

# OG&SP

## Oklahoma Grain & Stocker Producers

*Promoting research, trade and agricultural diversification*

# UPDATE

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*OG&SP leaders make their annual trip to Washington —*

## Trade, research funding, future farm bill top priority list

Leaders of the Oklahoma Grain and Stocker Producers were in Washington D.C. last week, as Congress was busily working on a continuing budget resolution to avert a government shutdown. The Senate and House Ag Committees were still in the process of finalizing their new staffs and, at least in the case of House, preparing to go through the educational process for a slew of new members. Following last November's election, during which the Republican party took control of the House, there was an obvious shift of the mood in Washington, revealed by a renewed interest in passing languishing trade agreements and more scrutiny of environmental regulatory initiatives including dust restrictions and duplicative pesticide permitting.

President David Von Tungeln, immediate past president Dean Keiffer, long-time board member Richard Wuerflein and communications director Candace Krebs spent a day visiting national organizations to gather and share information, and another day and a half on the Hill, visiting members of the Oklahoma delegation, the Senate Ag Committee staff and officials at the U. S. Department of Agriculture.

Among their top priorities was the immediate repeal of a provision in the new health care law mandating businesses file 1099 forms identifying anyone with whom they have done more than \$600 worth of business over the past year. The OG&SP sent a letter to their delegation emphasizing their opposition to it last year.

"I sat down and counted and this would add up to 36 more documents I would have to come up with," Keiffer said. "My tax accountant says it should have been named 'the Postal Service Recovery Act' because it will require so much mailing of so much extra paperwork."

Later the same week, the House voted to repeal it, following similar action taken last month by the Senate. OG&SP representatives were assured that both the Senate and the House are committed to eliminating the provision, although the two versions have minor differences that will have to be reconciled by a conference committee.



The future direction of farm policy was also a hot topic. The process of writing a new 2012 farm bill is in the very early stages. OG&SP leaders would like to see a bill that provides better risk management tools to offset the ongoing decline in public support for traditional programs and one that actually works like a safety net, providing funding when they need it rather than when they don't. But issues they also discussed in Washington include maintaining the budget baseline, finding funding to continue programs that don't have a baseline and maintaining WTO compliance. "Early briefings are sounding more like a budget briefing than a farm bill briefing," said Tara Smith, a policy specialist for the American Farm Bureau Federation. "There are 38 programs that have no budget moving forward when the current farm bill expires. SURE is one of them, and it's the biggest chunk (\$1 billion annually.) If you don't have baseline funding, you've got a target on your back."

Top, from left, OG&SP President David Von Tungeln, Candace Krebs, Congressman Dan Boren, Richard Wuerflein and Dean Keiffer. An avid hunter, Boren asked OG&SP members about modern cropping practices, conservation programs and farm financing.

“Our number one battle this time around will be just finding money for things,” she continued.

At their national convention, Farm Bureau delegates made it clear that saving SURE was not their highest priority, she said. ACRE, on the other hand, does have a budget baseline going forward. While OG&SP members agreed that moving toward revenue-based support, as ACRE attempts to do, appears to be a positive move, the program is currently too complex, too cumbersome and too slow to really help producers. Keiffer noted that it is not a program you can easily explain to a landlord if you are in a rental situation.

Smith predicted with so many new members on the House Ag Committee not much actual drafting would happen in 2011 but things would move “really fast” in early 2012, notably the same year as the next presidential election, which could make things interesting.

