

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

January 25, 1985

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

ROLL CALL: All members present.

HOUSE BILL 110: Introduced by Representative Ted Schye, House District 18, Glasgow. He was asked by a neighbor why his mother couldn't lease him her farm for more than 10 years. After checking with the Departments of Agriculture and State Lands, nobody knew why the law was there except that it was an old 1895 New York tenant law. Representative Schye felt it may have had a place then but is no longer needed. He had about 500 calls worrying about taking this away from State Lands, but it has nothing to do with state leased lands; it only pertains to leases between private individuals. Exhibit #1 pertains to the 10 year lease.

PROPOSERS: Ralph Peck, Deputy Director, Montana Department of Agriculture, said his department supports the bill. Complete testimony attached as Exhibit #2.

Hearing closed on HB 10.

HOUSE BILL 60: Representative Marian Hanson, House District 100, explained that the bill was requested by the Department of Livestock and gives GVW people, at truck stops, authority to ask for brand inspections or permits for livestock. They have been doing this, but do not have legal authority. This will not allow them to delay or harass anyone without a permit, but will help enforce the law. On page 3 of the bill, it adds an enforcement officer to the list of officers.

Jack Sedgwick, Department of Livestock, supported the bill. Exhibit #3.

Don Copley, Department of Highways and Carol Mosher, representing Montana Stockgrowers and Montana Cowbells, arose in support of the bill.

Committee questions: Senator Galt asked Mr. Sedgwick what the inspectors did when they stopped someone. He was told they detain him and notify the Department so they can get a brand inspector out there as soon as possible. They can only hold him for a reasonable length of time, but he wasn't sure how long this was. They take down all the information from his driver's license and truck license numbers so they can do a more thorough check.

Senator Boylan raised a question about hauling a calf in the back of a pickup. Mr. Copley told him trucks under 8,000 pounds are not required to stop at weigh stations.

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Hearing closed on HB 60.

HOUSE BILL 61: Representative Marian Hanson, House District 100, said this bill is another request of the Department of Livestock and provides a penalty for violation of brucellosis vaccination requirements. The law was enacted in 1981, but we failed to place a penalty in it. This bill places a penalty on anyone who does not follow through with the requirements.

PROPOSERS: Clyde Peterson, Department of Livestock, supported the bill and presented a letter from Donald Ferlicka, State Veterinarian, in favor of the bill. Exhibits #4 & #5.

Carol Mosher, Montana Cowbellees, Montana Stock Growers, supported the bill.

Committee questions: Senator Lybeck asked Mrs. Hanson what the requirements for brucellosis exams were. She told him any heifer calves, over four years of age, shipped in from out of state, must show a vaccination receipt and if they don't have one, they must show it within six months or one year. She thought that one year was too long a time and Les Graham, Department of Livestock, said they should try to get that amended to six months. Spayed heifers do not require a vaccination. This just applies to calves moved in from out of state.

In closing, Representative Hanson told the committee that Senator Yellowtail would carry both House Bills 60 and 61 on the senate floor.

SJR 10: Senator Ted Neuman, Senate District 21, introduced the resolution, saying it created a select committee, 10 from the House and 10 from the Senate, to study problems facing Montana farmers and ranchers. Full testimony attached as Exhibit #6. He asked members to be sure and review the tables shown in the report.

PROPOSERS: Ralph Peck, Department of Agriculture, supported the bill. Exhibit #7.

Terry Murphy, Montana Farmers Union, supported the bill. Exhibit #8.

Pat Underwood, Montana Farm Bureau, supported the bill. Exhibit #9.

Jo Bruner, on behalf of the Montana Cattlemen, Montana Cattlefeeders, and Montana Grange, rose in support of the bill. Exhibits #10 and #11.

Carol Mosher, Montana Cowbellees, supported the bill and thanked the senator from her district for presenting the

bill. She also offered the help of any woman in her organization to answer questions.

Blake Wordal, Montana Hardware and Implement Association, supported the bill.

Margaret MacDonald, Northern Plains Resource Council, representing the 1500 farm and ranch homes in the state, went on record saying they felt it to be one of the most significant issues facing the legislature this session.

