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Question1: · A good example is the energy crisis that has been impacting our economy for a number of years and farmers have no way of passing along these added costs.

· Because of this, our next generation of farmers and rural communities are in jeopardy. We run the risk of going down the same path of the oil industry that has been held hostage by foreign dependency. We simply CANNOT go down this same path with our nation's food supply.

· An average size Kansas farm paid \$9500 for gas, fuel and oil in 2002. This same farm is looking at nearly \$20,000 for 2006, a 110% increase. How will production agriculture survive this crisis?

· Our suggestion is an inflation index that would modify payments overtime and would be based on global costs for petroleum and steel.

· We strongly encourage a focus on crop insurance so that current programs could be simplified and the bureaucracy minimized. Other risk management tools should be continued.

· In the 80's many farms were shut down due to extreme economic conditions and bank examiners forced compliance to rigid standards. If this energy crisis would drive us into a similar banking situation, we would ask for some forbearance or consideration from examiners and the Federal Reserve System for which they work.

Question2: · The U.S. marketing system has always been the most efficient in the world. We encourage further improvements to our transportation system and all infrastructures to ensure that we stay the most efficient.

· We strongly urge continuation of trade agreements and the reduction of all trade barriers.

· Our Kansas economy is heavily dependent on wheat exports. Therefore, we support expanding market develop program funding, such as the Market Access Foreign Market Development programs.

Question3: · It is vital that 2007 farm bill maintain the planting flexibility and fixed payments from the current legislation.

· We suggest a Target Revenue Program to replace the counter-cyclical program. This would be based on revenue, price X yield instead of the current price program. This approach may be more

compliant with the WTO.

- Second, a Revenue Reserve Account that would provide incentives for savings in good years and withdraws for disasters.

- Current farm payments are limited to \$40,000 by the 2002 Farm Bill. Lowering or maintaining this amount for Direct Payments punishes the producers that have made their operations a success.

Question4: · The commodity title should not be replaced by the conservation title. Kansas producers ARE stewards of the land and true conservationists. We encourage programs for working lands that encourage conservation, NOT preservation. This would include the ability to re-enroll CRP acres and expansion of CSP.

- Conservation programs should reward, with adequate funding, individuals who are currently good stewards of the land, and not be designed for new stewards.

- Complexity of these programs, the bureaucracy and paperwork must be reduced to be workable for farmers. If they are properly funded, producers will go the extra mile to participate.

Question5: · We believe that rural development programs are an important part of any farm bill. The financial support of the commodity title goes into local communities ? directly to local businesses and through local and state taxes. By continuing to provide farm program payments, U.S. Government is making a strong investment in rural America.

- Kansas wheat producers should have an adequate safety net to rely on in times of drought and other disasters. This will enable us to grow and expand our businesses.

- For example, a Revenue Reserve Account would provide incentives for savings in good years and withdraws for disasters.

- In order for America to continue to have a safe and affordable food supply, new generations of producers are required. We support farm policy that makes production agriculture profitable so that young farmers will enter the field.

Question6: · Producers rely on research and development activities and access to current and new markets to stay competitive.

- We have seen a drastic decline in state and federal dollars for the research conducted on the state and national level. In Kansas, we are fortunate to have a regional ARS facility and our land grain university at Kansas State, which work closely together to conduct state-of-the art research for our industry. Both of these facilities have seen a decline in funding and this directly impacts us.

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