

MINUTES OF THE MEETING
AGRICULTURE, LIVESTOCK AND IRRIGATION
MONTANA STATE SENATE

February 11, 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 12:30 p.m., by Senator Galt.

ROLL CALL: All members present.

SENATE BILL 316: Senator Tom Towe, Senate District 34, introduced SB 316 calling it the beginning farmer bill. He explained that it is much different than seen in the past. Because of the excellent way it is working in Iowa, we are in a better position to come in with a better bill. This proposal is different because there are no direct loans to anybody; the state doesn't get into loans; it is a private free market; it works well and will make better advantages for young farmers. After reviewing the bill, Senator Towe handed out the Statement of Intent. (Exhibit #1). He told the committee that this program has been in operation in Iowa and has worked there for 13 months. It has been working in Nebraska 7 months and in Illinois 1 month. Since it has been in operation in Iowa, they have made 133 loans totaling \$7,125,000. An applicant goes to the bank, gets approved for credit, the loan is sent to the agricultural authority for approval. If they are approved, then the loan is sold to the bank. The bank has made the loan; if the loan isn't repaid, the bank is out. The bank has to approve the risk, the state is not involved. At the same time, the interest rate is reduced. So, the interest rate is less, it can be a longer loan and because it is a municipal bond it is a very attractive bond. The bank comes out ahead because they have a higher municipal bond rate and it doesn't mature for 6 or 7 years. The banks are delighted to have a variable interest rate for their portfolio and the young farmer has a lower interest rate. The banks in Iowa are even using this in their advertising campaigns.

Mr. Barney, Communicating for Agriculture, addressed the committee in favor of the bill. Exhibit #2.

Senator Elmer Severson, District 46, supported the bill. He has spent his lifetime in agriculture and, with the rising prices of land and equipment, felt this bill would enable more beginning farmers get started on their own place.

Ted Neuman, Representative HD 33, supported the bill. The average age in his county for farmers is 54 years of age. He saw a lot of new faces coming on the scene in about 15 years and asked the committee to give these new people a chance.

Keith Kelly, Director Department of Agriculture, supported the bill. He felt it fit into the "Build Montana" program.

Art Lund, State Director of Farmers Home Administration and representing the US Department of Agriculture, said he was not

appearing as an opponent or proponent, but had a couple concerns regarding the bill. Exhibit #3.

Terry Murphy, Montana Farmers Union, said they historically supported these kinds of programs. A lot of young farmers in Montana are using family and neighbor's land and, if they are going to stay in business, they are going to need a program like this.

Jo Brunner, WIFE, supported SB 316. Exhibit #4.

Fred R. Brown, National Farm Organization, supported the bill. Exhibit #5.

Bob Stephens, Montana Grain Growers, and the Dutton Bank, supported this as a good piece of legislation. He pointed out page 6, line 17 and asked the net worth be upped to \$250,000. They are in favor if the net worth is raised.

Steve Meyer, Montana Association of Conservation Districts, supported the bill with the amendment he presented. Exhibit #6.

The following spoke in favor of the bill:

Lisa Anderson, Montana Land Reliance
Jay Downen, Montana Associated Utilities, Inc.
Tom Dauber, Montana Environmental Center
Steve Brown, Montana Independent Bankers
Gary Dyer, representing himself
Jim Tandy, representing himself
Gary Dellwo, representing himself

Exhibits #7 and #8 are letters from Kenneth Siroky and Robert and Debra Hull in favor of the bill.

There were no further proponents and no opponents.

Senator Towe answered Senator Graham that there is no discrimination regarding age. On page 5 and top of page 6, the qualifications require two things. They must declare and be approved. They cannot be a corporation. In evaluating there is the net worth and on the bottom of page 6, the ability to get machinery and the ability to succeed.

Senator Graham wondered if he had all that experience how he could be a beginning farmer. Senator Towe answered he is someone who is trying to get started in his own operation, beginning is really a misnomer in the bill.

Senator Graham questioned if \$150,000 actually would put a person in business today. Senator Towe answered that \$150,000 is the net worth.

Senator Graham asked Mr. Lund if the FHA couldn't do exactly the same thing. Mr. Lund answered that the FHA has limited

resources. The standard rate today is 11 1/2%. The 3-year rate is 7% if he is a farm owner and 5% if it is operating. The limited resource money is 20% of allocation by law. This year it is about \$4,000,000. There is more in the national pool so they can get more from the national pool.

Senator Towe said the Iowa program has been in existence for 13 months but there are two more programs. Minnesota has had it for 5 years and Hawaii for 15. They weren't brought up because they work on state guarantee programs. When they make application for the program in Iowa, there is a 1% one-time fee charged by the state to start the program. They don't pay for administration of director in the Iowa program. The one time fee should pay for the state costs. The tax incentive will cost as much as \$65,000 a year - a small price to pay for farmers staying on the farms and working them.

The hearing was closed on SB 316.

SENATE BILL 238: Senator Galt told the committee he had held the adverse committee report downstairs and asked the committee to reconsider the bill. He had done this at the request of the Department of Agriculture.

Keith Kelly, Department of Agriculture, felt there may be some misunderstanding regarding the bill. The Department has tried to prove to industry that if there is a spraying problem, they have to call the director on the spot. He didn't feel the small percent of bad applicators should give the good ones a bad name. Through the appropriation process the subcommittee authorized the department one entomologist. It is the Department's feeling that, if people are properly trained, there shouldn't be all the problems. This will not make new positions for the Department. He said the misunderstanding with the aerial operators was ironed out and the department now has their support. He asked the committee to reconsider the bill.

Senator Boylan asked if the department felt the bill provided them with authority for adequate fines, etc., to pay for the program. Mr. Kelly answered they would have authority to levy fines if there is a blatant misnomer of the law. If they jerk the license and ground the sprayer on the spot, it would hurt everybody. They did not want to ground the sprayer in the middle of a job and penalize the customer. He felt that with proper education people will use pesticides properly.

DISPOSITION OF SB 296: Senator Conover moved SB 296 DO PASS. Senator Kolstad made a substitute motion that SB 296 BE LAID ON THE TABLE.

Senator Conover called for a Roll Call Vote. There were 6 yes and 3 no votes.

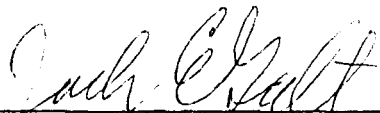
SB 296 LAID ON THE TABLE.

Agriculture

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February 11, 1983

There being no further business, the meeting adjourned.



Senator Jack E. Galt, Chairman

ROLL CALL

AGRICULTURE COMMITTEE

48th LEGISLATIVE SESSION - - 19 83

Date 2-11-83

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.

SENATE Agriculture COMMITTEE

BILL SB 316

VISITORS' REGISTER

DATE **2-11-83**

NAME	REPRESENTING	BILL #	(check one)	
			SUPPORT	OPPOSE
Jerry Brown	COWBOY POLITICAL ACTION	SB-316	✓	
Linda Brechel	4-H	SB 316	✓	
Daniel Rife	4H	SB 316	✓	
Bob McMannomy	4-H	SB 316	✓	
Helen Lilstrom	4-H	SB 316	✓	
Terry Murphy	Mt. Farmers Union	316	✓	
LISA ANDERSON	MONTANA LAND RELIANCE	316	✓	
FRED R BROWN	NATIONAL FARMER'S ORG.	316	✓	
Gary Pyc	Mont. Farmer Union	316	✓	
To Brunner	W.I.F.E	316	✓	
Alice Meyer	MACD	316	✓	
Bob Stephens	M.C.G.A. - Mt. State Band	316	✓	
BILL ASHER	APA - PLLA - SCPA	316	-	-
Art Lund	FMHA	316	-	-
Jay DOWNEN	MONT. ASSOC. WTR	316		

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

STATEMENT OF INTENT RE: SB [LC 207]

Exhibit #1
2-11-83
Agriculture

Section 1. It is the specific intent of the Legislature that the Montana Agricultural Loan Authority should operate in the same manner that the Iowa Loan Authority has operated for the last 13 months in the state of Iowa. Each loan is processed individually by a bank or other financial institution. The loans can be for farmland acquisition or for purchase or construction of depreciable property (farm equipment or farm buildings). The bank or other financial institution initially approves the loan and agrees to accept the credit risk. It then sends an application to the Montana Agricultural Loan Authority for approval. If the loan is approved, a bond is issued by the Montana Agricultural Loan Authority in the exact amount of the loan. The same bank then purchases the entire bond issue and the money is made available to fund the loan.

Thus, the entire transaction is treated identical with any other bank loan to a farmer except that the bank is able to obtain municipal bond tax exemption for the interest income. The bank loan is, in effect, converted to a municipal bond and held in the bank's municipal bond tax exempt portfolio.

Banks in Iowa have been willing to take on longer term loans at lower interest rates under this program than otherwise. For example, the typical farm land acquisition loan is for between 20 and 25 years with an annual payment. Banks normally are not willing to make that long a commitment to any one borrower but because they can put the loan in their tax exempt municipal bond portfolio they have been willing to do so in Iowa. Also, the interest rate is typically two-thirds of the prime rate otherwise charged by that financial institution. On the long term loans, it is typically a variable interest rate pegged at $66\frac{2}{3}$ per cent of "in house" prime. The depreciable property loans are typically 5 to 6 years in duration at approximately two-thirds the normal interest rate charged such borrowers.

The loan risk is 100 per cent absorbed by the bank that makes the loan - no part of the full faith and credit of the government supports the loan nor is there any other guarantee for the loan. Nevertheless, banks in Iowa have been willing to accept these loans and work them into their normal business operation because they attract and preserve bank customers for other bank business. In the last 13 months, there have been 133 loans totaling in excess of \$7,125,000.00 made in this manner by the Iowa Agricultural Loan Authority.

Since the financial institution accepts full risk, they may also decide how much security is necessary. Very frequently, the farmland acquisition loans are loans for a down payment on a contract for deed. Since the land cannot act as security, the security is typically a cosigner-the borrower's father, uncle, or some other person who may or may not pledge additional security for the loan. It is up to the bank who accepts the entire risk.

Section 2. It is the intent of the Legislature that the Montana Agricultural Loan Authority created by this bill will not make direct loans. They will acquire existing loans already made and approved by a local financial institution only. It is also the specific intent of the Legislature that the State of Montana would have no financial risk on any of these loans. Whoever purchases the bonds will take the full risk that the loan that secures payment of each bond will be repaid.

Section 3. It is the specific intent of the Legislature that the Montana Agricultural Loan Authority would charge a one time fee for issuing the bonds which fee shall not exceed the maximum amount authorized by the federal internal revenue code with regard to tax exempt bond issues. It is the intent of the Legislature that the fee would be sufficient to pay the cost of bond counsel to review and approve each bond issue and all other administrative costs of the Montana Agricultural Loan Authority.

Section 4. This Statement of Intent is required by the rule making authority granted to the Montana Agricultural Loan Authority in Section 4 and Section 8. Further, rules are contemplated for determining the procedure for granting approval by the Montana Agricultural Loan Authority and the procedure for verification by the Department of Revenue under Section 23.

Section 5. It is the intent of the Legislature that the Montana Agricultural Loan Authority adopt rules for the orderly handling and processing of applications under the authority granted in this Act to issue bonds secured by farm loans. The rules under Section 8 are intended to be sufficiently specific to allow for an objective determination by the Montana Agricultural Loan Authority of which applicants should receive approval of farm acquisition bonds from the authority. The same criteria should be established by rule for depreciable property loans with special emphasis on the need of the applicant and the applicants possible prospects for success.

Section 6. The criteria for determining a bonafide beginning farmer in connection with the approval of the tax credit application by retiring farmers as provided in Section 23 shall be established by rule. The same requirements for establishing eligibility under Section 8 should be used under Section 23.

Exhibit #2
2-11-83
Agriculture

COMMUNICATING FOR AGRICULTURE

Law Office Building
P.O. Box 677
Fergus Falls, Minnesota 56537

Phone (218) 739-3241

TESTIMONY
FOR THE
MONTANA SENATE
AGRICULTURAL COMMITTEE

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

I APPRECIATE THE OPPORTUNITY OF BEING ABLE TO TESTIFY ON BEHALF OF SENATE BILL 316, WHICH WOULD HELP MONTANA FARMERS AND RANCHERS OBTAIN CREDIT AT LOWER INTEREST RATES, PROVIDE FOR INCOME TAX DEDUCTION ^{ON} ~~AND~~ CERTAIN~~N~~ LAND SALES TO BEGINNING FARMERS, AND CREATE THE MONTANA AGRICULTURAL LOAN AUTHORITY.

I REPRESENT COMMUNICATING FOR AGRICULTURE, A NATIONAL, NONPARTISIAN, NONPROFIT, RURAL ADVOCACY ORGANIZATION WITH MEMBERS IN 46 STATES. IN THE PAST YEAR, MONTANA HAS BECOME ONE OF OUR FASTEST-GROWING STATES.

CA'S GOALS ARE DETERMINED BY ITS MEMBERS THROUGH RESOLUTIONS AND SURVEYS, AND ONE OF OUR MAIN MEMBER-DIRECTED ACTIVITIES INVOLVES THE SUPPORT OF STATE PROGRAMS WHICH COULD HELP BEGINNING FARMERS AND RANCHERS GET STARTED.

SINCE 1980, LEGISLATURES HAVE CREATED SUCH PROGRAMS IN MORE THAN A DOZEN STATES. ALTHOUGH IMPLEMENTATION OF MANY OF THESE PROGRAMS WAS DELAYED FOR A TIME BECAUSE OF UNCERTAINTY ABOUT POTENTIAL FEDERAL RESTRICTIONS, THAT UNCERTAINTY HAS NOW BEEN CLEARED, AND MOST OF THE PROGRAMS ARE NOW EITHER UNDERWAY OR GETTING UNDERWAY.

THE MONTANA AGRICULTURAL LOAN AUTHORITY, WHICH WOULD BE CREATED BY THE PASSAGE OF SENATE BILL 316, WOULD BE MODELED AFTER THE IOWA FAMILY FARM DEVELOPMENT AUTHORITY, WHICH IS ONE OF THE MOST SUCCESSFUL BEGINNING FARMER PROGRAMS IN THE NATION.

ORIGINALLY CREATED IN 1980, THE IOWA AUTHORITY WAS FOR A TIME STALLED,

BUT THEN WAS REDESIGNED TO ALLOW PARTICIPATING FINANCIAL INSTITUTIONS TO MAKE LOANS TO BEGINNING FARMERS ON A ONE-TO-ONE BASIS WITH FUNDS GENERATED FROM THE SALE OF TAX-EXEMPT INDUSTRIAL REVENUE BONDS.

THE REVISION ALLOWED THE IOWA PROGRAM TO BECOME OPERATIONAL WELL IN ADVANCE OF ANY OF THE OTHER BOND-BASED PROGRAMS, AND TODAY, THE IOWA FAMILY FARM DEVELOPMENT AUTHORITY HAS AN OUTSTANDING TRACK RECORD OF SUCCESS AND IS SEEN AS A MODEL FOR OTHER STATES TO FOLLOW.

IN ITS FIFTEENTH MONTH OF OPERATION, THE AUTHORITY HAS TO DATE APPROVED 212 LOANS AND HAS CLOSED BOND DOCUMENTS FOR 133 OF THEM. IN CASH TOTALS, ALMOST \$14 MILLION WORTH OF LOAN APPLICATIONS HAVE BEEN APPROVED, AND BOND DOCUMENTS HAVE BEEN APPROVED FOR OVER \$7 MILLION OF THEM.

RECENTLY, THE NEBRASKA AND ILLINOIS AGRICULTURAL LOAN PROGRAMS HAVE BEEN REVISED ALONG THE LINES OF THE IOWA PROGRAM AND HAVE GOTTEN SUCCESSFULLY UNDERWAY.

IN ADDITION TO UTILIZATION OF A PROVEN METHOD OF BONDING FOR LOANS, THE MONTANA AGRICULTURAL LOAN AUTHORITY WOULD ALSO INCORPORATE ANOTHER FEATURE WHICH HAS BEEN SUCCESSFUL IN OTHER STATES: IT WOULD PROVIDE TAX CREDITS TO PERSONS WHO SELL AGRICULTURAL LAND TO BEGINNING FARMERS OR RANCHERS.

SIMILAR TAX CREDIT SYSTEMS HAVE BEEN IN EFFECT IN MINNESOTA AND NORTH DAKOTA SINCE THE MID-SEVENTIES, AND HAVE WORKED WELL IN PROVIDING INCENTIVES FOR THE SALE OF LAND TO QUALIFIED BEGINNING FARMERS, IN AN ERA IN WHICH THE ECONOMY OTHERWISE PROVIDES DISINCENTIVES TO SUCH SALES.

