

MINUTES OF THE MEETING  
AGRICULTURE, LIVESTOCK AND IRRIGATION  
STATE CAPITOL BUILDING

January 31, 1983

The Agriculture, Livestock and Irrigation Committee meeting was called to order on the above date in Room 415 of the State Capitol Building at 1:00 p. m.

ROLL CALL: Upon roll call all members were present.

SENATE BILL 191: Senator Chet Blaylock, District 35, introduced the bill on behalf of the Department of State Lands. It would freeze the base rental rate for state-owned grazing lands and provide for a study to determine an appropriate rental rate for such lands. He said that the disparity is getting greater and greater on what we are receiving for our state grazing lands. If we don't do something, the loss to the state school lands will be about another 500 thousand. The Constitution bears that it is our duty as shepherds that we get the best we can because this belongs to the school kids of Montana.

PROPONENTS: Dennis Hemmer, Commissioner of State Lands, stated that this bill would not affect the 1983 rental rate, but would increase the 1984 and 1985 minimum rental to \$3.47 or six times the average price per pound of beef cattle in Montana, whichever is higher. Exhibit #1.

Owen Nelson, representing the Montana Education Association, said their major concern is adequate funding for education in Montana. There should be a constant re-evaluation of this land and we are in favor of freezing rates until the study.

OPPONENTS: Mons Teigen, representing the Montana Stockgrower's Association and the Cowbells Association, stated that they see nothing wrong with the study but let us let the sliding scale fee slide.

Will Brooke, representing the Montana Woolgrowers and the Montana Grazing Districts, stated that they are not opposed to the study but are opposed to the freeze.

Pat Underwood, representing the Montana Farm Bureau, stated that they too, would like the study but are opposed to the freeze.

Sam Hofman, representing the Agricultural Preservation Association, said that too many studies are already being made. Exhibit #2.

Agriculture  
January 31, 1983  
page 2

Robert VanDerVere, a concerned citizen, stated that he was opposed to this bill.

Bill Tande, County Commissioner from Daniels County, stated that any increase in school trust land leases will take more dollars out of our local economy, which in turn are derived in our local economy. This in turn puts a greater tax burden on the private sector. Exhibit #3.

John Harwood, Toole County rancher, stated that he was opposed to this study. We could have long-term detrimental effects.

Wayne Gillespie of Kevin, Montana, stated that he was opposed to the \$25,000 study.

Leonard Matteson, from Toole County, spoke in opposition to the bill. Exhibit #4.

Charles Petronek of Lewistown, Montana, said he thought they should keep the sliding scale.

Senator Kolstad asked Mr. Hemmer if this was a unanimous decision by the State Land Board.

Mr. Hemmer replied that it was not addressed by the State Land Board.

Senator Graham said, when you say so many cattle, do you figure that by the year or by six months.

Mr. Hammer replied that they get the condition of a section and that gives the carrying capacity. It is up to the discretion of the operator.

Senator Galt asked who is going to conduct the study.

Mr. Hammer said it would be funded to the department. I have no problem if the Legislature would conduct the study. I would like it to be a very open discretion so all of agriculture would be addressed.

Senator Galt asked if they anticipate open meetings.

Mr. Hemmer replied that would be a very good way to start out.

Senator Blaylock said it seems to him there is some disagreement.

Cattlemen are going to be up against the big money interests. A lot of your neighbors never bid because they don't want a neighborhood fight. With this, Senator Blaylock closed the hearing.

SENATE BILL 192: Senator Chet Blaylock, District 35, introduced the bill. It would provide that the minimum crop share rental for agricultural leases on state land is 30 percent of the annual crop. He stated that these have not been raised since 1949. You must all be aware of it right now, we are desperate for money for schools. Governor Schwinden is proposing a zero increase for school programs. This land belongs to the kids, it doesn't belong to us.

Dennis Hemmer, Commissioner of State Lands, commented that Senate Bill 192 recognizes that some areas in Montana have lower yields, and that the state does not costshare fertilizers. With those considerations in mind, the rate is proposed to be 30% rather than 33 1/3. Exhibit #5.

Owen Nelson, representing the Montana Education Association, pointed out that the income from these lands should be a maximum fair income for the support of our school children. He urged the committee's support.

Terry Murphy, President of the Montana Farmer's Union, stated that the feeling he gets from the majority of the members of the Farmer's Union was the feeling that the state leases have lagged somewhat. Private leases provide quite a few benefits, that state leases do not. There is some justification for state leases lagging. However, we do realize that this is a poor time to be talking about increases.

OPPONENTS: Dennis Nathe, a farmer-rancher from northeastern Montana, said the first thing he would like to point out is this comes out of the Governor's Council on Management Study. The fellow that made that up was a hospital administrator. Inadvertently, you make this unjust for people who farm quality state lands. (Map illustration was used.) Exhibit #6.

Senator Larry Tveit, District 27, stated that he does oppose the bill. He said that some of the people who have leased for a long time have made a lot of improvements on the land.

Calvin Kanning, farmer from Toole County, spoke briefly. Exhibit #7.

Larry Munson, from Toole County, stated that he was opposed to the passage of this bill because it does not consider crop yields on class and grade of soil. Exhibit #8.

James Deckert, Dawson County farmer and former school teacher, stated he was speaking in opposition to SB 192. The most obvious reason is the economic climate of agriculture in Montana today. Exhibit #9.

Sam Hofman, representing the Agricultural Preservation Association of Gallatin County and himself, explained the figures on the exhibit he had passed out to the committee members. Exhibit #10.

Alton Olson, dryland farmer in Dawson county, said he is against SB 192, which would increase the minimum state lease to 30%. Exhibit #11.

Milton Shipstead, farmer in western Daniels county, said that regardless of the word, rentals are a tax and this bill represents a tax relief for over fifty other counties, and western Daniels county is stuck with a financial loss for the benefit of others. Exhibit #12.

Dale Olson, farmer in Dawson County, stated that in these troubled times, farmers are having a tough time making a go of it and if they have to give the state another 5% of the crop, there would be very little, if any, profit margin left. There is one other large land owner in this state that leases farm land, namely Burlington Northern. They do not put their land on competitive bid. They lease all their farm land for one-fourth share of the crop, or cash lease, whatever the farmer prefers. Exhibit #13.

R. A. Harwood, farmer from Toole County, spoke in opposition to the bill. Exhibit #14.

Cliff Hagfelt, from Scobey, Montana, said the local farmers already are pressed by high costs and low prices. (Exhibit #15.

Leonard Hanson said, in my situation I rented my farm at market value and I find payments quite a bit less than the rent. I oppose the bill.

Myron Halverson, small family farmer from Daniels County, said SB 192 may increase the state's revenues. On the other hand, it may be the straw that "breaks" a lot of our smaller efficient farmers, and puts the land in the hands of large corporate farms. Exhibit #16.

Ed Carney, a resident of Helena, Montana, who was born and raised in Daniels county, stated this bill should have been put in some other time than in 1983. The future of agriculture is probably at a fifty-year low according to the paper today. I oppose the bill as it presently reads.

Mons Teigen, representing the Montana Stockgrower's Association, said if Montana is interested in generating more money, put your money where your mouth is and help these fellows do the job.

Representative Dean Switzer, District 54, said the change is going to affect the low quality land more than it is going to affect the other.

Pat Underwood of the Montana Farm Bureau, pointed out that he had a lot of calls from Farm Bureau members who are opposed to the bill.

John Harwood, of Toole County, said that if the state really wants to increase money they should look at their own management and what they could do to the land. Exhibit #17.

John Richardson, from Daniels County and a lessee of state lands, said he felt this bill is truly unfair to the present lessee in our area of Daniels County. Farming this type of land, it is not feasible for this 20% increase in the state's share. Exhibit #18.

Senator Allen Kolstad, appearing as a private citizen from Liberty and Toole Counties, stated that he wanted to comment on one point indicated by Senator Blaylock - that these rates have not been changed since 1949. The price of wheat hasn't changed much since 1949 also. It took 1600 bushels of wheat to buy a combine then and today you couldn't buy the cab for that. If the rate were changed to an unreasonable amount I feel the use of fertilizer would be eliminated and the state would be the loser.

Bill Tande, County Commissioner from Daniels County, spoke briefly again.

QUESTIONS FROM THE COMMITTEE:

Senator Graham: I heard numerous statements that the state does not pay for any improvements. If you lose your lease, does the state reimburse you for improvements?

Mr. Hemmer: The state does not pay for any improvements. The new lessee pays for improvements.

Senator Graham: Does the state pay for fertilizer or hail insurance:

Mr. Hemmer: The state pays for no hail insurance or fertilizer.

Senator Kolstad: Terry, did you poll your group in the state of Montana on how they felt about it.

Agriculture  
January 31, 1983  
page 6

Mr. Murphy: Directors are elected on a basis of 1 for 50 members.

Senator Kolstad: All I asked is, did you poll your members, yes or no.

Mr. Murphy: All 6,000 members?

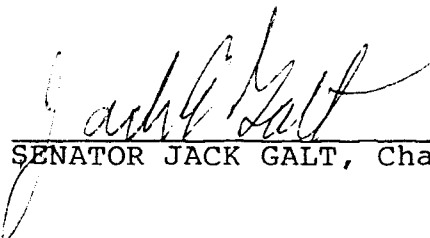
Senator Kolstad: Yes.

Mr. Murphy: No.

There being no further proponents or opponents, Senator Blaylock closed.

Senator Blaylock closed by saying that he didn't realize all school lands in Montana were of such poor quality. Mr. Chairman, before I finish I would like to say I resent the statement that I made reference to dumb farmers and I would like to clear that up. I think they have really got a good point that there are differences in this land production. If down the road we continue this, we will open it up to just competitive bids and not open.bid.

There being no further business, the meeting was adjourned at 2:58 p. m.

  
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SENATOR JACK GALT, Chairman

ROLL CALL

AGRICULTURE COMMITTEE

48th LEGISLATIVE SESSION - - 19 83

Date 1-31-83

NAME	PRESENT	ABSENT	EXCUSED
GALT, Jack E.	✓		
KOLSTAD, Allen C.	✓		
AKLESTAD, Gary C.	✓		
OCHSNER, J. Donald	✓		
GRAHAM, Carroll	✓		
BOYLAN, Paul F.	✓		
CONOVER, Max	✓		
LANE, Leo	✓		
LEE, Gary	✓		

Each day attach to minutes.

DATE ~~7-7~~ 83

COMMITTEE ON

## VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
SAM HOFMAN	APA	192		✓
HARRY Johnson	Farmer	192		✓
Pat Underwood	Minnesota Farm Bureau	191 192		✓
Dennis Hemmer	Dept of State bank	191-192	✓	
Kelly Blake	Dept of State Lands	191-192	✓	
John Richardson	Daniels County	192		✓
Myron Halverson	Daniels County	192		✓
Dean Smith	best #4	191 192		✓
Dawn Smith	Daniels County	192	✓	✓
Dr. T. Van DeLan	Wadena	191		✓
Larry E. Munson	Self	192		✓
Thomas Brenden	Daniels County	192		✓
Ed Carney	Self	192		✓
Mrs. Teigell	Mt. Stockbridge Co. Bank	191 192		✓
Elaine Fricke	self	192		✓
Don F. Heston	Self	192		
Owen Nelson	Mt. W. Econ. Assoc	191 192	✓	
Steven Brannell	Canada PCH-71B	191 192		✓
Wayne Gill	Self	191		✓
Don Heston	Self			
Don Heston	Mt. W. Econ. Assoc	191 192		✓
Don Heston	Self + Dawson Co. Farmers			✓
Don Heston	Self			
Don Heston	Self	192		✓
Milton Heston	Self + Dawson Co. Farmers	192		✓

(Please leave prepared statement with Secretary)





*Confidential  
Dennis Hammer*

DEPARTMENT OF STATE LANDS TESTIMONY ON SENATE BILL NO. 191

BEFORE THE SENATE AGRICULTURE, LIVESTOCK AND IRRIGATION COMMITTEE

Senate Bill No. 191 is by the request of the Department of State Lands. The purpose of the bill is to freeze the base rental for State-owned grazing lands and to provide a study to determine an appropriate rental for State-owned lands.

The formula for determination of the minimum annual rental for grazing on State-owned lands has been changed several times. The last change was in 1979, which set up the formula based on six times the average price per pound of beef cattle in Montana times the carrying capacity of the lands. Since that increase in 1979 the price of an Animal Unit Month (AUM) on state grazing lands has decreased at a rate averaging 10% per year, a reflection of declining cattle prices. Simultaneously, the average rate on private lands has increased by approximately 10% per year. Today the B rate on state lands is \$2.97 per AUM while the average rate on private lands is near \$11.00 per AUM. These figures suggest the state is not obtaining fair market value.

However, there are many variables which influence the value of state grazing leases. The state does not provide fences or salt, we do not move cattle, we just provide grass. The proposed study would consider the variables and recommend to the Legislature a fair and reasonable rate. In the interim there is sufficient evidence to suggest that the rate is declining below a fair rate and that it should be frozen to prevent further erosion of the funds going to support schools.

Leases for 1983 are being sent out based on \$2.97 an Animal Unit Month. This bill would not affect the 1983 rental rate, but would increase the 1984 and 1985 minimum rental to \$3.47 or six times the average price per pound of beef cattle in Montana, whichever is higher.

The Department of State Lands urges this committee to vote in favor of the passage of Senate Bill No. 191.

Hill County Farm by  
Harry Johnson

equivalent II  
Oppose

System A.

Straight Grain System

Infertilized 30 bushel yield x \$3.50 per bushel

\$105.00 ÷ 25% state share

= \$105.00 gross per acre

= \$26.25

\$78.75 gross to Farmer

Fertilized 40 bushel yield x \$3.70 per bushel

\$148.00 ÷ 30% state share

= \$148.00 gross per acre

= \$44.40

\* Fertilizer expense

= 22.20

\$81.40 gross to Farmer

System B

Set Grain System

40 bushels x \$3.70

= \$148.00

10 bushels x \$3.70 (state share)

= \$37.00

\* Fertilizer Expense

= 22.20

\$88.80 gross to Farmer

\* Per Acre Fertilizer Costs

60 lbs Nitrogen @ 18¢

= \$10.80

70 lbs P<sub>2</sub>O<sub>5</sub> @ 24¢

= 8.40

Application

= 3.00

\$22.20

Exhibit 3  
Bill [signature]

State land is granted to the State by the United States to hold in trust for the support of education and for attainment of other worthy objects helpful to the well-being of the people of the State of Montana. This amount of land is approximately 5.37%, but the amount of land held by the State within six counties varies greatly from this average.

