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**STATEMENT BY LANCE RUSSELL
PRESIDENT, KANSAS SUNFLOWER COMMISSION
NATIONAL SUNFLOWER ASSOCIATION BOARD OF DIRECTORS**

before the

**SUBCOMMITTEE ON GENERAL FARM COMMODITIES
COMMITTEE ON AGRICULTURE
U.S. HOUSE OF REPRESENTATIVES**

March 28, 2007

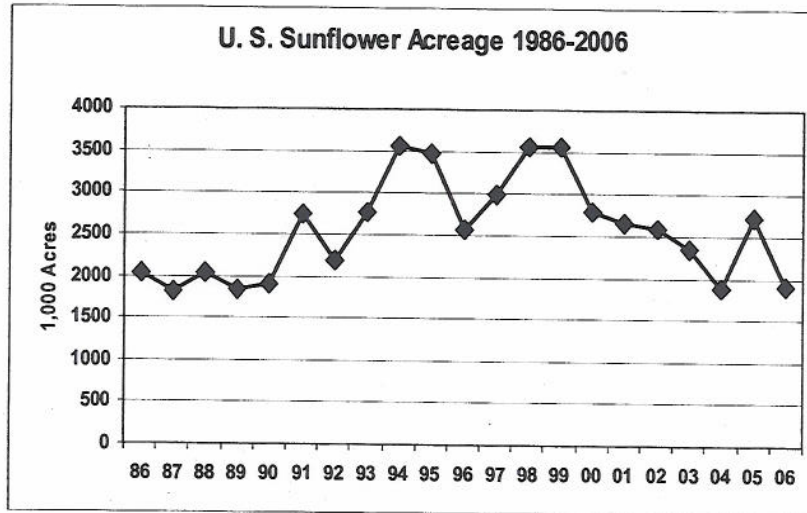
Good morning, Mr. Chairman and Members of the Subcommittee. I am Lance Russell, a sunflower farmer from Hayes, Kansas. I currently serve as President of the Kansas Sunflower Commission, and on the Board of Directors of the National Sunflower Association. Thank you for the opportunity to appear before you today.

Mr. Chairman, the U.S. sunflower industry has gone through a difficult transition dating back to the late 1970's. At that time, we were seen as a Cinderella crop, with boundless potential for production and demand. In the 1980's, oilseed crops discovered how farm programs can impact production decisions. We lost acres to program crops, and became dependent on export subsidies and, on later access to farm program payments, to survive.

In the 1990's, our industry decided to take control of our future by building superior oil characteristics into the entire sunflower crop. This was a challenging and costly effort involving producers, seed companies and processors, but we emerged with NuSun sunflower. NuSun varieties have a low linolenic oil profile, making them ideal for use in food products and food service applications that require a healthier oil with higher stability and longer shelf life.

They also require no partial hydrogenation in these applications, meaning they contain no trans fats. Following FDA's decision to require trans fats to be labeled on food products in 2006 and actions or proposals to eliminate trans fats in the food product and manufacturing industry, demand for NuSun sunflower has exploded. A number of major U.S. and Canadian food companies have switched their formulas to include NuSun in order to avoid trans fats. There is more demand for low saturated and stable oils coming from other users. This is an enormous opportunity for our industry, after 25 years of work, to find our place in the oils market—and we don't want to lose it. Moreover, if we are to meet the consumers' demands for healthy oils we must assure an adequate and stable supply of sunflower seed oil.

Mr. Chairman, sunflower support levels under the current farm program represent one of the biggest obstacles to our ability to respond to market demand. Our marketing loan rate of \$9.30 per hundredweight is only 82 percent of the Olympic average of season average prices in 2000-2004. The loan rates for commodities that compete with sunflower are much higher: Soybeans is 95 percent; corn is 92 percent, wheat is 86 percent, and dry peas is 120 percent. As a result, sunflower has lost 47 percent of our acreage since 1998-1999, dropping from 3.5 million to 1.9 million acres, even as market demand has called for a major increase in sunflower production.



Sunflower and other minor oilseeds were also discriminated against when target prices were established in the 2002 Farm Bill. The minor oilseed target price of \$10.10 per hundredweight is \$0.80 higher than our \$9.30 loan rate. But since our direct payment is also \$0.80, the effective target price is \$9.30 – identical to the loan rate. There is no way counter-cyclical payments can be triggered for minor oilseed producers.