THE TAX CREDIT SYSTEM HAS BEEN A KEY PART OF THE SUCCESS OF THE MINNESOTA FAMILY FARM SECURITY PROGRAM, WHICH HAS HELPED 365 FAMILY FARMERS GET ESTABLISHED SINCE 1977. NINETY PERCENT OF THE TRANSACTIONS MADE THROUGH THE PROGRAMS ARE CONTRACT-FOR-DEED ARRANGEMENTS, THROUGH WHICH SELLERS ARE ABLE TO REALIZE TAX ADVANTAGES.

"THE TAX IMPLICATION TO SELLERS HAS BEEN A KEY ITEM" IN MAKING THE PROGRAM WORK, ACCORDING TO MINNESOTA FAMILY FARM SECURITY DIRECTOR WAYNE MARZOLF. SELLERS HAVE "HELD THEIR INTEREST RATES AND PURCHASE PRICES DOWN BECAUSE OF THE TAX BREAKS," HE SAID, AND ADDED THAT TAX CREDITS CAN OFTEN INFLUENCE LANDOWNERS TO SELL THEIR FARMS TO BEGINNING FARMERS, RATHER THAN TO LARGE, ESTABLISHED FARMERS.

A SIMILAR ASSESSMENT COMES FROM NORTH DAKOTA: "LANDOWNERS HAVE AN INDUCEMENT TO SELL TO YOUNG FARMERS, SAID DEPUTY COMMISSIONER OF AGRICULTURE BOB AMSTROP. "I KNOW IT HAS BEEN EFFECTIVE, ESPECIALLY FOR PEOPLE WHO ARE GOING OUT OF THE BUSINESS OF FARMING AND HAVE NO SONS OR SONS-IN-LAW" TO TAKE OVER THEIR FARMS.

SO, THE MONTANA AGRICULTURAL LOAN AUTHORITY WOULD INCORPORATE TWO MUTUALLY-COMPLEMENTARY TECHNIQUES FOR HELPING BEGINNING FARMERS AND RANCHERS TO GET STARTED, BOTH OF WHICH HAVE PROVEN SUCCESSFUL IN OTHER STATES.

QUALIFIED BEGINNING FARMERS AND RANCHERS -- THOSE WHO HAVE THE PROPER BACKGROUND AND TRAINING -- ARE THE PEOPLE ON WHOM THE FUTURE OF MONTANA'S AGRICULTURE DEPENDS. WHEN THE CURRENT AGRICULTURAL DEPRESSION ENDS, IT WILL

BE THE YOUNG PEOPLE WITH THE FORESIGHT TO HAVE BUILT VIABLE FARM AND RANCH OPERATIONS WHO WILL BE THE PRODUCTIVE GENERATION WHEN THE STATE'S CURRENTLY-ESTABLISHED FARMERS RETIRE.

IF WE DO NOT PROVIDE WAYS THOROUGH WHICH QUALIFIED BEGINNING FARMERS AND RANCHERS CAN SUCCESSFULLY GET STARTED, WE STAND IN DANGER OF SEEING OUR AGRICULTURAL LAND ACQUIRED BY LARGE, NONAGRICULTURAL CORPORATIONS. THESE ENTITIES USUALLY DO NOT SUPPORT LOCAL COMMUNITIES AND BUSINESSES UPON WHICH THE ECONOMY AND VITALITY OF THE STATE DEPENDS, AND THEY OFTEN ABUSE THE LAND, RATHER THAN PRACTICING GOOD CONSERVATION TECHNIQUES.

WITH TODAY'S TREMENDOUS STARTUP COSTS AND HIGH INTEREST RATES, IT IS VERY DIFFICULT FOR YOUNG PEOPLE TO GET STARTED IN AGRICULTURE WITHOUT ASSISTANCE FROM PROGRAMS SUCH AS THAT WHICH WOULD BE CREATED BY SENATE BILL 316.

IN THE PAST TWO SESSIONS OF THE MONTANA LEGISLATURE, SENATOR TOWE HAS INTRODUCED GOOD BILLS TO HELP BEGINNING FARMERS AND RANCHERS GET STARTED. THEY FAILED TO PASS, BUT BY VERY NARROW MARGINS.

THIS YEAR, SENATOR TOWE HAS COME UP WITH AN EVEN BETTER BILL. IT IS BASED ON PROGRAMS THAT HAVE WORKED IN OTHER STATES, AND IT WILL WORK IN MONTANA.

WE URGE YOU TO APPROVE SENATE BILL 316 FOR THE GOOD OF MONTANA, FOR THE GOOD OF ITS AGRICULTURE AND THE GOOD OF ITS YOUNG PEOPLE.

IF MEMBERS OF THE COMMITTEE WOULD LIKE ADDITIONAL INFORMATION ABOUT

COMMUNICATING FOR AGRICULTURE, IT CAN BE FOUND IN THE BOOKLET, WORKING FOR
RURAL AMERICA, A COPY OF WHICH ACCOMPANIES EACH OF THE WRITTEN TESTIMONIES.

THANK YOU FOR THIS OPPORTUNITY.



Fergus Falls, Minn. 56537

Highlights

Vol. 6, No. 11

Communicating for People in Agriculture and Agribusiness

February, 1983



1983 national survey

1983 national survey

1983 national survey

1983 national survey

1983 national survey

This is the annual Communicating for Agriculture (CA) National Membership Survey.

Each year CA conducts a survey of members throughout the United States on the issues you have identified as important to rural Americans.

CA is a national organization not divided by region or state boundaries. This gives all members the opportunity to speak as one united voice. CA believes all members -- not only those who find time to attend meetings and/or those who are gifted at speaking in front of crowds -- should have the opportunity to have input into their organization. CA provides this opportunity through its survey system which allows members to discuss issues with their families in the privacy of their homes.

When CA receives your completed survey, its staff begins contacting lawmakers and helping to draft legislation consistent with your views based on this national survey and on other surveys conducted throughout the year. CA surveys are respected by elected officials because they represent the voice of the people back home.

Please take a few minutes of your time to complete this important survey.

REPLY REQUESTED BY
DECEMBER 10, 1982

turn to next page

Results reported

CA bases its activities on input from its members, received primarily through a unique, computerized survey system in which all members are polled regularly. The organization's most ambitious opinion-polling

project of each year is the CA National Survey, in which every member has opportunity to participate. This issue contains an article on what members said in the 1983 edition of the CA National Survey.

Opinion

Education and rural community development

(Editor's Note: This is the third in a series of articles explaining Communicating for Agriculture's recommended policy statements for local school boards, based on CA's position paper on rural education.)

Communicating for Agriculture recommends that school boards in rural areas adopt the following policy statement: That teachers in all subject areas identify and sponsor Community Youth Leadership projects.

There are at least two parts to this policy: 1) that youth be given leadership training; and 2) that they be given the opportunities to use the leadership skills on community projects.

Students who stay in their communities often have multiple leadership roles as adults — in churches, civic groups, local government bodies, farm organizations, and local cooperatives. Leadership training is thus a necessary prerequisite to successful living in a small community. Some of the leadership education can take place in the classroom and some can be designed around leadership projects in the community.

Leadership, like love, is learned. Leadership education includes lessons in responsibility, self management, decision making, and cooperation in addition to knowing how to work with and motivate others.

Leaders learn how to effectively assume personal and group responsibility, set goals and achieve them, make rational decisions and solicit cooperation from others as well as to know when and how to cooperate with others.

In addition leaders must learn when to work on tasks and when to work on relationships and when to delegate, participate, tell and sell.

Finally, leadership involves identifying the areas of autonomy for the group and the areas that need leader direction.

The content for learning about leadership is briefly listed above. A place to practice leadership is in the community, we are suggesting two as models that may be duplicated. (The following examples are but two examples among many of the leadership projects that can be entrusted to teenage leadership in almost every community).

Community Spirit Week

Purpose: To reinforce community pride. (and also have a lot of fun)

Duration: One full week — 7 days.

Committees: Publicity, Activities, Finances, Contests, Special Events, Celebrities and Hospitality, Historical.

Publicity: Made up of students and adults to arrange for local, regional and national news coverage, which can include pre-week publicity, writing stories, covering the week's activities and providing follow-up news coverage.

Activities: Made up of students and adults to brainstorm week-long activities of the fun variety. For example all students and available adults will assemble on the athletic field ordered in the shape of letters which spell the name of the town for an aerial photograph. The photographs depict the people patchwork of the community and can be sold to raise money for a worthy community project. These activities can be scheduled at any time during the day or evening.

Finance: Made up of students and adults, this group would receive requests for funds and would negotiate with other groups (i.e. activities) to handle the financial aspects of their activities. This committee would deal with all money matters.

Contests: Made up of students and adults, this group would brainstorm possible contests to be held in the community and the school i.e. contests such as pie eating, football throw, winter golf, foul shoot, seek and find, spelling bee, foreign language bee, ping pong, bake off, crossword puzzle, typing, knowledge bowl, chess, checkers, marathon, talent show, spirit speech, worst joke competition, most publicity competition, bubble gum blowing and so forth. Other contests need a little more explanation, which follows:

(Groups for contest competition can be formed from advisory or homeroom groups of students and their parents).

Time Capsule Competition

Each advisory group will determine what items will best describe our society in a time capsule to be opened in the year 3000. Entries will be judged by a team of four parents. The top entries will win points.

Decorate a Store Window

Groups can compete to decorate a downtown store window with some aspect of their school. Specific topics for each group can be drawn from a hat (science, basketball, facilities, etc.) Windows can be judged by a team of downtown businessmen.

Poster Contest

Each group can submit one poster 30" x 40" which shows school or community spirit. Entries will be judged by a team of housewives.

Design a Logo

Each group can design a new school or community logo. Entries to be judged by four members of the local ministerial association.

School Motto

Each group can suggest a school or community motto. Entries to be judged by four members of the local ministerial association.

Name the

Choose the nearest lake, stream, highway, park, etc., and have each group rename them. Entries to be judged by a team made up of the mayor and two members of the city council.

Continued on Page 9

President's comments

By N. Rollie Lake
CA President



At long last, the present administration has come to realize that there is a farm crisis in rural America.

Ever since the 1980 grain embargo, rural America has been on a long slide, downward, downward to today's present crisis situation. It makes no difference who is responsible for today's rural crisis. What does matter is that we not only stop the downward movement, but also return rural America to a profitable level.

The present administration announced the "payment in kind" program on Tuesday, Jan. 11, 1983, in Dallas, Texas, during the President's address to the American Farm Bureau Federation. Rumors had been out for weeks that the administration was going to bring back the much-tried "payment in kind" program of the thirties and sixties. It worked then and it can work now.

The President said, "because these are unusual and critical times in rural America, we don't have time to stand around chewing our cud.... Help is on the way."

Help is on the way, finally! It may be too late for some, but it is certain to help those who aren't already completely done in. Call it what you may — "crop swap" or "giving of free grain" or "bartering of acres for grains" — the "payment in kind" (PIK) will bring the help necessary to reverse the present trend in rural America.

PIK can be the best thing for rural America since the REA. Never have so many been fed by so few at such a low cost. Even if the PIK program does raise the price of bread by one or two cents a loaf, all of America will benefit from the good turn for rural America. It is time to empty the bins of government grain and put production and marketing back in the hands of those who best know how — American farmers and rural businessmen.

PIK may not be so great for agribusiness this year, but down the road a year from now, everybody will benefit. It has to be obvious to all if the economy in rural America doesn't get healthier soon, it won't make any difference either way for us. Let's face it, and let's not fool anybody: Until prices in rural America go up, we'll all be hurting.

At the same time, we have to let the world know that we are not going to stand idly by and let the rest of the world take over our markets. It is now time to get production in line with world consumption.

The President's announcement is a positive sign that something is going to be done about the plight of rural America. It is now up to those of us out in rural America to make the PIK program work — work for all of rural America.

CA Highlights

CA Highlights is published monthly by Communicating for Agriculture for the benefit of its members. CA was incorporated in 1972 under Provision 317, known as the Minnesota Non-profit Corporation Act. CA's purpose is to promote the health, well-being and advancement of people in agriculture and agribusiness. A list of CA's objectives and goals is available at CA's business office.

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Jerry Barney, Editor

Mary Hauser, Associate Editor

Subscriptions included in membership fee.
Subscriptions to non-members \$6 a year.

Members direct CA farm policy involvement in National Survey

CA should be involved in the making of farm policies, according to 73.5 percent of the members who answered its 1983 National Survey.

However, most of the respondents stress, CA's involvement in the making of farm policies should be specifically in areas consistent with its seven member-approved resolutions.

"Only in the area of saving the family-sized farm," said a member from Anthony, Kansas.

A Winterset, Iowa, member said CA should be working for policies to help "small farmers compete with large corporations."

The organization should work for policies "consistent with sound soil and water conservatin practices, so that future generations can enjoy bountiful supplies of rich soil and pure water, according to a Genoa, Colo. resident.

CA should support policies "as concerns inheritance laws, tax credits and tax deductions, also as concerns the environmental protection of our own precious soil and the funding of programs to promote such protection," stressed a respondent from Huntsville, Tenn.

It was noted in the survey that when CA was founded in 1972, it was decided that the organization should concentrate on certain family farm concerns, and not become involved in pricing or commodity issues. "These issues receive sufficient attention from other farm and commodity organizations," the survey said. "However, there are other farm policy issues which may justify CA's attention."

The preface to the policies question continued that, "During its 10-year history, CA has gained national recognition with its work with its member-approved resolutions," and added that periodically, members should have the opportunity to re-evaluate.

Although a few of the respondents expressed interest in their comments in CA involvement in pricing issues, the majority listed specific issues with which CA is currently involved.

"CA's role is best manifested by low-key support of the programs they have promoted in the past," according to a Curtis, Nebraskan. An Aztec, New Mexican, agreed. "CA should continue lobbying on farm policies and issues," said a Cylo, Georgian. "Let legislators and government officials know what family farmers want," added a Shenendoah, Iowan.

Communicating for Agriculture bases its legislative activities on its resolutions, which are approved by its members at annul meetings. The resolutions are originally formulated as the result of input received through

"As long as CA's ultimate goal is to improve and enhance the agricultural community's standing, all efforts directed toward this are worthwhile."

its computerized survey system, which is a primary tool of communication for the organization.

In each of its annual National Membership Surveys, CA lists its resolutions so they can be ranked according to priority. This is done so the Communicating for Agriculture staff can best allocate its time in conformance with membership wishes when working at the state and national legislative levels.

This year's top three resolutions—providing better opportunities for young people to get started in farming, restricting farmland sales from purchase by non-U.S. residents, non-agricultural corporations and other entities; and reforming estate, inheritance and capital gains tax systems—in that order—were the same as those chosen in last year's survey.

The beginning farmer (and rancher) issue has consistently received much emphasis from CA members and has consequently been heavily stressed in the organization's legislative work.

CA has helped get beginning farmer-rancher legislation passed in several states and has worked successfully for complimentary legislation at the national level; has become known as a national resource organization in this area; and sponsored in December a National Conference on



SURVEY RESULTS are analyzed through CA's computer system by CA staffers Pat Jamps and Craig Schmuck.

Agricultural Finance Programs, in which leaders of beginning farmer-oriented programs were key participants.

"We need young farmers in order to have agriculture at all," said a Tucumcari, New Mexico, respondent.

"Develop young farmer financial assistance programs to help young men get a start in farming," said a Baltic, S.D., person who answered the survey.

"Efforts should be made to help young farmers get started," according to a Manawa, Wisconsinite.

"The entry of young people in farming and agribusiness is rough at the present time," stated a Dumas, Mo., member. "It is really discouraging to the young people who want to begin in the field of agriculture. Agriculture is the backbone of our economy. We need to establish a financial program that will benefit our young farmers."

Some of the comments made in the survey drew parallels between the need to provide better opportunities for young people to get started in farming and restricting farmland sales from purchases by non-U.S. residents and non-agricultural corporations.

For example, a Bloomfield, Nebraskan said, "I believe the young people starting farming need all the help they can get. The one thing they don't need is to have to compete against large corporations buying up the land."

A Chelsea, Iowan agreed, saying, "If large, nonagricultural and foreign investors buy land, many times for a tax break, this drives prices out of reach for a young person wanting to buy the land to make a living."