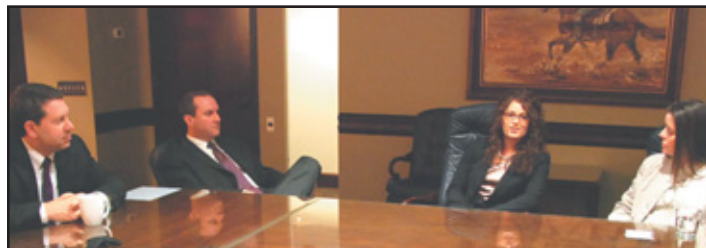
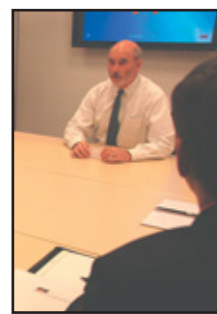
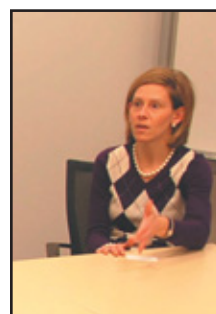
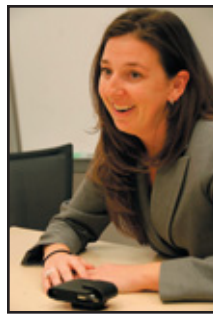
In meetings with Oklahoma lawmakers and their staff, Richard Wuerflein, who has transitioned out of raising cattle into a diversified no-till cropping operation, explained the difference between effective crop insurance and the SURE disaster program or ACRE revenue coverage. He emphasized that the new programs don’t pay out until well after the money is needed and that it’s often unclear how much they will pay right up until the check arrives. In contrast, he said, crop insurance pays out the same year as a loss and a farmer knows in advance what coverage he has. “That’s something I can take to the bank,” he said.

Payments on the other programs don’t arrive early enough and by then he might have a good crop and high prices, so that’s not when he actually needs the money, Wuerflein said. In addition, the more diversified your farm is, the less effective SURE is, which seems counterintuitive when diversification is such an important economic strategy for most farmers today.

OG&SP also talked about how crop rotation and no till are allowing farmers to grow two crops in three years, but the official Risk Management Program in Oklahoma only allows coverage of one crop per year. This prevents farmers in some cases from making sound agronomic-based decisions on their farms. Just across the border in Kansas, farmers are allowed more coverage options. In addition, Wuerflein said it is difficult to get insurance on promising new crops, which sometimes hinders farmers from being more innovative and adaptive.

## FUTURE OF WHEAT PASTURE RESEARCH IMPERILED

**C**alls to eliminate or reform the budget earmark funding process has cast a cloud over the future of Marshall’s OSU Wheat Pasture Research Station, a one-of-a-kind facility that is scheduled to host a field



Above left, at the AFBF headquarters, OG&SP heard from Tara Smith, who was getting ready to leave AFBF to join the Senate Ag Committee staff handling commodity programs and crop insurance; Kelli Ludlum who talked about the recently passed food safety bill; and Paul Schlegel, who oversees transportation as well as environment and immigration issues. Below that, OG&SP sat around the conference room table at the NCBA office with (from left) Gregg Doud, Colin Woodall, Ashley Lyons and Kristina Butts.

day this spring on May 4. OG&SP representatives distributed the latest executive summary explaining the station’s research and education focus and outlining the current federal funding request. The station has only been getting about two-thirds of its requested allocation in recent years and has scrambled to find the means to keep its programs going. Moving away from earmarks means either rewriting requests as competitive grants or having them approved as part of committee appropriations or looking for some other approach, said Representative Tom Cole, who sits on the appropriations committee. He said budget earmarks, which have been abused at times, will probably never be used in the future as they were in the past but that not using the earmark process was shifting budgetary authority away from Congress and to the administrative branch, which of course has different priorities. “You don’t save any money, because then

President Obama gets to do all the ‘earmarking,’” he said. While he said the process is likely to become more transparent, he said it isn’t clear yet exactly how funding for Congressional earmark budget items will be handled.



At left, Caird Rexroad Jr., is associate administrator of USDA’s Ag Research Service.



Von Tungeln, who is a veterinary medical officer with the Ag Research Service of USDA, pointed out that “competitive grants” often translate to politically trendy studies on things like climate change or biofuels, at the expense of basic research. There was no argument from Representative Cole: he said he was appalled at all of the climate change research that is duplicative across federal agencies, agencies that are “chasing climate change funding” at the directive of the Obama Administration. “There will be an effort to reverse that,” he said.

Last year, OG&SP sent a letter to their delegation protesting comments made by Roger Beachy, head of the National Institute of Food and Agriculture, which has replaced CRSEES as the primary federal funding mechanism for land grant research and extension programs. In an interview with columnist Trent Loos, Beachy seemingly expressed a preference for exporting “science and knowledge” instead of U.S.-produced agricultural commodities. OG&SP reiterated their concerns about the statement to their delegation members, as well as to Dr. Caird Rexroad Jr., head of the Ag Research Service while visiting USDA, and in a meeting with Senate Ag Committee staff.