In Daniels County there are 105,938.23 acres of agricultural land and 113,784.02 acres of grazing land, this being over 24% of Daniels County's land area. Daniels County is a farm and ranching county.

For the maintenance of county government and operations of schools, the property holders of counties with large holdings of School Trust Land have to carry a greater tax burden than other counties with less than the average portion of School Trust Land - tax free land.

Daniels County has received between \$67,000.00 and \$68,000.00 a year for the last 3 years from the state in PILT, which if privately owned would be about 35% of the total amount of taxes.

A dollar in Daniels County's economy turns over 5 to 7 times. Any increase in school trust land leases will take more dollars out of our local economy, which in turn are derived in our local economy. This in turn puts a greater tax burden on the private sector.

The economy being the way it is now and trying to compare school trust lands and private land is like comparing apples and oranges. Therefore, the Boards of County Commissioners from Daniels County, Chouteau, and Beaverhead Counties recommend to the members of this committee a "DO NOT PASS" for this bill.

Exhibit 4  
Revised March 1950

# Fixed and Flexible Cash Rental Arrangements For Your Farm



## North Central Regional Extension Publication 75

Sponsored by the Extension services of Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, and Wisconsin. In cooperation with SEA-Extension, USDA.

6 pages 5  
Dennis Hammer

DEPARTMENT OF STATE LANDS TESTIMONY ON SENATE BILL NO. 192

BEFORE THE SENATE AGRICULTURAL, LIVESTOCK AND IRRIGATION COMMITTEE

Senate Bill No. 192 is by the request of the Department of State Lands. The purpose of the bill is to increase the cropshare rental on agricultural grown crops on State-owned lands from the existing 25% cropshare to 30% cropshare.

The first minimum annual rentals were established in 1927 when a rate of 5% of the appraised valuation of the land, but no less than 50¢ per acre, was established. Since that time the Legislature has changed the rental twice. In 1945 the Legislature initiated a cropshare rental of not less than 1/5 (20%) of the annual crops to the State. In 1949 the Legislature established a cropshare rental of not less than 1/4 (25%) of the annual crops to the State. The cropshare rental has not been adjusted since 1949.

On a statewide basis, information provided by the A.S.C.S. indicate that the majority of those rentals based on cropshare are 1/3 (33%) cropshare to the landlord. In some counties the cropshare may be higher.

Senate Bill 192 recognizes that some areas in Montana have lower yields, and that the state does not costshare fertilizers. With those considerations in mind, the rate is proposed to be 30% rather than 33 1/3. In order to attain fair market value for its crops as required by the Enabling Act, the Department feels that a cropshare rental of 30% is warranted and justified.

The Department of State Lands urges this committee to vote in favor of the passage of Senate Bill 192.

Appendix 6 - Notes

COUNTY	TOTAL STATE ACRES 6-30-68	1980 YIELD PER ACRE	1981 YIELD PER ACRE	TWO YEAR AVERAGE PER ACRE	RANK BY YIELD	TWO YEAR AVERAGE ACRES	RANK BY ACRES	TWO YEAR PRODUCTION AVERAGE	RANK BY PRODUCTION
BIG HORN	85201	25.8	35.2	30.5	11	103150	20	3212300	20
BLAINE	176659	24.9	29.4	27.15	14	188850	10	5152550	11
CASCADE	76990	36.5	38.2	<u>37.35</u>	<u>3</u>	148000	14	5534550	9
CHOTEAU	267697	27.4	36.7	32.05	7	464500	2	14979800	2
DANIELS	221914	14.5	16.9	<u>15.7</u>	<u>23</u>	245500	8	3878900	15
DAWSON	87706	13.8	25.5	19.65	18	164400	12	3317550	18
FERGUS	155691	28.0	33.0	30.5	10	135300	17	4125950	13
GLACIER	8631	33.4	35.5	34.45	4	126100	18	4340700	12
HILL	153591	25.7	33.5	29.5	13	546500	1	16268050	1
JUDITH BASIN	98513	31.4	32.7	32.05	8	69050	21	2215800	21
LIBERTY	86683	27.6	33.9	30.75	9	253400	7	7833350	4
MC CONE	94169	13.3	23.8	18.55	20	205200	9	3976650	14
PHILLIPS	185598	21.8	22.8	22.3	16	145350	15	3247700	19
PONDERA	56730	37.8	39.1	<u>38.45</u>	<u>2</u>	187400	11	7208500	5
RICHLAND	80971	15.4	26.5	20.95	17	155850	13	3398850	17
ROOSEVELT	19943	13.1	20.9	<u>17.0</u>	<u>22</u>	344450	3	5945950	7
ROSEBUD	177599	18.4	32.2	25.3	15	54300	23	1471050	23
SHERIDAN	45095	16.5	22.6	19.55	19	312500	4	6126650	6
STILLWATER	45095	29.4	35.7	32.55	6	62200	22	2029800	22
TETON	104040	35.9	41.4	<u>38.65</u>	<u>1</u>	143600	16	5552800	8
TOOLE	98879	25.4	34.2	29.8	12	272500	6	8210500	3
VALLEY	208808	15.4	18.8	<u>17.1</u>	<u>21</u>	311900	5	5362450	10
YELLOWSTONE	79447	27.6	37.6	32.6	5	103800	19	3427400	16
Average of above				27.49					

COUNTY	** TOTAL STATE ACRES	ESTIMATED STATE AGRICULTURAL ACRES	ASSUME 50-50 CROP X YIELD = PRODUCTION			30% STATE CROP SHARE BUSHELS	BUSHEL DIFFER- ENCE	CONVERSION OF BU. TO DOLLARS (3.40)	IMPACT RANK
			ON STATE AGRIC. ACRES	25% STATE CROP SHARE BUSHELS	25% STATE CROP SHARE BUSHELS				
	6210-68	YIELD							
BIG HORN	85201								
BLAINE	176659	7096	27.15	96328	24082	28898	4816	16374.	8
CASCADE	76990								
CHOTEAU	267697	56139	32.05	899611	224902	269883	44981	152935.	1
DANIELS	221914	103854	15.7	815253	203813	244575	40762	138590.	2
DAWSON	87706								
FERGUS	155691								
GLACIER	8631								
HILL	153591	50096	29.5	738916	184729	221674	36945	125613.	3
JUDITH BASIN	98513	17165	32.05	275053	68763	82515	13752	46756.	5
LIBERTY	86683	19194	30.75	295107	73776	88532	14756	50170.	4
MC CONE	94169								
PHILLIPS	185598								
PONDERA	56730								
RICHLAND	80971	7517	20.95	74540	18635	22362	3727	12671.	9
ROOSEVELT	19943								
ROSEBUD	177599								
SHERIDAN	45847								
STILLWATER	45095								
TETON	104040								
TOOLE	98879	18277	29.8	272312	68078	81693	13615	46291.	6
VALLEY	208808	25545	17.1	218401	54600	65520	10920	37128.	7
YELLOWSTONE	79447								



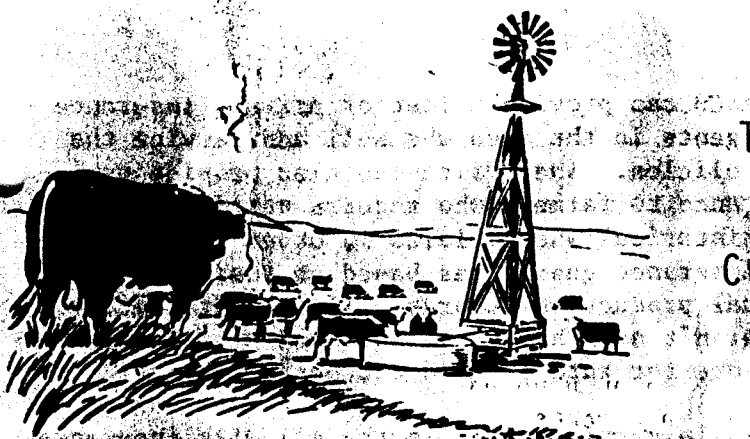
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# ALL WHEAT YIELD FOR 1980 and 1981--MONTANA AGRICULTURAL STATISTICS--1982

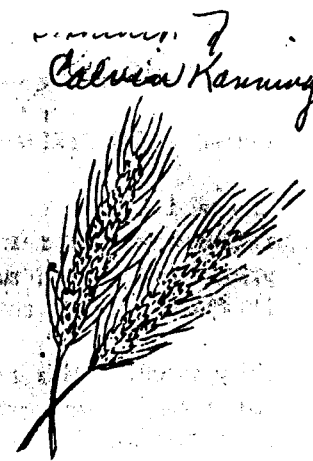
PAGE 36 and 37

Heavy pen indicates major wheat producing counties.

Light pen indicates minor wheat producing counties.



TOOLE COUNTY  
ASCS  
COUNTRY NEWS



September 1, 1982

Visit ASCS, FmHA and SCS at 865 Oilfield

Telephone 434-5234

**GRAIN STORAGE FACILITY LOAN PROGRAM  
CHANGED**

Two important changes have been made in the farm grain bin loan program.

For producers complying with this year's wheat or feed grain program the storage loan program now offers loans on up to 2 year's production (previously one year). Bins now occupied by grain in the reserve are not included in available storage when determining eligibility.

Maximum loan amount is \$25,000. Loans are made on 70% of the total cost of the structure(s).

**TEMPORARY STORAGE OK FOR LOANS**

The county ASC committee has determined that because of the limited grain storage space available, temporary grain storage structures will be accepted for regular 9 months loans.

Temporary storage structures are the steel fence and plastic sheet or bolted plywood types used for less than one year periods.

For more information call or visit this office.

**GRAIN LOAN ELIGIBILITY**

Loans on 1982 grain production are available to all producers who participated in the 1982 wheat and/or feed grain program.

Oats, wheat and barley are eligible for immediate entry into the farmer-owned grain reserve as well as the regular program.

Per bushel loan rates for Toole County are:

Commodity	Reg. Loan	Reserve Loan	Storage
Wheat	\$3.48	\$3.93	26.5¢
Barley	1.96	2.25	26.5¢
Oats	1.32	1.50	20¢

Reserve loans require that the grain be stored for three years. Storage will be paid in advance for each of the three years. If the reserve is repaid prior to the maturity of the reserve agreement a penalty will be charged. However, if the National average price reaches \$4.65 for wheat, \$2.65 barley, and \$1.65 oats, the producer is released from the agreement and the loan may be repaid without penalty. Interest is charged for the first year of the reserve and for the nine months of a regular loan.

Interest rates on Commodity Credit Corporation loans are at the rate applicable to all loans issued by CCC during the month of disbursement.

Contact the ASCS Office for all the details.

**1983 WHEAT PROGRAM**

Signup for the 1983 wheat program is now expected to begin October 1. New legislation, if passed, will cause a number of changes in the program previously announced by the Secretary of Agriculture, John Block. Winter wheat seeders, who complied with the 1982 program, may seed up to 80% of their 1982 wheat base acreage and be in compliance with whichever program finally becomes effective.

Toole County's average wheat yield, according to the Statistical Reporting Service, for the 1971-80 10 year average was 23.2 bushels per acre.

6 years 8  
 heavy monsoon

ALL WHEAT

<u>YEAR</u>	<u>N. WEST</u>	<u>N. CEN.</u>	<u>N. EAST</u>	<u>CENTRAL</u>	<u>S. WEST</u>	<u>S. CEN.</u>	<u>S. EAST</u>
1970	35.5	28.0	22.3	22.6	35.0	25.2	23.0
1971	41.9	26.4	23.3	27.5	32.6	29.2	27.6
1972	41.5	23.0	29.4	24.0	33.9	31.7	32.5
1973	31.6	21.2	25.5	23.4	30.7	24.9	29.9
1974	35.0	23.8	21.4	31.4	30.0	31.7	27.7
1975	37.4	35.3	26.0	32.3	38.3	32.8	25.9
1976	43.0	32.4	28.6	31.9	38.8	29.8	27.0
1977	41.3	27.3	21.8	30.7	39.0	29.8	22.1
1978	39.3	31.3	29.1	29.9	40.3	29.9	27.4
1979	35.8	24.1	18.8	28.0	34.3	24.9	22.0
1980	53.8	28.0	14.6	30.6	43.9	27.7	14.8
<u>1981</u>	<u>42.7</u>	<u>34.3</u>	<u>21.4</u>	<u>35.5</u>	<u>37.6</u>	<u>36.1</u>	<u>25.6</u>
AVE. BU/A	39.9	26.3	23.5	28.9	32.6	29.5	25.5

STATE AVERAGE 26.8 BU/ACRE

<u>YEAR</u>	<u>DANIELS (NE)</u>	<u>TOOLE (NC)</u>	<u>CASCADE (C)</u>	<u>FLATHEAD (NW)</u>	<u>STATE</u>
1970	19.4	28.7	23.2	49.9	25.2
1971	21.4	24.2	26.5	49.1	27.6
1972	25.6	21.8	21.4	54.6	26.7
1973	21.0	12.4	21.3	42.0	23.9
1974	17.1	11.3	36.2	42.8	24.7
1975	24.7	29.0	39.8	44.7	31.3
1976	30.9	33.0	32.8	51.7	30.9
1977	23.9	20.4	32.1	45.8	25.9
1978	27.5	29.6	30.4	43.8	30.2
1979	16.0	24.7	28.6	47.6	22.7
1980	14.5	25.4	36.5	55.6	23.5
<u>1981</u>	<u>16.9</u>	<u>34.2</u>	<u>38.2</u>	<u>49.6</u>	<u>29.7</u>
AVE. BU/ACRE	21.6	24.6	30.6	48.1	26.8

Increasing the minimum crop share to 30% across the state is not in the best interest of the School Trust Fund, the farmers who lease state land, the longterm conservation of the soil, the other farmers and businessmen in a given community or Montana's economy.

Production potential of bushels per acre vary greatly across the state. The 30% minimum rental will be excessive in some areas.

Montana Agricultural Statistics clearly show the wide range of production potential between districts and counties.

