

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

February 18, 1987

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

ROLL CALL: All members present.

Senator Boylan announced that a former majority leader of the Senate, who has been actively engaged in agriculture, has asked to address the committee. Terry Murphy addressed the committee saying the MT Farmer's Union and he, as an individual, have been embarrassed by comments to the news media made by another individual who identified himself as a MT Farmers Union Lobbyist or MFU staff member. He presented a letter to the committee (after reading it), which he had written to Senator Weeding, expressing his concern with regard to comments made by Mr. Howard Lyman. Exhibit #1.

CONSIDERATION OF SB 345: Senator Ray Lybeck, SD 4, Kalispell/Columbia Falls, said the bill sets up and establishes minimum prices on various grains. The purpose of this legislation is stated in legislative findings, and the bill addresses the depressed agricultural situation in MT as it affects the employment and livelihood of a large proportion of state population as it supplies the goods vital to public health and welfare.

PROPOSERS: Alford Verschoot, MPA, said he has been the primary pusher for this program. The bill tells how much you can market each year. When you get 60% of your production tied up, they can put a price on it and tell the farmers, if there is a surplus, what percent they have to hold back. They hold that back at their expense. The government does not give them any payments for it. At the base of 90% parity, with 30% set aside, you would still be getting around 70% of parity which is more than you are getting today. It is at 40% today for wheat (or lower), according to Mr. Verschoot. With a 1 cent rise on every bushel of wheat in the St of MT, it would bring a million dollars to the farmer's pockets, he said. We are trying to find taxation dollars when we have an agricultural industry going broke and he said this is a way. He handed out exhibit #2 showing the drop in prices in ND and said we are going to see the same thing in MT. He said this bill would send a message to congress that farmers want the right to price their products and are tired of government programs. There is a penalty clause in the bill and, if the bill is passed today and no other states passed it, then it would sunset out. He hoped this legislature would pass the bill and lead other states to pass the same type of legislation. Exhibit #2

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Ed Butcher, Nat. Farmers Org., spoke in favor of the bill.
Exhibit #3.

Mary Kee, MPA, on record in support.

Wally Klose, MPA, Twin Bridges, said he was giving the committee documents taken from a ND "Farm and Ranch Guide" telling how the rentals have dipped since 1986 and how farm values have gone down the last 5 years. Exhibit #4.

OPPONENTS: Randy Johnson, MT Grain Growers Assoc., called this bill the "kiss of death" for MT agriculture, saying that, immediately following the effective date of this bill, MT and any other state involved in this legislation, would not sell another bushel of grain from that day forward. He said that, if every state in the union adopted this type of legislation, we could not force our price on the world. They do not need our agricultural products, they would just gear up their production and do well without us. He urged the committee not to pass this bill.

Terry Murphy, Pres., MFU, said he was neither a proponent nor opponent. He wanted to point out that if there is any way MT state government can help increase the prices of MT produced commodities it would help the tax situation and the entire economic situation.

COMMITTEE QUESTIONS: Senator Bengtson asked if MT produced 30% of a certain commodity, it would only take the two states to demand this price. Mr. Verschoot said yes, in fact we have known for a long time that 30% of any commodity can absolutely control the market.

Senator Bengtson asked where he thought the market would be after establishing that minimum price. Mr. Verschoot said if you wanted wheat and I had 60% tied up and you needed 80% and I say to you that I have 60% and this is the price. You say you are going to buy 40% on the open market where there is not pricing. Then I say, you can't have any of mine until you pay me the entire 60%. Then, if you need another 20%, you can go to the open market but you are going to pay for mine first. It would raise the parity pricing of bread.

Senator Bengtson asked how Mr. Verschoot responds to the grain growers saying the world determines the price. Mr. Verschoot answered that from 1917 to the present day we had to buy surplus stuff and go into world trade. He said you can go back in history to each one of our recessions and hear the same words. In the 30's we had a drought throughout the U.S. and the world but yet they told us we had a surplus.

Senator Kolstad said it is not a workable plan. How do you set a minimum price on commodities when you have a large surplus without destroying the markets we already have in this commodity. On page 3, line 9, it says the minimum price of an agricultural commodity for each county in the state will not be less than the statewide minimum for the commodity. The Dept. of Agriculture in MT will set this minimum. Are they going to send me a letter to say when I can sell some wheat? Mr. Verschoot said they will tell you, if there is a surplus, what percentage of your production you can sell. Senator Kolstad answered that, in his opinion, it is none of their business.

Senator Beck asked how many states have this legislation now. Mr. Verschoot answered none, but 12 states are working on it. This bill is written off the Nebraska bill. Iowa and North and South Dakota have similar bills. He said MT could get the ball rolling. No other states have passed this yet.

Senator Lybeck, in closing, addressed the "kiss of death" saying he didn't know how long the spokesman had been with the Grain Growers. In the recent past a grain grower spokesman made the proposal to the membership to lower the price of grain. If you are already losing money or in financial trouble, lowering the price will surely not help. Setting a minimum base is not new to MT economy and business. Utilities have a base rate, they have additional charges they add to that. Labor unions have a living wage, or base. In agriculture, the milk control law has a base, and it has worked well. He thought maybe this bill could be a "kiss of life" for agriculture and suggested we try it.

CONSIDERATION OF SJR 12: Senator Cecil Weeding, SD 14, Eastern MT, said SJR 12 speaks to the use of general partnerships as it pertains to the federal farm programs we have today. He handed out exhibit #5, pertaining to illegal farming practices. He said huge conglomerates of people are banding together, with each person claiming the \$50,000 program limitation benefit. Some of the conglomerates in these reports got 20 million dollars last year out of the federal farm programs. He thought this should be called to the attention of congress.

PROPONENTS: Debbie Bremmer, MT Assoc. of Conservation Districts, said their association has discussed the situation and she submitted a letter their president had received last month. Exhibit #6.

Mary Kee, MPA, said their organization supports the resolution. She said the small farmers feel disgraced that their federal money is being spent in this way.

Terry Murphy, MFU, in support. He said news coverage of people

being rewarded for bad farming practices leads to a feeling it may backfire against the people doing honest farming. Loopholes need to be closed and he felt this would call congress' attention to the matter.

Al Verschoot, MPA, urged passage of the resolution.

OPPONENTS: Randy Johnson, MT Grain Growers Assoc., said the bill is very harmful to members of the MT Grain Growers. In a survey, 51% of their members are affected by the \$50,000 payment limitation, and are family farmers. It only takes a thousand acres of wheat base in MT to hit the \$50,000 payment limitation. Exhibit #7.

COMMITTEE QUESTIONS: Senator Jergeson pointed out the bottom of page 1 and top of page 2 and the words "no operational involvement" being the key words, saying these are not the same types of people as Sen. Kolstad or himself. He asked if Sen. Weeding wasn't speaking to something more specific. Sen. Weeding said, yes, the general partnership provision lets people in for an investment of \$10 and, in the case of the operation he was talking about, the 35 people signed a power of attorney to the manager who is not a member of the partnership. The manager picks up all the checks and takes them to the bank and cashes them. Congress is in the process of reviewing the \$10 investment rules and considering a minimum rule that a partner bear a proportionate share, not less than 30% of the cost of that operation before they are eligible for program benefits. The language on the bottom of page 2 requires persons to provide material input and bear a substantial portion of the risk.

