

Approved Feb. 13, 1991  
Date

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE

The meeting was called to order by Representative Lee Hamm at  
Chairperson

9:05 a.m./p.m. on Wednesday, February 6, 1991 in room 423-S of the Capitol.

All members were present except: Representative Bill Bryant, excused

Committee staff present: Raney Gilliland, Legislative Research  
Lynne Holt, Legislative Research  
Jill Wolters, Revisor of Statutes Office  
Pat Brunton, Committee Secretary

Conferees appearing before the committee: Gary Hall, Secretary, State Board of  
Agriculture, Topeka  
Stan Ward, Director, FACTS, KSU, Manhattan  
Jim Graeber, Hesston  
Bud Ward, High School Counselor, Oakley  
Kenneth Feldhausen, Frankfort  
Ivan Wyatt, Kansas Farmers Union  
Linda Hessman, Dodge City  
Howard Tice, Kansas Assn. of Wheat Growers,  
Executive Director

Chairman Hamm opened hearings on HB 2077 - an act relating to the expiration of the farm assistance, counseling and training referral program (FACTS). He stated the purpose of the hearings is to determine if the FACTS program should be continued beyond the September sunset.

Gary Hall, Secretary of the State Board of Agriculture, introduced State Board of Agriculture members Jay Armstrong, President, Lloyd Coen, Elkhart and F.E. Bliss, Longton. Mr. Hall informed the committee that the board recommended the FACTS program be extended beyond the September sunset but that the funding could be reduced. No monetary figure is available.

A question and answer period followed the testimony of Mr. Hall.

Stan Ward informed the committee he is testifying at the request of Rep. Lee Hamm and that his testimony represents only his own personal opinion. He further suggested that if the committee cares about farm families, they care about FACTS. (Attachment 1).

A question and answer period followed the testimony.

Jim Graber, Newton, testified in support of HB 2077 stating there is no doubt we will need the FACTS program desperately in the 90's. He further suggested some improvements be made in getting the word out to farmers about the help available. (Attachment 2).

Charles H. "Bud" Ward, Winona, farmer and counselor, testified in support of HB 2077. Mr. Ward stated that in his opinion, the service provided by the FACTS program far outweighs the cost to the State and the good that has been done should be continued. (Attachment 3).

Kenneth Feldhausen, Frankfort, testified in support of HB 2077 stating the program literally saved his life. (Attachment 4).

Linda Hessman, Rural Life/Peace & Justice Director, Catholic Diocese, Dodge City, testified in support of HB 2077. Ms. Hessman stated that FACTS is one of the tools needed for survival in the rural areas. (Attachment 5).

Ivan Wyatt, President, Kansas Farmers Union, testified in support of HB 2077 recommending the sunset date of the FACTS program be extended through September 30, 1996, and FACTS funding be continued at least at

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE

room 423-S, Statehouse, at 9:05 a.m./~~p.m.~~ on Wednesday, February 6, 1991

the present level. (Attachment 6.)

Howard Tice, Kansas Association of Wheat Growers, testified in support of HB 2077. Mr. Tice stated that if the FACTS program can help farmers stay in business, and help keep some strength in the rural economy, the modest cost is repaid in many ways, and becomes a very positive investment. (Attachment 7).

The meeting adjourned at 10:00 a.m. The next meeting of the House Agriculture Committee will be Thursday, February 7, 1991, in room 423-S, Statehouse.

GUEST LIST

COMMITTEE: HOUSE AGRICULTURE

DATE: Feb. 6, 1991

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Steve Montgomery	Topeka	Ks. Legal Services
Oran W. Wyatt	McPherson	Ks Farmers Union
Tom Gissel	Larned	Ks Farmers Union
Wanda Hessman	Dodge City	cath. Diocese Dodge City
Jake Reiger	Robinson	Farmer
Vic Studer	Whiting	Ks Rural Center
Emil T. Mushrush	McPherson	Ks. Farmers Union
Denise Coatney	Lawrence	KSBA
Carole Jordan	Topeka	KSBA
Jim Graber	Newton	
M.C. Graber	Newton	
Mike Corn	Hays	Harris News Service
Charles Bud Ward	Winona	Farmer School Counselor
Wayne A. White	McLouth	Ks Legal Services
Jack Startz	R1 Junction City	KFCU
Ron Fowler	509 Elm Curran	KFID
Ralph W. Smith	P.R. Box 25 <sup>15 acres</sup> <del>15 acres</del>	Farmer Union
DEBBIE McCASKILL	TOPEKA	COMMERCE
Kim Foyd	Berryton	Farm
Mary Neubauer	Topeka	Assoc Press
Mick Jensen	Manhattan	Ks Pork Producers
Floyd Koon	Elkhart Rt # 1	St Bd of Agri
Roger McCollister	712 Skase Topoka	Kansas Legal Services
Jay Ammons	Muscotah, Ks.	Ks. Board of Ag
Ed Reimold	Goff, KS	farmer

Harry Reser  
Howard N. Tice  
Nancy Kantola  
Mark Johnson  
Gene Kuehling  
Becky Watts  
Kenneth Ray Feldhausen  
Robert A. Feldhausen  
Maxine Feldhausen  
Mike Bohmhoff  
Charles Ward

Topeka  
Hutchinson  
Topeka  
Manhattan  
Topeka, Ks  
Emporia, Ks  
Frankfort Mo  
Frankfort Mo  
Frankfort Mo -  
Topeka  
Wmoma

Governor  
~~the~~ K.A.W.G.  
CKFO  
KSU - Ag Sec  
Ks Dept of Human Res.  
Oklahoma Woodworkers  
Kanso Farmers Union  
Ed. Director  
Farmer  
Farmer  
Farmer (Wife)  
DOB  
James Lehnhausen

Wynn A. White  
Jack Stutz  
Ray Fowler  
Ralph W. Smith  
~~Bill Jubb~~

McDonth  
Junction City  
Emporia - 509th  
Kalusta, Mo.  
~~Manhattan~~

Ks Legal Services  
KFU  
KFU  
K.F.U.