A Johnstown, Neb. couple submitted the joint comment, "Between restricting farmland sales and providing better opportunities (for beginning farmers and ranchers), it is really a toss-up, but by restricting farm sales to nonagricultural businesses, it should bring down or at least hold farm and ranch land prices where they are now, which in the long run will make it easier for younger people to get a start."

Other comments deal more specifically with the non-resident foreign and nonagricultural investor problem:

"I feel we need legislation that will prevent sale of land to non-resident and non-agricultural parties.... We have seen this problem on a large scale. For example, foreign investors, Canadians in particular, are buying and breaking grasslands in very large tracts with no soil conservation techniques in mind, then try to sell it at farmland prices, and at the same time, our government is asking us farmers to cut back 15-20 percent. It just doesn't add up. In the case of farmland, many foreigners can buy 1½-2 acres at the price of one in their own country. In this area, they are setting prices local farmers cannot compete with." (Lindon, Colo.)

Survey results endorse CA resolutions

Continued from Page 3

"Some states have laws against sale of land to foreign investors. More help and guidance should be given to states to make and enforce such legislation." (Holyoke, Colo.)

"We are most concerned about the purchase of land by non-farmers." (Corinth, Miss.)

"I believe that if we keep the land in the hands of our farmers instead of outside interests, that will solve some of the other areas." (Daykin, Neb.).

Here are some of the comments that deal with estate, inheritance and capital gains tax reform:

"I think that reforming inheritance tax systems is very important. It is very hard to inherit a farm or ranch after it is passed to you. You end up selling some just to keep the rest." (Manhattan, Mont.)

"There has been a lot of progress in reforming tax systems, but there needs to be more. One thing we feel is very unjust is the special use valuation on land appraised for inheritance tax...We are faced with the possibility of selling our land in order to pay the tax, simply because the market value is so inflated and a cattle ranch cannot generate the money to pay for the tax on such appraisal." (Branson, Colo.)

"Too many family farms are being dissolved because of poor estate taxes. Women and children on these farms work very hard but are not considered owners when the head of the house dies." (New Underwood, S.D.)

Ranked number four among CA's legislative priorities this year is its newest one, supporting greater efforts to conserve America's soil and agricultural land. This particular resolution was drawn up because many members, in last year's national survey, expressed great concern about it. It was approved by members at the 1982 CA Annual Meeting. Some comments:

"Without good topsoil to grow our crops, farmland will be of small significance to us." (Protivin, Iowa).

"I feel it is very important to conserve the land and soil so that we can have the best of farms and ranches." (Mullen, Neb.)

"We are allowing our so-called best farmers to rape the soil in any way possible in the name of yield. We need some education along these lines." (McKenzie, N.D.)

"I believe our greatest concern besides trying to save the family farm is to conserve our agricultural land. Our soils are being washed away, blown

"All of the seven resolutions are very important to agriculture today."

away and over-fertilized. We are slowly losing our topsoil and contaminating our underground water supplies." (Richardton, N.D.)

CA's other three resolutions—preserving quality education in rural schools; supporting private sector health care and insurance systems which best serve rural America, with a minimum of government interference; and preserving and improving rural transportation systems—also received strong support in the survey. (Actually, all seven resolutions were ranked quite closely.)

"I believe there is a real need in the health care and insurance area. Some people don't qualify for any kind of health insurance. There should be some way they can have health insurance even if they have to pay higher rates or something. If we don't take care of these people as well as all of the others, socialized medical insurance isn't too far away." (Stapleton, Neb.)

"Help remove cost shifting in health care insurance, so as to make premium rates more equitable, thus making health insurance available to more people." (Palm Desert, Calif.)

"We must always find ways to cut expensive insurance and health care." (Polo, Ill.)

Some comments on rural education:

"If we are to keep young families on the farm, we have to have local schools. The State of Kansas has embarked on a program to close all small schools. Many children are forced to ride buses 100 miles or more every day on dirt and gravel roads. We have seen a mass exodus of farm families

CA 1983 national survey

FARM POLICIES	LEGISLATIVE PRIORITIES
<p>In this section CA is seeking guidance from its members on the direction of its program in farm policies.</p> <p>When CA adopted in 1972 a resolution on the right of farmers to decide whether or not to sell, lease, or otherwise dispose of their land, it was the first time a national organization had taken such a position. Since then, the issue has become a major concern of farmers and the public alike. CA is now asking you to help us decide whether or not to continue to support this position, and if so, in what way.</p> <p>Should CA be asked to support the right of farmers to decide whether or not to sell, lease, or otherwise dispose of their land?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If yes, in what way? <i>By helping all sorts of government, state, local, and federal agencies to get things accomplished.</i></p>	<p>CA expects its legislative program to be the most important part of its program. It is asking you to help us decide whether or not to continue to support this position, and if so, in what way.</p> <p>Should CA be asked to support the right of farmers to decide whether or not to sell, lease, or otherwise dispose of their land?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If yes, in what way? <i>By helping all sorts of government, state, local, and federal agencies to get things accomplished.</i></p>
<p>As an organization CA expects its members to be active in the legislative process. It is asking you to help us decide whether or not to continue to support this position, and if so, in what way.</p> <p>Should CA be asked to support the right of farmers to decide whether or not to sell, lease, or otherwise dispose of their land?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If yes, in what way? <i>By helping all sorts of government, state, local, and federal agencies to get things accomplished.</i></p>	<p>CA expects its legislative program to be the most important part of its program. It is asking you to help us decide whether or not to continue to support this position, and if so, in what way.</p> <p>Should CA be asked to support the right of farmers to decide whether or not to sell, lease, or otherwise dispose of their land?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If yes, in what way? <i>By helping all sorts of government, state, local, and federal agencies to get things accomplished.</i></p>

to other states, or to larger towns, because of the school situation. (Kantorado, Kansas).

"I think rural schools should be saved. There are great distances between towns in some western states." (Bassett, Neb.)

"I feel rural education can most effectively be improved by the efforts of local persons. Perhaps CA goals should be to increase local awareness of this potential and the possibilities for change of programs available." (Huntsville, Tenn.)

Some comments on rural transportation:

"With all the concern for the nation's highways, it is about time that the railroads were utilized to carry much more of the heavy freight. Encourage them to modernize their track instead of tearing it out." (Iowa Falls, Iowa).

"We need to preserve roads and make sure our road taxes are spent for the purposes for which they are devised." (Summer, Iowa).

Many respondents made comments endorsing all of the resolutions. For example, a Sterling, Colo. member remarked, "All of the seven resolutions are very important to agriculture today." A Lexington, Nebraskan agreed: "These are all very important goals and not easily ranked, as each influences another. I believe as long as CA's ultimate goal is to improve and enhance the agricultural community's standing all efforts directed toward this are worthwhile." (There were many similar comments).

Another section of the survey was devoted to possible informational services in which CA could potentially be involved. Listed were seven areas, and respondents were asked to rank each of those areas on a scale from one to 10, with one meaning "not important," and 10 meaning "very important."

Income tax information ranked highest, with average score of 7.26. Financial planning strategies rated a close second, with a 7.24 average.

Others, listed with their ranking, were energy efficiency (7.07) federal programs and regulations (6.41), soil conservation techniques (6.31), agricultural diversification (5.96), and computers and data processing (5.25).

5.5 percent of the respondents said they presently own a computer.

Other miscellaneous comments received in the survey:

"The family farm is the history and base of America." (Winterset, Iowa).

"The biggest is not always the only way to farm." (Ossian, Iowa).

"The public needs to know the desperate situation farmers are in today, and they need to know that when the agricultural community suffers, the whole economic system will suffer." (Sargent, Neb.)

CA surveys all of its members once each year in its National Membership Survey and also polls many members often, in specialized state surveys.

"The survey system is the best way to get the members to (voice) their views and feelings," said an Osage, Iowa member. "Continue to get suggestions from your members," said an Akron, Colorado member.

"Keep up the good work," said a Polo, Mo., member.

Social Security tax hike for self-employed persons seen as harmful to rural America

The Social Security rescue recommendation which calls for self-employed persons to pay a higher tax would hurt rural America, CA maintains.

Communicating for Agriculture has endorsed nine of the 10 points designed to restore the Social Security system to financial solvency, proposed by a bipartisan presidential commission. However, CA plans to work against the remaining plank, which would raise the taxes of self-employed persons from 9.35 percent to 14 percent.

Spokesman for CA point out that a large percentage of the nation's self-employed are farmers, ranchers and rural small business people, and stress that a significant hike in

Social Security taxes for them would aggravate the current agricultural economic crisis.

"Right now, farmers, ranchers and small business people don't need any added expenses," said CA President Rollie Lake. "I think it would be quite a blow if we added another 4½ percent on their costs."

Both President Reagan and House Speaker Thomas "Tip" O'Neill have endorsed the National Commission on Social Security Reform's proposal to solve the pension plan's financial problems. The proposal calls for several measures, including a six-month delay in cost-of-living increases to beneficiaries and a mandatory inclusion in the

system of federal workers hired in 1984 or later.

"CA supports the proposals, except changing the rates for the self-employed, which include family farmers," said Lake.

CA Finance Director Pete Risbrudt says that an average farmer with a net farm income of \$20,000 per year would pay an additional \$650 in taxes annually if the proposal on self-employed persons is adopted.

Milt Smedsrud, CA Board of Directors chairman and chief executive officer, plans to present the organization's position in testimony before the House Ways and Means Committee in early February.

1983 Federal Crop Insurance includes several CA-recommended improvements

Several CA recommendations for upgrading the Federal Crop Insurance Program have been adopted, and will go into effect for the 1983 crop year.

The CA-proposed changes involve yield records and premiums, claim service, accessibility, farmer and agent education and administration.

The changes were proposed by CA Vice President Pete Risbrudt and CA Director Cliff Ouse in testimony at a May 21 U.S. Senate Agriculture Committee Agricultural Production, Marketing and Stabilization of Prices Subcommittee hearing.

Risbrudt presented his testimony in his capacity as chief executive officer of CA Member Service Corp., a fully-owned subsidiary of CA which serves as a master marketer of Federal Crop Insurance. Ouse helped design the revised Federal Crop Insurance program when he was serving in the U.S. Department of Agriculture under Secretary Bob Bergland.

"In our testimony, we approached five prime areas, to help increase farmer participation in the program," Risbrudt recalled.

CA's aim in proposing the alterations, he

noted, was to provide adequate insurance coverage per acre. "FCIC has made legitimate effort to improve the program in this area," he said. "They've improved the individual yield coverage program. Farmers can now prove their yields through ASCS, based on a minimum of three year's experience."

"The yield has to be proven for 10 years under the individual yield coverage (IYC) program," he explained. "However, you can enter the IYC program by proving a minimum of three years. For those years that you can prove your yields, those yields will be compared with the USDA Statistical Reporting Service records for your county. The percentage of your proven yields over your county average will be applied to the FCIC acreage production guarantees, to complete your 10-year requirement. You report the yields to the ASCS office for certification."

Risbrudt said the main benefit of the new IYC program is that farmers with Federal Crop Insurance can increase their insurance coverage by proving their yields without increasing their premiums.

He also noted that FCIC has improved its claim service, and as a further safeguard to the system, is asking all insured farmers to report losses by no later than 15



PETE RISBRUDT: "The improvements...should assist in providing greater farmer participation."

days prior to harvest.

Risbrudt said that accessibility has also been improved, as the result of added manpower. "In 1982, FCIC reported that over 20,000 agents were contracted to

market the program," he said.

In the area of farmer and agent education, he continued, "FCIC is going to great lengths to make all farmers aware of the Federal Crop Insurance program, and to inform them that there is no more Disaster Program. FCIC is devoting a great deal of time to educating agents about the programs, benefits, premiums, claims and reporting methods. This agent education program includes a requirement for each agent to satisfactorily complete a certification program."

Risbrudt also cited improvements in FCIC administration of the program. "Although there are still improvements to be made, and we are confident they will be made, FCIC is making a determined effort to smooth administrative procedures, making it easier for farmers and agents," he said.

Summarizing the changes, he said, "We are happy to see that FCIC seriously considers input from the people with whom it deals."

"Federal Crop Insurance will not be considered a success until it protects a large percentage of the farming sector," he said. "The improvements mentioned above should assist in providing greater farmer participation."

New 'family farm resolution' to be proposed at annual meet

A generalized "family farm resolution" will be proposed for membership approval at the 1983 CA Annual meeting, scheduled for March 15 in Fergus Falls, Minn.

The decision to propose the resolution (not yet formulated at this writing) was made at the recent meeting of the CA Board of Directors.

The resolution will reflect CA's family farm-based philosophy, and is slated to be sufficiently flexible so that sub-resolutions can be added as needed, to provide the organization with authorization to become active in various areas which affect family farms, ranches and small businesses.

The decision is an outgrowth of the results of the 1983 CA National Membership Survey (reported in a separate article in this issue), in which some of the respondents indicated their feelings that Communicating for Agriculture should be involved in areas not currently covered by its current seven resolutions.

Although a majority of the responding members indicated

their feelings that CA's involvement in farm policy matters should be primarily consistent with current resolutions, it was felt by the Board that some members are concerned about other areas, in numbers significant enough to justify the new resolution.

CA's current seven member-approved resolutions involve specific areas: providing better opportunities for young people to get started in farming and ranching; restricting agricultural land sales from purchase by non-U.S. residents, non-agricultural corporations and similar entities; reforming estate, inheritance and capital gains tax systems; supporting greater efforts to conserve America's agricultural land; supporting private sector health care and insurance systems which best serve rural America; preserving quality education in rural schools; and preserving and improving rural transportation systems.

The new, general family farm resolution, if approved by a majority of members, will be reviewed annually, so it can constantly reflect other issues that are of concern to the family farm.

CA Board members also decided at their meeting to limit the resolutions to a manageable number, so as to insure effectiveness in areas of primary concern.

In other action, the CA Board decided that Communicating for Agriculture delegates should be appointed from various regions in the United States, so that adequate geographic representation can be achieved at all annual meetings.

Also at the meeting, it was decided that:

— Coalition involvement with other organizations in order to achieve specific goals should be determined by the CA Board and staff in a matter consistent with member-approved resolutions;

— The "Put Rural Back Into Rural Education" Project, currently underway, should continue to receive high priority, with adequate funding; and

— The CA survey system should continue to be expanded.

Much interest shown in agricultural loans

In the aftermath of the successful Communicating for Agriculture-sponsored National Conference on Agricultural Finance Programs and its coverage in the media, CA has received an overwhelming number of inquiries on industrial development bond-based agricultural loans.

"Based on the number of letters and phone calls we have received, it is clear there is a tremendous need for programs which help qualified beginning farmers and ranchers to get established in agriculture," said CA Vice President William B. Adams, who organized the conference.

The inquiries are from all parts of the United States and involve a variety of situations, and mostly pose the question, "What is there in my state that can help me?"

CA is currently attempting to respond to the inquiries with the most complete information available, and is continuing its work on behalf of appropriate programs which truly meet the needs of qualified beginning farmers, ranchers and agribusiness people through bonds and other means.

Here is a summary of developments which have recently taken place in different states in connection with such programs:

IOWA

Progress continues through the Iowa Family Farm Development Authority and the Iowa Small Business Loan Program, as well as a new conservation loan program. All are described in separate articles in this issue.

NEBRASKA

Five new direct loans, totaling \$222,575, were approved through the Nebraska Agricultural Development Corporation at its recent monthly meeting.

Now in its fourth month of operation, the Corporation has to date approved 37 loans, for \$2,413,540.

ILLINOIS

First loans have been made through the Illinois Farm Development Program. "We've approved 45 loans for a little over \$1 1/2 million through our single bond program," Assistant Director Ron Bailey told CA. "Sixty to 65 percent of the loans are for machinery and equipment." The remainder, he explained, are real estate loans, on which there is a \$100,000 maximum.

"Nine of the loans have been closed, for \$250,000," Bailey continued, adding that additional loan applications will be reviewed on the second Tuesday of each month.

OKLAHOMA

Private loan activities which are authorized through the Oklahoma Development Authority Agricultural Development Program have been resumed, and 137 loan applications, for a total of \$35 million, have been declared eligible. However, bond underwriter David Ritchie explained, only \$25 million has been made available for loans through the program, and about 80 to 90 percent of the loan applications are expected to be funded. Between 50 and 60 percent of the loans were closed at press time, Ritchie told CA.

While the largest loan is for \$892,000 and

the smallest is for \$10,000, most of them are in the \$50,000-\$60,000 range. Ritchie said, adding that the majority of them are for agricultural improvements. "Lots of barns and grain bins," he said.