FURTHER CONSIDERATION OF SB 327: The bill was put into a subcommittee and from this subcommittee amendments, exhibits #8 and 9, were presented by Senator Yellowtail. He said the parties have agreed on the amendments. Ted Doney, Water Equality Assoc., worked on these amendments with utility companies and co-ops.

Mr. Doney said he had a clarification to write in on exhibit #8. In the 2nd amendment, after the word "facilities" insert "that are". After the word "certified" put in "as such". On the next line after the word "and" insert "are". In amendment 5, insert the following language before the comma, "for any undertaking defined herein". He said that was left out when the amendment was typed. The intent of all the amendments taken together is to limit the authority of irrigation districts to develop only small power production facilities that are defined under federal law. Those are hydro-power facilities defined in the Public Utility Regulation Policy Act of 1979. Facilities under 50 megawatts, by federal statute

would have to be certified by the Federal Energy Regulatory Commission. They would have to be associated with a federal reclamation project. A federal reclamation project would be Gibson Dam, Clark Canyon Dam, Tiber Dam, or the Helena valley unit with Canyon Ferry. It would limit their right to condemn property. They cannot go out and condemn other kinds of property that do not relate to a small power production facility.

Gene Phillips explained he had problems with the language on page 3 beginning in subsection 2 where it says districts may operate and maintain and enter into a contract to furnish services and commodities of the undertaking, which would be electric energy if they put in generating facilities. He wouldn't want them furnishing electricity for private consumers outside of the boundaries of the irrigation districts.

Senator Boylan said if you put in a power generating plant with the right of eminent domain, can you take away the rights of farmers and ranchers to develop water. Mr. Phillips said it would give the districts power to condemn for an undertaking defined on page 1 and 2 of the bill and it does include water rights and irrigation canals, etc.

Mr. Doney said the districts already have that authority in the current law. They have the authority to generate power under the current law. This is a revenue bonding bill. The only questionable area in current law would be the authority of districts to condemn outside of their boundaries. That isn't clear under current law.

Dave Cogley said Sec. 85-7-1904 grants their general power of condemnation. "The Board of District Commissioners shall have the power and authority to acquire by purchase, lease, contract, condemnation or other legal means, lands, rights of way, etc., including the things we have been talking about."

Senator Bengtson asked what areas of the state wanted to sell the revenue bonds. Sen. Yellowtail said there are four projects which Mr. Doney had already named. Those are the four projects under question.

Senator Bengtson asked what would happen if they don't get them. Mr. Doney said the Clark Canyon project, without revenue bonding authority, would go down. It has been studied and is ready to go. It is a federal dam in Dillon. All the dams are for power generation.

Senator Boylan asked if Middle Creek Dam and city water comes under this and can they use these types of bonds to develop that. Mr. Doney answered "If the irrigation district owned the facility or has the right to develop the facility they could finance it under this type of bonding."

Senator Beck, referring to the language "within or outside the irrigation district", asked why do you have to go outside irrigation districts for condemnation purposes. Mr. Doney answered that there has to be a power line to the nearest power supply coming by, and there are two cases they know of outside the district. They have to be sure the power they are generating gets connected to the nearest power line.

Senator Beck asked about the private utility company build-the power line to the dam site. Mr. Doney said that is possible. In most cases the person who is building the project builds the power line. If you can't find a way to connect up, you can petition the federal regulatory commission.

DISPOSITION OF SB 327: Senator Jergeson moved both pages of the amendments (exhibits 8 & 9), be adopted. Motion carried.

Senator Jergeson moved SB 327 as amended, DO PASS.

Senator Beck was concerned about rights at the head of a reservoir outside the boundary of the district. Senator Jergeson said this is different.

Senator Story said there is a distinction. If they want to condemn a road and were told it would be cheaper to buy the whole ranch, if the money isn't available, they couldn't do it. But, with the bonding put in here, you are giving them the money to do it. Now it is a problem.

Senator Bengtson thought the bill was far sighted and there needs to be a way for irrigation districts to pay for jobs being done.

Senator Thayer said this gives them broader powers than anyone has been given in the state before. He felt the problems should have been worked out before the bill came to the committee

A roll call vote was called on Senator Jergeson's motion that SB 327 as amended DO PASS. Motion failed. Senator Jergeson moved to reverse the motion and the bill will go out of committee with an adverse report.

DISPOSITION OF SJR 12: Senator Jergeson moved SJR 12 DO PASS.


Roll call vote was called for and 7 senators voted yes and 2 senators voted no. Motion carried.

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DISPOSITION OF SB 345: Senator Lybeck moved SB 345 DO PASS.

Roll call vote was called for and 1 senator voted yes and 8 senators voted no. Motion failed. Senator Beck moved to reverse the motion and the bill will go out of committee with an adverse report.

There being no further business, the meeting adjourned.



PAUL F. BOYLAN, Chairman

ROLL CALL

AGRICULTURE

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 2-18-87

NAME	PRESENT	ABSENT	EXCUSED
ABRAMS, Hubert J.	✓		
BENGTON, Esther G.	✓		
BECK, Tom	✓		
JERGSON, Greg	✓		
KOLSTAD, ALLEN C.	✓		
LYBECK, Ray	✓		
STORY, Peter R.	✓		
THAYER, Gene	✓		
GALT, Jack VICE CHAIRMAN	✓		
BOYLAN, Paul CHAIRMAN	✓		

Each day attach to minutes.

DATE 2-18-87

COMMITTEE ON

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Mary Kay	mt. Peoples Action	345	X	
Jeffrey Virginia	" " "	345	X	
John Deckerhoff	" " "	345	X	
Joseph Moore	Mt. Peoples Action	345	X	
W. H. H. H.	M P A	345	X	
Debi Brammer	MACD	5912	X	
Ray L. L.	Labor			
Phil L. L.	Liberal			
Mary L.	mt. Peoples Action	5512	X	
Tom M.	MT Farmers Union	5512	X	
R. Johnson	MLGA	345		X

(Please leave prepared statement with Secretariat)

Helena, Mt.
Feb. 18, 1987

Sen. Cecil Weeding
Capitol Station
Helena, Mt.

Dear Sen. Weeding,

Montana Farmers Union, as an organization, and I, as an individual, have been terribly embarrassed and misused recently by an individual representing himself as a Montana Farmers Union Lobbyist or as a MFU staff member. This person is Howard Lyman, who has made incredibly crude and insulting remarks about a number of Legislators and even citizens testifying on bills.


Let me clarify the situation: Mr. Lyman is not, and never has been a lobbyist for MFU. He is not, and never has been a staff person at MFU. He has been on a contract, as an independent contractor, to work on increasing MFU membership in the state. He was paid a small base compensation, and if he brought in revenues above the base, he would receive a commission. I have just described Mr. Lyman's total responsibilities for MFU.

He has never been given any authority to speak publicly for MFU on legislation or in the press, or in any other capacity. I don't know just what the guy is trying to do, but I apologize to the Legislature in general, and to any individuals who were hurt by his extreme and unjustified remarks. They do not reflect MFU policy or attitude. We do not treat our public officials in such a manner.

Mr. Lyman's contract with Montana Farmers Union has expired as of February 14, 1987. He no longer has any connection with our office. Please remember that in case any more extreme statements appear in the press.

