



**National Farmers Union**

**Testimony of Tom Buis**

**Before the:  
U.S. House of Representatives Agriculture  
Committee**

**Concerning  
Review of Federal Farm Policy**

**Wednesday, September 20, 2006  
Washington, D.C.**

**STATEMENT OF TOM BUIS  
PRESIDENT, NATIONAL FARMERS UNION  
BEFORE THE U.S. HOUSE AGRICULTURE COMMITTEE  
2002 FARM BILL  
SEPTEMBER 20, 2006**

Chairman Goodlatte, Congressman Peterson, Members of the Committee, thank you for the opportunity to testify today. My name is Tom Buis and I'm the president of the National Farmers Union -- a nationwide organization representing more than 250,000 farm, ranch and rural residents.

NFU members very much appreciate being included in several of your Committee's field hearings. We were also pleased that the Senate Agriculture Committee held similar sessions throughout the nation. Likewise, NFU held farm bill listening sessions last month. In fact, more than 1,000 people attended one or more of our 13 sessions across the country. Two weeks ago, more than 250 of our NFU members came to Washington to meet with members of the House, Senate and Administration to express their views on issues that arose at the listening sessions. To a large extent, my testimony will address these issues. This, and other information on NFU policies, can also be found at [NFU.org](http://NFU.org).

Farm Bill Extension – Our members overwhelmingly believe that the 2002 Farm Bill was a significant improvement over the previous farm bill, Freedom to Farm. They also believe that writing a new farm bill at this time would not result in an improvement, but most likely a farm bill that would be a step back in addressing the challenges we face in rural America. The federal budget is a sea of red ink, and there are many who want to blame the federal deficit on farm programs – while in reality, if all federal programs were as fiscally responsible as the 2002 Farm Bill, we would have a federal budget surplus. Farm programs cost roughly \$20 billion annually out of a total federal budget of \$2.5 trillion. Eliminating farm programs would only make a small difference, yet there is an organized effort to paint farmers as the root of all evil. There is also a very deep concern that writing a farm bill next year would put us in the position of guessing what happens at the World Trade Organization negotiations. Some groups, some policy-makers, think that we should unilaterally change our programs and hope for a WTO agreement. To our members this is not negotiating from a position of strength. Ronald Reagan, in his negotiations with the Soviets, had leverage because he negotiated from a position of strength. We should do the same on agriculture and not lead with our chins by unilaterally cutting safety net programs.

Finally, and probably the most compelling reason to extend the current farm bill for a couple years is the current economic climate on farms and ranches throughout America. As a result of skyrocketing input costs, without offsetting increases in commodity prices, many farm operations are in a financial bind. The risk of changing farm programs is too great given the financial uncertainty on the farm.

For these reasons the NFU Board of Directors unanimously endorsed a two year farm bill extension.

This does not mean that we like everything in the 2002 Farm Bill, and that there are not significant opportunities for improvement. NFU will be at the front of the line to make suggested changes, based upon the direct input of our members at the listening sessions throughout the country.

Here are some of the suggestions we have heard thus far. We are still in the process of gathering information, and we will gladly share a more detailed list with the committee later.

**Profitability from the Marketplace** – Above all else, farmers and ranchers want to receive a fair price from the marketplace. They view the farm bill as an opportunity to help them achieve profitability for their hard work and investment. Farm bills often focus on the symptoms and miss the cause of the challenges faced in rural America. Producers' biggest concern is the lack of a decent return from the market for the commodities produced and/or raised. There is a strong feeling that the next farm bill's focus should be on solving the problems that are barriers to a fair, open and competitive marketplace.

Two significant economic opportunities were cited at our listening sessions as means of addressing profitability:

1) Direct farmer-to-consumer sales of farm-fresh, source-verified, natural and/or organic commodities. The "buy local/buy fresh" trend is the fastest growing sector of the food industry and presents an opportunity for farmers to price their products based upon quality. Congress should enact legislation to encourage new-generation food distribution systems. Value-added endeavors should lead the way to ensure that more of the food dollar goes back to those who work the land and the communities in which they live.

