

Linda Jordens Galayda #7

Class XIII – Session 4 – Washington D.C., Maryland, New York

## WASHINGTON DC

Arrived Saturday April 20, 2013

It was great to see everyone again. It is amazing how close the group has grown. I really miss everyone when the group is not together. Sometime when you get a chance, tap the TALL logo on the TexasRancherGirl.com blog and read the resumes of my amazing class mates. They are all brilliant in their fields – personable and engaging – representatives of strength of character and integrity – solid family men and women - true advocates of agriculture with the ability to change the world.

Started out with a “Washington After Dark” tour. We were able to see the Capitol, Library of Congress, House and Senate, White House, Kennedy Center, and many noted museums and other government buildings. We actually got to walk the Jefferson Memorial, the Viet Nam & Korean Veterans Memorial, and the Roosevelt Memorial. Of course, seeing the memorial wall to our Viet Nam veterans always moves one to emotion. The Iwo Jima Memorial never fails to take your breath away – makes you feel pride to be an American knowing what past brave Americans have sacrificed for the freedom we take for granted.

Sunday – April 21, 2013

There was so much to see. We began our day at the Smithsonian National Air and Space Museum. From the Wright Brothers to space travel – awesome!! We made a brief stop in the National Museum of Art – I just could not get the guys that interested!! They were really just looking for a place to have lunch. Of course, we had to stop at the National Archives for a fresh look at our Declaration of Independence – Constitution – Bill of Rights. We managed the American History Museum and the Indian Museum – but everything pales after seeing the Constitution.

### **Monday – April 22, 2013 Day #1**

White House Briefing - Indian Treaty Library – Eisenhower Executive Office Building where we were welcomed by Jennifer Yerkas – Director, Office of External and Intergovernmental Affairs U.S. Department of Agriculture. Jennifer is a native Texan. Jennifer helped procure the fabulous room we were in that overlooked the White House. Really awesome view!!

Doug McKalip – Senior Policy Advisor for Rural Affairs, White house Domestic Policy Council.

Doug has worked on three farm bills. Expressed concern for West, Texas fertilizer plant explosion – assured us that it would be given the attention it deserves. Doug feels strongly that agriculture is not getting the attention it needs. For the first time ag was mentioned in the economic report to President Obama. Americans spend 15% of their disposable income on food. The report also speaks to ag technology and bio chemistry.

6 million people added to the world population each month. US farmers will bear the brunt to produce the food for this global growth. We will meet the demands in spite of the weather issues; drought. Progress is good but we are losing farm land to urban sprawl. Tax considerations are being looked at to protect the land.

Crop insurance is a key component in this Farm Bill – thought is to create a safety net. Conservation issues will be addressed. Rural development needs the right resources to be effective. Farm Bill working to add incentives for young people to get into farming. Only 16% rural community – and yet 20% of our military comes from rural areas. The Council has set aside money to invest in rural America 1) Accessing capital for rural areas 2) Improvement of quality of life – housing, college graduation, broadband connectivity, health care. 3) Conservation – hunting, fishing, protect beauty of America. NRCS, Farm Bureau will play bigger role as means of accessing the money that has been set aside.

President has key advisors. Several key councils -National Economic Council – National Security Council – Health care and Education. Doug believes that the White House recognizes that we are the ones that get things done – he thinks that rural America is on the President’s mind every day.

Felicia Escobar – Senior Policy Advisor for Immigration, White House Domestic Policy Council

Felicia is a native of San Antonio, Texas. The President has a vision for immigration reform. He supports immigration reform – border security – a viable way to obtain citizenship – viability of job status – education. FSA offices will take a more prominent role in registration and verification. Forms can be filled in on line. Hopeful that the bill will make all efforts more streamlined. People must come forward during the “sign up” window are the government will use the full force of ICE to deport.

Rohan Patel – Associate Director of Public Engagement, White House Council on Environmental Quality

Always impressed with level of commitment – heart of farmers, USDA, FSA, NRCS. News today – Restore Act will affect 18 counties in Texas – clean water acts. Money must be used effectively for environment and economic ag interests. National Oceans Policy – to develop coastal areas – water quality and environmental protection. Mr. Patel felt that there were many myths about EPA and agriculture.

Ms. Krysta Harden – USDA Chief of Staff – Office of the Secretary

She welcomed us – told us how important our presence was – that people do want to hear what we have to say contrary to the national news. Stay active – participate. Talk about what is important – but also listen!! Our country is so diverse – we must remain open minded. Washington DC is the most powerful town in the world – big differences – but a people that come together in time of adversity. Department of Agriculture is still “the people’s agency”. It is still a tragedy that people are so disconnected from their food. They do have a Farmers Market and a small garden on the ground – people see it – ask questions – it makes a difference. The food is donated to a local food bank.

USDA works hard to make sure they have a seat “at the table” during discussions that affect agriculture – want those making decisions to understand our viewpoint – the impact on ag – our interests are represented. One of today’s biggest topics is immigration. Trust! Respect! Once established – a real dialogue can take place. Farm Bills are difficult to write. Differences are usually regional. It is difficult to make it work for all interests. It is important to speak with one voice. Compromise is critical – water and agriculture must find common ground. We need to get on boards, committees – we have to do our part – step up and speak out. Learn a lot – give a lot!!

