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Basic Goals of Food and Agriculture (from statement by Senator John F. Kennedy “Agricultural Policy for the New Frontier” October 9,1960)

There are, it seems to me, two basic goals for food and agriculture. These are not my goals, nor the goals of any particular individual or group; they are the generally accepted goals of society – goals on which there is general agreement in our country.

- 1) *We must assure, for the present and the future, an abundant production of food and fiber products, sufficient (a) to meet the needs of all Americans, and (b) to implement a positive foreign policy which will combat famine, contribute to the economic development of the underdeveloped world, and lay the foundations of world peace.*
- 2) *We must assure to the American farm family, which produces this abundance, an economic climate in which farmers can earn a fair income – an income which yields farmers a return to their labor, management, and capital equal to that earned by similar resources in nonfarm employments.*

These are admittedly broad goals. For example, the assurance of abundance for the future, as well as the present, requires conservation programs that will maintain and enhance the fertility of the soil, and will encourage the wise utilization of land resources – whether it be to produce field crops, forests, or a better natural habitat for game and fish.

Likewise, the assurance of a fair return to farmers must include a recognition of the importance of the family farm as an efficient unit of agricultural production, as an indispensable social unit of American rural life, and as the economic base for towns and cities in rural areas.

It was quite a surprise to be asked to testify before a subcommittee of the U.S. House of Representatives. My brother, Kole, and I earn our living from a 126-acre family farm in Central Washington and are attempting to revive an abandoned 16-acre farm in the Sammamish Valley of Western Washington.

Kole has operated the Central Washington farm for 35 years since our grandfather's death. The farm has been his family's sole source of income for that time. I have supported my family by direct marketing the produce from our farm for the last 23 years. Both Kole and I worked on the farm since we were old enough to pick rock, lift a shovel or fill a picking bag. The Tonnemaker family is the type of family that soon to be president, Senator Kennedy, was speaking about.

We produce tree fruit, vegetables, table grapes, melons and hay. The tree fruit includes apples, pears, sweet cherries, apricots, peaches, plums and nectarines. The vegetables include tomatoes, summer and winter squash, eggplant, cucumbers and peppers. In order to provide produce all season, our production includes over 100 varieties of the tree fruits, 30 varieties of tomatoes, 15 varieties of melons and over 300 varieties of peppers as well as other direct market crops.

OUR BEGINNING IN DIRECT MARKETING

Kole and I have been asked to provide testimony about our involvement in direct marketing. Beyond question, direct marketing saved our farm from extinction and has actually allowed us to flourish even during some very difficult times for the fruit industry in Washington. Through these difficult years, including the Great Recession, we have increased gross revenue by 400% due to direct marketing. Farmers markets are the foundation of our direct marketing, accounting for 50% of all farm revenue. We began selling our produce at farmers markets in 1984, steadily increasing both the number of markets attended and the volume sold at these markets. As the dire destiny of small farms like ours, reliant on the Washington fruit industry's current indirect marketing system, became apparent nearly 30 years ago, our goal has been to reduce reliance on wholesale sales and instead base our business on direct marketing with farmers markets being of primary importance.

We began a serious effort to market fruit directly to consumers in 1984. We grew a sweet cherry variety, "Van", as a pollinator for Bing cherries, the main wholesale sweet cherry in Washington. In a particularly glaring example of the weakness of the traditional indirect wholesale marketing system, typical returns to the farm for the pollinator variety barely paid harvesting costs let alone production costs. Since the pollinator variety was actually a very nice dessert cherry we decided to sell these cherries directly to the public any way we could. Since our farm is distant from any major population center, direct marketing required considerable travel. In the first year our pollinator cherry returns jumped from the 6 cents/lb wholesalers paid to the 50 cents/lb consumers were willing to pay.

In 1985 returns for our indirectly marketed wholesale apples and pears became so low that the hired man joked that the paperboy could cash our checks when

he came by on his bicycle. We were jolted to the realization that leaving the marketing of our fruit to marketing companies that had no financial incentive to obtain favorable prices was becoming disastrous and would bankrupt us. From that year forward every planting decision on our farm, whether annual or perennial crop, has focused on direct marketing. We were lucky to have several family members committed to the continued viability of our farm. Kole and his wife, Sonia, concentrated on production while I, along with our parents, marketed the fruit.

Involvement in farmers markets has changed nearly everything about how and why we farm. Through the 1960's, 1970's and into the 1980's almost all produce from our farm was loaded on trucks and disappeared into the distance to unseen and unknown consumers at the distant end of a long distribution chain. On our somewhat remote farm, the ultimate consumer was almost an afterthought as, in practicality, our real direct customer was the broker who sat at the beginning of a complex distribution system. Brokers are not consumers and care little for the actual eating quality of the fruit. Brokers interests are primarily the ability of the fruit to endure handling through a long distribution system and the eye appeal to satisfy store produce managers and entice customers. Unfortunately, durability and eye appeal have little to do with eating quality. This intuitive fact was given scientific credence recently when Dr. John Feldman at Washington State University was able to show a genetic and physiological link between increased red skin color and decreased sugar content in Red Delicious apples.