The Oklahoma agricultural loan program was one of the first to get underway through the use of tax-free industrial development bonds, and did so in 1980. However, it was stalled after one aggregate issue because of the same uncertainties concerning federal restrictions which caused several other state programs to be inoperable until they cleared up in the 1982 U.S. Tax Bill.

With the resumption, the Oklahoma program has made its second aggregate issue. Fourteen banks are participating, according to Ritchie.

ALABAMA

The Alabama Agricultural Development Loan Authority, which also originally got underway in 1980 and then was stalled, took steps toward the resumption of operations by approving \$6 million in bonds for 6- and 10-year loans. Between 40 and 50 loans are expected to be funded.

The loans applications are "split pretty even between depreciable property and land," according to Charles Barnes, general counsel for the Alabama Department of Agriculture and Industries. Agricultural loan bond issues are not scheduled to be made on a regular month-to-month basis, in the manner of some states, but, said Barnes, "If we have to have issues every three to six months, we'll do it."

NORTH DAKOTA

The North Dakota Industrial Commission's state aggregate bond-based agricultural loan program appeared at press time to be on the verge of becoming operational. Deadline for loan applicants was Jan. 28, and participating bankers were expected to begin making loans (which can be used for land, depreciable equipment, buildings and livestock, but not debt refinancing) within days after the deadline. Agriculture Commissioner Kent Jones said farmer-rancher interest in the agri-bond issue "...has been overwhelming, to the extent that I have had to assign three people in the office just to answer producers' questions on this project." He added that participating bankers are also available to answer questions about the program.

Jones said farmers or ranchers applying for agri-bond loans are asked to pay a 1 percent commitment fee "to guarantee that the loan request is serious and the individual actually wants and needs the money."

Bonds for agricultural loans are scheduled to be issued "not necessarily monthly but as often as needed."

MISSOURI

First loans through the Missouri Agriculture and Small Business Development Authority are expected to be made in April, May or June, according to Director Bill Waddell.

MICHIGAN

Don Schaner has been appointed director of the Michigan Family Farm Develop-

ment Authority, and proposed administrative rules for the bond-based agricultural loan program are currently awaiting approval from the legislature. Schaner said the loans will be made on a one-to-one basis, and first loans may be made as early as March.

Named to the Authority's Board of Directors to serve along with Schaner and other state officials are farmers Richard Trepanier of Iron Mountain, William M. White of Jones and Harold J. Thome of Comstock Park, and banker Elmer "Pete" Simon of Frankenmuth. CA is contacting the newly-appointed directors, urging them to orient the policies of their program toward qualified beginning farmers.

VIRGINIA

Applications are being accepted for bond-based loans through the Virginia Agricultural Development Authority. Director James Kee said it is hoped the loans can be made in late April. "We've got a lot of interest," Key said.

KANSAS

A private firm, Ranson and Company, planning to issue aggregate bonds for agricultural loans, under authorization an existing state law. The program described as being in its "format stages," is designed to be similar to that Oklahoma. Bob Knight of the Ranson firm said loans could be made by early spring.

Loan plan for beginning farmers slated in Montana

A bill to help qualified people to more easily obtain startup loans to get started in farming and ranching was at press time scheduled for introduction in the recently-opened 1983 session of the Montana legislature.

Sen. Tom Towe, who sponsored similar measures in the past two sessions, says he plans to work on behalf of a similar one this year.

Towe says he is seriously considering modeling his legislation after that which created the successful Family Farm Development Authority in Iowa, through which participating financial institutions make loans to applicants with net worths of \$100,000 or less with funds from the sale of tax-exempt industrial revenue bonds.

He said he also wants to include a clause which would provide tax exemptions to persons who sell agricultural land to qualified beginning farmers or ranchers.

Towe's bill was passed by the Montana Senate in its last session, but was defeated by two votes in the House. He said he feels chances for its passage in both chambers are improved this year.

CA strongly supported the measures in the



SEN. TOM TOWE

1979 and 1981 legislative sessions, personally testified for them, and fully intend to back this year's plan. Several Montana CA enrollers, including those with the K Shepherd Agency of Bozeman, said they look forward to working on behalf of legislation.

Iowa farm ownership data released

Iowa Agriculture Secretary Robert H. Lounsberry has released some year-end figures showing who owns and operates Iowa farm land.

"Iowa agriculture is experiencing the recession with lower family income and lower land value. However, the continuation of the family farm and the prominence of agriculture has some basic strengths," Lounsberry said.

The agriculture secretary said that 46.5 percent of the Iowa farmers are owners of their land, many of these are part-time operators as this group controls 29 percent of the land. The bulk of Iowa farm land (51.1 percent) is operated by farmers owning part of the operation and renting additional land. This land is operated by 31.3

percent of the Iowa farmers. Tena farmers make up only 22.2 percent of the state's farmers and operate 20.9 percent of the land.

Lounsberry added that Iowa will begin 1983 with 117,000 farms with 33.8 million acres in farms and the average size farm is 289 acres.

The peak number of farms in Iowa was 1934 where there were 223,000 farms. The most acres farmed was in 1945 when million acres were in production for the war effort.

Lounsberry added that according to the USDA, 2.4 percent of farm operators in Iowa are women.

Iowa ag secretary lauds beginning farmer program; discusses other rural concerns

The Iowa Family Farm Development Authority will continue its success, Iowa Agriculture Secretary Robert H. Lounsberry predicts.

In an in-person interview with CA Iowa Director Janet Kinney of Alden, the secretary talked about the Authority and other state agricultural concerns.

The Authority, which authorizes participating financial institutions to make loans to qualified beginning farmers on a one-to-one basis with funds generated from the sale of tax-exempt bonds, has "got a full head of steam," and will continue to be "meaningful" in "developing the family farm," Lounsberry said.

To date, the Authority has approved 212 loans, and has closed bond documents for 133 of them. In cash totals, \$13,744, 247.95 worth of loan applications have been approved, and bond documents have been closed for \$7,125,240.48 worth.

"When the Family Farm Development Authority was created (in 1980) by act of the legislature, it was at a time when interest rates were so high that the Farmers Home Administration decided they would not guarantee the bonds," Lounsberry recalled. "So at the time, the bond market was so soft, we had difficulty getting them sold on the market."

With CA assistance, the program was redesigned with its one-to-one approach, and became operable in late 1981.

"Now, we are moving ahead," noted Lounsberry. Latest transactions were handled at the Authority's January meeting, 15 loans were approved, for a total of \$1,156,135. "I'm pleased we've made as many loans as we have," the secretary said.

Lounsberry agreed that the program's \$100,000 net worth limitation makes it more oriented toward helping people who really need the assistance to get started in farming. "It really lends itself to encouraging those who do not have access to credit," he said. "It gives them a chance to get a start."

"I think," he continued, "with the current guidelines, and (Director) Bill Greiner working with the Housing Authority, and the makeup of the Board, they are really going to move ahead and increase the tempo and make accomplishments in the future."

Turning to other areas of concern, Lounsberry says he feels soil conservation "certainly is" a high priority. "If we aren't able to conserve that very valuable asset, we'll be a long-term loser," he said.

Agreeing that the State of Iowa is maintaining educational



IOWA AGRICULTURE SECRETARY Robert H. Lounsberry, and CA Iowa Director Janet Kinney.

opportunities in rural areas equal to those in urban areas, he said. "I think we will see more of it. We actually have that as a goal in the Department of Agriculture, through all agencies of government and commodity groups."

Citing the annual Department of Agriculture-sponsored Iowa Agricultural Youth Institute, Lounsberry explained, "It started three years ago. The idea is to offer opportunities for young people who are juniors and seniors in high school, selected by a screening committee, to share the ideas of today."

"This year," he continued, "it's set for July 25 through 28 (at Iowa State Center in Ames). We've had some outstanding speakers." Topics this year, he noted, include careers, finance, animal rights, women in agriculture and nutrition in agriculture. Participants "break up into small panel

discussions" and "have opportunity to ask questions of the speakers," he pointed out.

"In Iowa, with agriculture being responsible for eight out of every 10 jobs, we feel it's very important for young leaders trying to extend their skills for the future of the state," he said.

Lounsberry says he is supportive of the International Agricultural Exchange Association, through which young adults from 18 nations have opportunity to learn about the agriculture and general culture of other countries while living and working with host families in those countries. CA is currently in process of introducing the program in Iowa, with initial concentration in the Mason City area.

"I think it does fill a need," he said. "Those of us who have had opportunity to host some of those exchanges have gained as much as those we were hosting."

The secretary says he feels there is also a definite need for the Communicating for Agriculture Scholarship and Education Foundation, through which young people who are pursuing higher education in preparation for careers that could help rural America are awarded scholarships, with funds solicited through tax-deductible contributions. Many of the scholarship recipients have been Iowans.

"With the costs of continuing education today, it's become very vital," he said. "It's provided the basis for incentive for (young people) to get degrees in their chosen fields."

Turning to agricultural production conditions in Iowa, Lounsberry said 1982 started out as being "the first time in quite a number of years that we had ample subsoil moisture," but added that too much rain for a period during the summer made it difficult for farmers.

With too much moisture, he said, "We can't come anywhere near getting the production we've been experiencing for the last 10-12 years."

He said the Iowa agricultural economy is "a little bit depressed" because of low commodity prices, but added that "I do feel there is need for continued production." He noted that "We seemingly overproduced in some areas, but we can contrast that to shortfalls," and expressed hope that a healthy balance can be achieved in 1983.

Lounsberry said the Iowa Department of Agriculture has many plans for 1983, including the promotion of more exports, improvement of the beef grading system, promotion of overseas food shows and the continuation of disease eradication programs.

"We want to take an active part in focusing attention on agriculture," he told CA.

Beginning farmer-rancher insurance bills seen in S.D.

A South Dakota state senator says she expects to introduce three CA-supported measures into the recently-opened 1983 session of her state's legislature.

Sen. Doris Miner of Gregory says she plans to sponsor legislation to prohibit insurance age discrimination, create a risk-sharing health insurance pool and set up a program through which qualified beginning farmers and ranchers can more easily obtain startup loans.

(Editor's note: Legislative sessions in South Dakota are shorter than those in many states, and the pace of action can be quite rapid. Thus, it is possible that by the time South Dakotans receive this issue of CA Highlights, the bills may be already introduced.

Sen. Miner last session introduced a bill to forbid health insurance companies from dropping policyholders solely on the basis on age. CA came out in favor of the plan,

but it was tabled in committee and recommended for a summer study that did not materialize.

She said that because she has multiple sclerosis, she feels strongly about the issue, and definitely intends to work for a similar measure this session.

Sen. Miner said she also plans to push for enactment of legislation to set up a program through which all South Dakotans would have opportunity to purchase adequate, affordable health insurance, in spite of pre-existing health conditions.

Also, she added, she wants to see a program created in her state through which qualified persons can get started in farming and ranching.

Sen. Miner has been studying risk-sharing health insurance and beginning farmer-rancher programs which are successful in other states, through material which CA

arranged for her to obtain, and says she hopes to determine from her study which types of legislation are most suitable to South Dakota.



SEN. DORIS MINER

Seminar set

How have government policies shaped today's agriculture? Is the U.S. gearing for an international agricultural trade war? Who speaks for agriculture in Washington?

These are just a sampler of issues to be examined at the second annual National Agriculture Day seminar, March 17, at the Marriott Inn in Bloomington, Minn.

This day-long seminar is a forum for agribusiness professionals, food producers, policy-makers, consumers, and educators to analyze and debate government's controversial role in setting agricultural policy, both nationally and internationally.

The seminar, "Government: Friend and Foe of American Agriculture," is sponsored by the metropolitan chapter of Minnesota Women for Agriculture. For more information and registration materials, call 612/373-0725 or write to Office of Special Programs, Agricultural Extension Service, University of Minnesota, 405 Coffey Hall, St. Paul, MN 55108.

First-year success of New Full-time Farmer and Rancher Development Project

By Jerry Barney

The New Full-time Farmer and Rancher Development Project, during its first year of operation, has "had various levels of success among states, and among counties within those states," according to Morris Monesson, who coordinates the project for the United States Department of Agriculture (USDA).

"It runs the whole gamut — from a lot of activity to none at all," Monesson told CA.

Initiated by USDA through its various agencies which include the Farmers Home Administration (FmHA), the project is designed to "help to provide assistance to part-time and beginning farmers and ranchers who demonstrate the desire and ability to become successful full-time operators."

The pilot project, which began in December, 1981, in selected counties in 10 states, is aimed at establishing new family farmers and ranchers to replace those who retire or discontinue their operations for other reasons.

Basically, its primary functions consist of identifying persons who are qualified to get into farming and ranching, helping them to obtain appropriate loan financing to get started, and providing follow-up help and guidance in order to insure the success of their operations.

Handling the selection of persons to be helped by the program, as well as the loan referral and the follow-up support, are local county advisory committees, made up of farmers and ranchers, as well as persons representing agricultural agencies such as the FmHA, Agricultural Stabilization and Conservation Service (ASCS), Cooperative Extension Service (CES), Federal Crop Insurance Corporation (FCIC), Forest Service (FS) and Soil Conservation Service (SCS).

The local committees are "advisory groups who know their areas and can give good, sound advice," according to Ruth Reister, deputy Small Community and Rural Development undersecretary for the USDA.

To date, Monesson said, 311 applicants for loan referral have been considered by local committees, and loans, mostly through the FmHA, have been made to 109 of them. In cases where loan referrals were not recommended, he said, it was felt that the applicants' financial plans were not sufficiently sound.

CA, which consistently supports ways and means through which qualified beginning farmers and ranchers can get started on their own, endorsed the program at its outset and worked very closely with the pilot project in Otter Tail County, Minn., in which CA National Headquarters is located.

CA Highlights did its own evaluation study of the New Full-time Farmer and Rancher Development Project, on a random sample basis, and its findings are much the same as Monesson's statement: that it seems to be working quite successfully in some pilot counties, and not as well in others.

One county committee chairman in each state was interviewed by CA Highlights. Interviewees were selected at random, and in each case, were the first chairmen in each state with whom contact would be made.

In the sample counties where the least amount of progress has taken place, high interest rates and a negative agricultural economy were cited.

Most committee chairman who were contacted reported excellent cooperation with the FmHA, the primary agency which works with the panels.

Martin Thingvold of Corvallis, Oregon (Linn County), said "They (FmHA personnel) are part of the committee. It's been the key thing. It's working very well with them."

Thingvold's Linn County committee consists of "seven generally, and others come in occasionally." He told CA that "Everybody has suggested various people (for loan referral candidates) and we discuss various merits. We've tried to do a real good job with those we worked with. It takes time."

Describing the procedure for meeting with each candidate, Thingvold said, "They're invited in (after background in-



NEW FULL-TIME FARMER AND RANCHER DEVELOPMENT PROJECT Committee Chairman for Otter Tail County, Minn., John Sethre of Carlisle, Minn. (Photo by Rob Hotakainen of The Daily Journal, Fergus Falls, Minn.)

formation is reviewed), with spouse, and we have interviews and discussions. We try to get acquainted with them." He continued that the committee attempts to find out the goals of each applicant, how they plan to attain them, and "how we can help."

Of the four candidates that so far have been approved by the Linn County, Oregon, committee, Thingvold noted that all are getting loans through FmHA. "Two of them are operating already, and the third is (was at the time of the interview) in a closing situation. With the fourth, there are some details to iron out."

"One," he said, "is a young man who is trying to buy out his father-in-law. Another is working with his father and trying to get started on his own. Another is expanding. The other has a small acreage and is trying to get more. Each case is different."

Thingvold said the committee recommended to one couple that they take courses at the local community college. "Sometimes, we (deduced) their technical upgrading could be better," he said.

A key part of the project's support system is to assign each approved applicant to work with a counselor, such as a successful area farmer, to provide guidance on a one-to-one

"It runs the whole gamut — from a lot of activity to none at all."

basis. "They (applicants) locate their own counselors and we review them and visit them," Thingvold said. "They turn out to be pretty nice people (who) have something to offer."

Is the project accomplishing the goal it set out to achieve?

"I think (it is) so far," said Thingvold, who was quick to caution that "We have to be careful not to encourage people to go into farming who don't belong there, because farming is really tough, now." He continued that he is concerned about "where the next generation of farmers is coming from."

"I feel that (the project is) to some extent successful," said Paul Countryman, of Berlin, Pa. a 40-year veteran farmer who leads the local committee in Somerset County, Pa.