Beau Greenwood – Executive Vice President – CropLife America

The topic was “Advocacy for Modern Agriculture”. It is why we are here –to gather information – to see all aspects of agriculture (a very complicated and diverse entity) – to listen and learn. Then we have a responsibility to work together to unify our voice and to speak out.

Mr. Michael Alston – Deputy Administrator for Insurance Services, Risk Management Agency (RMA) Crop insurance base has increased from 1 million to 2 million. More claims have been paid. Loss occurs on many levels – drought – flooding – fires. Texas has lived with very long term drought.

2011 insured 36.9 million acres. In 2012 insured 45 million acres in Texas. Payout continues to rise. Weather patterns have been so abnormal. Panhandle is concerned about late freezes killing the wheat. Make your story personal. "Because of crop insurance – I was able to stay in business". Elected officials need to understand. We are not getting rich from these programs – we are surviving.

Crop ranking by value: corn – soybeans – wheat – cotton – citrus – nursery – almonds- rice – all others.

Mr. Chris Beyerhelm – Deputy Administrator for Farm Loan Programs – Farm Service Agency (FSA)

Farm loans – lending programs go back to the 1930's – after depression program was designed to get people back to the farm. Twofold mission – farm security net and assistance to get young farmers started. 1980's another time of distress and a rise in emergency lending. Who holds the debt for farmers? Commercial banks hold 39% and farm credit system holds 40% - roughly 80%. Volume of outstanding farm debt has stabilized after credit crisis. There has been more foreclosures – troubled areas – dairy, pork, poultry. This is driven by high interest rates and decreased asset value. Banks are currently very well capitalized. Current debt to asset ratio says most farmers are able to make money. Increase of land value has kept farmers in a good position to borrow money. However, all the impacts to farm income from 2012 drought are still unknown.

FSA provides loans on a temporary basis – expectation is to borrow – get better and pay off the loan – move on down the road. Hope that is 5 to 6 years loan is paid off or one is able to qualify for private sector resources. In 2012 FSA has loaned over \$4.8 billion of credit to 35,000 applicants. The default rate is the lowest – 6.5% down from 23.8% in 1995. The quality of the portfolio is very good. Many different loans – land purchases – operating capital – disaster losses – beginning farmer program. Beginning farmers increased from 3,474 in 1995 to 21,785 in 2012. SDA (socially disadvantaged) farmers increased from 3,260 to 16,068 in the same time period. Most small and medium sized farms rely heavily on off-farm income to cover living expenses and obtain positive debt service capacity.

Michael Scuse – Under Secretary USDA-FSA- Risk Management-Foreign Ag Service

Foreign Ag Service has offices all over the world. Staff has to work to overcome trade barriers. Maybe products are not being allowed in at a port – their staff has to go mediate the unloading of that shipment. They also work to build other countries economic income in hopes that with their improved incomes the demand will rise for more US export products. An example of this is China – the people now desire and can afford more beef. Staff has to work diligently to break down barriers

for us to be able to ship these countries. Right now they are working on Pacific Rim countries – Canada – Mexico to expand our exports. The EU is our 5<sup>th</sup> largest partner but we still have tariff barriers to address. We have made progress – we will continue to make progress.

Mr. Juan Garcia – Administrator for Farm Service Agency (FSA)

FSA has approximately 12,000 employees all over the US. Wanted to talk about Farm Bill but there is not a bill yet. Waiting to see how they sort out their differences. Everyone is confident that there will be a farm bill. It will take several months to implement the program – rules and regulations have to be written. Issues: crop insurance payments. The future for FSA is more on line forms and filings.

Ms. Autumn McCain and Ms. Jane Duffield – Food & Nutritional Service (FNS)

Overview of SNAP – “to provide for improved levels of nutrition among low-income households through Federal-State program of food assistance. In 2012 it cost \$78.4 billion – supported nearly 47 million individuals in over 22 million households. Since 2007, the number of persons supported has increased by approximately 67%. SNAP is an entitlement program – it is available to anyone who meets the eligibility criteria. Nearly half of participants are children. One in ten participants are age 60 or older. You must be a citizen to qualify. The benefit level is based on a “household” – size of the household, income, & expenses. Basic elements of eligibility: bank accounts – income (gross & net income) – deductions. It is the State’s responsibility to deal with fraud.

There has been a huge increase due to people losing their jobs – SNAP grows in weak economies. The Food and Nutrition Act defines eligible food as any food or food product for home consumption. The Act precludes certain items from being purchased, such as: alcoholic beverages, tobacco products, hot foods, and any food for on-premise consumption.

The Farm Bill is 80% nutrition so SNAP is 80% of the USDA budget. There are educational programs on nutrition but the education is not mandatory. The reality of policing what an individual buys becomes even more complex. Of course, our group was very vocal about SNAP needing dramatic reform – education on nutrition – the card only allowing the purchase of healthy food necessities – mandatory drug testing.

Mr. Dale Moore – Executive Director, Public Policy – Farm Bureau

Farm Bureau is a farm and ranch trade organization. There is a state farm bureau in every state including Costa Rico. Currently working on Farm Bill – Ag labor reform – tax reform. Last year Farm Bureau was pleased that the estate tax was made permanent at 5 million and a permanent base was set for capital gains. There is a constant battle with the EPA – like trying to control all water that flows into navigable waterways (that is the National Oceans Policy that our mythical friend spoke of

earlier). The EPA would then control every drop of water and dictate land use. It is important to note that when the EPA imposes regulations – it is the land owners' responsibility by law to obey and it is all at the landowners' expense. Endangered species is another hot topic – economic impact is great.

