

Testimony Before the House Committee on Ways and Means
March 7, 2023
“The State of the American Economy: The Heartland”

Chairman Smith, and Members of the Ways and Means Committee, I want to thank you for the opportunity to appear today.

My name is Kelli Payne. I am a fifth-generation farmer and rancher from Mustang, Oklahoma, and I have had the opportunity to serve on the district staff for former Congressman Wes Watkins, been a small business owner, worked for a number of cattle livestock auctions and cattle buying companies, and even ran for Oklahoma City Council. I have also held a variety of economic development positions with an emphasis on agriculture, including previously serving as the first-ever female President of the Oklahoma National Stockyards. I am currently serving as North Central District Vice President for the Oklahoma Cattlemen’s Association and was recently appointed as Chairperson of the Oklahoma Cattlemen’s Foundation. I am also a proud member of the Oklahoma Farm Bureau. While my primary agriculture operation is cattle ranching, I have a family agritourism venture with my sister in Mustang.

I would like to begin by sharing some very staggering numbers relative to the drought. The USDA January 1st inventory of all cattle and calves in Oklahoma was down 11.5 percent from 2022. That is a decrease in 600,000 head in one year. It is double that of Nebraska, the state with the second largest decrease in cattle. It is important to remember this number reflects all cattle including the cow herd, replacement heifers, stockers and feedlot cattle. The decrease in the number of cows in Oklahoma alone was 140,000 head, again the largest decrease of any state in the nation.

While these numbers alone are staggering, when one begins to think of the negative implications, the situation can become overwhelming. Oklahoma is a beef cow state. Much of our rural economy is dependent upon the cow. Every year ranchers wean and sell their calves which represents the heart of the economic engine in rural Oklahoma. With fewer calves to sell, that means fewer dollars generated. But worse, not only are there fewer calves, there are also fewer cattle men and women. The struggles of drought are exacerbated by high input costs, including fuel, feed and other supplies. All these negative impacts have caused some ranchers to sell their entire herd and many have indicated that they won’t re-stock anytime soon, if at all.

Fewer cows also means that fewer bulls are needed. Seedstock cattle operations like our host today, Express Ranches, depend upon a robust bull market driven by cow/calf producers with plenty of cows.

Currently, the cattle market is strong. For the last week of February, 600 pound calves selling at the Oklahoma National Stockyards were bringing \$200 - \$215 per hundred weight. This makes sense though given a drastic reduction in cattle supply. But high prices of something that I don't have many of, *or any of*, doesn't help me economically. Remember, we have 140,000 head less cows that means at least 140,000 head less calves to sell!

Federal government involvement in livestock production does have a positive side. The Farm Bill of 2018 signaled a major turning point for animal agriculture in the United States. That important piece of legislation enshrined permanently many of the programs that have directly benefited livestock producers, specifically in times of hardship. Examples include the Livestock Indemnity Program, the Emergency Livestock Assistance Program, Emergency Relief Program and the Livestock Forage Disaster Program just to name a few. The total disaster payments for program year 2022 in these categories alone in Oklahoma are \$4.6 million and continuing. Let me be very clear – these programs are vital and important to livestock producers, and they must be continued in the 2023 Farm Bill!

The negative side of the story deals with the over-reaching regulatory agenda that proposes new and debilitating burdens that will undercut our livestock businesses. Examples include the EPA's new Waters of the United States, or WOTUS, rule issued just a couple of months ago. While EPA did recognize ponds and watering holes, the new rule goes backward to regulate ditches and draws that seldom see water and certainly not in times of drought. The new WOTUS rule ignores the great work that animal agriculture has done to preserve and promote a positive impact on our environment. Modern poultry, swine and cattle operations have adopted so many new and emerging technologies that have provided substantial benefits in decreasing water usage and positively managing manure as fertilizer.

Here in Oklahoma, the Endangered Species Act has been employed by the Administration's U.S. Fish and Wildlife Service to the detriment of cattle grazers in western Oklahoma. Recently, the Service issued a threatened and endangered listing for the Lesser Prairie Chicken requiring ranchers to seek an approved grazing management plan for their own ranches. Once again, the great work ranchers have done to improve and maintain wildlife habitat

was ignored, and the Service provided no direction about 'who' can approve a proposed grazing plan.

Many producers, including myself, began diversifying our operations about a decade ago, when we went through our last drought. By certifying a portion of our farm as agritourism, investing in greenhouses, and partnering with other fruit and vegetable growers, we were able to have an additional revenue stream. We also began hosting two agricultural festivals to educate our urban friends on where their food comes from. While this has been incredibly rewarding to us, regrettably, we have had to cancel the last two events due to drought and the current economic state, further reducing our family income as well as cutting off a source of fresh foods to our customers.

We have enough challenges with Mother Nature; let's not compound the problem with more regulations.

I look forward to any questions you may have. Thank you again for allowing me to share my perspective on the State of the American Economy in The Heartland.