



TRANSCRIPT

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**Transcript of Kansas Farm Bill Forum with Agriculture Secretary Mike Johanns
With Kelly Lenz, Kansas Ag Network and Larry Steckline, Mid-America Ag
Network At the Kansas State Fair Hutchinson, Kansas, September 12, 2005**

MODERATOR: Welcome to Kansas State Fair here in Hutchinson, more specifically Dillon Hall, which is in the 4-H Encampment Building, and we have a full house here today for this special USDA Farm Bill listening session.

I've introduced myself once. I'll do it again. I'm Kelly Lenz, farm director for 580 Radio in the Kansas Agriculture Network. And it is my honor, sincere honor to be the moderator for the first half of today's program.

I should also mention that the first hour of the program here, which is a three-hour program, is going to be airing live on the Kansas Agriculture Network. So be good.

Whether you're a grain producer claiming a loan deficiency payment on corn that you just cut or you're a farmer enrolling in the Conservation Reserve grass buffer strip program in an effort to keep your ground out of the nearest stream or river; whether you're a livestock producer who uses the Environmental Quality Incentives Program to make your operation more environmentally friendly, whether you're a needy American or a working mother or even a hurricane victim who's now relying on a government feeding program, or anyone who eats in America -- you have a stake in the Farm Bill.

As the Administration and Congress now begin the process of fashioning a new Farm Bill, they need your input. And that is exactly what today's program is all about. We are going to begin our program today with a bit of pageantry with our color guard. Would you now welcome the American Legion Post 68 from Hutchinson, Kansas?

[Color guard performs.]

With our Pledge of Allegiance, would you welcome Addie Cole and Lindsey Davignon.

[Pledge is recited.]

With the National Anthem, Dylan Evans.

[National Anthem is sung]

My wife before I left Topeka this morning said I set out a shirt and tie for you. And I said, Do I have to wear the tie? And she said, Well, if Jerry Moran doesn't wear a tie you don't have to wear a tie. Thank you, Congressman.

Would you please welcome the congressman from the first district, the big first district of Kansas, Congressman Jerry Moran.

[Applause.]

REP. JERRY MORAN: Kelly, thank you very much. Thank you all for joining us. Good morning, and welcome to the Kansas State Fair in Hutchinson, Kansas. Mr. Secretary, welcome to the first district of Kansas. We have a lot to be proud of in our state, and we're delighted that you have chosen this venue for one of your listening forums.

Senator Roberts and I have encouraged the Secretary to come to Kansas as these tours, his tours began. And we're delighted that he has accepted that invitation. In addition to being here because the Secretary's here, my wife is the president of the State Fair Board, and I got a call last night and she said, "Could you please come to Hutchinson and bring me my checkbook?" So I'm slightly worried about the results of this part of the visit.

[Laughter.]

Mr. Secretary, agriculture as you know is important. We're delighted that you're the Secretary of Agriculture. We think President Bush made a fine choice, and we're delighted as Kansans to have one of our neighbors filling that position and working hard on behalf of American agriculture.

You should know that Kansas farmers and ranchers who you will visit with today will have great insight into the next Farm Bill. You should know that our farm organizations and commodity groups work very hard on behalf of their members as we try to develop policy that would make a difference in the future of agriculture in Kansas.

And I look forward as the chairman of the subcommittee responsible for farm policy in Congress in the House of Representatives listening today but also hearing your final report as you conclude your listening forums across the country.

From my perspective, the thing that I look for in farm policy is this. I will know that we have succeeded in developing farm policy, trade policy and developing competition for who farmers buy from and who farmers sell to once I see the results that are this-- that sons and daughters are returning home to the Kansas farm. Then we'll know we've done something right.

Welcome to the Kansas State Fair, Mr. Secretary.

[Applause.]

MODERATOR: And would you please welcome Kansas Senator Pat Roberts?

[Applause.]

SEN. PAT ROBERTS: Well, thank you very much. Let me say, number one, I'm so happy to be here with Jerry. And I want to give Jerry a lot of credit. He is in charge of the subcommittee that really oversees the farm program and will be holding hearings next month in regards to how long-range what we're going to do to make lemonade out of lemons on this energy crisis. And it's an awfully good thing.

It's a very comforting thing for me, being the chairman of the Intelligence Committee in the Senate and basically a senior member of the Ag Committee over on the Senate side, to know that I have a long-time friend, very dear friend, and somebody who thinks, well not exactly like I do but at any rate I think probably on 100 issues it's about 98 out of 100. And we don't even have to communicate personally. Our staff does that. We have a marvelous partnership.

So Jerry, I want to thank you for doing such a tremendous job.

Mr. Secretary, when I suggested to you when you came to my office to pay me a courtesy call prior to your confirmation and I suggested that you take time to go to as many commodity regions that you possibly could and sit on the wagon tongue and do what we always should do more of, and listen. And you took that suggestion, and you've been to 14 different regions. How you do that with all the rest of your duties in Washington is a little bit beyond me.

But Jerry of course now tours the First District as I used to do, as K. Sebelius used to do, as Bob Dole used to do -- so it's a real tradition. And we've always found that there is no substitute for personal contact. And I'm very happy to welcome everybody here. Thank you for coming out and taking time out of your very valuable schedule to come and listen to a man who I think is eminently qualified to be Secretary of Ag.

I like him because of about three different reasons. I like him anyway, but first of all when he came in to see me I said, why do you want to do this? He says, I really want to be Secretary of Agriculture, I have a passion for this. If I can make a difference -- everybody comes to Washington for different reasons, but if you can make a difference that's really why you're there. And he says, I think I can make a difference in behalf of farmers. And so I said, Gee, here's a guy that really wants to be Secretary of Agriculture. I checked his pulse, I checked his forehead and everything, but he really has a passion for the job.

Second, he's been a governor, a governor of Nebraska. He understands high-risk agriculture. He understands high plains agriculture. He understands our problems.

Third, he's a straight-shooter. Now you may not agree with everything he says, but he knows what he's talking about in terms of production agriculture. It's been awhile since we've -- well I'm not going to get into that. But he knows production agriculture, and he is a straight-shooter. So there is a new sheriff in regards to farm country, in regards to being a secretary, that cares about production agriculture, that will go to the Doha Round in Hong Kong and defend us and be a champion and mount the parapets and wave the flag and fire the first or second or third shot.

Now I can't help it that he is a Big Red fan. I mean he's entitled to that. But other than that I think he is a great secretary. As secretary, the high road of humility has not often bothered by heavy traffic in Washington. But it's a humbling experience for me to hand you the microphone and welcome you to Kansas. Folks, let's give the Secretary a big hand.

[Applause.]

SEC. MIKE JOHANNIS: Well, thank you very much. Thank you. That's very nice of you. Thanks. Geesh. Thank you. Thank you. Thank you. Please.

Well, thank you very much. Gosh. What a nice introduction and what a very warm welcome to Kansas. I appreciate it immensely. You're standing reminds me of a story I often tell. I had just been elected the governor of Nebraska a few years back but I hadn't been sworn in yet. I was right in that period of time there before election and inauguration. And I was invited to go give a speech in Kearney, Nebraska. And so my wife Stephanie and I drove out to Kearney and we get there and same sort of thing -- very nice introduction. And as I'm making my way to the podium, everybody stood up and applauded.

And I said, Gee, that's really very nice of you but I haven't done anything yet. And somebody in back yelled out, And when you do we won't be standing! So.

[Laughter.]

So I do appreciate being here with Senator Roberts. I will confess to you that the idea for this Farm Bill effort, these Farm Bill forums, actually really started with two people. First with Senator Roberts. He said when I went to his office -- and we hit it off immediately. The Senator is really one of my closest friends in the Senate -- He said, Mike, I really think to be a successful secretary you need to get out and sit on the wagon tongue and listen to farmers and ranchers. And so kind of quietly and privately we've referred to this as the Pat Roberts Wagon Tongue Tour. So Senator, thanks for that great idea.

And Jerry Moran, just a tremendously respected member of the House, but when

it comes to ag issues I can guarantee you that his colleagues go to him and seek his advice. And he's been just a tremendous supporter in so many areas, but again what a great guy to work with.

To those who led us in the Pledge of Allegiance and the singer for the National Anthem, we appreciate that immensely. As you will see when we kick off the Farm Bill Forum today, we will start with somebody from FFA and 4-H. We've done that around the country. I was in 4-H and FFA when I grew up on that dairy farm. And so part of what we're thinking about here is, how do we craft farm policy that does exactly what the congressman was referring to? And that is, provide an opportunity for young people to get involved in production agriculture -- farmer or rancher.

And so that's what we've been thinking about, and so we'll start the Farm Bill Forum with somebody from the 4-H and the FFA.

Mention is often made that I grew up on a dairy farm. It was actually not in Nebraska. I went to Nebraska in 1971 fresh out of college. I grew up on a dairy farm in North Central Iowa. Now you're probably sitting there with your forehead wrinkled thinking, well where in North Central Iowa? I'll tell you it was near a little community called Osage, Iowa. And your foreheads are still wrinkled. You're thinking, well where is Osage, Iowa? So I'll clear that up. I don't want you thinking about that while we're talking about some very important issues here. Osage is south of Stacyville and St. Ansgar and it's straight east of Manly. So now you know where Osage is at.

[Laughter.]

I tell people my father John had three sons, and his notion of building character in his sons was, he would hand us a pitchfork and we would be sent to the hog house or the barn or the chicken house, and you know we'd stand knee-deep in you know what, and we'd pitch away. And that was his idea of building character in his sons. Now I've done a lot of things in politics throughout my life. Little did John know he was preparing me for that life. Right?

[Laughter.]

But it's good to be here. I wanted to talk just a moment about a couple of things. And then ladies and gentlemen what I'm really going to do during this forum is sit back. This is your opportunity, and the more I talk to you the less opportunity you have to talk to us. And so my whole idea here is to offer a few thoughts at the beginning. We want you to talk, to step up to the microphone, and then I'll do maybe a few-minute wrap-up at the end of the session.

So that's kind of the idea here.

First thing I wanted to just mention to you, of course you can't pick up a newspaper, turn on the TV, turn on the radio without reports about Hurricane Katrina,

and it was a massive storm. You know the statistics are coming in about the wave surge and the wind and the damage, and by any measure this is historic. This is something that, quite honestly and hopefully you'll only see once in your lifetime, it did a massive amount of damage.

From the standpoint of American agriculture, we played a very significant role relative to Katrina. We were positioning food supplies and people literally before it made landfall. But we've provided about \$179 million worth of emergency assistance already to producers, \$50 million in food assistance. We moved over 300 truckloads of food. When you see those shelters and the food that is being provided to those people now, I can almost guarantee you, that came out of the USDA.

We have identified about 30,000 housing units. Kansas, but all across the United States, where if people need a place to relocate we're going to put them to the top of the list and make that available. We have about 3,500 employees down there that are doing a variety of things, everything from damage assessment to instant command management. So a lot of different things going on around there.

Now if I might just identify the purpose for these forums. 2007 we do a new Farm Bill, and we kick this off -- some said, gosh, this seems awfully early for 2007. If you think about it, not really. We wanted to do pretty well a nationwide tour with these Farm Bill forums. That was going to take most of this year. You get into 2006, and with the busy schedule of the Senate and the House and fitting in Farm Bill discussion in hearings, and they'll want to do some field hearings, that pretty well is going to chew up 2006.

Well, you come back first part of 2007 you better be ready to put a Farm Bill forward because you've got to give some signal to your producers and the credit community, etcetera, as to what that Farm Bill is going to look like. So it's not something that you can take eight months of 2007 probably to get it done. You really need to be getting it done in the first part.

So we kicked this off with the notion that we wanted to hear from a lot of people. Now I will share with you, there is a friend of yours in the White House who is also very responsible for me coming out and doing these forums. When he first talked to me he said, Mike, I want you to be the kind of secretary that goes across the country and talks to farmers and ranchers. And so I brought greetings today from a good friend of Kansas, the President of the United States.

PRES. GEORGE W. BUSH: "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.

“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 producers. And we must promote cutting-edge agricultural products and research.

“Finally, we must ensure 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 toward meeting these goals. I thank you for all you do for our country, and thank you for listening.”

[End of videotape.]

SEC. JOHANNNS: Your President, ladies and gentlemen. Yes. Round of applause is always appropriate for the President.

[Applause.]

Today we are going to ask you to focus on six areas. But quite honestly we don't really enforce that too dramatically. But we'd ask you to keep these ideas or categories in mind as you offer your testimony.

The first, challenges for new farmers. What unintended consequences have occurred because of the Farm Bill, and what impact has that had on young farmers getting involved in agriculture?

The second area is competitiveness; 27 percent of receipts come from a foreign marketplace. Stated another way, 95 percent of the world's population does not live in the United States; it lives outside of the United States. Our productivity is growing about 2 percent a year in agriculture while our consumption and population grows less than a

percent. We are literally at a point where we produce more than we consume today, not even recognizing the impact of that productivity growth in the future.

The third question relates to the program benefits. Are they being distributed fairly across the United States? This has created a tremendous amount of discussion across the country, all about payment limits and those kinds of things. But the question is, are we distributing benefits appropriately?

Fourth area, conservation. How are we doing in the conservation area? Do you like the programs? Is there something you'd like to see different?

The fifth area is Rural Economic Development programs. We've heard a lot about this.

Then the final question is, Are we getting the job done in terms of new products and research?

As I said, ladies and gentlemen, at this point I put the microphone down. I take a lot of notes and I listen to you. It's your Farm Bill forum. And thank you so very much for being here. And again, thank you to your congressman and to your United States senator. God bless you all.

[Applause.]

MODERATOR: All right, thank you. I see many faces in the crowd and a lot of people who need introduction. We don't have a lot of time for that. There is one we are going to recognize. Here representing the Kansas Department of Agriculture in the state of Kansas, Secretary of Agriculture Adrian Polansky.

[Applause.]

I think the key thing to remember is what all three gentlemen, especially Secretary Johanns, said. Remember this is a Farm Bill listening forum. The key word is listening. And we have two microphones that are set up, one on either side. They're close to the front here.

And by the way, if you don't have a seat we still have seats out front. They always seem to fill up last. But we have a microphone on each side. We have some rules. When it comes to how long you can speak today I think Secretary Johanns said you're not limited to just responding to those six areas that he addressed, but maximum time is 2 minutes per person.

I want to draw your attention to the lights over here. There's a green one, a yellow one and a red one. For the first minute and a half you're going to have a green one. For the last 30 seconds you're going to have a yellow one, and when you hit the red one there's going to be someone who will come and make you stop talking. Not me. It will

be somebody else. Bigger. Much bigger.

But at any rate, those are the rules-- 2 minutes.

If you do not want to ask a question today in person but you still want to get that question into the USDA, go to their website -- USDA.GOV. You can post comments there. If you have specific questions about the current farm program we've got a lot of the state Farm Service Agency people here. I know there are NRCS people here, Rural Development people here. My goodness. And they'll be scattered all the way around the back of the room. So they'll help you answer your question.

The forum, by the way, is being recorded and transcribed to ensure that all the comments are documented and considered. And we do ask, we have to say this, that you be civil in your behavior at the microphone today. We know you will be, but we had to say it anyway.