The Farm Bill process is getting under way again. They could not just pick up the bills from last session – things had changed – and now there are significant shortfalls. We would not get a Farm Bill passed without the nutrition entitlements.

Keep the focus on the policy. You cannot make it personal. Committees are careful not to step over into another committee issue because it opens the door for another committee to intervene in your business.

Mr. Don Parrish – Senior Director, Regulatory Relations

Chesapeake Bay and its Implications

17,000 square miles – East Coast watershed – less than 10% agriculture. The oyster population was the filter agent. They have been depleted due to over fishing – disease brought in on ships – converting oyster shell to road. We can't control – only manage – 9 point water sources. In 2025 EPA has assigned – 7 lbs of nitrogen will be the maximum load allowed per acre. The farmer or rancher would have to clean up the rest. Rainfall is 14 lbs. The land owner will be assigned E3 – everything – by everybody – for everyone. That is more than extreme. No one could afford to comply. The EPA has one goal – clean water and air. People do not factor in to their plans.

Mr. Andrew Walmsley – Director, Congressional Relations – “Clean Air”

Greenhouse gas is currently in court – Farm Bureau and other organizations are fighting. The carbon tax is another scary issue that has been thrown out for consideration. When our government is looking for revenue – anything can happen. Profitability – productivity must be looked at seriously. The EPA keeps ramping up the requirements – not achievable. Coal has been hammered. That EPA initiative could reduce our power plants and their output.

Most of our speakers did not speak highly of the EPA. They felt that the EPA had gained an enormous amount of power – the President's ear and approval. They make outrageous demands that destroy businesses all in the name of making a better environment. Everyone wants to protect our environment – but protection of a lizard should not outweigh the sanctity of the earth's people (there's that word people that the EPA doesn't recognize). The problem is they make extreme demands that put extreme regulations and costs back on the business community – farmers and

ranchers. They are forcing businesses out of business and not allowing energy businesses in. The EPA might not always get their extreme demand – but often times their idea of compromise places too much financial burden on a segment and they fold. The EPA has done a great job of marketing – you would be a social outcast to speak against environmental protection. But they have taken things too far without a voice to counteract their outrageous claims with real facts. It is important to protect our environment but if the truth be told – we can protect and beautify without destroying all business that provides jobs, food, and energy.

Kelli Ludlum – Director, Congressional Relations – “Livestock Issues”

The Animal Drug User Fee – guarantees a time line for drug reviews and approval for an expected answer. This would encourage new drugs. There is a new push for us to report antibiotic use to FDA. Drug companies are already reporting our purchases. But the activists want to know what we used – how we used it – on what animals. Risk assessments have already been done showing minimal residual – but that is not enough for the activist.

## **April 23, 2013 – Day 2**

Brazilian Embassy – Horrys Friaca – Agricultural Attache’

Brazil is the 5<sup>th</sup> largest country in the world – 5<sup>th</sup> largest populations – 7<sup>th</sup> largest economy. In 2009 the exports to the US were 159 billion and they imported 136 billion. Almost 50% is Amazon Biome – forest; no agriculture. Pasture lands occupy nearly 70% of the total area dedicated to Ag production. Pasture productivity is still low – around 1 head per hectare (2.4 acres). Agricultural production started primarily in the southern region – expanded to other areas toward the mid-west of the country. The country invested in tropical technology to allow coexistence of food and energy production. Worldwide leading products such as beef, soybean, sugar, poultry and coffee account for the majority of production. Recently corn has increased for ethanol. EU – then China – then the US are the leading recipients of their exports. The positive results of the Brazilian trade balance rely on agriculture – 54.8 billion in agribusiness. Domestic consumption ranking – ethanol – beef – corn. Brazil can harvest two crops in one year. Soybeans then corn – double cropping. The largest corn export partner is Iran. Brazil is worldwide leading supplier of both beef and Halal beef. Russia is currently biggest recipient. Most of their poultry goes to Saudi Arabia. Russia takes largest share of pork – then Hong Kong. Another growth area is sugarcane which can be transformed to sugar and ethanol. The largest export of sugar is to India. The top importers of ethanol are the EU – Japan – South Korea. Almost half of the sources of the Brazilian energy matrix are renewable – sugarcane being the second most important one. Oil and oil products still lead – but only at 38%. Currently 10 million cars in Brazil have flex-fuel engines. Brazil is the world’s leading exporter of coffee. Their

investment in technology has increased production by 26% while production area has decreased 38%. Top destinations for coffee are the EU – then the US (total 3.7 billion).

The Amazon Biome is protected by law – like our Federal reserves. Satellite monitoring controls the region to ensure the Rain Forest protection. In the Amazon Biome the government does not help you take care of the 80% you must reserve. It is mandatory to preserve river banks, areas around lagoons, lakes or water reservoirs, peaks, among other things – all at your own expense. You are also required to plant grass along the river banks.

The US does not consider Brazil a threat to our agricultural. In the cattle industry – they are not free of foot and mouth disease – in most instances vaccinations are optional - so they have to export to less “picky” markets – ones without as many requirements as the US.

