

U.S. Department of Agriculture Secretary Mike Johanns

From: geoag@direcway.com%inter2 [geoag@direcway.com]
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Secretary of Agriculture Mike Johanns,

Attached is the written testimony that was presented at the Farm Forum in Bozeman on November 4, 2005. Attached is a copy of that testimony for your records.

Thank you.

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USDA Farm Bill Listening Session
November 4, 2005
Hager Auditorium, Museum of the Rockies
Bozeman, MT

Testimonial by:
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Thank you for the opportunity to provide written input for this USDA Farm Bill listening session. I would have preferred to present this to you in person but I am finally able to haul some of my 2005 crop to my local elevator (60 miles away). Due to the never ending railroad car shortages, I can haul grain only at specified times with 2-3 hour waits to unload my truck.

My wife, Kerry, and I farm 300 miles north of Bozeman, Montana 15 miles north of the small rural community of Chester, Montana, very near the Canadian border. As a young (26 years old), beginning farmer, the results of these hearings and the impact they may have on future farm bills has prompted me to voice my concerns about agriculture in America.

I grew up on a wheat farm working beside my father and mother in the wheat fields. For my high school graduation present in 1997, my parents rented me cropland. This was my first introduction to agriculture as a business and the realization of how difficult it is to be profitable in that profession.

When I returned to the farm full time in 2002, I brought with me an Agriculture Business degree from Montana State University, a year of education in grain marketing from Virginia Tech, in Blacksburg, Virginia studying with the country's best in the marketing field, Dr. David Kenyon and Dr. Wayne Purcell. I felt prepared to be successful in farming, no matter what Mother Nature threw at me.

Unfortunately, the geographical area in which I farm has not experienced an above average crop since 1995. Some of these years have included complete crop disasters. The back to back dry years forced me to further develop my risk management skills, some of which

include the use of crop insurance, forward pricing of grain when the markets are positive, and purchasing fertilizer when the seasonal lows are in.

My farm management skills were recently recognized and rewarded this spring when my farm received a contract through the Conservation Security Program. Even with these strong financial and managerial skills, the bottom line for my farm is in jeopardy.

In 2003 I chose to invest in my future by purchasing some nearby property and marrying an individual who left a secure job, as a dental assistant in a larger Montana town, to come to a rural community lacking job opportunities. My wife, Kerry, is now attending college in Williston, North Dakota, (375+ miles away) in order to obtain a degree as a Physical Therapy Assistant, a degree which will offer her a good job in our local small hospital. This separation is a hardship to us but it is typical of what farm families all over the country are being forced to do; find off-farm income that will help to pay the increasing input costs.

Since 2003 I have experienced my fuel costs increase by 86%, and my fertilizer costs increase by 54%. This week BNSF has announced a 18.5% fuel surcharge on the freight to transport my grain to the west coast. To make matters worse, in the last two months the price of the Amtrak ticket that connects my wife and me on an occasional weekend has gone up by 25%.

There are few young farmers in my community. Most of my friends from the university have gone on to take jobs that provide them with more lucrative 8:00 to 5:00 jobs. Although I enjoy what I am doing, the long hours and very tight margins tell the story of why there are so few of "us" returning to "feed the world". The increasing input costs including fuel, fertilizer, insurance, labor, etc. and decreasing farm support has been detrimental to my family's future.

Because I am a beginning farmer, I was able to acquire an FSA guarantee on my farm's land loan. It is the Direct Payment in the current Farm Program that provides the stability I require for my budget and cash flow projections. As a wheat farmer in Montana, the Direct Payment component of the Commodity Payment Program is the only portion in which my farm is able to participate. In recent years the LDP and Counter Cyclical payments have added virtually nothing to my bottom line. When projecting my next year's budget, the Direct Payment is the only number I have been able to guarantee as fixed income. Without it, my land payment would be at risk.

With the education and skills I brought with me when I began farming, I believe I am more equipped for sustainability than the average beginning farmer. With that being said, as I watch my margins being squeezed thinner and thinner each day, I wonder how many of us will remain as the "Next Generation of Farmers".

Thank you for your attention to U.S. Agriculture.

Vince C. Mattson