

Testimony of Neil D. Hamilton, Dwight Opperman Distinguished Professor of Law and Director, Agricultural Law Center, Drake University Law School, Des Moines Iowa, to the U.S. House of Representatives Committee on Agriculture. May 13, 2010

Mr. Chairman, thank you for the invitation to testify this morning, I appreciate having the opportunity to share thoughts on some aspects of the next farm bill. Let me begin by acknowledging my fellow Iowans, Congressmen Boswell and King. Mr. Chairman this opportunity is very special as I have been involved with agriculture since the moment I was conceived on a 200-acre farm in Mercer Township, Adams County, Iowa, land that has been in my family since the 1870's. Thirty-five years ago this summer I was a college intern for a young first-term Congressman from southwest Iowa on this committee, Tom Harkin. My professional career of over thirty years has been spent as a lawyer and law professor focusing on legal issues affecting farmers, agriculture, food, land and rural development. I have taught classes on many aspects of agriculture and food law, written numerous books and articles for farmers, and lawyers and lectured widely on a variety of topics, in particular those relating to sustainable agriculture, direct marketing, and policies to create opportunities in our food and farming system. In recent years many of my talks are about the 2008 farm bill and important programs it created.

I want to begin by commending the committee on your work creating the 2008 farm bill, especially your attention to issues like support for new and beginning farmers, organic production, innovative marketing, export promotion, rural development and renewable energy, local and regional food systems, and the working lands approach of the Conservation Stewardship Program. In that regard my first recommendation is while your attention must turn to the next farm bill, there is much work yet to do implementing programs authorized by the 2008 bill, such as encouraging appropriators to fund the Individual Development Account pilot program, urging USDA to implement the land contract guarantee loans to encourage sales to beginning farmers, and promoting the Conservation Reserve Program Transition Option, to be announced by USDA this week.

Mr. Chair, like you I have worked on many farm bills over the last 30 years and one challenge is making sure the promising ideas, often new programs used to attract support, are in fact implemented. New developments and budget concerns have sometimes prevented us from realizing the promise and hard work that goes into writing a farm bill. Some of you have been here long enough to remember the unrealized goals of the 1996 Farm Bill's Fund for Rural America. We need stability and predictability for agriculture and rural policy so we can plan for the future and develop capacity and understanding.

This brings us to our second topic - new and beginning farmers. To my mind there is no more important challenge facing our nation's food and farming sector than who will be the next generation of America's farmers. This is why the Agricultural Law Center teamed with USDA Risk Management, Farm Credit and dozens of other partners to hold a two-day Forum on America's New Farmers: Policy Innovations and Opportunities, here in Washington, DC in March. The good news is there is wide interest in the topic and recognition of its importance. Over 200 people from 40 states attended and shared promising examples of actions being taken at the local and state level to support new

farmers. We discussed the challenges of financing new farmers and of working with landowners to make land available for new operations. More good news is there is a strong and growing interest by many young people – farm kids and others alike – to be involved in food production. Our nation and rural communities need the energy of new families to help steward the land, produce our food, and build the rural economy. But we have yet to develop a comprehensive approach or national commitment to helping the next generation of farmers – and time is of the essence. The aging farm population; concentration of land with older owners; transfers to off-farm, often out of state heirs; and increasing farm tenancy all create significant challenges to the sustainability of agriculture, the health of rural communities, and even the design of farm programs.

The 2008 farm bill took several important steps: funding the Beginning Farmer and Rancher Development Grants, targeting FSA loans, and directing USDA's Office of Advocacy and Outreach to coordinate beginning farmer efforts. There are other opportunities, such as building on the land matching programs in many states like California Farm Link, and the growth in new farmer training and incubator efforts, such as the Land Stewardship Project Farm Beginnings work in Minnesota and Illinois. I believe there is even an opportunity to create a national New Farmer Corps to create public service opportunities in the food and agriculture sector. Next week a group will meet in Detroit to craft a Food Corps pilot within AmeriCorps, designed to help people work with school gardens, educating kids about nutrition, food and farming. These efforts build on the farm-to-school marketing program authored by the Committee.

Third, I want to talk with you about expanding local and regional markets and the role sound policy can play in creating opportunities for farmers, improving food access, and strengthening local economies. My wife Khanh and I have been involved with local marketing for years, selling at farmers markets and now directly to restaurants. Ten years ago I wrote The Legal Guide to Direct Farm Marketing for USDA's Sustainable Agriculture Research and Education program, to help educate a growing segment of U.S. agriculture. Last week the Iowa Department of Agriculture and Land Stewardship released a survey showing in 2009 Iowa's 223 farmers markets contributed close to \$60 million in direct sales and an additional \$12 million in personal income to Iowa's economy. Secretary of Agriculture Bill Northey said, "Farmers markets are a great opportunity to access fresh, nutritious, locally grown foods," noting the markets let consumers get to know and interact with farmers who produce their food.

