

TRANSCRIPT

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Transcript of Oklahoma Farm Bill Forum with Deputy Secretary of Agriculture Chuck Conner and Moderator Ron Hays, Oklahoma Agrinet at the Oklahoma State University in Oklahoma City, Oklahoma on September 22, 2005

(National Anthem sung.)

(Seminole

(Pledge of Allegiance is recited.)

MODERATOR: Well, howdy, neighbors, and good afternoon to you. And we most certainly want to say thank you to our color guard this afternoon. It was the Seminole Nation Honor Color Guard presenting our colors today, sponsored by our Oklahoma Tribal Conservation Advisory Council. Presenting our Pledge of Allegiance, state president of the FFA, Whitney Danker and state 4H ambassador Carrie Highfill. And singing our national anthem this afternoon, Laci Stark of the Crowder FFA Chapter. Let's give these folks a round of applause.

(Applause.)

My name is Ron Hayes. I'm the director of Farm Programming for the Oklahoma Agrinet, and am very pleased to be with you for the next several hours this afternoon. And we're really here, first of all, to welcome the very special gentleman from Washington, D.C., here to Oklahoma City, and to the state of Oklahoma. It is my pleasure to present to you this afternoon the honorable deputy secretary of Agriculture Chuck Conner. Chuck has had a great deal of experience in the world of agriculture. He served during the first George W. Bush administration within the White House as a special adviser of agriculture. As Ag Secretary Mike Johanns took his appointed position earlier this year, Chuck Conner came across from the White House over to the National Mall and to the USDA to become the deputy secretary of Agriculture. And, Chuck, you also obviously got some farm in your roots -- Indiana producer. And he tells me that he stays in contact with the brother pretty often that's still on the farm. How are the crops doing this year?

SEC. CONNER: They look good.

MODERATOR: Mr. Secretary?

SEC. CONNER: Thank you very much, Ron.

Well, again, I do thank you, Ron, because you guys are going to find out Ron's got a tough job ahead of him. We've got a big crowd here, a big turn-out, and Ron's going to be the one responsible for keeping us rolling along and keeping us on schedule, and he's got a tough job, and we really do appreciate the fact that he had volunteered to be our moderator for the day.

As well, I do want to thank Terry Peach, your commissioner of agriculture. Terry, if you are out there, please wave so we know you're here. Terry's in the back. Terry is a great commissioner of agriculture for this great state, and we really appreciate him being here.

Seminole National Honor Color Guard, please, thank you guys very much for that presentation of our color guard. Laci Stark, Whitney Danker, Carrie Highfill, thank you all for these young people, for their participation in this forum, for giving the proper honor to this great country that we are so fortunate to live in. No event like this occurs without a lot of people being involved, and I really do appreciate the USDA State Farm Bill Forum Committee and Oklahoma State University for the job that they have done in setting this up, and particularly for OSU for opening up this facility to us at this point. It's a great crowd. I really do appreciate all of you coming here.

I will tell you that I'm here on behalf of Secretary Mike Johanns. As you know, he was scheduled to be here himself. The president, however, late last week asked the secretary to go to Paris, France on some important agricultural trade discussions. Ron, the secretary did not want to cancel, but he knew that this was something he had to do at the request of the president in order to promote our agricultural agenda which is at such a critical point at this stage in the negotiations. But he is sorry that he couldn't be here, and does send his greetings.

Before I begin talking about the forum, very briefly, if I could, I'd like to ask that each one of us in this room continue to keep all of the victims of Hurricane Katrina in our thoughts and prayers going forward. Those people have been through a tremendous amount, and we just really need to keep them in our thoughts and prayers. President Bush has brought to bear, I believe, all available resources to assist the affected region. The president really has directed all agencies, including the Department of Agriculture, to tear down any bureaucratic walls that may be out there that exist among federal programs in order to streamline assistance that needs to go to this region. We are doing that at USDA. We are pleased in the role that we are able to play. We've already given out \$170 million of assistance to farmers. Prior to Katrina we had pre-placed food into that region. That pre-placed food then was immediately available once the effects of the hurricane moved on, made sure that people, despite these horrible circumstances, hunger and malnutrition was not one of those circumstances as a result of that action that was taken. Today we have delivered over 50 million tons of food -- we will take more as it is needed down to that region -- \$150 million worth of food stamp benefits have been distributed to the evacuees down there as well going forward.

Oklahoma has been involved in the effort to help folks who need emergency food stamps. I know you have sent some of your own state workers down to Louisiana to help make sure that that processing goes forward. And I know those people really do appreciate it.

USDA has a large housing portfolio -- one of those little known facts -- we have a half million units of housing in rural America -- 30,000 of those houses are currently vacant, and we have made all of those available to victims of Hurricane Katrina on a priority basis. To date, more than 3,500 evacuees have chosen one of our units to take up at least temporary, perhaps permanent, residence in there, covering over 17 states.

We have a large Forest Service contingency. We have many, many Western firefighters who are trained to be first responders in a situation like this. We have moved over 4,000 of them into this region in order to serve as helpers, evacuation personnel, food distributors -- whatever the case is needed -- those people are on the ground there in order to help.

As President Bush has said a couple of times since then, many in the Gulf Coast are going to need the help of this country for a very, very long period of time, and this is going to be

a difficult and unprecedented road that we're going on, but we are committed to be there for this region.

I want to underscore that we are already aggressively planning for the time when Hurricane Rita does make landfall in Texas, and I have not heard the news this morning on that status, but I know that has the potential to be another very, very unfortunate national disaster. Just like we did in Hurricane Katrina, we have already moved food into a position in that region, so that it is available once the hurricane passes through, again first and foremost with everything else people in this situation have to face, starvation should not be one of those situations.

We also have teams from the Forest Service -- those same teams I just mentioned -- they will, despite their fatigue, go directly to Hurricane Rita's region to help and be first responders in that situation as well, Ron. They're working Katrina, save lives -- we expect that that is probably going to have to be the case here as well, and we are prepared, along with all other federal agencies, to respond in any way we can to those situations. We hope and pray that Rita doesn't do the damage that Katrina does, but we are prepared in the event that it does. We are prepared.

Now, onto the reason that all of you are here today and the reason that I am here today. Let me just start by saying it's great to be in the state of Oklahoma and at Oklahoma State University. Oklahoma and the university have a great agricultural tradition, and it is fitting that we are here for one of the Farm Bill Forums in this great agricultural state.

This is our 21st Farm Bill Forum that we have had on our nationwide listening tour. It's an opportunity for us to stay connected with the people that we serve, that Mike Johanns and I serve. And, yes, when I say "serve," I mean that, because we believe, both of us strongly, that as your secretary and deputy secretary of Agriculture, we are there to serve the agricultural community of this country.

Secretary Johanns and I are not the only people that are excited about this listening tour that we've been on for the past 21 states. I also bring you greetings from a great friend of American agriculture, a man that I have worked directly for now for the better part of five years, President Bush. He has asked Secretary Johanns and me to visit absolutely as many places as possible, to hear from as many voice as possible, with a particular emphasis on those voices who may otherwise not have a chance to come to Washington and have their voices heard. He wants us to get out where people may not have that opportunity. In that he volunteered to record a message that we would like to share with you at this point. So let's hear what the president had to say to Secretary Johanns about these listening sessions. Ron?

PRESIDENT GEORGE BUSH (from audiotape): Thanks for letting me speak to you at this Farm Bill Forum. America's farm and ranch families provide a safe and abundant food supply for our people and for much of the world. You represent the best values of America: stewardship of the land, hard work and independence, faith, service and community. Mike Johanns understands the importance of America's farmers to our country, which is why I chose him to lead our Department of Agriculture. I'm proud of his work, and he will lead our efforts on the next Farm Bill.

Secretary Johanns and I believe the first step in this process is to ask each of you how today's Farm Bill is working and how it can be better. And as we look to improve America's farm policy, we will continue to focus on the following goals.

See, America has about 5 percent of the world's population, which means 95 percent of your potential customers are overseas. So one of our goals must be to ensure that America's farmers and ranchers have access to open global markets. A second goal is that we want future generations to have plenty of opportunities to go into agriculture.

Thirdly, we need cooperative conservation that encourages good stewardship of our land and natural habitats.

We also need to act wisely in delivering help to our nation's producers. And we must promote cutting-edge agricultural products and research.

And, finally, we must ensure a good quality of life in rural America.

The Farm Bill is important legislation that meets real needs. The next Farm Bill should further strengthen the farm economy and preserve this way of life for farmers and ranchers of the future. Hearing your advice is an important step towards meeting these goals. I thank you for all you do for our country, and thank you for listening.

MODERATOR: Well, obviously Secretary Johanns and I agree with President Bush. If we didn't, we wouldn't be here very long.

We believe each one of you do have tremendous insight to offer in the process. That's why we're here. That's why we've committed the time to travel to so many different places, and why we're conducting at least one Farm Bill Forum in every region, if not all regions, of the country. Farm policy does impact America's entire agricultural and rural community, so the entire agricultural community should have a say in its development. We have many challenges ahead, ladies and gentlemen. Our policy really must keep pace with those challenges and with an ever-changing industry.

I did grow up on a farm in Indiana, as Ron noted, right on the edge of a small town, and that home town of mine of Otterbein, Indiana, frankly is a much different place today than it was when I was living there 25 and 30 years ago. The major employer in town wasn't even around when I lived in that town. It's changed a lot. It was a great place to grow up. It was a privilege to grow up in a small rural community like that -- lessons from family, faith, hard work -- all the things that are part of a rural setting -- are important parts of our life. We believe future generations really, if they want, ought to have that same kind of opportunity going forward. And that is why the secretary and I believe some of the single most important considerations that we have to look at are the impact that our policies do have on the future generations -- future generations on the farm, the future of small communities, the future ability that we know to have that great rural way of life.

And we must ask ourselves whether our policies really are helping this goal to succeed. We also know that strong rural communities are essential to the success of farmers and ranchers themselves too. At USDA, Secretary Johanns and I really do have a vision, and our president shares it, for a strong and vibrant rural America. And that occurs through cooperation and working together, both farmers and ranchers, as well as rural communities.

But good policy and a good Farm Bill really are necessary to accomplish this goal, because the Farm Bill does control all the federal assistance available for both farmers as well as our rural communities. Developing good policy is going to begin here. It's going to begin here today. It's been working its way through as we have traveled to each one of these Farm Bill Forums.

Now, today I plan on taking a lot of notes, ladies and gentlemen, and we have a transcript where we have a record of all the questions and responses that we have here as well in this forum. I don't plan on saying too much after this, and I know Ron's saying, Get on with it, let's go. But once I put this microphone down, I don't plan on saying a whole lot more. Let me tell you that's difficult for someone who works in Washington to do, so hold me to that if I start

talking too much. But we want to hear from you. This is your chance to talk.

I would ask that you focus on the six questions that we provided in the brochure that you should have been given when you come in. If you've got a burning issue outside those questions, we're not going to call you out of bounds, but we feel like those six questions sort of encompass the general direction and evaluation of the Farm Bill as we need that input going forward at this point. And so you have those. Give us your thoughts on each one of those questions, if you would, as you look at that.

Let me just very quickly go through those questions to provide you a brief comment.

The first question we're asking does talk about the challenges facing new farmers that I have already mentioned. We believe Farm Bill policies should welcome and encourage the next generation of farmers out there -- welcome and encourage. And so the question we've got for you is does some aspects of our current farm policy have the unintended consequence of actually making it more difficult for new producers to get into the business of farming?

We've heard this message in many, many states -- perhaps more than any other message up to this point in the previous Farm Bill forums, is that we've got to do a better job of bringing in that next generation into the business of farming, and providing them economic opportunities as well. So we're interested in your thoughts on that.

The second question does relate to competitiveness, and the president has highlighted this in his message to you. We must remain competitive in our domestic and global markets. We export about 27 percent of all of our -- we export about 27 percent of our gross cash receipts from agriculture. Those come from exports, and almost all of this amount in terms of growth in the future does represent -- come about through our export markets. Oklahoma itself generates \$800 million worth of agricultural exports a year. Nationwide we've had two back-to-back strong, almost record, years in our agricultural exports. Now, we just note that U.S. productivity, the productivity on America's farms, is the marvel of the world. That productivity is growing four times faster than the population growth in the U.S. So if that productivity continues to go on and on, and we have less mouths to feed here, we feel like we need to focus on that export market. So give us your thoughts, what works and what doesn't, in terms of our market development issues and export development issues going forth.