Committee questions: Senator Galt asked who makes these appointments. Senator Neuman replied he thought that, in the Senate, it would be the Committee on Committees and in the House it would be the minority and majority party leads. Senator Galt asked if this shouldn't be included in the resoultuion. Senator Neuman thought this was the usual way of doing appointments. Senator Galt asked who staffs it. Senator Neuman thought Legislative Council, but thought there was plenty information available and didn't think they needed a lot of staff and research. He saw the committee as a committee pulling information they already have together. Senator Galt suggested sending the resolution to the agricultural committees in the respective houses in Washington, as well, as he didn't feel the Senate and House, as a whole, were that involved in agriculture. Senator Neuman agreed that was a good idea.

Senator Kolstad agreed with Senator Galt's suggestion on spelling out who makes the selections for the committee. He felt a certain amount of the members should be agricultural people. Senator Neuman was hopeful the leadership would do that and he would make the request known to them.

Senator Hammond asked if he didn't feel it should be agra/business related. Senator Neuman said they would have to leave some direction up to the leadership who will make these decisions.

After considerable discussion relating to the selection of the committee members, the hearing was closed.

DISPOSITION OF HOUSE BILL 60: Senator Conover moved HB 60 BE CONCURRED IN. Motion carried. Senator Yellowtail will carry the bill on the Senate floor.

DISPOSITION OF HB 61: Senator Bengtson moved HB 61 BE CONCURRED IN. Motion carried. Senator Yellowtail will carry the bill on the Senate floor.

DISPOSITION OF HB 110: Senator Kolstad moved HB 110 BE CONCURRED IN. Motion carried. Senator Kolstad will carry the bill on the Senate floor.

SJR 10: Senator Galt suggested giving SJR 10 to John

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MacMaster, Legislative Council, to put in the committee recommendations regarding the appointment of the resolution committee. Senator Boylan told members if anyone wanted to work with John, feel free to do so.

Senator Boylan announced there would be no meeting Monday, January 28, but we would hear Senate Bills 154 and 202 on Wednesday, January 23.

There being no further business, the meeting adjourned.



SENATOR PAUL BOYLAN, Chairman

ROLL CALL

AGRICULTURE, LIVESTOCK & IRRIGATION COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 1-25-85

SENATE
SEAT
#

	NAME	PRESENT	ABSENT	EXCUSED
1	SENATOR GARY AKLESTAD	✓		
27	SENATOR ESTHER BENGSTON	✓		
35	SENATOR JACK GALT	✓		
34	SENATOR H. W. (SWEDE) HAMMOND	✓		
10	SENATOR ALLEN KOLSTAD	✓		
38	SENATOR LEO LANE	✓		
48	SENATOR RAY LYBECK	✓		
31	SENATOR ELMER SEVERSON	✓		
39	SENATOR BOB WILLIAMS	✓		
29	SENATOR MAX CONOVER, V. CHMN.	✓		
50	SENATOR PAUL BOYLAN, CHAIRMAN	✓		

Each day attach to minutes.

DATE 1-25-85

COMMITTEE ON AGRICULTURE

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Terry Mungley	MT Farmers Union	SJR 10	X	
Don Copley	Dept. of Highways	HB 60	X	
PAT UNDERWOOD	MT. FARM BUREAU	SSR 10	X	
Shelley Katz				
JACK SEDGWICK	DEPT. OF LVSTR	HB 60	X	
Clyde Peterson	" "	HB 60-61	X	
John North	Dept of State Lands	HB 110		
Ralph Peck	Dept of Agriculture	SJR 10 HB 110	X	
Carol Mashie	MT. Stock Growers MT. Law Pickers		X	
Mary Ann Donald	Northern Plains Resource Council	SJR 10	X	
R. Harrington	Intern	SSR 10		
Blake Woodard	MT HARDWARE & IMPLEMENT ASSOC	SJR 10	X	

the parties gives notice to the other of his intention to terminate the hiring at least as long before the expiration thereof as the term of the hiring itself, not exceeding 1 month.