In recent months some have criticized local markets as "completely detached from the realities of production agriculture" and "aimed at small, hobbyist and organic producers whose customers" are affluent urban locavores. I believe these characterizations of the markets, farmers and shoppers are inaccurate and unhelpful. I think Congressman Boswell will agree few of the 30,000 central Iowans who attended opening day at the Des Moines farmers market May 1st would either recognize or deserve the label "affluent locavore." They are hard working Iowans looking for fresh local food, an opportunity to socialize with friends after a long winter, and the chance to spend some money and reconnect with the 200 farmers and vendors who make up the market. No one went because Iowa's grocery stores were out of food or because our food supply is unsafe.

They and the millions of Americans who buy local, have many motivations for spending money with local farmers. They aren't necessarily looking for cheaper food – they are looking for better food, whatever that means to them.

The same is true if we go to the farmers markets in Wilmar, Enid, or Garden City. If you look at a farmers market and see only the shoppers you are looking at just one end of the equation. I encourage you to follow the pickups and vans back home to Mingo and Lacona – and hundreds of small towns to see the day's sales being counted on the kitchen tables. Then you will see urban money flowing back to farms and rural towns where it is spent and invested by thousands of farms and businesses. No, these farms will not feed the world, but no one said they would. But they do help feed millions of citizens and support thousand of farm families - and they create opportunities for new farmers to get a foothold in agriculture. This is why I encourage the Committee to continue supporting expansion of local and regional markets. It is why USDA's Know Your Farmer Know Your Food effort is important. By taking an integrated approach to a range of different programs you authorized – USDA is helping make USDA and the Committee an important ally for farmers of all sizes.

My parents farmed for over fifty years and my wife and I have sold food locally now for over fifteen. There are two things we experience every season my parents never did. They never set the price for what they sold – corn was worth what was on the chalkboard and cattle brought what the order buyer offered. But when we deliver 100 pounds of fresh-picked, ripe tomatoes to a customer's back door we set the price. The second difference – perhaps even more important to the idea of being a farmer – is my parents never had the satisfaction of anyone thanking them for raising their food. No one came to the farm and said “Ham and Zella those were the best soybeans we ever ate.” It didn't make my folks worth less as farmers but it did make it possible for them to feel disconnected from, even in conflict with consumers.

When we go out to eat and see our farm listed on the menu and see diners enjoying food we grew it brings a sense of satisfaction. When someone tells my wife “those baby beets were the best ever” it is like another paycheck. It may not pay the gas bill but is the psychological encouragement to put in the hard work it takes to raise food. In our food system we have severed many of the connections between people and their food and between farmers and eaters – and we have paid a price for doing so. Efforts to build local and regional markets make good economic sense - and help reestablish connections and increase understanding of farming. The efforts do not detract from programs to support commodities but can be woven into our existing farm structure. Many in agriculture are concerned about what they see as undeserved criticisms – but it is hard to criticize people you know and trust. Local markets put a face on our food and benefit all farmers.

In that regard the Committee needs to realize how valuable the programs you include in the farm bill are for expanding local and regional food systems. Some are minor programs with small budgets but they are important to farmers and consumers in every state. Programs like the Farmers Market Promotion Program – USDA received nearly 500 applications for a recent round of \$5 million in grants; the Women Infants and

Children (WIC) and Seniors Farmers Market Nutrition coupons that help thousands of low income families and seniors buy fresh produce; and USDA's community food projects and Risk Management's office of civil rights and community outreach. They have funded hundreds of initiatives to build stronger, more resilient food and farming systems, like the Iowa Food Policy Council I chaired for six years. These programs aid thousands of farmers and connect the Committee to a growing part of our food system.

Another segment of agriculture deserves the Committee's time and attention, some refer to it as "agriculture of the middle." These are the mid-sized farms like my parents', and whatever name you use, it is important the farm bill supports family farms being squeezed by market forces but holding on. These farms may be too big or too remote to take advantage of direct marketing, but increasingly they are tapping into new value-added markets. With the right set of policies we can help these farmers thrive. The Committee took several important steps in 2008 with programs like the new mid-tier value chain program in Rural Development's Value-Added Producer Grants and the Local and Regional Food Enterprise opportunity in the Business and Industry Loan Program. The Conservation Stewardship Program can provide support to care for the land as these farms pursue new market opportunities. I encourage you to continue and to expand these efforts in the next farm bill.

Our farm may be different than my parents but they are both farms and I encourage you to recognize all farms, regardless of their size, and all consumers, regardless of their means, as deserving. In the words of St. Paul etched on USDA's Whitten Building, "The husbandman that laboreth must be the first partaker of the fruits." These programs help many of your farm constituents thrive. This brings me to my final observation and that is our need to have a "big tent" approach to America's food and farming system. Corn and soybeans are central to our farm economy, I know because we raise them on my farm in Adams County. But the farm sector, the food system, and our rural economy are about more than just commodities. I have written about these forces as food democracy at work in our country creating more opportunities for farmers, eaters, and rural residents alike.