US Senator John Cornyn

Money is an issue – our Senator is a strong advocate for reducing taxes and reducing spending. There is currently some movement to address immigration reform. We need a legal work force in agriculture. We do not want to choke our bi-lateral trade – legitimate trade needs to continue. Endangered species is another issue. Able to work out compromise for oil/gas and the environmentalist to deal with the “lizard”. Now working on the lesser prairie chicken.

Believes in our gun rights. Does not feel guns are the issue – it is a mental health issue. He is for free trade agreements – current administration is not interested unless they pacify labor or the environmentalist. He is our senior Senator now. He has not seen a time when our country and our government are more polarized. The media does take positions – don’t listen to one media source – gather information from several sources. Much of the rhetoric is more visible and louder. We must compromise on some issues – not on our principles.

US Grains Council - Ms. Lyndsey Erb-Sharkey (Membership Outreach Manager) and Mr. Erick Erickson (Director of Global Strategies)

95% of the world population lives outside the US. Three fantastic things: growing middle class in developing countries – productive capacity of US agriculture combining science, technology and management – the power of trade to match purchasing power with productive capacity: the great opportunity for agriculture. We are not in a spectator sport. We have to teach – promote - be advocates to facilitate – provide information and open channels. There is a new voice – a new face to the consumer. We need to speak with passion.



The US Grains Council has a mission to connect those that produce to consumers all over the world. They represent corn, sorghum, barley. They currently represent 26 States and 115 Agribusinesses. They exist to work on expanding exports. Currently working on the Farm Bill- winning the battle for US exports. We must fight to participate in the global market place. Partnerships are the way we get things done – private sector – producer – market place – our government – different Ag organizations and alliances – even our competitors. The Export Exchange brings buyers and sellers together. An open line of communication is what helps us resolve problems. The drought hurt our corn production – it allowed other countries to compete on a greater scale than ever before. We can't control the weather – we will have to reclaim our markets when our production returns. The world still trusts our quality and food safety. The hard part is price which is the great equalizer.

Future is the phenomenal growth in global middle class – parallel growth of competition – allure of policies that may stifle trade – lack of attention to the global perspective – lack of information – gaps/breakdown in communication.

We must support MAP (Market Access Program) and FMD (Foreign Market Development). As producers we must support our associations. Ask “how can I play in the global market?”

Note: The Grains Council actually started in Texas over 50 years ago!!

Mr. Dave Langdon – Senior Economist in the Office of the Chief Economist within the US Department of Commerce's Economics and Statistics Administration (ESA)

As for current events – we are in a sustained recovery with the sequestration acting as a drag. We are not on a steady path – our gross domestic product is up and down. Private payroll employment has been growing consistently. The private sector has added 6.5 million jobs. The unemployment rate has decreased to 7.6%. If you considered those not looking for a job – part time who want a full time job – unemployment would be up around 14%. Around 1 million “discouraged workers”. Texas has 2% unemployment.

Stock market indices are much stronger in US than other parts of the world. Other governments are not stable.

2/3 of our economy is represented by our consumers – buying – selling. Consumer confidence and sentiment is measured. How do you feel about the economy – the government? How we feel affects our spending – our confidence in the future. Interest rates are low – car buying is up.

Our government is the drag on the growth of our economy – government spending in the military sector has been declining. State and local government jobs are being reduced – Texas has reduced 0

to 5%. Obama has committed to foreign GDP growth in select countries – Brazil – Canada – Mexico – India – China. We are having growth in new orders for exports – cars, farm machinery.

Housing market is experiencing a turn-around. That spills over into construction jobs – furniture production – all aspects of housing. Housing starts in Texas are at an all-time high. Oil and natural production in Texas is an incredible story – provides stability and dollars back into all segments of Texas economy. A household spends approximately \$3500 a year on gasoline.

Over 60 million people visit the US each year – Mexico, Canada, UK, Japan.

Go to census.gov for all questions. Houston largest growth city in Texas. Dallas – Ft. Worth metroplex strongest growth area. Lubbock, Texas showing strong growth compared to US average.

Mr. Bart Fischer – Chief Economist, Committee on Agriculture, US House of Representatives

Mr. Matt Schertz – Senior Professional Staff for Commodity Policy and Crop Insurance, Committee on Agriculture, US House of Representatives

Farm Bill process started back in 2011. Still no Farm Bill. The Super Committee was created to “help” put forward a proposal from a bi-partisan position. Neither House nor Senate was marking up a bill – no floor time. Finally able to come together – submitted a 5 year plan – 4 hours later the Super Committee fell apart. Tough environment. We need drastic changes. No one is willing to make the hard decisions – make the program cuts. Need 218 votes to get anything done. In 2012 the Senate was able to get a Farm Bill across the floor. With upcoming elections – no one wanted to vote for a Bill loaded with entitlements (80% Food and nutrition entitlements).

Federal budget is based on current behavior – don’t change anything – just put the same practices out there for the next ten years. We are currently 16.5 trillion in debt. And the plan is to just keep doing what we are doing. That’s their idea for a budget!!! Can you imagine??

