SENATE JOINT RESOLUTION NO. 12

INTRODUCED BY WEEDING

IN THE SENATE

FEBRUARY	14,	1987	INT	RODUCED	AND	REFERRED	ΤO	COMMITTEE
			ON	AGRICULT	FURE,	, LIVESTO	CK 8	IRRIGATION.

- FEBRUARY 19, 1987 DO PASS. REPORT ADOPTED.
- FEBRUARY 20, 1987 PRINTING REPORT.
- FEBRUARY 21, 1987 SECOND READING, DO PASS.
- FEBRUARY 23, 1987 ENGROSSING REPORT.

THIRD READING, PASSED. AYES, 38; NOES, 10.

TRANSMITTED TO HOUSE.

INTRODUCED AND REFERRED TO COMMITTEE ON AGRICULTURE, LIVESTOCK & IRRIGATION.

IN THE HOUSE

FEBRUARY 24, 1987

- MARCH 11, 1987
 - CONCURRED IN. REPORT ADOPTED.

COMMITTEE RECOMMEND BILL BE

- MARCH 14, 1987 SECOND READING, CONCURRED IN.
- MARCH 16, 1987 THIRD READING, CONCURRED IN. AYES, 89; NOES, 8.

RETURNED TO SENATE.

IN THE SENATE

MARCH 17, 1987 RECEIVED FROM HOUSE.

SENT TO ENROLLING.

INTRODUCED BY _____ 1 2 3 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE 4 OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING CONGRESS 5 TO CLARIFY ELIGIBILITY REQUIREMENTS FOR GENERAL PARTNERS 6 RECEIVING FARM COMMODITY PROGRAM PAYMENTS. 7 8 WHEREAS, in the Food Security Act of 1985, Congress 9 10 established a general limit of \$50,000 on payments that could be made to any person under one or more federal 11 programs for wheat and feed grains; and 12 WHEREAS, the intent of such payment limitations was to 13 provide incentives to well-managed owner-operated family 14 farms as the best means of promoting wise land-use practices 15 and enhancing commodity price stability through limiting 16 production; and 17 WHEREAS, Congress provided that the Secretary of the 18 United States Department of Agriculture define the term 19 "person" and assure fair application of the limitations in 20 21 regulations issued to implement the Act; and WHEREAS, current regulations do not adequately define 22 payment eligibility of general partners or limit payments as 23 intended by Congress; and 24 WHEREAS, large institutional farming enterprises are 25



being structured wherein investors with minimal investment
 and no operational involvement are each eligible to receive
 payments under the Act; and

4 WHEREAS, with no effective limit on program payments to 5 owners of such an enterprise, the farm program:

6 (1) encourages large-scale block farming with little
7 incentive for practicing good farming or soil conservation
8 techniques;

9 (2) results in certain entities engaging in farming10 solely for program benefits; and

11 (3) enables institutional enterprises to hold the land 12 for speculative purposes, thereby denying entry of new 13 owner-operators into farming at an opportune time; and

14 WHEREAS, owner-operated family farms are more conducive 15 to a strong rural social structure and local economy than 16 the institutional nonowner-operated farm.

17

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
OF REPRESENTATIVES OF THE STATE OF MONTANA:

(1) That Congress is urged to clarify the eligibility
requirements for general partners receiving federal
commodity payments by requiring that such persons provide
material input and bear a substantial portion of risk in the
farming operation upon which eligibility is based.

25 (2) That Congress is urged to take any necessary

-2- INTRODUCED BILL SJR 12

1 action to ensure that its intent in establishing program 2 eligibility and imposing payment limitations is properly implemented by the United States Department of Agriculture. 3 (3) That a copy of this resolution be sent by the 4 Secretary of State to each member of the Montana 5 6 Congressional Delegation, the chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, the 7 8 chairman of the House Committee on Agriculture, and the Secretary of the United States Department of Agriculture. 9

-End-

50th Legislature

LC 1500/01

LC 1500/01

APPROVED BY COMMITTEE ON AGRICULTURE LIVESTOCK & IRRIGATION

Senate JOINT RESOLUTION NO. 12 1 INTRODUCED BY 2 3

4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF 5 REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING CONGRESS 6 TO CLARIFY ELIGIBILITY REQUIREMENTS FOR GENERAL PARTNERS 7 RECEIVING FARM COMMODITY PROGRAM PAYMENTS.