"I see a lot of potential to it," said Countryman. "It's something you can't do overnight. We have three parties (getting loans through) our program here (all with FmHA), and two seem to have been rather successful. There's not much question they're going to succeed." (With the third, he says, "It's a struggle, but adds, "Maybe we can get this

one on track, too.") "This is a program, I feel, that may save a few boys from going down the drain," he told CA.

Describing his panel's reviewing procedure, Countryman said, "We appointed an examining committee to interview any and all candidates and make recommendations to the board." Three, he said, were turned down.

Of the three who were approved, he reported, "Two are taking over from their fathers. One acquired a farm, and the other rents, and is using his loan for livestock." The one who isn't taking over from his father has a farm background, he continued.

Of the project's counseling system, Countryman said, "We asked people on the committee to make recommendations. We have recommendations for counselors we haven't used yet. We fit counselors to applicants, and that goes a long ways."

Jim Evenson of Mora, Minn., former chairman of the Kanabec County committee, told CA that his panel has approved one loan so far — to a person acquiring a dairy farm, who "had been farming a small acreage, as a hobby-type thing, and working in town." His counselor, Evenson continued, "is one of the better dairyman in the area."

Evenson said the five members on his committee, which met monthly, "spent time in talking to (the applicant) and felt it should work," and had "quite a bit" of influence in getting the loan request approved. "We felt that once the screening process was done, the loan should fall on the FmHA."

Evenson said he feels the project "is a good program," but suggested that some procedural changes may have to be made.

Five people have applied so far for loan referrals in Allegheny County, N.C., and one has been selected to date, according to Kenneth Fender of Sparta, local committee chairman.

The first loanee, said Fender, had been leasing farmland "and he desired to purchase it. He came under the new farmer category the way we interpreted it. He had at least 15 years experience."

A dairy farmer, Fender notes that all the people on his committee have experience in different areas of agriculture and are prepared to serve as counselors.

Is the project accomplishing the goal it set out to achieve? "I think it will," said Fender. "I think it has great potential."

Robert Drennan of Ina, Ill., chairman of the Jefferson County committee, answered the same question, "It's a lit-

Rancher Development Project varies in pilot counties

tle hard to say, and we've only had one (qualifying) candidate so far. There hasn't seemed to be anybody (else) to meet the criteria."

"They want candidates to be self-sufficient within three years. That's not easy," Drennan continued. "It looks like now, when times are so tough, it would be difficult for a candidate to meet the goals and still make it. I feel we're going to be limited as to the number of candidates that can be served."

"I feel like the program is basically sound, although I have some misgivings," he told CA. "I feel it will be a little rough in the current economy."

Similar sentiments were voiced by Emmons County, N.D., Chairman Louis Sandwick of Linton. "What I'm confused about, is with interest like it is, how can these young guys ever get started?," he said. "It's hard even for established guys to make it."

A farmer himself, Sandwick quickly added, however, "I don't want to discourage anybody from farming. What's going to happen when us guys quit? We've got to get young guys." He said he feels the New Full-time Family Farmer and Rancher Development Project is "a good idea."

Reporting on his 12-member committee's procedure, he said, "First, we find out...if (applicants will) be eligible for the program. If we think he's a good risk, we go along with it. We have about four young fellows interested in buying their fathers out."

On getting counselors, Sandwick said, "I call 'em up and we interview 'em. These are the guys that made it. They've got to be darned good operators."

The 15-member committee in Copiah County, Miss., has to date had only one applicant — a dairy farmer, and the panel members declined to recommend him for a loan, because, in the words of Chairman Carol Hood of Hazelhurst, "it would be foolish to put somebody else in the dairy business when we've overloaded now."

"This is a program, I feel, that may save a few boys from going down the drain."

Hood told CA he feels his committee hasn't encountered "many people interested in becoming farmers who are new farmers" because today's agricultural economy has "just got people scared to get into the farming industry."

"I think it (the project) could be a good program under normal conditions, but I don't think farming is in normal conditions," he said. "I feel it will continue to operate for another year, and see if it will do some good. I feel next year, there will be some applicants."

The projects in Houston County, Texas, Red Willow County, Neb., and Barry County, Mo. did not get underway this past year, according to Committee Chairmen James Best of

Kennard, Texas, Merrit Nelms of McCook, Neb. and Neal Vincent of Jenkins, Mo.

"I'm for this program, but so far nobody has taken the initiative to come to us," said Vincent. "This high interest rate is a problem, now," Best told CA. Nelms also commented on the high interest situation and added that he feels the program may be more workable in eastern and midwestern states than those in the west, because "eastern states don't need the size we do. They don't need a \$15,000 tractor. In this area, you need two to two-and-a-half sections of land just to get started."

Although Monneson's official report and the CA random sample study both show that the pilot project's first-year success varies considerably from area to area, the CA study seems not necessarily to be indicative of the states in which the most success was realized.

Monneson noted that "North Dakota had the greatest activity," and that Nebraska and Missouri (as well as Pennsylvania, Oregon and Minnesota) all had "considerable activity." North Carolina and Texas had the least activity, he continued.

Monneson said that the New Full-time Farmer and Rancher Development Project has been recommended for continuation for another year, but no official decision has yet been reached on the matter.

Education and rural community development

Continued from Page 2

Essay Contest

Each group can enter one essay titled, *How community spirit can be maintained*, in 100 words or less. Winners to be judged by a team of senior citizens.

Suggest a Banner

Each group can design a school banner that can hang in any building in town. Winners to be determined by three employees of the local bank.

Community Improvement

Each group can suggest five ways to improve the local community. (Far out ideas will be encouraged, i.e. build a dome over it to control the climate). Winners will be determined by a team of people who live outside.

The Greatest Local Wonder Contest

Each group can suggest the most remarkable person, place or things that can be found in the community. Entries to be judged by all the sixth graders in your school district.

The Greatest Local Inventor Contest

Each group can nominate the greatest local inventory who lives in the area. Entries to be judged by all of the fifth graders in your school district.

The Greatest Wordly Traveler Contest

Each group can nominate the greatest traveler who lives in the area. Entries to be judged by those students who are or would like to be enrolled in foreign language courses.

The Greatest Local Artisan Contest

Each group can nominate the greatest local artisan — blacksmith, rugmaker, etc. Entries to be judged by all of the students enrolled in industrial arts and home economics classes at your school.

The Greatest Local Artist Contest

Each group can nominate the greatest local artist. Entries to be judged by all students enrolled in art classes at your school.

The Greatest Local Storyteller Contest

Each group can nominate the greatest storyteller in the area. Entries to be judged by local members of the Liars Club — if none — by all the students enrolled in English Classes.

Special Events: Made up of students and adults this group will schedule special events. From ice cream socials to concerts and dances, this committee will deal with the more ostentatious and gala of the activities.

Celebrities: This committee made up of students and adults will invite celebrities to participate in the week. Movie stars, sports personalities, presidents, shiaks, and stars will all be open to an invitation from this group. Some of the celebrities may even be former graduates. In addition to invitations this committee will handle the hospitality for the celebrity who may decide to say yes. If no celebrity responds a

nearby mayor will be given the full treatment planned for any of dignitaries who do not decide to attend.

Historical: This committee made up of students and adults will add to a community diary and scrapbook of the event. Print copy space should try to equal that afforded photographs.

*All committees will be chaired by a senior high school student.

*All committees will record their work for next year's committees to study.

Spirit Week can illustrate that even something which is fun and refreshing needs planning and leadership to be successful.

Community Project

Each year a major community project will be selected and will become the focus of a year-long youth leadership effort. Projects can be directed toward the solution of a problem or can focus on community expansion or beautification.

Community clean up can include nearby rivers and lakes and are of a problem solving variety. The construction of a new park, athletic field, skating rink, is of the nature of a community improvement. The responsibility for assessing needs, planning, getting community support and carrying out the project should be left to persons still in school. School age students assuming full responsibility for the identification and implementation of a community project can become a strong tradition in your community. It may also be a strong attraction for their continued residence in a place so easily energized toward improvement.

Some states have rural development money available for worthy projects. The youth in the leadership projects can be encouraged to apply for these grants. For example, in Minnesota, the grants are available through the Governor's Council on Rural Development, 480 Cedar Street, Room 100, St. Paul, MN 55101. 612-296-3993.

The combination of youth leadership and community development is a natural marriage of need and the time, talent and energy. The school is also the natural sponsor for such projects. CA will be soliciting information on these projects and will publish the best examples in the CA Highlights.

Iowa conservation program underway

A program to help Iowa farmers in borrowing money for soil conservation practices is underway.

The program's first four loans, totaling \$59,850, were approved during the past month. All four loans were for no-till planters, according to Bill Greiner, director of the Iowa Family Farm Development

Authority, through which the conservation program is handled.

Legislation creating the conservation program was approved by the Iowa Legislature during its 1982 session, with strong CA support. It contains a CA-initiated amendment which gives preference to farmers with low net worths.

Rural hospital closes; Medicare underpayments cited

Inadequate government reimbursement for the care of Medicare patients is cited as one of the reasons for the closing of the community hospital in New York Mills, Minn.

The city-owned hospital ceased operations Dec. 31, 1982 because of large, ongoing financial losses, causing the small (population 791), rural, west-central Minnesota community not only to be without a hospital, but to lose an annual payroll of \$400,000.

Dave Kloosterhuis, who had been administrator of the hospital since 1980, said that while the main reason for the institution's demise was its high turnover rate in medical staff, another very significant factor was the fact that the federal government has been gradually restricting payments for the treatment of Medicare patients.

And, he continued, a "radical" new Reagan administration regulation will insure that those restrictions will continue in 1983.

More than 70 percent of the hospital's clientele in the last year were Medicare patients, according to Russ Lepisto, a hospital board member since 1968.

"The dollars for taking care of government patients are being restricted," Kloosterhuis told CA. "Health care providers can't grapple with that."

"Those hospitals that cannot reduce their costs to meet actual payments from the Medicare program...will not survive," he said.

The problem of inadequate Medicare reimbursement, which has caused New York Mills to be without a hospital, is the same problem that causes "cost-shifting," which is considered to be one of the biggest factors in health care inflation today.

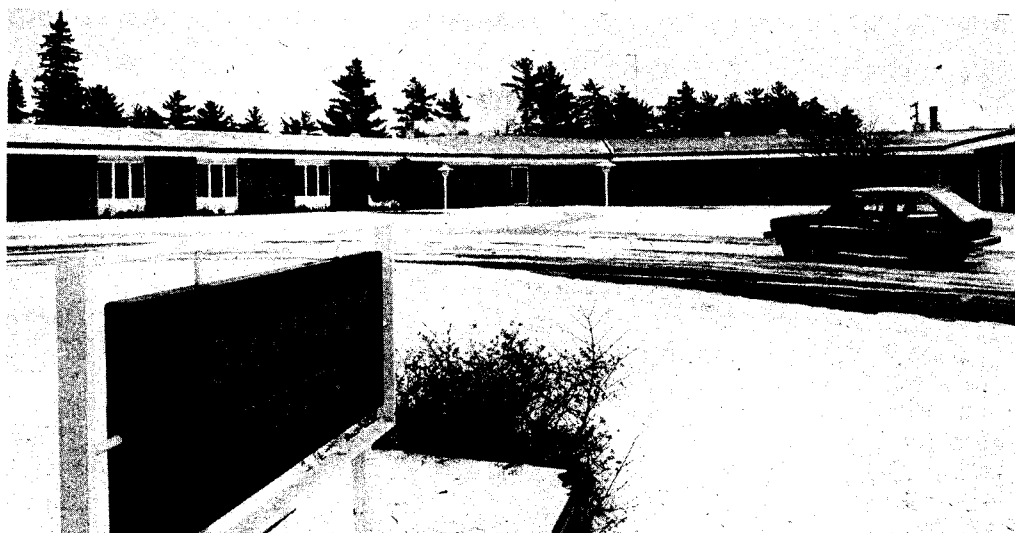
"Cost-shifting" is the term used when hospitals are forced to increase charges to privately-insured and self-paying patients because of losses incurred due not only to underpayments, by Medicare, but also Medicaid, and state welfare systems and some Blue Cross and health maintenance organization (HMO) systems.

This in turn has forced insurance companies to drastically raise their rates, and has caused several to discontinue health coverage altogether.

CA is mandated through a member-approved resolution to work for adequate private sector health care and insurance for all Americans at a reasonable cost, and is involved in a major effort to curb the problems of inadequate reimbursement which cause cost shifting and could be responsible for the closings of other hospitals in the future.

CA is urging its members to help alert the public to the situation, and to ask their state and national lawmakers to take steps toward the passage of legislation requiring adequate payment to hospitals for the care of Medicare, Medicaid and welfare patients.

In cooperation with the National Association of Health Underwriters (NAHU), CA is making available, for public showings, videotapes and slide presentations entitled "Cost Shifting: Your \$6 Billion Burden." Persons interested in obtaining the presentations are encouraged to contact CA National Headquarters, P.O. Box 677, Fergus Falls, Minn., 56537; 218-739-3241.



NEW YORK MILLS COMMUNITY HOSPITAL: Closed. (Photo by James Garcia, The Daily Journal)



DAVE KLOOSTERHUIS

(Daily Journal photo)

Also available are NAHU brochures that include coupons, which, if filled out and mailed, will be hand-delivered to appropriate Congressmen and legislators, asking for the establishment of a Presidential Commission and Governors' Commissions on Health Care Payment Reform, to make specific recommendations to Congress and legislatures within one year.

Other hospital administrators have predicted to CA Highlights in past interviews that underpayments from governmental agencies could very likely result in the closing of hospitals, and stressed that the problem is most intense in rural communities, which usually have higher populations of elderly people dependant on Medicare.

Kloosterhuis said he thinks that New York Mills Community Hospital may be one of the first hospitals in the United States to go under because of changes in the Medicare reimbursement formula. But, he adds, he expects others that derive much of their income from Medicare to follow suit.

"How many more? No one really knows," he said.

(Editor's note: Much of the material for the preceding article was taken from another article written by Rob Hotakainen, of The Daily Journal, Fergus Falls, Minn.)

N.D. House expected to set risk insurance premium cap

The North Dakota House of Representatives at press time was expected to pass a bill setting a maximum charge to people who obtain insurance through the state's Inter-carrier Health Insurance Pool.

The Inter-carrier Health Insurance Pool, created by the legislature in 1981 with active CA support, is a special mandatory risk-sharing health insurance pool (of all health insurance companies doing \$100,000 or more annually in health insurance premium business in the state) to provide benefits to people who would otherwise be unable to find reasonably-priced insurance because of pre-existing health conditions.

The legislation that created the pool was modeled after similar legislation in Minnesota and Wisconsin, also strongly supported by CA. However, while the Minnesota legislation included a maximum charge for participants of 125 percent of the standard premium charged by the state's largest insurers, and the Wisconsin legislation included a similar cap of 130 percent, the North Dakota legislation included no such maximum.

CA, which is mandated by a member-approved resolution to work for the availability of adequate, affordable private sector health insurance for all people, supported a 125 percent maximum when the original North Dakota legislation was being considered, and since that time has been working to get it amended with a 125 percent cap.

One of the chief House supporters of the maximum has been Rep. Elmer Retzer, House sponsor of the original legislation, who has stated that "nobody could afford" to get insurance through the pool without the cap.

This past summer, the legislature's Joint Interim Social Services Committee, of which Retzer was a member, adopted CA's

recommendation that a 125 percent maximum charge be established for participation in the program.

However, the committee also recommended that participating insurance firms should receive tax credits to offset their expenses, which would shift the cost of the program to the state. CA went on record as opposing that recommendation.

The recommended amendments were assigned to the House Commerce, Industry and Labor Committee in the newly-opened 1982 legislative session. Retzer, also a member of this committee, has continued to work for the maximum charge and oppose the tax credit offset, with support from CA.

However, majority consensus of the full committee was that the tax credit offset should be adopted, and also that the maximum charge should be set at 150 percent. Because feelings among committee members were not unanimous, the maximum charge issue was assigned to a special subcommittee, consisting of Reps. Retzer, Jim Gerl and Joe Wahlen.

At press time, Retzer told CA that the subcommittee had decided, as a compromise, to recommend a 135 percent maximum charge. He said he expects the full committee to approve the recommendation, and also expects the full House to approve the 135 maximum (as well as the tax credit offset) as early as Jan. 31.

"It just won't fly (among the majority of the legislators) with the 125 percent cap," Retzer said. "I don't want to get it out on the floor (in a manner which is unacceptable to the majority) and lose the whole thing."

He added, however, that "I think there will be a couple more votes (for the 135 percent cap) than we need in committee."

