

**Comments Submitted
By the
The California Farmers Union
To
The California Board of Food and Agriculture
On
Agricultural Vision for the Future
July 18, 2008**

The California Farmers Union (CFU) provides its comments on behalf of the more than 1500 farmer, rancher and fishermen members it represents statewide. California Farmers Union (CFU) is a member organization of National Farmers Union (NFU) which represents more than 250,000 members nationwide. CFU works to protect and enhance the economic well-being and quality of life for family farmers, ranchers, fishermen and their communities.

Profitability from the Marketplace – Above all else, farmers and ranchers want to receive a fair price from the marketplace. California lawmakers have the opportunity to help them achieve profitability for their hard work and investment. Too many times lawmakers often focus on the symptoms and miss the cause of the challenges faced in rural America. Producers' biggest concern is the lack of a decent return from the market for the commodities produced and/or raised. As the state works to craft a vision for agriculture it should focus on solving the problems that are barriers to a fair, open and competitive marketplace.

Economic opportunities that can address profitability:

- 1) Direct farmer-to-consumer sales of farm-fresh, source-verified, natural and/or organic commodities. The “buy local/buy fresh” trend is the fastest growing sector of the food industry and presents an opportunity for farmers to price their products based upon quality. Congress should enact legislation to encourage new-generation food distribution systems. Value-added endeavors should lead the way to ensure that more of the food dollar goes back to those who work the land and the communities in which they live.
- 2) As producers face every increasing energy prices on the farm, it is critical that state leaders take steps to foster renewable, environmentally friendly energy sources that reduce greenhouse gas emissions and are sustainable in the future. Renewable energy such as wind, solar and other promising sources offer added benefits to our nation's energy security and independence, by promoting less reliance on a handful of countries in the most volatile region of the world. Policies should be targeted to ensure that the production of solar, wind and other energy be locally owned, in order to build and maintain our rural communities.

Conservation – There is extreme frustration that existing conservation-related programs remain under-funded. Likewise, producers called for increased

conservation efforts on working lands and for technical assistance resources. As producers throughout the state take important steps to improve the environment, it is vital that resources are provided at the state level to enable them to cover their increasing costs to achieve environmental goals. Producers are price takers, not price setters and are unable to pass on these increasing costs. As stewards of the land, family farmers strive to improve the air, water and environment overall, but it is important that the state provide additional resources so they can conserve and sustain our agricultural lands far into the future.

Trade – California producers continue to be concerned that agriculture is being used as a bargaining chip in the overall World Trade Organization (WTO) negotiations in order to get a trade deal on other industry sectors. The farm and ranch families we represent support negotiating from a position of strength and not unilaterally seeking new limits and disciplines for future domestic agricultural policies. Producers believe that trade agreements must address all factors of trade including environmental standards, health and labor standards and currency manipulation. Finally, our members are increasingly concerned about the U.S. agriculture trade balance has decreased dramatically over the last several years. Competitive imports are outpacing exports so rapidly that it threatens the viability of California agriculture in the future.

Competition – Our family farmer and rancher members firmly believe that inadequate market competition is one of the most severe problems they face in the agriculture industry. As evidenced by the sharp decline in the number of family farms in the past decade and the increasing trend toward horizontal and vertical concentration in the agriculture and food sector, independent producers cannot succeed in the absence of protection from unfair, anti-competitive practices. Producers applauded the passage of mandatory Country-of-Origin Labeling (COOL) called for in the 2008 Farm Bill and continue to urge lawmakers to ban packer ownership of livestock, enforce existing antitrust laws and take other important steps to foster a fair, open and competitive marketplace. Producers need to have the assurance that market concentration is not being used to manipulate the futures markets. State lawmakers review the effects of concentration within the agricultural sector and the economic impact it can have on producers across the country and take steps to address it.

Agriculture/Rural Budget – Producers seek new and creative programs for conservation, rural development, energy, research and other areas and expressed concern that the agriculture and rural budget not be reduced. Despite the budget challenges that the state currently faces, it is critical the additional resources are directed for agriculture and rural programs because the agricultural economy continues to be the backbone of our state economy.

Renewable Energy – There was a common theme that American agriculture needs to play an even greater role in moving the country toward energy independence. Programs and policies should ensure that family farm agriculture and rural communities benefit from increased use of renewable fuels. Linking

agriculture and renewable energy is the key to diversifying our energy markets and creating new economic opportunities for rural America.

The California Farmers Union appreciates the opportunity to provide our vision for agriculture in the future and we look forward to working with CDFA, the Board of Food and Agriculture and other state lawmakers and agencies to improve our outlook for the future.