



Good morning Chairman Scott, Ranking Member Thompson, Members of the Committee. Thank you for allowing me to join the conversation today as you prepare for the upcoming farm bill. I'm Ken McCarty and I look forward to discussing what regenerative agriculture means to McCarty Family Farms

Introduction

My three brothers and I are 4th generation dairy farmers originally from a small farm in Bradford County Pennsylvania where my family farmed for more than 100 years. In the late 90s my parents began searching for opportunities that would allow my brothers and I to continue our family's farm. Eventually that led us to Rexford, Kansas where we have gradually grown our business to 5 dairies. Three dairies in Northwest Kansas, one in Southwest Nebraska and most recently a partnership dairy with another fourth-generation farm in Mercer County Ohio. We also own and operate a milk condensing plant at the Rexford farm that reduces the freight to move our finished products by 75% while reclaiming 65,000 gallons of fresh water per day. We are currently in the process of building a state-of-the-art dairy farm near the original Rexford dairy and expanding the processing capacity of the milk plant.

Continually improving our farm management and implementing sustainable farming practices is key to the success and growth of our business. Every day we strive to create wholesome dairy foods in a responsible and sustainable manner, and we are deeply committed to regenerative agricultural practices and have been recognized as a leader in that space.

For example, McCarty Family Farms is Validus DairyCARE certified, FARM Program verified and are a Certified B Corp and for the past two years, we have been recognized as a "Best For the World" B Corp in the Environmental Impact area. We have also received multiple awards from the US Dairy Innovation Center, National Milk Producers Federation, IDFA, The State of Kansas, and others. Also, since 2016, we have worked annually with Sustainable Environmental Consultants to evaluate and verify our ecosystem impact which is reported publicly on our website.

This approach to transparency and third-party validation helps us market our milk and creates a foundation for sustainable business growth. As an example, we sell most of our milk to Danone North America – another certified B Corp and a leading global food and beverage company – who processes our milk into products such as Dannon, Oikos, Activia and Light & Fit yogurts.

What is Regenerative Agriculture?

Regenerative Agriculture may be a buzz word for some, but for McCarty Family Farms it is a holistic mindset that encourages us to consider a multitude of practices across our farms; especially those associated with core values like soil health, resource conservation, animal welfare, and the welfare of our team members, families, and communities. Practices such as cover crops, reduced tillage, improved nutrient management, and excellent animal care practices under one coherent vision, can optimize the performance and sustainability of our farms.



What are the benefits of Regenerative Agriculture?

In general, regenerative agriculture should provide measurable economic, social, and environmental benefits that help improve, rather than just sustain our ecosystems and we have been able to demonstrate just that. For example, water conservation technologies have helped us save millions of gallons of fresh water every year while reducing our input costs. Enhancements to animal welfare have helped ensure more milk production with fewer resources consumed.

For McCarty Family Farm and our partners, regenerative agriculture must move beyond a qualitative concept towards making decisions based on quantitative outcomes. By benchmarking and tracking our environmental and economic performance we can better understand the impacts and make better business decisions

In general, these regenerative efforts have helped demonstrate that dairy farming, and all of agriculture can be a part of the solution for our climate and our economy, while of course helping to feed the world.

Policy Recommendations

At times, USDA programs are helpful to incentivize new ideas and reduce upfront costs when a clear, short-term ROI isn't possible and while we know regenerative practices produce economic benefits in the long term such as increased efficiency, resilient yields, and improved market opportunities, upfront costs can still be a barrier to implementation. Traditional ag. lending looks year-to-year, while regenerative farming takes a longer-term view which is why conservation funding and incentives are crucial greater adoption.

When considering USDA conservation programs, budgets, are just one barrier to greater adoption. Challenges such as EQIP backlogs, rigid contract structures, cumbersome applications and burdensome follow up reporting create additional strain.

We work with our partners, including Danone, to explore different financing and incentive models. USDA programs such as the Conservation Innovation Grant for On-Farm Trials allowed us to work with non-federal partners such as Danone, Sustainable Environmental Consultants and National Fish & Wildlife Foundation to finance scalable regenerative management. By considering the applications and contract costs to farmers and allowing farmers to work with familiar partners rather than just USDA, I believe programs can support more farms investing in regenerative agriculture. We need a simpler more streamlined processes to engage with USDA and other stakeholders to implement a wider variety of regenerative innovations.

Thank you for the time today and I look forward to answering your questions.