Brothers memorialized by tractor pull

By Jerry Barney

Charlie and Carl Strelow were tractor pull enthusiasts.

Charlie was a dairy farmer and Carl was a rancher, and both Bassett, Neb., brothers enjoyed attending weight-pulling contests in which motorized farm rigs would compete against each other.

Charlie Strelow was also a CA member. He and his family joined the organization in early 1982 through ace enroller Mike Buechle of Ainsworth, Neb.

Another Bassett tractor pull enthusiast who joined CA the same year through Buechle was Vernon Woods, a corn farmer. However, Woods' tractor pull involvement reached — and still does — beyond that of a fan. Woods is a tractor pull participant, and a very successful one. He has placed in the top three in contests in two states, and has also competed at the national level.

Woods, in his own words, was a "real close friend" of the Strelow brothers, and Charlie had talked with him about getting into tractor pulling himself. The two men had discussed the possibility of Charlie's getting a rig which was capable of doing well in competition. However, these plans never materialized.

On July 9 of this past year, Charlie and Carl Strelow, and their nephew, Rod Cook, were putting up hay. Nobody knows exactly what happened, but the three were crossing a highway, were hit by a truck and were killed instantly.

Woods was saddened by the death of his friends, and thought that something ought to be done in their memory. The most appropriate thing, he felt, would be to organize a Strelow Brothers Memorial Tractor Pull. With the help of others in the community, he did just that.

The contest was held in late August, at the fairgrounds in Bassett. Twenty-one tractors competed in various classes, and approximately 1,450 people attended. "They had the biggest crowd they had at that grandstand in a long time," recalled Charlie's wife, Lynn.

"They had a tremendous turnout," Buechle agreed. "We were there. It was quite a community event."

"We made about \$2,700 or \$2,800," said

Woods. "We're not even sure what we're going to do with the money. We're going to have something done at the fairgrounds in their name. Charlie was really interested in the fair part of the community, and they were both real interested in things for kids to do."

The Charlie Strelow family had joined CA, because, in Lynn's words, "We heard it was a very nice organization." Mrs. Strelow has good words for Buechle. "That Mike's really good," she said. "He was right here (after Charlie's death), very helpful. He's a nice guy."

The family has benefitted from its membership in CA. Mrs. Strelow and her children (Monte, 19; Regina, 18; Lynette, 16; and Connie, 12) received a CA \$1,000 accidental death benefit in the wake of the tragedy. "It was very nice," Mrs. Strelow said.

Regina, who is taking an accounting course at Hastings Central Community College, also received a Communicating For Agriculture Scholarship and Educational Foundation scholarship, for young adults who are pursuing higher education in preparation for careers through which rural America can be helped.

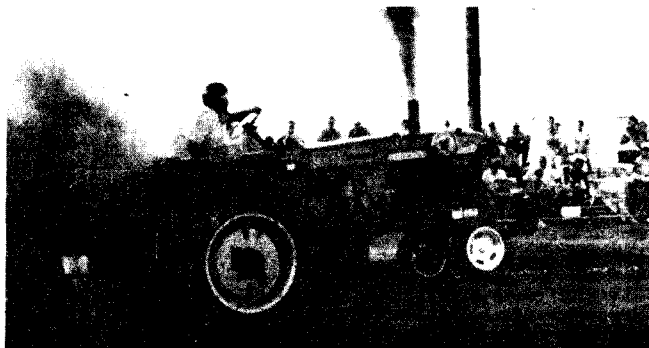
Meanwhile, Vernon Woods continues to go strong in his eight-year career as a tractor puller.

"I am a superstock puller," he said, noting that there are two kinds of tractor pulling — modified and superstock.

A superstock tractor, he explained, "has to have a stock block, and everything beyond the drive train has to be stock or manufacturer's replacement. A modified tractor is limited only by the wheel base length and tire size. They can (have) any kind of engine."

Describing his activity, Woods said, "Basically, we pull in Nebraska, Colorado and National Associations." Noting that he enters 30 to 40 contests a year in various weight classes, he acknowledged, "We've been doing fairly good. We placed in the top three in Nebraska and Colorado the last two years."

Woods and Mrs. Strelow both agree that it would be appropriate if the money earned at the Strelow Brothers Memorial Tractor Pull could be used toward the construction of a new Strelow Brothers Memorial Grandstand.



CHARLIE STRELOW, on a tractor belonging to Vernon Woods. Strelow, according to CA enroller Mike Buechle, was considering becoming a tractor pull participant prior to his death. Here, he took a turn at a pull at which Woods was an entrant.



STRELOW FAMILY — From left are Monte, Regina, Lynette, Connie and Lynn.

Farm women juggle home and field work

Farm women have always been skillful jugglers, dividing their time between household and farm tasks. Now, however, they appear to be taking on even more farm and field jobs at the same time that

increasing numbers of them are employed off the farm.

Recent research by the U.S. Department of Agriculture shows that more than 75 percent of farm women reported that they regularly or occasionally keep financial accounts for the farm. A similar percentage of women reported running errands such as picking up repair parts or supplies.

Dottie Goss, family resource management specialist with the University of Minnesota's Agricultural Extension Service, notes that the USDA has been surveying farm women's time use habits for about 50 years. In that time, women have taken on more farm tasks. About 17 percent of the women surveyed recently reported doing field work that didn't require machinery use regularly. Nearly one-fourth of the women said they help at harvest, including operating machinery and trucks. By contrast, farm women surveyed in 1926 reported spending only a few hours a week on farm duties, most often in dairying, poultry production and vegetable gardening.

Yes, I want to help the CA FOUNDATION make young people's rural American dreams become realities.

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All contributions are tax deductible.

She promotes pigskin products

(Editor's note: The following article is a condensed version of one that originally appeared in the *Contact*, Perham, Minn., written by Liz Severen, and is about Jackie Lachowitz, whose husband, Frank, serves on the CA Board of Directors. The accompanying photographs are also by Ms. Severen and appeared in *Contact*.)

Looking for something different to give the person who enjoys time spent in front of the sewing machine needle? Perhaps Jackie Lachowitz has just the product you are seeking. Pigskin.

A by-product of the pork industry, pigskin has been around for some time, but only in heavier weights, such as that used for Hush Puppy Shoes. However, the garment weight hides like those Jackie helps to promote have been available only for about five years. The lighter-weight hides are taking a more visible place in the American garment industry due to improved skinning methods (removing the hide with a series of knives, like peeling an apple, rather than scalding the hide and pulling it from the carcass).

Sueded pigskin comes from the inner surface on the hide next to the pig, and gently roughing the surface gives it a soft, velvety texture. It is available in many colors.

Jackie also has in her stock a new pigskin that is lighter in weight. Her previous stock was sent from a processing and dyeing plant in Wisconsin. Her newer stock will be from Yugoslavia. Once again, a variety of colors are available, but those of the newer stock tend to be of softer pastel shades.

"You wear it like the pig wears it," said Jackie, explaining that the skin from the neck area, lightest in weight, is worn at the upper part of the body, and the heavier the skin from the ham area is used in hems. This, she noted, allows garments to hang nicely.

For those who have never seen pigskin and wouldn't know how to tell it apart from the suede of a cow, Jackie has a clue: "Little dimples can be seen throughout the material where the hair grows through on the pig," she pointed out.

There is also full-grain pigskin which is the smooth leather coming from the show. This is the other surface of the hide after the bristles have been removed. It is buffed to either a matt or shiny, lustrous finish. Jackie has the full-grain hides in brown and black.

Pigskin, which ranges in sizes of four to 13 feet, sells for \$2.40 per square foot. Jackie estimated that the size 44 vest she was working on for her son would probably cost him about \$35. "But," she asked, "where can you buy a quality suede vest for that amount?"

Jackie says she doesn't know the cost of real cow suede, but she advised that ultrasuede costs anywhere from \$45 to \$55 per yard. A 45-inch-wide yard is equal to 11 square feet of pigskin. That would cost \$26.40.

"The only thing I can say that ultrasuede has going for it is that it is washable," said Jackie. (Pigskin, like cowskin, is dry clean-only material.) "Some of my garments that I have had for two or three years have never been cleaned, so, it wears well," she added.

It is advised that a person not wear pigskin next to their own skin, because of the oils. "That is true with any leather," Jackie pointed out.

Jackie and her husband, Frank, operate a pig farm southwest of Perham, Minn. However, her involvement with pigskin promotion did not stem from any processing on their own farm ("We don't tan or dye our own skins at all," she explained), but rather is an outgrowth of her presidency of the Otter Tail County Porkettes.

This past fall, the organization sponsored a style show and sewing seminar in Fergus Falls, Minn., and more than \$800 worth of pigskin was sold. This convinced a processing firm of a demand for pigskin in the area, so they hired Jackie as an area representative. "It's our way of promoting pork," she said. "We are happy to have it up in this area. Previously, we had to order from three women in southern Minnesota."

Although Jackie has been the area pigskin representative only since October, she has been sewing with the material for two years. "Ever since we had our first style show," she noted, adding that several other members of the Porkettes also sew with pigskin.

"You can do a lot of improvising to save on the skins," she pointed out. For instance, a man's vest made of pigskin in the front and satin in the back allowed her to use a smaller piece of pigskin. Patterns can be used to take advantage of smaller pieces that can be sewn together. For example, a mock belt effect in the back of a garment saves on pigskin pieces.

"You don't throw a scrap away," Jackie stressed. If scraps are too small to be pieced into garment patterns, then crafts enter the scene. There are checkbook covers, booties, padded picture frames, Christmas ornaments, purses, belts, ties and much more. There are even pigskin roses. Each year, the Porkette Queen is bestowed with a whole armload bouquet of pigskin roses. "There are just oodles of patterns you can make for scraps," she said. "There is no end to what you can do with the craft part."

Jackie noted that Kenny Rogers' airplane is upholstered with pigskin. "Pigskin is a real down south thing," she observed, adding that many celebrities at the Country Music Awards presentation wore garments made of pigskin.



TWO OF THE CREATIONS that Jackie Lachowitz made from pigskin are the vest she made for her husband and the coat she made for herself. Using patterns that allow smaller pieces of pigskin to be used instead of requiring the entire skin helps a seamstress save money and utilize all scraps and pieces.

Many people, according to Jackie, are fearful of using pigskin, because they feel any mistake they make will be costly. "You have to really check before cutting," she acknowledged. "I check two or three times before cutting out. The first garment is the scariest."

Several other tips to keep in mind that Jackie offers are: "Never stick a pin in the pigskin. It makes holes. You can use hair clips, or hair tape on the wrong side (never the right side). You never cut it double. You always cut it single. Never cut in on the fold. Make a duplicate pattern instead. You don't press the seams open. You pound them." (She uses a pigskin-covered hammer.)

According to Jackie, sewing on pigskin is not like sewing on fabric, but if a person wanted to compare it to something, it would be somewhat similar to sewing on velvet or corduroy.

She said she sometimes has to turn down requests, because of time constraints, from people who would like her to sew pigskin garments for them. She said she is willing to help lay out patterns for anyone who is too far away and would like pigskin. "If anybody wants me to mail them pigskin, they should make a duplicate pattern of the original and send the whole thing," she advised. "Then, I will lay it out, roll it up and mail it back to them. That is, if they are too far (to drive to her farm)."

When buying a pattern for use with pigskin, a person should look for one that is not for knits only. "Make sure the pattern fits well," Jackie warns. "The plainer, the better. You don't want a bunch of fancy gathers and pleats."

"There is so much potential for this pigskin up in northern Minnesota," Jackie said. "There are so many things I can see made out of the new pigskin that are softer."

Iowa education 'oriented to meet needs of rural schools,' says superintendent

Rural education is an important part of the total educational picture in Iowa, according to Iowa Superintendent Robert D. Benton.

Benton told CA Iowa Director Janet Kinney and CA Highlights Editor Jerry Barney in a personal interview that although he doesn't often use the term "rural education," it is generally understood that since such a big percentage of the state is rural, much of its education is pitched toward rural needs.

"I think of education as geared to meet the needs of children," he said, indicating that rural-urban conflicts are downplayed in favor of attempting to provide each student with positive learning experience in all settings.

Still, Benton noted, there is one important difference in the education that is available at urban and rural levels, and that is, while many rural schools are not able to offer a wide variety of specialized subjects, they usually do a better job in the "basics."

However, he continued, Iowa's Area Education Agencies (AEA) structure is available to help rural schools maintain curriculums that meet the needs of their students.

The AEA system, he explained, has three main functions: It provides special education support (such as speech therapy) and handles special education under contract for some school districts; it maintains regional media centers which deliver film and books to all school districts at least twice a week; and it provides other educational services such as data processing, in-service education and curriculum development.

The special education aspect is funded half from the state and half from local property taxes, while the other two categories are funded through local property taxes, he pointed out.

Only three other states (New York, Texas and Pennsylvania) have structures that compare with Iowa's Area Education Agencies, according to Benton.



DR. ROBERT BENTON, Iowa superintendent of public instruction, talks to Janet Kinney of the CA Board of Directors.

The predominant vocational program in Iowa schools is vocational agriculture, Benton said, citing a need to provide a stronger orientation toward agribusiness because "agriculture is changing so much."

"I try to avoid labeling kids or schools," he said. "You've got to do good for kids, no matter where they are. You're not going to emulate a Clearfield (Iowa's smallest school district, student population 135) in Des Moines, and you're not going to emulate a Des Moines in Clearfield."

The superintendent told CA that he has resisted suggestions that a director of rural education be appointed for Iowa, because "I believe in unifying, not fragmenting."

Benton said he feels rural schools will benefit from a ruling, approved last year, which allows districts that share academic offerings to also work out joint agreements on the sharing of extracurricular activities.

"You decide to provide something for the kids, then you do it," he said. "You don't let all kinds of problems get in the way. In Iowa, we've promoted the most liberal laws in the nation allowing school districts to do things together."

Benton said his local school district background (He taught English and journalism in Mason City and Ruthven) has given him faith in the discretion of local school districts, but he added that he also feels that there must be certain state standards.

"In Iowa, we have achieved a pretty good blend," he said.

As an example, he cites the state's school bus inspection program, which mandates that certain safety standards must be maintained, but allows individual school districts discretion on how to meet those standards.

Benton says he feels "there is a lot of untapped potential" in the use of course sharing between districts through instructional television, but stresses that in order to be effective, such systems must be able to provide for genuine two-way interaction between teachers and students.

Iowa's "whole education concept has been oriented to meet the needs of rural schools," Benton said. "The next generation of farmers in Iowa is going to be a highly-educated generation."



Steve Rufer's Estate tax planning

Under the Economic Recovery Tax Act, ownership of many life insurance policies may need to be reexamined.

As you already may know if you have had some estate planning done in connection with your insurance program, there are three people involved in every life insurance policy: the owner, the insured, and the beneficiary. Often the owner and the insured are the same person. In many cases, the owner is the spouse of the insured. Of course, the beneficiary is always someone other than the insured and may be an individual, estate, or trust. Also, there are typically second-choice, or contingent, beneficiaries.

Under ERTA, it is not necessary or wise any longer from a tax standpoint to assign ownership of life insurance policies to a spouse, since proceeds will be taxed in the spouse's estate upon his or her death.

For example, CA Member and his wife Mary Member have a net worth of \$600,000. At the advice of their estate planner, they have divided ownership of the property equally into their two estates through tenancy and common, partnership, or corporation, so that each of them has an estate worth \$300,000. In addition, CA and Mary each are insured under a \$100,000 life insurance policy.

Given their similar ages, statistics say that Mr. Member will die several years before his wife. Under the old tax law, he would have been very likely advised to have Mary own the \$100,000 policy on his life. That would mean that when Mr. Member dies, he would have a \$300,000 estate, because the insurance proceeds from a policy on his life owned by his wife would not be taxed as a part of his estate. She would get the cash, however, bringing the size of her estate up to \$400,000. Depending on whether the proceeds of her policy were eventually taxed upon her death, she might have a \$500,000 estate.

You may recall that each estate has a unified credit equivalent to an estate of \$275,000 in 1983 and increasing steadily up to \$600,000 in 1987.

Depending on the year that each policy holder died, this form of life insurance ownership may have resulted in the estate of the first spouse to die being too small to use up his entire unified credit and therefore "waste" some of the credit as an opportunity to pass property to the next generation. It could also result, again depending on the year of death, in his wife's estate being too large to fit within her unified credit, resulting in some tax due by the heirs, which could have been unnecessary if the insurance ownership had been reviewed and coupled with an estate plan that insured the passage of the maximum unified credit to the next generation upon the first death.