The Farm Bill is finally being marked up – scheduled for May 15<sup>th</sup>. It has to be a bill that covers all commodities – fair to everyone. Crop insurance is the key element. Programs and funding to encourage young farmers is also part of this bill – needed to address the aging farm community. Farm Bills are written to cover the difficult times – people need to understand this.

Congressman Bill Flores – US House of Representatives, 17<sup>th</sup> Congressional District of Texas

He wanted to welcome us to fantasy land!! The Keystone Pipeline should be a no brainer. Part of the problem is a lack of energy policy. We need a clear strategy to be energy independent with environment protection clear– nuclear power for electricity - carbon fuels are a big part of our foot print and will be for the next several decades so let’s use the revenues to build infra-structure for

renewable processes – we can't cut the private market out of the solution – focus on alternative fuels but only when they are ready for consumption. If it is not efficient – why push it – it must pay out or the consumer can't buy into it. He believes that we should not use any product for bio-fuel that we use for food. Hydraulic fracturing has allowed us to tap into oil and gas that we could not have recovered in times past. One of the problems is the use of 1 million gallons of water needed to “frac”. The endangered species act should not be put ahead of people. We must find a way to protect our environment – not hurt our economy – put people first!! Another issue is the Ocean Zoning Proposal – zone the oceans and the sources thereof. Any stream that contributes – flows – moves toward the ocean would be controlled by the Federal Government.

Congressman Randy Neugebauer – US House of Representatives, 19<sup>th</sup> Congressional District of Texas  
“Trade, Farm Bill, Housing and Insurance”. Another debt ceiling crisis in a few months. Immigration reform capturing everyone's attention right now. The events of Boston will add new elements to this debate – who is an enemy combatant? – Who should be allowed in this country? He believes that the Farm Bill will be re-introduced and advanced. We need reform of the SNAP program. If we are going to cut the farm aspects – we need to cut the SNAP program as well. He has a little red wagon in his office – Are you pulling or are you riding?

Congressman Pete Gallego – US House of Representative, 23<sup>rd</sup> Congressional District of Texas  
“Immigration, Labor, Homeland Security and Current Issues Facing US Agriculture”

He believes our representation has become a “controlled” democracy. From your first day you are separated – Republican? – Democrat? Not unified in any way – very frustrating. 800 miles of border in his district –and takes in San Antonio. Immigration is a huge issue for him. Agriculture needs people to work on the farms. He wants the path to citizenship – it is not amnesty. We should allow the person that has worked hard – not gotten in any trouble – willing to pay a fine and back taxes – have an American to vouch for them – to become an American citizen. He is disillusioned that our government is not really representing the people. There are three parties – Tea Party – Republican – Democrat – and it is about the party agenda – not the people. The majority of the majority has to support something before it gets out on the floor. It is really hard to get anything done. People are going to have to stop worrying about re-election – vote what is right. If Texas ever goes Democrat – game over. Congressman Gallego is Democrat – but believes his job is to vote according to his constituency.

Question: Do you think if we stopped entitlements these people would take farm jobs? He believed we have lost work ethic generationally. No – Americans are not going to take farm jobs.

Republicans need to look at this immigration reform – stop calling the Mexican population “aliens”. Reality is that we need reform – work on the issue – stop the bias and get back to democratic

representation. This is our country – participate – vote!! It is the vocal minority that puts us in the ditch. What does the majority really want? Then unify and speak out!!!

It was two very intense days of information and opinion. Over and over I heard that the Ag community (all aspects of agriculture and the associations that represent us) are not unified – we do not have a strong voice – we are in the trenches fighting our battles and losing the war.

From the Capitol we left for the Ford Theatre for an enjoyable evening of “Hello Dolly!” The theatre alone was filled with such history and presence of times past. It was a great evening. And with the close of that curtain – so did our time in Washington D.C. come to a close.

### **April 24, 2013      Day 3**

Our first stop of the day was in Darlington, Maryland to visit the Bonita Farm – a racing farm that also breeds foals, breaks horses, and trains. It is a family operation managed by the family patriarch Mr. J. William Boniface. Absolutely beautiful facility – green grass – rolling hills – immaculate barns. This family prides themselves in producing champions – still the natural way. The list of horses in the winner’s circle is long and at the most prestigious tracks. Mr. Boniface also has a long list of troubled youth that he has given a job and turned their lives around. This was an amazing operation run by an amazing man.

We next toured the Waffle Hill Farm – a Black Angus operation in Churchville, Maryland. This family is dedicated to farming – they are transferring their farm into a preservation program that will insure the farm will remain intact and dedicated to farming.

The Broom’s Bloom Dairy is an interesting mix of ancestral history and new beginnings. The farm and house date back to the early 1700’s. The Dallam family milks about 65 cows by hand every day. They believe in an all-natural approach in the milking process – the grains fed – and no artificial growth hormones. But the dairy operation alone has been tough so they diversified and opened a small café famous for its ice cream and cheese products. Believe me as a certifiable ice cream connoisseur – the ice cream was to die for!! Not to worry my fellow Texans – still not as good as Blue Bell.