*Larry E. Munson* AD-46

DEPARTMENT OF REVENUE  
PROPERTY VALUATION DIVISION

CLASSES & GRADES FOR MONTANA AGRICULTURAL LAND CLASSIFICATION  
AS APPROVED BY THE DEPARTMENT OF REVENUE - 1973

**TILLABLE IRRIGATED LAND**

GRADE	Tons of Alfalfa Per Acre
1A	4.5 and over
1B	4.0 - 4.4
2	3.5 - 3.9
3	3.0 - 3.4
4	2.5 - 2.9
5	2.0 - 2.4
6	1.5 - 1.9
7	1.0 - 1.4
8	Less than 1.0

**NON-IRRIGATED FARM LAND**

GRADE	Bu. of Wheat Per Acre On Summer Fallow
1A5	34 and over
1A4	32 - 33
1A3	30 - 31
1A2	28 - 29
1A1	26 - 27
1A	24 - 25
1B	22 - 23
2A	20 - 21
2B	18 - 19
2C	16 - 17
3A	14 - 15
3B	12 - 13
4A	10 - 11
4B	8 - 9
5	Under 8

**WILD HAY LAND**

GRADE	Tons of Hay Per Acre
1	3.0 and over
2	2.5 - 2.9
3	2.0 - 2.4
4	1.5 - 1.9
5	1.0 - 1.4
6	.5 - .9
7	Less than .5

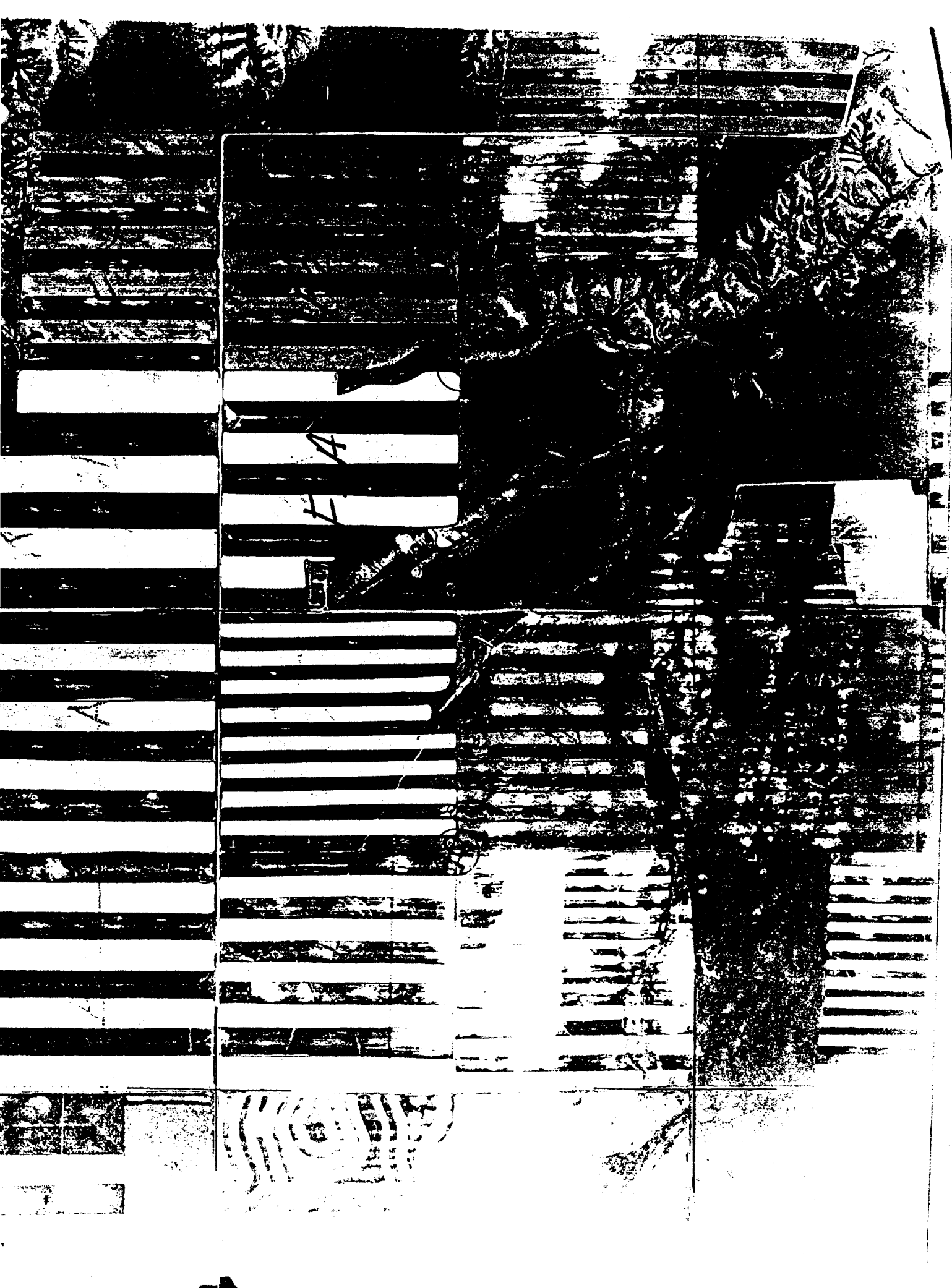
**GRAZING LAND \***

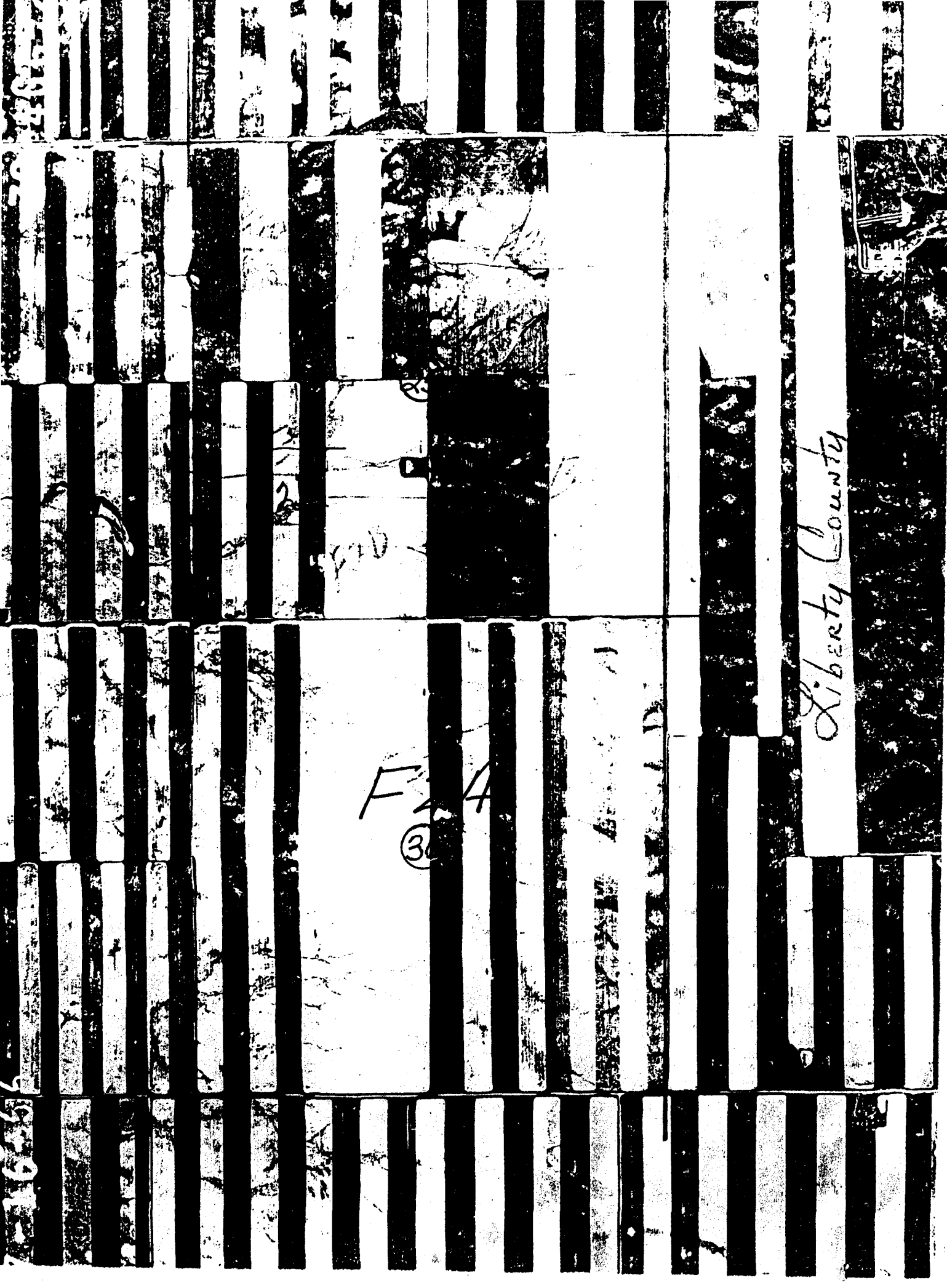
GRADE	Acres for 10 Month Grazing Season Per 1000 lb. Steer or Equivalent
1A2	Under 3 Acres
1A1	3 - 5 Acres
1A	6 - 10 Acres
1B	11 - 18 Acres
2A	19 - 21 Acres
2B	22 - 27 Acres
3	28 - 37 Acres
4	38 - 55 Acres
5	56 - 99 Acres
6	100 Acres or over

**NON-IRRIGATED CONTINUOUSLY  
CROPPED FARM LAND**

GRADE	Bu. of Wheat per Acre Every Year
1	34 and over
2	32 - 33
3	30 - 31
4	28 - 29
5	26 - 27
6	24 - 25
7	22 - 23
8	20 - 21
9	18 - 19
10	16 - 17
11	14 - 15
12	12 - 13
13	10 - 11
14	Less than 10

\*NOTE: About 4 range ewes with lambs are considered the equivalent of a 1000 - lb. steer. Calves are usually not considered until weaned, and 4 yearling steers or heifers are considered as equivalent to three 1000 -lb. steers. A dry cow is considered the equivalent of a 1000 - lb. steer. About 4 cows with calves are considered the equivalent of five 1000 - lb. steers.





Liberty County

F-4  
(30)

Ok

1 In REGARD TO SENATE BILL NO 192 AG LEASE SHARE INCREASE, I AM OPPOSED  
 2 TO THE PASSAGE OF THIS BILL BECAUSE IT DOES NOT CONSIDER CROP YIELDS  
 3 ON CLASS AND GRADE OF SOIL.  
 4 I AM NOT OPPOSED TO AN INCREASE IN THE RENT IF IT CAN BE ECONOMICALLY  
 5 JUSTIFIED. IN MY OWN CASE, I PAY GREATER THAN A 1/4 SHARE ON CERTAIN  
 6 LANDS BECAUSE I HAVE USE OF SOME GRANERIES AND BUILDINGS ALREADY ON THE  
 7 PREMISES AND ALSO IN THESE SAME INSTANCES WHERE I PAY 30 & 33 1/3% THE  
 8 LANDLORD PAYS THE SAME PERCENTAGE OF THE FERTILIZER BILL THAT I PAY HIM  
 9 IN CROP SHARE.  
 10 I THINK A MORE FAIR WAY TO ADRESS THIS SITUATION IS TO USE FACTS AND FIGURES  
 11 ESTABLISHED BY THE STATES OWN DEPT. OF REVENUE AND THE STATE STATASTICIANS  
 12 OFFICE THAT HAS ESTABLISHED GRADES AND CLASSES OF THE DIFFERENT LANDS.  
 13 THESE LAND GRADES HAVE A CORESPONDING YIELD AMOUNT FOR EACH GRADE AND  
 14 THESE YIELDS COULD BE USED TO FIGURE A FAIR CROP LEASE. IN MY OWN CASE  
 15 ON THE LAND I RENT FROM THE STATE, THE GRADE MATCHES THE AVERAGE YIELD  
 16 I HAVE RECIEVED SINCE 1969 SO SHOWS THEIR GRADING SYSTEM WORKS.  
 17 WITH THE ADVENT OF GRAIN TRAINS DISTANCE FROM ELEVATORS WILL PROBABLY  
 18 BE GREATER BECAUSE SMALL ELEVATORS CANNOT HANDLE THE GRAIN AND IT WILL  
 19 HAVE TO BE HAULED A GREATER DISTANCE TO A LARGER FACILITY. MY STATE LEASE  
 20 LAND IS 25 MILES FROM A TERMINAL AND THE LAND I PAY 1/3 SHARE ON IS ONLY  
 21 9 MILES FROM THE TERMINAL.

~~LIST 2RUN 3LOAD 4SAVE 5CONT 6, "LPT1 7TRON 8TROFF 9KEY 0SCREEN~~

*yield*

1969 - 24.2

*Sec 11-30-2E.*

*F. 2A - grade & class*

70 - 24.7

71. 6.7 Hail

72. 20.4

73. ~~20.4~~ 16 Est.

74. 6.7

75. 36.4

76. 26.9

77. 25.5

78. 9.1

79. 20.3

80. 27.7

81. 23.01

82. 23.01

*Lease no. 6917*

*Larry E. Munner*

*Dewey Star Pl. Box 36*

*Shelby, Mont. 59474*

*432-2182*



James Deckert

January 31, 1983

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

My name is James Deckert. I am a dryland farmer in Dawson county, and I am here to speak in opposition to Senate Bill No. 192. The most obvious reason is the economic climate of agriculture in Montana today. It seems inconceivable to me that this legislature would even consider squeezing more blood from a dry source when that source provides a large share of the backbone for the state's economy.

However, there are other reasons for opposition which must be noted, primarily in comparison between state and private leases. It will be argued that many private leases are a bit over 30%, and this is true. I am also aware of many 25% leases in the private sector. (I hesitate to give you names because I haven't asked permission of those involved, but I could if absolutely necessary.) Other considerations which must be noted are these; nearly all private leases provide storage for grain, the state provides none; nearly all private lessors provide chemical for noxious weed control, the state provides none. (I might insert here that Steve Keil, County Agent in Sidney, got word to me last night that he is having trouble getting cooperation from some farmers on state land concerning noxious weed control and he sees less cooperation ahead if leases are raised.) Nearly all private lessors provide fences where necessary, the state provides none. If grass is mixed in with tillage ground, the state assesses a grazing fee, private lessors do not. In addition, if a person is unfortunate enough to be outbid when a state lease is up, we have no assurance that we will be compensated for such improvements as fences, stock wells and reservoirs, roads, or grain bins. One more consideration is that, in general, the lands the

state took over were less productive than farms surrounding it; one of the reasons the original owners left it.

