

Approved Fuller

Date 1/17/84

SENATE AGRICULTURE & SMALL BUSINESS
HOUSE AGRICULTURE & LIVESTOCK

MINUTES OF THE JOINT COMMITTEE ON _____

The meeting was called to order by Representative Bill Fuller at
Chairperson

10:00 a.m./~~p.m.~~ on Thursday, January 12, 1984, 19 in room 313-S of the Capitol.

All members were present except: Senator Neil Arasmith (E)
 Senator Ross Doyen (E)

Committee staff present: Raney Gilliland, Research Department

Conferees appearing before the committee: William Leshner
 U.S. Assistant Secretary of Agriculture

After a short welcome and introduction, Chairman Bill Fuller turned the meeting over to U. S. Assistant Secretary of Agriculture, William Leshner.

Secretary Leshner stated he and Secretary Block have been meeting with various farm groups throughout the country to present the agriculture picture and receive some input from the various groups in formulating a long-term program. He stated in 1981 they felt the embargo having been lifted and they had a very workable farm bill, that the future looked bright, but there had been many setbacks--the recession was with us, there were serious world debts, increased subsidies, lack of acceptance in the marketplace, and the dollar increased in value. He stated it is hard to work within the present law and it is impossible to predict the future. In 1983, \$18.8 billion was spent for farm supports. He also stated he felt the PIK program was a good program for the time. He feels agriculture is the most important segment in the nation, but a change in the policy tools is needed, as well as a good look at commodity loans and acreage production programs.

Representative Fuller questioned the market development and exportation of grains since when our country cuts down on production other countries pick it up, and he is concerned about the downgrading of our grain when it leaves our country.

Answering Senator Kerr's question regarding the expected low participation in the 1984 wheat program and if there is a possibility that the program signup will be extended beyond the February signup date, and will any sweeteners be added, Secretary Leshner stated there is not much chance for any change, but they are hopeful there will be at least a 50% participation which is needed for the program to be effective. Also, he stated some wheat groups did not want to change target prices. Since Congress will be in session only 45 days and the budget issues will be given priority, it is doubtful any early farm legislation will receive much attention. He stated a free market would be beneficial and embargoes mean a disaster. There is need for a good workable domestic policy and trade policy, with a monetary fiscal policy to get the national debt down and reduce the value of the dollar. He said, "It is true we are not offering the kinds of incentives as last year, but do not dismiss the program."

Senator Warren stated wheat breeders have tried to increase bushels of production and in doing so many of the new varieties, even though hard wheat, look like and have soft wheat characteristics, which seems detrimental when many inspectors just "eyeball" the wheat. Secretary Leshner agreed to check on the matter and get information back to the committees.

(MORE)

CONTINUATION SHEET

MINUTES OF THE JOINT COMMITTEE ON SENATE AGRICULTURE & SMALL BUSINESS
HOUSE AGRICULTURE & LIVESTOCK
room 313-S, Statehouse, at 10:00 a.m./p.m. on Thursday, January 12, 1984, 19

Representative Hamm stated he feels the PIK program is a breather but farmers are still in trouble and 1984 is a crisis year. Secretary Lesher stated our economy is better than last year, there is a home loan program, he is optimistic--but some farmers will go out of business and some new ones will enter the field. There is not enough money in the treasury to keep 2.2 million farmers in business. Secretary Lesher stated family farms are much more efficient than those owned by doctors and other non-farmer investors. Answering Representative Hamm's concern relative to a drop in farmland prices, Secretary Lesher stated as the return on farmland investment drops, that money will be moving out again to seek better returns. The farmers can own their own land and pay for it from its production. It is when farmland prices are above what the farmer can pay that outside money is attracted.

Answering Representative Polson's remarks, Secretary Lesher stated it is true sometimes we provide aid for certain countries and they may then buy their agriculture products from other countries. He stated there is a feeling that when the grain market is more stable it is beneficial to the cattle industry, but it is true that the PIK program did increase prices for feed for livestock.

Secretary Lesher agreed with Senator Gannon that we need a concrete long-term policy program and stated there should be agreement between the farm groups, commodity groups, grain dealers and seed dealers in order for a united effort in improving the program.

The meeting was adjourned.

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