Our last stop for the day was the Riehl Farm – an Amish Farm – owned by Sam and Susie Riehl. In most of our stops we are being given insight into a business – an association – a political agenda – a farm operation – an opinion. Sam just wanted to share his heart. When asked why – he answered that it was all about the family – love of family – time to enjoy and share family. Children only have an 8<sup>th</sup> grade education in Amish schools. Gasp – right? He said that his father had asked him if he had enough education to prepare him for life. They ALL have choices and can leave the Amish community whenever they choose. If one leaves, he can return – although Sam said that once

someone spends time in the “outside” world they seldom return. What valuable lesson might we take away? Sam said we should not get greedy. Greed causes many problems and much heartache. I asked him about his cattle operation. With tears, he told me that he had to sell all his cows and it was one of the hardest moments in his life. But he said – God has a plan – accept the plan God has for you – sometimes that plan includes letting go and moving on – but it is God’s plan and we need to find the joy in that. It was a moment of truth for me – as if the message was for me directly. The drought has been so hard for our ranching operation and even now we are behind in Spring rainfall. My heart has been so heavy – constantly wrestling with what I was going to do with my own herd that I have already cut back. Before I left on this trip – I knew without significant rain soon – I would once again be facing selling my calves early – selling my replacement heifers – culling the herd again. Sam’s words rang true – God has a plan – God is in control – I must trust God no matter what my circumstances. I knew then that as the scriptures say – I choose God – my family will always choose to serve and honor God no matter our circumstances or difficulties – to God be the glory!!

Back on the bus with our thoughts – minds churning with all the new information to process. The bus now headed away from the farms and into New York – Manhattan – the Millennium Broadway Hotel where I had stayed for years – where the doorman knew me and sang “keep smiling” or “New York – New York” as we left the hotel each morning on our way to our offices. I felt like I was going home – my last office was 530 7<sup>th</sup> Avenue just off Times Square. As the Manhattan skyline came into view – I was flooded with memories. I had made a choice years ago when my Dad became ill - to leave my New York career in fashion – to return to the family ranching operation. Life is tough. It is not a spectator sport – especially for farmers and ranchers. I have learned much about life since my return to the ranch. I have learned to trust God for each day. My sister died of cancer at age 30. She had a framed piece – “God let nothing happen to me today that you and I can’t handle together”. God is enough my friends – that’s ranching – that’s life!!! I miss New York – the thrill of the deal – and most of all my dear friends. But I would not change my decision to return to the ranch and the life lessons I have been afforded.

#### **April 25, 2013      Day 4**

We had to be ready to board the bus at 5 AM because Dr. Jim wanted us to see the Fulton Fish Market in action. Fulton Fish Market is America’s oldest fish market. In November 2005, it moved from South Street in Manhattan to a brand new city (built and owned) facility in the Hunts Point section of the Bronx. Fish are flown or trucked in on a daily basis from all over the US and the world. The buyers (including famous chefs) arrive from midnight until early morning to make their purchases. Annual sales exceed one billion in sales.

Next Benjamin Mosner (Vice President of Sales and third generation) gave us a tour of Mosner Family Brands – a meat packing operation in Hunts Point. Mosner Brands is a family owned and run business that started out with David Mosner purchasing meat from wholesalers and delivering it to butcher shops. Lamb was added and the company became a leader in the industry of humanly raised veal. They continue to add new products – even wild game.

Myra Gordon is the Executive Admin Director for Hunts' Point Produce Market. She gave us a tour of the largest wholesale produce market in the world. This facility covers 113 acres and employees over 10,000 people. The produce is delivered fresh daily via plane, boat, rail, and trucks from 49 states and 55 countries. They serve the smallest to the largest stores bodegas, – upscale restaurants – caterers – steam and airline –everyone. This market generates 2.2 to 2.4 billion in sales annually.

The facility operates as a real estate cooperative – sanitation – maintenance – own public safety – EMT on location in case of injury. Board meeting once a month – owners can attend – discuss rules and regulations. Industry specific board – the city owns the land and it costs 4.5 million to lease from the city.

The country of origin labels gives them the ability to trace back to country – which field – which tracking plant – which truck it travelled on – to grower – even to seed if necessary. If something is short in the US – there is always some place to get it. The reason they look to other countries for produce is when they can't find it in the US. We are spoiled and want everything all the time. She mentioned a 2 week lag in strawberries – but talked about sourcing them somewhere else so there is never a shortage. They also work hard to develop “local” – any product that can be delivered in one day. They know “what's riding” - air, ship, train, truck – every day. More complicated process for imports – inspections before it leaves – inspection here – not right – goes back. USDA on sight.

Product is ordered daily – the talk is about size – color – quality. The coop has nothing to do with the owners business – it is a distribution center. New York Economic Development decides who gets to come into the building. Not much buying and selling of their space – generational.

Myra's dad had retail stores and she grew up accustomed to having the best of everything. She was at a BTS meeting – one woman wanted to know if they wanted to start a food coop. She stepped up to run the coop. In 1986 – she was asked to interview to run this facility. She did and got the job.

They considered a new addition – 340 million – city wanted to split which would cost the owners 120 million – at this point they could not do it.

The cost of transportation can cost more than the produce itself. Shortage of trucks during peak months. Labor is paid \$17 an hour – double time on holidays – pension – welfare – overtime.

They really reached out during Hurricane Sandy – gave food to people. They believe it is their responsibility to take care of others and give back to the community. At the end of each day, remaining food is donated to community organizations – the Food Bank and City Harvest. The coop gives an enormous amount of food away as well as the individual owners give to assist those in need.