NEW PERSPECTIVE REQUIRED OF DIRECT MARKET FARMERS

At a farmers market, we stand face to face with the person who will eat our fruit. We are personally responsible for that fruit. For farmers markets, the imperativeness of customer satisfaction relegates, to marginal importance, all other concerns in fruit production and marketing. To succeed in direct marketing, ease and simplicity of growing, harvesting and transporting our produce cannot control our decision making process. One well-known example is the Honeycrisp apple, bred at the University of Minnesota and patented in 1991. In 1996, in response to sending a Honeycrisp sample to our wholesale broker (one of the largest in Washington to this day), we were told that, although it tasted good, Honeycrisp had no commercial future because of poor appearance. In spite of that expert industry insider prediction, Honeycrisp, with its' unique and outstanding eating quality, has become, by far, the most sought after apple we grow. Honeycrisp is also widely regarded as possibly the least "grower friendly" variety grown commercially and presents many major problems for growers, packers and shippers. In our operation, "grower friendly" or "good shipper" hold far less importance in variety selection across all types of fruit and produce than do outstanding and unique taste. We search for and have found unique varieties with "Honeycrisp" appeal in melons, tomatoes, sweet cherries and many

other produce types. Today, people routinely drive more than 100 miles to obtain our unique and hard to find direct market fruit and produce.

HOW WE CAME TO BE DIRECT MARKET FARMERS

We farm in the US Bureau of Reclamation's Quincy, Columbia Basin Irrigation District. Grand Coulee Dam supplies our irrigation water. This water first became available in our area in the mid 1950's. Our grandparents, Orland and Pearl Tonnemaker purchased the farm as virgin land in 1962. Originally, the irrigation district was divided into farm units each unit designed to support a family. Through the 1960's and 1970's, our farm was surrounded by small family farms similar to ours. By the late 1980's, single-unit family farms were rapidly disappearing. Those that survive today have, like us, involved multiple family members or generations in direct marketing their farm produce.

Our Great Grandparents Henry and Cora Tonnemaker homesteaded in the Yakima Valley in 1903. In those days the farmers apple marketing system was simple. Family members packed the apples from their orchard in standardized wooden boxes they made and labeled themselves. Empty freight trains stopped at neighborhood rail stops and buyers paid cash for the packed apples on the spot. From tree to train was usually only a couple miles and from crop on the tree to cash in hand was only a day or so. That simple system and a favorable climate encouraged expanded fruit production in Washington. In time, a Federal Marketing Order was established which created, among other things, color and size standards. With standards came the necessity to build packing lines to make sorting and packing more efficient. Our Grandmother, Pearl Tonnemaker packed apples for years on just such a line. All size and color sorting was done by human eye and human hand. With these packing lines, came the packing companies that individual growers paid to sort and pack fruit because every farm couldn't build its' own packing line. Over time, the grading standards became more and more precise and human eyes and hands just couldn't sort as accurately or as fast as machines. Today, instead of hundreds of individual farms packing fruit on site, we have less than one hundred apple packing warehouses in Washington. The proliferation of very narrow color grades used to pack apples today requires multimillion dollar color sorters. Modern packing lines sort defects, assign color grades and assign size grades for each individual apple in a fraction of a second. The cost of machinery used to sort and pack apples today has rocketed well beyond the reach of family farms. Along with paying fruit companies to sort and pack apples, farmers eventually began relying on the fruit companies to store and market apples. Thus we have the origins of today's indirect marketing system used to market almost all tree fruits in Washington State. In the 100 years since our Great Grandfather planted apples, individual growers have incrementally ceded control of handling and marketing to incrementally larger packing companies. Today, once the fruit is placed on a truck in the orchard, the grower has absolutely no control over the fruit's destiny.

Ironically, growers technically own the fruit all the way to the consumer's hands, therefore absolving the packing company of any responsibility for the fruit. The grower has all the responsibility but no control. The packing company has all the control but no responsibility. Gee, I wonder how that works out? Wonder no more. Over the last 30 years fruit companies have flourished routinely keeping well over half the selling price of the fruit. It is commonplace for the fruit company to keep 90% of the selling price and at times packing companies actually bill the farmer instead of paying. The 2014 apple crop was a recent glaring example of this practice that has become the standard operating procedure in the Washington fruit industry. Since the fruit companies never actually own the fruit they have little incentive to market small client farmer's fruit for more than just enough to cover fruit company costs. Growers get what is left over after all those along the marketing and distribution chain have taken their cuts. By ceding control but not ownership of their fruit, growers allow their income to be determined by others who have no real incentive to return good prices. It absolutely beggars belief that, after producing and harvesting an apple crop from which the whole supply chain derives income, farmers can be left with very little or even a bill. It is hardly surprising that smaller family orchards, relying solely on indirect marketing, have disappeared rapidly over the last 30 years. Not surprisingly, the fruit packing companies have absorbed farm after farm from the very people they paid poor returns. Today, many of the largest fruit producers (acreage holders) in Washington are vertically integrated companies (fruit packing companies) that can afford to farm with returns below production costs.

COLONIZATION OF OUR AGRICULTURAL LAND

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Likewise, the assurance of a fair return to farmers must include a recognition of the importance of the family farm as an efficient unit of agricultural production, as an indispensable social unit of American rural life, and as the economic base for towns and cities in rural areas.