(2) Subsection (1) does not apply to real property leased under an arrangement governed by chapter 24 of this title.

History: En. Sec. 2625, Civ. C. 1895; re-en. Sec. 5231, Rev. C. 1907; re-en. Sec. 7746, R.C.M. 1921; Cal. Civ. C. Sec. 1946; Based on Field Civ. C. Sec. 995; re-en. Sec. 7746, R.C.M. 1935; R.C.M. 1947, 42-206; amd. Sec. 18, Ch. 115, L. 1979.

Cross-References

Tenancy at will — termination after notice,
70-27-104.

Holdover or collusion after notice — treble
rent, 70-27-207.

Holdover after tenant's notice to quit — treble
rent, 70-27-208.

70-26-206. Rights of tenant for years or at will. (1) A tenant for years or at will, unless he is a wrongdoer by holding over, may occupy the buildings, take the annual products of the soil, and work mines and quarries open at the commencement of his tenancy; and a tenant at will or for an indefinite term may cultivate and harvest the crops growing at the end of his tenancy.

(2) A tenant for years or at will has no other rights to the property than those given to him by the agreement or instrument by which his tenancy is acquired or by subsection (1).

(3) Subsection (2) does not apply to arrangements governed by chapter 24 of this title.

History: (1)En. Sec. 1271, Civ. C. 1895; re-en. Sec. 4519, Rev. C. 1907; re-en. Sec. 6761, R.C.M. 1921; Cal. Civ. C. Sec. 819; Based on Field Civ. C. Sec. 258; re-en. Sec. 6761, R.C.M. 1935; Sec. 67-702, R.C.M. 1947; (2)En. Sec. 1272, Civ. C. 1895; re-en. Sec. 4520, Rev. C. 1907; re-en. Sec. 6762, R.C.M. 1921; Cal. Civ. C. Sec. 820; Field Civ. C. Sec. 259; re-en. Sec. 6762, R.C.M. 1935; Sec. 67-703, R.C.M. 1947; R.C.M. 1947, 67-702, 67-703; (3)En. Sec. 19, Ch. 115, L. 1979.

70-26-207. Agricultural leases for more than 10 years void. No lease or grant of agricultural lands for agricultural purposes for a longer period than 10 years, in which shall be reserved any rent or service of any kind, shall be valid, provided that the foregoing shall not limit or affect leases with option to purchase made by the farm security administration of the United States department of agriculture, but leases or grants of lands lying outside the limits of cities and towns, for any purpose other than for agricultural purposes, may be for such period as may be agreed to by the parties to such leases or grants.

History: En. Sec. 1152, Civ. C. 1895; re-en. Sec. 4465, Rev. C. 1907; amd. Sec. 1, Ch. 172, L. 1919; re-en. Sec. 6707, R.C.M. 1921; Cal. Civ. C. Sec. 717; re-en. Sec. 6707, R.C.M. 1935; amd. Sec. 1, Ch. 151, L. 1941; R.C.M. 1947, 67-408.

Cross-References

Lease for more than 1 year to be in writing,
28-2-903.

CHAPTER 27

FORCIBLE ENTRY AND DETAINER UNLAWFUL DETAINER

Part 1 — Definitions and Preliminary Procedure

Section

70-27-101. Application and jurisdiction.

70-27-102. Forcible entry defined.



TED SCHWINDEN
GOVERNOR

STATE OF MONTANA
DEPARTMENT OF AGRICULTURE

OFFICE OF THE DIRECTOR
AGRICULTURE/LIVESTOCK BLDG.
CAPITOL STATION
HELENA, MONTANA 59620-0201

Jan. 25, 1985
HB 110
Exhibit #2
TELEPHONE:
AREA CODE 406
444-3144

KEITH KELLY
DIRECTOR

TESTIMONY OF MONTANA DEPARTMENT OF AGRICULTURE

DIRECTOR KEITH KELLY FOR THE

SENATE

AGRICULTURE COMMITTEE

Chairman Boylan, members of the committee, thank you for the opportunity to testify on House Bill 110.