Again, I and MFU are embarrassed and sorry about these incidents.

Sincerely.


Terry Murphy, President
Montana Farmers Union

SENATE AGRICULTURE

EXHIBIT NO. 1

DATE 2-18-87

BILL NO. "Apology"

*Copy - Ed. Buntin
Mountain NPO.*

SENATE AGRICULTURE

EXHIBIT NO. 2

DATE 2-18-87

BILL NO. SB 345

USE GREATER THAN PRODUCTION

U.S. WHEAT AND COARSE GRAINS (MILLION METRIC TONS)

YEAR	BEGINNING STOCKS	PRODUCTION	TOTAL USE	IMPORTS	ENDING STOCKS	USE AS % OF PRODUCTION
60/61	105.6	178.8	166.7	0.6	118.3	93%
61/62	118.3	161.0	175.5	0.5	104.3	109%
62/63	104.3	159.3	170.8	0.3	93.2	107%
63/64	93.2	171.5	175.0	0.4	90.1	102%
64/65	90.1	157.5	172.9	0.4	76.5	109%
65/66	76.5	179.1	197.8	0.3	58.2	110%
66/67	58.2	180.7	189.7	0.3	49.5	104%
67/68	49.5	203.9	191.0	0.3	62.7	93%
68/69	62.7	197.6	188.9	0.3	71.8	95%
69/70	71.8	201.0	200.4	0.4	72.8	99%
70/71	72.8	182.9	201.6	0.4	54.6	110%
71/72	54.6	233.6	215.1	0.4	73.4	92%
72/73	73.4	224.1	250.0	0.5	48.0	111%
73/74	48.0	233.3	250.5	0.3	31.1	107%
74/75	31.1	199.4	203.7	0.6	27.3	102%
75/76	27.3	243.3	235.7	0.5	35.5	96%
76/77	35.5	252.8	228.4	0.4	60.3	90%
77/78	60.3	261.4	248.6	0.4	73.5	95%
78/79	73.5	270.5	272.7	0.3	71.6	100%
79/80	71.6	296.5	291.2	0.4	77.2	98%
80/81	77.2	263.1	279.1	0.3	61.6	106%
81/82	61.6	322.4	284.6	0.4	99.8	88%
82/83	99.8	326.0	287.7	0.6	138.7	88%
83/84	138.7	203.0	272.7	0.8	69.8	134%
84/85	69.8	307.6	294.8	0.9	83.5	95%
25 YEARS		5610.3	5645.1	11.0		

NOTES : COARSE GRAINS INCLUDE CORN, SORGHUM, BARLEY, OAT AND RYE.
SOURCE: UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURE CIRCULAR
WORLD GRAIN SITUATION AND OUTLOOK
FEBR. 12, 1985

AVERAGE ANNUAL PRODUCTION
AVERAGE ANNUAL TOTAL USE

224.4 MILLION TON
225.8 MILLION TON

TOTAL USAGE OF U.S. WHEAT AND COARSE GRAIN IS GREATER THAN TOTAL PRODUCTION FOR THIS 25 YEAR PERIOD. TOTAL USE IS 100.6% OF TOTAL PRODUCTION. THESE FIGURES DO NOT REPRESENT A SURPLUS! THEY SHOW GOVERNMENT SUPPLY MANAGEMENT. THE SAME NECESSARY PIPELINE INVENTORY AND RESERVE ACCUMULATED FROM ALL PAST YEARS IS USED TO KEEP GRAIN CHEAP. ENDING STOCKS ARE LESS THAN IN THE EARLY 1960S EVEN THOUGH ANNUAL USAGE HAS INCREASED 76%. ENDING STOCKS AS A PERCENT OF ANNUAL USE HAS DROPPED FROM 71% IN 1961 TO 28% IN 1985.

Feb 18, 1987

SENATE AGRICULTURE

EXHIBIT NO.

3

DATE

2-18-87

BILL NO.

SB345

Senate S 345

Members of the Committee. It is time to make a political statement regarding the obscurity of the present agricultural prices. This bill has value in forcing attention to be paid on the entire issue of low ag. prices. Montana obviously will not be placed in the position of putting a pricing structure into place until a number of other states take this step also to arrive at the 60% of the production level.

We, in American agriculture should seriously look at the myth of surplus. I would like to place in your hands for review a compilation of supply/demand figures from 1961 to 1985 as taken from the Feb 12, 1985 Foreign Agriculture Circular of the USDA which clearly demonstrated that every bushel of grain has been utilized and that there is no surplus including the approximately .6% of imports of grain.

The present government program is obviously costly and probably will be altered in the future. Consequently farmers can not raise wheat at the 2^{18} /bu level. As ag products have declined in price so has our national debt increased. If this Nation is to survive economically, we must get our raw material resource prices to a level which will give us the basis such as we experienced in 1973 when the State of Montana received the surplus from taking that dollar, turning through the economy and the general prosperity enjoyed in Montana.

Ed Butcher, Agricultural

17 Percent Drop in Last Year Farmland Values Hit 5-Year Low

The value of North Dakota farmland fell 39 percent over the past five years and in 1986 took a 17.4 percent plunge, the biggest since 1981 when farmland values began to decline, according to a survey conducted at North Dakota State University by Jerry Johnson, agricultural economist.

Last year the average value of an acre of North Dakota farmland - including cropland, pastureland and hay land - was \$276, down \$58 from what it had been in 1985.

The state's steepest decline occurred in the northwest central region where land values had not changed much in four years but dropped almost 25 percent in 1986. That region comprises, Renville, Bottineau, Rolette, Pierce, McHenry and Ward counties.

The greatest dollar drop occurred in the north Red River Valley where average values fell \$88 per acre from \$643 to \$555, roughly 14 percent.

In the northeast central and southeast central regions average farmland values fell about 18 percent, while they fell 16 percent in the southwest central region, 15 percent in the southwest, and 12 percent in the northwest and the south Red River Valley. (See map)

"Chances are that land prices in North Dakota will continue to fall," said Johnson. "Nearby states are still measuring declines in their farmland values, suggesting that the bottom has not yet been reached."

Real estate brokers and others who provide reports for the survey agree with Johnson's conclusion. Sixty-five percent of them prognosticate that land values will be lower in November 1987 than they were in November 1986.