In our area of Central Washington, within the US Bureau of Reclamation's Quincy Colombia Basin Irrigation District, family farms, even large family farms, are in direct competition with outside corporate interests for sufficient land to remain economically viable. The outstanding agricultural resources of Central Washington has drawn many outside entities. A large percentage of available land within the federal irrigation district has been and continues to be purchased by fruit companies based in distant cities. The produce of these farms is trucked to distant cities for packing and marketing. Since packing and marketing are the main profit centers for wholesale fruit, nearly all of the profits stay in the cities. The laborers live and work in the small towns near the farms and the bulk of the

profits stay in the cities. The small towns of Central Washington are towns of laborers and few managers and owners. In the not too distant past, this was called colonization. Legal limits on use of federal irrigation water by any one entity are overcome by use of loopholes or just ignored.

Direct market farms have the potential to help small agricultural communities to once again become populated by owner-operators. If farmers can direct market their produce at retail prices, they can afford to purchase land and other capital inputs. The hurdle of finding available land and of competing to purchase the land with outside interests that don't need to profit from production remains a huge barrier. Direct market farmers can make a small farm profitable. How different people think of the land and communities when they have ownership in part of it. The United States was built by individuals coming to a new world and having the initiative and opportunity to build a new independent life. That independence became the American Spirit that transformed former colonies into the greatest nation the world has ever seen.

INDIRECT WHOLESALE MARKETING HAS BECOME A BUYERS MARKET

Though the number of fruit wholesalers (packing companies) in Washington has dwindled, the Washington Apple Commission still lists at least 70 fruit packers. Because of retail consolidation, these 70 or so packing companies all compete to sell to a rapidly diminishing and thus powerful and demanding set of buyers. This classic buyers market has been compared to a high school dance with 100 boys and 10 girls. What does a boy have to do to get a dance? In this buyers market, fruit packers have had little ability or incentive to sell produce for more than the packing company needs to cover its' costs. The recent imposition of a tariff on Washington apples exported to Mexico exemplifies this point. The Mexican government study of industry records concluded that Washington fruit warehouses were guilty of dumping apples in Mexico at below the cost of production. Regardless of the validity or propriety of claims about dumping agricultural products, this case shows that the Washington fruit industries own figures demonstrate the widespread marketing of apples at below production costs.

Additionally, fruit packers apparently no longer have the ability or will to enforce the Perishable Commodities Act (PCA) that was enacted to give federal government backing to farmers, guaranteeing prompt payment for perishable crops that cannot be recovered for non-payment. Large buyers routinely take months to pay. Progress from my great grandparents day 100 years ago to today apparently means waiting 5 months or more instead of cash on the spot at purchase.

BREAKDOWN OF INCOME SOURCES FOR OUR FARM

While we still sell some fruit through the traditional wholesale warehouse system, direct marketing has saved our farm. In 2015, working together, Kole and I produced over 80% of our total gross income by direct marketing less than 50% of our total fruit and produce tonnage. In other recent years, direct marketing has generated as much as 90% of our income from less than 30% of the tonnage produced. Stating that a different way, selling 70% of fruit produced on our farm by traditional indirect marketing produced only 10% of our income. That 70% of our tonnage enriched everyone along the marketing and distribution chain except the farmer.

INDIRECT WHOLESALE MARKETING RETURNS AT OR BELOW COST OF PRODUCTION

Farmers whose sole occupation is production of food and fiber, have been a vital foundation of the incredible success story that is the United States of America. Overproduction of commodities and the reliance on indirect marketing systems over the last generation have led to the demise of the family farm and the rise of corporate agriculture. The actual production of food has become occasionally and marginally profitable, mostly even downright unprofitable. In the Washington fruit industry over the last generation, profits have mainly come from handling and marketing fruit for the farmers. Those vertically integrated companies handling and marketing other farmer's fruit have thrived and accumulated farms from farmers forced out by low returns. That makes one wonder what incentive an aggressive vertically integrated fruit company would have to create good returns for farmer clients when bankrupt and struggling client farmers have been easy pickings for these corporate giants.

ARE FAMILY SIZED FARMS IMPORTANT?

Why should anyone care? Why should our government care? Many might say that the elimination of family farms or farm operations that exist solely as producers is inevitable and even desirable progress. Many might say that these small operations must give way to large vertically integrated corporations that can produce farm products year after year with break even or lower returns. Farms able to produce farm crops consistently at break even or a loss may now be considered the most efficient farms.

Senator John F. Kennedy Statement "Agricultural Policy for the New Frontier" October 9, 1960

One of the great issues confronting agriculture and the Nation is the economic survival of the family farm pattern of agriculture. The owner-operated family farm, where managerial skills, capital investment and labor are combined in the productive enterprise, is at stake. The problem is not one of efficiency; the family farm is an efficient, productive unit. The problem is one of the acquisition of sufficient capital and the necessary management skills by enterprising young families to successfully enter farming, where the average farm is becoming bigger and bigger in terms of land and capital, and more and more complex in terms of organizational structure. We are reaching that point in farming where an enterprising family can operate a modern farm efficiently, but it cannot buy one. Nonfarm capital is taking over the managerial function, reducing the members of independent farm families to the status of laborers.