Representative Ted Schye contacted us last summer in relation to the ten year lease limitation. We did some research and found it is a carryover from early New York law that was adopted into Montana Statute.

The court system provides sufficient protection against abuse as well as providing a means for restitution. Therefore we support House Bill 110 and believe conditions and terms should be determined by the parties involved.

NAME: JACK SEDGWICK DATE: 1-25-85

ADDRESS: 2

PHONE: 444.2045

REPRESENTING WHOM? DEPT. OF LIVESTOCK

APPEARING ON WHICH PROPOSAL: H B-60

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: _____

In the event Gross Vehicle Weight officers should stop
a load of stolen livestock or discover forged
brand documents, it has been brought to our (depts)
attention in the case of criminal prosecution a defence
attorney could make a good case for the defendant.
that GVW officers are not among those listed
by statute to request brand documents.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Clyde Peterson DATE: 1/25/35

ADDRESS: _____

PHONE: 444-2043

REPRESENTING WHOM? Dept. of Livestock

APPEARING ON WHICH PROPOSAL: HB 61

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: _____

Appearing of Behalf of Dr. Don Ferlicka
State Veterinarian

see: submitted testimony

H.B. 61 will provide the Dept. of Livestock
with additional enforcement capability. It will
help prevent reintroduction of brucellosis into
Montana.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

DEPARTMENT OF LIVESTOCK

H.B.6
Exhibit # 5



TED SCHWINDEN, GOVERNOR

CAPITOL STATION

STATE OF MONTANA

BRANDS ENFORCEMENT DIV. 406-444-2045
ANIMAL HEALTH DIV. 406-444-2043

HELENA, MONTANA 59620

January 24, 1985

Statement to Senate Agricultural Committee
Montana State Legislature

Mr. Chairman and Members:

The Montana Department of Livestock favors the passage of House Bill 61 because it allows for better enforcement of the import Bangs vaccination law and thereby helps eliminate the chance of reintroducing cattle brucellosis into the state.

DONALD P. FERLICKA, D.V.M.
Administrator & State Veterinarian

mc

Jan. 25, 1985
SJR 10
Ex. #6

SENATOR NEUMAN: FACT SHEET ON AGRICULTURE

THE PROBLEM

The immediate problem for Montana's agricultural industry is the deteriorating financial condition of Montana's farmer/ranchers. This financial predicament threatens to destabilize current ownership patterns which may accelerate the loss of Montana's productive crop and range land.

A recent agricultural credit study (Montana Department of Agriculture, November, 1984) profiles Montana agriculture's financial health. According to the report nearly 30% of Montana's farm/ranch owners have debts exceeding 40% of their assets. Many may be unable to refinance and are certain to face foreclosure. Ultimately, if foreclosures are widespread, the financial stability of half the remaining ranch/farm operations will be jeopardized.

As if to signal a dismal new year for Montana agriculture, in January, 1985, three Montana production credit associations (PCA) decided to liquidate, the first in the 51 years of Montana's PCAs. Mounting problems are also forcing the reorganization of the five-state Federal Intermediate Credit Bank of Spokane.

Public officials, though quick to react, have been unable to do more than gather information and consider various policy options. In January, U. S. Senator John Melcher held a public hearing in Helena for the Senate Agriculture Committee. Ranchers, bankers and agricultural experts gave various explanations for agriculture's plight ranging from the federal deficit to low commodity prices. Most agreed that credit is not to blame for agriculture's depressed condition.

William Hoffman, associate deputy director of the Farm Credit Administration, argued that "Credit can help farmers adjust to the basic economic, social and political conditions that exist, but it is not the primary cause of those conditions." He added that "Only in the very short run can credit substitute for income, for profitability. It can help achieve economic adjustment, so long as it is not viewed as an alternative."

The central problem, then, is the profitability of agriculture. Ironically, the current indebtedness resulted from the profitability of agriculture during the 1970s. Flush with success, ranchers and farmers hurried to farm lending institutions to expand their operation to take

advantage of an apparently expanding market. For their part, lenders were willing to lend on the basis of increasing land value, securing these operating loans with land.

