

Testimony of  
**Mr. James Van Der Pol**

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Ladies and Gentlemen of the Committee, I have made the majority of my livelihood since I began farming in 1977 with hog production. For the first twenty years, I never lost money on the hogs, though sometimes it was close. But things changed. In the mid-nineties, Dakota Pork of Huron, South Dakota, which was buying most of my production was bought by Smithfield Foods which immediately closed it when there was talk of state ownership and keeping the processor open for small farmers.

My son and daughter-in-law joined us on the farm in 1997; consequently we built two hoop houses for hog finishing and tripled the hog production from 60 litters per year to 180. Most production was done in pastures seasonally, while the hoops enabled us to produce a certain number of hogs year around. Our first full year of production was 1998.

In the fall of 1998, when most of our first year of expanded production was ready hog prices dropped to eight cents per lb. Now it takes fifteen cents worth of feed to produce a lb of pork. Every lb the pigs put on was costing us seven cents out of pocket just on feed. We were hemorrhaging money. We started calling everyone we knew or had ever heard of who bought pigs to try to get rid of them. We finally found a Hmong butcher interested in lightweight hogs who bought most of what we had left.

And what did the industry have to say? It is not us, they said. We are innocent. It's the shortage of shackle space, they said. That's what drives the price down. As long as I live, I will remember that series of excuses out of the industry in 1998 in the light of what they had done to my hog buyer a few years earlier. We should have seen the handwriting on the wall when Dakota Pork closed. We see it now.

We now operate under the assumption that the commodity market is the enemy. We do whatever we can to minimize that commodity market's access to our farm's production. In 1999, we started direct marketing our hogs, purchasing a trailer and freezers with which to run a monthly delivery route into the Twin Cities, 130 miles from the farm. In 2000, we started moving into a few small grocery stores with our own label. We have built this meat business to the point where it uses about 40% of the farm's hog production. The remaining 60% is sold to a specialty company which pays a premium for our husbandry methods and meat quality. Only the cull sows are exposed to the commodity market now and we are working to fix that.

We didn't stop there. We are converting the farm from row crops to grass for our replacement heifer grazing business. We are not interested in selling commodity corn any more than commodity pork.

1998 was a very expensive lesson for us. At age 50, my wife and I lost at least ten years worth of equity and work in several weeks' time. Any hope of a conventional retirement is gone for us. My son and daughter-in-law had a very rocky start to their farming careers and are angry and suspicious of everything and everyone connected with farming. We all are exhausted, having worked seven day weeks for four years now to try to build our company's sales in a very adverse environment.

Even though our dependence upon commodity production is not what it was, we know very well

that if the meat industry is not brought under some control they will do to our meat licencing and business just what they are doing to commodity producers. We are pleased with our two Senators, Mr. Dayton and Mr. Wellstone for their move against packer ownership of livestock. This bill needs to pass.

I stand before you a very angry man. I am angry because my government fails in what should be a central task for a democratic government in a market economy. It has failed, and is failing to restrain the powerful so that others might survive. It is this failure that is decimating rural America. We should not have to think of our own government as an enemy. You folks have the power to do something about that. Please use it!  
I thank you for your attention.