Further, family farmers need the technical and bargaining help in the sale of their products and the purchase of their production supplies that a successful cooperative association can provide. With such assistance they can remain independent decision units – free of the control of the processor, the feed dealer and the local buyer.

The family farm should remain the backbone of American agriculture. We must take positive action to promote and strengthen this form of farm enterprise. This I believe with all my heart, we should do. (JFK October 9, 1960)

SHORT TERM PROFIT TAKING FROM A VITAL LONG TERM ASSET

The public and its representative, the government, needs to care because, in our economic system, corporations are responsible for short term profits for their stockholders. At this time, corporations are not responsible to the next generation for depletion or degradation of vital resources needed to produce food for future generations. So, who is responsible? I think that all of us are responsible to coming generations. One definition of the responsibility of government is to do for people what they cannot do for themselves. If, as individuals, we cannot make corporations responsible stewards of our resources then we need our government to encourage the sustainable use of our resources to ensure that future generations are as blessed with abundant natural resources as we have been.

Corporations are not inherently evil. They just have objectives often at odds with the long-term sustainable use of our agricultural resources. Family farms often have the expressed goal of keeping the farm productive and profitable for succeeding generations. The ability to direct market products at retail prices can help preserve these family farms. Restricting direct market access for family farms will secure the demise of the family farm and turn the remainder of our agricultural resources over to large corporate farms.

All of us should care because the history of corporate enterprise in our culture is the pursuit of short-term profits with little regard the degradation of vital long-term public resources. As a nation we cannot allow short term corporate profits of large scale agriculture to degrade resources that following generations will need for food production in the future. The idea “this is private land and we will do what we want with it” cannot be used as justification for degrading resources vital to future generations. A capitalistic economic system requires enterprises to be profitable in the short term. For much of the economy that is as it should be. If a McDonalds location is unprofitable then it should be closed. If a manufacturing plant produces obsolete equipment then it should change or close. Possibly, the most significant shortcoming of our mostly successful capitalist system is our inability to quantify the cost of natural resource degradation or the ability to include the cost of this resource degradation as a cost of production.

In our area large farming corporations have mined ancestral aquifers, such as the Odessa Aquifer, to enrich the shareholders of this generation at the expense of all those that follow. Massive wind erosion occurs every year from the largely corporate owned or leased area of the Black Sands as if we haven't learned anything from the Dust Bowl years.

HAVE WE LEARNED ANYTHING OR IS DEGRADATION OF AGRICULTURAL RESOURCES JUST THE NEXT GENERATION'S PROBLEM

Like many farming families, our family has had largely different views between generations on resource use. I have a great deal of respect for the generations I have known. My parents, grandparents and great-grandparents persevered through conditions and obstacles that I can only imagine. We cannot ever put ourselves today in the same circumstances with the same life experiences and knowledge as our predecessors. Therefore, I feel we must not sit in judgment over them, we are not their peers. That being said, today, when we look back, we can see plenty of actions or inactions now perceived as mistakes. How could our society have allowed the disappearance of the small family farm which was a presidential campaign issue at least as far back as 1960 when John Kennedy and Richard Nixon debated? How could we have allowed the Odessa Aquifer to become so depleted when examples like the Ogallala Aquifer already existed? How could we have allowed such erosion as the Dust Bowl when soil scientists had warned about it for years? How could we abandon proven technology like the tens of thousands of windmills used in remote farm country for more than a generation and burn coal instead? How could we abandon cultural techniques learned over generations to rely instead on monoculture combined with a chemical for whatever ails you? How could we have taxed farmers out of the fertile Kent Valley, just a stones throw from Seattle and paved it over for warehouses and strip malls? How could we in a generation acidify the soil of the Palouse – possibly the most productive dryland wheat producing area on earth? The answer is that short-term profits were better and long range consequences

unknown or ignored. Today we have no excuse for ignoring lessons gleaned from the experiences good and bad of our predecessors. Failing to acknowledge the limits of the natural bounty of our blessed country, failing to acknowledge the limitation of our mostly successful economy to account for long term effects of short term profit taking, failure to encourage and support the initiative of individuals in a farm economy more and more dominated by huge corporate interests cannot and will not be acceptable to future generations. Many of us dread the world we appear to be leaving our children and grandchildren. Supporting small-scale direct market based agriculture is one good thing we can do for the future. Exponentially increasing regulatory compliance burdens along with other actions that close access and opportunities to small-scale direct market farmers threaten this grass roots farming movement. Are we going to crush small-scale direct market farming just as small-scale dairies were crushed a generation ago? Have we learned anything? Whether small family farmers or city dwellers, many of us feel helpless when confronted by the relentless and remorseless onrush of what is labeled progress. Along with the wonders of advances in knowledge and technology are the potential pitfalls of poor planning and consideration of affects on the future. Those of us, who routinely feel powerless, elect you representatives to help us do what we cannot do individually.

WHERE DOES THE GOVERNMENT FIT IN ALL THIS?