Not only did land values drop last year, but sales were slow despite plenty of land on the market. ac-

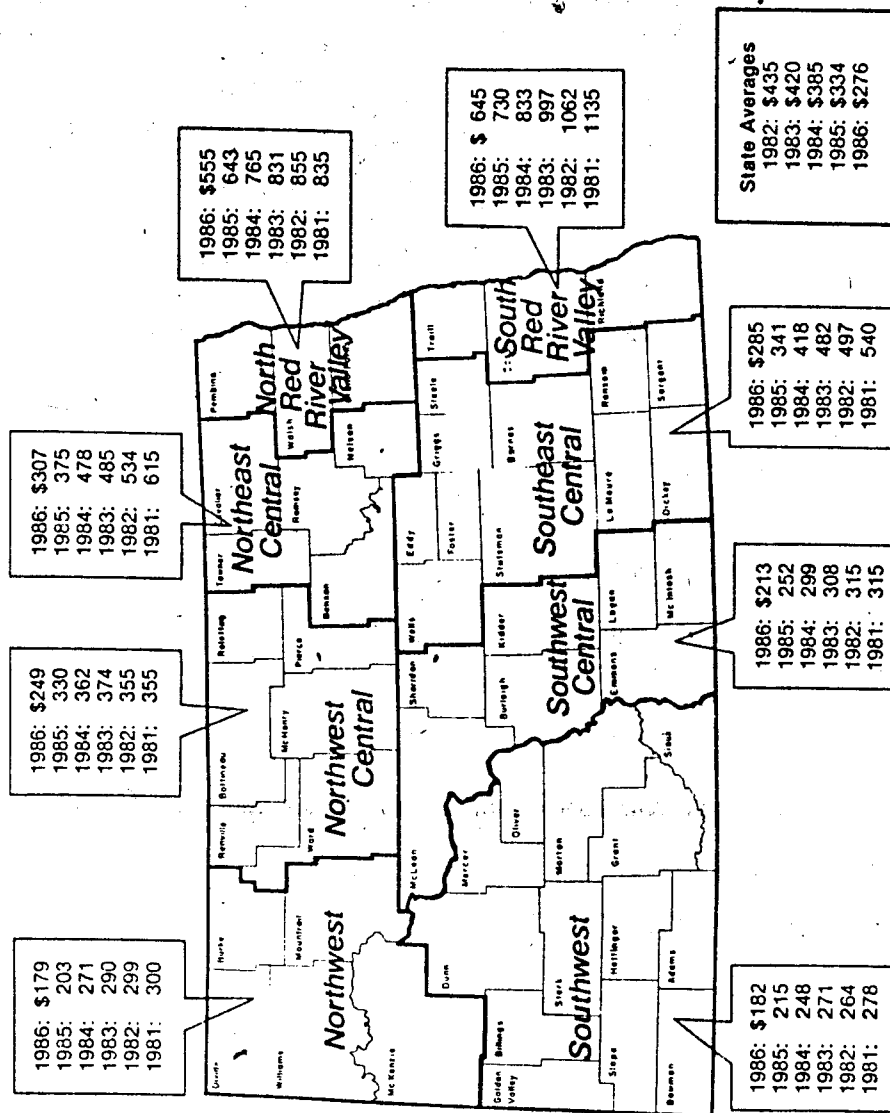
Continued on next page.

SENATE AGRICULTURE

EXHIBIT NO. 3

DATE 2-18-87

BILL NO. 58345



Estimated average values per acre of North Dakota farmland, 1981-86.



Gazette photo by Larry Mayer

at the Moose Lodge.

from fire

the lounge was open for business as
ning.
partment units were on the scene less
after they were called. Kenco Alarm
alarm system and summoned

ers arrived, they found only a few
bar, McCann said.
heads dumped about 500 gallons of
ding. Firefighters stayed to clean up

the two sprinklers, there wouldn't be
day," McCann said.
tem, it would have been some time
ld have noticed the blaze because
windows, he said.

study

timony indicated that merging schools
as of the state would have a devastating
all communities.
School Superintendent Ed Argenbright
not like the timing of the proposed

ov. Ted Schwinden favoring a sales tax
in 1988, the 1989 Legislature may well
side on how large a tax to enact while
school consolidation measures to save

"...line frightens me," he said,

N. Dakotan seeks farm policy probe

SENATE AGRICULTURE

BILL NO.

From Gazette Staff
and News Service Reports

Rep. Byron Dorgan, D-N.D., said Tuesday that he may ask the General Accounting Office to investigate the cost of corporate farms qualifying for deficiency payments under the farm program.

Dorgan, Monday in Washington, D.C., asked the Agriculture Department why it can't do something about groups of investors starting up large farming operations in order to draw huge federal subsidies.

Dorgan used as an example a 40,000-acre wheat farm in Montana — seeded by airplane — which qualified for more than \$900,000 in government payments last year and could get up to \$1.4 million for 1987 operations.

"I'd like to know from the USDA whether it is the lack of will or the lack of authority that prevents you from doing something about this kind of farming corporation that is expanding its size and claiming an increasing amount of the federal farm program resources," he said in a letter to Agriculture Secretary Richard E. Lyng.

Dorgan referred to a Billings Gazette article of Dec. 16, about a former ranch north of Miles City now operated by Ag Management and Associates, made up of 35 individuals from the Amarillo, Texas, area.

Bill Rutherford, general business manager of the group, said that Ag Management cash leased Crow Rock Ranch from its owner, John Hancock Insurance Co. The ranch had been turned into a farming operation in 1983 before the Amarillo group took over.

For 1986, Rutherford said Crow Rock Ranch had a wheat base of 32,770 acres, with a "set-aside" or idling requirement of about 9,000 acres. That left about 22,000 acres to qualify for the farm program. For 1987, the ranch has a wheat base of 40,000

acres with a set aside of 11,000 acres, leaving 29,000 for the program.

"We are not milking the farm program, we love farming," Rutherford said. "But we don't love it so much we want to lose money doing it. We used the government program to limit the risk, to play it on the safe side."

Dorgan said in an interview that he was not being critical of large farming operators or the people involved.

"As far as I'm concerned, a group of people can buy enough tractors to farm from here to China, that's their business," he said. "But I don't think the federal government ought to be their partner if they want to get that big."

Moreover, he said, when someone is able to increase a farm's wheat base so quickly and then qualify for even larger payments, it is contrary to the goal of curbing production that was part of the program in the first place.

Dorgan said Tuesday that North Dakota law for decades has prohibited corporate farms. "Only in recent years has North Dakota allowed the incorporation of family farms," he said. "We do not have that situation (large corporate farms) in North Dakota." He said he has heard of businesses buying up farms to qualify for benefits, but had no evidence of it.

Richard W. Goldberg, USDA's deputy undersecretary for international affairs and commodity programs, said he had not seen Dorgan's letter to Lyng but that he was aware of the Montana wheat ranch situation.

Asked about a report that USDA investigators were looking into the operation, Goldberg said he did not know of any formal investigation. However, he said: "I do know it's under administrative review" but de-

SENATE AGRICULTURE

EXHIBIT NO.

Victim says
repeated his crime

2-18-87

BILL NO.

SJR 12

FARM PROGRAM PAYS OFF

Farmers reap \$900,000 in ag benefits

By JIM GRANSBERY
Of The Gazette Staff

A group of Texas farmers will receive more than \$900,000 in deficiency payments from the U.S. Department of Agriculture for wheat grown this past summer on land sodbusted north of Miles City in 1983. The group could receive an estimated \$1.4 million for its crop in 1987.

Just over half of the acreage qualifying for the 1987 program was planted to winter wheat this fall using airplanes. The seed was then disced (plowed) into the soil, some after snow covered the seed.

But the general business manager of Ag Management and Associates emphatically denies that the general partnership is farming just for the federal benefits available.

"We are not milking the farm program; we love farming," Bill Rutherford, of Amarillo, Texas, said Monday. "But we don't love it so much we want to lose money doing it. We used the government program to limit the risk, to play it on the safe side."

Deficiency payments are made to grain growers in the farm program and are based on the difference between the federally-set target price and the loan price or market price whichever is higher (See related story).

"We are using the programs because they are beneficial," said Rutherford, "but we would rather make money raising crops, not on insurance and government programs."