Negative effects transportation regulations can have on agriculture was another issue the group hammered home. Von Tungeln explained that he cannot load cattle on his farm in Oklahoma and take them to a feedlot he co-owns at Montezuma, Kansas, without having a commercial tag, license and insurance, which costs ten times more. Also, federal law dictates a 150-mile limit on farm-to-market allowances for farm vehicles, which is too limiting. And truck weight limits are not uniform across the country, creating additional problems. OG&SP was told Congress will be taking up reauthorization of the highway bill in the near future under new transportation chairman Rep. John Mica of Florida. Newly elected Oklahoma Representative James Lankford serves on that committee, and his staff member Brittnee Preston listened intently to OG&SP’s concerns. Representative Dan Boren and Senator Jim Inhofe have also worked on beneficial truck legislation in the past.

### TRADE EXPANSION EFFORTS MOVING FORWARD

Here’s how National Cattlemen’s Beef Association chief economist Gregg Doud described it: “Trade is hot in town again.” (He later announced he will be leaving NCBA to join the Senate Ag Committee staff, working for his home Senator Pat Roberts.)

OG&SP has promoted an aggressive pro-trade stance since its inception in the mid-1990s and again carried the message of how important expanding international trade is to the ag industry. The group spent much of their first morning in Washington visiting with Shannon Schlecht and Chad Weigand, policy and market analysts for U.S. Wheat Associates, going over each of the pending trade agreements and why they are advantageous.

Favorable support from U.S. Trade Representative Ron Kirk, shifting attitudes in D.C. and worldwide concerns over food



Above, discussing trade agreements and global wheat supply over coffee with Shannon Schlecht and Chad Weigand of U.S. Wheat Associates; below, from left, House Ag Committee chairman from Oklahoma, Frank Lucas; Christy Seyfert of the Senate Ag Committee staff; Wuerflein and Brittnee Preston of Rep. James Lankford’s staff; meeting with Senator Jim Inhofe.



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prices are helping to advance the trade agenda, they said. The general consensus is that Congress will likely pass the South Korean trade agreement within the next month or two. Negotiations are still being finalized for an agreement with Colombia — potentially a valuable market for U.S. wheat. (Canada has already ratified its own agreement with the country and China is also aggressively cultivating a trade relationship there, which could quickly leave the U.S. on the sidelines.) Also in the works is a free trade agreement with Panama. Even more important is the negotiation of the TransPacific Partnership, which currently includes 9 Asian countries and the U.S., and could eventually expand to include Japan and potentially China. It is an important model for establishing a framework for future large scale trade agreements of this nature and includes some very important world trading partners.

One area where little immediate action is expected regards the normalizing of trade with Cuba, despite the fact that there is some strong support for it by key senators and representatives. That issue is in a holding pattern, at least for now.

OG&SP also shared their experiences with crop destruction by wildlife and how the large wildlife population could contribute to the severity of a foreign animal disease outbreak; how unrealistic and burdensome a number of proposed EPA regulations on dust particles, greenhouse gases and clean water are; and expressed concern that ongoing changes to food safety regulation be based on sound science and remain under the jurisdiction of USDA.

**“I know of no pursuit in which more real and important services can be rendered to any country than by improving its agriculture.”**

— George Washington (a quotation painted on the wall at the American Farm Bureau headquarters)

## CONSERVATION PROGRAMS AND RURAL POPULATION TRENDS DISCUSSED WITH USDA ECONOMISTS

At the U.S. Department of Agriculture, OG&SP had a lengthy discussion with three representatives of the Economic Research Service, including the authors of a recent report on the influence of rising commodity prices on the Conservation Reserve Program. The agency does research on a suite of issues with the mission of providing long term objective information that looks at least two years in advance. “Conservation is going to get a hard look,” said economist Daniel Hellerstein. “We looked at, if we cut conservation programs, what are we going to give up in environmental benefits.” What they found is that ethanol production will have a relatively small impact on enrolled CRP acreage and environmental benefits, while commodity price levels could have a significant impact. CRP rental rates increased roughly 20 percent in the last sign-up. However, if in the future the CRP budget is frozen, Hellerstein said the government won’t be able to come close to the current 28 million acres enrolled. The figure would be closer to 18 million.

