

I would like to thank you for the opportunity to provide input to your committee on the important job of designing the 2007 Farm Bill. I have been asked to represent the interests of specialty crop producers in the Northwest region of the United States. I currently serve on the board of directors for the National Potato Council, and have been president of the Potato Growers of Idaho. I also served as an executive member of the United States Potato Board (USPB), and my wife, Cheryl Koompin, is currently an administrative member of the USPB. I have also been involved with the Farm Service Agency as a past county committee member.

My brother and I started farming together in 1974. Our diverse farm of potatoes, sugar beets, grain and corn is located on the Snake River in American Falls, Idaho. Cheryl and I have two boys who have both graduated from college. They are back on the farm and hope to make farming their career.

Before I begin my comments on specific Farm Bill titles, I feel compelled to raise a critical issue, that if not resolved soon, will affect specialty crops more than all the titles of the Farm Bill combined. I refer to the rapidly developing shortage of immigrant farm workers. It is imperative that comprehensive immigration reform that includes the AgJobs provisions for agriculture be passed as quickly as possible. I applaud the vision of the Senate in passing this comprehensive reform and request that everything possible be done to maintain the important provisions for agriculture in the House / Senate conference committee.

Current efforts to tighten the border are contributing to an already critical shortage of farm workers. Many of our resident farm workers are being enticed by much higher paying jobs. I know of a large potato farm that normally secures 250 workers for harvest through simple advertisements in newspapers. This year, the farm only received 35 applications, which has put them in a very difficult situation. The booming construction industry in the Northwest will continue to lure away our current farm labor force. Other specialty crops have even higher labor needs than potatoes. Irreparable harm will be done to the suppliers of our nation's fruits and vegetables if workable guest worker programs are not enacted soon.

With respect to the 2007 Farm Bill, potato growers currently do not receive and do not want to receive direct payments of any kind. I also passionately believe, any provisions in the new farm bill cannot favor or give advantages to one farmer over another. We do believe, however, that there are many things that Congress can do to improve the competitiveness of our industry by investing in infrastructure, expand the use of conservation programs for specialty crop producers, improve our export possibilities, provide protection from invasive pests, expand research, and help to increase the consumption of fruits and vegetables as targeted in USDA's nutritional guidelines. The challenges associated with transportation also need to be addressed, and is a critical element that is too often forgotten. It is imperative that this committee collaborates with the appropriate jurisdictional committee to resolve many of the transportation issues crippling the agricultural industry.

Farm programs shouldn't put any sector of the Ag economy at a disadvantage. Perhaps the highest priority in the 2007 Farm Bill is to maintain the prohibition of planting fruits and vegetables on land where growers receive direct payments derived from having a "base" in a program crop. The demand for potatoes is very inelastic and even small increases in potatoes, or any other specialty crop for that matter, can result in a drastic decline of prices. Our industry

has seen many such years recently, and cannot afford the market distorting changes that would result if the current prohibition were removed.

Because of the urgency in addressing the matters I am discussing with you today, I believe that a new Farm Bill should be adopted as scheduled, rather than extend the current Farm Bill as has been suggested. We support the broad principles of the specialty crop coalition, of which the National Potato Council has helped co-chair. We believe that it is in the best interest of America to support a strong specialty crop industry. On a per acre basis, potatoes and other specialty crops produce much more value than a crop such as wheat. Whereas an irrigated acre of wheat in Idaho may produce from \$300 to \$450 of value, on average, an acre of potatoes adds over \$2,000 to the state's economy. Agricultural areas where specialty crops are grown support a much larger economy. Additionally, many specialty crops also support a large value-added processing industry.

That said I also support a strong wheat industry. Many growers in the Northwest also produce wheat, and due to the inelasticity of potatoes that I described earlier, we certainly do not want more wheat growers raising potatoes, unless the market for potatoes grows accordingly.

The following are specific priorities for potato growers as related to specific Farm Bill titles:

**Conservation Programs: CSP** - The Conservation Security Program envisioned by writers of the last Farm Bill truly included some innovative concepts; however, the program was not designed to work for specialty crop producers. Some potato producers have been able to adopt practices that allow them to participate in CSP, but it will be very difficult for most. Producers of other specialty crops that require more soil cultivation, such as sugar beets, dry edible beans, and onions, will most likely find it impossible to qualify for CSP. The biggest problem with CSP is the slow and completely unfair way in which it is being implemented. It is absolutely unfair and improper that one grower may be receiving payments of \$40,000 per year, while a competing producer, in a different watershed, has not even had the opportunity to sign up; and at the current rate of implementation, may never get the chance. The CSP program either needs to be revised and adequately funded or canceled. If it is not available to every producer, the program should be discontinued. If CSP is funded, EQIP funds should be targeted to help growers qualify for CSP.