Senator John F Kennedy speech Sioux Falls SD, September 22, 1960

...the individual farmer is too small to maintain prices or control production on his own or even with his neighbors. He lacks bargaining power in the markets. He needs the help and support of his Government

Elected officials have a great responsibility and a great opportunity to leave a legacy. Maybe many Americans, cruising through supermarkets crammed with abundant and affordable food, don't worry about the food supply of the future. However, very likely, decisions will be made, by those entrusted with safeguarding our agriculture resources, natural and human, that will affect the long term viability of our food supply. All of us will be judged by our children, grandchildren and generations beyond that on what kind of world we leave for them. Are we going to leave a country whose natural resources and food supply are controlled by a handful of "too big to fail" entities enslaved by the pursuit of short-term profits for the few select shareholders? Are we going to leave a world similar in some ways to the origin of the United States with a multitude of individual farmers intent on building a better world for those yet to come by sustainable use of our natural resources?

DIRECT MARKET FARMERS TODAY ARE REVIVING THE FAMILY FARM MODEL AND COME TO FARMING BECAUSE THEY WANT TO FARM THE LAND – NOT AS A PATH TO RICHES

Who is the typical direct market farmer today? I would say there are 2 types. The Tonnemaker family belongs to the first type, a farmer from a farm family who transitioned from wholesale sales to direct marketing to make a small farm viable as wholesale prices shrank to well below production costs over the last generation. Because of low small-farm income and far more lucrative jobs off farm, this farmer certainly made the choice to work the land because of a desire to farm.

Senator John F. Kennedy speech, London, Ohio, October 17, 1960

I believe that the decline in agricultural income is the most difficult and important domestic problem facing the United States, both because of its' effect on farmers and because of its' effect on industry.

Senator John F. Kennedy speech, Sioux Falls, SD September 22, 1960

For the farmer, is the only man in our economy who has to buy everything he buys at retail – sell everything he sells at wholesale – and pay the freight both ways.

The second type of today's direct market farmer comes from a non farm background. These people often walked away from less demanding and far more lucrative career opportunities because of love of the land or farming. If short-term profit was a primary concern for these farmers they wouldn't be farming at all. These small farms, direct market farmers are far more likely to be concerned with the long term effects of what we do to the land than corporate farming entities consumed with the pursuit of extracting as much short term profit as possible. To whom do we entrust the long-term health of our natural resources?

CHALLENGES OF SMALL SCALE DIRECT MARKET FARMING - FOOD SAFETY REGULATIONS

Over the last 25 years, public interest in purchasing food directly from farmers has increased dramatically. Most direct market farms are small family run operations. Most of these operations have few if any employees aside from family. As such, the owner(s) physical involvement in the field during the growing season, at harvest and for marketing is critical to the operation. Record keeping for food safety programs has in recent years become a huge burden. When Kole attended the first meetings to learn about food safety compliance record keeping,

he returned feeling that adding this massive load of paperwork would be the end of our farm's ability to market any fruit wholesale. Hundreds of hours of paperwork were required leaving less time to actually produce a crop. In time, the company wholesaling our fruit simplified the paper work to a pair of 3 inch binders. Last year we spent over 100 hours filling out forms and ensuring compliance for the food safety program. It must be pointed out that 6 inches of signed and dated forms do nothing to guarantee that fruit on the grocery store shelf is free of harmful bacteria. At some point all of us need to realize that filling out more and more papers does not guarantee anything. Instead, on small direct marketing operations, those who should be in the field end up tied to a desk. Successful farming is about production and small direct market farms have little manpower available.

WEAKNESSES IN GAP REGULATIONS

Following current food safety requirements (GAP or Good Agricultural Practices) does not remove liability or help a farmer financially in the event of a recall/outbreak. GAP were developed using very little if any on farm evidence based on research, but rather applied rules from food processing facilities. Direct market farms are not factories and should not be treated as such.

Thousands of dollars spent on record keeping do not protect the public from outbreaks or protect the farmer financially in case of an outbreak. Additionally, onerous amounts of paperwork do nothing to protect produce from contamination once it leaves the field. The only thing that really matters is that the fruit is free of harmful bacteria when the consumer puts the food in his or her mouth. A six-inch pile of papers does nothing to guarantee that. The record keeping is just yet another obstacle for the small farm operation. Thousands of farms including ours successfully produced safe food for decades without 6 inches of paperwork every year. In the headlong rush to attempt to prove with a raft of paperwork that we are not to blame when outbreaks occur, we have lost sight of what really matters in food safety – safe food.

Having face-to-face contact with those who eat our produce influences many on farm decisions. The American public has become increasingly concerned with how their food is produced. In response to customer concerns we began organic certification of our crops in 1997. A prevailing theme of sustainable agriculture has been to use a combination of all available natural resources to produce crops rather than to rely entirely on artificial inputs such as synthetic chemicals. Certainly on our farm 25 years ago and throughout agriculture, it has become apparent that problems in crop production cannot be solved by chemicals alone. Even conventional agriculture has returned to using as many natural controls as possible so that synthetic inputs remain effective when needed. Somehow those writing GAP missed all that as field food safety rules imply that total elimination of birds, rodents and other critters native to the environment is necessary. In

addition, to reduce the potential public peril, any non-crop areas (erosion control windbreaks for example) that might harbor such dangerous creatures as robins and finches should be eliminated. Sustainable agriculture techniques enlist these very animals and others to control crop pests. If we cannot keep hospitals free from MRSA, there is no hope of sanitizing a natural system.