I am one of the unfortunate people to have my land bid to an unprofitable level by a neighbor suffering under the delusion that once he got the lease he could talk it down to a lower level. Consequently, I cut costs any place I can. I fertilize less and, if I have other crops ready to harvest, I leave the least profitable until last. My point is simply this; a higher percentage share crop will not always mean a corresponding percentage increase in the dollars realized by the state. I also look forward to the time I can recapture my present losses on that land by operating under a 25% lease.

Senate Bill No. 192 is not good for farmers or the state in general. Agriculture is this state's source of renewable wealth. Agriculture will continue to provide a basis for sound dollars, but there must be room for re-investment and updating for the producer. I urge you to kill Senate Bill No. 192.

Thank you for your time.

Exhibit 10

Sam Hoffman      Manhattan, Mont. Sam Hoffman  
SB 192

Fertilizer Cost Per Acre:

opposed

Crop Year	Wheat	Barley
1982	36.96	40.94
1981	36.08	35.82
1980	30.32	32.60
1979	22.54	22.58
1978	24.82	26.91

Lessee stands all the risk and expense in fertilizer use.

Weed control and pesticides haven't been considered in this report. In most cases this would be considerable.

Incentives to do a good job in managing state land should not be lessened.

# CROP SHARE CDM PARISONS

1982 Crop: Wheat

65.69 bu per acre at \$3.23 = \$212.18 per acre return

State Share:		SISTER'S Place at
25%	30%	33 1/3 %
State share = 53.04	63.65	Sister's share 70.73 less 3/4 fat (12.32) = 58.41
My share = 159.14	148.53	My share 141.45
less fertilizer 36.96	36.96	less 2/3 fertilizer 24.64
Renter net 122.18	111.57	Renter net 116.81

BARLEY:

66.23 bu per acre at \$3.30 cwt = \$104.91 per acre return

State Share:		Sister's Place at
25%	30%	33 1/3 %
State share 26.22	31.47	Sister's share 34.97 less fat 13.65 = 21.32
My share 78.69	73.44	My share 69.94
less fertilizer 40.94	40.94	less 2/3 fat 27.29
Renter net 37.75	32.50	Renter net 42.65

# CROP SHARE COMPARISONS

1981 Crop

Wheat:

68.7 bu per acre at \$3.42 = 234.95 per acre return

State share:

25%

30%

Sister's Place at

33 1/3 %

State share 58.74

70.48

Sister's share = 78.32 less 1/3 fert (12.03) = 66.29

My share 176.21

164.47

My share 156.63

Less fertilizer 36.08

36.08

less 2/3 fertilizer 24.05

Return net 140.13

128.39

Return net 132.58

BARLEY:

70 1/2 bu per acre at 4.20 cwt = 141.93 per acre

State share:

25%

30%

Sister's share:

33 1/3 %

State share 35.48

42.58

Sister's share 47.31 less 1/3 fert 11.94 = 35.37

My share 106.45

99.35

My share 94.62

Less fertilizer 35.82

35.82

less 2/3 fertilizer 23.88

Return net 70.63

63.53

Return net 70.74

1979 Crop Year

Wheat

36.2 bu per acre at \$3.62 = 131.04 per acre

State share:		Sister's Place
25%	30%	33 1/3 %
State share	32.76	39.31
My share	98.28	91.73
7/3 fertilizer	22.54	22.54
renter net	75.74	69.19
		Sister's share 43.68 less 1/3 fert. 7.51 = 36.17
		My share 87.36
		less 7/3 fertilizer 15.03
		renter net 72.33

BARLEY

57 1/8 bu per acre at \$4.00 cwt = 110.96 per acre

State share:		Sister's share
25%	30%	33 1/3 %
State share	27.74	33.29
My share	83.22	77.67
7/3 fertilizer	22.58	22.58
renter net	60.64	55.09
		Sister's share 36.99 less 1/3 fert. 7.53 = 29.46
		My share 73.97
		less 7/3 fertilizer 15.05
		renter net 58.92

Exhibit 11  
Alton Olson

January 31, 1983

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

My name is Alton Olson. I farm on dryland in Dawson county. I lease a section and a quarter of state land and own some myself. I lease tracts from six private owners, and a parcel from Burlington Northern. All of these leases are at 25%.

Therefore, of course, I am against Senate Bill No. 192, which would increase the minimum state lease to 30%.

If this bill passes, it will probably influence my private leases as well. I have lost money on these leases the past three years due to rising costs and low grain prices, in spite of a good crop this year.

In 1973, 1974, and 1975, the state received a very good return on the lease that I carry. Price of grain makes the difference! Montana dry land is very variable in productivity, the highest producing land is worth more to a leasee and so receives a higher competitive bid for the lease. I believe that the state competitive bids, as they now are, are equal to bids in the private sector.

I urge you to vote against Senate Bill No. 192

Thank you,

Exhibit 12

Seanate Committee

Agriculture, Livestock & Irr.

My name is Milton Shipstead, I farm in western Daniels County.

I have 2000 A. 68% is school land. The A.S.C. normal yield for this place is 20 bu. for wheat and 28 for barley. Very few years I have had a yield as high as the A.S.C. average. 1982 was a good year and I had a 20.3 average. I generally hire custom combiners at harvest time, but this year it would take 20% of the crop (at harvest time wheat prices) plus 25% to the state, that leaves very little left to operate and live on. This should be a large enough farm to make a living on. However, with the cost price squeeze it is almost impossible.

Our farm is located in a dense area of school land. On one side of the county road (where my farm is) for a distance of 15 miles there is 12½ miles of school land. Needless to say, it is not very heavily populated.. I had to move my family to town for twenty one years, to educate my children. It was costly to maintain two homes. We had livestock so I stayed on the farm.

The proprosed increase in rental fees is not warranted on this poor land. We have one of the lowest average yields in Montana to compare a 20 bu. average to one of 33 to 40 bu. for a straight across crop share increase is totally out of proportion, while the cost of operation is basically the same, but the outcome is totally different. After the state share of 25% I have 15 bu. left from a 20 bu. crop, while with 33 bu. I would 24.75 bu. The proposed increase from 25 to 30% is an actual increase of 20% in crop shares.

Private leases cannot be used as a basis for crop shares on school land. There is much more to a private lease than a straight percentage of the crop. On private crop share lease there is generally a shsring plan for operation and improvements.



Also, where we go to a concentrated area of absentee ownership we enter into a landlord tenant operation that is contrary to the American way of life. In other parts of the world where the administrative policies are dictatorial rather than cooperative, the results are neither productive or profitable.

So, let us temper our judgements with fairness.

I am opposed to S. B. 192 without a land classification. My private land is classed in 2 C, 16 - 17 bu. yield, 3 A - 14 -15 bu. yield, and grazing in G 3 - 2.4 A. per A.U.M. There is not a cost share for some improvements, or a cost of operation study. In this area of concentrated school lands, we are entitled to a more equitable tax structure, as one school district has about  $50\frac{1}{2}\%$  school lands. We are carrying a tax load that should be shared by over fifty other counties. Regardless of the word, rentals are a tax and this bill represents a tax relief for over fifty other counties, and western Daniels county is stuck with a financial loss for the benefit of others.

Sincerely yours,

Milton Shipstead      Scobey, Montana

## 1983 WHEAT YIELDS

<u>County</u>	<u>Dry</u>	<u>Irr.</u>	<u>Reserve</u>	<u>County</u>	<u>Dry</u>	<u>Irr.</u>	<u>Reserve</u>
Beaverhead	30.1	60.4	3,030	Madison	30.0	55.8	1,920
Big Horn	29.5	47.0	15,620	Meagher	29.4	42.2	1,270
Blaine	26.2	46.0	23,390	Mineral	38.2	--	30
Broadwater	31.6	53.1	8,440	Missoula	35.2	49.9	350
Carbon	30.3	53.2	3,060	Musselshell	25.3	42.3	4,480
Carter	21.7	48.3	5,440	Park	27.9	43.1	2,100
Cascade	32.2	46.2	24,850	Petroleum	25.9	42.1	1,210
Chouteau	30.7	51.7	60,470	Phillips	24.1	43.2	17,390
Custer	24.1	47.5	5,950	Pondera	33.0	45.0	30,900
Daniels	21.4	37.0	24,630	Powder River	26.7	45.0	4,270
Dawson	25.1	45.9	20,240	Powell	31.5	51.9	230
Deer Lodge	30.5	49.2	60	Prairie	26.9	45.3	5,360
Fallon	22.8	--	8,720	Ravalli	35.2	52.7	690
Fergus	29.1	--	21,320	Richland	25.0	47.6	20,990
Flathead	44.2	59.2	2,540	Roosevelt	22.8	39.4	34,810
Gallatin	35.7	59.5	9,040	Rosebud	26.4	45.0	8,580
Garfield	22.4	43.1	12,410	Sanders	33.1	48.5	490
Glacier	28.8	44.4	19,730	Sheridan	23.6	40.9	32,980
Golden Valley	23.4	44.3	4,070	Silver Bow	--	--	--
Granite	28.5	48.7	60	Stillwater	28.0	47.6	7,940
Hill	27.0	48.7	64,110	Sweet Grass	27.2	45.5	1,130
Jefferson	27.8	55.9	970	Teton	31.5	52.1	26,150
Judith Basin	30.4	--	11,460	Toole	26.4	50.2	33,170
Lake	40.8	54.8	2,610	Treasure	28.3	56.5	1,080
Lewis & Clark	27.2	51.9	2,110	Valley	22.1	42.1	37,570
Liberty	26.8	45.6	31,290	Wheatland	25.1	40.8	3,520
Lincoln	--	49.1	10	Wibaux	23.9	--	7,410
McCone	23.6	40.3	25,750	Yellowstone	29.3	54.3	15,000

January 31, 1983

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

My name is Dale Olson and I farm in Dawson County. I would like to speak against Senate Bill 192, that would increase the minimum lease on state farm land from 25% to 30% of the crop.

First of all, some state -owned land is marginal, at best. In these troubled times, farmers are having a tough time making a go of it and if they have to give the state another 5% of the crop, there would be very little, of any, profit margin left.

Secondly, the leases are already open for competitive bid by all farmers so the state is getting a fair return, the best any farmer in the area is willing to give.

Why, when the cost of production has never been higher, would anyone want to raise the minimum lease rather than lower it?

There is one other large land owner in this state that leases farm land, namely Burlington Northern. They Do Not put their land on competitive bid. They lease all their farm land for 1/4 share of the crop, or cash lease, whatever the farmer prefers.

It is true that many private leases call for the farmer to give the landlord 1/3 of the crop; however, in most cases, the landlord furnishes something. In some cases they furnish fences, in other cases, they throw in the grass that isn't farmed free. Many landowners also furnish farm buildings, grainaries, help with spray on noxious weeds and sometimes 1/3 of the fertilizer.

On the other hand, the state doesn't furnish anything. The farmer must pay cash in addition to the crop share for any grass that isn't farmed whether the farmer is able to utilize the grass

or not. (some grass may not have any water accessible to cattle.) If the farmer hays the grassland, he must give the state a share of the hay in addition to paying a grazing fee. The state also doesn't help with any of the fencing or anything else so it seems to me, with the present policy of competitive bidding on state farm land, the state is getting all the return they can expect.

6 p.m. 14



United States  
Department of  
Agriculture

Agricultural  
Stabilization and  
Conservation Service

Toole County ASCS Office  
908 Turner Avenue  
Shelby, Montana 59474

March 12, 1981

R. A. Harwood  
Box 64, Devon Star Route  
Shelby, Montana 59474

Dear Mr. Harwood:

In regard to your question about crop-share leases in the Galata community for other than Montana State owned lands we find the following. The information was obtained from reports by tenants for the purpose of determining program payment shares.

29 leases were found to be at 25% crop-share.  
4 leases were at 30% crop-share.  
9 leases were at 33% crop-share.

I hope this information will meet your needs. If we can be of further assistance please let us know.

Sincerely,

*William Kleinert*

William Kleinert,  
County Executive Director  
Toole County ASCS Office

# Production information

The following report from the State Land Department provides the information for the production from state land leased by individuals during 1960.

Reports on this state land are part of the public record, and are available to anyone.

The following table shows a group headed by a particular township and range in Toole County with the individual columns showing the name of the lessee, average grain and hay yield. Letter "SW" in front of yield denotes spring wheat, "W" denotes winter wheat, and "D" denotes durum.

