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Secretary Johanns and honorable Congressmen Neugebauer, Thornberry and Conaway,

I am a third generation irrigated cotton and corn farmer from the community of Olton, Texas. I farm a total of 626 acres of combined corn, cotton, dryland wheat and CRP acreage. My farm is a diverse operation that represents the small to medium size farmer. You will hear the voice of the large and corporate farmer loud and clear by the time this farm bill is finalized. The large farmer has no problem finding a voice in the so called farm organizations and an ear with the congress. I want to speak for the small farmer who is constantly squeezed by large farms and corporate greed.

While the current farm program has served its purpose for the last several years it is time to move on and craft a new better farm bill. To create such we need to look at the success and failures of the current farm bill with a goal of improving upon this bill.

I will summarize the areas that need to be retained and possibly improved:

1. Insurance Subsidy- Crop Insurance is an important element for stable farm income. We should retain the current crop insurance program.
2. Payment Limitations- The current payment limitation should be reduced and the three entity rule done away with. One payment per farmer is enough. I am opposed to subsidy payments to corporations of any kind. My fear is that we are creating a new class of welfare farmer. A farmer that is dependent on federal tax dollars to reach even breakeven status.
3. Improve Trade Opportunities- America is a net agriculture commodity exporter. We are dependent on free trade and viable free trade agreements. Agriculture policy should promote and increase agriculture trade with other countries. Like it or not compliance with international trade agreements is essential.
4. Conservation - conservation of our limited resources is essential. As farmers we are stewards of the land. The conservation component is essential especially for an area such as ours with limited water resources. Enhance the conservation program by using equip funds to replace pivot irrigation with drip systems at a lower priority.
5. Flexibility in planting decisions- farmers must be able to react to market situations and change to plant crops that are profitable.
6. Rural and community development. Continue with this program.
7. Research is essential for the future. Improved technology is the only thing keeping farmers solvent. Bio conversion, wind energy, genetics.

Areas where the current policy has failed:

1. Over production- we have over produced in every major commodity group. This has created a condition of low prices at or below price support levels. Cost of production has increased every year to the point of eliminating profit for farmers. We are the only industry that is prevented from passing on our increased cost of production. The next farm bill must find ways to increase markets or reduce production to allow the price of farm commodities to rise. Other wise all of the good intentions of any new farm bill will be for not.
2. Prohibitive startup cost for new farmers- \$150,000 for a tractor, \$175,000 for a new stripper, \$1,000 to \$1,500 per acre for land it is no wonder new farmers are hard to find. We have priced the entry level farmer out of business. This is again due to big farmers who constantly expand and drive up the cost of farming. The common quote is that you have to get big or die. That way of thinking is discouraging our young farmers from entering the agriculture field.

Overriding all of this is a budget deficit of \$7.92 Trillion and climbing. Where does it end? I am afraid we are going to run out of numbers. Is gazillion a number? You must get your house in order. I balance my budget every year and so should the federal government.