LACK OF CONNECTION TO AGRICULTURE AND THE FEAR OF FOOD

Imbedded in the recent proliferation of food safety regulations is the fear of the unknown. A generation ago, the majority of Americans had some family connection with agriculture. Even distant connections helped make Americans more comfortable with both farms and farmers. Today, few Americans have that connection to where and how their food is grown. With health and environmental concerns rising during the last generation, Americans have become more concerned about food production and its' affect on health and the environment.

Perhaps, some the resources that may be devoted to making the 6-inch binder each year could instead be used to educate the public about how food is produced, putting health risks in perspective, learning about how to reduce food safety hazards post harvest, learning about food safety hazards in the home, learning about how food safety problems occur. Encouraging everyone to be aware and better stewards of the food supply. An advertising campaign like "Smokey the Bear" for forest fires but instead one for food safety could do more for food safety than a football field of 6-inch binders.

Direct market farmers sell their produce face to face with those who actually eat it. Accordingly direct market farmers take great care in providing top quality produce. With the shortest possible distribution system, direct market produce has far less exposure to potential contamination.

DIRECT MARKET FARMERS HELP CONSUMERS FEEL CONNECTED TO AGRICULTURE AND OUR AGRICULTURAL RESOURCES, NATURAL AND HUMAN

If our experience in Washington State is any indication, direct marketing of produce has increased tremendously in the last 25 years. This has happened as a grass roots movement where the interests of consumers wanting a first hand relationship with food producers and the interests of small acreage farmers hoping to sell produce at retail prices coincide. Incredibly, this has happened in a time of unprecedented farm and retail consolidation. Government entities from the USDA to city councils have supported the creation of farmers markets. In Washington State we have programs to allow and encourage low-income aid recipients to purchase nutritious food directly from farmers. Undeniably, however, the recent direct market boom has, at its' root, the desire of large

numbers of American's to buy their food directly from the farmer. The federal government snuffed small dairies out of existence a generation ago with regulations that mystified dairymen who had provided safe, affordable fresh milk directly to consumers for generations. With that history in mind, we encourage you, our elected representatives to realize the government's ability to squash this popular direct market phenomena. Please be mindful of the effects of the multitude of programs and rules on small operations. You, as our elected representatives have the ability to encourage rather than disable this movement and in so doing contribute to the future food security of our country.

CONTINUED AGRICULTURAL RESEARCH IS VITAL TO MAKE THE BEST USE OF OUR LIMITED AGRICULTURAL RESOURCES

The future viability of direct market farms relies on continuing agricultural research. Too frequently we hear that spending on agricultural research needs to be cut or even eliminated. Considering that the goal of agricultural research is to help us make better use of our nations limited resources to ensure a safe and stable food supply for the future, I can hardly believe people seriously think that. Direct market farmers are already cut off from access to most new cultivars from breeding programs – even those at land grant universities. Large entities tie up the propagation, production and marketing rights to promising new varieties. Often research programs are geared toward commodity crops, not direct market crops. Research into cultural methods for animal pest, insect pest, weed and disease control as well as soil enrichment and conservation practices really come only from land grant universities' research and extension programs. In Washington, these programs are considered essential parts to the entire horticulture industry and agriculture in general.

CROP INSURANCE LIMITATIONS FOR DIRECT MARKET FARMERS

We have purchased crop insurance for asset protection in case of crop failures. Any agricultural crop can be risky to grow and tree fruits particularly so. With our diverse crop mix we are now purchasing an Adjusted Gross Revenue policy that seems like the type of insurance most helpful to us. Over the last 20 years we have rarely had a claim but the issue of direct marketing receipts always comes up. Most of our income and all income on many small direct market farms comes from cash sales at farmers markets or roadside stands. Since these transactions are small and numerous compared to a single weight ticket from a warehouse company, insurance companies have great difficulty accepting direct marketers figures. This difficulty leaves us wondering if we will be able to satisfy insurance company questions if the need arises to file a claim. I am certain that this issue is a deterrent for many direct market farmers.

TECHNOLOGY BARRIERS TO THE USE OF GOVERNMENT ASSISTANCE

As more people prefer to make purchases using credit or debit cards and more government assistance is available through electronic benefit transfers, a technology barrier has emerged for direct market farmers. Often farmer's markets locations lack Internet access. Card readers may not interface with the available phone connections. Some locations, especially farmstands, may lack a reliable phone connection. Currently both the inability to access the Internet or even phone service and the limited compatibility of phones and card readers create significant barriers limiting a direct market farmer's ability to serve potential customers.

We marketed our fruit at 8 farmer's markets in the greater Seattle area last summer. Three of those markets remain open year-round. All of these markets are approved by the state for redemption of Women, Infants and Children (WIC) coupons. We have participated in the Farmer Market Nutrition Program (FMNPWIC) and the Senior Nutrition program for a number of years now. We are also approved to accept these coupons at our farmstand. These programs have helped us generate many new customers and have helped low income families obtain fresh nutritious food. I have testified at the Washington State capital in Olympia several times about the positive impacts of the FMNPWIC program for both farmers and low-income families. Because of these positive impacts, the Washington State government has continued to fund the programs in spite of, at times, severe budget constraints.