Together with the other oilseed organizations, we strongly support the adjusting marketing loan rates to a minimum of 95 percent of the Olympic average of prices in 2000-2004, and target prices to a minimum of 130 percent of the same price average. It is absolutely critical that these adjustments be made in the 2007 Farm Bill if our industry is going to survive and be able to take advantage of the opportunities we have helped to create, and which we have before us today.

Thank you for your consideration of our views.

Lance Russell
President, Kansas Sunflower Commission
Board Member, National Sunflower Association

Adjusting Loan Rates to 95% & Target Prices to 130% of 2000-04 Olympic Average of Prices

Commodity	2000-04 Olympic Average Price	Direct Payment Rate	Proposed			Proposed		
			04-07 <i>Loan Rate</i>	2008 Loan Rate	% of Olympic Average Price	04-07 <i>Target Price</i>	2008 Target Price	% of Olympic Average Price
Wheat (bu.)	\$3.19	\$0.52	\$2.75	\$3.03	95%	\$3.92	\$4.15	130%
Corn (bu.)	\$2.12	\$0.28	\$1.95	\$2.01	95%	\$2.63	\$2.75	130%
Soybeans (bu.)	\$5.27	\$0.44	\$5.00	\$5.01	95%	\$5.80	\$6.85	130%
Cotton (lb.)	\$0.4680	\$0.0667	\$0.5200	\$0.5200	111%	\$0.7240	\$0.7240	155%
Rice (cwt.)	\$5.81	\$2.35	\$6.50	\$6.50	112%	\$10.50	\$10.50	181%
Barley (bu.)	\$2.47	\$0.24	\$1.85	\$2.35	95%	\$2.24	\$3.21	130%
Grain Sorghum (bu.)	\$2.05	\$0.35	\$1.95	\$1.95	95%	\$2.57	\$2.66	130%
Oats (bu.)	\$1.52	\$0.024	\$1.33	\$1.44	95%	\$1.44	\$1.97	130%
Minor Oilseeds (cwt.)	\$11.27	\$0.80	\$9.30	\$10.71	95%	\$10.10	\$14.66	130%
Peanuts (lb.)	\$0.205	\$0.0180	\$0.18	\$0.195	95%	\$0.2475	\$0.267	130%

Overall Annual Average Change in Farm Program Costs:

	Baseline
Marketing Loan Program	
\$ Million	160
Percent	11%
Countercyclical Program	
\$ Million	741
Percent	51%
Total	
\$ Million	901
Percent	32%

Change in Cost to Adjust Marketing Loans to 95% of 2000-2004 Olympic Ave. of Prices

	2008	2009	2010	2011	2012	2013
			(\$ million)			
All Crops	176	158	158	156	157	156
Soybean	5	5	5	6	6	6
Corn	34	29	29	28	31	32
Wheat	66	55	50	44	40	37
Cotton	0	0	0	0	0	0
Rice	0	0	0	0	0	0
Barley	36	35	36	36	37	36
Oats	2	2	1	1	1	1
Peanuts	24	23	26	28	27	27
Sorghum	0	0	0	0	0	0
Minor Oilseeds	10	10	11	13	14	15

Change in Cost of Counter-Cyclical Program to Adjust Target Prices to 130% of 2000-04 Olympic Average of Prices

	2008	2009	2010	2011	2012	2013
			(\$ million)			
All Crops	717	689	707	749	774	809
Soybean	395	400	421	468	486	520
Corn	108	92	90	88	93	95
Wheat	82	71	66	60	56	53
Cotton	0	0	0	0	0	0
Rice	0	0	0	0	0	0
Barley	45	44	46	47	50	50
Oats	20	18	17	17	17	17
Peanuts	40	40	40	41	41	41
Sorghum	6	5	5	5	5	4
Minor Oilseeds	21	20	21	24	26	29

Committee on Agriculture

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Committee on Agriculture
U.S. House of Representatives
Information Required From Non-governmental Witnesses

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: LANCE RUSSELL
2. Business Address: 274 240th Avenue
Hays, KS 67601
3. Business Phone Number: 785-650-1060
4. Organization you represent: National Sunflower Assoc
5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:
Producer of sunflower
6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:
7. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:
Member of National Sunflower Association
Board of Directors

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.

**Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form**

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: LANCE Russell

Address: 474 240th Av. Hays, KS

Telephone: 785-650-1060

Organization you represent (if any): National Sunflower Association

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do **NOT** require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: NA Amount: _____

Source: NA Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: USDA Cooperator grants via FAS Amount: \$ 1 million

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you: _____

Signature: Lance Russell By Lance Russell

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: *Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.