

Testimony of Mr. Benjamin Etcheverry, President of the New Mexico Chile Association

Senate Committee on Agriculture, Nutrition and Forestry

Perspectives From the Field: Farmer and Rancher Views on the Agricultural Economy

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## **Introduction**

Thank you, Chairman Boozman, Ranking Member Klobuchar, and members of the Committee.

I am Ben Etcheverry from Deming New Mexico where I am the Ag Operations Crop Manager of the largest chile processing facilities in the United States. We produce over a 100 different dried and crushed chile products as well as dozens of canned goods and purees. I also am incredibly proud to represent the Chile Capital of the World as the President of New Mexico Chile Association.

Our members truly do grow the best chiles in the country and some of our family-owned companies have been doing so since before New Mexico was a state or even a US territory. Senator Lujan – who I want to acknowledge – has been out to many of our members’ farms and seen chiles grown and harvested, often in rotation with onions or melons or other produce crops. Our harvest festivals and chile roasting are world renowned and I invite all of you to come to New Mexico to enjoy what we love to grow.

## **Immigration and Employment**

Currently, there is much focus on the immigration debate in America and in proximity to that, our US agriculture system. It’s nice to be noticed, but these circumstances are less than favorable. As all of you know, produce in this country is by and large hand harvested – especially produce intended for direct consumer consumption. As such we have a tremendous need for the human touch and the hard work that comes with it to plant, grow, and harvest our products. And when I say, “hard work”, Senators, I mean it, if any of you spend even one day with the men and women working in our industry you will be astonished at the skill and diligence it takes. As our economy has developed, new sectors of employment have opened up with many pursuing work off-farm where it is certainly less difficult. As a result, the produce sector has seen a net loss of employees over the years. With this challenge, we have become more reliant upon the Temporary Agriculture Employment of Foreign Workers or the H-2A program to shore up the gap in agriculture employment as we diligently search for automation and mechanization improvements in agriculture. As you may know Senators, unlike large acreage crops like corn or cotton, we do not have reliable automation and mechanization options for produce, most especially produce for consumer consumption. Consumers demand perfect peppers at the grocery store so any machine harvesting these peppers cannot leave peppers blemished. The New Mexico Chile Association working with New Mexico State has spent a lot of time trying to develop automation solutions for our industry with the help of USDA- de-stemming of chiles yet that remains elusive to mechanize. This work needs to continue and expand until we solve the riddle

for chiles as well as other produce crops. With the number of domestic workers declining, we need to supplement our workforce. We would prefer to develop higher paying jobs in our communities where young people stay in rural areas and are trained to program, repair, and maintain new machines. If we had automation solutions, we could also redeploy the domestic workers we have to other tasks and we wouldn't have to rely upon foreign workers via the H-2A program.

While this Committee does not have jurisdiction over immigration, I do want to share a few words on this topic. First, the H-2A program as we know it is broken and needs to be fixed. The program is expensive, loaded with numerous costs like housing and the paperwork involved is at times torturous. The program relies on three separate government agencies and accessing workers is not only expensive but time consuming. Frankly, if we had the domestic labor available we wouldn't use H2A, but with domestic workers in short supply we often have no choice. Second, I also wanted to talk about the need to have a functioning and fair immigration system, and the ability to bring the best and brightest that would make good Americans. One of the leaders in my farming community came to the United States as part of the Bracero Program in the late 1940s, where he quickly became an invaluable employee on the farm, and applied for citizenship with the help of the farmer who trusted him. After gaining citizenship he began his own farm in New Mexico, grew his family as well as the size of his enterprise to the point where it was passed down to a second and third generation. He was the best, and the brightest. My home county, the state, and nation benefitted from him becoming an American citizen. I'm from Southern New Mexico so I see the border crisis often as the poor and desperate are seeking a better opportunity for their families when there is none. There is a middle ground in which this can be managed and it's my hope this Committee can use its influence to elevate the need for ag labor reform.