The agency released two additional reports last year: one on rural access to health care; the other on broadband access. Additionally, they have posted a new rural atlas online that provides county demographics including changes in census variables. In particular, the researchers are looking at what factors drive the inward and outward migration of population in rural areas.

While at USDA headquarters, OG&SP also met with Dr. Caird Rexroad Jr., the associate administrator for the Ag Research Service and a reproductive biologist. (ARS facilities in Oklahoma include the Grazinglands Research Station at El Reno, the Southern Plains Range Research Station at Woodward, a field crops research and hydraulic engineering lab at Stillwater and the Lane Research Center.) He had just returned from China, where he said food security was a high priority. Negotiations to open beef trade with China is ongoing within the department, he said. He saw the world’s renewed interest in food security to be a big plus for American agriculture. His agency’s goal is to help farmers produce food and fiber efficiently and sustainably while being good stewards of the land. A particular emphasis at the moment is on disease resistance in crops.

While he felt like the ARS budget situation was manageable, under the current budget climate, he said extension and land grant research programs face a bigger threat. “It’s a very high risk time,” he acknowledged. “At NIFA, the funding situation is more of a problem. Federal action does away with earmarks but not necessarily with the funding. But even so, projects that have been funded as earmarks are the most susceptible.”

International Food Information Council specialists Kerry Phillips, Lindsey Loving and Tony Flood explain their work combating misinformation and communicating science to the public. Find lots of free resources on their website at [www.foodinsight.org](http://www.foodinsight.org).





## “The farm · Best home of the family · Main source of wealth · Foundation of civilized society.”

— Chiseled in stone on the front of Union Station in Washington D.C.

During the information gathering stage, OG&SP met for the first time with the International Food Information

Council, a 25-year-old nonprofit with the mission of “communicating science-based information on food safety issues to health professionals and the media through partnerships with industry and trade associations.” The issues they address by providing background pieces and resource management include food technology, biotechnology, animal health and welfare, antibiotics use in livestock and nutrition recommendations.

Tony Flood opened the discussion by giving the example of BPA plastics, a proven safe technology demonized by a vocal minority without evidence to back it up, which has forced food companies to go to unproven packaging alternatives that might have unintended consequences. That led the group into a lively discussion of similar PR challenges facing agriculture, such as concerns over tools like food irradiation or biotechnology. In recent years, the firm, which works with more than 300 experts providing information to the media, is shifting its emphasis toward risk communication, keeping up with social media and using proactive messaging.

The group offers a number of free interactive resources on its website at [foodinsight.org](http://foodinsight.org), including a regulatory guide explaining which federal agencies oversee what, a “communications technology guide” suggesting terminology to use when talking about biotech, and a communications tool kit with tips on how to dialogue and messages to use when talking about food issues. “Put it in the context that the consumer can understand,” Lindsey Loving, a senior director, emphasized. She also urged producers to be transparent and realize there’s a lot of interest by consumers in what a farmer and rancher does on a daily basis.

They distributed to the group several interesting handouts, including a Q&A on food biotechnology, a Q&A on animal antibiotics, explanation of the antibiotic approval process and a copy of their latest consumer perceptions survey.

The firm’s president and CEO David Schmidt will be participating at the annual meeting of the National Institute of Animal Agriculture later this spring in San Antonio.

Other OG&SP fact-finding meetings included:

- While meeting with U.S. Wheat Associates staff, OG&SP discussed not only pending trade agreements and wheat marketing opportunities abroad, but also unfair competition from state trading enterprises. On a positive note, the Australian Wheat Board has been privatized and is in the process of being acquired by Cargill. But the wheat industry is also watching Russia closely, which has been building up its own state trading mechanism. Ag negotiators hope that “most favored nation” status and WTO membership will be incentives for negotiating with Russia to reform its state trading board. 2011 is also considered a window of opportunity for the stalled Doha round of WTO trade talks.