NAME	BU. BAR.	HAY/T ACRE	WHEAT OATS
Twp.29N., Rge. 2E			SW 48.4
K. Solild			WW 31.7
Twp.29N., Rge. 3E Underdal			SW 11.55
R. Lincoln		"hailed out"	
O. & A. Smedsrud			SW 31.1
L. Aaberge			WW 28.7
Twp.30N., Rge. 1E			SW 30.1
T. Fowler	48.3		WW 16.9
Twp.30N., Rge. 1W M. Fretheim		"all summerfallow"	
Twp.30N., Rge. 2E			D 21
V. Robertson			SW 31
R. Munson			SW 27.7
Twp.30N., Rge. 3E I. Underdahl			SW 26.56
C. Kolstad			WW 7.8
Twp.31N., Rge. 1E, L. McLean			SW 33.3
N. Benjamin			SW 24.3
White Bros.			SW 30
Twp.31N., Rge. 1W J. McKechnie	49.2	1.43	SW 36.7
Twp.31N., Rge. 2E C. Appley			SW 33.4
M. Adamson			SW 32
Twp.31N., Rge. 3E D. Diemert			SW 23.3
Twp.31N., Rge. 3W W. Fowler			SW 25
Twp.31N., Rge. 4W			
L. McCormick			SW 27
Twp.32N., Rge. 1E			
J. Kalbfleisch		"all summerfallow"	
J. McCarter			SW 14.25
J. Wigen			SW 19.1
L. Kanning			SW 15.2

Twp.32N., Rge. 2E J. McCarter		SW 27
W. McCarter		SW 10
Twp.32N., Rge. 3E D. Kinyon		WW 30.1
B. Kinyon		SW 16.9
Twp.32N., Rge. 3W R. Zell	59.6	SW 39.6
Twp.33N., Rge. 1E D. Hellinger		SW 21.6
L. Kanning		SW 21.7
F. & C. Kanning		WW 20.7
Twp.33N., Rge. 2E A. Anderson		SW 24.3
W. Childers		WW 21.3
J. Dyrdahl		SW 10.2
J. Harwood		SW 23.5
K. Kirkely		SW 23.5
D. Kinyon		SW 24.1
Twp.33N., Rge. 2W		
L. & J. Walston	8.5	SW 9.4
Twp.33N., Rge. 3E		WW 18.48
R. & D. Harwood		SW 13.47
K. Leck		D 26.1
Twp.34N., Rge. 1E W. O'Brien		SW 15.2
Twp.34N., Rge. 1W L. Stewart		SW 18.75
Twp.34N., Rge. 2E G. Aklestad		SW 15.8
C. Weigand		SW 12.8
E. Peterschick		SW 17.5
J. & R. Dyrdahl		SW 13.2
L. Kolstad		SW 14.4
R. Harley	26.4	SW 13.7
Twp.34N., Rge. 2W L. Flesch		SW 19.8
Twp.34N., Rge. 3E S. Leck		D 24.5
Twp.34N., Rge. 3W		
Triangle Company		SW 40.53
Twp.34N., Rge. 4W G. Smith		SW 23
V. Halverson		SW 26.4
Twp.34N., Rge. 1E C. Wiegard		SW 39.06
R. Turner		SW 15
B. & B. Ranch	41.9	D 13.4
J. Jensen		SW 20
Twp.35N., Rge. 2E J. Tomayer		SW 15.9
T. Scalese	.5	
Twp.35N., Rge. 2W		
Normont Company		SW 18.23
E. Hannon		SW 20.6
Twp.36N., Rge. 1E C. Stoltz	28.2	D 28.2
Twp.36N., Rge. 1W G. Pace		WW 26.2
C. Stoltz		SW 23.4
Twp.36N., Rge. 3W E. Gillespie	59.7	D 23.9
Twp.36N., Rge. 4W		SW 40.5
Glacier Colony		SW 38.9
Twp.37N., Rge. 2W L. Aklestad	40	SW 31
Twp.37N., Rge. 3W		
Hillside Colony		SW 16.9
Twp.37N., Rge. 4W T. McAlpine		D 31.7
Parker		SW 33

# 1980 wheat, hay production on leased state land told

This report from the State Land Department provides information for the production of hay and grain from state land in Pondera County leased by individuals, colonies or corporations during 1980.

This report is part of the public record and is available to anyone. Occasionally, such leasing becomes a controversial issue. An agricultural lease comes up for renewal every 10 years on February 28 of whichever year it expires.

Bidding for the land is competitive, if someone bids higher than that of the last lessee, the latter is notified of that fact and may raise his bid to match the new comer's, thus erasing his bid. The old lessee may then ask a public hearing with the State Land Board to get the state share of the crop reduced. Occasionally, he is

successful. Most leases in this area are between 25 to 33 percent crop share. Leases usually are based on the community average of bushels or hay tonnage per acre. There are 56,730.8 acres of state land in Pondera County. About 12 percent is leased as agricultural, the rest as grazing land. That in 1981 is leased at the rate of \$3.65 for the amount of forage that will support a cow and calf for 30 days.

The following table shows a group headed by a particular township and range in Pondera County with the individual columns showing the name of the lessee, average grain and hay yield.

Letter "S" in front of yield denotes spring wheat, "W" denotes winter wheat and "D" denotes durum. No oats or triticale were grown.

NAME	BU. BAL.	HAY T/ACRE	BU. WHEAT
T26N, R1E G. Johnson Bergstrom Farms			S42.4
T. Bala			W46.73
J. Bala			S40.3
M. Jerry	55		S33.75
R. Peterson			W38.2
R. Thompson	34.86		W37.2
J. Hanson	73		D40.75
P.G. Johnson			(Safflower) 6
A. Forsman			W37.62
			S34.9
T26N, R1W A. Armstrong			W50
			S55
T26N, R2W C. Zimbelman			D32.8
T26N, R3W C. Dyer	70.6		W42.02
E. Kropp	47.3		W24.5
T27N, R1E R. Peterson	46.3		W37.5
F. Bergstrom			S37.2
C. Jernumson			W49.82
Kell			W31.34
Hjermstad			W38.2
L. Warwick			W61.9
			S29.83
T27N, R1W R. Weltum			W40.41
C. Jernumson	41.7		S42.5
Saunders Est.			S36
Bertch			W36.2
A. Evans			W35.43
			S29.6
R. Willis	40.1		(W38.8 & S64.3)
Warwick			
T27N, R2W L. Denzer		2/Ton	W21
G. Schupp			S35
D. Fladstol			W28.4
D. Johnson			S25.1
			W28.63
			S48.92
			W26
			S34.5
T27N, R3W K. Ottens			W33.55
E. Snordland	62.2		S38.29
R. Kropp	44.5		S42.8
			S34
T28N, R1E K. Matheson			S24.13
D. Christensen			D33.3
T28N, R1E K. Matheson			S24.13
D. Christensen			D33.3
T28N, R1W B. DeVries	59.82		W31.8
R. Thompson			S29
			W25.48
			S24.4

G. Vandenaere	46.6	2/Ton
T28N, R2E	52.2	
G. Harris		
G. Dyrud		
C. Bliss		
T28N, R3W	62.5	
J. Hepp	60.1	
J. Phillips		
T28N, R4W	36.4	
L. & J. Walston	77.4	
R. Earhart		
C. Schultz		
T28N, R5W	26.46	1.94/T
W. McKinley	42	
J. Angeles	40	
Miami Colony		
B. Klett		
T28N, R6W	42	
D. Vandenaere	37.2	
Bill Guy		
T. Vandenaere		
R. Stromsvoid		
T28N, R8W	30	
Birch Ct. Colony		
T28N, R2W	40	2.8/Ton
L. Doran		
T28N, R3W		
R. Bokma		
McLara Ranch		
T28N, R4W		
McLara Ranch		
T28N, R5W		
P. Brander		2.8/Ton
T28N, R6W		
J. Gelger		
T. Boucher		
T28N, R7W	31	
Guthrie		
Birch Ct. Colony	27	
T28N, R8W		
Birch Ct. Colony	28	
T30N, R1W		
R. Peterson		
T30N, R2W	57	
R. Myers		
J.C.L. Farms		
Kell Ranch	50	
R. Denzer		
T30N, R3W	54.6	
R. Ullson	46.5	
D&E Seifert		
E. Sprague		
T30N, R6W		
H. Osterman		
R. Hartzell		
T31N, R3W		
W. Fowler		
T31N, R4W	2.7/Ton	
T. Hamaker		
J. Halverson		
T31N, R5W		
Mountain View		

Independent-Observer

Thursday, July 23, 1981

Con

Section 36 - 33 - 3E

20 bushels per acre

Sec. 35 - 33 - 3E

Approx. 18 ac. G2B - SW $\frac{1}{4}$

SW $\frac{1}{4}$  - 18 bushels

NW $\frac{1}{4}$  - 18 bushels

SE $\frac{1}{4}$  - 18 bushels

NE $\frac{1}{4}$  - 20 bushels

Sec. 26 - 33 - 3E

NW $\frac{1}{4}$  - 12 bushels

NE $\frac{1}{4}$  - 18 bushels

S $\frac{1}{2}$  - 18 bushels

Sec. 25 - 33 - 3E

NE $\frac{1}{4}$  - 16 bushels

W $\frac{1}{2}$ NW $\frac{1}{4}$  - 20 bushels

E $\frac{1}{2}$ NW $\frac{1}{4}$  - 12 bushels

S $\frac{1}{2}$  - 18 bushels

*Wm. E. DeLongh  
Tool & Implement*

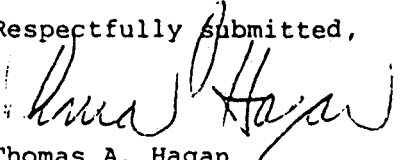


Exhibit 15  
Cliff Hagfelt

The following observations are hereby submitted as testimony in opposition to S.B. 192, the bill to raise cropshare rentals on state school lands to a minimum of 30%:

- State vs. private lease
  - private landowner usually provides bins and will often share the fertilizer and chemical costs.
  - private landowner pays taxes (property and income).  
In Daniels County private farmland is taxed at just under \$1 per acre, while the state gives the county money in lieu of taxes amounting to about 35% of that, at most.
  - private landowner sometimes gives lessee first right to buy, should the landowner decide to sell.
  - state lessee, at his own expense:
    - builds fences
    - constructs waterways and installs other conservation measures (although the federal government cost-shares)
    - fertilizes
- Incentives
  - will farmer fertilize if 30% share goes to the state?  
My brother and I now fertilize state land, although it's usually a break-even proposition, in an attempt to build soil fertility and long-term productivity.
  - with reduced returns on state land, will lessees be willing to invest in conservation measures?
- Land quality
  - state land in Daniels County is lower than average.
    - during the state land sales in the '20's and '30's farmers naturally bought the better tracts.
    - the state apparently didn't reserve school lands in Daniels County until after the better tracts had been homesteaded.
- Economic impact on Daniels County
  - of slightly over 281,000 acres of farmland in the county, 102,688 acres are state-owned (per county ASCS).
  - in 1982 the state received \$101,728.68 in government payments from Daniels County (per county ASCS).
  - assuming half the state land in the county was cropped in 1982, with a 20 bu. average at \$3.50 per bu. the state received approximately \$898,520 in cropshare.
  - increasing the state's share by 5% would take an additional \$200,050 out of the county economy. In a county of slightly under 3,000 population this would have a substantial impact.
  - local farmers, already pressed by high costs and low prices, will have already-low incomes reduced (or net losses increased).

Respectfully submitted,

  
Thomas A. Hagan  
Farmer & accountant  
Scobey, MT 59263

FARM LEASE

THIS AGREEMENT, made and entered into this 18<sup>th</sup> day of March, 1981, by and between HENRY BEKKER and PETER BEKKER, of Scobey, Montana, hereinafter referred to as lessor, and ROGER BEKKER and SUSAN BEKKER, husband and wife, as joint tenants with right of survivorship, of Scobey, Montana, hereinafter referred to as lessee,

WITNESSETH: That the said lessor for and in consideration of the rents and covenants hereinafter mentioned and to be paid and performed by the said lessee, has demised, leased and let, and by these presents does demise, lease and let unto the said lessee for agricultural purposes, the following described real property situated in Daniels County, Montana, to-wit:

Township 34 North, Range 47 E.M.M.

Section 1: S $\frac{1}{2}$

Section 17: NW $\frac{1}{4}$

Township 34 North, Range 48 E.M.M.

Section 21: E $\frac{1}{2}$ SE $\frac{1}{4}$

Section 28: E $\frac{1}{2}$ NE $\frac{1}{4}$

Containing 625 acres, more or less.

Expressly excepting and reserving to said lessor and excluding from this lease all oil, gas and other minerals in and under and that may be produced from said lands, and rights incidental thereto.

TO HAVE AND TO HOLD, the above rented real property to the said lessee, for and during a term of five (5) years commencing as of the 1st day of January, 1981 and ending without notice on the 31st day of December, 1985.

And the said lessee agrees to pay to the lessor a crop share rental for the above mentioned real property as follows, to-wit:

The lessee shall give and deliver to the lessor one-third (1/3) of all grains raised upon said lands, in the elevator, each year, free and clear of all expense to said lessor, the lessee to receive two-thirds (2/3) of all grains raised upon said lands.

Lessee agrees to use good farming practices. All necessary seed, machinery, labor, and other expenses in connection with the farming of said lands shall be borne by the lessee. Approximately

(Also lessors pay  $\frac{1}{3}$  of cost of fertilizer)

Roger Bekker

1 one-half (1/2) of the farmland is now in summerfallow and lessee  
2 agrees to leave at the termination of this lease the same amount of  
3 summerfallow as exists at the commencement of the term of this lease.

4 Lessee agrees to permit the lessor to lease said land for oil  
5 and gas development and to permit entry of a third party in connec-  
6 tion with oil and gas development. Any crop damages paid by an oil  
7 company shall be divided on the basis of 1/3 to the lessor and 2/3  
8 to the lessee.

9 The lessor agrees to pay all real property taxes and any taxes  
10 on its share of said grain.

11 Each party agrees that the other party shall in no way be re-  
12 sponsible for the debts of, or liabilities for accidents or damages  
13 caused by, the other party.

14 The lessor reserves the right of itself, its agents, employees,  
15 or assigns to enter the farm at any reasonable time for the purposes  
16 of consultation with the lessee, or making repairs, improvements  
17 and inspections, or of developing mineral resources. The lessor  
18 expressly reserves all buildings on said lands and access thereto,  
19 except that said lessee shall have the use of the grain storage  
20 facilities on said lands without charge.

21 If the lessor should sell or otherwise transfer title to said  
22 real property, the lessor will do so subject to the provisions of  
23 this lease.

24 The lessee shall be entitled to any and all soil conservation  
25 payments. Other government farm program payments, if any, shall be  
26 divided on the basis of 1/3 to the lessor and 2/3 to the lessee.

27 The lessee agrees to keep and hold said lands free, clear and  
28 harmless from any and all liens of whatsoever kind or nature. Any  
29 improvements made shall be the property of the lessor and shall be  
30 surrendered to the lessor upon termination of this lease.

31 Willful neglect, failure, or refusal by either party to carry  
32 out any substantial provision of this lease shall give the other

1 party the benefits of any proceedings provided by law.

2 The terms of this lease shall be binding upon the heirs, per-  
3 sonal representatives, and assigns of both lessor and lessee in  
4 like manner as upon the original parties. The lessee agrees not  
5 to sublet or assign this lease without the written consent of the  
6 lessor.

7 In the event said lands are offered for sale during the term  
8 of this lease, said lessee shall have the first opportunity of pur-  
9 chasing said lands by meeting the highest and best acceptable offer  
10 made to said lessor for said lands.

