

My name is Dale Smith, and I am a cow-calf producer, stocker cattle operator, and a cattle feeder from Amarillo, Texas. I am also a member of Texas and Southwestern Cattle Raisers Association, Texas Cattle Feeders Association, Panhandle Livestock Association, and the National Cattleman's Beef Association.

Before I get into the farm bill, I would like to touch on an extremely important issue that is currently affecting many cattlemen. The Southwest is dealing with a drought of historic proportions. Estimated livestock related losses are \$1.6 billion in Texas alone and 77 percent of the state's hay production has been lost. Likewise, Oklahoma has an 80 percent poor to very poor range and pasture rating - tying it for the worst conditions in the lower 48 states. This is in addition to the millions of acres and miles of fence destroyed by wildfires that ravaged the region earlier this year. In response, many producers have been forced to scale back their cowherds. If this trend persists, it will have a long-term, negative impact on ranchers, local communities, feedyards, and the economy as it shrinks the cattle industries' contribution to economic output for the foreseeable future. As such, I respectfully ask this committee and Congress to act quickly and pass an agricultural disaster package.

As the nation's largest segment of agriculture, the cattle industry is focused on continuing to work toward agricultural policy that 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.

As a cattle producer, my livelihood is tied to many other agricultural commodities. Livestock consume three out of every four bushels of the major feed grains harvested in the U.S., and beef cattle account for nearly 30 percent of the consumption. As such, cattlemen support the continuation of reasonable, market-oriented programs for crops, but strongly oppose government supply management programs. It is not in farmers' and ranchers' best interests for the government to implement policy that sets prices; underwrites inefficient production; or manipulates domestic supply, demand, cost, or price.

Likewise, conservation programs and environmental regulations must be based on common sense and sound science. One such program that achieves this is the Environmental Quality Incentive Program or EQIP. Cattle producers across the country participate in this program, but arbitrarily setting numerical caps that render some producers ineligible limits the success of the program. Addressing environmental solutions is not a large versus small issue. All producers have a responsibility to take care of the environment and their land and should have the ability to participate in programs that help establish and attain environmental goals. Accordingly, all producers should be afforded equal access to cost share dollars under programs such as EQIP.

Conservation and environmental programs must also be sufficiently supported to ensure participation. Resources must be allocated to maintain adequate NRCS personnel at the local level that can provide the technical assistance necessary to implement successful rangeland conservation programs. Cattlemen need a dependable and recognized source of technical assistance in order to meet the state's rangeland conservation needs.

We support efforts to increase our nation's renewable fuel supplies; however, I reiterate that livestock consume 3 out of 4 bushels of the major feed grains harvested. Governmental incentives to expand ethanol and other alternative fuel supplies should not function to the detriment of livestock producers.

The cattle industry also supports increasing federal investment in agricultural research. One of our competitive advantages over foreign producers has been quality research and development programs supported by the government and the private sector. It is essential that USDA maintain the scientific expertise to protect producers from the erroneous claims of our opponents - both foreign and domestic. One such recent claim is that manure should be regulated as a hazardous waste. There is neither scientific evidence nor congressional intent to support this ludicrous argument. While this may be outside the scope of the Farm Bill debate, cattle producers would appreciate any efforts by your committee to resolve this potentially disastrous situation.

U.S. cattlemen have been and continue to be strong believers in international trade. We support aggressive negotiating positions to open markets and to remove unfair trade barriers to our product. We support government programs such as the Market Access Program and the Foreign Market Development Program, which help expand opportunities for U.S. beef, and I urge sustained funding for these long-term market development efforts. Foreign markets are key to the success of most, if not all, segments of production agriculture.

Cattlemen also support Congressional and regulatory action to address unfair international trade barriers that hinder the exportation of U.S. beef, and I appreciate the Committee's efforts to reopen foreign markets that were closed to U.S. beef after the discovery of BSE. As you are aware, we continue to fight to get our product into several countries. I ask that you continue to support efforts to bring down these artificial trade barriers and ensure that sound science is being followed. I also encourage the Committee to continue its strong and vigilant oversight of the enforcement of any trade pact to which American agriculture is a party.

Lastly, I want to touch on a few issues that should not be addressed in the Farm Bill. I strongly oppose efforts to limit marketing options available to cattle producers. Such proposals limit ownership of cattle, restrict marketing agreements, and place the cattle industry at an unfair, competitive disadvantage with other suppliers of protein both domestically and internationally. Producers must be allowed to take advantage of new marketing opportunities designed to capture a larger share of the consumer food dollar. Having said this, I also support the role of government to ensure a competitive market through strong oversight, including enforcement action against attempts at collusion, anti-trust, and price-fixing. The weaknesses identified in the recent OIG audit of GIPSA should, and can be, quickly resolved by new agency management to improve enforcement of the Packers and Stockyards Act. On another marketing issue, mandatory country of origin labeling should be replaced with a much less expensive market-based, voluntary program.

USDA and producers must also continue working to implement an animal identification and tracking program. Government should manage the premise i.d. data base and the private sector should manage the animal i.d. database with the goal of 48-hour traceback. Hopefully, this

issue can be resolved outside the farm bill.

Thank you for the opportunity to share my views with you today.