The third question deals with farm program benefits. Perhaps I would acknowledge the most controversial part of what we're hearing out there in Farm County up until this point is the distribution system -- the current distribution system for farm program benefits the right one? Is it effective? Is it doing the right thing? We believe benefits should stabilize farm prices and incomes. There needs to be a strong role for these kind of programs, but what about those other adverse effects that may be out there as well, whether you're talking about artificially inflating land values, discouraging others from getting into the business, because perhaps they don't have a production base -- all of those kinds of issues. We want your feedback on that as well. And I would just note that the farm program benefits does relate to the ancient issue of payment limits. And, again, this has been a real point of contention.

When we go to the Midwest, and sit down in particularly the upper Midwest with a group of producers, all they -- you know, a big portion of what they want to talk about is payment limits. It's no secret that a very small percentage of the farmers get a very large percent of the payments under our current Farm Bill. In the upper Midwest the message you hear is: Do something about that. That comes out very often.

You go down in the Southern region, you go down in Georgia, Mississippi and places like that, that's not the message. In fact, it's quite the opposite. Give us your thoughts. These are

important points that we will need to know as we begin to prepare for the next Farm Bill.

The fourth question, moving right along, deals with conservation -- conservation activities -- a very, very popular function within the Farm Bill. Everyone wants to give farmers and ranchers the tools to absolutely do the best job that they can on their land in terms of farming as cleaning as you possibly can. Farmers are great stewards -- President Bush often says that farmers and ranchers are -- they're on the front lines in terms of their own land. They are the best stewards of the land. We believe that. At the same time, too, we want to make sure you have the tools through our conservation programs to do that as well as you possibly can. And these conservation programs have played a big role in that, and we have been getting a lot of positive remarks, and we need to hear from you on that.

Fifth question, rural economic growth, rural economic development -- perhaps the most popular thing at the forums up until this date -- very, very positive feedback about the role USDA plays in rural communities -- whether it's helping with a clean water system, a sewer and water system, a new volunteer fire department truck -- all of these kind of programs that come about as a result of USDA rural development efforts, rural housing, have all been very, very popular in the feedback that we've received. We need your input in terms of those issues. Allocation resources -- you know, should that be de-emphasized more, or should we put more emphasis on those kind of programs? How would you want to see us divide up the pie in terms of Farm Bill resources?

Finally, sixth and last question deals with expansion of agricultural products, agricultural research in particular. We do know that agriculture is a rapidly changing business. The president's energy bill is a example of that, and the role that renewable fuels -- ethanol, biodiesel -- are going to play as a result of that legislation. Already in this country ethanol is consuming 14 percent of our entire U.S. corn crop -- that's nearly double what it was just a few years ago. Under the president's energy bill that's probably going to come close to doubling again over the next several years. So a very, very important role here. But at the same time, too, in order to remain competitive, are we doing enough for our research and development activities longer term -- not so much focused upon the market for tomorrow, but what is going to be that market for our corn crop, for our wheat crop, for our cattle, hogs, 10, 15, 20 years from now? Those types of benefits that you get through that long-term agriculture research. You've got obviously a great land-grant university in Oklahoma State University. They do great things. But obviously I think they would all tell you that they can only do great things if we are there to provide them the resources to do those kind of great things. And are we doing enough to help them I think is a fundamental question.

So this, again, ladies and gentlemen, is your chance to weigh in. And, again, I want to say how much we appreciate your being here. Your ideas, your advice -- we will receive it today. It's going to help us pull together the administration's policies on a Farm Bill. No idea is too crazy. Please don't feel embarrassed about throwing out any type of proposal. We are doing a top-to-bottom look at this Farm Bill, and we want all of your thoughts and concerns.

So, with that, again, I'm going to put this mike down. I'm going to try and resist picking it up, because it's now your show. You're going to see me taking a lot of notes. We're going to review the transcripts and go back and just find out really what is on the mind of Oklahoma producers as well as those from rural America. So thank you all very much. (Applause.)

MODERATOR: All right, Mr. Secretary, thank you for those remarks. And we most certainly welcome you to the state of Oklahoma. As I look out across this audience, I see a lot of good friends and great leaders of Oklahoma agriculture, and a lot of firepower here. So you're going to hear some good things today. And of course you're also going to be hearing from some of our young people. We've got some great folks in green jackets, and some wonderful folks in

blue and gold jackets today that are here.

Let me give you just a couple of the rules of the road this afternoon, if I might. The secretary has already very well laid out the questions. And we are going to ask that over the bulk of this afternoon that we stay within the parameters of those six questions. And as we do that that will help us stay on point and really focus on things that USDA is pondering as they make recommendations to Congress in this 2006-2007 Farm Bill debate that is ahead of us.

Now, as we think about that, we're going to be asking you to come to the microphone in just a few moments and basically line up. We have a microphone right over on this side of the room, and one on this side of the room as well, as you see as you come in. We'll ask you to be no more than about four or five people at a time behind each microphone. But we do want folks to line up, so we don't have to wait to move from one speaker to another.

We do have a request of only two minutes of oral comments per person. And to help us stay on track, we've got a little bit of a green-red -- green-yellow-red-light system, just kind of like stoplights. And why don't you go ahead and hit the green one -- okay, as long as you've got green going, we're in good shape. When we go to amber, or a yellow light, we've got -- what? -- 30 seconds left, is that right? And then the red light is when you do need to be wrapping up your comments. I'll let you go maybe a couple, a few seconds over that, but no more than probably about five or six seconds, before I'm going to have to say thank you and move on to the next speaker.

If you've got additional comments that you wish to submit, you can do that. You've got the blue card in your insert that was given to you when you registered, when you stopped to come into the room. You can most certainly add those. If you've got other comments that you want to submit, you can do that in writing today, and get it to the folks here at USDA. Or you can go to the website and submit comments as well. They really do want to know your thoughts on all these various areas.

Now, very close to the end of the program today we will kind of broaden out if you've got a burning issue that you want to bring up in relationship to some of the other things that USDA does within the farm titles of our farm policy, you can bring those up at the end of today's session, and I'll let you know when that time is right. At about 3:30 this afternoon approximately we'll take about a 10 minute break. I think we might have a few pictures to take as well at that time, but we'll give everybody a chance to stretch their legs a little bit at that moment, and then we'll try to go ahead and continue, wrapping up by right around 5:00 this afternoon. I know that we've got some plane schedules to honor, so we will be cutting it off very close to that 5:00 hour in order to meet those schedules this afternoon.

So, with that said, if our two young people that we have on the program today -- if you'll notice in our program, we've got a couple of outstanding young people representing our 4H and our FFA programs here in the state, and we'd like for them to make the first comments. And as they make the comments, for those of you that are going to offer oral comments today here at this Farm Bill Listening Forum, you can go ahead and line up either behind Travis or behind Jared, either one. Like I say, maybe four or five behind -- four folks at the most behind at any one time behind the speaker, if you would.

And I'm going to go first of all and call on Travis Jett to open up our Farm Bill Forum here in Oklahoma City this afternoon. As you notice, he is a national FFA officer candidate, and we wish you the very best in Louisville next month -- or later this month, I guess it is now almost. So, Travis, go ahead and kick us off.

MR. TRAVIS JETT: Well, thank you. Good afternoon. The question I had to address

was the first one, the one that dealt with the unintended consequences and how that might deter our generation from becoming involved. And to begin though, I would like to say thank you -- thank you for taking comments from us. This is who it will be affecting, and that means a lot. So as someone who grew up in a ranching operation in Shattuck, Oklahoma, with a population of eight people, it does me good to see that there's a focus on the future, and the fact that we're determining what policies can help those of us who are coming back.

As a general rule, I would say my generation is very focused on an agriculture that has a lot of independence, and we believe in our own abilities. I think that it's very important for us to have programs that have input on the local level. We want to be able to farm. It sometimes feels that we can get to be robots for the system, and we want to be farmers, and we want to produce. So that's very important for us.

Another major issue is the capital that it requires to be involved. For those of us young producers who are getting involved in agriculture, it's a bit daunting. We're up against competition who have been developed for on an average of 40 years -- is how long they've been involved in agriculture. So I think the loan programs that we have now are great, but this is an issue that should be continually looked at in ways that can help make that transition.

But perhaps the biggest thing is the uncertainty. Now, sure, agriculture is going to have risks with it -- that's just part of the game. But as we look at our situation today, I think that a good analogy being in Oklahoma in the fall is a football game. I think there are many of us who are willing, the younger generation, to put in four quarters of time -- put in that hard work. We know it's not going to be easy, but in the long term we see the rewards as outweighing the risks. But what we're facing is a game that we don't know who we're competing against, we don't know what the rules are going to be. Are we going to have free markets, or are we going to have protected economies? Are we going to have subsidies or not? These are very controversial issues, and whatever decisions are made here will no doubt change the face of American agriculture. But to us what's difficult is it's very hard to perceive winning when you don't know what kind of game plan to make up.

So, in closing, I think it's important to remember that there are over 450,000 students who live by a creed that says, "I believe in the future of agriculture." And if we can continue a partnership between the FFA and between the USDA, I have no doubt that we can continue to make strong rural communities, and American agriculture will continue to flourish. (Applause.)

MODERATOR: Thank you, Travis. Most certainly we could get some folks lined up behind this microphone, because that's where we'll go next after we hear from the state 4H president. Jared, go right ahead.

JARED DAVIDSON: We have a short answer for each of the questions today, Mr. Secretary. In 1862, when President Abraham Lincoln founded the Department of Agriculture, he called it the People's Department. Every effort must be made to maintain this image to the American rural family. Recent declines in the population of rural America have had devastating effects on the rural economy. Rural families have relied on USDA programs for nearly 140 years. Yet programs such as Cooperative Extension have lost federal funding over time, creating problems and uncertain futures for rural America.

Timely program initiatives through the 4H Youth Development program include Healthy Lifestyles, science, engineering and technology, and youth civic engagement. Through these youth are able to compile the tools necessary to become competent, capable and contributing individuals in their communities.

As reported in the recent study, *Issues Facing Rural Youth*," a compendium of research

reports and public opinion polls, although the youth are geographically isolated, they have the same opportunities to explore careers, learn civic responsibility, and become the strongest leaders in America through the use of strong adult volunteers.

4H youth are afforded long-term relationships by experiencing and communicating with their local leaders and county extension educators. 4H focuses on the teaching of life skills in decision-making, self-responsibility, and how to use the knowledge about nutrition and disease prevention to make healthy lifestyle choices. 4H members learn the value of locally-grown produce and the effects that they can have on the economy. This in turn helps us to address the national concern for childhood obesity.

Our world is highly dependent on technology. Rural students, however, do not have the same access as their urban counterparts do to career opportunities. 4H is bringing that technology to rural youth, through water quality programs, interpreting ultrasound images, the use of GPS in production agriculture -- even the ethical use of bioengineering. In the USDA family, 4H youth development provides a direct link to the research between local clubs and broader census in the nation. Some of these programs include family and consumer education, nutrition, agriculture, natural resources and leadership development.

Through the USDA and Cooperative Extension, local citizens identify and resolve their own community problems. We need trained extension staff to work together and support and guide 4H youth while we learn, grow, and work together to bring about positive change in rural communities. For a strong ag-based economy to exist, we need support for rural community development, youth development, and opportunities for families to remain active in the rural American economy.

On behalf of the 150,000 youth affected by the 4H program, I thank you for our voice in considering the next Farm Bill. (Applause.)

MODERATOR: Thank you, Jared -- Jared Davidson, who is our state 4H president.

I did forget one particular other bit of instruction for you. When you do step to the microphone -- and you'll be next, sir -- please give us your name, whether you're in production agriculture, farmer, rancher, or agribusiness, to give us an idea for the record of who is making the comments. So, with that, you're on.

MR. WADE HILL: My name is Wade Hill. I'm an old retired ex-farmer, and down through the years I've accumulated a little bit of economic reality. And I'm disappointed I can't get the farm organization still a little exposed of this.

The farm economy in Oklahoma has been hurt by I think the growth of irrigation land in the desert land out West, in California and Arizona. And I've never read anything by any of our universities about the economic impact of what's happened to our farm economy. I grew up in Cushing -- Cushing used to have three cotton gins. Yale had two, Ripley had one. Guess how many's up there now? Zero. But where is the cotton produced today? I got some news from CBS News that the world's largest cotton grower was in the San Joaquin Valley, California.

