

Mr. Chairman and members of the Committee: My name is Mark Wettstein. I live in Ontario, Oregon. My wife Kelly is an OB nurse - we have three daughters - my only son died from a farm accident. We farm 1200 acres - 350 acres of beets, 175 acres of onions, and the rest is divided between wheat, corn and alfalfa. Over the years, the smaller family farms in our area have been disappearing, and larger farms are the only ones who can stay in business.

Eight years ago, twelve hundred sugarbeet growers in Oregon and Idaho bought the Amalgamated Sugar Company, which consisted of four processing factories. These factories are some of the finest and most efficient beet factories in America and around the world. To do so, we took on a lot of personal debt and made huge personal investments. We took these actions based on a sound sugar policy and a balanced domestic market. Growers believe that the structure of our sugar policy is a good one. It was designed to benefit farmers, our factory workers, our processors, and taxpayers and consumers. I want to be clear that we support this current policy, and want it to continue.

But two years ago, the factory in Nyssa, Oregon--where I had delivered my beets--closed its doors. It was an excellent factory. Why did the farmer-owners decide to close it?

Because there is one aspect of our trade policy that threatens this program. Our trade negotiators continue to give away our market in foreign trade deals.

The United States is the second-largest importer of sugar in the world, but our own trade negotiators keep giving our market away. I understand they gave some more access to Mexican sugar just a couple of weeks ago. Our growers are outraged and angry that U.S. trade negotiators take care of foreign producers in these trade agreements and then tell efficient, taxpaying American farmers, "tough luck." When farmers who own their factories have to shut them down, it just shows you how bad things are.

Now my beets have to be shipped 35 miles across state lines to Nampa, Idaho. The beets can move, but not the 600 jobs and a payroll of \$12 million that our workers and communities have lost. The closure of our factory means a loss of approximately \$1.5 million each year in sales and revenue to Amalgamated's local vendors and suppliers. That might not seem like a lot of money to the U.S. Congress, but our rural communities have felt the brunt of this pain and loss. I wish our trade negotiators would come out here and explain to our people why we have to get in line behind foreign producers to get access to our own market. There is something fundamentally wrong with that approach to trade.

Consolidation has been tough, but we have no alternative but to maintain our investments in specialized equipment and the value of our company shares. Otherwise, farmers and banks throughout the region would suffer, and 200,000 acres of prime land would have to go into other crops. Sugarbeets are the one stable crop that growers can count on--and keeping them is critical when we talk to our bankers.

Idaho and Oregon is the second-largest sugarbeet-producing region. Thousands of jobs are directly supported by the sugarbeet factories that process beets that are grown in Idaho, eastern Oregon and south-central Washington state. A recent study by the University of Idaho reports

that the sugarbeet industry makes a \$1.6 billion economic impact on the area economy. Eight crop alternatives to sugarbeets--wheat, barley, dry beans, corn grain, corn silage, alfalfa hay, potatoes and onions--were considered in a University of Idaho study. These crops are commonly grown in rotation with sugarbeets. If we were to lose sugarbeets, acres would go into these crops, most of which are already in surplus, and we would see a further price decline in those markets.

Additionally, the Willamette Valley in eastern Oregon is the only place in the country where sugarbeet seed can be grown. Production varies from 2500 to 6000 acres a year, with a value of \$4 million to \$8 million. The mild winters, low disease pressure and dry harvest weather makes the area desirable for growing seed. West Coast Beet Seed is jointly owned by a group of sugarbeet seed and sugar companies.

Our family farms, factory employees and the various related industries need a fair and stable sugar policy to continue well into the future. But they aren't the only ones who benefit from our current program. It's operating at no cost to taxpayers, and consumers get a dependable supply of an essential food ingredient at a stable price.

Senators, please tell our negotiators to stop giving away our markets, and keep the current program in the next farm bill. We need some guarantees that sugar from NAFTA, CAFTA, Columbia and Peru do not glut this county. The farm bill should send a clear message and that message is we have sugar in this county which shouldn't be messed up. Would consumers ever want to be dependent on foreign sugar like we are dependent on foreign oil.

I would like to submit a longer version of our industry's position for the record. Thank you for the opportunity to testify before your Committee.