

Chairman Chambliss, Senator Santorum, and distinguished members of the Senate Ag Committee. Good afternoon and thank you for taking time to conduct a Farm Bill hearing here in Pennsylvania. My name is Jim Shirk and I am here this afternoon wearing two hats - one representing our family farm in Lancaster County and one as an employee of Wenger Feeds, a family agribusiness based in the Mid Atlantic region.

My wife and I are the 9th generation to live on our family's farm and are committed to continuing to be a part of agriculture. This is becoming more and more difficult in the United States today.

It is my belief that the purpose of the Farm Bill is to provide the framework for ensuring the long term viability of agriculture for the United States in the interests of national security and quality of life for all Americans. My comments this morning will focus on a theme of long term viability and will cover three general areas: 1) the critical need for full funding of agriculture research and extension at land grant universities, 2) long term impact of preservation and conservation investments, and 3) greater parity in the distribution of farm program dollars.

Nearly 150 years ago, the federal government entered into a partnership with state and local entities to facilitate the development and distribution of knowledge to improve agriculture production and increase the quality of life for all our citizens. Penn State and the land grant institutions across the United States continue to have a critical role in the long term viability of our industry thru the generation and distribution of relevant knowledge and in providing an educated workforce for generations to come, be it producers and agri-business people, educators, research scientists, or extension professionals.

One specific area in PA that the land grants played a significant role in protecting the ag industry is their assistance in combating Avian Influenza. PA is a very large and diverse poultry state, the third largest egg producer for example, and almost 25 years ago we faced an outbreak of AI that cost our industry \$60 million and destroyed 17 million birds.

In fact, at that time the industry was credited with jump-starting the federal response by organizing bird owners, creating production location maps. We learned the hard and expensive lesson that timing is critical for controlling disease and missed days and poor bird disposal practices increase the risk of spread exponentially.

Five years ago we again faced an outbreak of AI but thru industry partnerships with universities and the Department of Agriculture, the impact was greatly reduced to \$400,000 and a loss of only 180,000 birds. Two significant components of the success came from the universities thru the development of a faster test for the presence of the virus and better understanding of composting techniques which minimized the risk of spreading disease.

Unfortunately, the federal component of research and extension funding that allows for success stories like this has been flat for land grants for many, many years and the time has come to initiate change in the system. The place to accomplish this is the next Farm Bill.

The next Farm Bill should establish a new institute under USDA reporting directly to the Secretary of Agriculture that would consolidate agencies, programs, and activities. Individual

national programs and areas of interest in CSREES, ARS, and ERS would be maintained and the funding would be grown thru greater integration.

An important component of this institute would be to maintain funding for local priorities that may not reach a high enough level for national competitive funding. The mushroom industry in PA is a perfect example of a vibrant industry in PA that benefits from working with the university but would likely never become a national priority.

One final reason for investing in research and extension is the potential for significant changes in our farm subsidies as a result of international trade policies. If commodity programs see reductions, it will amplify the importance of research to increase yields, drought resistance, and other areas to minimize the loss of farm income.

The second area I would like to address on the long term viability of agriculture is the value of farmland preservation programs. Preservation programs are an economic stimulus for long term capital investment, re-capitalization of farm equipment, and provide an economic background for expansion and sustainability.

In 2000, my father entered into an agreement with the Lancaster County Ag Preserve Board to sell the development rights from our farm. One of the reasons for participating was to have access to enough capital to purchase the farm and keep it in our family. Generation transfer is a very common reason for preserving land and thus providing the opportunity for farms to remain in families for multiple generations and produce food for our country.

Producers who accept preservation dollars have a fiduciary responsibility to invest in the long term sustainability of their land in agricultural production to provide public assurance that their investment in food production and agriculture are being used responsibly. Farmers are considered by many to be the first environmentalists but with shrinking margins there is a temptation to bring marginal land into production regardless of potential impacts. Conservation and good stewardship must continue to be a strong component of preservation programs.

My final comments for the long term viability of agriculture revolve around our region and the disparity in distribution of federal funds in the Farm Bill. Pennsylvania ranks 22nd in the market value of agricultural sales and yet is 41st in the amount of government payments received for agriculture. The nature of our diverse farms does not allow significant participation in existing programs.

The advantage we do have in production is our proximity to major populations and thus consumers. The next Farm Bill can invest in our advantages by providing incentives for specialty crops, value added production, and expanding regional supply chains. This can be accomplished thru Value Added Grant programs and Rural Business Enterprise Grants for farms and also thru investing in access to processing, packing, and shipping facilities to serve regional markets.

Our region would also benefit from federal investment in energy production that utilizes base resources we have in excess. In PA, we could take advantage of manure, soybean, and

cellulose based ethanol production to provide a locally grown energy source for consumers.

Chairman Chambliss, I thank you for the opportunity to share my thoughts with you this afternoon and look forward to any questions you would have.