Now, don't take my word for this -- do some research on it -- but when the Bureau of Reclamation started out, 160 acres was the maximum land you could have and use that for federal-funded irrigation water. I also read a figure -- I can't verify it -- that the use of irrigation water in California -- 15 percent is used to grow high-value crops, the majority of it is low-value crops. I hope this will do a little bit of -- just don't make you mad, and don't feel like I'm telling you the news. Thank you.

MODERATOR: All right. Thank you. Go ahead, and be sure to give us your home town as well. Bob?

MR. BOB DRAKE: Thank you. Bob Drake, Davis, Oklahoma. I am a producer. And, Mr. Secretary, isn't it wonderful to be in a state in a room full of people that when they say the Pledge of Allegiance they say "under God" with vigor. Isn't that great? (Applause.)

Two minutes -- sir, we can't hardly even say our names in Oklahoma in two minutes, so this will come a little bit fast. There will be some written comments of course that will be coming in. But I hope when we're doing this, when we're doing the Farm Bill -- and I've worked on several of them now -- that we, I like to say, use a little rule. Agriculture. Oklahoma. Common sense. And I guarantee -- I saw you just go through it with yourself -- common sense is the very item that we miss so much in D.C. -- we just came from there -- and we want to help put some back. And we're glad you're here. But we do need to remember we've got to feed the nation and the world, and we have to protect that, because the Europeans are going to protect theirs. Once they get rid of theirs -- in fact, the President has already said that -- they're getting rid of theirs, and we'll certainly get rid of ours. But until we do, we do have to protect our people out there on the land that's doing this.

Also, back to one of those questions that you told me I had to stick with -- and, by the way, I did have a little speech -- it was written for me -- so when you see Travis and Jared get up and make theirs, I don't think I need to try and do that, sir, it will be written -- I'll just do the best I can and kind of wing it. But you're going to have a great conservation title, because this is the green bill. And so I happen to represent another organization, but the organizations in this room that are on it called the National Grazing Lands Conservation Initiative. We work closely -- and I see that yellow light -- we work closely with Bruce Knight and many others, FSA, and many other research organizations, and we would like to help in these states -- voluntarily -- help put that on the ground. And, sir, we can do it. And thank you for being here. (Applause.)

SEC. CONNER: Good to see you again, Bob.

MS. WILLA MAE MCCLURE (sp): My name is Willa Mae McClure (sp). I am from Calvin, Oklahoma. I would like to address issues number one and number three. But before I do, I want to encourage each adult -- look at the young people that are here. I encourage you to go home and do what you can to emphasize the value of 4H and FFA in our school system. As a retired educator, I can tell you that the training these young people receive is outstanding, and we should be proud of these organizations and see that they continue.

Now my statement. Thank you for the opportunity to speak to you today. I have lived in Hughes County on a farm and ranch operation all of my life. Today I would like to speak to you, representing my extended family of children, grandchildren, nieces and nephews. I am a third-generation teacher and farmer. My grandmother was a very young woman when she came to Oklahoma. She migrated from Tennessee to teach school, because the schoolteachers in Oklahoma made so much more money than they did in Tennessee. (Laughter.) She worked at various one-room schools in Hughes County, and she homesteaded. Her sweetheart decided that if she could do it, so could he. So he bought mules, he bought a wagon, and he brought some corn, and he came to Oklahoma.

We still own this farm, and I am protesting the peanut quota buy-out of the family farm. I believe when you examine the facts you will agree that the Farm Service Agency has defrauded me of the inheritance that was conveyed to me in a will that was probated in the District Court of Holdenville, Oklahoma. I have completed the appeals process that is provided for the relief of disputes concerning the quota buy-out, and the national appeals director has ruled in my favor. My lawyer Mr. Smitt (sp) is here --

MODERATOR: Thank you, ma'am.

MS. WILLA MAE MCCLURE (sp): -- and he is available to discuss with you the legal specifics of this problem. This has taken an emotional toll on my family. The appeals process was lengthy, and expensive. It required me to travel and take time from my job as a high school counselor. I am shocked and dismayed to find that the FSA, the Farm Service Agency, has refused to abide by the National Appeals Director decision. Their arrogant refusal to follow the agency's own guidelines is astounding. I am determined that this matter be resolved because of my commitment to our family farm. Thank you.

SEC. CONNER: Ma'am, we have some USDA people that I would just ask that our guys get your name and contact information and we will check into that.

MODERATOR: Thank you, ma'am.

We do ask that you do respect everybody else in the room so everybody will have the opportunity to speak that wants to before the afternoon is over. So let's keep it to two minutes, folks.

MR. ROBERT TOOLE: Thank you. I'll be speaking to question number four regarding conservation and environment policy. My name is Robert Toole. I reside in Oklahoma City, but I come from rural southwest Oklahoma. I am speaking on behalf of Dr. Dan Sebert, who is the executive director of the National Watershed Coalition. The National Watershed Coalition represents the water resource interests and associations and organizations across the country who believe the watershed unit is the appropriate planning unit for conservation and environmental planning and implementation. We also believe that USDA's water resource programs, particularly those authorized by Public Law 534 and Public Law 556, represent some of the most useful and flexible water resource partnership based programs available. The National Watershed Coalition will be observing and participating in the process which will result in a new Farm Bill. We are committed to seeing that the effort to rehabilitate aging water resources infrastructure continue within the context of the Farm Bill.

For several years we have carried the message that this effort is critical to the protection of life, property, human health and safety. We regret that it took a catastrophic flooding event in New Orleans and the Gulf Coast to sharpen the public's understanding of protecting life, property and human health and safety.

The protection provided across the country by these USDA programs has helped us avert many smaller but no less serious flooding catastrophes over the years. The National Watershed Coalition urges the department and the administration as a whole to fully support the watershed rehabilitation efforts outlined in the coming Farm Bill. It makes good business sense to invest in rehabilitation to preserve the infrastructure which protects so much and so many citizens. Through protection of farmland and rural communities, the rehabilitation effort boosts our opportunity for a strong agriculture economy. The health and safety benefits to our citizens improve the quality of life across this country.

In closing, it is important that we pursue a Farm Bill that we not -- I'm sorry -- it's important that as we pursue the Farm Bill that we not forget the necessity for the department and the president to support the USDA watershed program. Both Public Law 534 and Public Law 566 have their own authorizing language. Each has a rich history of success. It is our hope that you will recognize and support these important tools to address conservation and water resource issues in 2006 and beyond. Thank you.

MODERATOR: Thank you.

Mason?

MR. MASON MUNGLE: Thank you, Mr. Secretary. Thank you for letting Oklahoma be a part of the Farm Bill debate. I'm Mason Mungle, farmer and rancher from Otoko, (sp), Oklahoma, and Oklahoma Farmers Union member.

Conservation and the environment, question number four, is what I'll be talking about. Conservation and the environment are very important to Oklahoma farmers and ranchers. You can tell this from being the heart of the conservation movement since the Dust Bowl. Many of the conservation programs have been used in the state to preserve our precious soil and water resources. Conservation must continue to be a key component of the Farm Bill. The NRCS, conservation districts and local landowners work closely together for planning and implementation of practices. Landowners across Oklahoma rely on these services to achieve their conservation and environmental goals. Funding for this critical assistance must be maintained in the new Farm Bill in the C01 funding area.

The EQIP program has provided needed resources to implement conservation practices. However, these resources have been underallocated to take care of the requests of landowners. The Conservation Security Program was implemented in a few watersheds in the state, but not all the producers were able to take part in the program. It was discussed in Congress that the CSP would be the ticket for the green box in WTO. But not all farmers are able to take part in that.

The last issue is, as Robert said, P.L. 534 and 566. We've seen from Katrina the infrastructure and how important it is to human life. Congressman Lucas authored and passed legislation for the aging flood control structures. We urge Congress and the USDA to fund these critical areas of conservation. Thank you.

MODERATOR: Thank you.

MR. PAUL BARBIE: Thank you, Mr. Conner, for coming to Oklahoma. We appreciate this opportunity. My name is Paul Barbie. I'm from Woodward. I'm a member and officer of the Family Farm Foundation and other farm-related organizations.

I'm here because the people I talk to are concerned about the survival of their family farms and the rural communities. My comments are to address not payment limitations, but the rules regarding payment limitations.

In a discussion with Congressman Lucas at the end of August, we talked with him about a number of things, and he explained that we don't have a really sound definition of who should receive payments and who shouldn't. I've been in communication with a number of people at the Center for Rural Affairs, Kansas Center for Rural Activities, and other people, and have collected some thoughts here.

I would go back to what the GAO report was in 2004, where they stated that there needs to be stronger regulations and oversight to ensure that farm program payment recipients do not circumvent payment limitations in light of budget constraints. It's a concern of mine, and I think a number of people here that -- has it already been two minutes? Good grief -- that we not neglect conservation environmental programs that we might find some savings through defining that definition for payment limitations.

I have these comments in letter form. I'll put them in there. They have to do with defining what management is, that statement -- the statement that the significant contribution of

active personal management is too vague, as you've probably been told, and we need to tighten that up so that it addresses the problem of who is managing, who should benefit, and where the caps should fall, so we don't have this doubling up by larger mega interests that take more of the funds than what we have here.

I'm going to stop here, because I had a paragraph to read, but it won't get in the time. But I'll leave this comment out there. Thank you very much.

MODERATOR: All right, thank you. Clay?

MR. CLAY POPE: Mr. Deputy Secretary, my name is Clay Pope. I'm a farmer and rancher from Loyal (sp), Oklahoma, and I work with the Oklahoma Association of Conservation Districts.

The message I'd like to give you today is that we need to maintain a strong effective conservation title in the next Farm Bill. We have to ensure that producers have tools necessary to continue conserving and protecting our soil, air, water, and wildlife habitats. And to this end we need to continue to support and fully fund programs like EQIP and WIP.

I would also ask that the next Farm Bill make more dollars available for technical assistance. Often landowners are willing to do additional work on their land. They simply need help and advice as to what they could and should do. We need money for people to help these folks -- not just dollars for programs.

I would also strongly encourage the expansion of the Conservation Security Program to the program of national scope it was originally intended to be. This is especially important in light of the ongoing WTO negotiations and a continued pressure on the United States to move toward green box and decouple payments.

Now, make no mistake about it, Mr. Deputy Secretary, we support commodity farm programs. At the same time, however, we believe American producers must have every tool available to them to ensure a stable agriculture economy. Clearly CSP or similar programs could help provide producers income support in a manner that addresses the concerns of our trading partners, while garnering broader political support here at home, by appealing to our urban brethren's desire for more natural resource protection.

Mr. Deputy Secretary, I'd like to say that in our state the conservation partnership is extremely strong. NRCS, our state conservation commission and the 88 local conservation districts work together closely to ensure that our soil, water, air and wildlife habitats are protecting when helping farmers and ranchers improve their bottom line. From the days of the Dust Bowl to the challenges today, Oklahoma producers have always strived to see that our locally led voluntary efforts on our environment are done in a way that make good economic sense and help protect our natural resources. We got a great conservation title in the last Farm Bill; we hope we continue that work in moving forward.

And in closing -- had to say this, because everybody else is talking about watershed dams. We saw with Katrina what happens when you have infrastructure dedicated to impounding water that you just let go. In the next 10 years in this state alone, over 1,000 dams are going to go past their 50-year life span. One may not break today, may not break tomorrow - - some day one will -- somebody is going to die. It's as simple as that. We need help with dollars to fix it. Thank you. (Applause.)

MODERATOR: Thank you, Clay.

MR. RICK JAMES: Mr. Conner, my name is Rick James, and I'm a third-generation farmer/rancher from north-central Oklahoma at Tonkawah. I'm proud to be a board member at the Kay County Conservation District where the conservation partnership is strong. The strength of our NRCS partnership is due to grass roots, locally led, voluntary attitude. This concept has ensured producers that decisions are made by local folks, which has worked very well for nearly 70 years. Our state NRCS conservationist Darrell Dominic (sp) works hard to make sure Oklahoma attains our share of the federal dollars it puts on the ground. This past year we saw a shortage of technical assistance dollars in Oklahoma, which has made it very difficult. We have tightened our belts once again, but our belt is about to break. We need more technical assistance dollars in the new Farm Bill.