11 IN TESTIMONY WHEREOF, the parties have hereunto set their hand  
12 as of the day and year hereinbefore mentioned.

13  
14 Henry Bekker  
Henry Bekker (Lessor)

15  
16 Peter Bekker  
Peter Bekker (Lessor)

17  
18 Roger Bekker  
Roger Bekker (Lessee)

19  
20 Susan Bekker  
Susan Bekker (Lessee)

21 STATE OF MONTANA )  
22 COUNTY OF DANIELS ) ss.

23 On this 18<sup>th</sup> day of MARCH, 1981, before me, Jordan A.  
24 Fosland, a Notary Public for the State of Montana, personally appea  
25 HENRY BEKKER and PETER BEKKER and ROGER BEKKER and SUSAN BEKKER,  
26 husband and wife, known to me to be the persons whose names are sub  
27 scribed to the within instrument, and acknowledged to me that they  
28 executed the same.

29 IN WITNESS WHEREOF, I have hereunto set my hand and affixed  
30 my Notarial Seal the day and year first above written.

31 (Notarial Seal)

32  
33 Jordan A. Fosland  
Notary Public for the State of Montana  
Residing at Scobey, Montana  
My commission expires Nov. 6, 1983

1 FARM CONTRACT

2 THIS AGREEMENT, made and entered into as of the 2nd day of  
3 January, 1979, by and between MARY ELIZABETH SNODGRASS, of 10255  
4 West 14 Ave., Lakewood, Colorado 80215, hereinafter referred to as  
owner, and JAMES A. SHIPSTEAD of Scobey, Montana 59263, hereinafter  
referred to as renter:

5 WITNESSETH: That the said renter hereby covenants and agrees  
6 to and with the said owner, for the consideration hereinafter named  
7 to well and faithfully till and farm, during the seasons of farming  
8 in the years 1979, 1980, and 1981, commencing as of January 1, 1979  
and ending without notice on December 31, 1981, in a good and farmer-  
like manner, and according to the usual course of husbandry, the  
following described real estate situated in the County of Daniels,  
State of Montana, to-wit:

9  
10 All croplands (being approximately 915 acres) contained  
in the following legal description, to-wit:

11 Township 35 North, Range 46 East Montana Meridian

12 Section 21: SE $\frac{1}{4}$

13 Section 22: SW $\frac{1}{4}$

14 Section 27: NW $\frac{1}{4}$

15 Section 28: NE $\frac{1}{4}$

16 Section 31: E $\frac{1}{2}$

17 containing a total of 960 acres, more or less.

18 Owner covenants and agrees as follows:

- 19  
20 1. To pay all taxes imposed upon said lands.  
21 2. To give to the renter two-thirds (2/3) of all grains  
22 raised upon said farm each year during the term of  
23 this contract.

24 Renter covenants and agrees as follows:

- 25 1. To use good farming practices.  
26 2. To furnish all seed necessary to sow and plant said lands.  
27 3. To furnish all labor in and about said farming operations  
28 including the seeding, summerfallowing, harvesting, and  
29 grain hauling.  
30 4. To furnish all necessary machinery, and all operating  
31 expenses.  
32 5. To deliver for the owner one-third (1/3) of all grains  
raised upon said lands each year in the elevator, with-  
out expense to said owner.  
6. To permit entry of a third party in connection with oil,  
and gas development. The renter will be compensated for  
his share of any crop damages arising from such oil and  
gas development.  
7. To comply with the government farm program.  
8. To summerfallow approximately one-half of the total  
cropland each year, approximately one-half of the total  
cropland being now summerfallow, except when modification  
to control saline seep conditions may be advisable

It is further mutually agreed as follows:

1. Government deficiency payments, if any, shall be divided on  
the basis of one-third (1/3) to the owner and two-thirds  
(2/3) to the renter.

2. The cost of any fertilizer used shall be shared one-third by the owner and two-thirds by the renter.
3. All buildings and improvements on said lands, and the use thereof, are reserved by said owner, except that the renter shall have the right to use the grain storage facilities on said farm without charge.
4. Owner shall sublease the croplands that she leases from the State of Montana, to the renter, on forms prescribed by the Commissioner of State Lands and in accordance with the rules and regulations prescribed by said Commissioner. Said sublease shall be for a like term of 3 years. Said croplands amount to approximately 365.9 acres. The renter agrees to deliver one-fourth of the crop on said state lands to the State and renter shall be entitled to the remaining three-fourths of the crop. The owner shall receive none of the crops on said state lands.
5. In the event said lands are offered for sale by the owner during the term of this contract, said renter shall have the first opportunity of purchasing said lands at the price and upon the terms offered by said owner.
6. The renter shall furnish the labor in maintaining the fences on said lands, and the owner shall furnish the materials.

It is also agreed that in case said renter neglects or fails to perform any of the conditions and terms of this contract on his part to be done and performed, then said owner is hereby authorized and empowered to enter upon said premises and take full and absolute possession of the same, and owner may do and perform all things agreed to be done by the renter remaining undone, and to retain or sell sufficient of the crops raised on said premises that would otherwise belong to said renter if he had performed the conditions hereof, to pay and satisfy all costs and expenses of every kind incurred in performing said contract, and the residue remaining, if any, of said crops, shall belong to said renter, after all conditions are fulfilled. The renter expressly waives any and all requirements of notice and demand of possession by the owner upon expiration of the term of this contract. This contract shall not be sublet or assignable by renter without the written consent of the owner.

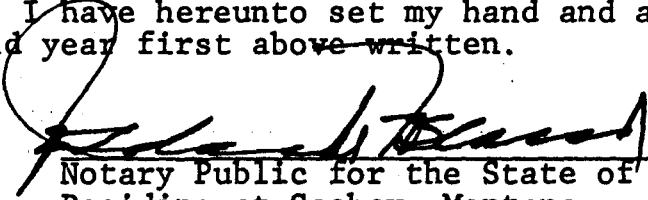
IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first hereinbefore written.

*Mary Elizabeth Snodgrass*  
Mary Elizabeth Snodgrass

*James A. Shipstead*  
James A. Shipstead

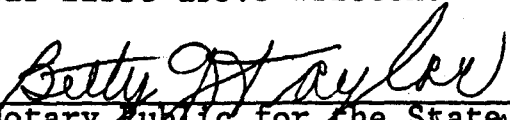
1 STATE OF MONTANA )  
2 : ss.  
3 COUNTY OF DANIELS )

4 On this 20<sup>th</sup> day of AUGUST, 1979, before me, Jordan A.  
5 Fosland, a Notary Public for the State of Montana, personally  
6 appeared JAMES A. SHIPSTEAD, to me known to be the person who is  
7 described in, and who executed the foregoing instrument and ack-  
8 nowledged to me that he executed the same.  
9 IN WITNESS WHEREOF, I have hereunto set my hand and affixed my  
10 Notarial Seal the day and year first above written.

11   
12 Notary Public for the State of Montana  
13 Residing at Scobey, Montana  
14 My commission expires Nov. 6, 1980  
15 (Notarial Seal)

16 STATE OF COLORADO )  
17 : ss.  
18 COUNTY OF Jefferson )

19 On this 14<sup>th</sup> day of August, 1979, before me, Betty  
20 Taylor, a Notary Public for the State of Colorado, personally  
21 appeared MARY ELIZABETH SNODGRASS, to me known to be the person who  
22 is described in and who executed the foregoing instrument and ack-  
23 nowledged to me that she executed the same.  
24 IN WITNESS WHEREOF, I have hereunto set my hand and affixed my  
25 Notarial Seal the day and year first above written.

26   
27 Notary Public for the State of Colorado  
28 Residing at 1415 Carr Lakewood Colo  
29 My commission expires FEB 7, 1982  
30 (Notarial Seal)

Myron 16

January 31, 1983

Members of the Agriculture, Livestock and Irrigation Committee:

My name is Myron Halverson. I am a small family farmer from Daniels County and I'm opposed to S.B. 192. I'm a leasee with the State of Montana being my landlord. At the present I give the state 25% of the total bushels I raise, free and clear in the elevator. The state's land expense is low, so their share is almost all profit. Out of my 75% must come my expense of summer fallowing for one year, as I strip farm and only crop  $\frac{1}{2}$ . I have to provide the seed, prepare the ground, plant the crop, spray the crop, watch for insects, and if the crop escapes the hail and drought, I'll harvest the crop and provide storage if the elevator doesn't have room. I have to admit I am a capitalist and I'm renting this land because I think I can make a profit. That's the American way. If this bill passes, the state's share will increase from 25% to 30%. That's a 20% increase from what they are getting now. This is too large an increase. Most of the land in western Daniels County is sandy--marginal land to say the least. A twenty bushel crop is a pretty good crop. That only leaves 15 bu. for me to pay the bills. I could maybe understand the increase if the land was capable of producing, say 35 to 40 bushels, the profit margin would be a little wider.

If S.B. 192 becomes law, it may increase the state's revenues. On the other hand, it may be the straw that "breaks" a lot of our smaller efficient farmers, and puts the land in the hands of large corporate farms, who may be able to give the state 30% of the crop, but won't be quite as efficient as the smaller farmer who may be able to produce more bushels per acre. If a large corporate farm could produce 17 bu. per acre and give the state 30% their share would be 5.1 bu. On the other hand, if I could raise 20 bu. per acre and give the state 25%, their share would be 5 bushels.....the same revenue for the state. So with this in mind, please vote against S.B.192.

