According to the tributary strategies developed under the Chesapeake 2000 agreement by Pennsylvania, Maryland, Virginia, New York, West Virginia and Delaware, the Bay watershed needs an additional \$200 million per year in federal assistance to agricultural conservation, as well as a similar amount of state funding, in order to bring nitrogen and phosphorous loads back to an acceptable level. The funds are needed to support farmers in designing and implementing nitrogen and phosphorus reducing conservation practices in their farming operations.

Conservation programs should be reformed to link payments to rising levels of environmental performance, and to encourage the adoption and transfer of innovative conservation practices and technologies. The best, most cost-effective, measurable and time-tested conservation practices, such as riparian buffers, cover crops, barnyard management and no-till best management practices, should be emphasized. Increased funding should be directed to implementing these widely applicable and cost-effective measures, on land that will provide the greatest environmental benefits.

A portion of all USDA conservation spending should be allocated to multi-producer, multi-stakeholder projects on local, state, and regional scales that address a specific resource concern or set of resource concerns, where state or private funding allocated. This would leverage non-federal resources, address regional or national priorities, have clear and achievable objectives, and prioritize projects that enjoy broad local support.

Preserve Regional Equity Provision - Preserve and expand the regional equity provision of the 2002 Farm Bill by increasing the annual floor and/or linking the annual floor to a percentage of

state farm sales (e.g. 1.5% of farm sales).

III.) Trade / WTO

I support a successful multilateral round of trade talks if it helps level the very uneven playing field in dairy export subsidies, tariff protections, and domestic support programs. But I can't support any final agreement that doesn't represent a net increase in our opportunity to better compete against our more heavily-subsidized and protected competitors in the EU, Canada and Japan, as well as more balanced trading opportunities with key developing countries.

IV.) Regulations

The PA Dairy Producers desire Science-based environmental regulations that focus on encouraging compliance rather than stressing harsh penalties. Given the chance to adopt new technologies that yield improved environmental performance - the PA Dairy Leaders will exceed expectations given the right climate and science-based strategies.

V.) Immigration Reform

Comprehensive immigration reform like that contained in Senate Bill 2611, particularly its plan for agriculture, AgJOBS 2006. PA Dairy Producers ensure that workers provide documentation including a SS Card and Green Card. We also withhold all appropriate taxes from our workers pay, regardless of their origin of birth. Our Industry desires a long term viable solution to the immigration issue now before the US Congress.

VI. Dairy Check-off

The 15 cent national dairy checkoff was created by Congress in 1983. 10 cents of that money goes to a qualified promotion program at the state or regional level and the other 5 cents goes to the National Dairy Board. The checkoff dollars are invested in research, promotion and in partnership with cooperatives, processors and other industry leaders to overcome the barriers to increased sales and consumption of dairy products.

To ensure that all that benefit from this greater demand for dairy products in the U.S. help to pay for it, Congress included in the 2002 Farm Bill a provision allowing collection of the dairy checkoff on dairy products imported to the U. S. Here we are four years later, and there still has not been any collection of the dairy checkoff on imported products. Our understanding is that until the checkoff assessment is applied to farmers in all 50 states, our trade negotiators feel that applying it to importers represents a potential trade violation. So, we need legislation to provide for the collection of the checkoff from dairy farmers in Alaska, Hawaii, and Puerto Rico - before the checkoff can be collected on imported dairy products.

Mr. Chairman, we need this additional legislation even now, before the 2007 Farm Bill. Other commodities that have checkoff programs assess imports, so this is a matter of basic fairness. We are seeing more dairy imports in our market, and they should not enjoy the benefits of our

\$270 million promotion program, and our enormous consumer market, without contributing to that effort.

Conservation Programs:

Expand and Reform Conservation Assistance Programs - Expand conservation assistance programs, including the Environmental Quality Incentives Program, Agricultural Management Assistance Program, Ground and Surface Water Conservation Program, and the Wildlife Habitat Incentives Program, and reform these programs to reward innovation, cost-effectiveness, and collaboration among producers. In particular, policymakers should reform EQIP to make the implementation of innovative new manure technologies that address and air, odor and water quality a priority for future spending, and to provide a sub-program for small, privately owned forests. In addition, policymakers should reform state allocations to encourage states to meet goals such as encouraging innovation and collaboration, and should use "hold back" provisions to reward states that meet these goals. Policymakers should also renew other forestry programs, including the Forest Land Enhancement Program, and should create new programs to promote urban and suburban forestry. In general, policymakers should permit producers to receive carbon storage credits that are linked to a farmer's contribution to the project or practice.

Expand and Reform Conservation Performance Programs - Preserve and expand the best aspects of the Conservation Security Program to provide more farmers the opportunity to be rewarded for high levels of environmental stewardship. Ensure that any future green payment program, whether CSP or a successor program, includes clear performance indexes related to air quality and wildlife as well as soil and water quality.

Expand and Reform Conservation Easement Programs - Expand conservation easement programs and place greater focus on marginal, environmentally-sensitive lands, such as riverside buffers, floodplains, wetlands, and other rare habitats. But, ensure that USDA strikes an appropriate balance between easement, rental and working lands programs. Expand programs that purchase development rights in the path of sprawl, such as the Farm and Ranchland Protection Program, and provide states with more flexibility in the administration of FRPP.

Reserve Funds for "cooperative conservation" projects -- Reserve 20 percent of all USDA conservation spending for competitive grants for multi-producer, multi-stakeholder projects on local, state, and regional scales that address a specific resource concern or set of resource concerns. Require proposals to USDA to leverage federal and non-federal funds, and explicitly permit other federal agencies to contribute funds to "cooperative conservation" projects. Give priority consideration to proposals that enjoy broad local support, leverage non-federal resources, address regional or national priorities, have clear and achievable objectives, and that provide technical assistance.

VIII. Ag Research

Expand and Reform Research Programs - Expand funding for agricultural research and allocate

research funds on a competitive basis.

IX. TSP

Expand Technical Assistance - Expand technical assistance by expanding federal and non-federal experts working with producers to develop business and conservation plans and to implement projects. Reform the Technical Service Provider program to train and certify more private consultants to provide a wider range of services to producers.

In closing, I want to thank you for holding these hearings. We welcome you to our state and hope your short time here was enjoyable. I will be happy to answer any questions, or provide any additional information that you might want.