The group also discussed the adoption of “low level presence” biotech tolerances worldwide. Biotech in wheat is still at least 7 to 10 years away, but the industry is working to pave the way for its acceptance. U.S. Wheat anticipates “a huge boost in wheat imports” by developing countries in Africa, the Middle East and Indonesia, as population growth exceeds production growth. That demand will likely speed biotech acceptance along.

U.S. Wheat representatives also emphasized the importance of continued funding for the Market Access Program, which is crucial to developing markets overseas, and, secondarily, food aid.

Problems with the wheat harvest in Russia is enhancing the U.S.’ status as the world’s most reliable source. In recent years, the Black Sea region has become a serious competitor, but by supplying markets like Egypt now, the U.S. is positioning itself well for the future. Low freight rates worldwide is also a boost to export market opportunities.

- At the National Cattlemen’s Beef Association, OG&SP was briefed on the National Resource Conservation Service’s five-year update of nutrient management standards for CAFOs under the Clean Water Act. The agency is attempting to base these on a national tool that is not as accurate as a more localized model would be. In addition, an NCBA lawsuit against EPA over greenhouse gas regulations is still working its way through the courts.

They also talked about the lack of funding for the new food safety bill and their concerns about a push by FSIS to force more pre-harvest e-coli interventions down to the producer level.

- At the American Farm Bureau, OG&SP met with experts handling farm policy; transportation, immigration and environment; and food safety.

As always it was a jam-packed schedule, and everyone was very generous with their time and attention as OG&SP laid out the challenges they face in their businesses and the need for effective, responsive programs and services.



# Legislative officials share future outlook at Enid's Agrifest

In conjunction with KNID's Enid Agrifest farm show in early January, OG&SP hosted a legislative forum to encourage state and federal officials to talk about their future plans and concerns and to hear from constituents.

Newly appointed state Agriculture Commissioner Jim Reese opened the comments by talking about the importance of agriculture to the state's economy.

Garrett King, field representative for House Ag Committee chairman Frank Lucas, talked about the upcoming farm bill process in light of budget challenges and plans to bring EPA to the Hill for hearings questioning the agency's authority to regulate dust and other issues. He said Congressman Lucas intends to use the presidential election in 2012 as leverage to craft a bill that will be popular with agriculture and "good politics for the president" to sign.

Third generation rancher Eddie Fields, new in his role as the state's Senate Ag Committee Chairman, shared his concern that agriculture's interests have largely been ignored in the writing of a new five-year statewide water plan. He was also very concerned about invasive species, such as feral hogs, and their impact on production agriculture. He said numbers are getting to the point where they are impossible to control. "How are we going to address that? That's going to be a big issue," he said. He was generally opposed to the idea of consolidating agencies like the Conservation Commission into larger entities, in response to the state's \$5-\$6 million budget deficit. He was also working to pave the way to resume horse slaughter and hopefully improve the value of horses.

State Representative John Enns also talked about expanding some hunting licenses to deal with the wildlife population, pointing out the big problem with deer in some areas. He warned that the Colorado legislature voted to sunset their ag sales tax exemption last year and after similar legislation was introduced in the Oklahoma Senate, he and Senator Fields were quick to jump on it. "We'll be watching that very closely this year," he said. In addition, he said there was talk at the federal level of doing away with the 150-mile radius farm trucks are exempt from CDL, OSHA and HAZ-MAT requirements. He urged the group to weigh in on the matter in Washington to stop those efforts.

Matt Ball, representing Senator Tom Coburn, and Cale Walker, who came from Senator Jim Inhofe's office, also participated in the forum.

Later that morning, Heather Buckmaster, executive director of the Oklahoma Beef Council, and Andrea Hutchison of the historic Chain Ranch gave an excellent presentation on combating the animal rights movement and promoting animal agriculture. Thanks to all who participated!

At left, State Senator Eddie Fields; above, Ag Commissioner Jim Reese and Rep. Frank Lucas' Garrett King address the group.



## Membership Renewal Form

It's time to renew your membership in the OG&SP!  
*(All annual renewals are due after the first of the year.)*

☐ Individual Membership - \$25

☐ Business Membership-\$200

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P.O. Box 1510, Woodward, OK 73802