MODERATOR: When you make your comments today, we ask that you state your name, the city that you are from or the county that you are from and your involvement in agriculture-- in other words, your connection to the Farm Bill.

With that, we will begin. Let's begin with the young lady over at that microphone.

MS. KAITLIN CROW: Okay. I'm Kaitlin Crow, and I'm originally from Cowley County. I'm addressing the issue of youth being involved in production ag. After talking to several of my fellow officers, we came up with the idea of something comparable to Senator Brownback's Homestead Act proposal. In addition to the medical and education assistance available for those students who major in areas of education or medical things, our addition is to provide additional scholarship funds for people who go on to college and major in agricultural areas.

We believe this is going to simply strengthen our agricultural students and hopefully if they do decide to go back to production ag they'll have something to fall back on if by chance their production agricultural system does not succeed in the end. Thank you.

MODERATOR: Thank you. Let's go to the microphone over here.

MR. JESS LUTFER (sp): My name is Jess Lutfer. I'm from Hodgeman County and Hanston, Kansas. I'm supposed to talk about how the agriculture education program in my high school has affected me and my career decisions. If it wasn't for the ag ed program at Hanston, I wouldn't be here before you today. It's impacted me that much. I took all the classes that were available to me at Hanston including animal science and plant science and welding and all the shop classes.

And these really, the field trips and the animal science -- that was my favorite class -- really got me. I mean I don't know what they -- they made me decide what I wanted to do when I get out of school. And I want to ranch or raise cattle or something. And it helped me a lot in that kind of thing.

And I feel bad for the younger generation at Hanston because they won't get to experience the ag ed program as I did because this is the last year for it.

And I feel all students should have a chance to enroll in an agriculture education program so they can realize their interests might be in agriculture too, and that they might want to come back and be involved in the production side.

And I may not -- I'm just a kid you know, and I may not know a whole lot, but I know the world cannot live without agriculture. And we need to let that be known through education.

MODERATOR: Thank you, young man. I think you know a lot. Nice to see the blue jackets here for our program today. We're going to alternate one mike and then we'll go to the other mike and back here. And Mr. Secretary, we already have long lines at the mike, so we're going to move through this quickly. Let's go over here.

MR. TOM GIEISSEL: Good morning. Welcome, Secretary Johanns, Senator Roberts, Representative Moran. My name is Tom Giessel from Pawnee County. I'm president of Pawnee County Farmers Union and representing Kansas Farmers Union.

I'd briefly like to discuss two issues -- global trade and the price of commodities, and then close with four suggestions.

First global trade and what it means to people. Farmers in my opinion have been duped by their own government and elected officials, the media publications bought and paid for, research at our educational institutions that is funded by private, self-serving corporate interests, and yes even some organizations who supposedly represent farmers in rural America.

The hype has been, we live in a global market. Well, farmers are not players in the global market. We are pawns. Farmers sell very local to the depots, the conglomerates and monopolies. They are not actually multinational conglomerates for they have no allegiance to any nation. In a sense in fact they have their own government called the WTO. They are nothing short of modern day pirates in \$1,600 suits roaming the globe in their jet planes in search of yet another victim.

These thugs are nearly out of reach of any government or law. They ruthlessly use trade agreements to provide unrestricted access to the world's resources, both natural and human, and they loot, rape and plunder.

Secondly, price. To say that \$3.00 wheat and \$1.80 corn is shameful may be the understatement of the day. The sad fact is, we legislated these prices with the 1996 Farm Bill Freedom to Farm. In February of 1996 cash wheat from South Central Kansas was \$5.30 and corn was \$3.80. A couple of weeks ago we witnessed a natural disaster that resulted in a loss of hundreds of billions of dollars and shattered lives -- an act of God. Freedom to Farm has accomplished much the same; it just took a few years instead of a few hours. And Freedom to Farm was manmade and self-inflicted.

Now for solutions to farm policy --

MODERATOR: Tom, you got to wrap it up. You've got five seconds if you can wrap it up.

MR. GIESEL: I'll just list my four points. I think we need to eliminate marketing loans and reinstate nonrecourse loans. Cost of production -- profit. And return to a production setaside with payments based on conservation. Have a farmer-owned reserve because there's less than a pound of reserve. And strict enforcement of antitrust

laws. Thank you.

MODERATOR: We got to cut it off there. Thank you, Tom.

Let's go to the young man over here.

MR. TYLER RAYL: All right. First off, good morning and thank you for giving me this opportunity to speak in front of you. My name is Tyler Rayl. I'm president of the local Buhler FFA chapter and president of Reno County 4-H Council.

Upon being asked the question about how to retain young farmers, I started to research the needs of some of my peers who are currently going through the process of starting up new operations. The first conceptive change is a way to transfer land to family or nonfamily members who are interested in sustaining the farmland. This process needs to be complete before the death of the owner, and without having to sell the property.

By doing this, family farms can be passed down the generations without each generation having to repurchase the land.

If there are no descendants or none are interested in the land, the land may be passed to nonfamily members interested in farming.

Another way is to help implement better loan rates for new farmers looking to buy land and equipment.

Also the federal loan application could be shortened to make the process less stressful for future applicants.

I would like to encourage you to continue supporting agriculture education programs like 4-H and FFA. This would help educate and encourage the next generation to become active in production agriculture.

Last, big corporations are taking over the industry. Small farmers need more benefits or better opportunities to keep their operations going. With land prices the way they are, new farmers and small farmers are restricted on the growth of their farms. Thank you for your time in listening to what I have to say. I hope you take account of these aspects when writing the next Farm Bill.

MODERATOR: Excellent. Thank you, young man.

[Applause.]

He wore his tie today. I want to draw your attention again to the three lights. We hit the red, I'm going to give you a very short period of time to wrap up your comments. If you don't, we'll have to cut you off at that point. You've got green for a minute and a

half, yellow for 30 seconds, and the red means stop.

Let's go to the other mike and the shortest person so far to speak today.

MS. RUTH ANN FRENCH HODGSON (sp): Good morning. My name is Ruth Ann French Hodgson. I'm from Partridge, Kansas. I grew up on a small family farm in that area here in Reno County. Dear Secretary Johanns, thank you -- I guess I'm also reading testimony on behalf of the Kansas Rural Center.

Thank you for allowing the Kansas Rural Center an opportunity to provide testimony for the upcoming Farm Bill. We have been active on the issues concerning sustainable agriculture and supportive of family farms in rural communities for 25 years. We have 12 staff members and our office is located in Whiting, Kansas.

I want to emphasize a couple issues today. One concerns the Farm Bill and the structure of cuts that will be implemented to comply with decreased appropriations. Here are two statements recently drafted by our board of directors.

As a long-term goal, the board supports a transition of farm support payments from commodities to conservation and enhanced rural development. We understand this should be undertaken gradually with increasingly less reliance on commodity payments. The board supports lowering commodity payment limitations and closing loopholes.

A second issue that's become of increasing interest to Kansans is rural development, and more specifically wind energy. What will be the structure of development of this newfound resource? Will there be thousands or hundreds of thousands of Kansans who own a piece of this action similar to our early agricultural development, or will we skip widespread rural possibility and go right to a structure similar to the present agricultural economy where our resources are harvested as cheaply as possible, exported elsewhere where the profits also head elsewhere as returned to far-flung investors.

There's room for both kinds of development in this state, but the role of government is to ensure widespread prosperity for our citizens. There's our position.

Farm Bill support should take the form of gradual shift to payments based on conservation practices and not commodities. USDA programs should increasingly focus on rural development, especially those which bring about widespread prosperity, not concentration. Thank you.

MODERATOR: Thank you. Let's go to the other mike now. Where are you from? What's your name?

MR. GORDON SCHMIDT (sp): I want to say hello to these people. I know about everybody. Gordon Schmidt, and I'm from close by. Buhler, Kansas. And I want to say a special welcome to Mike Johanns from Nebraska originally? I thought so. We're cutting our last field of corn as we speak-- close to Nebraska, by McPherson. And

Senator Roberts and our good representative over there, Mr. Moran, thank you.

Just some general comments. Number one, I'm a big supporter of the bottom line. And I see that as the most threatening to our farmers across the nation. Not so much that we can't control nature, but we're going to have to figure out a way for next year. I look at our farm to not even quite break even. And so I will leave this. I wrote a whole deal -- years ago I just dug it up. Had a bad accident, so I wiped out a lot of things. But I will leave this for you.

And basically we need to look at cost of production. And with the rise of fertilizer and all those costs, you know it's going to be interesting how we're going to do all this. I should too, I'll be willing to help if I can. I know most of you and no problem. And Dan Glickman was a good friend of mine, is a good friend of mine.

So anyway, I'm just saying, we basically need to look at how we're going to help young and old efficient people make a go of it and how we control all of these angles. So I'll be glad to leave this. And I'm supposed to go back to the combine now.

And thank you so much for being here. And if I can be of help, I'd like to. Thank you.

MODERATOR: Thank you. Good luck with your fall harvest.

Bill Fuller, if you'd just hand the information you have to State Farm Service Agency Director Bill Fuller back there. Bill, if you could grab that and just hang on to it? If you do have written material, get it to Bill or any of the State Farm Service Agency staff and they'll see to it the Secretary and the USDA gets that information.

Let's go to the other mike over here.

MR. JERRY MCREYNOLDS: Thank you. Mr. Secretary, welcome to Kansas. I'm Jerry McReynolds, a wheat producer and cattle producer from Northwest Central Kansas and also president of the Kansas Association of Wheat Growers. We are in crisis as you are aware. Food is in crisis. Because of this as has been spoken earlier, our next generation of farmers in rural communities are really in jeopardy. We run the risk of going down the same path the oil industry has fallen into, and we could be held hostage.

We simply cannot and we must not go down that same path with our nation's food supply. Our biggest challenge today, we have many, but it's the energy, the drastic rise in energy costs. These costs are cutting away at profitability and survivability of Kansas farms.

Regulations are having a severe impact on Kansas food production. The average farmer in Kansas will spend or has spent \$9,500 on fuel in 2006, projected \$20,000 or thereabouts, 110 percent increase. This is critical.

Our suggestion is an inflation factor or an index that would modify some of this and use based on global cost of petroleum and steel that would be very beneficial.

After six years of drought in our part of the world, we strongly focus on crop insurance, and that needs to be a very simplified, less-bureaucracy, and a risk-management tool that we can manage and deal with.

Thank you for your time.

MODERATOR: Thank you, Jerry.

Let's go to the other mike over here.

MR. GARY FEIST: I'm Gary Feist, a cotton producer and gin manager from Anthony, Kansas. I also represent the Kansas Cotton Association.

Thank you, Mr. Secretary and Congressman and Senator for hosting this Farm Bill Forum. As you know, the Farm Bill includes limitations for each element of the program with payment limits being applied cumulatively to all program crops on the farm. In addition we have adjusted gross means test that denies eligibility to participants and says substantial nonfarm income. Importantly no producer is eligible for more benefits than the farm unit is entitled.

Proponents of lower limitations argue that big farmers receive a majority of the benefits. However, it's important to remember that the 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 capture farm program benefits. USDA, ERS study concluded that program benefits have not contributed to the increase in farm size. Additionally, changes in limitations will likely result in a shift in production to other crops. The payment limitation commission concluded that limitations affect cotton and rice farmers disproportionately compared to feed grain, oilseed and wheat farmers.

Finally, changes in eligibility rules force changes in rental contracts with the possible consequences of forcing landlords to cash-rent rather than share-rent land. This change would adversely affect beginning farmers and small operators who are normally unable to obtain production financing on cash-rent operations.

In closing I would like to reiterate that agriculture in Kansas would be harmed by more restrictive payment limits. Analysis by the commission indicated that tighter limits are in contract payments under the '96 Farm Bill would have taken \$53 million from Kansas farmers. If we are concerned about our competitiveness in the global market, then tighter payment limits only lessens that competitiveness by restricting operations to the size that's smaller than is economically efficient. My Secretary, thank you for the consideration of my statement.

MODERATOR: Thank you. He hit it right at the red light. Let's go to the other mike, and Secretary of Agriculture for the great state of Kansas, Adrian Polansky.

MR. ADRIAN POLANSKY: Good morning. I am Adrian Polansky, Kansas Secretary of Agriculture, and Republic County farmer. New farm policy should encourage a new generation to become farmers. This is important to me as an advocate for Kansas agriculture, a farmer, a father whose 26-year-old son is facing the problems and promises of a future in farming with his wife and their 9-month-old son, my first grandchild.

Some think the last Farm Bill safety net led to increased land prices which in turn have had the unintended consequence of making it more difficult for young people to enter production agriculture. I disagree.

We need to remember the lessons of the 1980s when farm income and land values decreased, bankrupting many young farmers. Lower land values did not encourage young people to enter farming. Instead many lost an opportunity for a future in farming. The United States must maintain and enhance the integrity of the farm safety net if new farmers are to enter the business. A decrease in the safety net would result in lower farm income and lower cropland values.

K-State Economists report approximately 40 percent of Kansas cropland value is based on farm payments. If cropland values fell significantly, most family farmers would be economically devastated, especially the younger ones, the ones usually most impacted by loss of equity. These young farmers are already facing increased fuel costs, a jump in fertilizer prices and rising interest rates.

Lowering the safety net farm income and cropland values would have consequences of the worst kind. We should look for ways we can directly help a new generation transition into farming. Here are three of many.

One, provide a tax benefit to landowners as an incentive to sell to younger farmers.

Two, streamline and enhance FSA's Beginning Farmer finance program.

Three, allowing beginning farmers equal crop insurance risk protection. New farmers are the future, and providing for a new generation of farmers is a necessity, not an option.

Thank you, Secretary Johanns, for coming to the Kansas State Fair and taking the time to listen to Kansans' opinions about farm policy.

MODERATOR: Thank you, Adrian. How many hundreds of people do you figure you've heard testimony from so far?

SEC. JOHANNNS: Many hundreds. We've been all over the country. I think by the end of the week I'll have done 14 of these myself. And we've had under secretaries and deputies out there. So a lot.

MODERATOR: I have to ask you this. Does your wife consider you to be a good listener?

SEC. JOHANNNS: That's a great question. You should ask her that.

MODERATOR: Would I like the answer? That's the question, Mr. Secretary. Let's go to this mike over here.

MR. RICHARD BROWN: Good morning, Mr. Secretary. My name is Richard Brown. I am president of Krause Corporation based here in Hutchinson, Kansas. We are a maker of farm tillage products. In addition, I am vice chairman of agriculture for our trade association, AEM, which includes companies such as John Deere, C&H, CAT, Agco, and 600 to 700 more. I propose the following for the '07 Farm Bill or actions sooner if appropriate.

As America continues to export jobs, including in the agricultural sector, we face competition from countries like Brazil who have exploited inexpensive land to supersede us in, for instance, soybean production. U.S. agriculture has been based historically on innovation and efficiency, and I believe we should exploit this. As part of the "green component" of the '07 Farm Bill or possibly sooner, I request that we reinstate for farmers the previously-used 10 percent investment tax credit along with reupping the accelerated depreciation for farm equipment, farm structures, and farm processes improvements, thus allowing us to outperform our global competition and hopefully keep additional jobs in America and offset some of this hydrocarbon expense.