The CSP program in my conservation district has been a breath of fresh air. It is rewarding farmers that are good stewards of the land, and encouraging others to improve conservation practices. CSP needs to be funded for everyone -- not just a few. A large increase in the conservation funding in the current Farm Bill is due to the hard work of my U.S. Congressman Frank Lucas, a true champion for agriculture. Congress put the conservation partnership to the test with the increased funding, and Oklahoma has risen to the occasion. The locally led meetings held all over the state were a great success. Oklahoma has made the conservation portion of the Farm Bill work. We are looking forward to continued funding of conservation programs in the new Farm Bill. It is our job to keep the God-given natural resources preserved for future generations. Thank you.

MODERATOR: Thank you, Rick. Do you think that conservation is on the minds of some of our folks?

SEC. CONNER: I'm a little slow on the take, but the message is starting to sink in here.

MODERATOR: All right, Ken?

MR. KENNETH ROSE: Thank you, Ron. I'm Kenneth Rose. I'm a wheat, sorghum and cattle producer from Keyes, Oklahoma, and that is out in the panhandle. I serve as past president for the National Sorghum Producers and as state president for the Oklahoma Sorghum Producer. Thank you for coming to Oklahoma City.

Our national organization considers the '02 Farm Bill the most significant piece of farm legislation ever written for sorghum farmers, because it equalized the sorghum loan rate with other feed grains. So I think you can understand why our first priority would be to keep the current Farm Bill, and we would encourage USDA to give serious consideration to extending it.

The six questions. First, conservation. We view sorghum as a conservation crop. Sorghum is a water-sitting crop. It uses one-third less water than other feed grains. We would encourage USDA to look at all its programs, and ensure that semi-arid crops are grown in semi-arid regions. We support CRP. We also support programs that reward producers for good farming practices like no-till, or reduced till practices, and programs that focus on water quantity. Groundwater quantity is the lifeblood of the low rainfall climate of the sorghum-growing region.

Global markets. NSG has seen that free trade agreements provide more immediate access for our sorghum products into export markets. However, WTO is the forum to discuss how to level the international playing field. For the WTO agreement to work for the feed grain industry, substantial improvements in new market access must occur.

Also, for an enhanced export program to benefit the central region of the United States, significant improvements must be made in the areas of transportation infrastructure.

New farmers. We agree with USDA's concerns regarding this issue. We believe that this is a serious problem for the future of agriculture, especially in a state like Oklahoma, where the average age of active farmers now exceeds 61 years of age. In the past 20 years, we have had very few young people come into agriculture due to high capital costs, poor profitability, and reluctance to live in decaying rural communities. Attracting people to our rural communities and keeping them should be a concern for all of us. Farm program assistance should be tailored to meet the needs of those medium and small-sized producers that will help stabilize out-migration from agriculture and from rural areas. Thank you.

MODERATOR: Thank you, Ken.

MR. ALAN MEWS (sp): Hi, my name is Alan Mews (sp). I'm the district manager for Wagoner County Rural Water District No. 9. My response is to question number five, about how can federal rural and farm programs provide effective assistance in rural areas. The Safe Drinking Water came about in 1974, and it set standards for all rural water systems to meet. The new laws that have come into effect in January of 2005 are severely hampering our ability to meet these standards. One of the worst problems that we have is that we do not have a population base in order to raise our rates to pay for improvements that are needed. We need help with the funding to get these improvements done.

The requirements of the rural development are just too restrictive for us. And I do have some proposed changes to these requirements. Number one is to remove the maximum median household funding requirement, the basic requirement on physical location in the population chart. The second part would be increase the maximum amount of the grant. This proposal is touchy in that there's just far fewer dollars earmarked for rural grants. However, the maximum of \$500,000 is too low. The changes needed in the treatment process in my plant are going to cost at minimum of a half a million dollars. That doesn't even include the physical parts that's going to be needed done with clarifiers, clear wells, things like that.

I believe that we need to remove the provision for demonstration of decline occurring. For example, the new rules that came out from the EPA, nobody knew the extent of what stage 1 and stage 2 disinfectant byproduct rule was going to cause us out here in the field. How can we write a grant to take care of those changes if we don't even know how it's going to affect us, especially when there's no way to predict the effect of these rule changes that are proposed by those who do not work out in the field away from their laboratories? These changes may not be enough, but it would be instrumental in setting requirements that closely meet actual day-to-day operations.

Thank you for the opportunity to present my arguments for simplifying the requirements for federal assistance in rural areas.

MODERATOR: Thank you very much.

We'll go to this microphone over here.

MR. MIKE SPRADLING: I'm Mike Spradling, a rancher and pecan producer in northeast Oklahoma, Sand Springs. As vice president of Oklahoma Farm Bureau, and representing 166,000 farm family members, sir, welcome to Oklahoma.

SEC. CONNER: Thank you.

MR. MIKE SPRADLING: I notice many are going to be speaking about production agriculture. I have a certain real interest specifically in the number one question you laid out, as well as our organization. Many of the long-term assets, important things to the future agriculture

are sitting in this room today. They're wearing blue jackets, they're wearing green jackets. In our organization we have a group called the Young Farmers and Ranchers. We work with these young people to give them leadership skills and things of this nature. But we understand the problems and hardships that they also are going through, and as difficult as it is to either acquire farms or stay in farming. I think it's very important that the next Farm Bill direct some of its attention to what it takes to keep and to get young people into agriculture, and to be certain in one way or form that they can stay there.

We know that once a piece of ground is lost -- which it has been mentioned here, as Travis said, they have to compete with people 40 years in competition with -- they've been there 40 years already -- and then we have the average age of 60 plus -- what happens to that ground when these people go off the farm? We know just through the economy that a lot of those young farmers and ranchers that are children of those farmers are not on the farm now. Who's going to be there to take up the slack of the next generation of farming? Many of those people, as I said, are sitting in this room. We need to be sure that they have the assets, the financing and the availability to accomplish that goal. Thank you very much. (Applause.)

MODERATOR: Thank you, Mike.

Right over here to your left, Mr. Secretary.

MR. CLIFF TATUM: Thank you. I'm Cliff Tatum. I'm from a small community called Gurdy (sp). I'm in southern Hughes County. I manage a water district there. Our water district serves the southern one-third of the county.

I've heard a number of things today which are really dominant factors coming out in today's sayings. And one of the things that really works for us small water districts is the loan grant program that's available to us through rural development.

Of those loan grant programs there's another program which I haven't heard anything spoken about as of yet today, but I'd like to go ahead and bring it up at this time, is the circuit rider program, which has provided funds from rural development, go through our state association, the Oklahoma Rural Water Association, which provides circuit riders to all rural water districts throughout the state. There are 100 rural water districts -- water, waste water, small communities and towns, that benefit from this program. And, you know, through our state association and these funds we were able to go out and train operators and bookkeepers and managers and all sorts of thing that will upgrade the living standards of our rural population. It's really a tremendous benefit to rural Oklahoma, and I hope that we can go ahead and include funding for these programs in the Farm Bill. Thank you.

MODERATOR: All right, thank you very much. We'll go back to this side of the room.

MR. TOM BUCHANAN: Yes, my name is Tom Buchanan. I'm a rancher and a farmer from southwest Oklahoma, Jackson County in particular. I intended to come up here and address question number five, and I'll certainly get to that. However, one of the previous gentlemen got up and spoke and talked about cotton production in southwest Oklahoma. I want you to know I'm also the manager of the Lukadawtha (ph) irrigation district. He spoke about irrigation also. You need to know that he asked the question where's cotton. There's at least 20 of us in southwest Oklahoma, the irrigation itself -- and I saw some of our neighbors walk in from Tillman County. Cotton is alive and well in southwest Oklahoma -- it's beginning to expand across Oklahoma.

Let me go on to question number five right quick. What that question told me was infrastructure investment in rural Oklahoma for the future. As new technologies that are out

there on the horizon come to development, become realities, we certainly need to invest in those to allow myself and that generation behind me to benefit from any new technology out there that allows our alternatives to expand -- give us another crop to grow and prosper on.

However, with that said, we also need to very much realize and understand and remember that there are existing infrastructures out there today that have given us the face of today's agriculture. If it wasn't for the existing infrastructure that is there today, a lot of us would not be here in this room -- we would not be as prosperous as we are or successful. So that that face that is looking at you today also needs to be protected.

With that in mind, I mentioned I was the irrigation district manager. We have a facility out there that's fast approaching 60 years of age. As it happens, at that time there is an aging that begins to happen. The daily maintenance on that, I can speak of firsthand, is starting to get pretty expensive. Our project is one of only two Bureau of Reclamation projects that have ever paid off, sir. We're very proud of that. We're responsible for the daily upkeep and maintenance of that. So I would encourage any future spending by the Department of Agriculture to also center on investment in existing infrastructure and also equally important, if not more so, water. Water quality and water quantity are going to very fastly become extremely important to every one of us sitting in this room. Agriculture in the United States, in Oklahoma, has relied on good, safe, abundant water. We need to make sure that continues to happen. We need your help in making sure that we're able to address those needs for the future. Thank you.

MODERATOR: Thank you very much. Of course controlling those boll weevils helped Oklahoma cotton production as well.

We'll go to this side of the room this time.

MR. JIM HORNE: Welcome, Mr. Secretary. I'm Jim Horne, a lifelong crop, livestock and timber farmer. I also serve as the CEO of the Kerr Center, a nonprofit agriculture organization, since 1965.

I want to speak about the conservation environmental goals in the next Farm Bill. During the last three years I've been involved in the formation of the first statewide land trust in Oklahoma, Land Legacy. The catalyst for our program has been farmland -- farm and ranch land protection program led by the NRCS initiative. The partnerships formed in this state and through this part of USDA have really solidified our commitment to preserving the best farmland in our state, and we're doing it in perpetuity. Urban development is not just an East/West Coast issue. Each year Oklahoma is losing over 20 sections of land, of prime farmland, each and every year -- over 60 sections of total farmland. Most of this is due to urban sprawl. Increasing urban pressures are driving up taxes and farming earnings just will not pay for it.

We use conservation easements primarily as the tool to help our retiring farmers get some of that equity out of their land and retire in comfort, and also preserve that land for the next generation.

Through partnerships with individual farmers, local land trusts, nonprofits, and NRCS, we've completed two deals already, and 23 are pending. We still need more money across this country, as I know you're well aware.

Secondly, I want to speak about the Farm Bill providing effective assistance in rural areas. Every farmer I know, small or large, would agree that we all need a level playing field, a free, just, democratic society demands no less. Healthy rural communities are highly dependent on having viable farmers on the land. Farm policy that is intentional can do this. A competition title in the Farm Bill would be a good move, we believe. It is essential that we protect farmers in

the middle, what we usually term as "family farm." From the unchecked concentration in the input sector, and as well as the concentration outside the farm gate, this is something that has really worked against the family farm in the U.S. While we mainly want policy for large farms, those in the middle need another. What we all need is transparent markets, protection from packer-owned captive supplies that can manipulate and change markets. We need country-of-origin labeling and bargaining power for contract growers.

In closing, if USDA cannot adequately protect us in the middle, then please help us to help ourselves. Those of us in the middle need access to programs and capital that will help us to produce value-added differentiated products, products that are being demanded by the new consumer that is health conscious, that is interested in how their food is produced, and who's producing it. This is a very important new element. I believe family farmers, mid-sized farmers and below, can all gear up with the help of rural development and other good agencies in USDA to really find the appropriate niche for the new agriculture and the new consumer. I think the family farm with help and investment could do that.

MODERATOR: Thank you, Jim. Appreciate that.

Just as they told Noah, only two -- only two. If we can keep it down to two minutes, we would appreciate that.

Paul?

MR. PAUL JACKSON: Mr. Secretary, I'm Paul Jackson from south-central Oklahoma. I'm a Farmer Union (sp) member. I raise cattle. I also raise grain. It's important that the next Farm Bill continue to underwrite family agriculture in a way that not only fits within our nation's sovereignty, but existing trade agreements. While Farm Bills have helped us keep afloat in agriculture, the real beneficiary has been the American consumer. That underwriting process is a food subsidy and not a farm subsidy. But ensuring a safe, affordable, available and quality food supply.

In order to do that, we must continue the farm service delivery system. While we all efficiencies in government, we must not dismantle that system. Recent newspaper reports indicate that one-fourth of FSA offices will be closed nationwide, or approximately 19 offices here in Oklahoma. We have already had consolidations. My own FSA office is comprised of three counties. Both full-time and part-time help has been reduced. As far as alternative filing online, as opposed to coming to the office -- my FSA office had four people, out of 3,400 producers within the three-county area that participated by the Internet this year. Adequate technology and costs with Internet service continue to be deterrents combined with the average age of producers who will never use this tool. The web-based systems are complicated, slow, and at times inaccessible.