By the time agriculture is restored to profitability, a significant percentage of Montana's farmers and ranchers will no longer be in business unless they receive additional credit. Their immediate concern is credit, a concern shared by their creditors. Neither the rancher nor the banker wants foreclosure. The rancher wants to retain his property and his way of life, and the banker does not want the burden of selling agricultural land in a depressed market.

Results of Farm Operator Survey

Results of the farm operators survey-as conducted by the Montana Department of Agriculture shows that 18 percent of Montana farmers are delinquent on real estate loan payments. A breakdown shows that about half of those have been able to stay current on interest payments only. The delinquency rate is somewhat higher among farms of less than a thousand acres, averaging 25 to 29 percent.

Only 7 Out Of 10 Current On Operating Loans

For non-real estate or loans used to purchase operating equipment and supplies 31 percent of the state's farmers are delinquent in their payments. However, 61 percent of those are current on interest payments only. All sizes of operations seem to be having trouble keeping current on operating loans, but those under 1,000 acres in size are running above average on delinquency, while those between 1,000 and 2,000 acres are below average.

Loan Delinquency Rate By Size of Farm

SIZE OF FARM	REAL ESTATE LOANS DELINQUENT	NON-REAL ESTATE LOANS DELINQUENT
---Acres---	-----Percent-----	
499 or less	25.0	31.8
500-999	28.6	37.5
1,000-1,999	14.3	24.5
2,000-2,999	18.8	34.1
3,000-4,999	13.6	32.1
5,000-9,999	8.6	31.8
10,000 +	12.7	28.3
STATE TOTAL	17.6	30.6

Interest rates averaged 10.4 percent for real estate and 13.9 percent for non-real estate loans. Six percent of the survey respondents had been denied credit between January and September 1984. About 4 out of 10 were able to obtain credit elsewhere.

Debt To Asset Ratios On The Rise

The debt to asset ratio measures the economic health of the farming and ranching business. A comparison of debt to asset ratios from 1979 to 1984 shows a steadily worsening financial balance sheet for Montana farmers. The average debt to asset ratio based on results of this survey was 28.2. This means the average farm debt was 28.2 percent of total farm assets. This statistic isn't alarming in itself, but closer examination of the data shows that 24 percent of those surveyed had ratios exceeding 50 percent and 7 percent reported debts exceeding 70 percent of assets.

Forty-five Percent Won't Survive Over 5 Years

Assuming current trends in farm income and expenses, only 55 percent of Montana's farmers and ranchers will be able to stay in business over 5 years. Over 9 percent say they can only survive one more year, but 48 percent will farm until they retire.

MONTANA FARM FINANCE BALANCE SHEET BY DEBT/ASSET RATIO

DEBT/ASSET RATIO CATEGORY	NUMBER OF REPORTS	DEBT TO ASSET RATIO AVERAGE	FARM ASSETS AVERAGE	FARM DEBT AVERAGE	PERCENT DEBT IN LAND CONTRACTS	INTEREST PAID AVERAGE
-Percent-		-Percent-	-----Dollars-----		--Percent--	-Dollars-
0	77	0	573,702	0	0	48
0-10	58	4.3	805,751	34,866	32.4	4,865
10-20	53	14.0	883,587	123,679	52.3	15,587
20-30	41	24.6	1,097,016	270,009	60.1	31,168
30-40	43	33.8	907,062	306,881	55.5	30,070
40-50	43	43.7	894,245	390,499	48.7	40,251
50-60	52	53.8	764,533	411,426	57.1	36,762
60-70	19	63.8	470,708	300,628	57.3	33,969
70 +	28	82.2	601,765	494,965	53.7	49,279
STATE TOTAL	414	28.2	769,114	216,854	39.7	22,241

KEY PLAYERS

In view of the challenges that face the agricultural sector of the economy, whose responsibility is it to forge the solutions? Who are the key players? Certainly the farmers/ranchers, bankers/institutional lenders and the food consuming public will be high on the list of big winners when a solution is finally found and implemented. Take a brief look at the special interests of each of these key participants.