And we believe that these jobs would be much better than flipping hamburgers, which are hopefully made from our excellent Kansas beef. Thank you.

MODERATOR: Thank you, sir.

[Applause.]

MODERATOR: Well, we're certainly getting a cross-section of comments here this morning, and it's going to continue for more than the next two hours. Let's go to the other microphone. Your name and where you're from, sir?

MR. KIM BARNES (sp): My name is Kim Barnes. I'm from Pawnee County, Larned, Kansas. I'm a second generation cooperative employee family, and I also am with Economic Development there in Pawnee County. Larned was the birthplace of farm credit. In 1916 A.L. Stockwell received the very first farm credit loan. Wichita Bank for Cooperatives was also one of the first 12 banks that were established across the nation.

As a coop employee, coop family member, we have for the last 50 years relied upon Co bank for our long-term, short-term financing which is a part of the Farm Bill.

I've also been a mayor, a council member, the school board president. So I almost used all 10 parts of the entitlements.

In Pawnee County our school districts, we have over 50 percent of our students that are free and reduced lunches. We keep talking about getting young farmers becoming profitable. I have friends that are 45 and 50 years old that are going to leave farming in the next two years because they still have equity in their farms. It's because they're not making a profit. They can't stay. They want to get out while they still can so they don't retire with nothing. We must continue the farm credit system. We must continue funding it so the young farmers will be able to farm for the future.

As I left town this morning the price of gas -- and I've been following all of the different groups you've had. You started out at \$2.45 a gallon, you've gone to \$2.75 a gallon. When I left, filled up over the weekend I spent \$2.99. That's 100 percent or 1000 percent increase from 2002. Gasoline was \$1.34. Diesel has also done the same thing. Our farmers in rural America need to have reduced prices and profitability or my job will not be there. I'm the last in the second generation. My kids will not be coop employees because of consequences from the past.

Thank you for coming to Kansas.

MODERATOR: Thank you for your comments.

[Applause.]

MODERATOR: By the way, our program today being held in Dillon Hall which is in the 4-H Encampment Building here on the fairgrounds. This building is almost new, completed just a few years ago, and a wonderful facility it is. I did see Denny Steckline here earlier, state fair manager, and certainly they do a wonderful job with the fairgrounds and this building. And it's wonderful to be here today.

Let's go to the other microphone. Your name and where you're from, sir?

MR. JIM RAMARIS (sp): I'm Jim Ramaris. I'm the former mayor for the city of Arkansas City. And I'm also the assistant executive director for Midcap, a community action program. Welcome, Secretary and Senators and Congressmen.

I'm here to speak about a success story with USDA Rural Development. I think as anybody, as a local elected official or even state and federal -- and I think you know of all the different types of responsibilities added on to your task. When you start looking across cities across the nation, whether small or large, you start seeing some of the blights in your communities, which become prehistoric dinosaurs. Because the assistant of USDA of Rural Development, we were actually had an opportunity to take an old what

we call prehistoric dinosaur into a really nice equitable type building. And it became our new community action program agency.

Community action agencies -- they started nationwide in 1964, called Equal Opportunity Act signed by President Johnson. Because we have good bipartisan support on both sides of the aisles we remain pretty stable. What we're finding is that, I don't know if a lot of folks know that municipalities of 20,000 or less have the opportunity, but it goes along with the saying when we talk about what we implement, which we call ROMA, which stands for Results Oriented Management Accountability. I think everybody knows that's been in those positions when you're elected, there are those type of accountability structures in place.

We found out we did have an opportunity to utilize those because of the interest rates and everything else where we had to go out and do the accountability and make sure we could get interest rates more affordable, in line with us. So with that I want to say thanks for USDA for allowing just that opportunity to do that and as this gentleman talked about we're expanding even the Barton Pawnee rice county, but we're going to need the two gentlemen over here on the other side to help us with that because we have a serious problem with farmers likewise, and we're going to have to come to those facilities.

MODERATOR: Thank you, Jim.

[Applause.]

MODERATOR: Absolutely. They say the greatest fear most people have is to get up in front of a microphone and speak. I don't think we have a scared person in this building today. Let's go to this microphone over here.

MR. RICHARD RODAWALL (sp): Good morning, Senator Roberts and Secretary of Agriculture. My name is Richard Rodawall. I'm from Eastern Douglas County. Both sides of my family were in Kansas before Kansas became a state. The glacier ended right on both farms, so the one from the northeast.

My subject today is CP31 Riparian along the streams and hardwood trees. Now we've got, Kansas was given an allotment of 24,000 acres, and yet you can count on both hands the number of people that have signed up for that program, primarily because trees are extremely difficult to grow. They take a lot of time. The big farmers, landowners do not want it. There's two things need to be changed to make this program successful, to change the crop history from 1990 through 2005. That would help a lot of people. The second one is that the NRCS go out and look at the land, determine the land that can be put into the riparian, and that land -- and they be required to put that land in some trees under a program and be successful in order to get government money.

Now I've already got 80 acres. If I put another 20 in I'll have 100 acres. This land will take in 8 years or something like that will take from 2 to 3 tons of carbon dioxide out

of the atmosphere, so that's at least 200 to 300 ton from my farm alone of carbon dioxide taken out of the atmosphere. There's a lot of other good reasons, you know. And they're all listed under that CP31.

One of the best reasons, it will be beyond me, that this will produce a great crop of hardwood, veneer and saw logs. Thank you. I appreciate your help on this so we can plant more trees and so I can plant more trees. My time is short. I need to do it now.

MODERATOR: Richard, thank you.

[Applause.]

Let's go to the other microphone.

MR. VIC MCCLUNG (sp): Good morning. My name is Vic McClung from Cowley County. I have not spoken with your wife, Mr. Secretary, but I hear you are a good listener, and I'm glad you've chosen the Kansas State Fair as one of those opportunities.

The Department of Agriculture is not just for farmers, anymore than the Department of Education is just for teachers or the Department of Defense is for the military. The Department of Agriculture is to help ensure a safe, consistent and reliable supply of food and fiber for all Americans and beyond. In order to do this, ag policy must foster the survivability of all the components of the industry.

In my opinion the infrastructure is best provided for by a single word -- profit. In our operation, which is a partnership between myself and my brother, the price support part of ag policy has been very instrumental in our ability to continue to raise crops and livestock the way the American people want us to do. If we are to remain profitable, then target prices should not be lowered, payments limitations should be reduced as it takes a certain critical mass for a farm family to supply for the needs of their family.

Additionally certificate redemption should continue to be a part of loan repayment for producers who use the loan as an individual or part of a marketing tool. If agriculture is to remain profitable and farm policy can play a large part in that, if we are to remain profitable we will solve several problems such as who will be the next generation of producers, rural community survival and product development and research issues.

We also must have very green farm bill in my opinion because that brings to the table the nonproducer taxpayer and keeps them in partnership with us as producers.

FSA is a very good delivery system for these programs, and most of us have a great relationship with the FSA offices.

In closing, to be clear I believe ag policy should not be decreased in assistance to farmers, nor should the delivery system be changed. Thank you again, Secretary, for

being here.

MODERATOR: Than you, sir.

[Applause.]

MODERATOR: Absolutely. Give him applause. And we are going to at this time wrap up our live broadcast portion of the program today. We wish we could have carried all three hours on the Kansas Agriculture Network. We simply did not have the time to do that. But as we end the live broadcast portion, those of you who are with the microphones now don't go anywhere. We're going to continue with this program. But I want to remind our radio audience that if you are not able to be here today and you're listening to us on the air and you feel very strongly about some of the comments that have been made here or you'd like to make some comments of your own, the USDA has a wonderful website, USDA.GOV. You can post comments there, and Mr. Secretary I believe you can also read transcripts of some of the Farm Bill listening sessions.

So we urge you to go to the website and take advantage of that. Our Farm Bill listening session here at the Kansas State Fair will last for about another two hours, but we're going to end our broadcast now. We will send it back to the studio and Greg Akagi. Greg?

And we will continue with our program now, our Farm Bill listening session. We go to this microphone. Sir, your name and where you're from?

MR. DARELL LARSEN (sp): Hello. My name is Darell Larsen. I'm a farmer and rancher from McPherson County.

I'm going to risk having these three gentlemen turn their ears off to me. I'm going to be painfully honest here. I respect all three of them as people, as human beings, but I have very little respect right now for some of the decisions they've made and the things they've said the last several months.

CAFTA is an extreme disappointment to the producers of this country because we cannot sell product to countries that don't have the money to pay for it, and it has definitely not been proven that they have money down there to pay for our products. So it's not going to do the farmer any good. It's going to benefit the big corporations like it's always done.

Payment limitations. The farm programs were originally designed to keep producers on the land. And no matter what some of these other people say, these excessive payments are helping to increase the size of farmers and driving farmers off the land. It does that, it sends them into the cities where the corporations have sent the jobs overseas, and there's no jobs for us there.

So we have to have limitations so that we keep numbers on the farm, not making

them bigger.

I'm going to go a little bit into welfare right now. USDA is part of that program. Both the Republicans and the Democrats have done a good job blaming everybody for the mess that's going on with the welfare system. It's time for them to start working together to correct this. Provide jobs for people that will work or so they can work if they will work, and if they won't then shut them off.

Border control. We have to start controlling our borders, both for illegal immigrants and stuff that we don't need to import into this country just because it puts money in the big corporations' pockets.

Thank you.

MODERATOR: Yeah. Thank you, Daryl. Have to wrap that one up.

[Applause.]

A lot of people waiting at the microphones. Let's go to this one.

MR. KEITH TOLES (sp): Mr. Secretary, Senator, Congressman, my name is Keith Toles, and I'm a sorghum, wheat and soybean producer in Cowley County. Thank you for taking the time to meet with the local agriculture producers in our state about the Farm Bill.

The current Farm Bill and its immediate predecessor have slowed the economic decline in production agriculture and have helped to stabilize the rural economies in many areas. Now is not the time to abandon the efforts to keep production agriculture viable with wholesale (audio break) --

It would be poor policy to kill this economic engine by slashing at the meager bottom line of producers. The best way to keep production agriculture healthy in my opinion is with sound trade deals that don't treat ag products as bartering chips to gain concessions in other areas of the trade deals. It seems that agriculture is always the last consideration and the first to give concessions. We must have a fair and equitable hearing in all trade negotiations.

I'd also like to commend the FSA offices in their diligent and efficient administration of farm programs. Without their help this maze of bureaucratic paperwork would be untenable. I feel it would be a mistake to make drastic cuts in the local offices and personnel.

Again, thank you for coming, and I hope you enjoy your visit.

MODERATOR: Thank you.

[Applause.]

Over here.

MR. RON SUPPES: Good morning. I'm hoping that the senator had somewhere to go and it was not something I was going to say. Secretary, Congressman, my name is Ron Suppes. I'm a producer from Western Kansas. I'm a wheat commissioner and a member of the Kansas Association of Wheat Growers, along with being secretary for U.S. Wheat Associates.

I'd like to address item number two, which has to do with marketing. The U.S. marketing system has always been the most efficient in the world. We encourage further improvements to our transportation system and all infrastructures to ensure that we stay the most efficient. Our rail system, especially in Western Kansas, is in dire need of improvement. It seems as though we're always having a shortage of rail cars when we're needing them the most.

We strongly urge continuation of trade agreements and reduction of trade barriers. Our Kansas economy is heavily dependent on wheat exports; therefore, we support expanding market development program funding such as the Market Access Foreign Market Development Programs. Thank you.

MODERATOR: Thank you.

[Applause.]

MODERATOR: By the way, and I think Mr. Secretary and possibly Congressman Moran know this-- the Port of New Orleans is going to reopen I believe tomorrow, and some of the supplies they're going to deal with initially are needed down there simply because of the crisis, but certainly good news. And I guess the elevator is fairly well down there as well. So hopefully we'll have that all-important port back up and operating before our fall harvest begins in earnest, or regardless of where we want to export commodities to, we may not be able to do it very well.

Let's go to this microphone. Jim French.

MR. JIM FRENCH: Yes. Secretary Johanns and our members of our congressional delegation, welcome to Kansas. Thank you so much for coming to Kansas for our Farm Bill listening session. I farm and ranch here in Reno County, good rural policy will require the consideration of all stakeholders, and all of us whether rural or urban eat and benefit from the bounty of our land.

In the next Farm Bill I wish to see a serious effort to transition our safety net programs -- and we need our safety net programs -- away from commodity production of a very narrow range of crops. Instead, a more sound investment of public dollars would move farm supports into the conservation title. Those funds remain more stable and are

more likely to be invested in areas that can have widespread benefits to all our taxpayers - clean air and water, healthy soil, wildlife habitat, carbon sequestration and recreation opportunities. This means that programs like EQIP and CSP become the templates that will eventually replace our current commodity supports.

On the other hand, our current commodity support system fuels overproduction, lower market prices, increased U.S. taxpayer support and damage to both rural communities here and abroad. In short, please support programs that can deliver benefits to more than just a narrow band of special interests.

Secondly, and we need to recognize that a healthy rural America should include opportunities for a broad range of entrepreneurship in both food production and support enterprises. We need those programs to support innovation and new business, programs like the value-added producer grants, sustainable ag, research and education that encourage farmer markets and new cooperative development.

Finally we need a strong and well-funded land grant research and education system, publicly research should be unbiased and in service to the broad interests and needs of our nation. Thank you for giving me the opportunity to speak. I'm a fifth-generation of a Kansas farm family. My children will be the sixth generation, and we hope for the opportunity to continue that tradition. Thank you.

MODERATOR: Thank you. Jim French. By the way, a side note on Jim, Mr. Secretary. He does a radio program with me once a month on 580 radio in Topeka. And he and I had not met each other until we were on a panel about two years ago. Scared the devil out of each other. He didn't know what I looked like, I didn't know what he looked like, we just scared each other. I'm not scared anymore, Jim.

Let's go to the other microphone.

MR. JOHN THAEMERT: Mr. Secretary, my name is John Thaemert. I'm a farmer from Silvan Grove, Kansas, and a banker in Ellsworth, Kansas. I want to thank you for coming to Kansas and, Congressman Moran, Senator Roberts, thank you for making this possible. I speak here on behalf of the National Association of Wheat Growers. I am vice president of the National Association of Wheat Growers and past president of the Kansas Association of Wheat Growers.

I'd like to address point number three of the draft questions of USDA -- How should farm policy be designed to effectively and fairly distribute assistance to producers?

I'd like to first say that let's call this the Food Security Bill. It's not a Farm Bill. There are so many aspects of this that affect everybody in this country and help everybody in this country, and we say Farm Bill it seems to have a negative connotation to our city cousins. So this is a food security bill, so I'd like to suggest that we give it that title.

And I'd also like to say that we keep what works and we change what doesn't work. We like the flexibility. If you want to be fair to everybody, let's have planting flexibility and keep it. That was one of the main benefits of Freedom to Farm. I'd like to see that stay.

We'd also like to suggest a target revenue program as opposed to the countercyclical just-based-on-price-alone so we know with this last Farm Bill we went with price alone. We didn't raise anything because of a drought. The prices went up and we didn't get any payment; we didn't have anything to sell. A target revenue program would fix that. We think it would be more WTO-compliant than what we have currently if we base it off historic prices and historic yields. And add to that some type of cost of input factor, an inflation factor that includes steel and petroleum, two globally accepted inputs across the world.