If our thinking is broad in efforts to assist farmers, rural communities and landowners we can include the traditional crops and forest products we produce, process and market - but also encourage a more diverse rural economy with a wide range of products and services. Some opportunities will be in renewable energy and new markets for environmental services, like carbon sequestration. We can build on our experience with ethanol in terms of rural investment, job creation, and creating new markets – and thereby help unlock the capital in rural America and create new businesses structures and opportunities for local owners. Some efforts will expand the range of food products and crops we raise, and how they are marketed. And other opportunities will involve helping conserve and steward our soil and land resources. We can support new uses for rural lands, and add to the farm economy by creating new livelihoods so our children can stay in rural America, or come home, and so others will want to move there. Your work on the next farm bill is critical in helping build a brighter future for America's farmers, eaters, and rural citizens. I wish you the best of luck and success. Thank you.

Prof. Neil D. Hamilton, is the Dwight D. Opperman Distinguished Professor of Law and Director of the Agricultural Law Center at Drake University Law School in Des Moines, Iowa. He lives with his wife Khanh on a 10-acre market farm, Sunstead, near Waukee, Iowa, where they raise fresh vegetables for several local restaurants. He grew up on a 200-acre family farm in Adams County, Iowa, where his family has farmed since 1872. He has a B.S. from Iowa State University 1976 in Forestry and Economics (with honors), and a J.D. from University of Iowa 1979 (Order of the Coif). He has taught agricultural law for 29 years and is past-president of the American Agricultural Law Association (AALA) and received its Distinguished Service Award in 2006. He has written many books and articles for farmers and lawyers including the nationally award-winning What Farmers Need to Know About Environmental Law (1990), A Livestock Producers Legal Guide to Nuisance, Land Use Control, and Environmental Law (1992), The Farmers Legal Guide to Production Contracts (Farm Journal 1995), and The Legal Guide for Direct Farm Marketing (July 1999).

Prior to joining Drake in 1983, he taught two years at the University of Arkansas School of Law where he helped create the Agricultural Law masters program. From 1979-81 he was an Assistant Attorney General in the Farm Division of the Iowa Department of Justice. Since 1983 he has directed the Agricultural Law Center at Drake University Law School, and helped it establish a national and international reputation for excellence in research, education and public extension on food and agricultural law. He has received numerous awards for his writing and leadership on sustainable agriculture, law, and food policy, including Glynwood Center's 2005 Harvest Award for Innovations in Local Food Systems. He also received the Second Annual International Local Food Prize in 2003 from the National Catholic Rural Life Conference; the Distinguished Service to Iowa Agriculture, from the Iowa Chapter of American Society of Farm Managers and Appraisers in 2001; and Practical Farmers of Iowa's, 1997 Sustainable Agricultural Achievement Award. In 1992 the Iowa Pork Producers Association made him an Honorary Master Pork Producer. In the 1990's he served as vice-chair of USDA's Small Farms Advisory Committee, and chaired the National Genetics Resource Advisory Committee.

He has written numerous articles on topics such as: farm tenancy, food democracy, intellectual property rights and plant genetics, the future of agricultural law, sustainable agriculture, agricultural industrialization, and agricultural production contracts. He taught as a visiting professor at the University of Nantes from 1991 to 2009 and teaches annually at the University of Arkansas. He has conducted legal seminars throughout the U.S. and in twenty foreign countries. He served on the Advisory Board of the Leopold Center for Sustainable Agriculture at Iowa State University from 1987 to 2008, and is on the boards of the Iowa Natural Heritage Foundation and the Seed Savers Exchange. In April 2000 then Iowa Governor Tom Vilsack asked him to chair the Iowa Food Policy Council, which he did until January 2007. In April 2008 he developed and taught a two-credit course – Legal Issues in Wind Energy Development, making Drake only the third law school to offer the class. He taught it in 2009 and 2010 to over 50 students. He regularly teaches courses on Agricultural Law Problems, Food and the Law, Land Use Environmental Regulation of Agriculture, Legislation, and Rural Lands Rural Livelihoods. In the summer 2010 he will teach a course on America's New Farmers.

**Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form**

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2007.

Name: Neil D. Hamilton

Address: 31810 Timber Ridge Trail, Waukee, Iowa 50263

Telephone: 515/490-1577

Organization you represent (if any): I am a law professor at Drake University Law School in Des Moines, Iowa and direct the Agricultural Law Center, but my remarks are my own.

- Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2007, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:**

Source: USDA Risk Management Agency, New Farmer Forum* **Amount:** \$46,500

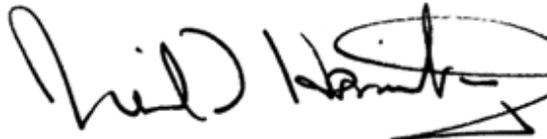
Source: USDA RMA, new edition, Farmers Legal Guide* **Amount:** \$50,000

***Both grants are to Drake University to support these projects, but I am the principal investigator and some portion of the funds may pay my summer salary, travel expenses, etc.**

- If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2007, as well as the source and the amount of each grant or contract:**

Source: _____ **Amount:** _____

Please check here if this form is NOT applicable to you: _____



Signature:

** Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.