Here in Oklahoma, 47 staff positions were cut in 2005. Recently, county offices sent out maps to confirm acreage by GPS mapping, but now do not have the personnel to make the changes that producers disputed. Program enrollment can take now months for the time that you actually make your appointment. It is quite clear that FSA is understaffed and outdated with technology at the county level. Instead of fitting with appropriated dollars, an effort should be made by USDA to request a budget based on the workload needs. Technology investment should be done at the county level as part of the new Farm Bill. A 1998 GAO report predicted that service to farmers will likely be diminished as the FSA continues to reduce staff and close offices. We are seeing that come to pass.

Effective future policies should continue the hands-on, one-stop-shop service opportunity delivered by the capable professionals at the county level. Investment in the technology they use

at these locations and adequate staffing to meet the workload is what is needed. Thank you, Mr. Secretary. (Applause.)

MODERATOR: Thank you, Paul.

MR. MIKE BERGEY: Thank you for the opportunity, Mr. Secretary. My name is Mike Bergey. I'm president of Bergey Wind Power Company. We're located in Norman, and we are a manufacturer of the world's leading supplier of small wind turbines. Many of our customers are farmers and ranchers and anybody who would like to cut their electric bill.

We use -- I want to make my comments very specific on the program, and I'll be brief on it. It's the Title 9, Section 9006 grant and loan program for renewable energy and efficiency -- just announced 148 awards last week. So it's a good program. It was established in the last Farm Bill, and we hope it can be extended.

There's a problem from our perspective in that the rules and the scoring favor large-scale projects. I'm really addressing item, question number three, the distribution of program benefits. We feel that the program as it is currently structured is providing windfall benefits to a few, and scant opportunities for the many. For an example, in the 2005 awards, 35 commercial wind projects in two states, Minnesota and Iowa, received 32 percent of the total funding. And that situation is getting worse. They are advantaged because they have state tax credits that give them the financial advantage to Oklahoma farmers, who may have better wind resources could produce electricity cheaper can't compete because of the state policies.

But, specifically, our area is small wind turbine stuff, and only 2.6 percent went to small projects. There are a bunch of different problems that make it difficult. We will submit that, and have submitted that, in writing. But basically we would suggest that the department set up a rebate program with about 10 or 15 percent of the program funds, and limit that to small projects, so the small projects don't have to compete against the big projects, but they can compete against other small projects on their benefits. Thank you.

SEC. CONNER: I'll be anxious to read your material. I'm very interested in it.

MODERATOR: All right, we'll move to this side of the room.

CHAD MUEGGE (ph): Good afternoon, Deputy Conner. My name is Chad Muegge (ph). I'm a fourth-generation community bank president and farmer in Grant County, Oklahoma, which is located 85 miles north of Oklahoma City.

I chose today to address question number five, which asked how can federal rural and farm programs provide effective assistance in rural areas. Production agriculture is a high-risk business. As an ag banker and a farmer, I spent thousands of hours working with customers and family members planning and pondering ways to make production agriculture profitable. To date we are still at the drawing board. The farm payments that our area farmers have received are carefully considered in our budgets, due to their importance in making the payments for inputs. I stress the word "inputs" and payments for them, because many uninformed persons will lead you to believe these payments are used for family living expenses or items of luxury. In my circle of customers, these payments pay cash rent and fuel bills. They pay for crop insurance, seed, fertilizer and farm machinery. In fact, these payments even help pay interest. It is always disappointing to me when a politician on the campaign trail pounds the podium, claiming how he or she wants to help the American farmer by spending and sending government subsidies to the heartland. This simply is not the case. These payments, while passing through my bank and through the hands of my producers, do very little to raise the standard of living of my customers. They do, however, raise the standard of living of the John Deere dealer, and they raise the

standard of living of the GM factory worker in Detroit who helped build the pick-up the producer purchased eight years ago. The payments paid the wages of the nitrogen fertilizer plant operator in Enid, Oklahoma, and the payments paid for the new barn built by the local fuel supplier. Yes, they even paid for the bank's new computer system.

Program payments are a significant part of production, and they should continue to play a role in the future of rural America. However, I believe that role could be improved by strengthening the federal crop insurance program. That support that it provides is deplorable, especially for any producer who attempts to diversify his or her operation away from the traditional crops grown in the area in search of obtaining profitability.

In summary, not only is our agriculture part of our farm landscape; it is part of the national security, and at a cost of \$19.4 billion versus the cost of the Department of Defense at \$419.3 billion, it's cheap -- dirt cheap. Thank you. (Applause.)

MODERATOR: Thank you very much. Let's move to this side of the room.

MR. BOB WRIGHT: Mr. Secretary, my name is Bob Wright. I'm a staff member of Oklahoma's Farmers Union. Sir, I'd like to direct your attention to farm policy to maximize the competitiveness in global markets. Sir, I don't think in terms of a concern when it comes to the quality of our food the health level or the standards of safety. I think in terms of what their health standards are and what their quality is. I also think in terms of the manipulation of the currency, such as China, to cause us an interruption of the balance of market. I think in terms of the European government supported market condition, which also causes an imbalance. Sir, what I'm really leading to is what we refer to as trade agreements, and we've had those trade agreements. We have trade agreements, such as NAFTA, CAFTA and those to come, and we are eventually going to that whole association with the World Trade Organization. What I'm really concerned about is not the standard that we set ourselves up on -- because we know that the U.S. consumer requires a certain standard -- it is the standard in which they are participating on, and it becomes an imbalance. And that's where my concern is.

I think of the honorable position in which the U.S. farmer places himself into the fact that he is at that level when he is not competing at the same level with those other countries. So, sir, in closing, what I'm thinking in terms of is we must have assurance and action of enforcement of those trade agreements. I believe that trade agreements are only as good as the enforcement of those participants that sign. And therefore any violation of those agreements, we just can't tolerate that. We have to be able to enforce those agreements.

We also must be willing to set aside those funds that are necessary if a catastrophe like Katrina brings the attention of the United States, the catastrophe of participating global markets should do the same. Thank you, sir. (Applause.)

MODERATOR: All right, very good. Let's move to this side of the room.

MS. CHERYL LANE: Good afternoon, Mr. Secretary. I'm Cheryl Lane, and I'm here with my husband. We grew up on the farm, and we started our own farming operation 13 years ago. I have four children, and of those four there's not one of those to stay on the farm.

I can be enthused by these kids that are here. The fact is production costs far exceed what we get whether we're doing grain sorghum, wheat or soybeans, because fuel costs, fertilizer costs, feed costs -- all that has doubled, if not tripled. And grain prices today are about the same as they were in 1970. And I guarantee your combine is at least three times as much, four times as much as then. And for the future of farmers, family farmers to be there, something is going to have to give.

The sacrifice is made by the farmer and the farm family, because we provide our own health insurance. Our kids that need braces aren't getting them. And we don't have any help on the farm. Our sole income is from the farm. And then there's corporations that are there to make profit or they look at it as a tax deduction. We've got seed companies that are dictating what we do with our seed, but we can't save seed because of patent reasons, whatever the case may be. They're controlling that. Basically everybody knows that the farmer has got to have feed, the farmer has got to have fuel, got to have fertilizer, so they can charge whatever they want, and we're stuck with it.

When we go to the elevator, we have to take that price they give us for our grain. Actually my husband and I, we take all of our grains straight to the poor, getting a higher price, less stock, and we get a bonus for high protein. We drive our own truck; he does 98 percent of the repairs on the farm; and we barely make it. And we're -- actually we're not, because this year we paid out \$30,000 in crop insurance. And if you're farming for a living, you're not going to need crop insurance. That's the way it is now. It does not pay for us to have it. So we're canceling it. We will not have our crop insurance next year. It's not feasible. Thank you. (Applause.)

MODERATOR: Thank you very much.

Terry?

MR. TERRY DETRICK: Thank you. Mr. Secretary, welcome to God's country.

SEC. CONNER: Thank you.

MR. DETRICK: I'm Terry Detrick, farmer and rancher from Ames, Oklahoma, active in wheat and cattle organizations and Oklahoma Farmers Union. My comments today will be regarding animal agriculture, and I can't find one of your six questions that this won't fit under.

I served on the animal identification cattle working group since its inception. Represented on this working group were representatives from all segments of the beef and dairy industry. We have worked diligently since January of '04 to examine every possible option anyone could think of, and presented this to USDA APHIS. We presented a very detailed, focused, simplified and workable system. I'm here today to urge you to make animal identification a title in the next Farm Bill; to request funding to fully implement it, and to follow the guidelines for cattle as submitted by the National Cattle Working Group.

Upon the original announcement that identification systems were being developed, rumors ran rampant as ranchers envisioned themselves having to manually file reports publicly disclosing their every move. The ID system we presented, when explained, did much to quiet those fears. I know, because I gave several educational presentations across the state where I saw this happen.

Early on there began a chase for the dollar. Companies and associations alike visualized an income stream from animal ID. On August 30th, Secretary Johanns announced USDA's intent to go with a system in which USDA would have minimal involvement, and relieve themselves of most of the financial obligations, allow private industry to maintain the data system and make it voluntary.

It is the responsibility of government to assure all citizens access to a safe abundant food supply. That cost of that protection should be shared by all citizens. Private industry will not provide that protection without profiting from it. The producer at the bottom of the food chain

will bear that cost. Privatization absolutely does not, cannot and will not guarantee confidentiality. Further, if voluntary, and if one producer in the industry chain elects to voluntarily participate, others in the chain do not, if when that animal reaches the packer there is an issue of concern, the only person your system is shown to have on that animal is the volunteer participant. The burden of proof just fell squarely on that producer.

In closing, Mr. Secretary, the system proposed by USDA APHIS is one that will be costly to the participants, increase liability exposure to those who do participate, and discourage participation. Thank you very much. (Applause.)

MODERATOR: Thank you, Terry. Let's move from that side over to this side.

MR. SCOTT BLUBAUGH: I'm Scott Blubaugh from Tahlequah, Oklahoma. I'm a farmer and rancher, and also a member of the Oklahoma Farmers Union.

I've been involved with one of the USDA rural development grants that we received to do a feasibility study and business plan to develop the state's first ethanol plant, a 50 million gallon plant to be located in Enid, Oklahoma. Without this USDA grant, this project would not have been possible, so we appreciate that.

However, working through this grant we've come up with a few weaknesses, I guess you might say, in the grant that I'd like to address, and maybe you can correct some of the rules or change some of the rules to better suit the development.

One of the things we found in our pre-feasibility study was a grain called hull-less barley that we could grow in western Oklahoma with very little rain, similar to wheat crops -- wouldn't need all the water required for a corn crop; yet its yield in starch and ethanol would be nearly identical to corn. So we thought that would be a great option for us out in western Oklahoma. When we started using some of the varieties and genetic lines that were developed mainly on the East Coast of the United States, to try to adapt those to fit here, we ran into some problems. We asked our land-grant university, Oklahoma State, to come in and help us develop a genetic line that would do well in western Oklahoma, and we asked that we use part of our research, or part of the money in our grant to help pay for that research on the hull-less barley. We were told that is not funds, that those funds cannot be used for that purpose. And so I would ask that in the future that you have 10 to 20 percent possibly of those funds that we can use for product development or for product research in those grants. That would greatly help the development of these projects. Thank you. (Applause.)

MODERATOR: Let's move to this side of the room.

MR. GENE WHATLEY: Thank you, Mr. Secretary, for bringing the forum to Oklahoma, and giving all of us here the opportunity to participate, commenting on the upcoming Farm Bill. I'm Gene Whatley, executive director of the Oklahoma Rural Water Association. We represent rural water districts and small community water and sewer systems throughout the state of Oklahoma.

To begin, I'd like to do something just a little bit different. I would like to recognize a couple guys in the room, and compliment on the work that they do -- that their agencies do. The rural development state director Brent Kisling, FSA state director Jim Reese. We work with both of these agencies; they do a good job. We appreciate the work that they do in developing and improving our water supplies here in the state, also in protecting and preserving our water resources, because that's a big problem we have both with these agencies though, is shortage of funding. So we would certainly recommend a commitment of more resources to rural development and to FSA to meet present and future needs.

We have over 1,200 public water supply systems in Oklahoma; 90 percent of those systems serve populations over 10,000; 85 percent serve less than 33 people. These are the systems that have the greatest difficulty providing safe, potable drinking water and sewer services because of the limited economies of scale and their technical expertise.

