

(a [40-page attachment](#) submitted by Mr. Evans is included in the Record.
Free download link to [reader software](#).)

My name is Jim Evans. I am a farmer of dry peas, lentils, chickpeas, wheat and barley near Genesee, Idaho. I am also the Chairman of the USA Dry Pea and Lentil Council, a national organization representing producers, processors and exporters of dry peas, lentils and chickpeas across the northern tier of the United States. In the audience today is the Vice Chairman of our Council, Greg Johnson. Greg owns and operates Premier Pulses International in Minot, ND. Premier Pulses International is a large processor of peas, lentils, and chickpeas from Montana and both North & South Dakota.

Good farm policy should encourage farmers to take advantage of market opportunities and reward them for crop diversity and management practices that help the environment. Every country protects their agricultural base in some form or fashion. The recently failed WTO negotiations prove that most countries are unwilling to leave their farmers unprotected. If U.S. farmers are to compete against subsidized competition, high tariffs and phyto-sanitary barriers the following elements of the farm programs must be included in the next farm bill:

Title I - Commodity Programs

1. Marketing Loan Program/LDP- The Marketing Loan Program is the single most important farm program tool used on my farm. This program provides some protection when prices go in the tank and pays me nothing when prices are good. I like this program because it allows me to take advantage of market opportunities and satisfies my banker's need for some downside risk coverage. This useful program needs to continue because it allows me to include environmentally sound crops with targeted market opportunities.
2. Direct & Counter Cyclical Program- I fully support the continuation of the direct and counter cyclical program payments that have sustained my farming operation and the local businesses that support my farm. Farmers do not have
3. the opportunity to set market prices, so Direct and Counter Cyclical Payments provide financial security against things which I cannot control like political decisions blocking access to lucrative markets or like Hurricane Katrina which unexpectedly increased costs of fuel and fertilizer. Direct and counter cyclical payments are a good form of Rural Development because the dollars go directly to rural enterprises that support farming and provide commerce throughout our small communities. The Farm Bill 2007 should include Direct and Counter Cyclical Payments for Pulse crops.
4. Planting Flexibility- The best part of the 1996 farm bill was the freedom to plant a crop based on market signals instead of base acres. Planting flexibility must be continued and expanded in the next farm bill. Chickpeas (Garbanzo beans), for example, are currently considered a vegetable crop and are not an eligible crop to be planted under farm program rules. Chickpeas are an important crop to my farm operation and I want the flexibility to grow them as an eligible farm program crop when market signals warrant.

Title II - Conservation Programs

The USADPLC believes that our farm policy should reward producers for managing their soils based on long term environmental sustainability on working lands.

1. CRP- The Conservation Reserve Program (CRP) has had many environmental benefits but the way it has been managed has been devastating to rural communities. In the next farm bill, CRP should be limited to only the most fragile lands and whole farm bids should be difficult to obtain.

2. CSP- In order to achieve the environmental and conservation goals of this great country, we need to fully fund the Conservation Security Program (CSP) and make it available to all producers at the same time. Sign up for the current CSP program is time consuming, complicated, and it often fails to recognize accepted conservation practices in a local area. The program should reward producers for achieving conservation goals based on systems that are economically sustainable and result in significant improvement in soil, air, and water quality. The CSP should be modified to reward producers for addressing conservation goals in their local watersheds and should encourage farmers to diversify their crop portfolios.

Title III - Trade

1. WTO- In a perfect world there should be no agricultural subsidies, tariff barriers, phytosanitary restrictions, and currency manipulation. Unfortunately, we do not live in a perfect world. The USADPLC supports the current WTO negotiations if the result is an agreement that puts U.S. agriculture on an EQUAL playing field with all other countries. WTO negotiations are on the rocks. Congress needs to write a farm bill that protects U.S. agriculture in the current trading environment. We support an extension of the 2002 Farm Bill until a fair WTO agreement is reached.

2. Cuba-When people ask me why U.S. farm programs are still needed to protect farmers I tell them we live in an imperfect world and sometimes my own government is working hard against me. Cuba imports over 200,000 MT of pulses each year, mostly from Canada. In the year 2000, Congress passed legislation allowing sales of agriculture commodities to Cuba. A year ago, our industry shipped over 50,000 MT of dry peas to Cuba mostly from Montana and North Dakota. This year the Administration modified the rules of payment from Cuba and dry pea sales have plummeted. Our government has cost the pea and lentil trade millions of dollars in lost sales to Cuba and other countries. We hope the next farm bill will eliminate all trade restrictions with Cuba and other countries.

3. Food Aid-We have a responsibility as a nation to share our abundance with those in need. We support the continuation of all food aid programs in the next farm bill. In order to address the increasing need for food aid in developing countries, P.L. 480 Title II funding should be \$2.0 billion per year. Our organization does not support cash donations in lieu of purchasing U.S. commodities within the food aid title.

4. MAP & FMD- The Market Access Program and Foreign Market Development Program have allowed our industry to penetrate new markets around the world. This program should be

enhanced in the upcoming farm bill.

5. Phyto-Sanitary Barriers- The pea and lentil industry continues to battle phyto-sanitary barriers around the world. We have been battling fumigation requirements in India for the past two years. In March, China banned all imports of U.S. dry peas claiming excessive selenium levels in our peas. Sound science is not the basis for either of these restrictions. However, access to major markets is restricted with our harvest just around the corner. The new farm bill needs to beef up U.S. enforcement of phyto-sanitary barriers.

Title VII - Research

To compete successfully in the global economy we need to increase our investment in agricultural research. The USDA Agriculture Research Service and our Land Grant Universities have faced flat or decreasing budgets for years. We support increasing agricultural research budgets in the next farm bill.

Title IX - Energy

Energy Conservation Program- We fully support programs in the next farm bill to enhance the development of biobased fuels. We are investigating the fit pulse crops will have in the ethanol production market. Farm Bill policy should not just consider energy products. Rewards for energy conservation should also be included. Legume crops like dry peas, lentils, and chickpeas do not require fertilizer because they fix their own nitrogen in the soil. If the farm bill rewards farmers for planting "energy crops", then it should also reward them for planting crops that conserve energy.

Title X - Miscellaneous

Transportation- Cost effective and adequate transportation of our crops to market has emerged as one of our biggest limiting factors during the growth of our industry in the past few years. Most of the pulse processors in our industry are captive shippers on a short line railroad. They provide rural jobs in places like Ray, North Dakota and Chinook, Montana. Competitive rail rates and adequate service is critical to the long-term health of our industry. The BNSF railroad services a large pea and lentil processing facility in the small town of Ray, North Dakota that is about 100 miles from the Canadian border. To ship a box car from Ray to the west coast costs \$3,463. The same boxcar on the Canadian Pacific Railroad to the west coast carrying Canadian pulses costs \$2,463. It is currently \$1,000 cheaper per car to ship Canadian pulses to either west or east ports. Our industry supports the captive rail legislation sponsored by Senator Burns, Dorgan and others. We ask Congress to address the issue of transportation by both rail and water in the next farm bill.

Summary

I would like to thank you for allowing the USA Dry Pea & Lentil Council to provide this testimony and for coming to the great state of Montana. Part of my extended testimony is a printed power point presentation with information about our industry and our farm bill policy

positions.

I would be happy to answer any questions at this time.