And I would like to thank you for your time. And hopefully we have a good food security bill coming out of Secretary Johanns. Thank you.

MODERATOR: Thank you. John Thamer.

To the other microphone. Ma'am, where are you from?

MRS. GAYLA MECKLE (sp): I'm from Reno County, Western Reno County. And I'm proud to be here, and the timing couldn't have been more perfect for me at this time in my life. Last October my husband, early in his 50s, passed away. I and him also are fourth generation farmers. We always told everybody we tried to bloom where we were planted. And last week we were getting, and I didn't tell you that we farm wheat and milo and we have a cow-calf operation. And my daughter and I have been handling the cow-calf operation, thankfully for the last three to five years. She's 22 by the way.

And we received a lot of our fertilizer bills from the milo, and I had the stack of fuel bills on the snack bar and I also need to tell you that she became a landowner due to the fact that my husband and I had not prepared a trust, and so the way things happened my daughter is one of my landlords. Interesting. Very.

But anyway, her question to me was, "Mom, I sold my wheat so that I could pay the expenses for the milo, and the taxes are going to come due in December, and what am I supposed to do for that?" And I said, "Hopefully most of the milo which hasn't droughted out, which some of you all don't want to hear, will pay for that." And I said, "Welcome to the world of farming."

And I truly hope that she will be able to take over the farm and be the fifth generation. Thank you.

MODERATOR: Yep. Ma'am, your name? You didn't give your name earlier. Just where you were from.

MS. MECKLE: I'm Gayla Meckle.

MODERATOR: Gayla, we're glad to have you here today.

MS. MECKLE: Thank you.

MODERATOR: I think she pretty adequately described how tough this business is right now. Let's go to the other microphone. Steve Baccus, president of the Kansas Farm Bureau. I'll give them your name and where you're from.

MR. STEVE BACCUS: Thank you, Kelly. You just saved me a little bit of time. Thank you, Mr. Secretary, for coming to the great state of Kansas, number one in wheat production, grain sorghum production, and beef processing. And by the way, I do farm north of here in Ottawa County, have a no-till grain farm.

I want you to understand that the 40,000 farm and rancher members of Kansas Farm Bureau have spent quite a bit of time discussing the upcoming 2007 Farm Bill. And basically they came up with what you've been hearing as you go across the country. They kind of like it, other than some tweaking on the countercyclical payments, and would just as soon see it left well enough alone.

That being said, they are also going through the process at looking at the six questions that you have brought out today. We will be finishing that process in the very near future. When that happens, Kansas Farm Bureau will compile all that information, summarize it, and we'll submit it to you in written form.

What you have not been hearing as you go around the country is about the impact of the skyrocketing fuel and fertilizer prices you're starting to hear about here today. Anhydrous ammonia in my area of Kansas in Ottawa County as of 6:00 p.m. last night had gone from \$200 a ton a few months ago to \$521.88 a ton. Am I supposed to put that kind of input on \$3-a-bushel wheat ground or \$1.75 a bushel corn-ground? There's no way that makes that bottom line work. Somewhere between \$2.25 diesel fuel which it was last night -- it was \$1.40 a year ago -- and the \$500 a ton fertilizer costs, believe me when I tell you and the other speakers here today tell you, we have a problem in farm country. And we have a problem right now. Not next year, not two years from now, right now. And the problem is, this is going to take some of these farmers down with it.

The 2007 -- I'm sorry. I wasn't even watching.

MODERATOR: That's all right. But I want the Secretary to respond. He made some comments earlier outside when he spoke before the media. Clearly this is a situation he's watching. Mr. Secretary, if you want to grab one of the microphones there?

SEC. JOHANNIS: Let me offer a couple of thoughts. Let me just address your first comment, and then I would like to talk to you just very briefly about energy.

As we approach these Farm Bill Forums one of the things we're trying to figure out is, what's the best approach in trying to be very open about the opportunities because we learn a lot from you and from the other people that are testifying. But I find your first statement very, very interesting. You're saying, gosh, we kind of liked this Farm Bill, a little bit of tweaking. And then you go on to describe very, very low prices.

And I'm kind of going, wait a second. Is there a disconnect here? Did I miss some transition in that testimony? Because it seems to me what we should be trying to do is what many people are encouraging about this Farm Bill, and that is look for ways to sustain profitability. And so I just ask you to think about that. I'm not drawing any conclusions, but I ask you to think about that because you started out and I thought you were going to extol the virtues of the Farm Bill and then you described very, very low prices. And I'm going, wait a second. Is this doing what you hoped it would do?

Now on the energy front, four and a half years ago when this President came into office he offered an energy bill, and it got all tied up, not because of this gentleman or the senator, but it got tied up in a whole bunch of things. Finally after four and a half years of debate, it got passed. It really, really should have been passed four and a half years ago.

There are some bright spots in this energy bill. But as he said when he signed it, It is not going to fix this problem in the snap of the fingers or overnight. But if you look at the renewable fuel standard, for example, we go from where we're at today-- we're producing under 4 billion gallons of renewable fuel. It goes to 7.5 billion pretty quickly.

My judgment is, we should be encouraging in the next Farm Bill those programs that lessen our dependence on foreign oil. As I've said so many times, I'd much rather do everything we can to produce our energy needs in the plains of Kansas than in the plains of the oilfields of the Middle East.

And Senator Roberts pointed out some things that, you know this is really an opportunity for us to thoughtfully consider what we're not getting done in terms of energy policy. In terms of agriculture I will tell you that the case I am making is, "Look, there isn't any part of agriculture that isn't affected by high energy prices." It's not just the diesel fuel that runs the tractor or the irrigation motor. It is also the fertilizer that you've just talked about, and your point illustrates this perfectly.

So we're going to do everything we can to try to deal with this, but we've got to be very, very progressive in terms of our energy policy.

The other thing that Senator Roberts mentioned and Congressman Moran may have a thought about this is, there is some discussion about some additional legislation relative to energy policy that might be helpful. And Congressman, I'm not as familiar with that so I'll ask you to offer a thought or two about that.

REP. MORAN: Mr. Secretary, thank you. Energy obviously is the topic of conversation in every farm meeting, 69 Town Hall meetings that became progressively worse. The Secretary has described where we are. I think the congressional response, in addition to the Energy Bill that we just passed, is the desire to pass another Energy Bill. And the point that's been made is, with the crisis that's with us, with the difficult times that everyone faces and particularly in agriculture, we have perhaps now the momentum, the will to get something done.

That Energy Bill I think would address the issues related to permitting environmental rules and regulations related to the production of particularly refined oil into fuel. So it's a -- I was indicating earlier during our meeting with the press that I remember Senator Kassebaum a long time ago telling me that every time we started down the path of developing an energy policy in the United States the price of energy dropped and the momentum diminished.

Unfortunately I don't think we're going to see the price of energy drop, but fortunately maybe that means the momentum to actually overcome all the obstacles that have been put in place on an energy bill -- I voted on an energy bill six times. Only on the sixth time since I've been in the Congress would the Senate not filibuster an Energy Bill. So maybe the difficult circumstances we all face because of the energy sector, is something that actually gets us to developing policies that produce an additional supply and thereby reduce the price.

MODERATOR: All right, thank you. Steve Baccus, I hope that answers your question. It doesn't settle the problem but it answers the question.

MR. BACCUS: Could I have 15 seconds to answer his question?

SEC. JOHANNIS: Yes.

MR. BACCUS: The disconnect that I see is not so much in the praising of the Farm Bill as opposed to the prices. It's a fact that we haven't built a new refinery in this country since the Valero Refinery in Corpus Christi in 1983. And I know your boss is very much in favor of more refineries. We want to offer the support to you and to him. We've got to change those regulations so American business can do the capitalism that it's so well known for. Thank you, sir.

MODERATOR: Thank you, Steve. By the way, next month we're going to -- correct me if I'm wrong, John -- we're going to break ground next month on the eighth ethanol plant in the state of Kansas, a 40 million gallon plant in Phillips County I believe. And just down here near the Morton Building is a guy who's selling corn stoves. I thought I'd throw that in.

[Laughter.]

Let's go to this microphone here.

MR. DAVID MILLER: I'm David L. Miller from here in Reno County. And I was a farmer earlier. No longer. I'm retired now. I have four sons, two of them who are engaged in part-time farming. I think that's a bit indicative.

I wish I were able to offer some good solid suggestions or answers but I think what I have to offer I'd like to think is pertinent to some of the things we're talking about. It's a perspective rather than a lot of solid suggestions. But thank you for giving us this opportunity to share our concerns relative to future farm policy and the welfare of rural communities.

I'm speaking today as the lifelong fourth-generation resident of Reno County. I'm also an elder in the (unclear) Mennonite Church. My community places a high value on rural livelihoods, whether or not they are directly involved in agriculture. Rural America provides the setting where our values can be nurtured and passed on to our children. I'm concerned that some aspects of the present farm program may have unintended consequences of decreasing opportunities for our posterity in rural America.

A second issue involves my membership -- this may sound like a voice in the wilderness but I think I should give it -- my membership on the board of Mennonite Central Committee, which was founded in 1920. Their mission is to be a Christian witness and to address social and economic issues, both domestically and in 55 foreign countries. Personnel from the foreign fields consider the U.S. method of subsidizing and marketing surplus commodities as unfriendly to private enterprise in developing countries.

As we come to the next Farm Bill I would like to make three broad suggestions. First, we should limit the money single farms receive. Secondly, we need to strengthen the investment that USDA makes in Rural Development and entrepreneurship.

Finally, I hope the next Farm Bill will reflect an awareness of the benefits of community-friendly marketing. As a manager of the local farmers market in Hutchinson, during the garden produce season I see firsthand the benefits of this method both to producer and customer. Thank you again.

MODERATOR: Thank you, sir.

[Applause.]

MODERATOR: Let's go to the other microphone.

MR. LARRY KIPLEY (sp): Yes. I'm Larry Kipley. I farm at Ulysses, Kansas. Used to be about two-thirds irrigation farming. Now I'm total out of irrigation, have been for three years because my farm management record said I should be. Can't afford it.

I'm no-till now -- wheat, corn, grain sorghum, small beef cow herd. I also serve

on the Kansas Wheat Commission, have had the pleasure of helping market overseas and domestically for that organization on behalf of the farmers who pay a one penny per bushel checkoff for the work of that organization as other commissions do in the state of Kansas that are funded by producer dollars as well as dollars they can leverage through other opportunities.

I'm here to speak on the number six item, Mr. Secretary-- How should agriculture product development marketing and research related issues be addressed in the next Farm Bill? I would submit that producers rely on research and development activities and access to the current and new markets to stay competitive in the world. We have seen a drastic decline in state and federal dollars for the research conducted in the state and national levels in Kansas. We're fortunate here in Kansas that we have a regional ARS facility, Agriculture Research Service. And our land grant university at Kansas State which works closely together to conduct state-of-the-art research for our industry.

Both of these facilities have seen a decline in funding. This directly impacts us. I'm a benefactor of some of the research that's come about. This hat is one I had made up last year on behalf of the hat guys on the fairgrounds. Ones that can't read it -- White Wheat, The Wheat of the Future, today. I've been producing this for a number of years. It was developed by Kansas State University with dollars from the Wheat Commission and has been continually supported.

Thank you very much for the opportunity to speak to you.

MODERATOR: Thank you.

[Applause.,]

MODERATOR: Let's go to the other microphone. Your name and where you're from, sir?

MR. ANDY BIAS: My name is Andy Bias. I'm from Wichita, Kansas, Sedgwick County. Welcome, Secretary and Congressman.

I'm the president, CEO of Mennonite Housing. We're a faith-based community housing development organization. I wanted to make sure that we continue to identify the importance of affordable housing in this initiative. We have a very excellent partnership with Rural Development and USDA where we've been able to focus in rural communities for the self-help program. That has allowed us to do over 70 homes in the Sedgwick County area. And I'm certain that from an affordability standpoint that's important throughout the entire state.

We want to make certain we continue to provide the necessary funds for those initiatives and from a bureaucracy standpoint to minimize some of the conditions so that when we're dealing with income eligible programs, especially those targeting lower income people, they need affordable housing, they need the prospect of that affordable

housing. The best way to get that is with partnerships like the USDA, like the Housing Assistance Council.

Through those efforts we're able to provide quality homes and thus impact a positive community. Thank you.

MODERATOR: Thank you. We are going to take two more comments -- one from this microphone, one from this microphone, and then we're going to take a short break. What I'd ask, if you're in line, remember who's in front of you so when we come back from that break you all will know what your position is. Okay? The guy who's going to take over moderating the second part of the program won't have to referee anything. So we'll take two more. Right here.

MR. STEVE CLANTON: Thank you. Thank you for this opportunity. I'm Steve Clanton from Minneapolis, Kansas -- a farmer. I will make some comments on behalf of Kansas Association of Wheat Growers.

On question number five, we believe the Rural Development programs are an important part of the Farm Bill. Financial support of the committee title goes into local communities, directly to the businesses and through local and state taxes. By continuing to provide farm program payments U.S. government is making a strong investment in rural America.

Kansas wheat producers should have an adequate safety net to rely on in times of drought and other disasters such as our high fuel costs. This will enable us to grow and expand our business. For example, our revenue reserve account will provide incentives for savings in good years and withdraws in disaster. In order for America to continue to have a safe and affordable food supply, new generations of producers are required. We support farm policy that makes production agriculture profitable so the young farmers will enter the field.

Thank you.

MODERATOR: Thank you. And one more here.

MR. RICH MILLER: Good morning. I'm Rich Miller. I'm from Norton, Kansas. I represent the Norton County Hospital. And I'm here to support area number 5 on your brochure. Norton County, I might mention this, is located on the Nebraska border and close to Congressman Moran's home town, and we're proud of both of those.

Last year in 2004 our hospital completed a \$4.5 million renovation project. The last \$1.6 million of that was a benefit or an award from the Rural Economic Development which allowed us to move forward with the project and not have a general bond issuance to place the burden of the payment on the taxpayers of our county. It has worked out great.

USDA Office has been great to work with. It allows us to have a modern facility to support the medical services in our community. We're able to have up-to-date equipment which keeps our people at home, especially our elderly. Our young people are able to remain at home. It also has given us the opportunity to continue and encourage specialist physicians from Kearney, Nebraska, Hays, Kansas, to come to Norton-- which just means the world to us because we're able to keep those ancillary services at home. The elderly especially do not have to drive to different communities for that.

And also when we are able to provide the services, we're able to keep skilled people, highly technical people, other people employed. Our hospital is one of the larger employees in the community employing about 110 people right now, and we'll probably have \$10 million revenue generated, which if you times that you know the economic benefit that has to our community.

So we're very appreciative. We encourage rural economic development funds to continue to be available in the next Farm Bill. We're very thankful for what we received.

MODERATOR: All right. Thank you. Great comments. Gentlemen, it has come to the end of my term. And it's been a real delight for me to be moderator for this portion of the program. I want to commend Secretary Johanns not only for doing this, but also for including for allowing those of us who communicate with farmers and ranchers every day to be a part of this process. So thank you, Mr. Secretary. We very much appreciate it.