Business is flat – no gain – but no loss currently. Economic down turn has hurt their business. With those that have lost their job – can't buy as much – or maybe buying differently. One thing is for sure – this market will not only survive but always thrive. They are obviously incredible business people – but more importantly they are people with heart who believe it is an honor to serve.

With Myra leaving us with words about serving – we then went to the Community Kitchen – a soup kitchen, food pantry, and food training program in West Harlem. The facility is run by the most amazing man – Daryl Foriest. I asked him about his background and this was his story. He told me that he was Director of Food Services for The Plaza and The Four Seasons. He was at the top of his game – making big money – expensive Manhattan apartment – BMW – all the accoutrements of a highly successful businessman. Then he received a phone call from his brother who asked him what he was really doing with his life – making money for other people – not serving man or God. The brother challenged him to reevaluate his life – that there were people who needed him – that he would be receiving a phone call from a man about community service. The brother died the next day and Daryl was left with his brother's heartfelt message. When he received the phone call – he not only decided to talk – he decided to move – to leave his well-paying job and take the position of Director of Meal Services for the Community Kitchen. For Daryl – a Christian man – it is a calling that he enters into with love and compassion for everyone he comes in contact with. He says: "you don't have bad days when you are helping people." Every day is a challenge – but every day is an opportunity to express love. He has created a place – not just for a meal – but for community – a place to belong and feel loved – a place for education – makeovers so young women can feel pretty – the right clothes for an interview. He has helped people set up bank accounts – they save and the center matches. There is no race game – no one is turned away that needs a plate of food. During Hurricane Sandy – people who never needed their services were there for a meal. They sent a van to pick up people – feed people. It was dangerous, but Daryl knew that God would watch over them – that their work was not done.

The kitchen prepares and serves over 10,000 meals a month – to working adults, children, homeless, seniors (the forgotten people) and people with disabilities. But they provide so much more. They don't just feed the body – they feed the mind – they provide a safe social environment. They work with the people to insure their health and wellness – believing that when you are well, you are in control. They have programs for education, but also to get the people together not only to participate – but to feel wanted – to create dignity.

They have also created Harlem Seeds to teach children how to grow their own foods – how to love the land – to learn every step from seed to the table. The children have classes to learn how to prepare and cook the food they raised. The older people get involved and cook with the children. Everyone wins.

We were welcomed by the people – what they had they were willing to share. We were served a lunch that was equivalent to any meal at the Four Seasons. Our body was fed – but more importantly – our soul was nourished. God’s presence can be felt at the Community Kitchen.

Talk about from one extreme to the next - from our moving experience at the Harlem soup kitchen to the intensity of the Financial District – Wall Street. Now we would hear from speakers involved in the financial aspects of agriculture – from Ag credit to commodity trading.

Mr. Peter Connor – Vice President – Finance, Federal Farm Credit Banks, Funding Corporation

The Farm Credit System was created by an Act of Congress in 1916 -part of GSE. The specific mission – to provide sound dependable funding for American agriculture and rural America. It is a coop owned by its borrowers (farmers, ranchers, agricultural cooperatives and rural customers) 247 billion in assets. One of the district banks is in Austin, Texas. Most of the Ag loans are collateralized by land. The loans are made for production (seed money) – agribusiness loans – communication, energy, water. Loan eligibility based on credit, collateral and repayment capacity/cash flow. Credit risk of certain loans is reduced by off-farm income sources and crop insurance. Ag is a volatile business but net income remains strong. Low interest rates have been a positive. Capital stands at 15.7% for the System. Our industry is cyclical and subject to many risks. Loan portfolio includes – grains – cattle – dairy to name a few. They seek a diversified portfolio within all types of agriculture. Also diversification of geographical area keeps them strong – all 50 states. Risks: credit – political (Farm Bill) – operational – regulatory – reputation – interest rate – the market. Some of these risks can be managed – some cannot.

They issue bonds to cover their loans – issued by the 4 System banks on a joint and several basis. They are AAA rated. Interest is generally exempt from state, local and municipal income taxes. A broad range of investors want these bonds. They want flexibility with banks – timing, maturity, amount, structure, lowest possible cost. The investors want liquidity – regular issuance and transparency – incremental (highest) yield possible. So there is a selling group that helps sell the bonds – Merrill Lynce, J.P Morgan, etc. 29 different selling groups. A message goes out through Bloomberg. “We want to auction these bonds”. Come back with your interest rate- deadline. Trader receives a concession (fee) for selling the bond.



The market does not respond well to unknowns - sequestration, debt ceiling, and overall indebtedness –Washington politics. European situation worse than US. People are unhappy – job uncertainty, low pay, no increases. 1.9% GDP and 7.6% unemployment not factors conducive to optimism.

Farm Credit system is on solid ground. Strong investor demand is attributable to strong financial condition. Challenging market environment but market access to funding has never been better.

Mr. Sal Gilbertie President, Chief Investment Officer and co-founder of Teucrium Trading, LLC

He said he is a commodities guy – particularly in areas of trading and liquidity. Traded for Cargill in the 80's – access to Russia – bought gas & oil. Russian ships were not allowed into our ports so they just took 3 to 4 days – hired a lawyer – changed the flag on the tanker to a country that was allowed – ship got in.

Everything is timing. You want commodities in your portfolio. Held over a period of time – reduces volatility.