The farmers and ranchers on a large scale have not been able to satisfy their current financial obligations: as a consequence the farm/ranch sector will be unable to attract the necessary capital resources for its future growth and development. While the failure to meet current obligations is simply on a large scale, the consequent drought in long term capital resources is likely to be on a total scale.

The banks and institutional lenders are key players also. They are not innocent bystanders. The agricultural credit industry has fallen into the old trap of advancing credit on the basis of raw land values rather than on the more conservative basis of the capitalized operating values of the land. As an expected result, many of the nation's most trusted and faithful agricultural lenders find their portfolios clogged with functionally non-performing loans. Their logical response has been to display great reluctance to consider new "AG" credits, even on solid operations. The Agricultural sector's sources of long term capital have become immobilized, frozen in a block of non-performing loans. On the basis of this example, new and old lenders alike have exercised other alternative uses for their remaining funds.

The public, through its harmonic voice, the political system and the market place, demands a reliable, plentiful, high quality and relatively inexpensive food supply. The farm public, once a majority, has become a relatively powerless minority: Its political influence being vastly overshadowed by the urban majority.

In response, the farm community has come to rely upon the bureaucracy of the federal government to implement a comprehensive farm policy designed to place agriculture on firmer financial ground. The federal government, being understandably more responsive to its larger urban constituency, has failed to implement such a policy, electing in the alternative to insure a plentiful and cheap food supply.

What Is The Major Cause Of Farm Problems Today?

	All Farmers & Ranchers	Cash Grain	Livestock Producers	Commercial Banks	FmHA	PCAS	Fed. Land Bank
----- --Percent-- -----							
Bought Land Too High	3.7	3.1	4.3	5.0	---	---	---
High Cost of Equipment	12.9	15.2	13.7	6.3	---	---	---
High Interest Rates	22.3	19.9	23.1	17.5	50.0	10.0	13.3
Government Farm Programs	4.8	3.6	6.7	2.5	---	---	---
High Input Costs	10.0	7.6	9.8	6.2	---	30.0	6.7
Low Market Prices	36.0	36.9	33.1	39.4	---	60.0	40.0
Natural Disasters	8.7	11.5	8.9	6.9	20.0	---	20.0
Other 1/	1.6	2.1	8.4	16.2	30.0	---	20.0
	-----	-----	-----	-----	-----	-----	-----
	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Poor management, over-mechanized and all other.

ISSUES

The following are a few of the many issues that may be considered.

1. FARM CREDIT This issue must be addressed immediately. An investigation concerning the farm credit system must be conducted in order to initiate legislation at the state and federal level.

2. COMMODITY PRICES Policy needs to be developed to provide an equitable price to the farmer/rancher for his products in order to insure a profitable return.

3. LONG-TERM PROGRAM New farm legislation, both at the state and federal level, must be bi-partisan effort directed at a long term program. Any agricultural plan must provide workable provisions withstanding changes in administration, yet be flexible enough to adjust to domestic and international economic fluctuations.

4. AGRICULTURAL
MARKETING Present agricultural marketing problems must be investigated. Among the issues include:
Exports
Embargo Protection
Foreign Aid Food Programs
Subsidized Food Export Programs
Supply Management Programs
Imported Meats
5. NATIONAL ECONOMIC
ISSUES Those economic issues directly affecting agriculture particularly the Federal Deficit and High Interest Rates.

PERSONAL REMARKS

In a state such as Montana, where 34% of the total revenue is generated from agriculture and where many main street businesses are intricately linked to the agricultural industry; any solution, either of long- or short-term significance or at the state or federal level; must include the comments, suggestions and consideration from a cross-section of the Montana citizenry. In order to accommodate the vast array of participants, the resolution suggests the committee be composed of 10 members of the House of Representatives and 10 members of the Senate, with equal representation from both parties.

Many Montana farm organizations have worked very hard to develop proposals that will effect long-term farm profitability. However, the majority of these proposals are not understood by many people outside the agricultural community. The proposed committee would enable many of these non-agricultural groups the opportunity to fully understand the individual proposals and their potential impact on their own organizations and on the entire state. Also, Governor Schwinden and several members of the legislature, including Senator Kolstad and Senator Boylan, serve on national committees which will make recommendations to Congress concerning the 1985 Farm Bill.