SEC. JOHANNNS: How about a round of applause? I thought you did an outstanding job. So.

[Applause.]

MODERATOR: You still have to answer to your wife. Coming up, don't go anywhere. 15-minute break. Stretch. Be back in your seats in about 10 minutes, and make way for the next moderator, Larry Steckline with the Mid America Ag Network. Thank you, folks.

[Recess.]

MODERATOR: Ladies and gentlemen, again on behalf of the Mid America Ag Network which I represent as well as the Kansas State Fair Board of which I have really enjoy -- this is my second year to be on the Fair Board. And I must say that we've got a great group of people that represent the Kansas State Fair. If you have any problems with this fair or you'd like to have something else, please feel free to contact one of us. They've been milling around here all morning. Anybody from the Fair Board here now besides myself? Look at the hands right here-- our Secretary of Agriculture, our Dean of Agriculture, a great farmer from out West. We've got a great board that will do, I tell you one thing, pay attention to whatever your problems might be with the fair.

Mr. Secretary, again welcome to Hutchinson, Kansas. Our network also broadcasts in Nebraska by the way, so you need to straighten up now. We are going to record this, and it will be played back along our network stations -- this weekend Greg, is it? My son's back there. This Saturday. And we'll have a television show next week on this issue as well.

Farm Bill 2007, one of the most important decisions that could be made for you and I in agriculture. By the way, Mr. Secretary, I have 1,600 acres of wheat, 150 old cows with some beautiful calves. By the way, you've done a good job with the cattle market. Thank you very much.

[Laughter.]

Very seldom does he get any praise for that.

Let's get started right over here.

MR. KENDALL HODGSON: Thank you for coming, Mr. Secretary, Congressman Moran. My name is Kendall Hodgson. I'm from Little River. That's about 30 miles north of here. I am a no-till farmer, and I have a cow herd. I'm also vice president of Kansas Association of Wheat Growers.

And I believe farmers are the true stewards of the land. I'm going to speak especially to conservation. My father was one that set some of the first terraces out in our county, did it with the county agent. I didn't even think they had the NRCS back then. But conservation's been very important to me and others like me. And that's one reason I've gone to the no-till practice to conserve my resource.

I believe that we should apply conservation dollars, federal dollars, to working lands. The CRP program is very popular, and I don't know that we're going to change the acres on that, but I think we need to apply more dollars to working lands. Working lands keep farmers on the land, they keep rural communities viable. I don't think we want to create a desert out there, a grassland desert.

I think money should go to farmers who are currently practicing conservation, not just newcomers. I think the CSP program does address that to a great extent.

I do not believe the conservation should replace the commodity titles. I was very encouraged by Bruce Knight. He indicated that CSP program does not in any way look to replace the commodity titles. And I was much encouraged by that.

Hopefully we can reduce the complexity of the conservation programs. Thank you.

MODERATOR: Thank you very much. Good job. Right on time.

[Applause.]

I would like to say one thing. Some people were asking me in the back. You don't have to be prepared, you don't have to be a farm organization, you don't have to be a great speaker to talk to the Secretary today, and you don't have to talk for two minutes if you're worried about that. You know, just one lick is fine. Please write it down and come to the microphone, farmers. You don't have to be a great speaker. Go ahead.

MR. TOM PRUITT: My name is Tom Pruitt. I'm with People's Bank and Trust in McPherson County. We have banks in McPherson and Reno Counties. I, as a lender for the last 25 years, I have to say I really agree with the issues that we're seeing in the farm industry as an ag lender. Those are some very big concerns in the fuel and fertilizer type issues.

But I'm here also to ask you to continue to promote the idea of the USDA Rural Development B&I program. We've used that in our bank for a number of years now, and we've got close to \$8 to \$10 million in loans. That program has generated probably 150 to 200 jobs in our communities, and it's been a very valuable program to us.

Without that program we wouldn't have those loans in our bank today, and we wouldn't have those industries in our communities today as well. They've been extremely valuable to us, and we want to continue to work with that. We'd ask you to just continue to work with the people. We work with Gary Smith and Kent Caldwell, some of those people; and they do an excellent job. Just the streamlining of those programs will be extremely helpful.

But our bank, like I said without those we couldn't go to those kind of limits in lending limits without that program. So it's extremely valuable, and we just encourage you to promote that program in the next bill. Thank you very much.

MODERATOR: Thank you.

[Applause.]

MS. CAROL JORDAN: Thank you, Mr. Secretary, Mr. Congressman and Mr. Larry for being here today. My name is Carol Jordan. I'm with the Kansas Department of Agriculture. Our State Department of Ag is a part of the Kansas Energy Council, and also we represent Governor Kathleen Sebelius who's the incoming chairman of the Governor's Ethanol Coalition, which I believe you're well aware of.

We do this work with these energy groups because we believe agriculture should be a strong partner in efforts to develop new homegrown sources of energy, improve our environment, and protect the security of the Heartland. These partnerships bring direct and practical benefits to farmers in rural communities. We want Kansans to be able to take advantage of them.

The state's been blessed with natural resources of oil and gas. We've been blessed with natural resources to grow food and fiber. And we can also grow renewable energy. By developing and using the natural and renewable resources of Kansas farms, we can supplement and extend other fuels and energy sources. We can generate electricity, keep our vehicles on the highway, and create other products that will put dollars in our farmers' pockets and bring new life to our rural main streets.

The 2002 Farm Bill was the first Farm Bill with an energy title. We should fully implement segments of that Farm Bill that will help farmers develop the renewable energy resources and agribusinesses develop and market biobased products. We are already realizing some benefits of renewable energy production in our Kansas communities, and we have another ethanol plant opening this week. We need to continue this trend through the Energy Bill through the rest of the current Farm Bill and the development of the '07 Farm Bill. Energy conservation and production should be a part of all appropriate sections of the '07 Farm Bill.

MODERATOR: Thanks, Carol. Next?

MR. PHILIP KINOBER (sp): Hello. My name is Philip Kinober. I farm and I'm in ag lending in Southwest Kansas near Dodge City.

I'd like to address the Beginning Farmers. As a beginning farmer myself I have to work full-time to make a farm work. The economics of it say that you have to. I'd like to see a tax break put in for farmers, for beginning farmers that are taking over ground from retiring farmers-- because the tax incentive for beginning farmers should be to replace farmers, not displace farmers.

I'd also like to address the competitiveness of our ag industry. We don't need to increase our target prices. In less than -- and this may make every farmer in the room mad -- less than three months ago we all had the opportunity to contract on the Chicago Board of Trade well over what our target prices are. That ties right into the government payment limitations. Those are set, that most people can get around them. But that's part of the business. And those that are successful should not be penalized for growing and becoming successful and large. They have managed to take advantage of the marketplace better than others have.

Another thing I'd like to see on the government payments -- tie them to the operator. There are so many nonoperating landlords that are receiving massive amounts of government payments. I don't know how to do it; I know government payments will always be capitalized in land values. But hopefully there's some folks that are a lot smarter than me sitting up there that will somehow be able to break that disconnect, provide a little more incentive to be the operator on the farm and not just the landlord on the farm.

Thank you.

MODERATOR: Nice points, Bill.

[Applause.]

Mr. Secretary, the next speaker is our dean of Agriculture, Kansas State University.

DR. FRED CHOLICK: Thank you, Larry. My name is Fred Cholick, and I am the dean of Agriculture, director of K State Research Extension. I'm representing the research arm which develops new knowledge, the Extension arm, and all 105 counties; helps with farmers, ranches, families and communities, as well as the over 2,000 students on K State majoring in agriculture which will be our future agricultural professionals. I think the word "professional" is very important in that statement.

I really want to address one issue, and that's the Title VIII, the research title and as it impacts three of your questions. Specifically as we take a look at conservation, as we take a look at competitiveness. The portfolio of funding from the federal, state and local levels provides us an opportunity to serve the people with local input to those needs. For example, the state of Kansas has over 2,400 people involved in the Extension Service that sets the local needs. My request for the Farm Bill really relates to making sure we have stakeholder input as we set the research agenda and our educational agenda through Title VIII which is called the Research Title.

And I'm going to use two examples. The first example you've already heard about, and that's white wheat in Kansas. Without a question, the fundamental research done in sprout-resistance and resistance to stripe rust or what's called yellow rust commonly was fundamental science, but it took the application by Joe Martin at our hay site on the ground with funding from the producers to put together finally our first variety that's available to our producers that combines sprout resistance and stripe rust resistance with good agronomic traits.

The second example I want to give you is a unique ecosystem in the state of Kansas, and that's the tall grass prairie, the Flint Hills. The research presently being conducted will take a look at how we can use that unique natural resource and combine it for those multiple uses.

Once again, Secretary, I thank you for the opportunity to testify today, and I really compliment you on your listening sessions not only in Kansas but throughout this great nation.

[Applause.]

MODERATOR: Thanks, Dean.

MR. ARDEN STEVENS (sp): Arden Stevens from Norwich, Kansas. Drive straight south of here, about 45 miles. I'm a fourth-generation farmer, and I started when

I was about 12 years old. So I've been through several farm programs. The farm grant programs we have today give us the flexibility to do many practices that we didn't have in the past. I was originally 100 percent wheat producer, and now in the last few years by going to the no-till programs been able to go to corn, soybean, milo and it's given us the flexibility to plant many crops.

Starting out the age I did, started out with propane. We used it in tractors, paid 4 cents a gallon. Diesel fuel, 13 cents; gas, 21 cents. Look at the price today, and compared with the products we are selling, there's percentage-wise increases there's not much increase in our products. The first program we had we started with, I heard guys say, talk about a quota. We could sell so many bushels of wheat say for \$2.50 and the rest of it whatever the open market was.

But I think the big issues we're faced today, anytime there's a national disaster or something that really the supply and demand doesn't have so much control over our products or even the fuels and fertilizers we have. It gives an excuse to just jump the price, the distribution and those many things that we don't have any control over. We go to the marketplace, so what you give us for it and the repair shop, how much will it cost us? And we use every product that is produced in the farm ag industry.

So I think that's the main thing. But we just have so many things that we don't control, but through the program you do give us that.

MODERATOR: Thank you very much. Thanks.

SEN. DWAYNE UMBARGER: I'm State Senator Dwayne Umbarger from Southeast Kansas, represent the 14th District and proudly do so. I'm also a farmer, a husband, a grandfather, and so I'm very proud of Southeast Kansas, the people that I represent.

I don't want to repeat some of the information that's been presented today. First of all, I want to express my appreciation to the congressman, the U.S. senator and the secretary of Agriculture for coming to Kansas and putting on this hearing or this ability for people to come before you and express their concerns.

One of the issues that we have as far as program benefits, and once again I don't want to repeat some of the things that's been said, but I think those payments should be made to people who are gainfully employed in production agriculture, particularly those conservation payments. We do not need to put more money into the pockets of professional basketball players or something like this.

I think we need to do also a better job of getting the public to understand how many dollars of the amount that's budgeted to the USDA actually gets into the farmer's pocket. I think there's a great disconnect and misinformation as to how much farmers actually receive of that money. Much of that money goes to food programs for public schools and rightfully so.

Other issues that we need to deal with as far as rural economic development, there's many things, topics we could talk on on that issue, but one thing I think we need to really take consideration is the potential closure of FSA offices in the various counties. Let me tell you, there's people gainfully employed from those rural communities, and there are many farmers who those are the people, they are the voice of agriculture from Washington that they visit with.

I could touch a little bit about renewable energy and alternative fuels. Just to put it in perspective, it's already been mentioned about the price of fertilizer. In 1996 corn was \$3.50 to \$3.75; diesel was 70 to 80 cents. 2005 corn is \$1.80 and diesel is \$2.25 to \$2.50 a gallon.

MODERATOR: Thank you, Senator. Thank you very much.

[Applause.]

MR. BRUCE GRAHAM: Hello. I appreciate the opportunity to be here today. My name is Bruce Graham. I work for Kansas Electric Power Cooperative, Incorporated-- otherwise known as KEPCO. My son Chris is with me today. We're going to try to catch the pig races I think. I just want to let you know -- the pig races, yeah. And if I hurry and get done we'll catch the 12:00 show.

The electric cooperatives are here today because we want to thank you for the activity in your program, the Rural Economic Loan and Grant Program. You've heard a lot about it already today, and it is a very popular program here in Kansas, and electric cooperatives are very integral in that program. We work very closely with the dedicated USDA Rural Development staff, and find worthy projects that will bring income growth and tax base and jobs to Kansas.

Kansas has regularly been a leader in the program as measured on a quarterly basis. In fact, over the years we brought \$16 million in loans and grants to the state of Kansas. Combined with private investment that's almost \$60 million we brought to Kansas and created just the cooperative projects created almost 800 jobs.

As you know, Mr. Secretary, the program is funded by the cooperatives themselves primarily through the prepayment of interest when they prepay through the interest earned on prepayment of our U.S. debt. And there's been several enhancements made on the program recently which we very much appreciate.

And to wrap up, I just want to let you know how much the electric cooperatives appreciate the program, and we look forward to continued success in rural development in partnership with your agency. Thank you.

MODERATOR: Thank you. Nice -- Mr. Secretary, not that we get total complaints all day long.

SEC. JOHANNNS: That's a great comment.

MODERATOR: Go ahead.

MR. TOM TOLL: I'm Tom Toll. I'm from Lindsborg, Kansas, McPherson County. I'm president of the Kansas Livestock Association. I want to welcome you to the great state of Kansas and the beef industry. I'm glad to see everybody on the podium has cowboy boots on today.

My comments will be related to question number six on the marketing issues. KLA believes in allowing the marketplace to function without legislative or regulatory interference. The past experiences show us that at times programs that have been intended to help us have done actually more harm than good. KLA strongly opposes the efforts to limit the marketing options available to the producers. Proposals to limit ownership of cattle, restrict marketing agreements, place the cattle industry at an unfair competitive disadvantage with other proteins and across the world.

The cattle producers utilize those marketing methods that would have been eliminated in the last Farm Bill. We've been able to put those proposals to work, and these marketing methods are entered into voluntarily and help the producers to reduce risk and to meet consumer demand across the world. We'd also like to thank you for all your hard work in reopening the Canadian border issue, your continued work on that. And press on that issue of reopening the Japanese border and Southeast Asian Rim countries. Thank you very much.

[Applause.]

MODERATOR: Thank you.

MR. NORMAN ROTH (sp): Norman Roth from Reno County. We are a fourth-generation farm in Northwest Reno County. 100 percent of our income comes from farm and ranch. We farm 2,200 acres of which only 92 are owned. We own 130 beef cows and majority of the pasture is rented also. We have a 10-year-old daughter and a 7-year-old son, and if you ask them today, they would want to be a farmer.

My comment is concerning the farm program. I'm tired of the talk from Environmental Working Group, media, and some farmers that say 10 percent of the farmers get 70 percent of the payments. I don't disagree with the numbers, but the inferred meaning. Using our operation example, our payments are split among 11 people; 10 are landowners, plus us. We're all crop-share, since we're one of the 11 we're 9 percent of the "farmers." And since we are two-thirds, one-third split on crop-share, we get 67 percent of the payments.