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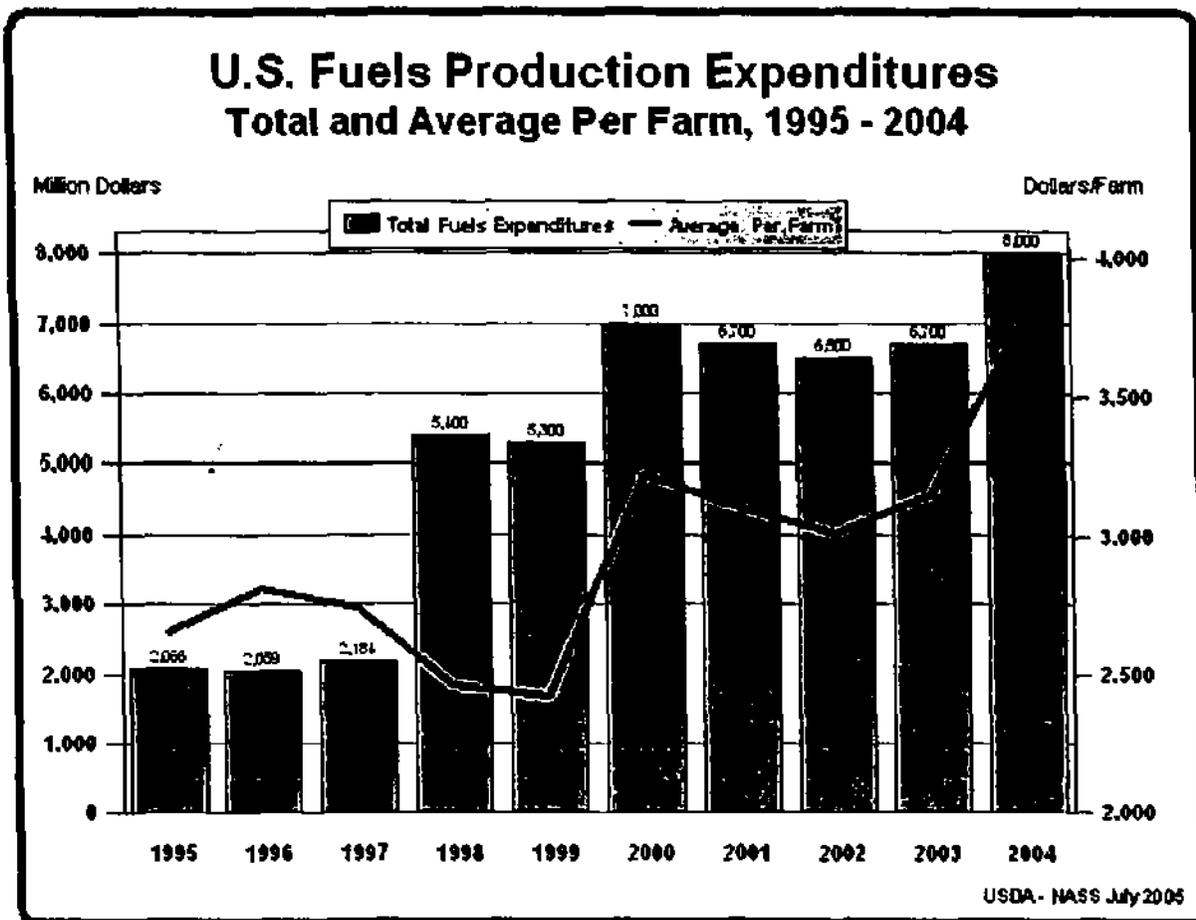
Stand on Farm Policy

- 1.) Keep the Farm Insurance subsidy
 - a. This stabilizes farm income and protects the farmers from ever present natural disasters
- 2.) Cap farm subsidies at \$250,000 per individual farm
 - a. This will provide subsidies to small and medium size farms and reduce subsidies to large farms
 - b. The common belief is that large farms are more efficient and are able to gain from economies of scale. So why do they need the same level of subsidy as small to medium size farms?
 - c. Why should my tax dollars support the ever increasing large farmer?
 - i. Who is overproducing and bidding up prices for land and machinery.
- 3.) Get rid of the Three entity rule
 - a. A family farm is one farm not three corporations. Close the loop hole that allows big farms to receive triple payments.
- 4.) Promote Rural Development
 - a. Promote bio-fuels including ethanol
 - b. Promote small scale wind energy
 - c. The rural and small town environment is worth saving
 - i. Reduced crime
 - ii. Reduced stress
 - iii. Friendly Neighbors
 - iv. Good Schools
 - d. Promote loans for Rural business

The Bottom Line:

- 1.) Current farm policy encourages overproduction**
 - a. As a result farm prices have declined to below price support levels**
 - i. Corn \$1.89 per bushel down 45 cents from last year**
 - ii. Cotton 40.8 cents a lb. down 12.9 cents from last year**
- 2.) Farmers are in a price cost squeeze**
 - a. Cost of production has risen by 25% in the last ten years**
 - i. Fuel in the last year has risen by 39% as of August**
 - ii. Fertilizer has risen by 13% in the last year**
 - iii. Current fuel price increases will only continue to squeeze farmer profits**
- 3.) Unlike any other business in America we are unable to pass on our cost of production increases**
- 4.) We need to keep agriculture production in the hands of the people not concentrated in the hands of a few greedy corporations**
 - a. This is the only way to guarantee and protect our food and fiber**

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Review the [data](#) for this chart (ASCII)