8

9 WHEREAS, in the Food Security Act of 1985, Congress 10 established a general limit of \$50,000 on payments that 11 could be made to any person under one or more federal 12 programs for wheat and feed grains; and

13 WHEREAS, the intent of such payment limitations was to 14 provide incentives to well-managed owner-operated family 15 farms as the best means of promoting wise land-use practices 16 and enhancing commodity price stability through limiting 17 production; and

18 WHEREAS, Congress provided that the Secretary of the
19 United States Department of Agriculture define the term
20 "person" and assure fair application of the limitations in
21 regulations issued to implement the Act; and

22 WHEREAS, current regulations do not adequately define
23 payment eligibility of general partners or limit payments as
24 intended by Congress; and

25 WHEREAS, large institutional farming enterprises are



being structured wherein investors with minimal investment
 and no operational involvement are each eligible to receive
 payments under the Act; and

WHEREAS, with no effective limit on program payments to
owners of such an enterprise, the farm program:

6 (1) encourages large-scale block farming with little
7 incentive for practicing good farming or soil conservation
8 techniques;

9 (2) results in certain entities engaging in farming10 solely for program benefits; and

11 (3) enables institutional enterprises to hold the land 12 for speculative purposes, thereby denying entry of new 13 owner-operators into farming at an opportune time; and

14 WHEREAS, owner-operated family farms are more conducive 15 to a strong rural social structure and local economy than 16 the institutional nonowner-operated farm.

17

18 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE19 OF REPRESENTATIVES OF THE STATE OF MONTANA:

20 (1) That Congress is urged to clarify the eligibility 21 requirements for general partners receiving federal 22 commodity payments by requiring that such persons provide 23 material input and bear a substantial portion of risk in the 24 farming operation upon which eligibility is based.

25 (2) That Congress is urged to take any necessary

-2- SECOND READING SJR-12

1 action to ensure that its intent in establishing program 2 eligibility and imposing payment limitations is properly 3 implemented by the United States Department of Agriculture. 4 (3) That a copy of this resolution be sent by the 5 Secretary of State to each member of the Montana 6 Congressional Delegation, the chairman of the Senate 7 Committee on Agriculture, Nutrition, and Forestry, the 8 chairman of the House Committee on Agriculture, and the 9 Secretary of the United States Department of Agriculture.

-End-

-3-

AnataJOINT RESOLUTION NO. 12 1 INTRODUCED BY 2 3

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING CONGRESS
TO CLARIFY ELIGIBILITY REQUIREMENTS FOR GENERAL PARTNERS
RECEIVING FARM COMMODITY PROGRAM PAYMENTS.

8

9 WHEREAS, in the Food Security Act of 1985, Congress
10 established a general limit of \$50,000 on payments that
11 could be made to any person under one or more federal
12 programs for wheat and feed grains; and

13 WHEREAS, the intent of such payment limitations was to 14 provide incentives to well-managed owner-operated family 15 farms as the best means of promoting wise land-use practices 16 and enhancing commodity price stability through limiting 17 production; and

18 WHEREAS, Congress provided that the Secretary of the 19 United States Department of Agriculture define the term 20 "person" and assure fair application of the limitations in 21 regulations issued to implement the Act; and

WHEREAS, current regulations do not adequately define
payment eligibility of general partners or limit payments as
intended by Congress; and

25 WHEREAS, large institutional farming enterprises are

Montana Legislative Council

being structured wherein investors with minimal investment
 and no operational involvement are each eligible to receive
 payments under the Act; and

4 WHEREAS, with no effective limit on program payments to 5 owners of such an enterprise, the farm program:

6 (1) encourages large-scale block farming with little 7 incentive for practicing good farming or soil conservation 8 techniques;

9 (2) results in certain entities engaging in farming
 10 solely for program benefits; and

(3) enables institutional enterprises to hold the land
for speculative purposes, thereby denying entry of new
owner-operators into farming at an opportune time; and

14 WHEREAS, owner-operated family farms are more conducive
15 to a strong rural social structure and local economy than
16 the institutional nonowner-operated farm.