In the example above, we overlooked the fact that the cash value of the policy on Mrs. Member owned by Mr. Member would be taxed as a part of his estate at the time of his death. Our simplified example, however, should serve to get across the point that the new law requires a new look at insurance ownership. Under the old law, before there was an unlimited marital deduction, the cross-ownership almost always made sense. Furthermore, before there was an unlimited marital deduction, transfer of existing policies between spouses was not always so easy.

As we have done a number of times before, we remind you that all of the state laws, like the state of Minnesota laws, are not exactly like the federal law, so you should take into account any impact that state taxes might have on this decision as well. In Minnesota, my home state, the principals are similar enough so that my observations apply to both federal and Minnesota law.

Iowa small business loans ok'd

Four more loans have been approved through the Iowa Small Business Loan Program, according to Iowa Housing Authority Director Bill McNarney.

To date, McNarney said, a total of 18 loans have been closed, and another seven have received initial approval through the four-month-old program.

Many of the loans continue to be for purposes related to agriculture, he said, citing a recent \$200,000 transaction for a pork products manufacturing plant near Dyersville.

Let us know where you are

Changed your address recently? Or are you planning on changing your address in the future? Please let us know about it so we can make sure you receive each issue of CA Highlights without interruption. Notify: CA National Headquarters, P.O. Box 677, Fergus Falls, Minn., 56537.

Rural Education Conference set

A Rural Education Conference is scheduled for March 2 at Southwest State University, Marshall, Minn.

"Putting the Rural Back Into Rural Education" is the theme for the event, which is co-sponsored by CA, the Southwest and West Central Education Consortium, and the Southwest State University Education Department.

Keigh Hubel, who is both a CA Board of Directors member and the chairman of the State University Education Department, is coordinator of the event. He notes that while many of the conference's guest speakers are from Minnesota, the event is

designed to be of interest to persons concerned about rural education in all parts of the United States, and that everyone is invited.

"We encourage teams of people from each (school) district to attend — students, parents, teachers, administrators and school board members," he said. "A brief time will be scheduled for persons with like interests to be grouped together and exchange ideas."

Speakers at the conference, which will run from 8:45 a.m. to 3:30 p.m. (registration begins at 8:15 a.m.) include Hubel; Minnesota Agriculture Commissioner Jim

Nichols; former Minnesota Education Commissioner Howard Casme; Glen Shaw, executive director of the Southwest and West Central Educational Cooperative Service Unit; and Jim Burgett, superintendent at Elizabeth Public Schools, Elizabeth, Ill., which has been termed "one of the best little schools in America."

Sessions will deal with such subjects as computers in the small school, interactive television, the teaching of economics in small classrooms, the utilization of local knowledge in curriculums, possibilities for changing structural and organization patterns in English and social studies, cost-

effective programs for pre-kindergarten children, and several other topics.

Also featured will be a National Small Schools Committee Report, which deals with "every aspect of rural education including a definition of what is rural."

Registration fee will be \$5 per person without lunch, or \$9 per person with lunch. CA will pay the \$5 registration fee for one student from each school district represented.

You and Your Insurance

(Editor's note: The following article, by Carlton Holte of Independent Financial Services, originally appeared in the California Grape Grower magazine.)

I recently returned from a brief trip to Minnesota. I didn't particularly want to go, since my trip was to visit my mother in the hospital. I don't even like hospitals, although in this instance I was glad there was a good one nearby. Once the shock of dealing with the fact that someone in my family could become very ill, my second thoughts involved both the quality of care my mother was receiving and the quantity of care involved in what had initially appeared to be an uncomplicated situation.

In the course of three weeks' hospitalization, between tests, precautions and treatments, my mother was selected, inspected, injected and otherwise poked and prodded by a steady parade of physicians, surgeons, internists, neurologists, oncologists, cardiologists, residents, interns, nurses and anyone else in town with a white suit. Most of the treatment she received would not have been available 20 years ago. But, just as importantly, much of it might not have been available today — or not of the same quality — if the family had not had the cash or insurance to cover the staggering costs involved.

While medical insurance is something few people are without in this age of expensive medical miracles, an incident such as the one my own family has just experienced is a strong reminder that it is wise to review your coverage frequently to make sure that it is suited to your needs and offers the best coverage possible for the dollars spent. What follows is a review, similar to the one I performed mentally, of the major points that should be considered.

How Does It Work?

Properly speaking, less than half of us have medical "insurance" as such, since this refers to policies which offers reimbursement for covered expenses beyond certain deductible amounts. The most popular coverage in the U.S. — Blue Cross/Blue Shield (BC) programs — works somewhat differently: physicians, hospitals, etc. are contracted to provide services at agreed-on rates, and subscribers' medical costs beyond their deductible limits are paid directly to the provider. The third major type of medical expense coverage is not really insurance either. Health Maintenance Organizations (HMO), such as Kaiser, HealthCare, and Foundation plans, are categorized as "prepaid health care" organizations. Here the individual goes to a participating provider or a central location and pays only a nominal fee (or none at all) for whatever services are required.

While all of these coverages are probably familiar, the differences between them are perhaps not as clear, and a direct comparison of two different types of coverages may be somewhat confusing to calculate. By making note of a number of general questions and issues, however, it should be possible to determine the type and limits of coverage best suited to your personal or family situation, and to get some idea of the minimum and maximum medical-expense costs you can expect.

What Do I Need?

As with most insurance, the first step is to make sure you are covered for the big things, then work backward to determine the level at which you need your coverage to begin. Most plans cover lifetime benefits up to \$1 million per individual, which should be more than most people will need. Many HMO plans, and some insurance companies, however, have unlimited lifetime benefits, and with inflation and the progress of medical technology to consider, such coverage may well be worth the extra premium cost.

Just as important as "how much" coverage is the question of "what is (or is not) covered."

Although most policies are fairly similar in covering medical, surgical and hospital costs, a number of differences are worth noting when you make a comparison. First, does the policy pay actual costs incurred in these areas, or does it pay "UCR" (usual, customary and reasonable) amounts for services rendered. While the two figures may be identical (BC providers, for example, generally agree to accept UCR fees as full payment), there can be important distinctions: specialists' fees may vary greatly from person to person and area to area, and the UCR value for a semi-private hospital room in Sacramento may be as much as \$100 a day less than for some southern

California locations. It is critical, therefore, to read the contract closely to see what the basis of payment will be for various items, and whether this payment is based on the area where the policy issued or any location where service is provided.

The next order of business is those items which policies may not cover at all, and those which have a separate maximum limit or ongoing deductible. Although nearly all policies cover complications of pregnancy, normal pre-natal care and delivery is often an optional coverage. Items such as glasses, dental bridgework, prosthetic appliances, crutches, and the like should be spelled out in the policy. It is often the case that if these items are not specifically included, they are generally excluded.

Outpatient treatments for psychiatric disorders, alcoholism and drug abuse rehabilitation constitute an area with no "standard" levels of coverage. Often, only a maximum of 50 percent of the cost of each treatment, with restrictions as to both per-treatment fee and maximum lifetime benefit, will be covered. Prescription drugs are also subject to wide variation between policies: some programs offer prescription coverage as an optional extra, while others have a separate deductible, or pay a varying percentage of such costs on a reimbursement basis.

Whatever the general provisions of a health care contract, special limitations, may apply during the first year to coverage of pre-existing conditions (those diagnosed or treated during a six to 12-month period prior to the date this coverage took effect). The actual treatment of such claims depends on whether or not you had prior insurance with another company, or with the same company under a different plan, what that insurance covered, and the nature of the claims submitted. Employer group transfers from one insurer to another, for example, generally result in a "no-loss/no-gain" provision, where your coverage of such items will be no worse, but no better, than it was before, but this should always be verified.

How Much Does It Cost?

Two factors will determine the overall cost of your insurance program: the source and type of coverage selected, and the specific details of the contract. Medical insurance rates are among the most variable of insurance coverages, and increases can be both frequent and substantial. Profit-and-expense margins can be as low as five percent of premiums, or as high as percent of the dollars collected, depending on the philosophy and claims experience of the provider, and wide variations also occur between rates charged to individuals and those available on a group or HMO basis.

While calculating the basic monthly premium is usually an easy step, whatever the source of coverage, this is just part of figuring the potential cost of varying types and levels of coverage. The major items in such a comparison, of course, are premium costs, out-of-pocket payment for deductibles and co-payments. Beyond this, however, the true differences between policies become clear. It is also necessary to calculate the expected expenses for prescriptions, physical examinations and other ongoing health-maintenance items, and other variable-coverage charges based on specific policy provisions.

Finally, it is advisable to compute the incidental costs involved in obtaining the treatment each policy offers. For example, if one form of coverage allows you to see a local physician while another requires travel to a central location for treatment, you may wish to include mileage costs and the value of any additional time involved. The total of these figures will give you a clearer indication of the total out-of-pocket dollars each form of coverage you are considering you might entail. It will also suggest the relative convenience and personal value of various plans: giving up a trusted long-time family doctor to save a few dollars may not be the most pleasant way for you to deal with your family's health-care needs, and may even prove more expensive in the long run if extra travel and lost time may be involved.

This column is intended only to discuss areas of general interest, and not to provide specific legal or accounting advice. Specific questions will gladly be considered on an individual basis.

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1982 was record CA enrollment year

More people joined CA in 1982 than in any other previous year.

The total number of new members for the year, 10,480, is 46.2 percent ahead of the number in 1981, 7,169; and also 3.6 percent ahead of the 10,114 new members signed up in the previous record enrollment year, 1979.

A total of 1,069 people became Communicating for Agriculture members in December 1982, making an unprecedented five-month stretch in which more than 1,000 people joined CA each month.

Why is Communicating for Agriculture experiencing such phenomenal growth in a period in which the general economy, particularly the agricultural economy, is doing so badly? *CA Highlights* asked the question to the CA enrollers who in December earned Sparkplug Awards for signing up 10 members or more and being the top enrollers in their own region. Here is what they said:

CA is "the voice of farmers to help other farmers," said Ken Shepherd of Bozeman, Mont. "I talked to a group of farmers the other day (who agreed that) this is the third bad year in a row. Times are tough. Anything they (farmers) can grasp that's going to help them, they will."

Noting that CA's resolutions deal with issues "which nobody else touches", such as opportunities for beginning farmers, rural education and conservation, Shepherd said, "Some of the things that we bring out, they say 'Hey, why hasn't somebody done that before?'"

Shepherd, who has his own agency, was CA's top enroller of the month, with 25 new members to his credit. He is also one of the organization's top enrollers of 1982, and achieved Sparkplug status several times during the year. He notes that he often talks about CA to several families at once, and comments that recently, he was bitten by a dog for the first time in his life while making a CA call.

Louis Weishaar of Newton, Ill. cites the popularity of the CA Scholarship and Education Foundation, through which scholarships are awarded to young adults who are pursuing higher education in preparation for careers which can help rural America.

CA "just offers a lot of good benefits to members," says Marvin Diamond of Palm Desert, Calif.

Weishaar and Diamond, who each signed up 13 new members during December and tied for the number two enroller's position for the month, both agree that the group



KEN SHEPHERD, of Bozeman, Montana, top CA enroller for December and one of the top CA enrollers for all of 1982, with several other CA enrollers in his agency. Front row from left: Ted Wiest, Tal Taylor, Red Harlow and Ken Shepherd. Back row, from left: Mike Figgins, Scott Kerby, Maynard McQuiston and Mitch Mantz. Figgins, Taylor and McQuiston have also been top enrollers during the year. In the background are the Bridger Mountains.

health insurance program which is available to CA members is considered a major benefit. Diamond points out that rates for the insurance program have been held down in comparison to other types of insurance coverage.

Weishaar works through the Dale Reese Agency, and Diamond has his own agency.

Third-highest enroller for December was Don Jennings, who has his own agency in Bethany, Mo., and who augmented the membership ranks by 11 during the month. A previous Sparkplug winner, Jennings narrowly misses being among the December winners because he was out-pointed in his region (Mid America) by Weishaar.

CA is something farmers and ranchers trust, states Joseph Giadone of Lamar, Colo. "Regardless of how bad the economy is, the farmer doesn't want to let go," said Giadone, adding that people in agriculture join CA because they know it is working for them through its resolutions and scholarship program.

"They know that when CA says it's going to do something, it'll do it," he said. "They know that CA is right in the community. They know we're right here when they need us."

Giadone, who works through the Ed Cox Agency, says localized articles in *CA Highlights* contribute to a sense of local identity. "They can relate to 'em," he said. "People in this area are really becoming aware of CA. When I mention CA, they know what I'm talking about."

"People like CA," said Tom Thompson of Whitney, Neb. "People like the idea, and that's what we're working for."

Thompson and his wife, Dixie, ranchers who began their careers as Communicating for Agriculture enrollers (through the Randy Carlson Agency) in connection with CA's successful joint effort with other rural organizations on behalf of a measure to protect Nebraska agricultural lands against acquisition by nonagricultural investment speculators. Nebraska was CA's fastest-growing state



LOUIS WEISHAAR



JOE GIADONE

in 1982.

Steven Krueger of Gobles, Mich. (Darwin Leathers Agency) cited the popularity of the group health insurance plan for CA members and also noted that people are impressed with the fact that CA was successful in its work on behalf of the Michigan Family Farm Development Authority to authorize the making and purchase of loans and grants to qualified beginning farmers.

"Most of 'em are pretty interested.... that CA is fighting for the rights of the rural people, and they also like the (Communicating for Agriculture Foundation) scholarship thing," he said.

Giadone, Thompson and Krueger each signed up 10 new CA members during December.

Top region enrollers for December are Shepherd (Northwest), Diamond (Sunbelt), Weishaar (Mid America), Krueger (Great Lakes), Thompson and Giadone (tied in Rocky Mountain), Larry Bayer of Statesville, N.C. and John Hopkins of Kosciusko, Miss. (tied in Southeast), William Martin of Slidell, La. (Southwest), and Bill Misskelley of Chico, Calif. (Western).

Following is a list of the numbers of people who joined CA each month during 1982:

January	550
February	587
March	901
April	771
May	807
June	790
July	964
August	1,081
September	1,071
October	1,041
November	1,076
December	1,069
Total	10,480

Be A Friend — Invite Your Neighbor To Join CA

For just \$30 the first year and \$15 per year thereafter, they receive many benefits as members of Communicating for Agriculture. Here are just a few of them.

1. Legislative Voice
2. Membership Survey System
3. Unique Group Health Plan
4. \$1,000 Accidental Death Policy
5. CA Scholarship & Education Foundation
6. International Agricultural Exchange Program
7. Monthly Newspaper with Rural American Focus

Help Unite Rural America

CA, Inc., P.O. Box 677, Fergus Falls, Minn. 56537

Name _____

Spouse _____

Social Security No. _____

Date of Birth _____ ☐ Male ☐ Female

Marital Status: ☐ Single ☐ Married No. of Children _____

Occupation _____

Percent of income derived from agriculture or agribusiness _____

Address _____

City _____

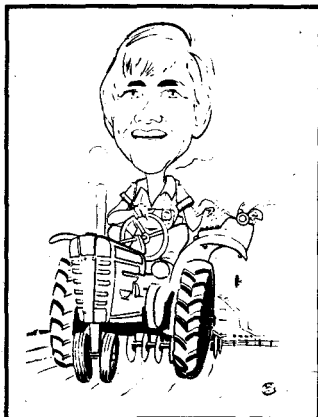
County _____

State _____ Zip Code _____

Phone _____

The Country Wife

By Pat Leimbach



I have long harbored a concept of Southern farm wives as the plantation set-spoken, well-dressed, feminine creatures, manipulative and retiring.

But, believe me, there is a new woman down there born of hard scratch and diminishing returns for agriculture. Soft-spoken and feminine they remain, but manipulative and retiring they are not. Involved in a crusade to amplify their dulcet tones in Congress and state house, Southern farm wives have organized Women Involved in Farm Economics (WIFE).

The Alabama chapter of WIFE invited the Country Wife down this past summer to add a note of levity to the serious business of their annual meeting. (An agenda that includes lobbying techniques, marketing strategy, and governmental jargon needs levity.)

Because I am also a woman involved in farm economics, I quickly discovered that it was cheaper to fly to Atlanta and drive to southern Alabama than to take the commuter flight on to Dothan. It was good to roll down the windows, let the native breezes blow through, and ponder the backroads of the deep South in a verdant summer. Interstates and air conditioning have an insidious way of shutting out the realities and homogenizing all America.

The route I chose took me through Warm Springs, Georgia. There was real nostalgia in recalling Lowell Thomas or Gabriel Heater bringing "the good news tonight" from the "little White House" in Warm Springs, Georgia, where Franklin D. Roosevelt often vacationed and where he died in April of 1945.