Our small systems rely on the rural water waste loan grant program to build and expand and upgrade the systems and to repay their loans at affordable rates and terms. Without rural assistance and rural development, many systems could not continue to construct new facilities and expand existing systems or comply with increasingly stringent EPA mandates. The rural development program is the backbone of compliance with environmental regulations to improve the public health in rural areas.

I have more, but I understand we can submit some comments either via email or at your website address. Thank you.

MODERATOR: Thank you, Gene.

We're going to take a comment here, and we'll take a comment over here. And those of you that are in line, just remember where you're at, and you will be the first when we get back in line at these same spots right after our break, and we'll take two further comments and we will take that 10-minute break.

MR. JIMMIE MUSICK: Mr. Secretary, we appreciate you coming to hear our comments today. My name is Jimmie Musick. I'm from southwest Oklahoma -- Terry only lives on the edge of God's country -- I live in the middle of it. (Laughter.)

My question for you, and one of the comments is how should farm policy be designed to maximize U.S. competitiveness with our country's ability to effectively compete in the global market. Some comments form the wheat growers that I represent, as well as the sorghum growers -- we want to be able to compete on a level playing field in the global marketplace. However, producers in many other nations have lower production costs, as you well know, due to lower labor rates; also less environmental regulations and other factors that put the American producers at a disadvantage. Our wheat growers and sorghum growers members support the full preservation of the domestic support within the commodity title at no less than the authorized amount in the 2002 Farm Bill, while recognizing the importance of all countries moving towards less trading discrepancies policies. U.S. wheat growers also need access to new markets. Currently the U.S. exports nearly half of the wheat crop annually, and export programs such as the market assistance program and foreign market development corporations also play an important role in the industry's ability to enter new markets.

The NAWG [National Association of Wheat Growers] supports a continuation and expansion of these markets; also development of new and creative export programs, such as tax credits; also the process of lending access to markets by the U.S. government, forever a debatable reason, and is unaccepted -- and for example I would say Cuba would be a perfect example of that.

And I -- we appreciate you being here. There is a comment out there that this country kind of lives by, our law enforcement people, when they say to protect and to serve. And I think your job as secretary is to do that very thing for farmers in this country.

MODERATOR: All right. And we'll have one final set of comments here, two minutes, and then we'll have our 10-minute break.

MR. DANNY ROBINSON: Thank you. My name is Danny Robinson. I'm a fourth-generation cotton and wheat farmer from Altus, Oklahoma. I would like to address my comments to question number three regarding the distribution of farm program payments.

The 2002 Farm Bill has been successful in providing stability to the farm sector in times of low prices. The Farm Bill includes limitations for each element of the program, payment limits being applied cumulatively to all program crops on the farm. No producer is eligible for more benefits than the farm he is entitled to. Most farming operations must secure financing for annual production costs, as well as incur long-term debt for equipment and land. Changes in limitations and eligibility requirements would make financing even more difficult to obtain.

Proponents of lower limitations argue that big farmers receive the majority of benefits; but they fail to mention in public that by their definition anyone that grosses \$1,000 a year is considered a farmer, which allows them to use statistics that I believe mislead the general public. However, big farmers receive those payments only because they are producing more products and incurring greater financial risk. It is important to remember that per bushel or per pound support is the same, regardless of the size of the farmer.

Proponents of lower limitations argue that farming operations have become larger in order to catch your farm program benefits. While it is true that the average farm size has increased over time, the USDA ARS study concluded that farm program benefits did not contribute to increases in farm size.

In reports, the Payment Limit Commission, the Food and Agriculture Policy Research Institute concluded that farm programs are responsible for less than two percent of increased land values and corresponding rents.

In closing, I would reiterate that agriculture in Oklahoma would be harmed by more restrictive payment limits. The elimination of the three-entity rule would ensure that I will be unable to help my children attain the financing required to farm in today's world of skyrocketing fuel and equipment cost. Analysis by the Payment Limit Commission indicated that tighter limits on contract payments under the '96 Farm Bill would have taken \$13 million from Oklahoma farmers. Tighter payment limits lessens our competitiveness in the global market by restricting operations to a size that is smaller than economically efficient, which in my opinion would ensure the demise of the family farm in our country. Thank you. (Applause.)

SEC. CONNER: This is going to be a fun issue to resolve in the Farm Bill, I tell you. (Applause.)

MODERATOR: All right, for those of you that are in line, if you'll remember where you're at, and we will be back in exactly 10 minutes from right now with the last hour and half of our program.

(Break.)

MODERATOR: Go ahead and come back into the room and grab a seat. Brother Ray, I'm going to call on you first. That's right. We may take an offering first though, Ray. (Laughter.) All right, come on into the room, folks, grab a seat and we will be ready to start the last about hour and 15 minutes of our USDA Farm Bill Listening Session.

As you come in, I would remind you that for about the next 45 minutes or so we will continue to take comments as it relates to the six questions that our deputy secretary outlined for us earlier today, earlier this afternoon. And if you've got a comment that might fall beyond those six questions, we will have some time for you, starting about 4:30, in those last 30 minutes

or so of our session this afternoon, and we will make every effort to make sure that you have a chance to make those comments as well.

I do remind you that if you care to make some additional comments, you want to throw some things down on paper, you can do that. We have those blue cards. Or you can submit other comments to the USDA folks that are here today. They'll make sure they get back to Washington, D.C. You can go to the website, and you can also at that time go ahead and submit your comments electronically as well.

Come on in and sit down, and we will get started. We're very pleased to have our deputy secretary with us this afternoon. I know he's been taking a lot of notes, and I can see him up here for sure, and so he's gotten some ideas from our Oklahoma perspective most certainly this afternoon, and we appreciate you folks taking your time. Literally, Mr. Secretary, we've had folks from the panhandle of Oklahoma to southeastern Oklahoma, and from the far northeastern corner and southwestern corner. So just about every corner of the state has already been represented today here at this Farm Bill Listening Session.

Folks, if I can have your attention, let's go ahead and settle down. And we'll have a few more folks come back in, I think, probably from the break outside, and you might let folks know we are starting now. And if you will give your attention to our next speaker.

Hello. If you'll give your attention to our next speaker, we will get started with some additional comments this afternoon. I do appreciate your attention and your courtesy, folks. And I think a lot of folks are having to learn what I deal with every day as far as on the radio that I only get so much time, and I don't get no more. And in this case we're giving you two minutes, and I would appreciate if you'll hang in there at that two-minute level. That will allow everybody to hopefully get their comment in between now and 5:00 this afternoon.

And, with that, if you will give your attention and your silence now to our next speaker, we will go to this side of the room first of all. And, Ray, if you'll step up to the microphone.

MR. RAY WULF: Thank you, Ron. In relation to item six, marketing in the next Farm Bill, I do want to thank you, deputy secretary, for coming to Oklahoma. I also want to commend USDA on what they're doing to the devastation in the Gulf Coast states.

It is also very good to hear that the secretary has taken an active role in trade as we speak. It is that element that I think is so very vital to our industry and should be a major part of this next Farm Bill.

I am Ray Wulf. I am the president of the Oklahoma Farmers Union. And when you get back to Washington, D.C., know that Oklahoma Farmers Union represents 47 percent of that National Farmers Union organization. (Applause.)

The calls to my office in the past three weeks have certainly escalated, due to that recent surge that we've had in the cost of energy -- producers trying to get their crops in the ground at this period of time, and looking at the threat of increased inflation. We've got the increase coming at us with the Fed funds rate. And they just don't know how they're going to pay for those additional costs that are coming at them. We need to have a trade farm policy out of this next Farm Bill that puts tangible realized dollars in the pockets of our American farmers and ranchers at the farm gate level. Our producers feel that our past agreements have failed them. They feel that they have most recently benefited our competitors, Third World countries and future competitors more than they have benefited them.

We need to have faith back. CAFTA is a good example. It sounds like NAFTA -- just

barely passed. We need to have faith in our trade negotiators riding for the brand. Just last week when we were in Washington, D.C. and heard the WTO discussed by Ken Roberts, it went to my mind that as we move forward at the farm gate level we feel we have been traded away. We need to know that in this next Farm Bill that our trade negotiators are riding for the brand, deputy secretary, the American farmer and rancher at the farm gate level. Thank you for being here in Oklahoma. (Applause.)

MODERATOR: All right, let's move over to this side of the room.

SPEAKER: Deputy secretary, thank you for coming to the state of Oklahoma. I'm a producer in Johnston County in eastern Oklahoma, and I'm wanting to talk about the consolidation of FSA offices.

As a farmer I feel like I'm a minority. Also as a minority as a member of the Choctaw Nation of Oklahoma, we are small producers in that area, and some of them don't have the technological expertise to go online and do that. Not only are they that -- they are elderly, and they are caught in that area, as our black brethren in Mississippi had before with the Department of Agriculture, some disproportionate amounts of let me say discrimination. We want to make sure that minorities that are farmers, that our offices as far as FSA offices, when we look at consolidation in the state of Oklahoma, we want to look at those offices as parity, and not have offices shut down or consolidated that have a higher percentage of minorities in those office. Our FSA office does an excellent job. They work hard. They're not staffed, and they're very professional people, but we would like to keep that. Thank you.

MODERATOR: All right. Let's move to this side of the room.

MR. BRENT CAMBURROW (sp): Yes, Mr. Secretary, my name is Brent Camburrow (ph) with Stephens County Rural Water District No. 5. I'd just like to address the item number five, and I'd like to also say thank you to all the rural development programs that's out there for rural America. Because of rural development, we are in the progress right now of putting in 150 miles of waterline. And I'd like to tell a little story with that.

My grandparents were farmers out in rural Grady County, Oklahoma, and for years they never could drink the water. When we'd go out there as small children, they'd say, Don't drink the water. But because of rural development programs today, as we speak right now, water lines are being run through my grandparents' farm. But I would just like to say thank you. Because of rural development, rural water districts are better today than they were years ago. We have currently at this time my district is serving five counties. We have six rural fire departments, two rural schools. We currently have one rural town in the process of another rural town because of rural water.

But because of rising costs of oil and gas, the pipe price of PVC pipe and steel costs is just constantly coming up. But I would appreciate it if you get behind the rural development program. Thank you.

MODERATOR: All right. We'll move to this side of the room. Paul?

MR. PAUL JACKSON: Paul Jackson, from Caddo County, Oklahoma. My message is going to be pretty short. Extend the 2002 Farm Bill for five years, fully fund all the programs, keep the FSA offices open so that they can administer those programs. And I want to compliment our directors of our rural development program and our FSA directors in our state. Thank you very much for coming.

MODERATOR: Let's move to this side of the room, now.

MR. BOB COLLINS: My name is Bob Collins, secretary to the Oklahoma Cotton Council in Tillman County, Frederick, Oklahoma. I didn't come to speak today. Ron mentioned a subject a while ago that's near and dear to our hearts, and that's the boll weevil. I want to thank you and the USDA for the help that you've given us through the years to fight the boll weevil. The program started some 30 years ago, I believe in North Carolina. We started here in Oklahoma some five years ago. We're close to eradication. We're getting ready to go into a maintenance program. It's been the most wonderful thing that's ever happened to the cotton industry, and again we want to thank you. Continue to help us support it, and thank you for coming to Oklahoma.

MODERATOR: All right, let's go to this side of the room.

MS. PAULINE FALLEY (sp): Welcome to Oklahoma. I'm Pauline Falley (sp). I come from Dewey County out in the northwest part of Oklahoma.

Conservation programs have changed the face of rural America. However, they many times negatively affect the surrounding communities. The CRP program, like other government programs, requires tradeoffs. Because those tradeoffs can be significantly negative to a community in general, then additional assistance may be required in order to balance responsible natural resources, resource protection and small community sustainability. The CRP program provided government payments to producers. But because producers returned marginal croplands to grass, the feed, the fertilizer, the seed, the machinery, the repair, the fuel businesses suffered in those small communities.

It must be more clearly recognized that the farms and the communities are interdependent, and focusing only on farms will cause the communities to lose ground and finally affect the farms as well. The small communities in Oklahoma need continued funding that's available through the USDA rural development. We need the resource conservation and development programs, the RC&D program, which is the only program which is locally led and is guided and operated from the bottom up by local people. And they really do address the local problems identified by the local individuals, and also encourage partnerships when advantageous.