### **Domestic Pricing and Trade**

Trade and tariffs are burning issues that are driving conversation lately, and our growers have seen this issue up close for years. Currently the domestic red chile production in the southwest is down by 50% across the board since 2018. This is largely due to Chinese Paprika being shipped to Spain, blended as Spanish Paprika, and then shipped to the U.S. with a landed cost 10-15% below the cost of a domestic grower's on-farm price, let alone the costs of dehydration and packaging. Domestically, we have the quality and ability to produce required yields yet cannot play on a fair market due to circumvention of international policies and trade procedures. Mexico enjoys the luxury of importing produce into U.S. markets with little or no restrictions on entry, but Mexico in turn has a bureaucratic wall and protectionist attitude that discourage produce farmers entering the Mexican markets. Those in agribusiness understand that we are competitors in a global market. We just want to exist in a market where there is an even chance of success. This Committee has a role to play in helping the Administration understand that if we are giving fair market access, we expect fair market access in return.

It is also critical to ensure that imported foods are playing by the same rules that domestic production is. Americans have a set of standards that they demand of their food, as well they should. Organic, Sustainable, Pesticide Free, Fair Wages, and any of the numerous standards that

are asked for by the consumer. As a domestic specialty crop organization, we are willing to respond to such demands, yet the consumer has access to foreign-grown food that often lacks many of the safeguards and standards that we apply to our own agricultural sector.

Unfortunately, price often dictates consumer decisions, and we are legislating higher domestic costs yet allowing lesser standards to be acceptable for imports. This Committee has a role to play in ensuring that imports are playing by the same rules that we domestic growers are.

### **Federal Grants and the Government's role in Agriculture.**

I wanted to spend a little time talking about the “tie that binds” the consumer, the producer, and governmental policies. A short list of departments that I interact with everyday are the New Mexico Department of Agriculture (NMDA) marketing, international trade experts, Crop Science at all levels, biologists, Transportation Experts, Food Safety Experts, Geneticists and Engineers. These men and women and many more don't get the recognition they deserve. All of these positions are made possible by federal and state allocations that are critical to helping farmers deliver the food that end up on American plates. Some might view these types of programs as government waste. However, these policies and programs that have helped us shrug off wars, would be famines, economically trying times and set the standard on which the modern agricultural model in the world was created. Simply put, that interconnected system has over the last century fueled an economic boom in agriculture that will go down in history as one of the greatest leaps forward of mankind.

Senators, in the next Farm Bill you have the opportunity to build on this historic legacy to help American producers for the next century. I already talked about the need to have federal funding that helps fuel innovation in automation, but I want to highlight three additional areas of necessary improvement among many. First, the Specialty Crop Block Grant is incredibly valuable and has helped growers gain access to marketing materials for increased consumer education. As Senator Lujan knows we have a wonderful New Mexico Certified Chile Program that certifies our products so they aren't confused with imports often gaining on our growers a price premium. Second, as weather changes and fluctuates, the availability of water especially in the desert producing regions is becoming less consistent and reliable. This is already pitting the interests of municipal users and agricultural production against each other. As a result, it's critically important that conservation programs like EQIP be bolstered to help growers use federal matching money to switch to more efficient irrigation systems. Our growers are proud to be ecological stewards of the most critical of all resources including water, and with working lands program dollars we can do even more. Finally, I wanted to share some thoughts about crop insurance. Crop insurance programs that protect our specialty crops are needed as much as they are for row crops. Specialty crops have less support, higher risk, and unfortunately a weaker risk mitigation system to rely on. Right now, our industry relies upon an outdated crop insurance program that USDA helped set up in the 1980s called a 'dollar plan' which focuses on the total dollar value of the crop lost in natural events, rather than the price of the crop yield.

That program needs to be modernized to account for current market conditions. Indeed, the New Mexico Chile Association worked with New Mexico State and USDA to try and do that some years ago, but the effort was incredibly difficult and frustrating.

Why? Because the data collection efforts needed to develop a new policy were so high. USDA doesn't really have publicly available data on our industry. As a result, we had to try and collect data one by one from all the growers in the state which was incredibly time consuming and ultimately not fruitful. As every Senator here knows when you call a farmer and say "I'm with the government and I'm here to help" you don't always get a warm welcome. This Committee needs to make crop insurance more user friendly for our industry.

### **Closing**

The farm bill is an important piece of legislation that tackles some of the most complex problems in America, and they all land directly in front of us in the form of a salad on a plate—or green chiles on a cheeseburger (if you haven't tried it, you're missing out!). I implore this Congress to set aside partisan differences to make sure that farmers have the support to continue to provide enough food to eat, and enough food to make sure our next-door neighbor does not go without. Thank you, again for this opportunity and I look forward to your questions.