Also, all but one of our rented farms are owned by heirs of previous farmers or the previous farmers themselves.

Some of the talk is like for the payments to only go to the producers thinking in some way this would stop the effect on land prices. The land is a factory, so whatever the program, good or bad, the price will affect this. If only the producer gets the payments, the rent will go up. The farmer is the one profiting from the additional payments.

I also believe the fastest way to lose farmers is making the payments all go to the producer. Landowners would want to go to cash-rent so they could get their share easier. Then the farmer has all the risk-- the cash rent, 100 percent of the fertilizer and 100 percent of the weather risk.

There are also other farmers who would bid whatever to gain that last 100 acres and then mine the land from the nutrients because they can't afford the price they paid.

For the U.S. to remain competitive in the world market, Land Grant Universities and Extension must be supported. I'm convinced through working with K State and my local ag agent that I gained 8 to 10 bushels per acre on my wheat crop from minor nutrients and some of the research they've done. Those are the only bushels that are profitable with today's prices.

Thank you.

[Applause.]

MODERATOR: Thank you.

MR. KEITH MILLER: Yes, Mr. Secretary. I thank you for coming to the state of Kansas. I'm Keith Miller, producer in Barton County, and also member of the Kansas Farm Bureau Board of Directors.

My concern is what our commodity prices are. In 1950 my father started farming, and he received \$3 a bushel for his wheat. Today's prices just shade over that. Growing in size is not the answer. I today farm what 10 of my dad's neighbors was farming. I have over 50 landlords that I have to deal with. When I go to the ASCS office or the FSA office excuse me -- I'm still in the old terms -- the paperwork nightmare is a mess. And it's not the fault of the employees of the office. It's all the red tape coming down from Washington. Somehow we need to get control of it.

People in the office are very, very willing to work with you. In fact I got most of my ladies I work with sitting right here, and they do a wonderful job. That's not the problem. It's all the red tape they have to go through.

The other thing we need to consider is how we can get our costs under control. Energy costs are just killing me. My nephew started farming with me in the last two months, and he says I want to become a farmer. So I told him I'd enroll him in, but I asked him why, because there's no profit in the farm. The only profit I've had in my farm

in the last three years is the amount of our government payments. He says he wants the way of life. I hope this new Farm Bill will put some profit back in our operations. Thank you.

[Applause.]

MODERATOR: Thank you very much. Very good points.

MR. DAVID MUELLER: My name's David Mueller. I'm a grain farmer and cattleman from Tampa, Kansas. And Mr. Secretary, it's a little different than the other Tampa. Kansas Tampa is north of Canada, south of Cuba -- if that helps.

[Laughter.]

My comments today, I'd like to refer to the Rural Development programs in particular water and wastewater. My neighboring community of Ramona used to be in dire straits. Declining elderly population, very few kids to attend school, most of the houses were empty. But their biggest challenge was their individual wells were contaminated with benzine and carbon tetrachloride.

Thanks to the Rural Development and the Water and Wastewater Program, the community and the surrounding farmers were able to connect to a neighboring water system. I'm pleased to report that today most of the houses in Ramona are full. In fact there's even a couple new houses being built. There's a small livestock equipment manufacturing company, a bed and breakfast. But the biggest sign of success is now every morning there's a line of kids to get on the school bus. So it's a true success story in rural America.

Can Rural Development take full credit for that because of the drinking water? Probably not because there was a lot of teamwork that went into it. But without that safe and affordable supply of quality drinking water, that simply would not have been possible.

As an advocate for the availability of safe drinking water across the state, I've seen the success story repeated many times. Rural Development and their staff are knowledgeable, well-equipped, well-trained to get out there and help communities. But the job is not complete. Over half of Marion County still does not have access to public water systems, and the job is not complete. We encourage you to continue to support Rural Development, Water and Wastewater Program so hopefully less people have to haul water every weekend for drinking and use. Thank you.

MODERATOR: Thank you. Job well done.

[Applause.]

MR. WAYNE BOSSERT: Thank you, gentlemen. My name is Wayne Bossert

from Colby. I represent the Northwest Kansas Groundwater Management District.

Since the passage of the last Farm Bill, there's been a dramatic change in environmental landscape, particularly in Northwest Kansas. The Kansas State Water Plan has developed a set of policies for the High Plains aquifer that will require the reduction of consumptive water use. The U.S. Supreme Court has just ruled on the Republican River Compact Decision. That will also require reductions in consumptive water use.

What we would like the Farm Bill to recognize is that in areas of this country where either a public planning process or a court decree has required reductions in consumptive water use, that the farm program can assist our producers and irrigators in using less water. I've got three suggestions and my written comments that will give you some ideas on how this might happen.

We feel this can be done in a fiscally neutral way to any water budget the farm program is given once it's developed, and it also has a very significant energy conservation component as well. That gentlemen, is the single asked request that we make to the farm program. Thank you very much.

MODERATOR: Thank you.

[Applause.]

DR. BILL HUNTER: Good afternoon. I'm Dr. Bill Hunter. I'm an ag instructor at Pratt Community College in Pratt, Kansas. I'm currently serving as the regent to vice president, one of the national officers of the National Association of Agricultural Educators, the national professional organization for agriculture teachers.

This will be an interesting experiment because my students don't believe I can clear my throat in two minutes.

My comments today will focus on the importance of strong agricultural education programs to the future of a healthy agriculture industry in the United States. And these comments specifically address question number two about the competitiveness of U.S. agriculture in global and domestic markets.

For agriculture to prosper in the future it is critical that there be an adequate supply of trained workers, researchers, scientists, technicians and producers for the future. USDA's own studies they've done over the last 20 years have shown for the colleges of agriculture in the United States have not turned out, are not turning out enough graduates to meet the needs of agricultural industry. So we need ways of finding new sources of students to meet that need.

I have four suggestions, and these are my suggestions; they're not the official position of the National Association of Agricultural Educators -- on ways the new Farm

Bill can support ag education.

One is continued and increased support for the Spec Grant Program. We were able to win a grant for GPS equipment at Pratt Community College last year, and that was about \$50,000 worth of new equipment for GPS.

Incentive funds to schools to start new ag ed programs. In our seven counties there are 13 high schools; only four of them have ag ed programs. Thank you, sir.

MODERATOR: Very good.

[Applause.]

REP. DAN JOHNSON: Welcome to Kansas, Mr. Secretary. I'm Representative Dan Johnson. I'm a fourth-generation farmer from Ellis County. I'm also chairman of the House Agriculture Committee in Kansas. And I'm so pleased that you're here. I just want to say to start with that I don't have any answers. I'm also here to listen. And I want to thank you not only for coming but I want to thank the federal government and Representative Congressman Moran for helping us to fund our rural water district. I hassled him for so long I want to do this in public to let them know that I appreciate it. We've got it funded now. And we're ready to let some bids for the last part of it.

My comments are that having been a farmer all my life and listened to my parents and grandparents, I would like to be able to make it because people are willing to pay us for what we do. Having said that, it's real difficult to do that so the other thing I'd like to say is, I don't like it when the commentators come on and say those rich farmers are getting all that money, and it turns out we're only getting I think Congressman Moran says 3 percent of what's in the Farm Bill. So if we could change that some way so that we get the credit for what we do, that would be really good.

The other thing is, I have two little boys. I'm the runt of the group. And I want to pass our property on to them. Do everything you can to help us so we can do that. Thank you very much again for coming to Kansas.

MODERATOR: Thank you, sir, very much.

[Applause.]

MODERATOR: Right here.

MR. RAY ASLAN (sp): Mr. Secretary, Congressman Moran, my name is Ray Aslan. I'm the state Forester with the Kansas Forest Service at Kansas State University. I just want to provide a few key points for your consideration and the conservation section as you develop the 2007 Farm Bill.

First, focus on priorities. The time has come when we can no longer offer first

come, first serve service access to Farm Bill programs. We need to focus on priorities whether they're national, state or local and spend the federal dollars in areas where they are most effective in providing for public benefits.

Implement across the landscape. To meet our objectives of focusing on priorities and making a measurable difference, I believe a landscape approach to implementing programs is needed. Watersheds seems to be the most commonly used landscape measure.

Measure success. To demonstrate the improvement in public benefits that these programs provide, monitoring and evaluation are key.

Strategic and integrated program implementation. Many have called for a broad national strategy for conserving working rural lands whether farm, forest or ranch. We need to focus our work with a variety of programs so that there is coordination and integration among the programs. Engage private markets and private sector organizations. Encourage policies to engage the private sector to help provide for ecosystem services. We should work to engage the expertise and financial resources of nongovernmental organizations wherever possible.

Thank you.

MODERATOR: Thank you, sir. Good job.

[Applause.]

MR. KEN GRECIAN (sp): Mr. Secretary, I'm Ken Grecian from Graham County in Northwest Kansas. My wife Barb and I run a cash grain and ranching operation there.

I'm going to address the conservation side of the issue also and direct it towards CSP. The problem -- and I am not in a watershed that is eligible. Like 40 percent I think you had to have 51 percent in a watershed to qualify. The north half of our county, which about 40 percent of our land lays in, is in a watershed that qualifies now, but I do not qualify. One thing that puts me at a little bit of an economic disadvantage with my neighbors because I don't know at what point the other watershed will be eligible, but they are going to be ahead of me in their payments.

And aside from that, we're a big oil-producing county and my observance is that if I just had an oil well I could be a better farmer. Wish I had \$70 oil. One of the other problems I see is a good part of the land in Kansas is owned by landlords and rented to the operators. And much of our farm is rented ground. It's very difficult especially with the aging of our landlords to get a 5 to 10-year lease because they do not know what the disposition of their property is going to be on down the road. And as they get older they hate to tie themselves to a lease that ties their land up and ties their family's hands.

The main thing I wanted to address is the payments to grasslands. It has affected

cash rent rates on grassland grazing lands in our county. And if the money was put into EQIP it would be much more -- it would do us a lot more good.

MODERATOR: Thank you very kindly. Appreciate it. Next.

MR. ROGER BLACK: Hello. I'm Roger Black from Cowley County and I want to thank you for the opportunity to talk to you about the farm program today. My initial concern in coming here is to talk about unintended consequences. I have friends that have not yet recovered from the dairy buy-out program, and I feel that the conservation piece of this next bill will be stronger than what we've seen before. Also believe that forages are a very effective way of affecting conservation programs. I just ask you to be careful not to push people into the livestock business that don't belong there.

Now I have a neighbor that says I believe I want to get in the cow business because it makes sense for a way to use my resources. I say to him, come on in, the water's fine. But if he is pushed into it by government action, we have a very delicate supply and demand situation, and you can really turn it upside down. We've seen it happen before. I just ask you to be cognizant of that.

Then I want to share with you just a little visionary thing. When I set out to produce some alfalfa hay I envision a young woman pushing a cart through a grocery store anyplace in the world with two small children by her side because that's the ultimate end of what I produce. And she needs, in my view, three things. She needs a safe food supply; she needs it to be nutritious and abundant. That is your customer, that's my customer.

Now we're partners in making that happen, and as your partner I look to you for some things. Number one is market access. Number two, access to information. And technology both development and helping me understand how to use it. If you can give me those tools, then you've been a good partner, and I think you will have been a good steward of the resources that are used. It's obvious today there's no end to good works for USDA. But I believe if we prioritize in this way, at the end of the day we'll make good use of our resources.

MODERATOR: Thank you. Very good points.

[Applause.]

MALE: Mr. Secretary, I want to thank you for coming to Kansas, and I want to thank our representative Mr. Moran. I have three unrelated points I'd like to make. I believe very strongly that the secret to getting people to return to the farm is in profit. It is not in a government program. Too often we try to do things with government programs that should be done by encouraging profitability in the endeavor.

I also want to agree with my representative, Representative Johnson, on the importance of being able to pass our land on to our heirs.

The second issue I'd like to address is something of a local issue with me, but I think it could be addressed in a farm program and be helpful to other people. We have a railroad, a shortline railroad that comes into our elevator, and it has just been abandoned. Well, not abandoned; it's been embargoed by the Shortline Rail Company. Now there's another Shortline that would like to take that up and would come to us, but the one who has it won't release it and allow them to. And we have to have a way to get our product out if we're going to be able to compete competitively.

And lastly is something of a technical issue, but I think it would be helpful -- because we've been in about three or four years of drought our crop insurance averages have dropped. In my case they've dropped by half in a very short time. I think if we could establish our average over a longer term and then use that longer term average as our basis instead of the shorter term I think it would be more helpful. And thank you for coming.

MODERATOR: Thank you, sir.

[Applause.]

MR. JACK SCHMIDT (sp): Mr. Secretary, thank you for coming to Kansas today to listen to us. I'm Jack Schmidt. I'm from Scott County, Kansas. Predominantly a dryland farmer.

I've two things to visit about today. The first one is, in the past we've had good access to good crop insurance. We need to continue that under the new Farm Bill.

The second thing is also crop insurance-related. We are trying a new farming technique called skip-row corn. It has the potential to reduce our production risk, maybe very small potential on our cost side, but maybe we can level out our yields somewhat. At this time we are not able to insure skip-row corn on par with regularly planted corn. And that is a problem that I'd like to see fixed. Thank you.

MODERATOR: Very good. Thank you. Any questions on that, Mr. Secretary?

SEC. JOHANNNS: If you could explain that for me?

MR. SCHMIDT: The skip-row corn?

SEC. JOHANNNS: Yes.

MR. SCHMIDT: What we're looking at is several different patterns. The most popular skip-row corn pattern this year is plant two, skip two. And I guess the easy way of explaining it is that during the long dry spells the roots can go out into those larger centers and access moisture for a longer period of time.

We have some photos available, and we will have yield data available on a plot this year. The normally planted corn flat burned up. And it will yield one or two bushels. The skip-row corn will yield 60 to 70 bushels. This is under dry land. And we have -- if you're interested I can get you some pictures.

SEC. JOHANNIS: I'd love to see those pictures. Any information you can send to me, I would love to see it because conventional wisdom is, you plant and you plant heavy. But in drought states like the state I came from or Kansas, maybe you're challenging that conventional wisdom. I'd love to see anything you have.

MR. SCHMIDT: Okay. Can you give me an address, sir?

SEC. JOHANNIS: Where can I?

MR. SCHMIDT: She'll take care of me.

MODERATOR: Thank you very much. Very good. Over here?

MR. JOE KEJR: Thank you, Mr. Secretary, for being here, and Congressman Moran. Thanks for taking the time out of your busy schedules to come and hear the concerns of us in agriculture.

Today I come, I should say I'm Joe Kejr. My son isn't here. He's an FFA member touring the fair. He said he wouldn't show up actually if I announced he was here. But anyway, you know as I look at agriculture and we've been talking about the Farm Bill, I want to look at this point at the current in agriculture and what is happening to us today. I did a little bit of figuring yesterday. If when I get drilling I'll spend \$500 extra dollars a day just to put my wheat in, that gets to be a major challenge for us in agriculture and we can't add extra -- we're kind of the bottom of the totem pole. We get a fixed amount for our product.

So I come to you with an offer from agriculture saying, what are some things besides money that can be done to make us more profitable that we're not thinking of out there? Are there regulations out there that we haven't found that are causing extra expenses to our farms?