We seek USDA -- we ask USDA that rural development, a funding source, and the RC&D programs, a delivery source, be maintained and enhanced so that they can continue to help those farming communities that are seeking local and regional problems addressed.

MODERATOR: All right, thank you, ma'am.

Let's go to this side of the room. Roy Lee.

MR. ROY LEE: Thank you, Ron. Mr. Deputy Secretary, thank you for coming to Oklahoma and bringing this forum. My name is Roy Lee Lindsay. I'm the executive director at the Oklahoma Pork Council. We have a couple of issues we'd like to share with you as we look at the next Farm Bill. The first of those would be regulation, and I think this fits in a number of places in your six questions.

But as we look at the cost of regulation and what regulations come with the Farm Bill -- any time you start a new Farm Bill, we're going to revise programs, we're going to add programs, and all of those are going to bring new regulations with them. We would ask that USDA remember that those regulations need to be science-based, they need to be affordable to producers, and they need to be effective.

We also would remind you that there are costs that are always associated with those regulations. And ag producers, unlike most every other business in the world, cannot pass those costs along to the next person in the chain. They come off our bottom line.

We need more access to capital. We need more access to more capital even, through the EQIP program. Those dollars need to be available so our producers can adopt the technologies that are being mandated through new environmental regulations, so that we can remain competitive on a global basis. I heard a lot of folks talk about global trade and the need to be competitive. As we ramp up our environmental regulations, as we ramp up the things that our producers must do to participate in farm programs, we put ourselves at a somewhat competitive disadvantage.

The second area that I'd like to talk about briefly is trade itself. As we're talking about, we're no longer in an American market. President Bush mentioned we're only 5 percent of the world's population. The pork industry in particular has been very good at taking advantage of export opportunities -- 44 percent of the meat protein consumed in the world is pork. We'd like to take advantage of a little more of that market. So we encourage you to keep looking for ways that we can expand the markets and move more of the product we're producing here very efficiently in a safe manner and provide it to other people around the world. Thank you.

MODERATOR: All right. Let's move to this side of the room right now.

MS. HOPE PIESKY (sp): Good afternoon. I'm Hope Pjesky (ph). My husband Ron and I farm in northwest Oklahoma. We are in the minority as young farmers.

One of your questions for consideration states a long-time goal of farm policy has been to enhance and stabilize farm prices and incomes. My contention is that farm prices have been very stable. In doing history and research, we found that the wheat price in some parts of the 1920s is the same as what we receive today. But our input costs are many, many times higher than they were in the '20s. Even the increased productivity of American farmers cannot begin to make up for the difference between our input costs now and the input costs in the '20s.

Switching to a different question, the environmental question, my contention is that farm policy should not become environment policy. I would be very opposed to any program that mandated that we had to farm in a certain way in order to be eligible to participate in farm programs. Not all farming practices are practical in all areas of the country. Mandating a use of one farming practice, such as minimal till or no till, in order to participate in the farm program would be disastrous. In my opinion, farm programs should focus on the 15.6 percent of farmers that produce 87 percent of our food and fiber. This would leave out the small hobby farmers, who for the most part are involved with agriculture as a lifestyle choice, not as a profession.

I am personally not opposed to payment limitations with a high limit. The biggest farmers out there should not be encouraged to continue getting bigger and bigger while normal medium-sized farm operations cannot afford to even expand in the smallest way because of high land prices. Farm programs should also take into consideration non-farm income. Payments should not, in my opinion, be given to individuals who have high sums of money -- make high sums of money from other professions and farm on the side. I thank you for allowing me to comment today.

MODERATOR: All right, thank you very much. Let's move to this side of the room.

MS. ANITA POOLE: Hi, I'm Anita Poole, and I live in Poteau, Oklahoma. I grew up farming and now I'm an agricultural attorney. You mentioned earlier that we are feeding the nation, feeding the world. I'm more concerned with feeding Oklahoma at this point. As you

may or may not know, the food on our tables travels an average of 1,600 miles before it actually gets to our table. What we would like to see is the use of resources that we have here in our state in our local food system to feed our local institutions. You can greatly support that through the USDA with support of the national farm to school program, which also provides strong rural development issues and possibilities for our state, because rural development in our state and many others begins in agriculture. And so we would really appreciate it if you could help us with that.

MODERATOR: Thank you very much. Let's move to this side of the room right now.

MS. KATHY MOORE (sp): Good afternoon. Thank you for being here. My name is Kathy Moore, and I am a farm owner in Woodward County, northwest Oklahoma, and I would like to talk about the Farm Bill as it relates to the opportunity to revitalize and restore rural communities. And I would suggest that to do that that the mega-farm interests payments be curbed significantly. The savings should be redirected to agricultural programs benefiting women, minority, small family and beginning farmers who will in turn support and expand businesses and economies in their respective rural communities.

The new Farm Bill should also focus on a systems approach to agricultural production, by encouraging full farm planning that considers conservation-based farming practices and systems, including incorporating underutilized natural resources such as redirecting urban waste into composting to reduce inputs, protect and enhance natural resources. Right now it's a problem in landfills. It's a source of pollution.

Our Farm Bill needs to invest in agricultural entrepreneurs, the same group I mentioned earlier, and focus on high-income organic and alternative crops that are typically grown on smaller acreages. Shifting to higher-income crops will create opportunities for small farmers to increase income and employment in farming and ranching. It will also benefit local economies through social and environmental improvements. Investing in high value-added crops, applied research and developing domestic and foreign trade markets for crops such as organic fruits and vegetables and products such as wine will benefit local and global economies. Low-wage manufacturing continues to rule rural economies. We should focus on agriculture. Thank you.

MODERATOR: All right, thank you very much. Ken?

SPEAKER: Good afternoon, Mr. Secretary. I'd like to welcome you and your staff to Oklahoma, and for putting us on your busy schedule on these Listening Sessions. I'd like to address question number five, as in regards to rural economic development.

I've had the pleasure and honor to judge farm organization youth speech contest as they generally consist of Future Farmers of America and 4H organizations. I am proud to see that these youngsters have their heart in agriculture, and have the desire to continue on in the field. It deeply saddens me to think that we might be leading them astray.

As it is right now, these kids' families have either one or both parents working off the farm to sustain an agricultural lifestyle, or perhaps to stay on the family farm. There are very few farmers in the state of Oklahoma that make their living strictly from agriculture. These farmers are either driving a truck, one of their own or someone else's, working in an oil patch or stocking shelves at the local Wal-Mart. I like to refer to these farmers as "bi-vocationalists." As this trend continues and as prospects of making a living on the farm declines greatly, I would propose to you that there needs to be some type of program established in the form of economic development zones, just as they have done in Harlem, New York City, New York, and Watts, Los Angeles, California. I do not see why these same things could not be done here in rural America.

These zones need to be established in each and every county that is heavily involved in agricultural production. These zones could be overseen by the county commissioners, with the emphasis on tax incentives and accelerated depreciation of equipment that would enhance the existing businesses to either grow or new businesses to relocate in these rural areas, so those involved in agriculture can have the opportunity for a part-time job and continue their agriculture activities.

I am convinced that with a special funding from these zones for the rural utility services, and with help from local rural co-ops and also special fundings from the rural development to help with water and sewer problems that might arise, that these special county economic development zones or industrial parks can flourish and provide a viable alternative and a place for farm households to become more bi-vocationally, and hopefully not tri-vocational. Our only consolation is that right now we have the enjoyment of living where the rich people want to live, right here in beautiful Oklahoma. Thank you.

MODERATOR: All right, thank you very much. Remember, do give us your name and your hometown as you make your comments.

We'll go to Eddie.

MR. EDDIE BOWMAN: Thank you for coming, Mr. Secretary. I'm going to talk to you about item six, concerning research. First of all, my name is Eddie Bowman. I'm a producer from Billings, Oklahoma, and also a past president of the Oklahoma Wheat Growers Association.

In order to be able to compete in a world market, the focus must always be kept on quality. And progress on quality starts with research. We should have a stronger presence in the next research title, with an equal emphasis on cereal disease research and on new and improved traits and qualities. Research to complete the mapping of the wheat genome should be a high priority. Funding for research remains an annual struggle for an ever-shrinking share of research dollars. Consideration should be given to identify a dedicated revenue system that could provide a stable, ongoing base for research funding.

There also needs to be a better balance of funding between theoretical and practical research. While theoretical research is extremely important as the base for future practical research, we have put too much emphasis on this area. We need greater emphasis on research on practices which can be used now. Also, the idea to go to all competitive funding is a mistake. Our land-grant colleges and universities need baseline funding to maintain an infrastructure in order for research to take place. Thank you.

MODERATOR: Thank you very much. Let's move to this side of the room.

MR. JEFF KREHBIEL: Good afternoon. I'm Jeff Krehbiel, I'm president of the Oklahoma Wheat Growers Association. I'd like to address question number three about distribution of assistance to producers.

I believe that farmers who are successful should be able to grow and expand their business as they like, without the fear of losing the safety net that they have relied on during times of drought and other hard times.

U.S. wheat producers, like most family farmers, would like to expand their operations, plant and harvest more acres. While the amount of farm payments is currently limited to the 2002 Farm Bill, wheat growers continue to believe that maintaining the current payment limit

structure of \$40,000 for direct payments or further lowering it punishes the producers that have made their operation a success.

I also oppose the kinds of means-testing for eligibility or to restrict participation in the federal farm programs.

MODERATOR: All right, very good. Let's move to this side of the room. And if you do want to address one of the six questions, and you want to come on to the microphone, I would invite you to do so. And then we'll invite folks that want to go beyond those questions to step up after that.

MR. TIM BARTRAM: My name is Tim Bartram. I farm in partnership with my dad in Guthrie, Oklahoma. I'm also a member of the Oklahoma Farm Bureau, Young Farmer/Rancher State Committee, and I also serve as the executive director of the Oklahoma Wheat Growers Association. This is a role typical of a lot of young producers who must work off-farm. I strongly believe that in order for America to continue producing the safest and most abundant food supply in the world, new generations need to be encouraged to entering farming. I also believe that if farming was profitable young farmers would enter the field without needing extra encouragement. Therefore I believe there needs to be a focus on making farming profitable, rather than encourage the next generation to enter a nonprofitable business.

For those willing to take the risk of entering production agriculture, there is a need for financing. The current USDA beginning farmer program needs improvement. The need to hire someone to fill out the application is a major concern. Also, the limited availability of these funds is a problem.

Another idea that needs action on is one of a program to match up interested beginning farmers with farmers wanting to retire with no one to take over. Incentives to encourage retiring producers to sell or lease to a beginning farmer would also help. Thank you.

MODERATOR: All right, very good. Let's move to this side of the room. Mike?

MR. MIKE THRALLS: Mr. Secretary, thank you for coming to Oklahoma. I'm a farmer and rancher from Billings, Oklahoma. My name is Mike Thralls. But my day job is executive director of the Oklahoma Conservation Commission.

Conservation of soil and water resources, flood control that you heard about earlier today, protection of critical water resources, water quality issues, are three critical infrastructure issues necessary to assure the ability that Oklahoma agriculture remains competitive both in world markets, and we continue to provide the benefits of a safe and abundant food supply, as well as other issues such as clean water and flourishing wildlife populations, freedom from the ravages of flood.

The best way to deliver that is through the traditional, time-proven conservation partnership that we like to talk about here in Oklahoma, and you'll see demonstrated in that book "Out of the Dust." That's competent technical assistance delivered through USDA and NRCS, in cooperation with that state conservation agency across the country, but, most importantly, through a locally-governed conservation district. That's the best -- I repeat, that's the best way to address these needs and provide the things that we need in order to remain competitive. And we can do that, as long as Congress and states provide the proper programs and financial support.

You had mentioned cooperative conservation in your opening remarks, and I would say that it's important that USDA take a strong leadership role in that; and as you do that, with your sister federal agencies that you do emphasize that in order to attain those goals, those

conservation goals for wildlife, and for land and water resources, one of the most critical things that's necessary is that we have a healthy farm economy, because it can't happen without it.

And the other issue I would also tie in is that research that supports water quality issues, soil interactions, all of those things, is a continued important piece.

Voluntary approaches, supported by competent technical assistance and information channeled through local leaders with strong stewardship ethic work. Thank you.

MODERATOR: Thank you, Mike. Let's go to this side of the room.

MS. AMANDA HORN: I'm Amanda Horn I'm from Chickasha, and I'm the state 4H reporter. I'm going to address question six, the relationship with the United States Department of Agriculture.