While the FMNPWIC and Senior Nutrition programs are most definitely beneficial to both the farmer and recipient, the system for completing transactions is still under refinement. Each check must be stamped with numbers identifying the market or location and the farmer and then a bank deposit stamp. If any of these stamps are unreadable, the check is returned creating bank fees well beyond the value of the individual check.

We started direct marketing in the Seattle area in the summer of 1992. At that time, we could accept paper Food Stamps and redeem them at the bank. A couple years later when the Food Stamp program transitioned to Electronic Benefit Transfer (EBT) cards we could not accept the cards directly. This resulted in the loss of EBT sales to large grocery chains. Some farmers markets have been able to purchase EBT card readers and the necessary equipment to complete the transaction through Internet connections. EBT customers received tokens to use for purchases from farmer's market vendors. These vendors, in turn, redeem the tokens with market management.

In 2013, we participated in the South King County Food Access Program that supplied individual farmers market vendors with EBT card readers at a reduced price and discounted transaction fees to evaluate how individual farmers would deal with EBT sales. I was on the advisory board charged with collecting vendor

feedback concerning the additional time required to complete individual EBT transactions at farmers markets. Among the advisory board conclusions was that an affordable single card reader system that could deal with all of the different forms of benefit programs and could be used at the farmer's market needs to be the ultimate goal.

We have also used both hardwired and mobile Point of Sale (POS) card reading systems. Recently we have used the Square (Square is a company name) card reading system and a TSYS (TSYS is a company name) reader. Neither of these systems currently accept WIC or SNAP (Supplemental Nutrition Assistance Program – formerly Food Stamps). The current absence of any system that accepts SNAP and allows for multiple phone types and carriers denies farmers market vendors the ability to directly accept SNAP payments.

THE ROLE OF DIRECT MARKET FARMER IN HEALTHY EATING

Certainly, one of the wonders of our American way of life is the grocery store. Americans access to diverse, plentiful and affordable food every day of the year has got to be something extraordinary and unique in human history. That being said, supplying fruit and produce to distant markets year round has had the unfortunate consequence of elevating storage, handling and shipping characteristics way beyond taste and consumer satisfaction considerations. For example, in a stinging indictment, our father's business associates from Far Eastern Siberia complained that our supermarket strawberries were tasteless compared to strawberries offered for sale in sub-arctic Siberia. After traveling throughout Far Eastern Siberia, our father reluctantly had to agree. We have many customers at our farmstand and at farmers markets that recently immigrated to the United States or are foreign students. They routinely drive several hours to obtain fresh fruit and produce from our farm. These customers complain that typical United States supermarket produce is far inferior in taste to the produce they were accustomed to prior to coming to the United States. These immigrants come from all over the world, Eastern Europe, Far East and the Middle East commonly. As patriotic Americans these complaints bother us all the more so because the complaints are often disturbingly valid. The high school and college students we employ often remark that they will not eat supermarket produce after a summer of eating fruit and produce fresh from our farm. The experience of these student employees and these immigrants stems not from some underlying superiority of us as farmers but from the direct farm to consumer contact. Our tomatoes may travel only 200 feet from plant to farmstand customer's hands and often have been picked within hours of sale to consumers. Our peaches may travel over 100 miles to a farmers market but have been picked ready to eat mere hours before. Grocery store chains cannot do that and, in our experience, have been unwilling to even try. Such lunacy to have a grocery store in Wenatchee or Yakima, Washington surrounded by

orchards that sells tasteless and soft apples that were grown thousands of miles away.

Is it really any wonder that Americans consume far less fruit and produce than people in almost every other developed nation? Is it really any wonder that America has a serious problem with child obesity? Our supermarkets are full of poor eating quality produce and extremely enticing sugary, fatty and salty snacks. As a nation we need to encourage healthy eating by providing healthy food that people will seek out and eat because it tastes good. We need to raise children who realize how good fresh fruit and vegetables can taste. Just saying "eat your vegetables!" hasn't been enough.

If we believe medical research, a healthy diet can reduce medical problems. Accordingly, it seems we should do what we can to encourage healthy eating habits. Healthy eating habits should be so much easier to develop with an abundance of good tasting healthy fruits and vegetables. As growers we know that good tasting fruits and vegetables are so much easier to grow when the primary consideration is taste and not storage life, cosmetic appeal, and the ability to withstand handling, shipping, and shelf life. A return to more direct marketing can continue to help Americans eat healthier.

SUMMARY OF IDEAS

BENEFITS OF DIRECT MARKET AGRICULTURE

What an opportunity for us all, farmers and customers. Direct marketing has many potential benefits.

- 1) Make smaller acreage farms economically viable through access to retail pricing of produce.
- 2) Increase the availability of locally grown produce. This increases long-term food security by retaining more farmland in production instead of development.
- 3) Aides in the sustainability of our food supply by encouraging local production of fresh produce therefore reducing our reliance on produce hauled hundreds or even thousands of miles
- 4) Aides in preserving the long term productivity of our agricultural resources. Small family farming operations are far more likely to be concerned with the condition of resources left to sons, daughters and grandchildren than farming corporations willing to deplete our resources chasing short term profits for shareholders.
- 5) Promotes better eating habits and therefore potentially a healthier population by providing good tasting healthy food.

