

Mr. Chairman, Members of the Committee, thank you for the opportunity to present the Oregon cattle industry's perspective on the upcoming 2007 Farm Bill. My name is Sharon Livingston, and I am a cattle producer from Long Creek, Oregon. I am the current President of the Oregon Cattlemen's Association.

As with most other agriculture industries we are paying very close attention to the development and drafting of the 2007 Farm Bill. As cattle producers, our industry typically prefers a hands off approach to the various programs that are included in the Farm Bill. Most producers would prefer to be left alone and not have the government intervene in the daily business of the cattle industry. As a result of this hands off approach, most cattle producers don't directly take advantage of Farm Bill related programs.

However, while cattle producers themselves don't typically take advantage of Farm Bill programs, the provisions of the Farm Bill indirectly affect the entire industry. Livestock consumes a large portion of the major feeds that are grown throughout the country. As our cattle are finished in feedlots they consume crops, such as corn and barley, which are milled into feeds. As the nation's largest segment of agriculture, the cattle industry is focused on continuing to work towards agricultural policy which minimizes direct federal involvement; achieves a reduction in federal spending; preserves the right of individual choice in the management of land, water, and other resources; provides an opportunity to compete in foreign markets; and does not favor one producer or commodity over another.

Environmental Protection

Cattle producers are intimately involved in the protection and utilization of the environment that surrounds us. Our livelihood depends on the sustainable use of the land and other resources to ensure our families are able to remain on the land for future generations. I like to think of farmers and ranchers as the original environmentalists. We are constant stewards of the land because our industry depends on the continued resources that it provides us everyday.

Cattle ranching and environmental stewardship can go hand in hand in virtually all situations. Where managed properly, cattle can improve and enhance nearly all landscapes and terrains. Cattle can survive and thrive in all types of climates, from semi arid deserts to lush valleys near the coastlines. It is a constant goal of ranchers to operate their ranches as environmentally friendly as possible, which is where individual ranchers can utilize government conservation programs. Our highest priorities are to utilize these government programs to relieve regulatory burdens imposed under the Clean Air Act, Clean Water Act, and ESA. The programs most responsive to these needs are Environmental Quality Incentives Program (EQIP) first and foremost, and then Wildlife Habitat Incentives Program (WHIP).

The Environmental Quality Incentive Program (EQIP) is one of the most utilized programs for ranchers in Oregon. This program rewards and provides incentives to cattle producers for their environmental stewardship. Targeted spending within this program can have dramatic effects for landowners who want to be recognized and rewarded for their work. This program could be expanded with controlled spending to directly target additional partnerships with landowners.

Environmental programs such as EQIP, WHIP, and the Conservation Security Program (CSP) are valuable assets to producers who manage their land in accordance with USDA principles. We would like to see these programs continued and urge USDA to seek out additional partnerships that further promote conservation.

The Farm Bill programs we are talking about today are only effective if USDA has the personnel to deliver programs to producers. Farm Service Agency recently retracted a restructuring process of their offices. Although we didn't take a position at that time, I would urge FSA in any future restructuring process to ensure, qualified and competent employees are available for producers in localized areas to deliver the programs and technical advice that are offered.

Research

We would like to see additional money devoted to science-based research in the agriculture arena. Numerous issues, including regulations governing air and water, continually plague Oregon farmers and ranchers. Credible and unbiased research is desperately needed to defend against attacks from activist groups that intend to do harm to agriculture and other natural resource based industries. Fact based science is not only good for ranchers, but for everyone. Many millions of dollars will be "totally wasted" on environmental issues unless we know and understand the science of the issue.

In Oregon as in many other states, we depend heavily on our land grant university, Oregon State University (OSU). OSU manages and houses the extension and agriculture experiment stations that are located throughout the state. Farming and ranching industries need the research knowledge that is gained by these institutions each year. Those of us who are in the "harvesting and food production business" have benefited greatly from the research and Extension Service at OSU. Without it, many of us would not be profitable enough to stay in business. Research on animal diseases, overall animal health, nutrition, marketing, meat preparation etc. not only provides a benefit to ranchers like myself, but to the average consumer household as well. A recently formed forage/livestock endowment started at OSU, has great potential to help ranchers across the nation with cutting edge research. This is a specific area we would like to see funded and expanded.

Taxes

Taxes are a large concern for ranchers throughout the nation. The Death Tax in particular is especially damaging to family farms and ranches. This tax has the ability to force a family that has been in business for multiple generations to sell out.

Contrary to the arguments of some, the Death Tax is not a tax on the rich. The rich have adequate funds to hire attorneys and accountant's to avoid the tax. In a land rich but cash poor occupation such as farming and ranching, a family may have only one option to pay a large tax bill upon a family members death: sell the assets. This unfair tax strips local rural economies of family businesses and diverts money to the federal government that could be better utilized in struggling local economies.