The purpose of the proposed committee would be as follows: First, the committee would generate a greater understanding of agriculture's problems and situations. Second, the committee could suggest possible solutions to agriculture's immediate problems. Third, the committee should investigate all the possible options and alternatives in order to derive possible solutions to agriculture's problems. Fourth, the committee, on behalf of the State of Montana, would carry forth these ideas and solutions to the national level, especially concerning the 1985 Federal Farm Programs.

NAME: Ralph Peck DATE: 1-25-85

ADDRESS: Agriculture / Livestock Bldg.

PHONE: 444-3144

REPRESENTING WHOM? Montana Department of Agriculture

APPEARING ON WHICH PROPOSAL: SR10

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: The Department of Agriculture supports
SR10. We believe we need a broad
base review of the current agriculture situation.
We hope that SR10 can address the problems
we now face and provide input ~~to~~ ^{to determine}
state of Montana's role in resolving the ~~the~~
problems we now face.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.



**MONTANA
FARMERS
UNION**

SJR 10
Jan 25, 1985

Exhibit # 8
P.O. Box 2447
300 River Drive North
Great Falls, Montana 59403
(406) 452-6406
1-800-332-5903

TESTIMONY OF TERRY MURPHY, PRESIDENT OF MONTANA FARMERS UNION ON SJR 10
January 25, 1985

I am Terry Murphy, President of the Montana Farmers Union. I appear as a proponent of SJR 10.

The year 1985 will be the year that this nation decides the fate of several hundred thousand farm families and farm operations. The action taken, at the Federal Level, on commodity prices, interest rates, or a combination of the two, literally will tell us whether America still believes in a broad-based individual owner-operator type of agricultural production system.

That decision, to be made this year, will also decide the fate of many, many small & medium sized towns. If thousands of farm families have to leave the land in Montana, hundreds of local businesses will have to leave the towns of Montana.

Farm Policy and Monetary Policy, both made in Washington, are key components (not the only components) but key ones in determining the future of this State.

It is proper that the Legislature, as the governmental body closest to the people of the various communities, should search for consensus, and play a role in communicating to Congress a proper response to the present crisis.

Just a few statistics to show what interest rates & commodity prices mean to the Montana economy--Statistical Reporting Service figures show that total farm debt in Montana stands at nearly \$5.4 billion. Each point in interest rates means \$52 million. If interest rates could go to 7% from their present average of 12% (& I think that's low) we would have in Montana \$260 million annually in farm income which could be applied to Principal, instead of the bottomless pit of Interest payments. Lenders & agricultural suppliers should like that.

I haven't figured all grains & livestock, but let's just use wheat for an example. The U.S.D.A. target price of wheat is \$4.38 per bushel. The market is \$1 per bushel under that, but total price for those in the Farm Program is \$4.38. Montana, on average, produces about 140 million bushels a year. Every 1 cent per bushel above 4.38 would increase wheat income in Montana by \$1.4 million. Ten years ago it brought 6 per bushel. If we got back to that level an additional \$215 million per year would be available to the Montana economy--just from wheat. This years action is crucial. The Legislature must be involved.
Thank you.

NAME: PAT UNDERWOOD DATE: JAN 25, 85

ADDRESS: 502 S. 197th AVE

BOZEMAN, MT. 59715

PHONE: 587-3153

REPRESENTING WHOM? MONTANA FARM BUREAU

APPEARING ON WHICH PROPOSAL: SR 10

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: The Montana Farm Bureau
SUPPORTS this concept. We certainly
need new solutions to new problems
in a new economic age. This
can only be a step in the
right ~~direction~~ direction.

Pat Underwood
EXVP MFB

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

Jo Brunner

Jan. 25, 1985
SJR 10
EX. # 10

AGRICULTURE LEGISLATIVE WORK

Jo Brunner
1468 Kodiak Rd. Helena
Bill No. SJR10
Montana Cattlemen, Montana Cattlefeeders, Montana Grange

Senate Agriculture
January 25, 1985
support

Mr. Chairman, members of the committee, for the record my name is Jo Brunner and I am representing the Montana Cattlemens Association, the Montana Cattle Feeders Association and the Montana Grange at this meeting.

