



**National Farmers Union  
Testimony of Roger Johnson**

**Before the  
U.S. House of Representatives Agriculture  
Subcommittee on General Farm Commodities and  
Risk Management**

**To Review Implementation of the Food,  
Conservation and Energy Act of 2008**

**Wednesday, June 24, 2009  
Washington, D.C.**

Good morning, Mr. Chairman and members of the committee. I appreciate the opportunity to testify on behalf of the farm, ranch and rural members of National Farmers Union (NFU). My name is Roger Johnson and I am the president of NFU -- a nationwide organization representing more than 250,000 farm, ranch and rural residents.

As rural America is dealing with one of the most severe economic crises in history, the goals of the 2008 Farm Bill will be tested. In order for programs contained within the 2008 Farm Bill to be successful, the U.S. Department of Agriculture (USDA) must implement the provisions as intended by Congress. NFU urged Secretary Vilsack and his new team to take inventory of the status of all regulations, both issued and pending, to ensure the intent of Congress was met. For programs awaiting regulatory action, we urge the department to be cognizant of congressional intent and timely in getting programs up and running.

The Supplemental Agricultural Disaster Assistance program was a top priority for NFU. Our members believe the lack of a standing disaster program was the single biggest hole in the safety net. This new comprehensive disaster program is designed differently than *ad hoc* disaster packages and includes a variety of new programs and eligibility requirements. The Supplemental Revenue Assistance (SURE) program was designed on principles to ensure incentives for enhanced crop insurance participation and provide assistance for whole-farm revenue losses. Proper implementation will keep crop insurance as the primary risk management tool for producers and target supplementary disaster assistance to those with proven losses on a farm's entire crop production. Other components of the comprehensive disaster program include the Livestock Indemnity Program (LIP), Livestock Forage Program (LFP), Emergency Assistance for Livestock, Honeybees and Catfish Program and Tree Assistance Program. To date, no regulations have been issued for these new programs.

The 2008 Farm Bill introduced significant reform to both farm program payment limitations and eligibility rules. The legislation represented a major departure from previous policy by replacing the three-entity rule with the direct attribution and placing hard caps on adjusted gross income both on and off the farm. These changes are significant reforms, but careful attention must be given to the implementation and interpretation of the reforms.

We commend USDA for partnering with the Internal Revenue Service (IRS) to verify farm program payment adjusted gross income eligibility. However, significant anxiety is being expressed over the use of IRS information. Anxiety could be eased with a proactive and aggressive information campaign to ensure producers fully understand the partnership with IRS and means to protect individual producer information. USDA must listen to the concerns of producers and determine the least intrusive manner of using IRS information for farm program payment eligibility compliance efforts.

As you may know, the economic collapse of the dairy industry is spreading and impacting many in its wake. With demand shrinking, market prices collapsing, input costs increasing and reduced credit availability, dairy farmers are facing a unique set of challenges on multiple fronts. During farm bill negotiations, NFU was the only organization to call for the elimination of direct payments to bolster the other facets of the farm safety net. The current dairy crisis is an example of the inadequate price safety net contained in the farm bill. Congress and USDA need to take

immediate actions to mitigate the extensive and irreparable damage being experienced by the dairy industry.

While not under the jurisdiction of this subcommittee, a variety of additional farm bill programs are of significant importance to our membership.

Conservation programs - Implementation is vital to the planning process of producers across the country. Timely deployment of all conservation regulations is paramount.

Country of Origin Labeling - Implementation of COOL was a high priority for NFU and we were pleased a compromise agreement could be reached. As the program is implemented, we will closely monitor compliance rates to ensure the integrity of the program is achieved.

Price Reporting, PSA Enforcement and Contract Reforms – Market transparency and competition are pivotal to the ability of independent livestock producers to receive a fair price for their livestock. Timely implementation of the livestock reporting requirements and new PSA enforcement requirements will ensure independent producers no longer fight anti-competitive practices with their hands tied behind their backs. The variety of contract reforms included in the bill is important to protecting vulnerable contract producers.

Interstate Shipment of Meat – The new compromise voluntary program is a core competition policy for our nation's livestock producers. Appropriate implementation that maintains the integrity of the compromise is important.

The 2008 Farm Bill included many important provisions and programs, reflecting a two year deliberation that included many compromises. More than 73 percent of the bill is for nutrition programs to fight hunger. The bill goes beyond the programs I mentioned above by investing in the next generation of renewable fuels, setting our nation on a path to energy independence. Was this a perfect piece of legislation? No. Unfortunately no piece of legislation as broad as the farm bill ever is. However, overall it is a good law that will benefit family farmers, ranchers and consumers. NFU looks forward to working with this subcommittee and USDA to ensure all programs are implemented in a timely and efficient manner while maintaining the intent of Congress. Thank you for the opportunity to testify, I would be happy to answer any questions committee members may have.