17

18 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
19 OF REPRESENTATIVES OF THE STATE OF MONTANA:

(1) That Congress is urged to clarify the eligibility
requirements for general partners receiving federal
commodity payments by requiring that such persons provide
material input and bear a substantial portion of risk in the
farming operation upon which eligibility is based.

25 (2) That Congress is urged to take any necessary

THIRD READING -2-STR 12

1 action to ensure that its intent in establishing program 2 eligibility and imposing payment limitations is properly 3 implemented by the United States Department of Agriculture. (3) That a copy of this resolution be sent by the 4 5 Secretary of State to each member of the Montana Congressional Delegation, the chairman of the Senate б Committee on Agriculture, Nutrition, and Forestry, the 7 chairman of the House Committee on Agriculture, and the 8 Secretary of the United States Department of Agriculture. 9

-End-

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SJR 0012/02

1	SENATE JOINT RESOLUTION NO. 12	1	being structured wherein investors with minimal investment
2	INTRODUCED BY WEEDING	2	and no operational involvement are each eligible to receive
3		3	payments under the Act; and
4	A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF	4	WHEREAS, with no effective limit on program payments to
5	REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING CONGRESS	5	owners of such an enterprise, the farm program:
6	TO CLARIFY ELIGIBILITY REQUIREMENTS FOR GENERAL PARTNERS	6	(1) encourages large-scale block farming with little
7	RECEIVING FARM COMMODITY PROGRAM PAYMENTS.	7	incentive for practicing good farming or soil conservation
8		8	techniques;
9	WHEREAS, in the Food Security Act of 1985, Congress	9	(2) results in certain entities engaging in farming
10	established a general limit of \$50,000 on payments that	10	solely for program benefits; and
11	could be made to any person under one or more federal	11	(3) enables institutional enterprises to hold the land
12	programs for wheat and feed grains; and	12	for speculative purposes, thereby denying entry of new
13	WHEREAS, the intent of such payment limitations was to	13	owner-operators into farming at an opportune time; and
14	provide incentives to well-managed owner-operated family	14	WHEREAS, owner-operated family farms are more conducive
15	farms as the best means of promoting wise land-use practices	15	to a strong rural social structure and local economy than
16	and enhancing commodity price stability through limiting	16	the institutional nonowner-operated farm.
17	production; and	17	
18	WHEREAS, Congress provided that the Secretary of the	18	NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
19	United States Department of Agriculture define the term	19	OF REPRESENTATIVES OF THE STATE OF MONTANA:
20	"person" and assure fair application of the limitations in	20	(1) That Congress is urged to clarify the eligibility
21	regulations issued to implement the Act; and	21	requirements for general partners receiving federal
22	WHEREAS, current regulations do not adequately define	22	commodity payments by requiring that such persons provide
23	payment eligibility of general partners or limit payments as	23	material input and bear a substantial portion of risk in the
24	intended by Congress; and	24	farming operation upon which eligibility is based.
25	WHEREAS, large institutional farming enterprises are	25	(2) That Congress is urged to take any necessary
			s and any necessary
			-2- SJR 12
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REFERENCE BILL

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1 action to ensure that its intent in establishing program 2 eligibility and imposing payment limitations is properly 3 implemented by the United States Department of Agriculture. (3) That a copy of this resolution be sent by the 4 5 Secretary of State to each member of the Montana Congressional Delegation, the chairman of the Senate 6 7 Committee on Agriculture, Nutrition, and Forestry, the chairman of the House Committee on Agriculture, and the 8 9 Secretary of the United States Department of Agriculture.

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SJR 12

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