It's an attractive monument in the pine hills encompassing both the Roosevelt cottage and a small museum (a neighboring house donated by a widow friend of the Roosevelt's). I was agreeably surprised to find that the "little White House" was in fact a modest cottage, smaller perhaps and no more elaborate than one where I frequently visited with affluent relatives during those same Depression years.

Especially pleasing to the eye was the rich green growth of vine (kudzu vine?) that makes a sculpture garden of every background landscape. My farmer's eye tells me the vine is a dreadful pest, but one must cheer for the beauty of it.

Even the lush vine does not obscure the poverty that lurks in the South. It manifests itself in the hundreds of small businesses, always marginal, now failed, but lingering along the miles of roadside like so much junk fallen from a truck that moved on. It is evident too in the desperation of flea markets where lean merchants pick the bones of leaner customers. Poverty lingers as it always did, on sagging porches and trampled yards set about with wrecked cars and strewn with careless debris.

Yet poverty with a garden and space and green vines is so much less repugnant and depressing to the spirit than the crowded poverty of Northern cities to which so many of our Southern poor fled with forlorn hopes of a better life. Is there substance to reports of a reverse migration? I hope so.

I hope too that the brave defiant women struggling against economic depression in the farm sector will somehow create a ripple effect that brings relief to the rural poor. There is much to be done there that the "savior of Warm Springs" with all his social programs never accomplished.

Coalition aims at stopping rail abandonment

A coalition organized by CA with the purpose of stopping a planned rail line abandonment in Minnesota is seen as a model for similar coalitions throughout the nation.

The coalition, which consists of agricultural, business and civic organizations, as well as private business and individuals, is attempting to stop the planned abandonment of a 42-mile mainline between Fergus Falls and Alexandria, Minn., and a branchline between Fergus Falls and Foxhome, Minn.

CA President Rollie Lake compared the movement to a successful effort in Nebraska in which agricultural, labor and church organizations banded together to bring about the passage of an initiative to stop the acquisition of the state's agricultural land by nonagricultural investors. CA was an active participant in the Nebraska effort.

"Just like in Nebraska, you get something done if you get people involved," said Lake.

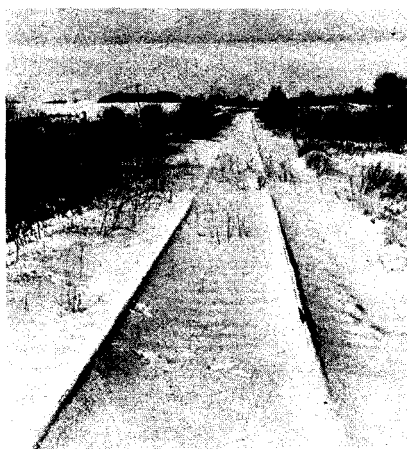
The Burlington Northern (BN) Railroad has initiated steps aimed at the discontinuance of service on the two stretches of track, which serve shippers in six communities (Garfield, Brandon, Evansville, Ashby, Dalton and Foxhome, Minn.) on the pretext that it is losing money on the lines.

However, a BN spokesman admitted under questioning at a public meeting that the proposed loss was figured only on the shipping and receiving done in the six small communities, and does not include the rail business done in the larger communities of Fergus Falls and Alexandria.

In response to an accusation that the rail company is "unilaterally and capriciously defining a loss," BN spokesman Dennis McLeod admitted, "It's a business judgment. We feel we can make more money without that line. We're trying to increase our net."

Minnesota State Representative Bob Anderson, whose district includes some of the communities whose service would be lost, said the abandonment is being planned because BN wants only the "cream," and is not concerned with maintaining a balanced transportation system.

"Railroads should be responsible," said Lake. "They can do the best job with transportation. They took on that responsibility years and years ago, when they accepted all that land (from the government)." Lake accused railroad firms of setting up separate corporations so that losses can be shown on certain lines, as a prelude to abandonment pro-



AN ABANDONED RAIL LINE — CA is part of a coalition which hopes to make such scenes less common.

cedings which have been planned in advance.

CA Vice President William B. Adams said he feels BN used "convoluted accounting" in figuring the loss on the Fergus Falls-to-Alexandria and Fergus Falls-to-Foxhome lines, and commented, "It's a question of where profitability begins and ends where public responsibility begins and ends."

The Fergus Falls-to-Alexandria stretch is part of a longer line, designated as mainline, between St. Cloud, Minn., and Fargo, N.D. However, McLeod said that BN no longer considers it to be mainline, but rather a branchline. Lake and Adams contest that assessment, and point out that for official purposes, it is still a mainline.

The Burlington Northern is attempting to assuage its Fergus Falls and Alexandria customers by telling them that their service will continue, to Fergus Falls by way of Fargo, and to Alexandria by way of St. Cloud.

However, the shippers, as well as other members of the coalition, fear that the abandonment of the middle part of the line will further reduce the status of its remainder; and

will jeopardize service to all who depend on rail service between Fargo and St. Cloud.

"If they take out the middle, the two ends will be less valuable," said a coalition member.

The Fergus Falls Chamber of Commerce and the Fergus Falls Save the Rail Task Force has asked CA to lead an effort to assure continued rail service between Fergus Falls (the community in which CA National Headquarters is located) and Alexandria.

The Communicating for Agriculture Board of Directors Executive Committee has designated the issue as a priority matter for 1983, and appointed Lake, Adams and Board of Directors Vice Chairman Steve Rufer to provide the leadership.

In a series of meetings initiated by CA, the Otter Tail County chapters of the Farm Bureau, Farmers Union and National Farmers Organization (NFO) agreed to work together in a coalition to keep the rail line open.

Also active in the coalition are the Fergus Falls Chamber of Commerce and Otter Tail Power Company, one of BN's largest-scale customers in west central Minnesota.

Plans call for the expansion of the coalition to include similar organizations and businesses in all of the communities between Fargo and St. Cloud.

The eventual goal is to retain adequate rail service through unified effort by showing both Burlington Northern and state decision-making agencies that such service is demanded.

In a larger context, it is felt that the success of the effort will stop the abandonment of necessary rail lines throughout the United States by encouraging the formation of similar coalitions.

Said Lake, "I think a stand has to be made someplace, and this is the place to make it."



Fish have been seen at ocean depths of almost 7 miles.

(
UNITED STATES DEPARTMENT OF AGRICULTURE
FARMERS HOME ADMINISTRATION
Bozeman, MT 59715

February 11, 1983

TESTIMONY BEFORE SENATE AG COMMITTEE ON SENATE BILL 316 "AN ACT TO HELP FARMERS AND RANCHERS OBTAIN CREDIT AT LOWER INTEREST RATES FOR AGRICULTURAL PURPOSES: TO CREATE THE MONTANA AGRICULTURAL LOAN AUTHORITY: TO PROVIDE AN INCOME TAX DEDUCTION FOR CERTAIN LAND SALES TO BEGINNING FARMERS: AND TO PROVIDE FOR LEGISLATIVE REVIEW."

Mr. Chairman. . . .Members of the Committee. . . .

My name is Art Lund, State Director of Farmers Home Administration, representing the U. S. Department of Agriculture, on this proposal.

I appear, not as an opponent nor proponent. . . .but since I have been invited to testify, Farmers Home Administration has a couple of concerns about this Bill.

Legislation states "loan authority may use assistance and service of Farmers Home Administration, etc. . . ."

We are more than willing to be of service but should it imply that my county supervisors get involved, I would caution you that our county supervisors have more than they can service now. We have, on an average, 300 loans per Loan Officer in each county office. They have plenty to do just to get the loans out for spring planting besides all the other servicing actions.

FmHA regulations spell out very clearly that FmHA cannot guarantee a loan that is financed by tax exempt authorities. . . .although under our authorities we may be able to participate in a Line of Credit for the same borrower. . . .but, the tax exempt loan cannot be guaranteed by FmHA.

The use of this bonding process for beginning farmers is a good course to pursue but I do feel there perhaps should be a top limit on the amount of money a borrower is able to borrow. I also feel 60 years is a very long time. FmHA's average loan goes from 16 - 20 years.

FmHA has Limited Resource money for both Operating Loans and Farm

Ownership loans. In 1982 we made loans to 50 borrowers for \$5.6 Million and in 1983 our allocation is \$4.5 Million which there is a demand for. Interest rates presently for Limited Resource loans are 5.25% for Farm Ownership and 7.25% for Operating loans.

There is a demand for a beginning farmer program. . .other states do have similar legislation.

I have recently traveled around the state on 11 seminars with PCA/FLB, Bankers Association and the Extension Service. Our reception by young farmers was very good. We are finding the greatest need is for good financial management. It is of first priority in agriculture today. The files I review indicate this.

We have been through the "power revolution" in agriculture. . . . through the "production revolution" and now the "financial revolution" is upon us.

For a young person today to be successful, financial management is a top requirement.

o0o

Ex #4



WIFE Women Involved In Farm Economics

NAME JO BRUNNER BILL NO. SB 316
ADDRESS 563 3rd ST. HELENA DATE Feb. 11
REPRESENT WOMEN INVOLVED IN FARM ECONOMICS
SUPPORT X OPPOSE AMEND

COMMENTS:

Mr. Chairman, members of the committee, my name is Jo Brunner and I represent the members of the Women Involved in Farm Economics organization in support of SB 316.

Mr. Chairman, Although we supported the bill introduced, and killed in the 1981 legislative session, we are very supportive of the simplification and for the updating of certain portions of ^{this} legislation that would enable agriculture families, willing to work, and to go into debt, to obtain financial backing for their agriculture endeavors. We appreciate that these loans could be used for the purchase of machinery, probably our single largest expenditure, or to build facilities necessary to the individual operation, or to purchase land. We are appreciative that the procedure to obtain this financial backing has been simplified, but has not weakend either the structure producing the monies, or that evaluates the applicants.

We are especially encouraged to see that the applicant must declare his intention to live in Montana during the length of the loan, and should the recipient decide to cease the operation, the loan must be paid in full.

~~We believe that Section 23 allowing the tax relief for those selling land to the recipient could be increased to some extent. We can see that a seller with land valued for sale at \$800 to \$1,000 per acre might not get all that excited about a \$50,000 tax break if he were offered additional incentive for his land.~~ ~~Then has no duty like a woman's duty~~ Thank you

Ex #5

NAME: FRED R. BROWN DATE: Feb . 11, 1983

ADDRESS: P.O. Box 477, Whitehall, Montana 59759
1805 Joslyn #60, Helena, Montana 59601

PHONE: Whitehall.....287-5662
Helena442-3091

REPRESENTING WHOM? National Farmer's Organization

APPEARING ON WHICH PROPOSAL: SB 316

DO YOU: SUPPORT? XXXX AMEND? OPPOSE?

COMMENTS: Mr. Chairman, members of the committee;

The bills that have been introduced in past legislative sessions designed to help begining farm~~s~~ and ranch~~s~~ ^{OWNERS} obtain credit at lower interest rates each had some areas of difficulty or controversy within them. This Senate Bill 316 appears to us to be well researched, and written to be effectively helpful while using the established financial institutions of Montana to keep the funding on sound finacial procedures.

Helping protect and establish the future of Montana's largest industry, agriculture, we feel, is not only ecconomically wise, but also far sighted.

The Montana National Farmer's Organization is in full support of this bill.

Thank you

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.



Montana Association Of Conservation Districts

7 Edwards
Helena, Montana 59601
Ph. 406-443-5711

Ex. # 6
2/11-83

SB 316

Feb. 11, 1983

Mr. Chairman, Members of the committee:

For the record I am Steve Meyer, representing the Montana Association of Conservation Districts.

We would like to go on record as supporting SB 316. This type of legislation is needed to give young farmers and ranchers a chance to begin an agricultural career. In recent years I have seen many people my age forced to leave the farm and ranch because it was too expensive to start out on their own. Hopefully this program can help to reverse that trend and maintain the family farm in Montana.

I do have one amendment to offer for SB 316, which is attached to my testimony. We would suggest that this extra point be added to the criteria used to evaluate the loan applications. Our group believes that all agricultural operations should use a development plan based on resource conservation and enhancement so that we can protect our soil and water for future generations.

Thank you.


Steven R. Meyer

SB 316

on line 2, page 7: strike the word "and"

insert on line 2, page 7:

(vi) the applicant's willingness to apply sound conservation practices to limit soil erosion and maintain water quality;

and

~~(vi)~~ (vii) any other factors it may prescribe.

Montana State Senate Agriculture Committee Hearing

Feb 11, 1983 12:30 P.M.

I apologize for not being able to voice my opinion in person, so rather choose to express it in the following written testimony without qualification, I support SB 316 because it addresses a serious problem for not only people in agriculture but those outside it.

Each person our country in fact has a vital stake in whether or not we are able to perpetuate the ownership of our agricultural land in the hands of a class of people representative of a majority of our nation's population.

Several other states have ~~not~~ endorsed the same concept in the past by enacting measures similar to SB 316 with encouraging results. It is time Montana take this necessary and prudent step.

This is one of those rare times when government

can take its true function to heart and provide opportunity rather than being opportunistic.

Opposition to this measure will come from those who take a narrow view and nurture a stagnant philosophy. Namely, that this measure is an affront to free enterprise and a blot on the flag.

Somewhere these people have developed the idea that if one wants to farm or ranch ~~they~~ he or she must first have a fanatical attraction to self inflicted economic pain and physical hardship. Anything less is judged unattractive.

This survival of the fittest scheme is good if the numbers showed progress in the family farm business system was being made. However, an insufficient number of prospective farmers' ranches are willing to go to those extremes so the net migration from the farm continues.

The best interests of both free enterprise and democracy are rooted deeply in a broad ownership pattern of raw material producers (farmers & ranchers) and the resource (land). Free enterprise is

based on competition which is a direct result of numerous independent producers. Democracy and freedom is based on a national wealth and power being effectively dispersed among a group of people representative of a majority of the population.

The embodiment of wealth and power since time began is land and nations concerned about the dignity and wellbeing of both their land and their people recognizing the necessity of equitably joining the two. Those who fail to recognize this connection collapse from within.

I believe it is fair to say that the problems most foreign countries have today are land problems. We have the luxury of addressing this issue of land before it becomes critical. First we must recognize it as a potential problem and can start to do so by the approval of SB 316.

One other argument I've heard against this type of program is; should we put the burden of land ownership, farm problem etc.

on someone else by offering this ~~program~~ opportunity. This is invalid because it is not my function nor is it the function of any and all legislators to make decisions of this type for anyone. It is our obligation to provide the tools, ~~and~~ ^{but the} responsibility of those who choose to use them to suffer the

consequences or reap the rewards of their use.

The institution of private ownership of agricultural land by those who live and work on it is too precious to let wilt through neglect well intentioned though it may be.

I support SB 316 because there is a need and because both evidence and experience show that it ^{will} work.

Thank you

Donna L. Kirby
Rep. MT 59471

Ex # 8

01/11/83

Agriculture

Dear Senator Lowe;

Jim Jandy contacted me, and informed me of a bill for an act to help farmers and ranches obtain credit at lower interest rates for agriculture purposes.

I am in support of senate bill 316 and hope for your continued support of agriculture in Montana.

If we can be of any assistance in our community please let us know.

Thank you for your assistance.

Sincerely;

Robert and Debra Hull

Senator Tom Towe
P.O. Box 127
Capitol Station
Helena, Mt. 59620

Dear Mr. Towe,

Jim Tandy contacted me and informed me of a bill for a act to help farmers and ranchers obtain credit at lower interest rates for agricultural purposes.

I am in support of senate bill 316 and hope for your continued support in agriculture.

If we can be of any assistance in our community please let us know.

Thank you for your assistance

Sincerely,

Larry J Yukonich
Merrilee Yukonich
Box 268
Goliad, Mt 59041

SENATE COMMITTEE AGRICULTUREDate 2-11-83 SB Bill No 296 Time 2:06

NAME	YES	NO
SENATOR KOLSTAD	✓	
SENATOR AKLESTAD	✓	
SENATOR BOYLAN	✓	
SENATOR CONOVER		✓
SENATOR GRAHAM	✓	
SENATOR LANE		✓
SENATOR LEE	✓	
SENATOR OCHSNER		✓
SENATOR GALT, Chairman	✓	
	6 yes	3 No

Rita Tenneson

Secretary

Jack E. Galt

Chairman

Motion: Lay on Table - Motion made by Senator
Kolstad(include enough information on motion--put with yellow copy of
committee report.)