Mr. Chairman, it is the desire of our organizations to support this effort by Senator Neuman to not only call attention to those elected officials in Washington D.C., but to all those who are even remotley connected with agriculture to the dire situation our industries are in.

We appreciate that this will be in effort to offer a solution to the problem, not just a protest, a solution arrived at by consultation with agriulture, using our recommendations for alleviating our problems. We have always desired the opportunity to participate in rule making, not to just be told what we will get or not get, what is good for us, or not good for us.

We do not believe that it is only those who are poor managers and producers who are hurting now, While it is too bad that the situation had to reach the proportions it has, we are hopeful that we may be able to reach some, many, who only need a thread to keep them on thier farms and ranches. We earnestly desire that this effort will be productive.

It is to be understood that we are interested in reviewing the final draft of the proposals that will come out of committee, so that we can give our whole heartedsupport, if we believe it beneficial to agriculture.

Mr.Chairman I would like to leave the Montana Grange proposal for areas to be covered in decision making of this committee. Thank you.

AGRICULTURE LEGISLATIVE WORK



SJR 10-----January 25, 1983

Montana Grange material for submission to the committee for consideration on any proposals for farm programs.

The Montana Grange:

1. Advocates a farmer owned reserve program continued, with limits placed on the amount of a specific crop placed in the reserve by farmers.
2. Target price: should be realigned. Target price and deficiency payments should be based on relationship to volume of production, should steer away from promotion on financial need, such as the lower the acreage planted the higher the payment.
3. Production controls: continuation of voluntary set-aside that will make producers eligible for program benefits.
4. Cross compliance: Grange believes in cross compliance and that it should be the criteria for eligibility in any government-producer program.

It is our opinion that this above policy should be within the main points considered for any farm program proposed by this committee.

(This sheet to be used by those testifying on a bill.)

Exhibit # 12

NAME: Carol Mosher DATE: Jan. 25, 1985

ADDRESS: P.O. Box 1679

PHONE: 442-3420

REPRESENTING WHOM? Montana Low Belles

APPEARING ON WHICH PROPOSAL: SJR 10

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENT: Any help in the items mentioned in
Senator Neuman's bill would be appreciated
by the agriculture industry. We offer any
help that we have in answers to some
of these problems.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

STANDING COMMITTEE REPORT

January 25 19 85

MR. PRESIDENT

We, your committee on **AGRICULTURE, LIVESTOCK & IRRIGATION**

having had under consideration..... **HOUSE BILL** No. **60**

third reading copy (**blue**)

color

Hanson (Yellowtail)

Respectfully report as follows: That..... **HOUSE BILL** No. **60**

BE CONCURRED IN

~~XXXXXX~~

DO PASS

~~XXXXXXXXXX~~

DO NOT PASS

..... **Paul Boylan,**

Chairman.

STANDING COMMITTEE REPORT

January 25 1935

MR. PRESIDENT

AGRICULTURE, LIVESTOCK & IRRIGATION

We, your committee on

HOUSE BILL No. 61

having had under consideration

third reading copy (blue)
color

Hanson (Yellowtail)

HOUSE BILL No. 61

Respectfully report as follows: That

BE CONCURRED IN

~~XXXXXXXX~~

~~XXXXXXXXXX~~

Paul Boylan, Chairman.

STANDING COMMITTEE REPORT

January 25

85

19.....

MR. PRESIDENT

We, your committee on..... **AGRICULTURE, LIVESTOCK & IRRIGATION**.....

having had under consideration..... **HOUSE BILL**..... No. **110**.....

third reading copy (blue)
Schys (Kolstad) color

Respectfully report as follows: That..... **HOUSE BILL**..... No. **110**.....

BE CONCURRED IN

~~DO NOT~~

~~DO NOT~~

.....
Paul Soylan Chairman.