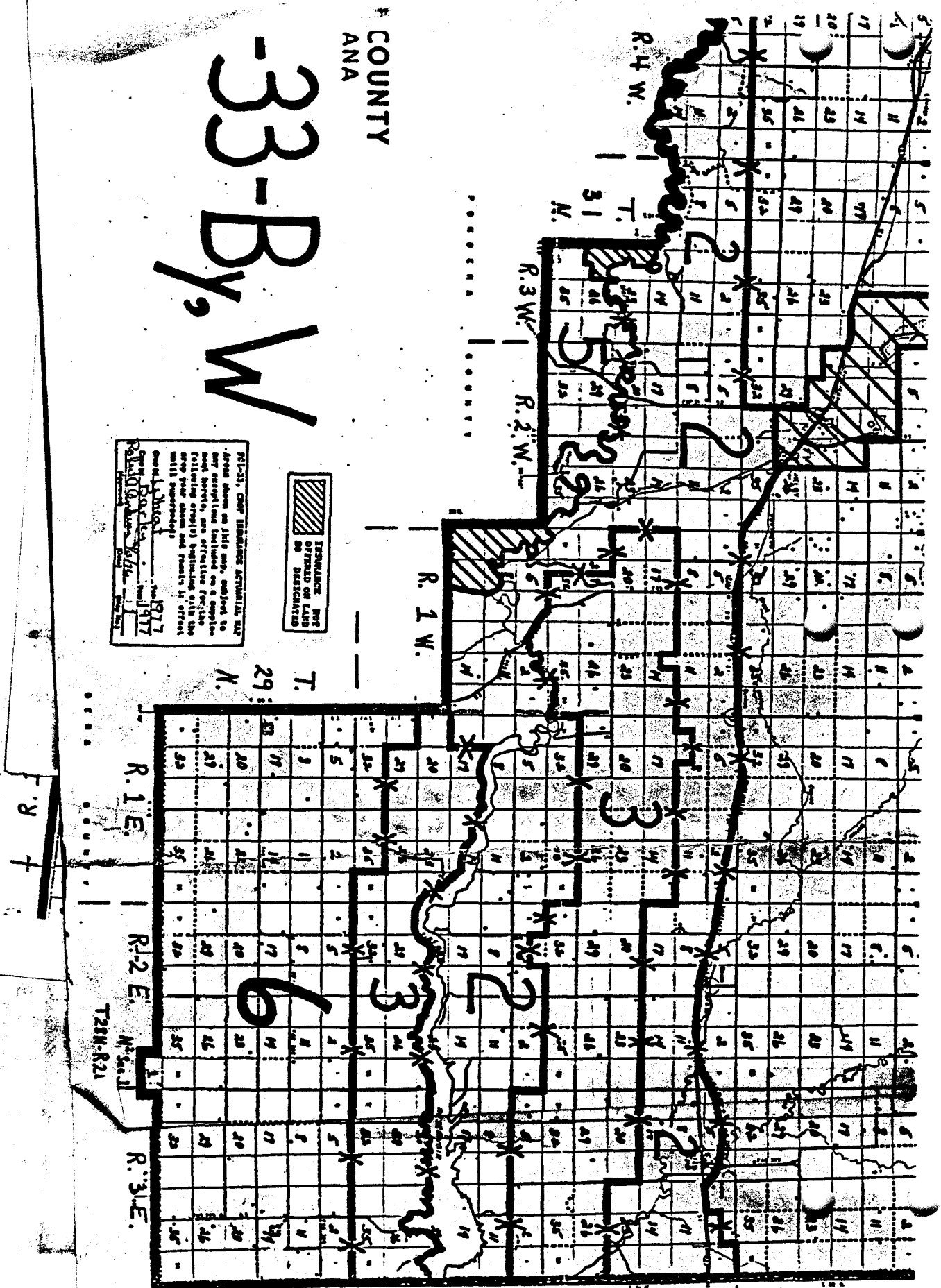


# -33-B<sub>y</sub>, W

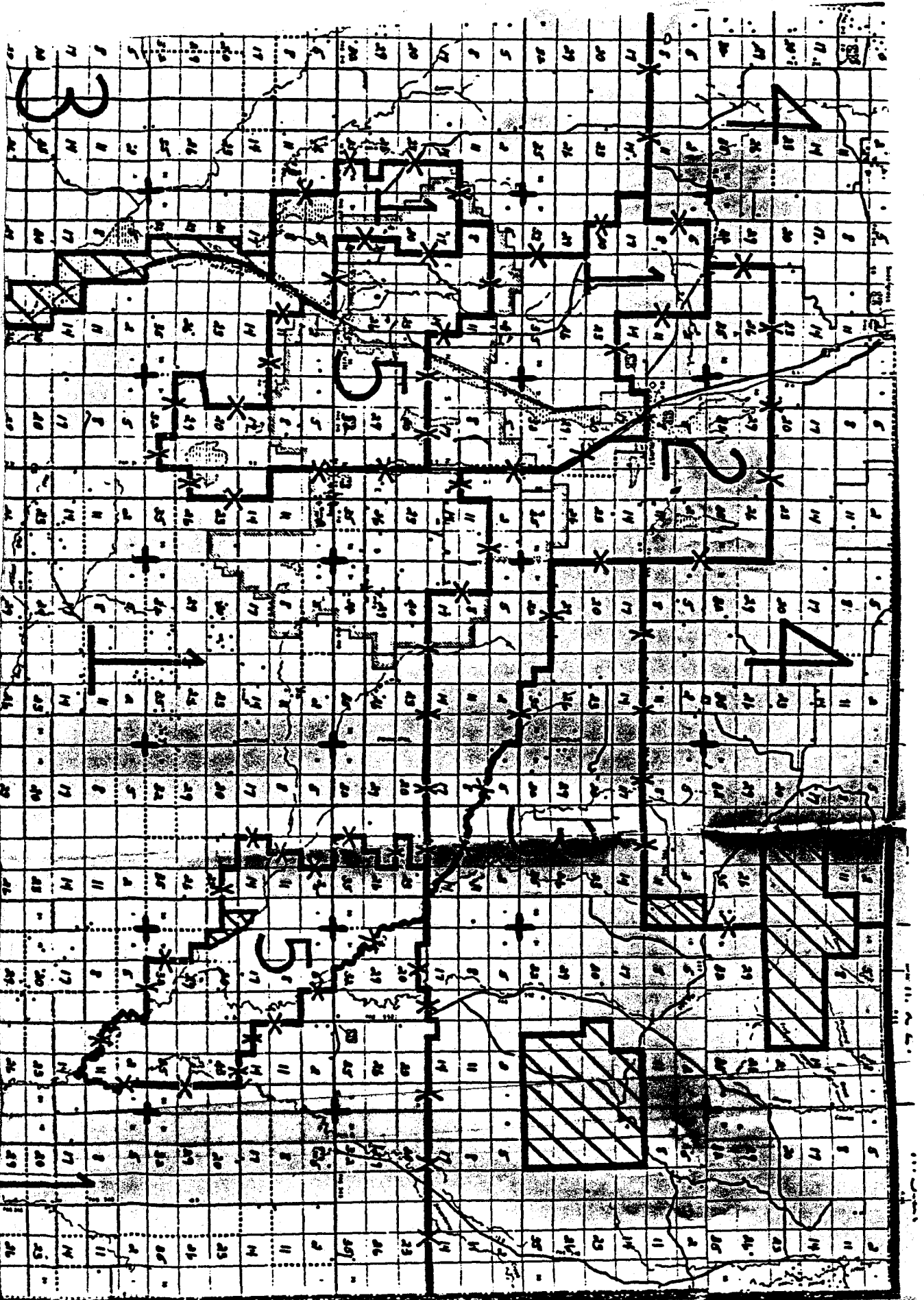
\* COUNTY  
ANA

PL-53, CROP INSURANCE ACTUALLY PAID  
Area shown on this map, subject to  
any exceptions indicated on a separate  
listing sheet(s) beginning with the  
unit number(s) and prefix in effect  
with the insurance.  
Special Photo  
R. 100. 36/40. 1977  
R. 100. 36/40. 1977

INSURANCE  
NOT  
OFFERED ON LAND  
SO DESIGNATED



Ave.	Prod.
yield	Guarantee
1	8
2	10
3	12
4	14.5
5	6.1
6	14.5



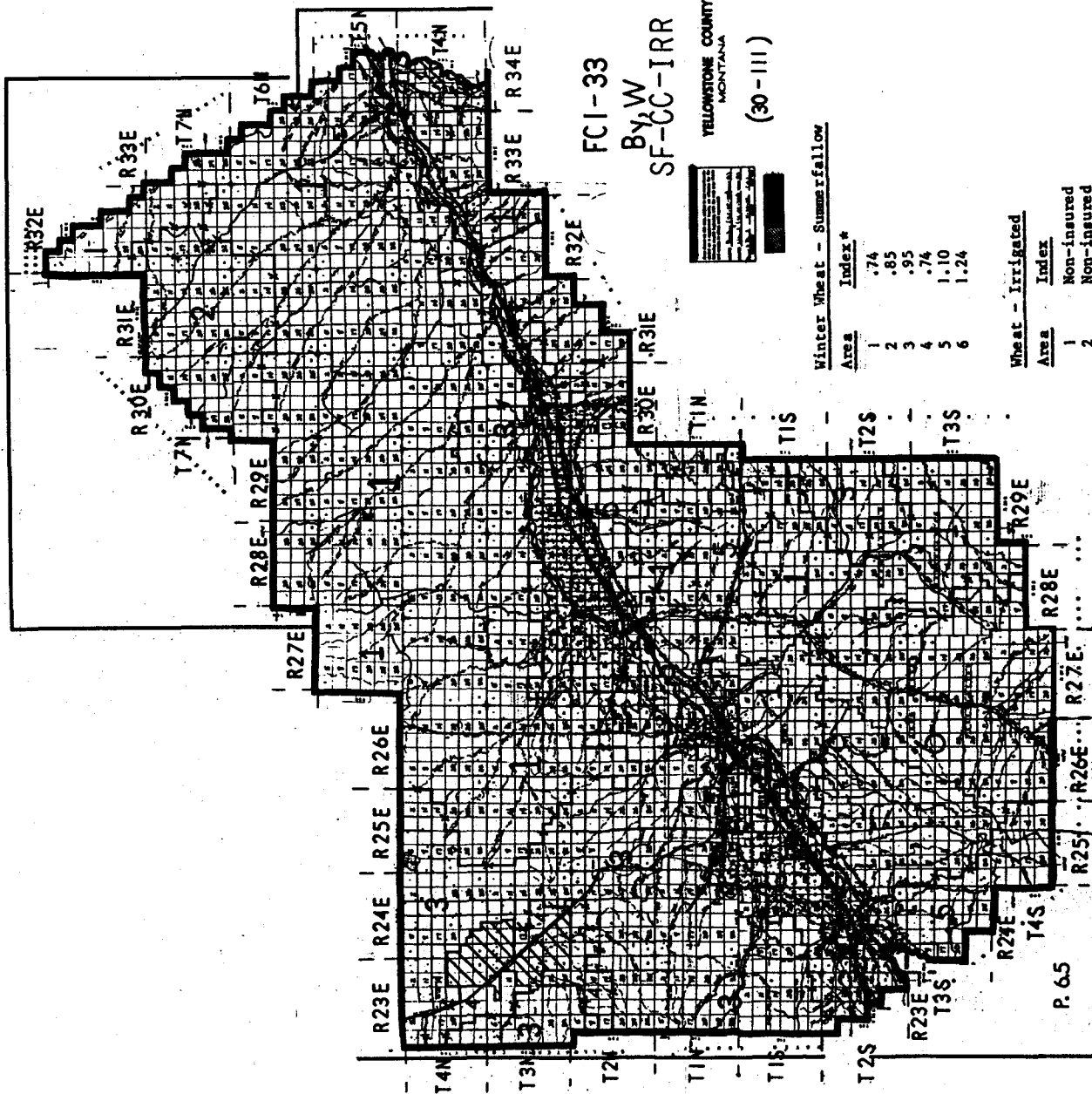
Winter	
Average yield	Production Guarantee
1 17.4	8.7
2 21.0	10.5
3 27.0	13.5
4 32.0	16.0
5 33.0	6.5
6 32.0	16.0

6/18/87  
John Harwood

ACTUAL YIELD IN BUSHEL PER ACRE

STATE ESTIMATS IN BUSHEL PER ACRE

1970	15.3	16	21.5	18	20	20	18	13
1971	8	10	17.8	20	14.7	20	17.8	21
1972	8	13	16.9	21	16.1	12	12.8	7
1973	4	5	7.9	9	8	8	5.4	3
1974	3.5	5	7.7	5	5.1	5		
1975	18	24			31.1		22.7	26
1976	24	28	22.3	20	15.8	18	15.8	18
1977	7	6	12.2	10	10.3	8	5.5	2
1978	24.7	19	25.1	21	25.9	26	19.8	21
1979	15		23.1		20			
1980	15.8		12.1		17.9		13.2	
AVE.	12.5	14	16.4	15.5	14.5	14.6	14.7	13.8



Many sources of information are available to the State Land Department that clearly show the difference in climate, soil types, and potential yield production of the land in Montana. They include the following:

Soil Conservation Service Maps

Soil Production Possibility Charts

Extension Service Bulletins

Soil Water Guidelines and Precipitation Probabilities

Federal Crop Insurance Maps

County Coverage and Rate Tables

Department of Revenue

Property Valuation Division

Department of State Lands Crop Production Records

Agricultural Stabilization and Conservation Service Records

Simply stated, a 30% minimum rental fee will create economic hardships in low producing communities. Extension Bulletin 1066 states yield data of a few pounds or bushels per acre may greatly influence the feasibility of any farm plan.

U.S.D.A. farm bulletin 2164, Your Farm Lease Contract, states, "A good lease permits each party to receive an equitable return from the resources he supplies. A good farm lease contains complete flexible plans for a given farm period of time. And asks the question: Does it contribute to the improvement of farm renting in your community?"

A 30% minimum rental in a community with a majority of 25% private leases will not improve the community.



United States  
Department of  
Agriculture

Federal Crop  
Insurance  
Corporation

Field  
Actuarial  
Office

2401 Grand Avenue  
Fourth Floor  
Billings, Montana  
59102

January 17, 1983

John Harwood  
Devon Star Rt. Box 64  
Shelby, Montana 59474

Dear John:

We have been advised that you desire information on how yield potential and the related guarantees are established for the Federal Crop Insurance programs. The general process is described in the following paragraphs.

Many indicators are used to assess the productivity potential of a parcel of land (establish yield potential and the ensuing guarantee) such as: (1) detail soil surveys with yield indexing information, (2) experiment station reports, (3) ASCS yield or productivity data by individual and/or by community, (4) climatic information, (5) topographical information and (6) local information from agricultural related sources.

Crop Insurance guarantees are based on a selected percentage of the potential yield. Optional percentages available are: 50%, 65% and 75%. Although FCIC uses broad classification groupings of like farms, it is our purpose to offer the above stated percentages of the potential yield for each farm within a reasonable tolerance.

If you desire additional information, feel free to make additional contact.

Sincerely yours,

R. E. DYRNESS  
Director

cc E. B. Lortz





United States  
Department of  
Agriculture

Federal Crop  
Insurance  
Corporation

Field  
Actuarial  
Office

2401 Grand Avenue  
Fourth Floor  
Billings, Montana  
59102

John Harwood  
Devon Star Route  
Box 64  
Shelby, Montana 59474

January 24, 1982

Dear John:

This is the Yellowstone County map we discussed, with indexes recorded on the map. We have also listed the Toole County indexes below.

We wish you success in your use of this information. Please advise if we may provide further assistance.

Sincerely yours,

R. E. DYRNESS  
Director

Enclosure

Toole County

Winter Wheat - Summerfallow

<u>Area</u>	<u>Index</u>
1	.70
2	.84
3	1.08
4	1.29
5	.52
6	1.49







United States  
Department of  
Agriculture

Agricultural  
Stabilization and  
Conservation Service

Montana State Office  
P. O. Box 670  
Bozeman, MT 59715

Mr. John Harwood  
Devon Star Rt. Box 64  
Shelby, MT 59474

Dear Mr. Harwood:

The Freedom of Information Act allows access to certain information on crop acreage reports. The following is a list of the available items:

1. Operator of farm
2. Total land and cultivated acreage
3. Other land owners
4. Seeded crops by ownership
5. Division of crop if crop-shared.

A summary of these items is not maintained in county offices. Each county would be required to research their records and tabulate the requested information. The person requesting the information is required to pay the cost of searching the records and preparing the list.

You may contact your county ASCS office if you have additional questions.

Sincerely,

E. M. Snortland,  
State Executive Director

At the present time the Department of State Lands does not have an appraisal or classification of agricultural lands. An inventory system is needed. A system using State Land records, Department of Revenue appraisals and Federal Crop insurance maps can be developed.

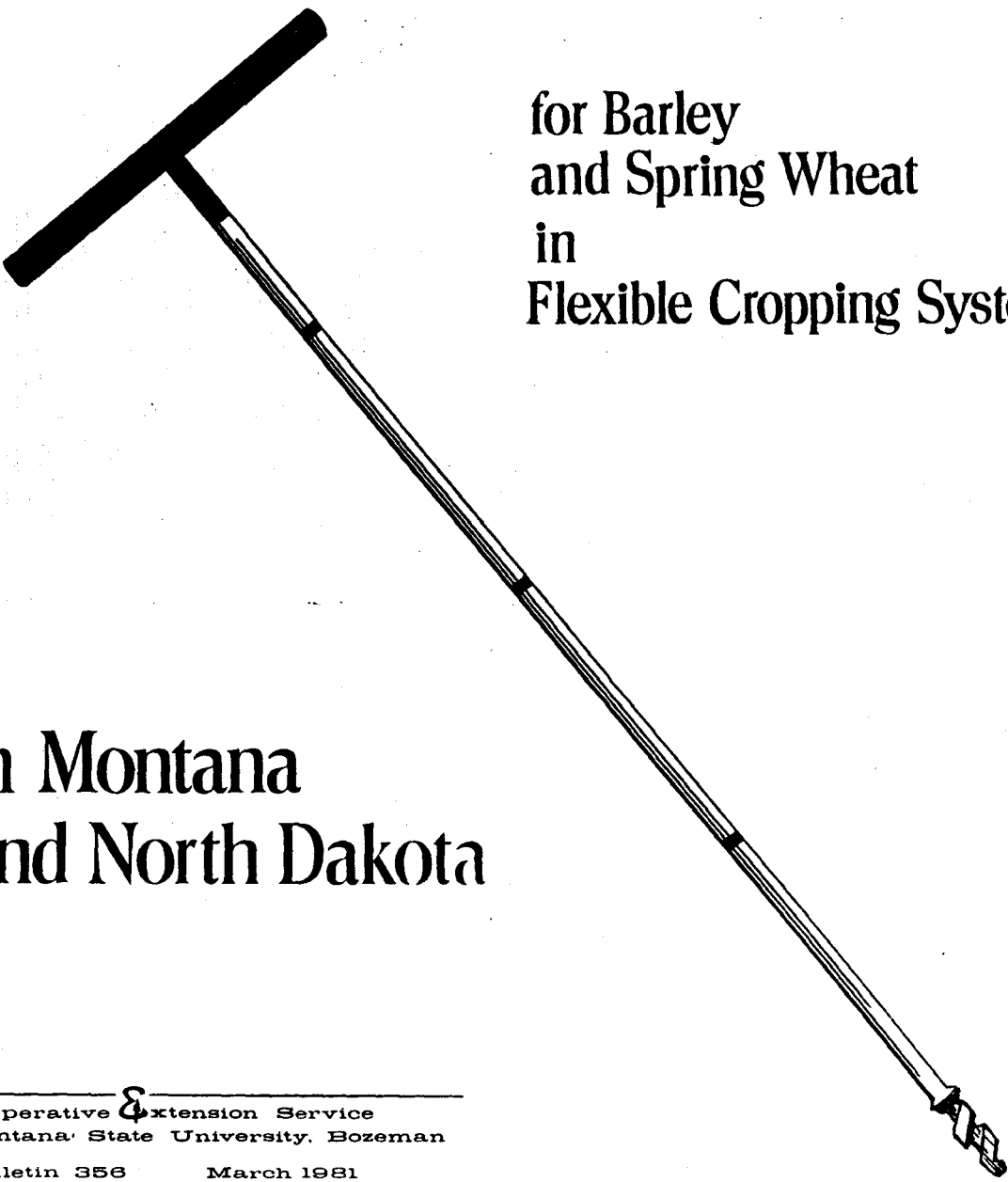
Federal Crop officials have expressed their willingness to work with the State Lands Department. They are waiting for advice from legal council before they give a final approval. This approval may come within the week.

