

Thank you, Madame Chairwoman, for holding this hearing today on pesticide harmonization. I am pleased to join my colleague, Senator Dorgan, in support of S. 1406. We have worked together on this issue for a number of years now, and I remain committed to ending this serious trade imbalance burdening our agriculture industry.

I would like to begin by complimenting Senator Dorgan and his staff for their hard work and dedication to this issue. Senator Dorgan is a vocal advocate for his North Dakota farmers, and I look forward to working with him on this important issue.

I also want to commend all the parties who have worked hard to improve this issue over the years. The Environmental Protection Agency is making progress in working with its Canadian counterpart to harmonize regulatory structures, thereby reducing additional obstacles to fair chemical pricing. The pesticide industry has been working with the agricultural community to pursue agreement on procedures for evening out inequities in pricing structures. The pesticide industry is a responsible industry working to support American farmers, and I am pleased to see Jay Vroom here to speak on its behalf. Low commodity prices hurt you too, and I am confident that we can come to agreement on a bill that benefits all.

But much remains to be done. American farmers should not have to continue to tolerate artificial barriers that prevent fair pricing of crop inputs. We must make progress in ending these disparities.

With the passage of the 2002 Farm Bill, Congress attempted to move farmers off ad hoc emergency assistance into a long-term risk management strategy. We want farmers to run a smart business, carefully assessing and mitigating their risk exposure. Yet any smart business person will tell you that controlling the price of inputs is the key to a successful business. That's why this legislation is so important. It levels the playing field for the second-biggest input cost to farming - chemicals.

Pesticide Harmonization will allow the EPA to issue registrations to people who want to import Canadian pesticides that are identical or substantially similar to products already on the shelves here in the U.S. Dealers and distributors, with their expertise in labeling and handling pesticides, will likely comprise the majority of registrants, but individuals or organizations could be certified as well. Over time, the price disparities will level out somewhere in the middle and the incentive to import Canadian pesticides will largely disappear.

It is important to understand that we are talking about the same chemicals on both sides of the border. But that border is preventing the free market from doing its job and smoothing out price disparities. There will be no increased risk of environmental harm and no food safety concerns. These are the same chemicals our farmers are already using - but paying much more for. Let me give you an example. Roundup is a chemical that we are all familiar with, and one used on millions of acres of U.S. and Canadian farmland. But our farmers pay nearly \$2 per acre more for the exact same chemical. How can we expect U.S. and Canadian crops to compete fairly in this environment?

S. 1406 is important to our farmers. This bill is supported by the National Association of State Directors of Agriculture, the National Association of Wheat Growers, National Barley

Growers Association, and many more organizations committed to serving our American farmers, including Montana farm organizations.

Grain prices are as low as they've been in years. High natural gas prices are causing skyrocketing fertilizer costs. And another year of drought looms on the horizon. Our farmers are facing a serious economic recession, multiplied by the fact that they're being forced to pay twice as much for chemicals that almost always have the exact same chemical make-up as those sold in Canada.

Canadian commodities, produced with significantly cheaper chemicals, are competing freely with our crops. We simply can not continue to hamstring our farmers with the high costs of pesticides. This imbalance prevents our agricultural community from being competitive in the world market. The only way to achieve fair trade is to make sure we all play under the same rules.