2) The same goes for fuels from the farm – renewable, environmentally friendly energy sources like ethanol and biodiesel are helping to rejuvenate rural communities. They also offer added benefits to our nation's energy security and independence, by promoting less reliance on a handful of countries in the most volatile region of the world. Policies should be targeted to ensure that the production of ethanol, biodiesel and wind energy be locally owned, in order to build and maintain our rural communities.

**Natural Disaster Assistance** – At every listening session, producers expressed frustration at the lack of assistance for natural disasters. A stream of personal accounts made it clear that people are hurting and deserve to be assisted. More than 66 percent of all U.S. counties have been declared primary or contiguous disaster areas by the U.S. Department of Agriculture (USDA) in 2006. A year ago, nearly 80 percent of all U.S. counties were declared weather-related disaster areas by either secretarial or presidential declarations.

The 2002 Farm Bill was not designed to provide protection or mitigate weather-related losses, and risk management programs are insufficient in addressing production and quality losses. Farmers and ranchers at the listening sessions called for Congress to vote on disaster assistance before the November elections. They also sought a permanent disaster program as part of the next farm bill, so that assistance is not contingent on *ad hoc* legislation and political volatility. Finally, they felt strongly that disaster assistance should be equitable and that all weather related disasters should be treated the same – a drought is just as devastating to crops as a hurricane.

**Fuels From The Farm/Energy** – There was a common theme that American agriculture needs to play an even greater role in moving the country toward energy independence. Programs and policies, including tax-based incentives, should ensure that family farm agriculture and rural communities benefit from increased use of renewable fuels from the farm. Linking agriculture and renewable energy is the key to diversifying our energy markets and creating new economic opportunities for rural America.

**Conservation** – There was extreme frustration that existing conservation-related programs, such as the Conservation Security Program, remain under-funded. Likewise, producers called for increased conservation efforts on working lands and for technical assistance resources, in addition to an expansion of the Conservation Reserve Program.

**Trade** – Producers at the listening sessions expressed concern that agriculture is being used as a bargaining chip in the overall World Trade Organization (WTO) negotiations in order to get a trade deal on other industry sectors. The farm and ranch families we heard from support negotiating from a position of strength and not unilaterally seeking new limits and disciplines for future domestic agricultural policies. Producers also said that trade agreements must address all factors of trade including environmental standards, health and labor standards and currency manipulation. Finally, many expressed concerns that the U.S. agriculture trade balance has shrunk from a surplus of \$27 billion in 1996 to \$3 billion today. Competitive imports are outpacing exports so rapidly that the United States may become a net agriculture importer in the very near future.

**Competition** – Family farmers and ranchers told us that inadequate market competition is one of the most severe problems they face in the agriculture industry. As evidenced by the sharp decline in the number of family farms in the past decade and the increasing trend toward horizontal and vertical concentration in the agriculture and food sector, independent producers cannot succeed in the absence of protection from unfair, anti-competitive practices. Producers expressed concern that mandatory Country-of-Origin Labeling (COOL) was not being implemented as called for in the 2002 Farm Bill, the need for a ban on packer ownership of livestock, and enforcement of existing antitrust laws.

**Agriculture/Rural Budget** – Producers sought new and creative programs for conservation, rural development, energy, research and other areas and expressed concern that the agriculture and rural budget not be reduced. The administration and Congress continue to cut funding from farm bill programs through the annual appropriations and budget reconciliation process as a way of reducing the federal deficit, despite the farm bill saving more than \$15 billion in the first three years of enactment. Those speaking at the listening sessions supported keeping the budget for agriculture and rural programs at current or increased levels.

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With that Mr. Chairman, I thank you again for the opportunity to testify. I'd be pleased to take any questions and thank all of the Members for their support of and work on these important issues.