Crow Rock Ranch, north of Miles City in Garfield and Prairie counties is owned by John Hancock Insurance Co. and cash-leased to Ag Management and Associates, said Rutherford. Ag Management consists of 35 individuals from the Amarillo area.

The ranch was turned into a farming operation in 1983 by Emmett Linnebur, of Byers, Colo., James

(More on Grain, Page 14A)

Grain subsidy costs

Year	Grain Farm Income in U.S.	Payments
1983	\$59,000	\$593
1984	\$61,000	\$4,051
1985	\$50,000	\$4,308
1986	\$78,000	\$9,601

Source: U.S. Department of Agriculture

Deficiency calculations are complex

The 1985 farm bill, known as the Food Security Act of 1985, provides for payments to farmers for most commodities in return for reduced acreage and a loan price that has pushed the international wheat market price below \$2 a bushel.

Those payments to farmers are called deficiency payments. This is how they are calculated:

The Congress, when writing the farm bill, set the 1986 target price, or what it believes is a fair price for a bushel of wheat, at \$4.38 a bushel.

The loan price was set at \$3 a bushel. The farm bill also allowed the secretary of agriculture to lower the loan price to \$2.40 a bushel. This provision, called the Findley Amendment, was enacted to make U.S. wheat more competitive on the world market because, historically, the U.S. loan price sets the world price. U.S. competitors would sell their wheat just below the U.S. loan.

The deficiency payment is the difference between the target price

(More on Formula, Page 14A)

SENATE AGRICULTURE

EXHIBIT NO. 5

DATE 2-18-87

BILL NO. SJR.12

gence sources, reported Monday that North told Casey in early October about money from the Iranian arms sales

closed session as well as be "no caveat" for that appearance.

Formula

From Page One

and the loan price or the market price, whichever is higher. For the 1986 crop year, the market price was below the loan price of \$2.40. Thus the deficiency for 1986 is the difference between \$4.38 and \$2.40 or \$1.98 a bushel.

Congress further enacted a limit on deficiency payments to \$50,000 per person. But another provision of the

law says that the 60-cent difference between the \$3 loan rate and the Findley loan rate of \$2.40 does not apply toward the \$50,000 limit.

A wheat farmer who signed up for the USDA program for 1986 could plant only 25 percent of his wheat base acres. That 25 percent was a non-paid set-aside of 22.5 percent and a 2.5 percent paid diversion of \$1.10 a bushel.

Wheat base is determined by taking a five-year, rolling average of the wheat acres the farmer has. Those not in the farm program for five years can establish a wheat base through a formula. The 1981 Farm

Bill had a two-year average, but the 1985 Farm Bill has the five-year, rolling average. Those farmers who have not established a five-year average can increase their wheat base through transition rules in the 1985 law.

For 1987 the law is slightly different. It provides for a 27.5 percent set-aside with no paid diversion for wheat.

The target remains at \$4.38 per bushel with the loan price at \$2.85. The Findley loan rate is set at \$2.38, thus allowing for a maximum deficiency payment of \$2.10. The 57-cent difference between the loan and the Findley loan does not count against the \$50,000 limit.

A farmer can receive 40 percent of his 1987 projected deficiency payment at sign-up time with half of that in cash and half in Payment-In-Kind certificates. The PIK certificates can be sold, sometimes at greater than face value.

Anyone who qualifies for the wheat program can receive the deficiency payment up to the \$50,000 limit plus the Findley loan override.

Air

From Page One

stability and people are reluctant to use or fund local air service, Olson said.

The Williston men and representatives of other communities said that local air service needs to be advertised more to increase ridership.

Fred Lark of Lewistown criticized the "lousy, unpredictable" airline service there, and said that little effort has been spent in trying to develop the market.

But even if the airline provided quality service, it wouldn't help without advertising, Lark said.

"I maintain that if you have the best service, the lowest prices and the best schedule for the most frequency, if you don't tell anybody about it, you are not going to get anywhere," Lark said.

Glendive Forward members attending the hearing, said that area residents probably don't use Big Sky as much as they should or could.

The fares are high and people are used to driving long distances, Meeds said.

But Meeds and the other Glendive representatives said that air service is essential to Dawson County.

Ken Kubesh, vice president of the Glendive Area Chamber of Commerce, read several letters from business persons who said they needed air service to send and receive equipment and supplies. They also needed it for traveling, he said.

With low oil and grain prices, Kubesh said, "We don't feel very sad or very bad about accepting a little bit of help" from the federal government.

Scobey and the A & S Tribal Industries don't have their own airports with subsidized air travel. They sent representatives, however, to support subsidies for air service to

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SENATE AMBULANCE
EXHIBIT NO. 5
DATE 2-18-87
BILL NO. STR 12

Ag payment under review for investors

By JIM GRANSBERRY
Of The Gazette Staff

A final 1986 wheat deficiency payment — about \$460,000 — scheduled for a group of Texas investors operating a farm north of Miles City was held up by a U.S. Department of Agriculture program review, the state director of the ASCS said Tuesday.

"The final '86 payment and the advance payment for the '87 crop is all held up," said Everett Snortland, state Agricultural Stabilization and Conservation Service director. "And no payments can be made until a decision is made" in Washington.

Ag Management and Associates, a group of 35 Texas investors from the Amarillo area, are operating the Crow Rock Ranch under a cash lease with John Hancock Insurance Co., which owns the land.

The general partnership had qualified for an estimated \$900,000 in wheat deficiency payments on its '86 crop and received about half of it, Bill Rutherford, general business manager of Ag Management, told the Gazette in mid-December. Rutherford said the group could get an estimated \$1.4 million on the '87 crop.

Representative may ask for payment probe (5A)

Rutherford said then that the group had received \$460,000 on the '86 crop and would get another payment "close to that amount." The advance payment for 1987 would have been at least 40 percent of the estimated \$1.4 million, half in cash and half in payment-in-kind certificates, according to regulations governing the program.

However, the payments were held up, said Snortland until USDA reviews Ag Management's operation. Deficiency checks were sent out to qualified producers in December and were to be delivered before Christmas.

Deficiency payments are made to grain growers in the farm program and are based on the difference between the federally set target price and the loan price or market price, whichever is higher. For the '86 crop, the wheat deficiency payment was \$1.98 a bushel, with a \$50,000 per farmer limit.

(More on Farm, Page 12A)

SENATE AGRICULTURE

EXHIBIT

DATE

2-18-87

FILE NO

STR 12C

Farm

From Page One

"Everything is subject to review," said Snortland. "We think we did it right. We think the county committee did it right. It was approved according to the rules that governed at the time. We have to treat everyone equal. Every producer must make an explanation of his operation and payments are contingent on approval

"But this situation struck a bit of interest back in Washington, and we shipped it (the operation's file) all to D.C.," said Snortland.

Rutherford, who has an office in Miles City, was reportedly in Texas Tuesday and was unavailable for comment.

Rutherford last month said his group was not "milking the farm program; we love farming. But we don't love it so much we want to lose money doing it. We used the govern-

ment program to limit the risk, to play it on the safe side."

The ranch, a cattle operation, was turned into a farm in 1983. One of the operators still with it died in January 1986. Rutherford and his group took over the operation in April.

This fall the winter wheat crop was seeded from the air because of wet field conditions. The seed was then disced into the soil, some of it after snow had covered it in early November.