Agricultural leases can readily be plotted on county maps. The lease's average production over a ten year period could be listed also. An overlay of Federal Crop boundaries and indexes would quickly identify the production potential of the state land.

From these maps a variable minimum rental rate could be applied to each parcel of state land based on its production. This system would provide a fair and equitable return to the state and the producer.

Minimum rental on land with less than a 22 bushel per acre average production could be set at 25% crop share, land with a greater than 22 bushel average could be set at 30%.

# Soil Water Guidelines and Precipitation Probabilities



for Barley  
and Spring Wheat  
in  
Flexible Cropping Systems

in Montana  
and North Dakota



United States  
Department of  
Agriculture

Agricultural  
Stabilization and  
Conservation Service

Toole County ASCS Office  
908 Turner Avenue  
Shelby, Montana 59474

March 12, 1981

R. A. Harwood  
Box 64, Devon Star Route  
Shelby, Montana 59474

Dear Mr. Harwood:

In regard to your question about crop-share leases in the Galata community for other than Montana State owned lands we find the following. The information was obtained from reports by tenants for the purpose of determining program payment shares.

29 leases were found to be at 25% crop-share.  
4 leases were at 30% crop-share.  
9 leases were at 33% crop-share.

I hope this information will meet your needs. If we can be of further assistance please let us know.

Sincerely,

William Kleinert,  
County Executive Director  
Toole County ASCS Office

By comparing Department of State Land production figures which are published in local papers, large differences in production are clearly illustrated within county boundaries. A 30% minimum rental will create economic and social hardships in the lower producing areas.

A.S.C.S. records clearly show that there are communities where a 25% lease is the standard share. A 30% minimum will establish a benchmark above the community standard.

R. A. Harwood  
Devon Mont  
Box 64

United States  
Department of  
Agriculture

Agricultural  
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Toole County ASCS Office  
908 Turner Avenue  
Shelby, Montana 59474

March 12, 1981

R. A. Harwood  
Box 64, Devon Star Route  
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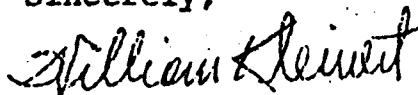
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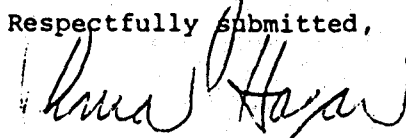


William Kleinert,  
County Executive Director  
Toole County ASCS Office

The following observations are hereby submitted as testimony in opposition to S.B. 192, the bill to raise cropshare rentals on state school lands to a minimum of 30%:

- State vs. private lease
  - private landowner usually provides bins and will often share the fertilizer and chemical costs.
  - private landowner pays taxes (property and income).  
In Daniels County private farmland is taxed at just under \$1 per acre, while the state gives the county money in lieu of taxes amounting to about 35% of that, at most.
  - private landowner sometimes gives lessee first right to buy, should the landowner decide to sell.
  - state lessee, at his own expense:
    - builds fences.
    - constructs waterways and installs other conservation measures (although the federal government cost-shares)
    - fertilizes
- Incentives
  - will farmer fertilize if 30% share goes to the state?  
My brother and I now fertilize state land, although it's usually a break-even proposition, in an attempt to build soil fertility and long-term productivity.
  - with reduced returns on state land, will lessees be willing to invest in conservation measures?
- Land quality
  - state land in Daniels County is lower than average.
    - during the state land sales in the '20's and '30's farmers naturally bought the better tracts.
    - the state apparently didn't reserve school lands in Daniels County until after the better tracts had been homesteaded.
- Economic impact on Daniels County
  - of slightly over 281,000 acres of farmland in the county, 102,688 acres are state-owned (per county ASCS).
  - in 1982 the state received \$101,728.68 in government payments from Daniels County (per county ASCS).
  - assuming half the state land in the county was cropped in 1982, with a 20 bu. average at \$3.50 per bu. the state received approximately \$898,520 in cropshare.
  - increasing the state's share by 5% would take an additional \$200,050 out of the county economy. In a county of slightly under 3,000 population this would have a substantial impact.
  - local farmers, already pressed by high costs and low prices, will have already-low incomes reduced (or net losses increased).

Respectfully submitted,



Thomas A. Hagan  
Farmer & accountant  
Scobey, MT 59263

Exhibit 18

January 31, 1983

Members of the Agriculture, Livestock and Irrigation Committee;

My name is John Richardson. I am from Daniels County and am a leasee of state lands and I am opposed to S.B. 192.

I feel this bill is truly unfair to the present leasee in our area of Daniels County. We went through three consecutive years of disaster drought in 1979, 1980 and 1981, with crop yeilds as low as 5 bushels per acre. When you take 25% of that away, it doesn't leave much to cover today's high costs of operating. Farming this type of land, it is not feasable for this 20% increase in the state's share.

In this area of western Daniels County where we hold our leases, the classes of the land is very poor. Mainly sandy-gravelly topsoils, where the crop can be destroyed very quickly by dry hot weather. There is a great amount of land in this area classed 5 and lower, and the production is very low.

It is very hard to produce a crop average of 15 bushels per acre in this area during a number of years with good to average growing conditions. Although we try our utmost to farm this land to the fullest production, using careful farming methods, including using fertilizer, erosion control, weed control, etc. I feel it is unjust to have the crop share increased, so again I am fully opposed to S.B. 192.

Thank you for your cooperation, please vote against this bill.



Erskine  
19

Production costs have continued to increase. Extension service data for Liberty County shows a \$56.47 variable cost per acre. This amount can vary between farms but does illustrate a price cost squeeze in poorer areas.

At \$4 per bushel wheat multiplied by 20 bushels per acre the gross return is \$80. Subtract a 30% rental fee and the \$56.47 per acre production cost and the land nets a  $-.47¢$  per acre.

In order to make a profit the farmer will have to cut expenses which in turn may reduce the yield. This will also reduce the return to the State of Montana.

**PER ACRE COSTS FOR SPRING WHEAT AFTER FALLOW IN LIBERTY COUNTY  
BASED ON 290 ACRES  
ORIGINAL STUDY MARCH, 1979; UPDATED JUNE, 1982**

	PRICE OR COST/UNIT	QUANTITY	VALUE OR COST	MY FARM
<b>1. RETURNS</b>				
SPRING WHEAT	4.00/ BU.	25.00	100.00	_____
<b>TOTAL</b>			<u>\$ 100.00</u>	_____
<b>2. VARIABLE COSTS</b>				
FARGO	9.31/ACRE	.10	.93	_____
SEED	5.00/ BU.	1.10	5.50	_____
NITROGEN	.25/LBS.	9.00	2.25	_____
PHOSPHATE	.20/LBS.	23.00	4.60	_____
2,4-D	2.93/ QT.	1.00	2.93	_____
HAIL INSURANCE	7.00/ACRE	1.00	7.00	_____
MISC EXPENSE	5.25/ACRE	1.00	5.25	_____
MACHINERY	19.72/ACRE		19.72	_____
TRACTORS	2.03/ACRE		2.03	_____
LABOR(TRACTOR & MACHINERY)	5.00/HOUR	1.00	4.99	_____
INTEREST ON OP. CAP.	.170/DOL.	7.45	1.27	_____
<b>TOTAL VARIABLE COST</b>			<u>\$ 56.47</u>	_____
<b>3. RETURN OVER VARIABLE COSTS</b>			<u>\$ 43.53</u>	_____
<b>BREAKEVEN PRICE, VARIABLE COSTS</b>	<b>\$ 2.259/ BU.</b>			_____
<b>4. FIXED COSTS</b>			<b>\$</b>	
MACHINERY	49.24/ACRE		49.24	_____
TRACTORS	3.33/ACRE		3.33	_____
TAXES (LAND & IMP.)	3.04/ACRE		3.04	_____
INTEREST ON LAND INVESTMENT	375.00/ACRE ( 7.0%)		26.25	_____
IMPROVEMENTS (INT,INS,DEP)	6.14/ACRE		6.14	_____
<b>TOTAL FIXED COSTS</b>			<u>\$ 88.01</u>	_____
<b>5. TOTAL COSTS</b>			<u>\$ 144.47</u>	_____
<b>6. NET RETURNS</b>			<u>\$ -44.47</u>	_____
<b>9. RETURN TO LABOR AND MANAGEMENT</b>			<u>\$ -39.48</u>	_____
<b>10. RETURN TO LAND, LABOR, AND MANAGEMENT</b>			<u>\$ -13.23</u>	_____
<b>BREAKEVEN PRICE, TOTAL COSTS</b>	<b>\$ 5.779/ BU.</b>			_____

*W. J. Harwood* ~~EF~~  
20

Jan. 30, 1983  
P.O. Box 66  
Galata, Mt. 59444

Chairman-  
Senate ag. committee  
State Capitol Bldg.  
Helena, Mt. 59601

Dear Sir

Due to other commitments, I am unable to come to Helena in person to protest passage of Senate bill 192. I do not believe that it is in the best interests of the state, or any person who has leased land or rented property for the state to set a flat rate on all agricultural land.

My reasons are:

1. A flat rate does not take into consideration the fact that all land is not the same. Thus a flat rate penalizes producers who are renting poorer quality ground.
2. By setting a rate that is higher than many existing leases, the state is in effect setting a higher floor rate for all leases in the future. This will reduce the producers income and will reduce state income from both reduced tax returns and the loss of money ~~and~~ moving out of state since there are many land leases whose owners live out of state.

If it is necessary for the state to increase revenues from state lands (which I question), then it would be more equitable to have a variable rate based on amount of production or assessed value (such as from Federal Crop Ins. or property tax assessment records). A variable rate could be set at a given production rate: such as any yield under 30 bushels an acre would be leased at a 25% crop share; from 30 to 50 bushels at a 30% crop share and over 50 bushels at 33 1/3% crop share. By using tax assessment data or federal crop records an average flat rate lease could be determined, using the same or similar shares as above. I do not believe any crop share in excess of 33 1/3% is justifiable unless the state shares in either the risk of production or the cost of improvements.

I also believe that Montana code 77-6-205 should be changed To require the State Land Board to follow community standards rather than having complete discretion when a lease is protested.

Yours Truly

*Richard J. Harwood*

NAME: MONTANA FARM BUREAU DATE: 31 Jan 83

ADDRESS: 502 S. 19th Bozeman, MT.

PHONE: 587-3153

REPRESENTING WHOM? MONTANA FARM BUREAU

APPEARING ON WHICH PROPOSAL: SB 191 + 192

DO YOU: SUPPORT? \_\_\_\_\_ AMEND? \_\_\_\_\_ OPPOSE? ✓

COMMENTS: THE MONTANA FARM BUREAU  
IS OPPOSED TO SB 191 AND 192  
AND GOES ON RECORD AS SUCH. WE  
STRONGLY RECOMMEND A DO NOT  
PASS ON SB 191 + 192

Paul R. Wilson

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Charles F. Petronek DATE: Jan 31 - 83

ADDRESS: Hilger Montana 59451

PHONE: 464 5331 538 5285

REPRESENTING WHOM? myself and Indian Butte Drying Dist

APPEARING ON WHICH PROPOSAL: 191 bill

DO YOU: SUPPORT?            AMEND?            OPPOSE? X

COMMENTS: My father leased this land in 1942  
when no one wanted it for sum app 36.00,  
was nothing but sage brush and so forth  
Now we have 10,000 of improvements  
on this one section and the other section  
has 10,000 used down.

I feel that individual pastures have  
improvements put on by the owner that  
state land don't have, unless the renter  
put them on.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME Ripchet Solberg BILL NO. 192 <sup>191</sup>  
ADDRESS Sooby DATE \_\_\_\_\_  
WHOM DO YOU REPRESENT Dist II 2  
SUPPORT \_\_\_\_\_ OPPOSE X AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

State of Montana gets plenty  
of revenue from their State  
land under the present  
formula.

NAME Orren Vinger BILL NO. 192  
ADDRESS Wolspoint DATE 1/16/83  
WHOM DO YOU REPRESENT Dist # 3 House  
SUPPORT \_\_\_\_\_ OPPOSE X AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

the farmers and rancher  
can not afford an increase  
in operating cost.

NAME Sen Ed Smith BILL NO. SB 192

ADDRESS \_\_\_\_\_ DATE \_\_\_\_\_

WHOM DO YOU REPRESENT Myself

SUPPORT \_\_\_\_\_ OPPOSE X AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Now is a very poor time to increase the crop share when the farm economy is the way it is to-day.

If wheat + barley <sup>prices</sup> were at a price where farmers could show a profit it would then be reasonable to increase the crop share.