

Statement to United States Senate Agriculture Committee
Senator Tom Harkin and Senator Ben Nelson
Council Bluffs, Iowa
April 14, 2007

Good Morning Senators,

My name is Matt Schuitteman. I am a family farmer from Sioux Center, Iowa. I grow corn and soybeans in rotation while producing pork from farrow-to-finish. I farm with my father, Leon, and my grandfather, Art Schitteman. My wife, four children and I are the 5th generation of Schuittemans to farm our land. I currently serve my church congregation as the Chairman of the Deacons and the Iowa Farm Bureau Federation as the state Young Farmer Chairman. Thank you for this opportunity to share my thoughts on the 2007 farm bill.

Senators, there is a lot of optimism in agriculture today. However, despite today's strong commodity prices, one does not have to think very far back to where we came from. Just seven months ago, corn traded for \$2.10 per bushel and soybeans were only \$4.80 per bushel in Sioux County. In recent years, commodity markets often brought the local cash market below income price support thresholds. Without livestock to add value to my crops, the markets offered break-even prices at best. While the current market conditions are a breath of fresh air for those who farm the land and those in the small towns that depend on main-street trade, it is very important to remember that in the long-run, there is no guarantee that the markets will offer today's profit opportunity. Therefore, it is critical that the 2007 farm bill maintain an income safety net to support our farm family food production system in times of low prices. The concepts implemented in the 2002 farm bill, which include; direct payments, a market loan program and counter-cyclical price supports, did a good job of smoothing the ebbs and flows in my family's income. To be clear, I feel that the 2007 farm bill should include the basic farm program concepts outlined in the 2002 farm bill. It is imperative that financial resources in the commodity title remain in the commodity title. Taking funds from the commodity title to foster new or expanded farm bill programs in any other title would weaken the income safety net that is so important in a world of increasing production costs. New or expanded farm bill programs should be funded with an increase in the budget baseline or offsets somewhere outside of the commodity title.

Conservation programs are important to Iowa farmers. The Conservation Security Program is a concept supported by Iowa farmers, but regrettably, it was funded in a manner that made it very difficult to qualify. As we look toward the 2007 farm bill, I would ask that you expand on those working-land conservation concepts while finding new efficiencies in one of America's most popular conservation programs, the Conservation Reserve Program.

Working-land conservation programs, such as the CSP, offer environmental protections, incentive-driven land stewardship improvements and economic activity in rural communities. One of the most disappointing short-comings of the Conservation Reserve Program is its negative impact on rural economies. Despite the arguments of those who suggest that outdoor recreation replaces the lost economic activity associated with agriculture, the fact is; land engaged in responsible farming or grazing practices does far more to support local, main-street businesses, schools and hospitals than a few weekends of outdoor recreation.

Farmers and ranchers are under more regulatory pressure today than ever before. We all want clean water, but implementing conservation practices to meet the high demands of the today's regulatory climate are very expensive. State funded cost-share programs provided almost \$19 million in Iowa in fiscal year 2006. As an example of farmers' willingness to put their own money toward conservation improvements, many applications went unfunded due to a lack of public financial resources. In 2004 and 2005, demand for state conservation funds exceeded availability by an average of \$6.5 million per year. The federal government provided nearly \$314 million in conservation funds in Iowa's fiscal year 2006. Nearly \$200 million of this money was distributed through the CRP program. The balance was distributed through the Environmental Quality Incentives Program (EQIP), Wildlife Habitat Incentive Program (WHIP), Conservation Security Program (CSP) and Wetlands Reserve Program (WRP). Yet Iowa still has 213 impaired waterways on the Clean Water Act's 303(d) list. It seems intuitive that we should ask how we can better utilize limited financial resources to achieve environmental improvements.

Iowa has nearly 2 million acres enrolled in the CRP. Over 1.4 million of these acres are enrolled in the "general" CRP. It is time we end the practice of enrolling whole farms in the CRP, unless every acre on the farm is in critical need of conservation measures. Let us assume that one half of Iowa's 1.4 million acres in general CRP contracts eventually expire and do not get reenrolled in the general CRP. These acres would return to no-till or minimum till farming or a cow-calf grazing operation. Then, apply the available financial resources to more site-specific conservation enrollments in the "continuous" conservation reserve program. Trading half of today's general CRP signup and using the same spending authority to rent continuous CRP acres at today's average rental rate, would provide the funds necessary to fully buffer (33 feet on each side of a creek or stream) over 58,250 miles of Iowa's creeks and streams. This amounts to 81% of Iowa's 71,665 total miles of creeks and streams.

Targeted conservation approaches, such as continuous CRP or working land conservation programs, such as the CSP may not completely solve water quality issues in our state, but one has to wonder how many impaired waterways we could eliminate from the 303(d) list if we just made better use of existing CRP funds. Again, this is just one example of how we might find more efficiency in just one of today's most popular conservation programs.

I believe it is possible to bring land resources back into production so young farmers, like myself, have more opportunities to farm or grow livestock and at the same time, provide economic renewal in rural communities. We can do all of this in a responsible way that preserves wildlife and recreation as well as improve our water resources. All of this might be achieved with no net loss of funds in the conservation reserve program by shifting focus to the continuous signup, or by converting some CRP funds into working land conservation programs.

The energy title of the farm bill is also very important to agriculture. Current energy efficiency and renewable fuel development grants promote energy savings while developing new uses for agricultural commodities. It is important that these programs remain in the 2007 farm bill. At the same time, our livestock and poultry industries could benefit from additional research to find better ways of utilizing distiller's grain solubles. Pork and poultry are limited in their ability

to consume renewable fuel byproducts, thus making it more difficult to compete with the high price of corn and soybeans. Agriculture, as a whole, would be much better off if we could solve this problem through research for the livestock and poultry industry without backing away from renewable fuel incentives that have resulted in market prices that finally offer us the opportunity to make a profit in the free market.

Finally, I will conclude my testimony with one final request. I would ask that you please deny those who would do harm to the livestock industry, from having their agenda implemented in the farm bill. There are several common sense reasons not to legislate a prohibition on horse slaughter, non-ambulatory livestock and the use of gestation stalls in pork production. I hope you recognize how devastating such initiatives would be to the animal agriculture industry. While we oppose these initiatives in any legislative form, it seems particularly inappropriate to implement policies like these in the farm bill. Farmers use good animal husbandry practices. They are the ones who should decide the best way to care for their animals. Congress should not make these decisions for farmers.

On behalf of myself, my family and Farm Bureau members all across Iowa, it is a great pleasure to be with you this morning, Senator Harkin and Senator Nelson. Thank you for this opportunity to address your panel. I will be glad to answer any questions that you might have.