Grain

From Page One

Edmiston, a Columbia Falls banker, and Milton Datsopolous, a Missoula attorney.

Rutherford said his group took over the operation in April.

"Emmett died in January," he said. "And I was up here in 1984 harvesting for him. I ran a custom cutting crew. I saw this as a farm with big potential; it is a good farm."

"Getting into the farm program was not our initial thoughts," said Rutherford. "If prices weren't so low, we would not utilize the government. And we are going to be farming it the best way possible."

Rutherford, in this early 50s, said he has been in farming for 35 years as a custom cutter, grain trucker and elevator operator.

Rutherford said his group had received \$460,000 in deficiency payments on its '86 crop and would receive another payment "close to that amount." For the '87 crop the group could get an estimated \$1.4 million, he said.

The government agency which administers the program confirmed those estimates.

For the 1986 crop, Ag Management will receive an estimated \$930,000, said Allan Barnes, executive director of the Garfield County Agricultural Stabilization and Conservation Service. For the 1987 crop, it could be eligible for an estimated \$1.3 million, he said.

Ag Management has applied for the 1987 program, but has not yet received approval from the county ASCS committee.

Harvey Uthaug, chairman of the local committee in Jordan, said "We do not know what we are going to do

with the application. But as far as we're concerned they're eligible until proven ineligible." Uthaug said he was reluctant to discuss the application until he had more information. He is serving his first term on the committee.

Rutherford said Crow Rock Ranch had a wheat base of 32,770 acres for 1986 with a set-aside of about 9,000 acres. That allowed 22,000 acres to qualify for the farm program. For 1987, Crow Rock has a wheat base of 40,000 acres with a set-aside of 11,000 acres for a total of 29,000 acres qualifying for the program, he said. Barnes confirmed the wheat base figures also.

Rutherford said the air seeding "worked real good, caught it at the right temperature and moisture."

"We got good coverage of seed on 14,817 acres," he said. "The last discing was done on 600 acres that were snow covered about the second week of November. An additional 900 acres did not get disced, but the wheat kernels are swollen and some sprouted."

"We planted 80 pounds of seed per acre," Rutherford said, "and we got a kernel count of 22 to 26 per square foot. We will probably use this method from now on. It is no problem at all with a light discing turning it into the soil. Plus the trash (residue) is on top to protect the seed and the soil."

Rutherford said seeding from the air cost \$2.50 an acre compared with \$5.50 per acre using conventional seed drills. "It is faster and produces a better plant population and we could get a better yield because there are more plants," he said. Another 14,500 acres will be planted to spring wheat in 1987 when the weather permits, said Rutherford.

Rutherford said the seeding was done by a company that has 14 years experience in planting from the air in Colorado, California and Texas.

SENATE AGRICULTURE

EXHIBIT NO. 5

DATE

2-18-87

BILL NO.

5JR12

the miles city stail

SENATE AGRICULTURE
 BILL NO. 5
 2-18-87
 STR 12

Aerial seeding stirring up controversy

By JOHN HALBERT
 Star Staff Writer

An aerial seeding operation on the Crow Rock Ranch has sparked criticism in the region, but the operation's manager says he is just using advanced methods to boost yields and cut costs.

The Crow Rock Ranch has been an emotional focal point since the range was broken in 1983. At that time, there was wide concern about sodbusting marginal rangeland, which would almost automatically double its real estate value.

This year, the concern has been that the lease operators are more interested in "farming the government" and "milking the crop insurance" than in raising a stand of wheat. That concern was expressed by Miles City businessman to Sen. John Melcher during a visit last month.

Officials of the Agricultural Stabilization and Conservation Service are taking a "wait and see" attitude, saying that the stand has to come up before any determination can be reached

on whether to adjust the yield rating, which affects how federal payments are computed.

The stakes are not small. The 35 investors in Texas-based Ag Management & Associates may each be entitled to federal payments of up to \$50,000 because it is a general partnership, not a corporation. The Crow Rock has 60,000 cultivated acres.

All of the Crow Rock land involved in federal programs lies in Garfield County. Alan Barnes, Garfield County ASCS director, said Ag Management has applied for, but not yet been approved for, the 1987 farm program, and is not currently on the county ASCS committee's agenda.

Asked if the aerial seeding will have a bearing on the group's yield, Barnes said "Nobody could make that decision at this time. We'll have to wait until spring to see what kind of a stand they've got on it. If (aerial seeding) is not customary."

Orval Seright, district ASCS director, said the committee had ruled the partnership was eligible for payments

on the 1986 crop, which was conventionally planted and bought by Ag Management while it was growing. There was a dispute and a court battle over that harvest this summer, settled by a stipulation between the buyers and Crow Rock Associates early in September.

"Their situation was called in for review at the Washington (D.C.) level," Seright said. "They were determined to be eligible for '86 payments by the county committee on the information they had. This type of partnership is a little unusual, which is why it was called in for review."

"Apparently there're a lot of them nationwide (asking for \$50,000 payments for each partner). It's not really an investigation, it's more of a review type of thing," Seright said. On whether preliminary payments will be made for the 1987 program, he said "It's my understanding that Ag Management still has some paperwork to do. No one is eligible for early payments until the paperwork is in order."

"Sodbuster" requirements are met. After that, preliminary payments may be made, he said. "They (Ag Management) need to be advised that their yield may be reduced," Seright said. "If they make a bumper crop, there's nothing we can do. If they only get five bushels per acre, and everybody else gets 25, then it didn't work. I won't say it will be reduced, but it's an option the county committee does have."

Cecil Weeding, a state senator from the Jordan area and a 20-year veteran of Garfield County's soil conservation committee, said he is "incensed" with "all this sodbusting."

"What I see out there, I'm concerned that they're going to start milking the crop insurance. They threw a little spray out there and called it summer fallow, now they throw some seed out of an airplane and run a disk over it, and call it summer fallow farming," he said.

Many of his objections cover other "sodbusting" operations as well, including previous years' plantings on months until the paperwork is in order, the Angela Grazing District and land near Winnell.

"We can't pay them for farming that junk (poor soil) out there," Weeding said.

Paul Byrne, assistant director of the Federal Crop Insurance Corp. for the Montana-Wyoming Region, said his industry is "perfectly aware" of the farming methods being used on the Crow Rock. He said the insurance was recently transferred to a private company, Great Falls-based Crop Hail Management, but added that the private group uses the same rules.

Under those rules, he said, aerial planting must be done under specific guidelines to qualify for insurance. Only a small portion of Crow Rock land was deemed properly seeded. The rest won't qualify unless a spring crop is planted.

"You hear about groups bliking the public and the program, but when you look at the other side of the coin, you find there're restrictions that keep

them from making a complete steal of it," Byrne said.

Billy Rutherford, manager of the Crow Rock for Ag Management, said aerial seeding was an emergency measure this year, but will likely be used as a regular practice in the future. The cost, he said, is about \$2.50 per acre compared to \$5.50 per acre for conventional seeding.

"We would not be in the government program if the price of wheat would justify us not being in the program," Rutherford said. "Because of the rigid government prices on small grain, it would be unprofitable to farm without utilizing the government prices and subsidies."

"We feel our profit will be from crops, not government payments. We like Montana, and we like the farm... we intend to stay here until the Montanians run us off. We hope everybody will accept us," Rutherford said.