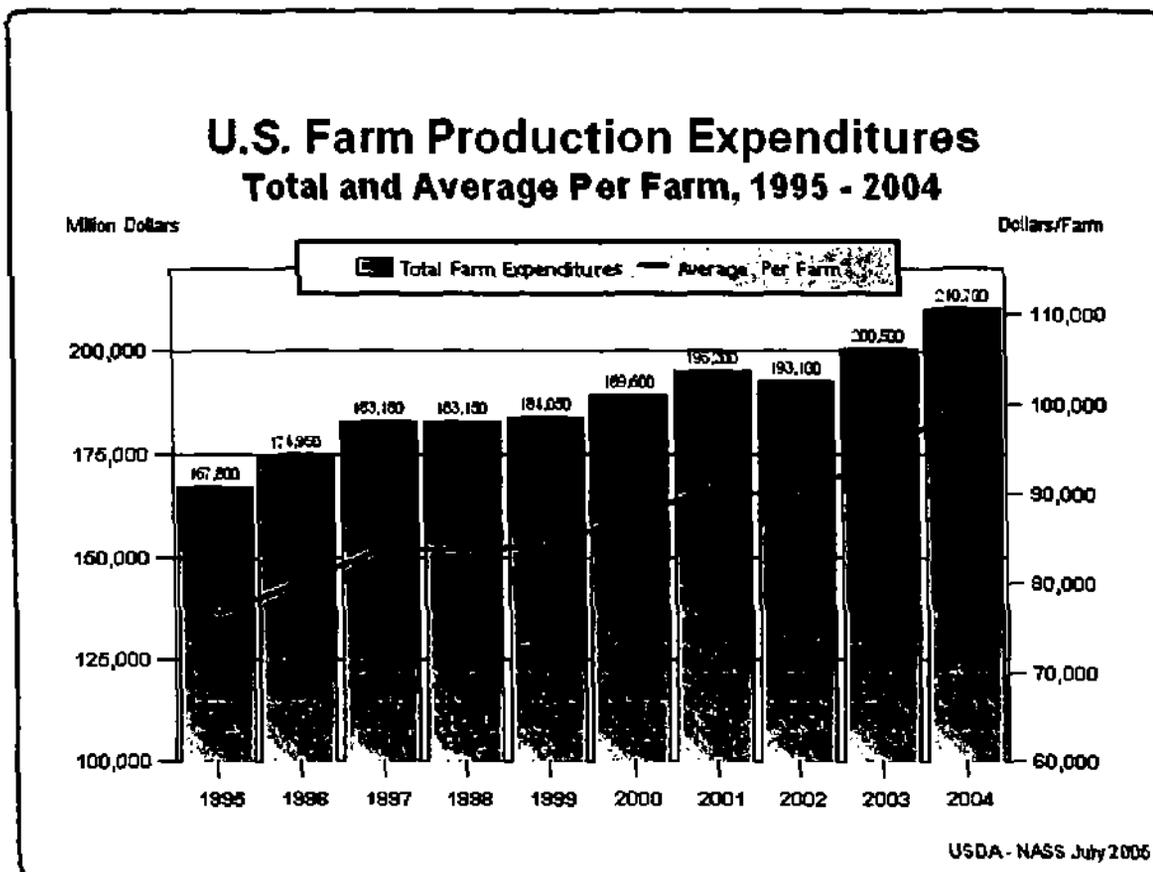
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or Phone the NASS Information Hotline at 1-800-727-9540.

*Fuel Index
39% higher
for Aug 2005 from
Aug 2004*

*Fertilizer 13% Increase
from Aug 04 to
Aug 05*

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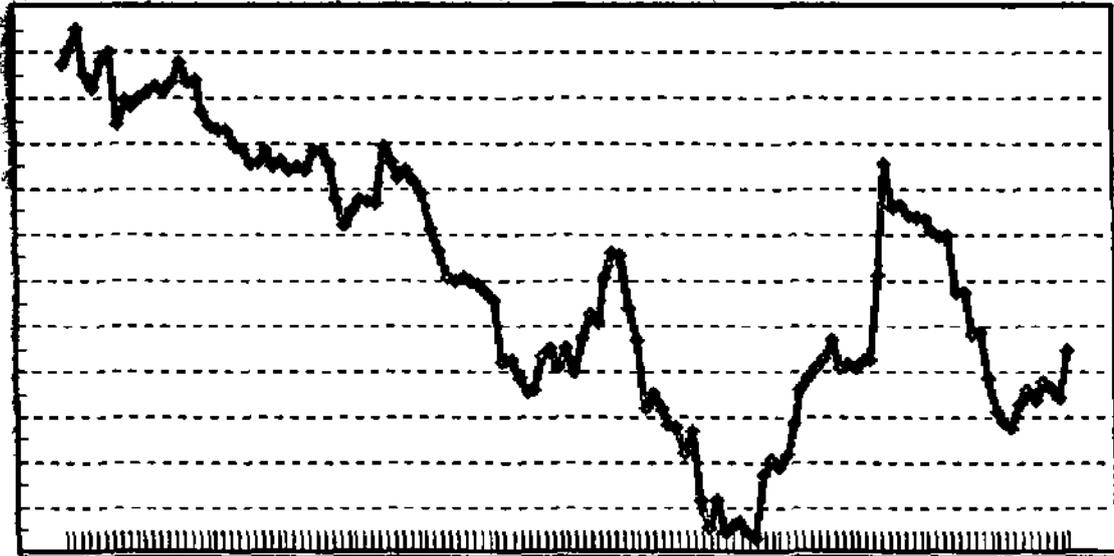
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National Agricultural Statistics Service, USDA