Water

Additional resources should be provided to fund the continued development of water storage. In the arid West, water has been, and will continue to be a major source of contention from numerous parties. Funds should be dedicated to capturing more surface water during spring melt and wet periods, as about 95% of this vital resource flows to the ocean unused. By doing so we could potentially reduce much of the conflict over competing uses.

The ongoing conflict between water users in the Klamath Basin and fishermen along the coastline is an example of the competing interests for water. This problem can be traced to numerous issues including the Endangered Species Act, federal mismanagement of resources, and changing natural conditions. Developing additional water storage capacity within the Basin would help this problem. The lack of storage capacity has the potential to decimate two industries, the farmers and the fishermen. This situation is a perfect illustration that no one wins but the lawyers.

Agriculture is losing the "water wars" because virtually no new water is directed towards production, but rather towards other uses. Presently, the "water pie" is finite and all parties' fight over their piece. Efforts and funds should be directed towards making the pie bigger. Incentives should be towards producing more water storage for multiple uses including irrigation when it is needed during the growing season.

Property Rights

At the forefront of most battles fought in the cattle industry are private property rights. The right to own private property in this country without the fear of a "taking" is one of our most revered rights we all have. The Oregon Cattlemen's Association and I consistently defend the rights we have and regularly work with both state and federal legislators to make our voice heard. The recent *Kelo vs. New London* Supreme Court decision is especially troubling to the concept of private property rights ownership. I applaud the Committee's work in this arena and specifically certain members of the Committee for their dedication to the continued protection of private property.

Public Lands

Public lands' grazing is an integral part of the ranching industry in the West. Public agencies own a majority of the land in many of the 12 western states, and Oregon is no exception. Public lands ranchers rely on the administering agencies, BLM, U.S. Forest Service and various state agencies, to ensure that ranching remains a viable option on these lands. The profitability and uncertainty associated with these lands has eroded to the point that many ranching businesses are failing. While public lands grazing issues haven't typically been included in the Farm Bill, this is an issue that we ask that the Committee take note of and help these ranchers trying to utilize these marginal lands.

An area of concern to public land ranchers is the encroachment and advance of invasive weeds. These weeds displace forage that is vital for both livestock and wildlife. Some level of funding should be made available through the Farm Bill to control invasive weeds on both private and

public land.

Most rural eastern Oregon towns rely on a ranching economic base. The ranchers that inhabit and sustain these towns typically have a private and public grazing land mixture. Because the federal government owns the majority of the land in eastern Oregon these operations rely heavily on utilizing these arid grazing lands. The continued use of these public lands is becoming increasingly contentious and uncertain for numerous reasons such as activist lawsuits, invasive noxious weeds, ESA listings, and wilderness designations.

Activist groups such as the Oregon Natural Desert Association and Center for Biological Diversity have found a niche in filing lawsuits against the public agencies administering these grazing lands. Most lawsuits that are filed are similar in nature charging the agencies are not properly following NEPA, FLPMA, EIS's, the ESA and various other policies the agencies are required to contend with. These lawsuits are typically filed against specific allotments that ranchers depend on for their livelihood. This normally forces producers to get involved in these lawsuits to defend their grazing practices. These lawsuits cost ranchers thousands upon thousands of dollars to defend their allotments and often times these individuals cannot pay the bill and are forced to lose their grazing rights. The misinterpretation and abuse of the above named policies are contributing to the extinction of ranching families and rural ranching towns.

Energy

We must put more effort into research and development of renewable energy. Fuel and fertilizer inputs are two of the largest costs for agriculture producers across the nation. In addition to oil prices, natural gas prices have severely elevated fertilizer and chemical pesticide costs.

Fuel production related to ethanol is an exciting opportunity to lessen U.S. dependence on foreign oil. Caution must be used to minimize the impact on corn supplies for livestock feeding. Livestock consume a majority of the corn that is produced around the nation and as supplies tighten a potential exists to harm the livestock industry. Development of alternative fuel sources is a beneficial thing for the entire country but discretion should be exercised to avoid harming industries that currently depend on these products. A careful balance must be struck between providing ample feed supplies, renewable fuel sources, and price.

Conclusion

This is an exciting time to be affiliated with the livestock industry. While the future holds great promise, we must be careful to learn from new lessons each day. We are not asking for any handouts or special consideration in the 2007 Farm Bill. We only ask that policy be developed that will allow producers to remain productive and competitive in the global market. Often times this means that government must stay out of the marketplace and allow market forces to dictate. We look forward to working with this Committee in the drafting of the new Farm Bill and hope we can work together to find the most efficient way to use the limited funds available in an equitable program.