Aerial wheat seeding backed

See page 9

Aerial wheat seeding backed

By JOHN HALBERT

Star Staff Writer

Although the aerial seeding being done on the Crow Rock Ranch north of Miles City is being criticized as poor farming, manager Billy Rutherford defends that and other practices as a means of producing more wheat more cheaply than through traditional methods.

Low-till soil conservation techniques, carefully selected equipment and a special drying method will also be used to increase the yield and cut the cost, he said.

"This type of seeding is one of the first and oldest methods of seeding wheat known to man," Rutherford said. "It wasn't seeding from airplanes, of course, but it was scattered on the ground. There was in that day and time some high-bushel yields produced."

Rutherford denied that any winter wheat was seeded into snow, and only about 600 acres was disked in on snow-covered soil as an emergency measure, after a snowfall occurred between seeding and when it could be incorporated into the ground.

He said 16,000 acres was aerially seeded to winter wheat, and about 14,000 will be planted to spring wheat. About 18,000 acres will be planted in safflowers, he added.

Rutherford, interviewed in his room-turned-office in Miles City's Buckboard Inn, said the initial aerial seeding was an emergency measure, because "we didn't have time to work the ground before using conventional grain drills. There was a lot of trash and vegetation on the fields." But more is planned for the future, "and that will give them something more to kick about."

He added that soil treaders and

"This type of seeding is one of the first and oldest methods of seeding wheat known to man." — Billy Rutherford, Ag Management and Associates

packers will be run over the ground prior to the wheat coming up in the spring, to break up the large clods and press the soil around the seed. That will be done in January or February, weather permitting.

Aerial seeding, he said, has produced good stands in California, Colorado, and his home state of Texas. He is working for a general partnership called Ag Management & Associates, which is based around Amarillo, Texas. That organization is now leasing the land.

The aerial seeding operation, he said, cost about \$2.50 per acre for the labor, fuel, and all other expenses. That compares to a cost of about \$5.50 per acre for conventional seeding with drills.

It allows more even distribution of the seed, and can use more pounds of seed to the acre, "and still have a better per-acre plant population," Rutherford said.

"We should produce an average or above yield, with substantially less cost," he added.

"We'll be using a grain drying system that will enable us to harvest grain at 5- to 7-percent higher moisture content than a normal harvest. That will enable us to get the crops out of the field up to two weeks earlier. It will enable us to avoid some hail storms, and we expect to cut grasshopper damage in half," he said.

While it is hoped the grain will be

harvested at 17 percent moisture, the

propane burner heat drying system can take wheat from 20 percent to 13 percent moisture, suitable for storage, at a cost of 10 cents per bushel, Rutherford said.

Rotary combines designed for high-moisture grain will be used, he said, with air reels to save up to two bushels per acre more than the old bat-type reels, he added.

On the touchy issue of soil quality, Rutherford said he has been over all the Crow Rock's 60,000 acres in 1984 while custom combining for Emmett Linnebur, one of the former owners. "I saw the potential for good yields with low moisture," he said. "There were 15 bushels to the acre with three inches of moisture."

He added that conventional drills in later years had sometimes planted the seed too deeply.

"We are running soil analyses," Rutherford said. "The weaker soils will be in the set-aside program (now at 11,000 acres). The better soils will be for grain and safflower. Seventy percent of the total farm is high-producing soil if farmed correctly and using the proper method to control soil and wind erosion.

"I'm a trashy farmer as far as leaving trash on the ground. It protects the soil and the plant. After this first disk-ing, we will use mainly the sweep-type chisel plow."

He said that from the coulees, it is

obvious that the Crow Rock has had erosion problems in the past, and he could see evidence that hilltops had sustained excessive damage in the last few years. But he said there has been no recent problem with erosion. "We are trying to leave the trash and the weed growth (on the hilltops) and still till the soil," he said.

Rutherford said that although he is not currently working with the local Soil Conservation Service, "we have run extensive research from farmers that have used this method over the last decade. The findings are that this method has advantages with less expense compared to grain drill-type planting for trashy conditions. We want to leave all the trash we can to control soil erosion.

"We have plans in the future of seeding a big percentage of the farm back to native grass. We will venture probably into a summer-type grazing operation," Rutherford said.

He said the partners in Ag Management & Associates are not doctors, lawyers and bankers, but "more working-class, wage-earning type of people."

He said this is not a "hit-and-run" operation. "We're already making plans to purchase the farm from John Hancock Life Insurance."

"We are a group of people who love farming. The investors are farmers at heart, but are unable to farm because of poor prices.

"I want to make it known that we want to keep all Ag Management & Associates' business in the Miles City and Jordan area; our equipment, fuel, grain, labor, repairs and banking.

"We like Montana, we like the farm, and we like the country," Rutherford said.

SENATE AGRICULTURE

EXHIBIT NO. 5

DATE 2-18-87

BILL NO. SJR 12

Submitted by: Dick Brummer, Exec VP, MACD (SJR 12)
Jan 8, 1987

Sent to:

Dear John (Teigen, Jr.) President - MACD

Please find enclosed copy of letter that we sent to our delegation in Washington. Also article from Gazette that explains what they are doing on the Crow Rock Ranch. and note there is no mention of the weeds, erosion or actual grain produced.

I believe we must do everything possible to get Congress to restructure this program, so it will do what they intended, ~~preserve~~ the family farm, but close the loopholes so the pirates can't turn Montana into a Sahara desert while raiding the U S treasury.

I know you have a strong stewardship philosophy, so any help you can give us will be greatly appreciated.

Sincerely

John F Gaff

SENATE AGRICULTURE

EXHIBIT NO. 6

DATE 2-18-87

BILL NO. SJR 12

MACD supports SJR 12

Jan. &, 1987

Senator Max Baucus

706 SHOB

Washington, D. C. 20515

Dear Senator,

I wish to call your attention to a practice that is as bad a taxpayer rip-off as you will ever see.

What I am referring to are thousands of acres of Montana grass-lands that were plowed in the last five years with complete disregard for proper conservation or tillage practices, have grown nothing but weeds and very little grain since.

Under the present generous Farm Program, They are taking county ASCS grain yieldsaverages instead of using their own actual yields. Between Federal Crop insurance and deficiency payments they are ripping off the taxpayers for millions of dollars.

I know we are all concerned with preserving the family farm, but what you have here are not your traditional farmers. These are out-of-state people deliberately farming the government. They are the typical entrepreneur that are always chasing the fast buck, whether its oil, stockmarkets, commodities or sodbusting.

My suggestion to stop this rip-off would be a flat \$25,000 limit of all federal payments for each farm, regardless of the size. The present program is fostering bad farming practices, weeds, erosion and imparing the ability of the land to grow food which will be needed in the future, while at the same time making an unlicensed raid on the U.S. Treasury.

Yours truly,

John F. Pfaff

Crow Rock Rt.

Miles City, Mt. 59301

SENATE AGRICULTURE

EXHIBIT NO. 6

DATE 2-18-87

BILL NO. SJR 12

NAME Larry Johnson BILL NO. SI 12
ADDRESS Box 1165 Great Falls DATE 2-18
WHOM DO YOU REPRESENT Montana Grain Growers Association
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

(40-60%)
A large percentage of Montana grain producers
are currently affected by payment limitations. This
legislation would indicate to Congress and the U.S.D.A.
that we want the "reduction" of, even as it applies to
payment limitations tightened up even more than it is now.