Mr. Gilbertie developed the liquidity and the standard contract in the ethanol market. But he says the government is not currently regulating the amount of ethanol added to gasoline.

#### **April 26, 2013 Day 5**

The bus departed for Suffolk County. Dr. Larry Van de Valk organized the Friday schedule. Our first stop was an organic farm and market – with the perfect name – Garden of Eve. Yes, the owners name is Eve. The farm is owned and farmed by Eve and Chris Walbrecht. They have started a “community share” of their vegetables, flowers, fruits, herb plants, and eggs. Their clients pay them in advance and then Eve’s Garden ships whatever is fresh that month to the clients. So the clients are surprised every month with fresh vegetables. 70% of things grown are pre-sold. Eve sends out an email newsletter that includes recipes for the months fresh vegetables – what has grown that month and how to prepare it. Currently the farm has about 400 who have bought into the community share – 1500 clients that visit the garden regularly to make purchases. It is a lifestyle change for most of these clients who reside in New York City but it is a way to link people back to the farm.

Lunch was fun – a polish lunch at the Riverhead Polish Hall. Joe Gergela with the Long Island Farm Bureau spoke to us about the Long Island farm issues. To protect the farm land they too are setting aside land in preservation purchases to restrict the land for farm only. The problem is that the farmer is still not protected from people complaining or filing suits about the farm buildings, sheds, etc. The land in Suffolk County is very rich – formed by glacier depositing rich soil in this area. They

are also blessed with abundant water. Perfect combination for farming. But the land scape has changed and this has become the week-end gathering place for the rich and famous from New York City and all over the world – the Hamptons. And so the politics begin. Simple lies work over complicated truths. Fabrications begin over pesticides – farm abuse of land – water contamination. Joe has reached across the aisle to Hilary Clinton and made a friend who has helped him on numerous occasions. Joe had a strong passionate message for all of us in the Ag business – we must be active – participate – work with any and all sides of politics to get our message out and advance our agenda. Get the truth out about who we really are and what we really do. The EPA gains more power and control every day with a message people want to hear – but the message needs to get back to the truth and stop putting people out of business in the name of “saving the environment”. We need a unified voice in agriculture – cattle, grains, fruits and vegetables – pull all associations together for one strong truthful voice. The message of food should be as powerful as the message on the environment. The truth – we all want the same thing and we should be able to work together to accomplish a bountiful stewardship of our land and water resources.

Our next stop was the Half Hollow Nursery in Laurel located on 625 acres of Long Islands’ North Fork. They have become a premier grower and distributor of quality nursery stock – evergreens, deciduous trees, perennials and seasonal color. They have established a broad customer base – shipping products throughout the Northeast, Mid-Atlantic, Midwest, and Canada.

Martin and Carol Sidor are the third generation to farm potatoes on long Island’s North Fork. Times have been so tough for the farm that they decided to get creative and start making a hearty potato chip kettle cooked in real sunflower oil. Thus began North Fork potato chips. These chips are cut twice as thick as regular chips and come in a variety of flavors – barbeque, sweet potato, cheddar, sour cream and onion. They are all natural – no preservatives – Kosher. Their creativity has not made life any easier, but the North Fork potato chip production will save the family farm.

Let’s see – what did we learn – creativity – diversification – resilience – perseverance – a family working together to preserve a legacy. Hmmmmm – sounds like farmers to me.

Our last stop was in Peconic - the Pindar Vineyards and Winery – Long Island’s best known wine producer. The vineyard started as a dream of the founder – Dr. Herodotus “Dan” Damianos – in the 1980’s. Now after 30 years the vineyard encompasses more than 500 acres of 17 varieties of grapes - crafting these grapes into 23 varietals and proprietary blends. They produce 70,000 cases of wine a year. It is still a family owned and run business. Steve Weir and Farm Credit East treated the group to a wine tasting.

What an amazing trip. You know – there is always a story to tell. People in all walks of life have a story. We shared those stories – those lives – even if for a moment. We shared links to our past – fallen heroes – men and women who fought for what they believed – fought so we might continue our freedoms and be strengthened to take initiative to fight for what we believe in. We met political leaders entrenched in agendas – paralyzed by diversity. We met bold politicians that were engaged – principled. America is complicated – blessed – steeped in history based on a Constitution based on a God that has afforded us abundance and excess. And yet – we face difficult times – times of conflict and adversity. Who better knows about adversity than a farmer? Who better knows about love of God, family, country, community than a farmer? Who better understands perseverance – a servant’s heart – and truth than a farmer? The agricultural community grows more than seeds of harvest to feed a nation – we have heart lessons to teach.

In the Capitol there is an inscription:

When tillage begins – other arts follow. The farmers therefore are the Founders of Human Civilization.

We are very good at quietly going about our business. But the one consistent message that continues to resonate for our Ag community is that we must unify and speak out – speak the truth. The world is saturated with media frenzy on every topic and their interpretation. People need to know who we really are and what we really do. With every trip we make – I feel better educated – strengthened – energized – enabled. God has a plan for each of us. I don’t believe in random acts – so my being chosen for TALL was for a reason. I am passionate about the work of our Ag community and the families that strive to preserve our food supply and a legacy. We need a strong voice – advocates for agriculture. I intend to be one!!!