Prices Received by Farmers, Cotton, US

Dollars per Pound



Year

USDA/NASS
September 29, 2005

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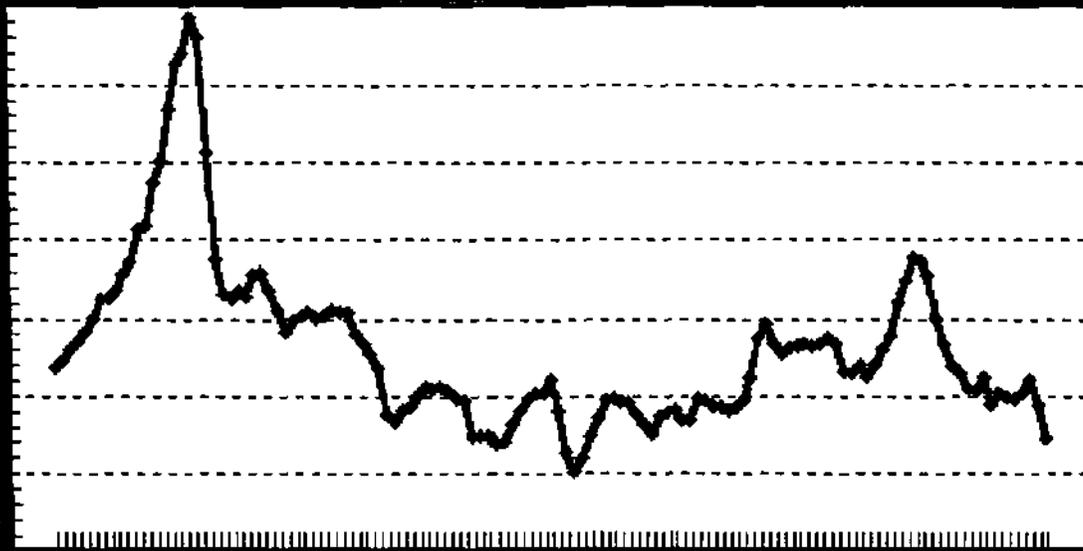
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Prices Received by Farmers, Corn, US

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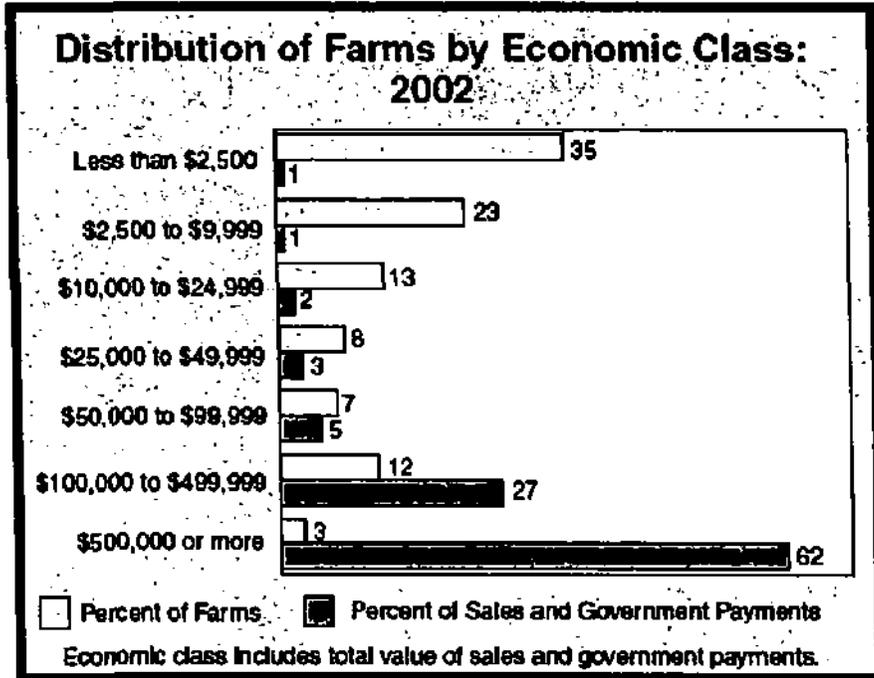
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3%

USDA - National Agricultural Statistics Service

Average Farm: 2002

Average Size Farm (acres)	441
Average Total Value of Sales and Government Payments ..	\$97,320
Average Net Cash Farm Income	\$19,032
Average Age of Principal Operator	55.3
Average Years on Present Farm for Principal Operator	20.7

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	Percent Farms	Percent Sales + Gov. Payments
Family/Individual	90%	53%
Partnership	6%	18%
Corporations	3%	28%

2002	Farms	Sales (\$1,000)	Rank	Percent of Total Ag Sales
Texas Cotton	8,866	1,088,675	4	7.7%