SENATE AGRICULTURE
EXHIBIT NO. 7
DATE 2-18-87
BILL NO. SI 12

Amendments to SB 327 (Introduced bill)

1. Title, line 6.

Following: "PROJECTS"

Insert: "AND SMALL POWER PRODUCTION FACILITIES"

2. Page 2, line 2.

Strike: "or works" through "electricity" on line 3

Insert: "or small power production facilities certified by the federal energy regulatory commission and associated with federal reclamation projects"

3. Page 2, line 13.

Strike: "that" through "district" on line 20

Insert: "the provisions of Title 85, chapter 7"

4. Page 2, line 22.

Strike: "any other law"

Insert: "Title 85, chapter 7"

5. Page 3, line 3.

Following: "domain"

Insert: ", subject to the provisions of Title 70, chapter 30"

6. Page 9, line 16.

Strike: "or"

Insert: ", "

7. Page 9, line 17.

Following: "indenture,"

Insert: "or security agreement,"

Following: "in the"

Insert: "real and personal property constituting the"

dc/amdsb327

SENATE AGRICULTURE

EXHIBIT NO. 8

DATE 2-18-87

BILL NO. SB 327

2/18/87

SENATE BILL NO. 327 - INTRODUCED BILL

1. Page 3, line 17.

Insert: NEW SECTION. Section 5. Nothing in this part shall be construed to permit an irrigation district to condemn any property owned or controlled by a utility, whether publicly or privately owned, or a rural electric cooperative. An irrigation district is expressly prohibited from condemning such property.

2. Renumber all following sections.

SENATE AGRICULTURE

EXHIBIT NO. 9

DATE 2-18-87

BILL NO. SB 327

ROLL CALL VOTE

SENATE COMMITTEE AGRICULTURE

Date 2/18/87 SB Bill No. 327 Time 2:45 p.m.

NAME	YES	NO
ABRAMS, Hubert J.		✓
BENGTSON, Esther G.	✓	
BECK, Tom		✓
JERGSON, Greg	✓	
KOLSTAD, Allen C.		✓
LYBECK, Ray	✓	
STORY, Peter R.		✓
THAYER, Gene		✓
GALT, Jack VICE CHAIRMAN		✓
BOYLAN, Paul CHAIRMAN	✓	

4 6

Rita Tenneson
Secretary

Paul Boylan
Chairman

Motion: SB 327 As Amended Do PASS
by Sen Jergeson

STANDING COMMITTEE REPORT

PAGE 1 of 2

FEBRUARY 13

87

19.....

MR. PRESIDENT

AGRICULTURE, LIVESTOCK & IRRIGATION

We, your committee on.....

SENATE BILL

No. **327**

having had under consideration.....

first reading copy (white)
color

IRRIGATION DISTRICT REVENUE BOND AUTHORITY

Respectfully report as follows: That.....

SENATE BILL

No. **327**

Be amended as follows:

1. Title, line 6.

Following: "PROJECTS"

Insert: "AND SMALL POWER PRODUCTION FACILITIES"

2. Page 2, line 2.

Strike: "or works" through "electricity" on line 3

Insert: "or small power production facilities certified by
the federal energy regulatory commission and associated
with federal reclamation projects"

3. Page 2, line 13.

Strike: "that" through "district" on line 20

Insert: "the provisions of Title 85, chapter 7"

4. Page 2, line 22.

Strike: "any other law"

Insert: "Title 85, chapter 7"

5. Page 3, line 1.

Following: "undertakings."

Insert: "(1)"

~~DO PASS~~

~~DO NOT PASS~~

(continued)

Chairman.

6. Page 3, line 2.

Strike: "(1)"

Insert: "(a)"

7. Page 3, line 3.

Following: "domain"

Insert: ", subject to the provisions of Title 70, chapter
30,"

8. Page 3, line 8.

Strike: "(2)"

Insert: "(b)"

9. Page 3, line 15.

Strike: "(3)"

Insert: "(c)"

10. Page 3.

Following: line 16

Insert: "(2) Nothing in this section may be construed to
permit an irrigation district to condemn any property
owned or controlled by a rural electric cooperative or a
utility, whether publicly or privately owned. An
irrigation district is expressly prohibited from
condemning such property."

11. Page 9, line 16.

Strike: "or"

Insert: ", "

12. Page 9, line 17.

Following: "indenture,"

Insert: "or security agreement,"

Following: "in the"

Insert: "real and personal property constituting the"

7050d/L:JEA\WP:jj

AND AS AMENDED

DO NOT PASS

~~EXX PAGE XX~~

ROLL CALL VOTE

SENATE COMMITTEE AGRICULTURE

Date 2/18/87 SJR Bill No. 12 Time 2:49

NAME	YES	NO
ABRAMS, Hubert J.	✓	
BENGTSON, Esther G.	✓	
BECK, Tom	✓	
JERGESON, Greg	✓	
KOLSTAD, Allen C.		✓
LYBECK, Ray	✓	
STORY, Peter R.	✓	
THAYER, Gene		✓
GALT, Jack VICE CHAIRMAN		
BOYLAN, Paul CHAIRMAN	✓	

7 2

Rita Tenneson
Secretary

Paul Boylan
Chairman

Motion: SJR 12 Do PASS
by Sen Jergeson

STANDING COMMITTEE REPORT

FEBRUARY 18

87

19.....

MR. PRESIDENT

AGRICULTURE, LIVESTOCK & IRRIGATION

We, your committee on.....

SENATE JOINT RESOLUTION 12

having had under consideration..... No.....

first reading copy (white)
color

ELIGIBILITY REQUIREMENTS FOR FARM COMMODITY PROGRAM PAYMENTS

SENATE JOINT RESOLUTION 12

Respectfully report as follows: That..... No.....

DO PASS

~~XXXXXXXXXX~~
~~DO NOT PASS~~

.....
PAUL P. BOYLAN,

Chairman.

ROLL CALL VOTE

SENATE COMMITTEE AGRICULTURE

Date 2/18/87 SB Bill No. 345 Time 2:50 PM

NAME	YES	NO
ABRAMS, Hubert J.		✓
BENGTSON, Esther G.		✓
BECK, Tom		✓
JERGESON, Greg		✓
KOLSTAD, Allen C.		✓
LYBECK, Ray	✓	
STORY, Peter R.		✓
THAYER, Gene		✓
GALT, Jack VICE CHAIRMAN		
BOYLAN, Paul CHAIRMAN		✓

1 8

Rita Tenneson
Secretary

Paul Boylan
Chairman

Motion: SB 345 DO PASS
by Sen. Lybeck's motion

STANDING COMMITTEE REPORT

FEBRUARY 19 37

MR. PRESIDENT

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

having had under consideration..... **SENATE BILL** No. **345**

first reading copy (white)
color

**ESTABLISH A MINIMUM PRICE FOR CERTAIN AGRICULTURAL COMMODITIES
IN MONTANA**

Respectfully report as follows: That..... **SENATE BILL** No. **345**

~~DO NOT PASS~~

DO NOT PASS

.....
PAUL F. BOYLAN,

Chairman.