**EQIP** - We believe that a mandatory allotment of EQIP funds for specialty crop producers, similar to what currently exists for livestock should be adopted. Environmental benefits of reduced pesticide application can be achieved by helping growers adopt new practices, including IPM and organic production.

**Risk Management** - Multi-peril crop insurance continues to be unaffordable for many potato growers and specialty crop producers. The current program does not adequately protect seed potato producers. We suggest a pilot project that would re-direct subsidies used for crop insurance into a "disaster savings program" that would help producers build up a savings account to use in times of crop disaster. We would also like a pilot program to develop a workable seed potato insurance product. We also have serious concerns with the pilot Adjusted Gross Revenue (AGR) program. We believe that despite efforts to make the program work, it

is still too subject to fraud and is still market distorting. It also does not work well for producers that are consolidating and expanding their operations. The AGR Lite program will not work for most potato and specialty crop producers due to the gross revenue limit.

Transportation - Although not a current Farm Bill title, good transportation infrastructure is vital to rural America. The Northwest's major potato markets lie far from production areas. The transportation of goods between all 50 states has to be facilitated by an efficient transportation system. The lack of two-way tracks in the United States is one obvious example of how the transportation infrastructure is crippling the agricultural industry. Adequate railroad infrastructure and competitiveness are vital to our agricultural economy. With respect to the highways and interstates, there is paramount need to make weight laws consistent across the entire nation. The law that fixed all weight limits in the United States needs to be repealed. While I acknowledge that this is an agricultural hearing, if the nation's transportation system is revamped, it could do more for specialty crops than any amount of money allocated in the next farm bill.

Energy Production - The current high energy prices have had a serious affect on specialty crop producers. High fuel prices lead to high fertilizer and pesticide prices as well. We do believe, however, that there is a very real silver lining to high fuel prices - production of ethanol from grain and cellulose, as well as farm produced bio-diesel. U.S. policy should promote the production of these renewable energy resources. Perhaps the result of increased renewable energy production around the world will be a new level of rural prosperity. Perhaps even a level of prosperity that will allow program crop subsidies to be cut and the funds to be re-directed to areas that are in serious need.

Research - We support significant new investment in research for specialty crops, through both the National Research Initiative and programs within Cooperative State Research, Education and Extension Service (CREES) and Agriculture Research Service (ARS). With the sale of organic products rising nearly 20 percent per year, we support a significant increase in research dedicated to organic production and farm conversion to organic systems.

State Block Grants - We support an expansion of the State Block Grants for Specialty Crops program originally authorized in the Specialty Crop Competitiveness Act of 2004. Due to the wide diversity and localized needs in specialty crop production, state departments of agriculture are uniquely able to assist local growers with the specific investments they need to increase competitiveness.

Nutrition Programs - We support a strong new emphasis within the 2007 Farm Bill on increasing the availability and consumption of fruits and vegetables. Access should be increased through all USDA nutrition programs. Cooperative promotional programs should also be included as a way to improve the attitude of consumers towards the consumption of fruits and vegetables.

International Trade - We support programs to increase foreign market access, to increase funding for Technical Assistance for Specialty Crops program, and creating a new Export Division within Animal, Plant, Health, and Inspection Service (APHIS) to attach with much greater vigor the real, but too often hidden trade barriers facing our industry in Sanitary and

Phytosanitary (SPS) issues. We also support continuation of the Market Access Program (MAP).

Invasive Pests and Diseases -We support significant new investment in prevention of the unintentional introduction of plant pests and diseases, such as the Potato Cyst Nematode that we are currently dealing with in Idaho.

Unique Attributes of Specialty Crop Producers -Due to the nature of high-value specialty crop production, many current Farm Bill programs and disaster programs are of limited value to specialty crop producers due to payment caps, and limits on adjusted gross income. If an ad-hoc disaster program is ever offered again for potatoes, we offer to help design a program that will be both more fair and workable to producers and save the government money. We support a thorough review of all farm programs to ensure that specialty crop producers have access to benefits comparable to other farmers.

Thank you for the opportunity to provide input into the 2007 Farm Bill.