As I look at it, and I mentioned the idea to an individual and he said it was kind of like a SWAT team effect-- could we put the best minds together to evaluate what is out there in agriculture that's costing us money that if we eliminated those regulations could actually help us in agriculture? There's a lot of people out there -- as I've mentioned to a few people they've already started saying, What about this issue that agriculture gets affected differently than everybody else? If we change that, maybe it would help in farming.

So I just throw that out as an idea about something I'd like to see.

MODERATOR: Good points. Mr. Secretary, we have just a couple more left. But I'd like for you to make a comment and maybe Congressman Moran as well. It's pretty obvious -- I have a booth here at the fair, and everybody that comes by is, you can see that look in their eye about how they're going to make this thing work this year because of expenses. And I know we've talked about fuel until we're sick of it, but that's the leading issue along with fertilizer and everything else. Is there anything at all that either one of you can say to these people today that might be able to be looked at in the near future, not the long term?

SEC. JOHANNIS: Tomorrow? You got high fuel prices because of a lot of things quite honestly that I believe were not done over a rather extended period of time. And that's about as straightforward as you can be on that issue. It's not like all of a sudden yesterday there was an announcement that all those reserves we thought in the world are half of what they thought they were. That announcement did not occur, did it?

So what's out there driving these higher fuel prices? Well, there's a number of things. You've got some countries out there that are very much developing countries, and they are in the market now and they are buying fuel, and they compete with us. You've got another thing-- you've got refinery capacity that quite honestly was right at the edge, and it has been at the edge for a long time. And so you have a disruption in refinery capacity and all of a sudden you're going to see fuel prices impacted by even minor disruptions.

All those items and a half a dozen more combine to impact fuel prices.

The other thing is, I believe very strongly that we should have had a national policy in place many, many years ago. This was talked about not in the last campaign for president but in the campaign before that. Again, no reflection on Congressman Moran or your United States senator. They understand it, they get it. But as the congressman pointed out six times the Energy Bill has come forward and it's been filibustered until the last time when it passed.

So the answer to your question-- I wish I could tell you that there's two things you could do; do them tonight and the world changes tomorrow. The President was very realistic when he signed the Energy Bill. He said, Look it's not like flipping on a light switch, but it is very definitely a step in the right direction.

I've heard enough from these listening sessions to tell you that I believe there is very broad support for a renewable energy initiative, and I do believe a very positive step was taken here, raising that standard makes a tremendous amount of sense. But we should be using more biodiesel, we should be using more ethanol, we should be doing everything we can to lessen our dependence upon foreign oil.

So those are some of the things I would offer, and like I said I think everybody in the world wishes that it was a light-switch phenomena where you hit the switch and all of a sudden the world changes. But I don't think that's the case. It took us a long time to get

to this point, and I just think it's going to have to be a succession of good policy decisions that turns it around. But some of those policy decisions have been made in the last months, and to me those are steps in the right direction.

Congressman?

REP. MORAN: Clearly those are steps in the right direction, and you're right, Mr. Secretary, they are late in coming. Several things more is being done, can be done. Already we've instructed the Federal Trade Commission to examine the way if market manipulation is occurring, price gauging occurring, we want to make sure people are playing by the rules, playing fairly.

What Mr. Kejr just talked about all the rules and regulations that may be increasing the cost of production agriculture -- think what that's like in the utility and energy business. Think what that adds to the cost. We have really created a circumstance in our country in which by rule and regulation, but tremendous numbers of laws related to environmental concerns, we have eliminated the opportunity for expansion of refining capacity, of electricity generation. One thing after another we've done as policies in our country that reduced the supply of available energy. So it's reversing that past course.

Again, I think what we are seeing is, because the circumstance is the way it is today and it doesn't appear to be changing in the foreseeable future, that our elected officials, me and my colleagues in Washington, DC, have no choice but to go back and take a look at how do we reverse this course?

You know, we haven't built a refinery in 30 years in the United States. That's because of rules and regulations that were put in place by well-meaning people who had a concern about the environment. Steve Baccus talked about opening up the opportunities for our economy to work. The laws of supply and demand will come into play if we can get government out of the way.

And so I think the opportunity is there. Larry's question is, what do we do today? And that's the real problem.

You know we talk about an intermediate or long-term energy plan. The bills have to be paid today, not next year. And so we're playing catch-up in the sense that we're trying to find all the things we can do that will increase the supply, reduce the price, and create the opportunity for some profitability again in agriculture.

I, as an individual consumer, I can make changes in the way I drive my automobile. I can slow down, I can turn off air conditioner. I'm doing those things. We don't eat out like we used to. We make decisions about where we're going to eat out based upon distance from home. I can walk, I can ride my bike. I worry about farmers, truckers, and others who have no alternative. What can they do?

I spent a good portion of August in Southwest Kansas with irrigation farmers. You look to diesel, you look to electricity. You can't find the option that makes sense with today's commodity prices in reducing those energy costs. And so it is, some of us can make a difference, and someone talked to me during the break about the desire to have restrictions on what fuel people can buy, a way of allocating to people who have the greatest need, the greatest priority. That may not be the solution, but the point is that somebody's got to prioritize here, such as me, who can reduce my consumption of fuel compared to a farmer who probably cannot.

MODERATOR: This is crazy. I know it makes some people mad, but Mr. Secretary I don't know what would happen if you could go back home tomorrow and announce that all farmers in America have combined efforts and they're going to cut back production and cut back usage 10 percent of fuel and everything else. That might make an instant -- never mind about that.

Go ahead, ma'am.

MS. MELINDA SOREM (sp): Hello. I'm Melinda Sorem, and I grew up on a farm in Gray County, Kansas, and later on married a farmer from Hodgeman County, Kansas. And so I'm still a farmer and a farm wife.

But today I am representing women involved in farm economics, acronym WIFE. And we are women in America working together to improve profitability in production agriculture through educational, legislative and cooperative efforts.

When a farm is profitable, a farmer's wife may choose to stay home from an outside job. A farmer's son or daughter may choose to stay in farming. A farmer may choose to purchase that sprinkler to conserve that water on the south quarter of ground. When farming is profitable a farmer may also choose to start that business in town or invest his dollars in a local new business startup.

Bottom line, farmers who are not profitable have wives that work in town or have themselves second jobs, kids that haven't any interest in the farm because they see Mom and Dad don't have the time to farm either. Farmers who are not profitable can't afford to buy that sprinkler to conserve that water or invest in that new business in town.

I've spent many a day sitting in the FSA office myself, but I think profitability in farming, sometimes farmers got to realize they can't do it on their own. You have the FSA, you have bankers, you have like I work, I farm with my two brothers. We do it together. Yeah, we could have started out doing it by ourselves, but we chose to do it together because we could see it was going to be more profitable. Thank you.

MODERATOR: Thank you very much. Good presentation.

[Applause.]

By the way, we've had a lack of women at the microphone. Another farm wife, please? We got room over there right after this gentleman. Go ahead.

MR. MARK RUDE: Mr. Secretary, thank you so much again for being here, Congressman Moran. My name is Mark Rude with the Southwest Kansas Groundwater Management District. I just want to take a moment or two here to not only echo the need to preserve the economy in any way we can-- certainly our district in Southwest Kansas there, if we use about 1.5 million acre foot of water from the High Plains aquifer annually. And the recharge is not much.

The Arkansas River -- we're working with that and with the interstate case we have with Colorado. That's our only renewable water supply to speak of. Maybe 50,000 acre foot there. So we're under a program right now of mining intense agriculture. It's great until things change on the energy prices, that kind of thing.

But we've got to find ways to make agriculture profitable but also to consider in the '07 Farm Bill preserve those things that will help us preserve the water supply so we can incent people to conserve water and make this supply and irrigation agriculture last as long as we can. That's my comment. Thank you very much.

MODERATOR: Good points. Thank you very much.

[Applause.]

MODERATOR: Go ahead, sir.

MR. BILL MULLIGAN: I want to thank the Secretary and the Congressman for coming today. We appreciate somebody feeling for us.

Kind of relate to some of these other people that have spoken, the lady earlier, her husband passed away. I was 19 when my dad died. I was in college, going to McPherson College which is a small Church of the Brethren School that had a lot of kids from Iowa that could not understand why we couldn't plant something out there in that dust to keep it from blowing.

And the school had kind of old buildings and the dust was coming in the doors and in the windows and you couldn't keep your room clean for nothing. And got the gentleman in the red shirt, yeah, we brought propane for 4 or 5 cents a gallon and we converted all our tractors to propane because that was pretty cheap going. I don't remember what the price of wheat was, but I know we were thinking maybe wheat would get to \$3.00. It never did but in our elevator.

By the way, my name is Bill Mulligan. I don't know if I said that or not. Jerry knows. Jerry knows me. I'm from Ellsworth County, Southern Ellsworth County, do some irrigating and dryland.

Anyway, CETGO has been a really good deal. When I grew up the first shower I took was in high school in football practice. Other than that we had an outhouse. And so we have had some good government programs. The thing that has hurt was in the '80s we had the 27 percent reduction, but we got paid for it. Well then they took that payment away and interest rates went sky high. And the farmers, whew, including my kids. So anyway, the economics that we can't control really mess things up.

MODERATOR: Thank you. Very good points. Appreciate it.

[Applause.]

MR. JESS SUITERMAN (sp): Hello. I'm Jess Suiterman from Syracuse, Kansas. Just an agriculture producer-- wheat and sorghum and come down here I guess I'm going to get some canola seed. We're going to try some of that on the farm.

My main comment is with the CSP program. This spring it happened to happen right during planting season. We needed to make all the phone calls, make all the right negotiations with the landlords on the cell phone in the planter while we're working. Then they changed the rules. Then we need to make them again. We need to get these programs so their timing are not during our intense season. And also with the main news releases, when you guys release that you have made the decision have it so that your county people actually have if you're in or if you're not.

That's about my only suggestion with that part of the program.

I think it's going to be a good system to reward the farmers that are doing the right things for the long term. Thank you very much.

MODERATOR: Thank you. Good points.

[Applause.]

MODERATOR: Over here.

MR. BOB MOSIER: Hi. I'm Bob Mosier from Greensburg, Kiowa County. And I come here today to represent the RC&Ds of the state. And our sunflower C&D in South Central. We have eight counties from Cowley, Sumner, Harper, Barber, Comanche, Kiowa, Pratt and Kingman. And I'd like to speak a little bit on 4, 5 and 6 of your questions. Some of the things that our RC&Ds are doing is for example last year we recycled 7 million pounds of materials that were sold through the RC&D. And these monies from the results of these sales go back to the communities. And in Kiowa County the money that comes back to us was used to provide jobs for the mentally ill.

We also had several thousand pounds of household hazardous waste that was kept out of our landfills. And we've got a community compost site in Greensburg where people bring their leaves and grass and come back and get it when it's ready to put on

their gardens.

Our thrust in the RC&D is to conserve land, to better land management, conserve the water resources, and economic and community development. We've done a lot of things to preserve the rural way of life in Kansas. (audio break)

MR. PAUL PENNER: My name is Paul Penner. I'm Kansas Association of Wheat Growers member. I'm going to make a prediction. I will be done before the green light is up. But I thank you for being here today.

In the '80s many farms were shut down due to extreme economic conditions. And the bank examiners were very strict with regards to the regulations. What we're thinking is, if in the future if there's some potential problems with regards to the energy costs that we would ask for a forbearance or some kind of leniency with regards to the regulations so that we could enable the farmers to survive as much as possible.

Thank you.

MODERATOR: Thank you, sir.

[Applause.]

Are we running out of people? Surely there's somebody else that has something to say to the Secretary of Agriculture. How many times do you folks get this opportunity?

VOICE: I say the same thing. Surely there's somebody else.

MODERATOR: You always come to me. You come to my booth over here and you say, Tell that Secretary. Now it's your turn. Please. Have you been?

MALE: I've been through once. I have permission to go a second time unless somebody else is going.

MODERATOR: Okay, come on, sir.

MALE: It's nice to have you gentlemen here listening to our problems today. But I mentioned something to Jerry Moran just a little bit ago. Larry wanted to know how that we could perhaps do something tomorrow. Well, this country is wasting more fuel than you can believe. How can we stop the waste? If we can stop the waste -- running around with three, four, five cars in a family and no one, people going to Wichita from Kingman, one person in a car burning up this fuel, totally wasted. We would have enough fuel. We could drop the price probably a dollar a gallon and that could be done tomorrow if you could do it that quick. And that's really all I have to say.

MODERATOR: Good point. Very good point. Over here?

MR. MARK TREASTER: Yeah, I want to thank the congressman for coming today and having the secretary here also. I appreciate you listening to people. I know as a politician it's probably hard to sit there and not say much and actually I'd like to hear what you have to say more. But I'm Mark Treaster. I'm from Reno County here. I am a state representative to Topeka. I'm the fifth generation to live on my family farm, unlike my grandparents who earned their livings full-time and my father then had wanted to be a full-time farmer but part-time farmer. I have not chosen to live my life earning my income from agriculture because I know the hard work it takes and the risks involved and, but I have great admiration for the farmers that have talked here today and that live in my district and live in the state of Kansas.

And I'd just simply ask that you do your best job, which I know you will and are trying to do, to keep the family farmers, their incomes strong. I do get as a landowner because of the work my grandparents did -- I do that. But I'm more concerned about those people who live their lives on the farm earning their livings like Gayla and also keep our Kansas small communities and our whole economy of the state of Kansas. Thank you

MODERATOR: Thank you very much.

[Applause.]

Here we go.

MS. DANA HOFFMAN: Mr. Secretary, my name is Dana Hoffman. I work for Kansas Wheat here in the breadbasket of our country. My comments today are to share some information about what our Kansas agricultural organizations are doing to make sure that we have a consensus voice for Kansas agriculture. We have invited all the agriculture groups together. We have started discussions to bring together a consensus agenda for our Kansas agricultural industry so that we can speak with one voice for agriculture producers who as you well know do not just grow one commodity.

I was raised on a family farm in Smith County, Kansas. Two of my brothers are farming the operation currently, and they not only grow just wheat but grain sorghum, dryland corn. They raise beef, and we have in the past raised a lot of other livestock on that farm as well.

So it is well ingrained in me that we have one voice for Kansas agriculture, and we will be sure to let you know what that consensus agenda is. Thank you.

MODERATOR: Thank you, very much. Good job.

[Applause.]

MS. HALLY HAZEL (sp): Hi, Secretary. Thank you for being here. I'm Hally Hazel, a veterinarian in Western Kansas, Leoti, Kansas, formerly in private practice.

Now I'm a veterinarian with USDA Veterinary Services. What I'd like to address sort of relates to issue, question number 5. As you know, we have a severe shortage of veterinarians in rural areas. And as the producers here can attest to that, I know they can.

We know there was discussion in Congress about funding the bill to allow payment for veterinarians who agree to work in rural areas, and from what we understand the money has not been appropriated to actually fund that yet. We'd ask you continue to look at that. We'd like to live in rural America. It's very difficult to find veterinarians to work in rural America because we can't afford to pay our loans and live there too, and we definitely need large animal veterinarians back out in the rural America and especially in rural Kansas.

