

Testimony of Mr. Paul Platz  
Before the  
Committee on Agriculture  
Subcommittee on Horticulture and Organic Agriculture  
U.S. House of Representatives  
July 21, 2010

Good morning, Chairman Cardoza and members of the Committee. My name is Paul Platz. I am a farmer, a seed sales representative, and a licensed “Commercial Animal Waste Technician,” which is a fancy name for a manure hauler. My wife Donita and I own and operate a diversified farming operation near Lafayette, Minnesota. Southern Minnesota’s economy is predominately agricultural. Corn, soybeans, and livestock production of all types are the mainstays of our area, but a multitude of alternative crops are produced locally as well. On our farm, like most of our neighbors, we produce corn and soybeans. However, we also produce green peas and sweet corn for processing under contract with Seneca Foods. I am here to talk about the importance of Midwestern farmers having the option to grow fruits and vegetables for processing by continuing and improving the Farm Flex provisions included in the last Farm Bill.

I decided to diversify my farming operation by adding sweet corn and green peas in 1993. I have always kept extensive records on each profit center in my business, and I determined that adding these crops would help spread out my risk and improve my profitability. At that time there were no farm program restrictions on fruit and vegetable production, and my producer history has allowed me to continue growing green peas and sweet corn after the limitations were put in place. We’re now producing about 80 acres of green peas and 80 acres of sweet corn for processing.

Producing vegetables for the processing industry is important for my business because it's profitable. My enterprise analysis over the last 17 years has shown that producing vegetables can be very volatile, but on average, mostly profitable. I have discovered through the years that planting green peas seems to reduce compaction issues in the soil, and subsequent corn crops produce very well. Planting vegetables also has low input costs. Low input costs help keep my line of credit at my local bank within the targeted levels that lenders will provide. Also, my paychecks from Seneca Foods for my vegetables arrive at different times than those for my field corn and soybean sales. This helps my cash flow needs.

Planting vegetables also spreads out my workload and allows me to make better use of my resources. The planting and harvesting operations of my vegetables are generally staggered with my corn and soybeans. Our farm's livestock operation allows me to meet most of my own fertility needs with manure from my hogs. I can apply a significant amount of hog manure to my vegetable fields in late September before the soybean harvest begins. Being able to get some of my own manure applications completed early allows me to custom haul manure for my neighbors in October, which also significantly helps my cash flow.

Without program restrictions, bringing a new crop enterprise into my farming operation was relatively simple. Just sign a contract and plant vegetables. Recent farm bills have made it more difficult to include vegetable production in our farming rotations. My concern about these restrictions is in part centered on my son's ability to start his own farming career and to produce vegetables under existing rules. It is my understanding that my producer history cannot be

transferred to my son or my heirs. Individual farm history is preserved, but many of my landlords are elderly and farms may be sold to owners who do not produce vegetables. Renting new farms with farm history is difficult at best. The Planting Transferability Pilot Project does attempt to address some of these issues. Unfortunately, the project seems to only temporarily solve the immediate problems, without addressing long-term issues. For instance, if my son were to start his farming career and request the pilot program, he would be allowed to produce vegetables in 2011, but he would not get either the producer history or the farm history that would enable him to grow vegetables in subsequent years. Upon my death, not even my wife would be able to inherit my producer history.

As it stands now, young farmers or any farmer who might decide to start growing vegetables in our area will have serious obstacles to do so. As time goes on, and natural attrition continues either through retirements or death of existing farmers, fewer and fewer farms and acres will be available for vegetables grown for processing. This puts the entire vegetable processing industry in our area in jeopardy. If we as farmers are not allowed the flexibility we need to produce vegetables for processing, eventually processors will be forced to close their plants. These plants employ a lot of people and as I have detailed, they provide an important income stream for Midwestern farmers. I would also like to mention that my third son Alex is currently working his 12 hour shift as a pea combine operator for Seneca Foods. My decision to add vegetable production to our farming plan in 1993 has proven to be a good idea both for my farming operation and for my son as he works to pay for his college education.

The Farm Flex pilot program established in the 2008 Farm Bill is a good first step to remedying this problem. Unfortunately, it appears underutilized.

There seem to be a variety of reasons for the lack of participation in the pilot program. The downturn in the economy has played a large part. Seneca Foods has told me that they are contracting for less production because demand is down all across the industry. Also, the strength of the dollar relative to other currencies is likely making imported fruits and vegetables more economically attractive. The acreage limitation rules are simply an unnecessary complication. If the signup process for the pilot program is simplified to make the only qualification that participating farmers grow fruits and vegetables for processing, I think you will see more farmers take advantage of it.

Mr. Chairman and Members, I respectfully ask that we all work toward a more permanent solution to these issues to ensure a thriving future for agriculture in the Midwest.

Thank you.