The Cooperative Extension Service at USDA, established by Congress in 1914, works in partnership with the land-grant universities in Oklahoma, Oklahoma State University and Langston University. It is a national educational network designed to meet the need for research, knowledge and educational programs that enable people to make practical decisions. State land-grant universities and the Cooperative Extension Service of the USDA supported the development of 4H.

Today 4H Youth Development, part of the 105 land-grant university systems and cooperative extensions, is helping young people to become more mature, competent adults, capable of participation and leadership in their communities and entering into the work force. USDA support in the Farm Bill enhances this effort through programs such as Rural Youth Development, RYD. For four years, RYD grants have allowed 4H to successfully address the economic and physical barriers that rural youth and their families encounter. Future support will enable 4H to continue providing positive youth development during out-of-school time and empowering young youth to become effective leaders and contributing members to society.

One of the programs that 4H is a partner in is ag in the classroom. This program uses research-based, agricultural concepts to teach basic core subjects, not only to the next generation of ag producers, but more importantly it is in teaching the consumers who are not familiar with production about the value of agriculture in our daily lives. I encourage you to support ag in the classroom and other educational programs of the CSREES. Thank you.

MODERATOR: All right, thank you very much. Let's go to this side of the room. And those of you that might want to offer some comments beyond those six questions, if you want to make your way to the microphones at this time, we'll be starting to take some of those comments as well.

MR. PETE MCDANIELS: Hi, I'm Pete McDaniels from Caddo County, Oklahoma. I still live in the same house I was born in, about 20 years ago maybe - my mom forgot to tell me. But, anyway, the mission of the farm program is to enhance family farms and agriculture. The peanut program has taken \$30 million bucks out of Caddo County in one year alone. Our producers have gone to other crops which are already in over supply. Caddo County FSA, the largest in the state, in the top 2 percent in the nation, is down from 12 employees to six. In the recent MAP payment program there was a lack of communication. Washington didn't notify the county, so their computers were locked for two days, so we lost two days of time.

Outsourcing hasn't helped -- hasn't reduced any costs to the American consumers. Profits are going into corporate accounts. I ask are we willing to be dependent on foreign food supplies.

Monopolistic input costs have skyrocketed for all products that we have to produce with. So I see no incentive for a young person to want to get into production agriculture. The older people are living on equity and prayers.

I leave you with a thought. You can burn down your cities and they will rebuild. Destroy the family farms and the grass will grow in the sidewalks across America. So I challenge you to develop a just and fair program to preserve our American foundation and our way of life to keep the farmers off the endangered species list. Thank you. (Applause.)

MODERATOR: All right, very good. All right, do we have anybody on this side that wants to speak from this microphone? Either side? Keith?

MR. KEITH KISLING: Mr. Conner, thank you for coming to Oklahoma. Appreciate that. I wasn't going to get up and speak -- I didn't want to embarrass my son Brent. But it's pretty hard to sit there and have something to say and not get up and speak your piece. So this is my chance to tell you what I feel on market development. My name is Keith Kisling. As I said, I've been involved in market development for the past 10 years. I'm the past chairman of U.S. Wheat Associates in Washington, D.C., the current chairman of the Oklahoma Wheat Commission. So the position has allowed me to go to a lot of countries overseas, and we market wheat in about 100 countries across the world. About 50 percent of the wheat that we raise is exported. So it's an important thing, and you know that because FAS, Foreign Ag Service, gives \$2.90 for every dollar of producer funds that's sent up there. So you know the importance of that, and I know the importance of that for taking care of problems over there, and you know we can't compete on a world market priced dollar for dollar, because they can raise it so much cheaper than we can. So we have to encourage quality in our sales, and it's working and we know it will work.

The problem is -- and it's the number two issue that I'd like to discuss -- how to be effective in a global market. We think we have been effective in a lot of these global markets. It's when we get shut out of these markets because of government intervention. And a good example of that is our Cuban market. I don't know how many years ago it's been, but I do know it was another hurricane that caused the problem. It was Hurricane Michelle several years ago. They were going to send -- we were going to send humanitarian aid and couldn't, and they didn't want to take humanitarian aid -- Castro said we'll pay for it, and we'll pay for it in cash, what we need. So that's allowed us in there with agriculture and pharmaceutical goods, and we've made huge end runs there.

But now the Treasury, the secretary of the Treasury has reinterpreted the law and says that they now have to prepay for the wheat and other commodities that they get. That has taken our competitive edge off in freight, a 90-mile freight advantage that we have over anybody else. And so we ask for your help in that, if you would please. And thanks again for coming to Oklahoma.

MODERATOR: All right. Very good. Other comments?

It looks like we do not have anybody -- we have someone else coming to the microphone. We'll take his comments. You'll give us your name and where you're from.

MR. DWAYNE STEVENS (sp): Dwayne Stevens (sp), Caddo County, southwestern Oklahoma. I'm a member of the Oklahoma Peanut Commission, and I too am in favor of the current Farm Bill, as he is.

And young people here, if you want to keep them on the farm, or let them farm, let's be able to give them the farms. Let's do away -- completely do away with the inheritance tax, any

tax associated to it. That will keep them on the farm. Thank you. (Applause.)

MODERATOR: All right. What other comments do we have this afternoon? We'll go beyond obviously those six questions at this point, for those that want to make a final comment.

I don't see anyone heading toward the microphone. Mr. Deputy Secretary, what thoughts might you have here as we wrap up this Farm Bill Listening Session here for the state of Oklahoma?

SEC. CONNER: Well, Ron, these comments have been great, and I just really appreciate the whole group and the young folks that have shown up. I think this may be our largest group of younger folks that have come to this Listening Session. So thanks to all of you. The comments have been terrific, very, very insightful.

I just reflect back on conservation. I said earlier I'm a little slow, but you can't be that slow and not realize the impact that USDA conservation programs have had on this state dating back for many, many years. And I think it's a tribute to the leadership that you've had -- not from Washington, not Farm Bill leadership, but state and local leadership that you've had on these conservation programs.

We're here to listen, but I will just leave you with this thought. I can't imagine a Farm Bill, a new Farm Bill going forward that does not build upon those conservation resources in some way. Money is always going to be tight, but, again, I just can't imagine that we're not going to build upon those conservation resources going forward. So I take that, if you will, and just know that this is going to continue to be a key part of this state's activities, as well as a lot of other places I think going forward.

I heard obviously rural development, the water issues in particular, as has been the trend in forums up to this point, obviously we're doing something right in USDA and in the Farm Bill in terms of our current rural development programs. That got reflected here today particularly as it related to the water programs. Again, we're here to listen. We're not here to write the Farm Bill yet. But, again, I can't imagine that a new Farm Bill is not going to build upon that in some way, because you know the needs out there in our rural areas are growing. They're not diminishing. So I reflect upon that, and just know that that's going to be a big challenge that we've got, is to make sure we've got the people and the resources and the programs necessary, not only again to continue, but to build upon this path that we're taking on rural development.

On some of the farm programs, I think we're hearing a little bit of both sides of this, in terms of payment limits, in terms of keeping the Farm Bill versus changes that people have suggested. This is pretty consistent, again, with what we have been hearing throughout our Farm Bill Forums.

I did just want to go back -- and I mentioned the conservation programs -- there were several comments about the CSP program and the popularity of that program. I personally like the CSP program. I think it's slow in getting started, as in any new federal program. But I think there is a future there that we need to evaluate that program very, very carefully, evaluate the technical assistance dollars that are going to be available to do that program as well.

Crop insurance. I heard some comments, but I'm going to go back and look at the record and go back and see what we're doing on crop insurance, because crop insurance is a big program. On any given year, we're going to distribute \$4 billion worth of payments as a result of lost crops under the crop insurance program. But obviously there's some feedback here of things not working, perhaps programs that aren't tailored to individual crops. We're going to look at that record and see what we can do to go back and review where we are on crop insurance as

well, because again that's a big program and there's a lot of money there. It should be doing a better job. We should be getting positive comments with that kind of program going forward out there, and I acknowledge that we weren't hearing that today so much.

Just some other areas that caught my notice. From the young farmer perspective, again I really appreciated the FFA and the 4H comments. When we were taking pictures during the break I noted to the group that Mike Johanns and I were both in the FFA. 4H -- I was a 10-year member, and I will tell you that my 4H projects, which were hogs growing up, actually ended up paying for my college education at Purdue University, so the concern that you have about 4H -- know that you probably got a sympathetic ear in the deputy secretary's office at USDA. So take a little comfort there if you will.

Market development. There's obviously great deal of market development, Ron, going on in this state -- farmers recognizing that in terms of bulk commodities that we do run into a lot of stiff international competition to produce a bulk commodity, if you will, because there can be differences in labor costs. Where we can compete though is when we begin to use our technology and our abilities here to add value to those products. And obviously the state has recognized that. It sounds like you are doing that on a number of different fronts, with the help of some of our rural development programs as well. And we need to evaluate those market development activities at USDA and the little bit of assistance that we are providing to give the private sector the ability to go forward here and see if that can't be a solution for a common theme that we're hearing here and that is for farmers to survive we've got to have prices that enable you to survive. And that's clear that without that it doesn't matter whether it's conservation, rural development, anything else -- if the price that you have is a losing proposition below your cost of production, you're going to be in trouble. And I think that's a pretty clear point that we all recognize and note as well.

Finally I'd just mention one of the last speakers brought up the issue of estate taxes. I can't help but let that pass. That's not something within the Department of Agriculture's jurisdiction. It is a tax matter. But I will tell you no issue impacts farmers more greatly than estate taxes. Since the beginning of time, I think, agriculture has been a relatively high-asset value low-return business -- on average a 2 or 3 percent return on assets is fairly common in agriculture. And you know you may have what could account to a million dollars worth of land, and to an outsider they would say, Wow, that is incredible -- two or three million dollars -- or that million dollars worth of land may be providing a fairly marginal living for you off of that farm. That's just the business we're in. Estate taxes hit those high-value assets very, very hard. The President, I will tell you, believes very, very strongly that death is not a taxable event, and he is going to continue to press that issue as well.

So, again, Ron, you've done a great job here. People have respected the two minutes very kindly. I know it's tough to do that in two minutes. I do encourage you though if you've got additional comments go to our website, send them to us. This is not your only opportunity if you want to follow up with us with additional details, we have a number of different avenues. Thanks for the comments. There were great. We are going to go back and continue this process, and then we're going to sit down and we're going to have a good Farm Bill. I'm just totally convinced of that, that we are going to have a good Farm Bill for Oklahoma and Indiana and Nebraska and a lot of other places. It's thanks to the good input of people like yourselves. So thank you.

MODERATOR: Let me ask you one question as we wrap up this session today, because a lot of folks have given you your thoughts. A lot of folks across the country in the 20 previous Farm Bill forums have done so. Up to this point, the last several Farm Bills, the administration has really stood by and watched the House and Senate Agriculture Committees develop farm policy. This is a different deal, a different situation. What exactly is the role of the

administration in this Farm Bill debate? What is your intent with these comments?

SEC. CONNER: Ron is exactly right. I mentioned earlier this is my sixth Farm Bill, when in the previous five the reigning administration, whether it was Republican or Democrat, took a hands-off policy with regard to the Farm Bill.

They did so not because they probably didn't want to be involved, but you know Farm Bills are difficult things. If you didn't pick up some of the subtle, and in some cases maybe not so subtle differences of opinion that occurred here -- one person saying, you know, absolutely no payment limits, another person over here saying we need to crank down on this. I mean, those are the kinds of differences that are part of writing and developing a Farm Bill, and you can get burned doing that. And sometimes you can have your careers damaged, and it's just something that Secretaries of Agriculture have traditionally said, I think I'll just let somebody else take those arrows and take those problems that come with writing a Farm Bill.

Mike Johanns, to his absolute credit, is not doing that, and he believes firmly that with his background, both farming as well as the governor of a very large agricultural state of Nebraska, that he is in a unique position to have good input, to get out there in the countryside and get your input, and will then take that to Congress and work with Congress and play an active role in this Farm Bill process. I think it will be a better Farm Bill because of his active participation.

MODERATOR: Thank you Mr. Deputy Secretary. Let's give him a round of applause for taking his time today, coming to the state of Oklahoma. And I want to say thank you for spending your time this afternoon coming in, a lot of folks driving a couple, three, hours to come to Oklahoma City for this event. Drive safely on your way home, and God bless.

SEC. CONNER: Thank you all very much.