TESTIMONY BY
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RURAL DEVELOPMENT & RESEARCH

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Good Morning Chairman Lucas, Congressman Holden, Members of the Subcommittee. Thank you for the opportunity to testify here today on the topic of specialty crops. My name is Jack Shafer, and I am a semi-retired farmer from Tamaqua, Schuykill County. I say semi-retired, as I am very fortunate to be transitioning the farm over to my son, who will continue the family tradition. Forty years ago, I joined the farm in a partnership with my father. Our farm raises pumpkins as well as corn, soybeans, hay and beef cattle. Our pumpkins are mostly retail sold at our roadside stand during the months of August, September and October, targeting the autumn and Halloween markets. In our not too distant history, the farm also grew cabbage and other fresh market vegetables.

I take pride in my professional affiliations and in my agricultural accomplishments. I am involved in numerous agricultural organizations one of which is the Pennsylvania Farm Bureau – and I am a member of the Board of Directors of the Schuykill/Carbon County Farm Bureau. In 1995, I was honored as the Soil and Water Conservationist of Schuykill County. I have also served as an agricultural ambassador on the China Tour. The testimony I offer today reflects my personal opinions of what features should be included in Farm Bill legislation. But I would note that nearly all of my views are the same as the policy positions taken by the Pennsylvania Farm Bureau on the Farm Bill.

Global Trade Agreements

First and foremost, American agricultural policy must reflect the fact that American farmers are competing in a global market. In order to effectively serve our agricultural producers, Congress must strongly consider an extension of the current Farm Bill until the WTO comes to an agreement. Passage of a Farm Bill without a WTO agreement is putting the cart before the horse, and disarms U.S. trade representatives in global trade negotiations. In order for American farmers to compete in a global economy we need a level playing field. Formulating domestic policy prior to world agreements on trade would be terribly damaging to the American farmer and the U.S. economy.

Regional and Commodity Differences Consideration

National Farm Policy must be balanced. Congress must take into consideration the regional and commodity differences that exist. Northeast producers are closest and most able to

meet the agricultural demands of the 25% of Americans who live in the Mid-Atlantic and Northeast states. Farm Policy must reflect the unique needs and limitations of northeast farmers.

Importance of Specialty Crop Producers

It is important to note that specialty crop farmers produced nearly one half of the monetary value of all crops produced in the nation. Yet, our national farm policy has long overlooked the needs of fresh fruit and vegetable producers. The Farm Bill must develop and sustain specialty crop programs and align them with the agreements made at the WTO. The allocation of federal resources must be aimed at addressing the issues of concern to specialty crop growers, given the impact we have on the agricultural economy. Specialty Crop growers do not want direct payments; rather we seek opportunities to participate more fully in Farm Bill programs.

Restrictions of Planting Flexibility

Growers of specialty crops need continued protection when competing against producers of "program crops" who receive a subsidy whether or not that program crop is planted. The planting restriction for fruits and vegetables has acted as a safety net for specialty crop producers who do not receive direct payments. Researchers have predicted that even a one percent increase in fruit and vegetable planting would result in no less than four percent decrease in prices. The profitability, and ultimately – the survival, of fruit vegetable producers is put into jeopardy. Congress must look into "green box" and "blue box" programs that would protect specialty crop producers and ensure the availability of nutritious fruits and vegetables.

Crop Insurance

While there are about twenty different ways to obtain crop insurance for corn production through seven different crop insurance programs, very few specialty crops are even eligible for crop insurance coverage. It is difficult for me to find fairness in this situation. My personal experience with crop insurance has been anything but positive. Years ago, I participated in a pilot program on coverage for my pumpkin acreage, but was not pleased at all with the results. Since this experience I have not purchased crop insurance on any of my eligible acreage. That said, I do see the instances where it would be quite helpful, for specialty crop producers to be

protected from natural disasters through affordable and effective crop insurance. I also feel there is a definite need for increased explanation and education of RMA practices and rules so that all involved – the agent, the producer and the adjuster – understand in practical terms the extent and limitation of insurance provided. I am aware of at least one instance where a fellow grower paid premiums for many years on a crop that was not eligible for crop insurance in the first place.

Conservation Programs

Many non-farm interests are trying to use the upcoming Farm Bill as a vehicle for advancing their environmental views and interests. We as agricultural producers bear a large burden of stewarding the land – the source of our livelihood. However, we must remember that this is a Farm Bill and not a conservation bill. The conservation programs that are included in the Farm Bill must be directed toward production agriculture, and must be compatible with farmers' ability to use their lands in farm production.. Too often funding for conservation programs is being directed in places where agricultural producers are not benefiting. The number of agricultural conservation programs that go unfunded or without cost-sharing is extremely high.

Programs like CRP and CREP are well intentioned but are harming Pennsylvania agriculture in two ways. First, much of the CREP land in the Commonwealth does not fall in the category of "marginally productive " or "highly erodible." Farmers needing rented ground to remain viable and profitable are forced to compete with the federal government for access to rental acreage that is quality farming ground, but Uncle Sam is able to pay more in rent. What's worse, many of the CREP lands are not managed properly, particularly with noxious weeds control.

The Conservation Security Program (CSP) is quite effective, but is under-funded. It provides an incentive for producers to engage in positive conservation practices and is directed toward farmers. Conservation funding should promote active land management rather than land retirement programs like CRP and CREP. CSP promotes active land management. CRP and CREP can lead, unfortunately, to land degradation.

Conclusions

I want to thank the subcommittee for conducting this hearing and taking into account the issues that agricultural producers are facing. It is my sincere hope that Congress takes a balanced

approach to the Farm Bill, recognizing the regional differences and commodity differences that exist in American agriculture. It is so very important to pass into law a Farm Bill that allows flexibility for state and local leaders to fund and implement conservation programs most beneficial and effective to that specific location. Specialty crop producers cannot be ignored or overlooked. We need viable risk management tools to ensure profitability and the survival of the specialty crop farmer. Most importantly, however, is the need to align our farm policy with that of agreements made on our behalf at the international level, and the need to delay in writing specific language of the next farm bill until we know the parameters by which global trade will occur.

Thank You.