- 6) Access to retail pricing has the potential to offer enough income to give new farmers and sons or daughters of present farmers hope for a decent standard of living as farmers of the future.

BARRIERS FOR DIRECT MARKET FARMERS

It must be noted that the recent rapid expansion of direct marketing has developed in spite of significant barriers. It is our hope that new potential barriers do not extinguish this exciting grass roots phenomena.

- 1) Direct market farmers need years to develop a sufficient customer base to support a farm
- 2) Direct market farmers must learn to do all the tasks usually done by a series of professional marketers in a distribution system
- 3) Direct market farmers must be able to handle all farming and marketing tasks from basic farm work, mechanics, bookkeeping, regulatory compliance, transportation, produce quality control and customer relations.
- 4) In many cases direct market farmers need to learn to grow new crops or varieties. In many cases there is little information available to these farmers unless given the chance to learn from other farmers.
- 5) Simple and universally available technology to help customers access all government assistance coupons is still being developed.
- 6) Direct market farmers encounter difficulty satisfying crop insurance adjustors because of the multitude of small cash transactions inherent to the very nature of the business.
- 7) Direct market farmers by nature grow crops on a scale small enough that the crop can be marketed locally and directly. Cultivation of these crops is often not the focus of agricultural research. Therefore, direct market farmers frequently lack knowledgeable assistance with problems in crop production or handling.
- 8) Direct market farms are often small operations where everyone involved must be working on production or marketing. These small operations do not have the human resources to keep up to date with, ensure compliance with and document compliance with a regulatory burden that could be handled without significant human resource diversion in large corporations.

HOW CAN THE GOVERNMENT ENCOURAGE AND ENABLE THE DIRECT MARKETING GRASS ROOTS PHENOMENA?

- 1) Continue USDA grants that help and support establishment of farmers markets.
- 2) Continue progress on solving technological obstacles to distribution of government assistance at farmer markets and farmstands.
- 3) Continue and encourage agricultural research in non-commodity crops.
- 4) Continue to refine federal crop insurance to account for small direct market farms.
- 5) Do not allow regulatory burdens to crush this vibrant new part of the farm economy like the regulations that annihilated small dairies a generation ago.
- 6) Instead of continuing to allow proliferation of incrementally less effective, less practical and more onerous regulations, use resources to create an advertising campaign to educate consumers about food production and how they can help keep their food safe.

CONCLUDING THOUGHTS AND FOOD FOR THOUGHT FROM THE DEBACLE THAT WAS SOVIET AGRICULTURE IN THE COLLECTIVE FARM ERA.

There is no question that direct market farming is expanding rapidly with widespread public support. So far, these farms have overcome present obstacles because of the momentum generated by this great opportunity for farmers, consumers and the public in general. Though not identical by any means, the revival of so many productive and popular direct market farms shares a few similarities to agriculture just prior to the fall of the Soviet Union. While Leonid Brezhnev was running the Soviet Union he presided over one colossal crop failure after another as the doomed concept of huge collective farms failed miserably. Year after year the Soviet government purchased large quantities of grain from foreign countries to feed its' citizens. In desperation, the Soviet government decided to allow those operating the failing collective farms to individually cultivate small garden plots. Farmers were allowed to sell the produce of those plots at farmers markets and keep the revenue. Quickly those plots became a vital part of the Soviet food supply as the small plots were incredibly productive ultimately producing up to 20% of the countries food from a miniscule percentage of farm acreage. A somewhat perturbed Soviet government wanted to close the profitable garden plots as counter to communist principles but ultimately decided to continue the program so as not to risk losing 20% of the country's food and thus sparking popular revolt. The point is that small local farms with access to direct marketing can provide a significant amount of food. In addition, public support has created our local farmers markets and the public has and will continue to support programs that keep these markets viable. Today's direct market farmers and farmers markets can continue to thrive with minimal direct help from the federal government. Continuation and refinement of existing efforts to nurture this grass roots movement could ensure the future of the direct marketing of farm products. Perhaps the greatest fear of

any small farmer today is being crushed under the burden of regulation. We have to hope that all of us farmers, consumers and government will not allow that to happen.

Even though we always thought that the day could come when the public in general began to revalue a direct relationship with farmers and food production, the boom in direct marketing over the last 25 years has been surprising and exciting. Direct contact with consumers has profoundly and permanently changed the way we farm and why we farm. If this committee could spend one market Saturday with us, committee members would never be able to think the same again about small market farms. For us, it has been an incredible experience to interact with a public that is very grateful to have good fresh produce at a reasonable price. Our customers also seem grateful for the chance to support a family farm and to see multiple generations working together. Possibly the brightest indication of the success of direct marketing is that our sons and daughter-in-law are working with us on the farm instead of fleeing to the city. There is just something so American about that whole situation – many independent, self-reliant individuals creating a better life for their families and for future generations.

Respectfully,

Kurt Tonnemaker, 4th generation Washington farmer