So we ask that you continue to look at that issue and try to find, convince them to appropriate the funds to pay for those loans to help us. Physicians in those areas make of course three to four times what we do, and their student loans are paid for in rural areas. So we ask for some kind of compensation for that. Thank you.

MODERATOR: Good point because if anybody has livestock, Mr. Secretary, there's some times you have sick animals and you just can't find anybody to come help you. Okay.

MR. DAVE SPEARS: Mr. Secretary, Congressman Moran, my name is Dave Spears. I currently work for Kansas Farm Bureau, but spent some time in Washington, DC, as a staffer for Senator Bob Dole and I also served as a commissioner of the Commodity Futures Trading Commission.

While at CFTC one issue we worked on very prevalently was the issue of agriculture trade options, an issue that is kind of an arcane issue but not a lot of folks are familiar with it. But it's an issue very important to agriculture and an issue I think that if we had the opportunity in agriculture to play by the same rules the other industries have such as energy and finance that would be important for us to have those same flexibilities to operate and have access to those same type of markets the other industries have. So I'd encourage you Congressman Moran and Secretary, that's one minor issue, we can from a regulatory standpoint, be focused on and bring some assistance to our farmers.

Also I think a lot of things can be done as far as what we're doing, the Kansas Farm Bureau, with Agriculture Solutions, an entity we started to look at innovative risk management tools such as weather derivatives, where we actually can hedge rainfall and temperature and some of those kind of things. So if we can take advantage of some of those kind of tools and bring those access to our farmers in an individual basis, give them the tools they need to manage their risk, it would be very helpful. Thank you.

MODERATOR: Thank you very much. Folks, we're going to limit it to two more, and then we're going to have to stop the questions, but then we want to have some answers from the two folks up here with me. Go ahead.

MS. DUSTY FRITZ: Thank you. Secretary Johanns and Congressman Moran, I think from all of us here in the audience we would just like to thank you very much for what you both have done to make this listening session here in the great state of Kansas happen. So thank you very much.

My name is Dusty Fritz. I'm the chief executive officer of the Kansas Association of Wheat Growers and the Kansas Wheat Commission. And I think it has been alluded to today throughout much of the responses about how important our global marketplace is to Kansas agriculture and U.S. agriculture. And as we approach the development of the next Farm Bill which some would say would be the most critical one that we have discussed in the history of farm programs, it is vital that these two aspects be working together and everyone to understand how important our global marketplace is, our trade agreements, our access to new markets is in accordance with our domestic farm policy.

We are doing this in Kansas. It's one thing I'm very proud to stand before you today to say, in the Kansas wheat industry we have our lobbying and policy arm and our market development and research efforts for the first time in Kansas wheat we're now working together under Kansas Wheat. So this is a good example of how this can happen, so thank you again for your time today.

MODERATOR: Good points. Thank you very much.

[Applause.]

MODERATOR: Final comments?

MR. TYLER RAYL: My name is Tyler Rayl. I spoke earlier. Being a young person, gasoline prices are really on my mind. I seen them raised quite a bit. And I'm kind of worried about what they'll be in the future. I'd like to see more incentives for alternative fuels. Tax refunds for using ethanol. Also tax refunds for buying alternative fuel vehicles if at all possible. Providing money for research on an alternative fuels would also be something good. I know you're providing some. But, or probably quite a bit, but if you could look into that a little bit more. And I know this goes deeper than you.

And tax refunds for farmers who raise crops that produce ethanol like if they raise soybeans that are going to be made into ethanol. I think they should get maybe a little bit of tax break on the fuels even more and maybe get even cheaper fuels or other benefits. And promoting no-till farming. I work for a farmer just north of here, and everybody around us is starting to go to no-till farming. This is going to be very beneficial, especially with the prices of fuel. So just please look into those options.

MODERATOR: Very good. Thank you very much.

[Applause.]

MODERATOR: Thank you, ladies and gentlemen. We appreciate it very much. Our final comments of the day, starting with Congressman Moran.

REP. MORAN: Larry, thank you very much for hosting us, and thanks to all the Kansans who have gathered here to give the Secretary their thoughts and their consideration for the next Farm Bill. The subcommittee that I chair, General Farm Commodities and Risk Management, has general jurisdiction over all the things we've talked about today, perhaps with the exception of fuel prices. And we will begin our process here later this year and into 2006 and 2007 in which that subcommittee will be across the country taking input from farmers and farm commodity groups.

It is clear to me that we have our work cut out for us, and I very much appreciate the Secretary taking the time to listen. He indicated earlier during a press conference that he anticipates the administration being actively engaged in presenting a Farm Bill proposal to the House and Senate Agriculture Committees.

That will be useful to us. We face a number of challenges I think different than we did in 2001 and 2002. The Congress has become even more urban. There is a lot less interest in farmers. It is as John Thaumert suggested we need to retitle the Farm Bill to something that has an appeal that is broader than just farmers.

It is a financial difficult time federally as well. Last time when we developed a Farm Bill we had what at least it was described as a surplus in our federal budget. This time we are in significant deficit. There will be a greater pressure to spend a lot less money on this Farm Bill than the last time.

The Brazilian cotton case changes the whole way we will be looking at farm assistance across the country. WTO considerations will play even a greater role in how we look at that distribution process. We believe when we passed the Farm Bill that we were WTO-compliant. That is now in question as a result of that cotton case.

We now have the fruits and vegetable growers of Florida, Texas, and California asking to be participants in Farm Bill payments. That's a new development. Always before the program crops were the program crops and now due to difficult economic times for people who raise fruits and vegetables they now are looking at how do they get a piece of the Farm Bill.

That means we have the same or less money to be distributed among more commodity groups, among more farmers. So I think the challenges are significant, and I think what these kind of listening sessions and what our Ag Committee will do over the next year and a half, what's important is to try to establish the priorities, what matters most, how do you get the best bang for your buck.

And I've heard a lot of things today that are very beneficial to me, help me establish those priorities. And it was interesting to me that a large portion of the

conversation was not just about commodity payments. It was also a lot about rural development, about conservation, a wide array of things that matter to folks. We talked a lot about resource allocation.

When we talk about energy prices, one of the things that becomes clear to me, two things about a Farm Bill as we talk about input costs increasing -- one is we've got to take into account in the Farm Bill the fact that the cost of production has gone up. But it's also a suggestion to me that we've got to make certain we have a Farm Bill that encourages the right allocation of resources, doesn't encourage inappropriate consumption of energy or overprotection of agriculture commodities.

So I think we've got to balancing act here, and I very much appreciate the chance to listen to all of you today. It's surprising and pleasing to me in fact is that probably 9 out of 10 people who came to the microphone are people I know on a first-name basis. I appreciate that relationship I have with Kansans and will work hard on behalf of all of you to try to make certain we have a Farm Bill that is advantageous and we reach that goal of how do we return sons and daughters to Kansas agriculture?

I appreciate the Secretary being here. It's been -- I'm an admirer of him, even more so today. He has a stronger posterior than I do. He didn't fidget at all. And apparently a stronger bladder as well. I admire that. Must come from the days of sitting on the tractor. So I'm delighted that the Secretary is so persistent in his listening. You know so many times these things happen that we have an official come listen to us and what they do is talk. And we saw listening today, and I think that's a great thing.

I have my staff director with me, Tyler Wegmeyer in the back with the blue shirt on. He works with the House Agriculture Committee, staffs my subcommittee. If you all would like to catch him instead of me, that would be a great thing-- after this meeting, and give him an earful. Next to him is my wife who's here to pick up her checkbook. Also we have a booth at the Kansas State Fair as we do every year, and please come by and leave your comments there as well.

Mr. Secretary, thank you for your time at the Kansas State Fair.

[Applause.]

SEC. JOHANNIS: Well let me start out with a few quick thank yous. First, to our moderator. I thought you did a great job. How about a round of applause for the moderator?

[Applause.]

And Congressman Moran, such thoughtful comments. I didn't take any notes during those, and I should have. But it's all recorded. Just outstanding comments. And I think it speaks volumes that you were here from the beginning to the end, and I appreciate it immensely. So Congressman, thanks.

And to your United States Senator, Senator Roberts -- he is a really good friend of mine from the day I walked into his office we just hit it off. He would have been here for all of this but I understand there's a Senate vote, and senators and House members need to vote. So he was heading back to make sure he didn't miss that. He anticipated it could be close. So we'll see if that measure comes up for vote tonight, but he felt he needed to do that.

And then to all of you. Gee, what a great turnout. And the chairs are still full and people are here. Excellent forum. We appreciate it.

At this point, Terri, if I could call on you, I would like that press release we handed out. I wanted to mention before I did some wrap-up comments that I did make an announcement today here in Kansas about some counties that we were designating as disaster areas in Kansas. Butler, Ford, Grove, Grant, Meade, Sedgwick, Trego and Wabaunsee. All those counties I just designated as disaster areas because of severe storms. But the way this works is if you are a contiguous county you could be impacted by that declaration, and there were a whole list of contiguous counties that I won't mention but that could have an impact in terms of the potential for low interest loans and other programs that are available.

For example, if for whatever reason you had to liquidate a part of your herd, there's some tax benefits related to that. This will be news but I wanted to mention it. It's something that you can pick up off our USDA website or like I said you'll be reading about it probably or hearing about it on the radio.

Some wrap-up comments if I might. Excellent input, and I was sitting here thinking near the end of your comments, more than ever before we really do need your help in terms of this Farm Bill. This Farm Bill is complicated. There are a lot of stakeholders involved. We have a lot of things going on in this Farm Bill that as the congressman pointed out are different today than they were when the last Farm Bill was being debated and ultimately passed, which started in 2002.

What do I mean by that? First thing is, the budget situation. Congressman, I appreciate the fact that you referred to the surplus as a "perceived" surplus because quite honestly that's about what it was. It was a bubble. We've all read about that. One of the things I said to then President Elect Bush, there were a group of us governors invited to his ranch right after he was elected, not this last time reelected but the time before, before he was sworn in. I said, You know, Mr. President, I see a recession out there. I really don't see this economy turning the way it was two or three years ago.

You know, as we went around to governors, governors said, "You know we're starting to see in our own state coffers the revenues slowing down. We have to imagine you're going to be impacted at the federal level."

Well then 9/11 came out in addition to that within months after the President

came to office. The tech bubble burst, and well you know the story. You went through budget challenges here in the state of Kansas much like I was going through in the state of Nebraska, and I would suspect you're still working through some of those issues.

Well, what impacts the states is going to impact the federal government, and of course it did. 9/11 of course also had an impact on the nation's economy. Right about the time we started to think we might see some lift as we were going into the first quarter of 2002, well in the last quarter of 2001, 9/11 occurred; and the potential for that occurring really disappeared.

But the economy improved pretty dramatically over the last couple of years. We did see a lot of things happen that were very, very encouraging. But the fact remains, we have a federal deficit, and if there is one thing that I feel very, very strongly about it's that high federal deficits are not good for anybody. They are not good for agriculture, they are not good for farmers and ranchers, and so what we do in terms of spending I believe has a tremendous amount of impact on our future -- maybe not 12 months from now or 24 months from now but certainly down the road. So that has an influence.

The very first Farm Bill session we had I said, every part of the government's budget is being impacted by the need to get that deficit down. So that's item number one.

Item number 2 the congressman mentioned that also. When we passed the Farm Bill in 2002 and I was the lead governor for the Western governors and the Midwest governors -- generally satisfied with that Farm Bill in 2002. There was a general feeling that it was WTO-compliant. We aggressively defended the cotton case and as you know the WTO found against that program. And we have now introduced legislation that actually eliminates the Step 2 program for cotton.

So you look at that and say, "Well Mike, we have cotton, we understand that." But not every state does. Well, what's the broad policy implication there? Well, you wouldn't have to read into too many farm articles to see there are some countries out there saying, "Well, gosh, if it was cotton then what about rice?" And then we have a country or two out there saying, "Well if it's rice then what about corn? What about that program?"

All I'm offering to you, ladies and gentlemen, is that these are issues that we need to pay attention to.

Now the third thing I wanted to mention is this issue, this one gentleman got up and said "oh I hate CAFTA, it was a dumb thing to do, I like you guys but that was really the worst thing you could have done." Well, let me spend a moment on that.

Gosh, do you realize that for the past 20 years these countries had trade preferences? They were sending their products into the United States to compete with the products you raise in Kansas duty-free, while at the same time when we sold our products into those countries we paid high duties. Sound like a level playing field to anybody

here? Of course it doesn't. It's not a level playing field. That's obvious.

Why did we do that? Those countries were headed in the wrong direction. They were headed toward communism, they were headed toward dictatorship, and that's in our back yard. So 20 years ago folks looked at that and said, That's a bad idea. We need to do something to support those economies and hopefully get them turned around as a government. And you know what? It worked. Those countries are flourishing democracies with better economies than they have seen maybe ever.

It worked. It provided for our security. But you know what? The time arrived where we looked at it and said, you know it's time to level the playing field. That's what CAFTA was all about. It brought duties down. It brought duties down so the playing field would be level. And in fact some duties were eliminated immediately. For example, soybeans-- that duty was eliminated immediately with the passage of CAFTA and the ratification by the other countries that are out there, or the passage by other countries.

So ladies and gentlemen, it's awful easy to beat up on trade, but quite honestly pick the right issue. That did nothing but help the American farmer and rancher.

And then it's where I started to begin with. We already produce more than we consume. That's the state of the way it is. And our American farmers and ranchers are the most productive in the history of mankind. They are producing, their production growth is about 2 percent a year. Our consumption and population growth is less than 1 percent a year. And 95 percent of the world's population lives outside the borders of the United States. Well, where do you think our customers are going to come from?

It really is that 27 percent of our receipts do come from that foreign marketplace. Like it or not, we need to be strong and aggressive and do what one gentleman suggested, and that is to do everything we can to make sure that American agriculture is front and center in our trade negotiations. And that's what I said I would do when I was before the Senate Ag Committee in my confirmation hearings.

Last thought I want to offer here. I strongly believe that the 2002 Farm Bill was the right Farm Bill for 2002. Agriculture was pretty much in a recession at that point in time. No doubt about it. We have to ask ourselves, is that the right Farm Bill for 2012, because that's as long as this next Farm Bill will last, until 2012. That's the very question that we are asking in these Farm Bill forums as we travel across the country-- what is the right policy for American farmers and ranchers as we look out there over the next half decade?

Very important piece of time because of the generational shift that is again happening in agriculture. The majority of American farmers and ranchers are my age or older -- 55 years or older. How do we do this to provide for that next generation of farmers and ranchers who truly do want to farm and ranch and do it right?

We have a number of these forums left to go. In fact I have two more to go yet this week. We'll be in Utah and then back in Nebraska, and we're just anxious to hear from you. So a final suggestion. As this rolls out in the months ahead, stay on our website or stay in touch with us. If you have something to offer next May or June or July or August, get on that website. There's an area devoted specifically to the 2007 Farm Bill. We want to hear your best thinking about the future of agriculture.

Thank you very much. God bless you.

[Applause.]

MODERATOR: Ladies and gentlemen, there's a big demand for Secretary of Agriculture's time. We thank you very much for spending some with us. Appreciate it. Thank you, ladies and gentlemen, for being here too. We appreciate that because without you this wouldn't have amounted to much either.