Dec. 14, 2005

Dear Secretary Johanns

This letter is being written concerning the new farm bill and things that need to be changed.

1) The LDP program must be changed or eliminated altogether. The people who need the LDP (producers with low protein spring wheat) cannot take an LDP. We are forced to take a CCC loan because of the grain companies extreme discounts on low protein spring wheat. Currently the discounts are 12¢ to 14¢ a quarter of a point. i.e, 14 pro. is 4.82 the other day, 14¢ a quarter down makes 11 protein 2.44, 10 protein would be $1.88 Much of the grain in Montana is low protein. Some ground even with fertilizer will not produce protein. We must take the government loan to get 2.95 a bushel. By taking the loan we are not eligible for an LDP. After nine months we must pay back the loan or forfeit the wheat to the government which most farmers have to do.

We must now pay the government back for the low protein. You must have 12 protein to keep the 2.95. 11 Protein must pay back .15 per bushel, 10 protein must pay back 30¢ - The maximum payback is 48¢ if you have 8 or 9 protein.

The only people making money on LDPs are the producers who are lucky enough to get high protein. They do not need the CCC loan so then take an LDP if there is one. Right now there is no LDP on ~~the~~ spring wheat.

Right now there is an .41¢ per bu LDP on barley. The contract malt growers are able to take it because they are getting high prices for their barley and don't need to take a loan because of the low price of feed barley. It is the same scenario, the people that need it can't get it. It is costing the government lots of money for a poor repair program.

Since the administration is dealing with WMD's, They need to deal with this one also, Wheat Market Destruction, by the major grain companies. They are ripping us off with their protein discount. They get the low protein forfeited to them and the farmers have to pay back the protein on the CCC loans. They mix and blend it off and make a fortune on it.

We need a PDP, protein deficiency payment, to help farmers make up for the market rip offs. By giving a PDP to the farmers the elevator would be forced to pay more to get the grain or make it a law to force elevators to pay minimum of loan price for low protein wheat.

You cannot tell bread made from 10 protein or 14 protein wheat. Some mill blend winter wheat and spring wheat together. The government would not be required to own so much grain if they got tough with the grain companies.

I am a 56 year old farmer and it is getting tougher & tougher to make it with the high cost of inputs especially fuel, fertilizer, farm chemical etc. & hear rumors we may not get next fall's payments. That would really hurt.

Last year the protein discounts were 20¢ a quarter point down. 10 percent wheat was at one time worth 33¢ a bushel. This is outright robbery by the grain companies. Low protein winter wheat was 3.32, it at least has a bottom, where spring wheat doesn't. Something must be done with the grain companies.

Thank for listening

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We need a CCC crop loan program we don't have to pay back protein, like it used to be, we just forfeited it. The grain companies caused this.

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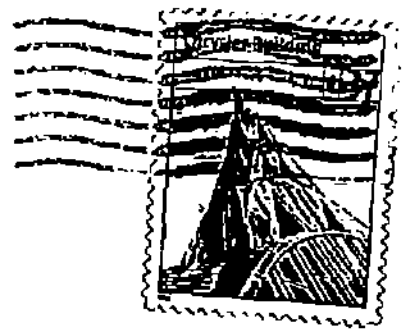

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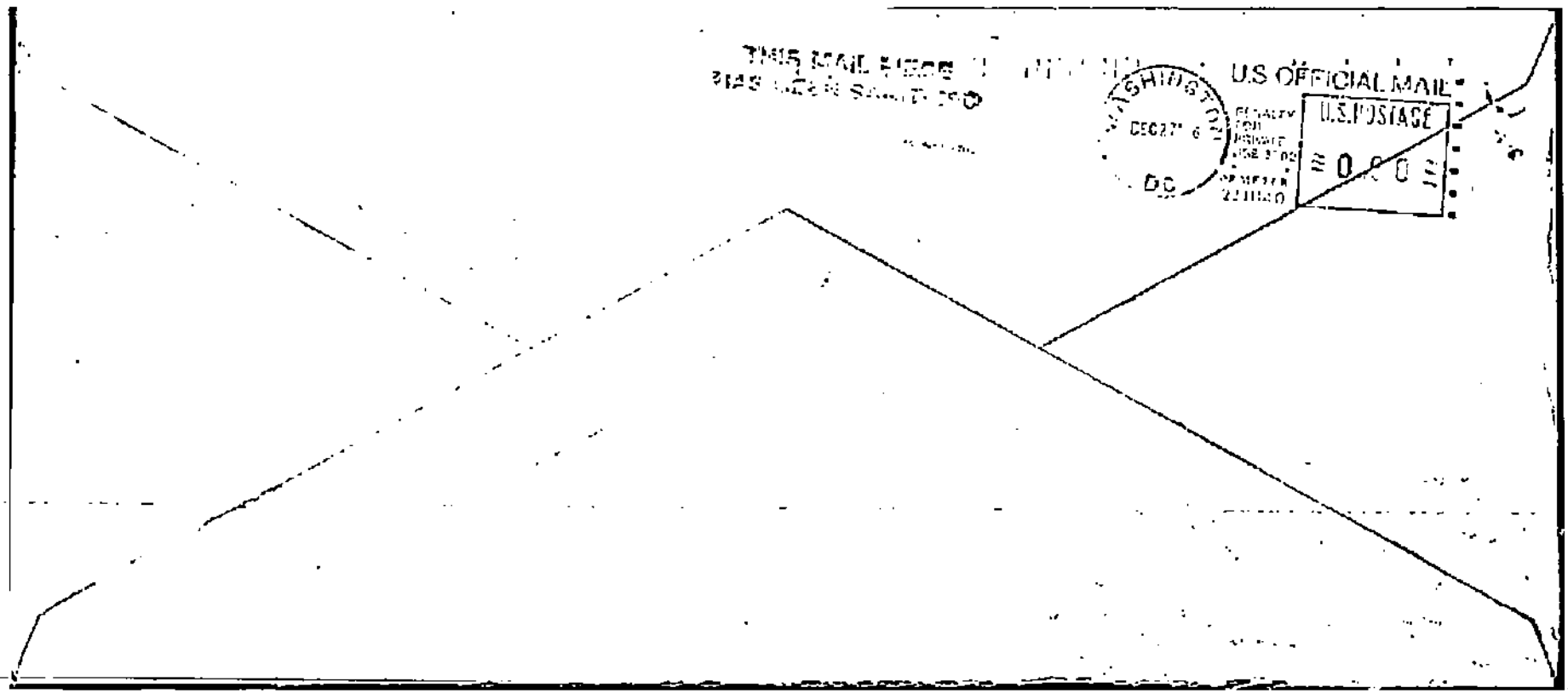
comments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