

Testimony Presented to Committee on Agriculture, Nutrition and Forestry United States Senate
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Thank you, Mr. Chairman, Senator Salazar and members of the committee on Agriculture, Nutrition and Forestry for allowing me this opportunity to present testimony. I am Terry Fankhauser, Executive Vice President of the Colorado Cattlemen's Association and beef producer in Colorado and Kansas.

The views I express today are based off of member voted and passed policies of the Colorado Cattlemen's Association, the nation's oldest beef cattle association at 140 years. I believe the 2002 Farm Bill, which continued the "freedom to farm" emphasis, was a step in the right direction by allowing ranchers and farmers more leeway in the choice of management objectives which best suit their individual operations as opposed to directing what they could or should not grow in order to qualify for a government program. I would like to see even more emphasis on programs that assist the producer through educational efforts directed toward best management practices then providing incentives for the adoption of those practices. The EQIP program, administered through the Natural Resource Conservation Service, is an excellent example. One small problem which you might address is to direct USDA to grant more flexibility to NRCS to adjust cost share requirements because sometimes portions of these conservation plans may have significant benefits for wildlife species but contribute little to the economic viability of the ranching operation so it is difficult for the landowner to justify the expense.

I believe the 2002 Farm Bill with amendments made an effort to address disaster assistance for ranchers and farmers. Natural disasters such as drought, blizzard and wildfire create significant problems for us and this year was no exception with the blizzards in eastern Colorado. Tens of millions of dollars were lost by producers through livestock death, loss of production, feed costs and other unbudgeted expenditures. We do not expect or want the government to bail us out when we make poor decisions but when disasters occur there are other ways to assist. One of the most helpful things Congress did was to extend the period of time from two years to four years for producers to reinvest the money they received from the forced sale of livestock due to drought. Deferral of this income is coming due this year, while eastern Colorado is still in the clutches of recovering from the series of blizzards that has caused producers irreparable harm. Of significant need would be to grant another year's extension to this deferral period to allow producer to recover or to allow producers to count that reinvestment made through the additional feed purchases they have made. We must find creative ways to assist ranchers and farmers in rebuilding their operations following disaster without greatly increasing the cost of government.

It is also important to take care that we do not create programs that assist some while placing others at a disadvantage. The emergency haying and grazing of CRP lands is an important tool for disaster assistance but you must monitor this activity to prevent abuse and put an unwanted burden on hay markets thus harming a hay producer's business. We need disaster assistance policies that help the family ranch stay in business but do not interfere with the free market or

infringe upon the private property rights of the families.

In general, we do not need programs that become an opportunity to create inequities between neighbors and they should not become opportunities for producers to have income over and above what is possible in a normal year.

In Colorado, nearly one half of the land mass, 33 million acres, is owned and managed by agricultural interests. These working landscapes are truly the front lines of conservation. These farms and ranches are providing vast acreages of wildlife habitat, open space and viewsheds. When implementing conservation initiatives, consider doing everything we can implement programs that keep working lands in working hands. By doing so, the economy and the environment benefit. Agriculturally productive lands meet conservation goals, but also support rural economies and the local tax base without additional cost of government.

The Colorado Cattlemen's Association, the nation's oldest state cattlemen's association, was one of the first agricultural producer groups in the nation to form a Conservation Land Trust. CCA did this because of increasing development pressures being exerted on our ag lands and conservation easements seemed to be one tool we could use to address the problem. Since ranchers seem to have an inherent distrust of government sponsored land trusts and other nonagricultural oriented land trusts, the Colorado Cattlemen's Agricultural Land Trust was created. CCALT recently accepted its 100th easement and have assisted families on about 200,000 acres. There is a waiting list of ranchers who wish to establish easements but the lack of funding for setting up the agreements prevents many from proceeding. These voluntary agreements, negotiated between the landowner and the land trust, not only help the family ranch remain economically viable but also keep many ecosystems intact. It is my understanding the U.S. Fish and Wildlife Service spent \$60 million on habitat acquisition in 2004. It seems to me society would get a greater return on its investment if you directed the Department of Interior to work with the Department of Agriculture to leverage these funds by using them to assist private land trusts and private landowners in establishing voluntary conservation easement agreements. The result would be ranchers doing the conservation work and the land trust monitoring the ranchers to the general benefit of society, all at no additional cost to the taxpayer. We support tax deductions for those ranchers who choose to protect their property using conservation easements and tax incentives for voluntary stewardship efforts. For specific examples of two programs that are invaluable to landowners wishing to place easements on their property, please reference the Farm and Ranch Protection Program and Grassland Reserve Program white papers at the end of this testimony. These comments were compiled, in part, by the Colorado Cattlemen's Agricultural Land Trust and are supported by the Colorado Cattlemen's Association.

I want you to know that cowboys understand that farm public policy is not just about cows, we realize there is a bigger picture for this committee to paint. For example, CCA is supportive of efforts to use agriculture in the production of renewable energy. Programs such as those using farm products to produce ethanol and biodiesel are quite probably good ideas. It is a good thing especially when you assist local communities in their efforts to form cooperatives to raise crops, produce biofuels and distribute them to

the public. It is an added benefit when the members of the co-op can obtain fuels at a reduced

cost to use in their operations. CCA does have some concern that 50 cents per gallon is provided by the government to produce ethanol. CCA members, as is most beef producers, are not supportive of subsidies.

CCA is supportive of ethanol production even though it is raising the market price of corn, a major feed resource for cattle feeding. CCA hopes that this committee will review the entire litany of circumstance and implement holistic programs that don't help one segment of agriculture but harm another. Significant research is available that illustrates the impacts of ethanol production on the economics feeding cattle. Unfortunately, the by/co-product of corn based ethanol production can not overcome corn as a cattle feed. For starters, wet distiller's grains have a very short shelf life and can not be transported beyond the general proximity of the ethanol plant.

It would be most helpful if a farm bill would enhanced our market access and our ability to compete internationally by not creating more programs that must be reviewed for compliance problems by the WTO. CCA wishes that we could be more helpful in suggesting what should be included in the 2007 Farm Bill. I can tell you with certainty what should not be included and that is language that tells producers how to treat animals. It is my understanding that various animal rights groups, many of which wish to eliminate animal agriculture, are pressuring Congress to constrain well established animal husbandry practices. Producers make money by selling pounds of beef. Producers make pounds of beef by creating and maintaining healthy pastures and rangelands to provide forage for cattle. Increased weight gains come from healthy and contented cattle. It would not make much sense for producers to do things that negatively impact healthy rangelands or cause cattle discontent. To do so would decrease the number of pounds producers have available to market. If you wish to fund research at land grant universities that will demonstrate ways to make my rangelands healthier or cattle happier, we are most willing to be educated and better informed. Perhaps that is the sort of thing to consider in a farm bill.

Let me summarize with some thoughts for your consideration: ? Keep extraneous issues out of the Farm Bill and focus on improving the existing titles of the current bill. ? Focus the 2007 Farm Bill toward agriculture, not on trifling with animal rights issues. ? Increase the efficiency and funding of the conservation programs that keep working landscapes in working hands. ? Promote private-public initiatives as opposed to government mandates and increased subsidies. ? Preserve the right of individual choice in the management of land, water, and other natural resources. ? Work to enhance our market access internationally.