

Mr. Mark Rey,

We are currently in the middle of our harvest and I normally would not take time to do this sort of thing at this time of year. However, I feel it extremely important to address a couple of issues for your consideration for the next farm bill.

In answer to the question, "How can farm policy best achieve conservation and environmental goals?". I sincerely feel that incentive programs work much better than the policing and punishment programs that are mostly in place now. I think that most farmers are honest and just want to do what is best for the land and their families and that the millions of dollars and man hours that go into trying to catch the rare cheater are a huge waste of taxpayer dollars, dollars that could be much better used for on the ground conservation efforts. The Conservation Security Program was a good start in the right direction, I felt, until it got all messed up in internal policy making decisions and ended up a watered down version of what was the original Congressional intent. One more important point; we do many conservation projects on our farm and about the only ones we can afford are ones that have from somewhere between 75 and 90 % cost-share and even better would be programs as mentioned above that reward a landowner for conservation work accomplished.

If you have time to read this I would also like to address the question, "How should farm policy address any unintended consequences and ensure that such consequences do not discourage new farmers and the next generation of farmers from entering production agriculture?". As a preface let me tell you just a little about our circumstances. I am one of the very few full-time farmers left in our rural county. A good share of my neighbors have either declared bankruptcy, sold all or portions of their farms to wealthy Salt Lake City area investors who buy the land for tax write-offs, or have jobs off the farm. I have tried the job route and had an excellent part-time job working for the Idaho State Parks and Recreation agency that I enjoyed very much. But, with only 24 hours in a day I was not able to carry on that job and do the farming also. At this time I am very tempted to sell out to the investors and be through with it all; one main thing that is holding me back from this route is the fact that I care for the land and I have observed that in virtually 100% of the cases all around me, that within a very short time after the purchase of the land by the absentee landowners, it becomes completely covered in noxious weeds that will now takes years and years and hundreds of thousands if not millions of dollars to eradicate. After having my grandfather, father, and my family work hard now for 91 years to keep our place free of noxious weeds it would break my heart to see that happen to our place. With all that said, how does it address the above question? Well, the 1980 farm bill that is still the mainstay of the 2002 farm bill had a major flaw that has had devastating consequences on our farm. The theory that has proven faulty for 25 years now was that if the loan rate on wheat was lowered the price of wheat would increase. That has just not proven to be true. When we first bought our farm from my parents in 1981 the loan rate for wheat was \$3.94 and the price of wheat was around \$4.00, just enough for us to break even and have a modest income. Since the loan rate

dropped to around \$3.00 a bushel the price followed and has pretty well stayed there for 25 years. We now receive a lot of money from the government and not much for our crops, even though we have a very high average yearly yield for our area (41 bushel/acre for Hard Red Winter Wheat, even with an 8 year drought) and have had good success with our marketing. The bottom line is: our gross income is about 2/3 of what it was with a better loan rate and price and we need the extra 1/3 to just break even, let alone be profitable. The main activity on our farm sadly is not working the ground or harvesting, but it is refinancing. If you could address the failed theory of the lower loan rate helping achieve a better price in the 2007 farm bill I would really appreciate it. The loan rate needs to reflect the increase in our operating costs and really should be in the \$5.00 to \$6.00 range if we are to have any chance of profitability growing dry land wheat. As things stand now, with the price of fuel and equipment escalating and the price of wheat, due to faulty policy, staying in the basement, I do not anticipate one young person in this area going into farming. If anybody even really cares about rural America, I see that as a tragedy.

Thank you for your time and consideration. I appreciate you having the hearings. I hope this is helpful.

Don C. Buehler
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PS Please feel free to call or write if you have any questions, would like more detail, or would like me to testify on how current farm policy has affected our farm.

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