TESTIMONY

to the

HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS

6 February 1991

by

Stan Ward

Mr Chairman, ladies and gentlemen of the committee. Thank you for the opportunity to speak with you today. Before I begin, I need for you to know that I am testifying at the request of Representative Lee Hamm. Acting Secretary of Agriculture Gary Hall represents the policy and opinions of the Board of Agriculture and the Agency. The testimony I am about to provide represents only my own personal opinion. I do not speak for anyone other than myself.

The primary innovation of the FACTS program is in the creative and active manner in which linkages and networks of cooperation have been developed between federal, state and local government; land-grant university programs; and private sector for-profit businesses and non-profit organizations. The resulting cooperation has greatly multiplied the access to services, utilization of resources, and quality of services in a cost-effective manner.

FACTS has also created an in-house team of specialists with a highly interdisciplinary approach to problem-solving, which is one of the primary ways in which the program differs from agricultural assistance efforts in other states. A telephone survey of other state assistance efforts during October 1989 indicated that many states have farm assistance programs, with much variation from state to state in specific structure. In most states, areas of specialization have been separated by organizational boundaries, housed in different locations, and accessed by different procedures. Many states have multiple access points for the different areas of specialized assistance. In many instances, sponsoring organizations may provide advocacy-based assistance in one location, information-based assistance from a separate organization, with poor or no linkage.

FACTS is uniquely structured in an interdisciplinary model which combines services in one office, offering a team approach that seems to be unique in the degree to which the assistance providers are located together in one location, available through one contact point, and able to consult together in the process of meeting client needs.

The FACTS model has amply demonstrated its value to the Kansas agricultural community and the state, in general, by providing a range of services that are of great

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benefit to those who are trying to make their business successful as well as to those who are making a transition from farming (whether a forced or voluntary transition), and regardless of whether there is an agricultural crisis or not.

Further, in the course of the past five and a half years it has become very apparent that FACTS has very capably served to help prevent capital flight and rural community disintegration. In other words, when a farm goes out of business not only is future income potential lost but, literally, tens of thousands of dollars of debt are dumped on local community businesses never to be recovered. In the worst case, the failure of a farm can also trigger the failure of one or more local businesses including banks. But more usually, the unrecovered debt simply adds to the long term un-profitability of locally owned businesses and is ultimately seen in the unavailability of goods and services in the local economy. This in turn tends to accelerate the flight of rural capital to regional centers and urban areas.

Additionally, when a farm fails the community loses a family. And, in the case of farm families, these are usually comprised of individuals who are among the most active in the community serving on county commissions; church, school and hospital boards; water districts; etc. Even farm family children tend to be leaders in church, school, FFA, 4H and other community activities. Quite literally, when these families are lost from the community, the community is losing its best and brightest - those individuals it needs most and can least afford to lose.

Therefore, by helping families retain their farm, ranch or other agri-business interests, FACTS is performing a vital function in helping stem the disintegration of our rural communities and the erosion of the quality of life in these communities.

Personally, I think FACTS has very capably served the State of Kansas. None-the-less, I think there are only three basic questions to be addressed during these hearings.

**#1. Is there a present and continuing need for assistance for Kansas farm families affected by financial distress?**

The FACTS program was legislatively initiated in 1985, and extended twice because you saw a continuing need. You as legislators must seek your own answer to this question from your neighbors and your communities, from the others who testify at this hearing, and from your knowledge of Kansas economic conditions affecting rural families. I will not attempt to provide such information.

As you consider this question though, I would ask that you remember one thing. FACTS was not created to work with the statistically average farm. FACTS was specifically created to work with those farm and other agri-business entities suffering financial distress.

**#2. Has FACTS provided effective assistance to Kansas farm families?**

The people most qualified to answer this question are those who have received assistance from FACTS in the past. Those who provide testimony, who have contacted

you and expressed their opinion are in a far better position than I to judge the effectiveness of FACTS assistance and the difference which has been made in their lives and in their communities as a result.

### **#3. Do Kansas farm families seek the services provided by FACTS?**

If you judge that there is a continuing need for farm assistance services and that FACTS is effective in meeting those needs...the only remaining question is: Do Kansas farmers continue to request assistance? I can respond to that question by a brief comment on two aspects of the FACTS current case load.

First, new client contacts increased approximately 38% in 1990 over 1989 (from 687 to approximately 950).

Second, new clients calls give the appearance of representing only one individual, whereas in fact they usually represent a family or even extended families. Also this measure of FACTS workload does not take into account clients from previous years calling FACTS for additional assistance. If we consider all clients FACTS worked with during 1990 (both previous clients and new clients) then FACTS active workload is probably double that represented by new clients.

These figures serve well to indicate that in spite of all the economic projections (positive or otherwise), there is one projection which no one can dispute - there will continue to be a sizeable number of Kansas farmers who move into negative cash flow situations and will continue to experience farm failure and transfer out of agriculture.

Finally, I would like to suggest that if you care about farm families, you care about FACTS. But maybe the broader issue is that if you care about rural communities, you care about FACTS.

In closing, ladies and gentlemen of the committee, please let me remind you once again. this testimony represents my personal view not that of the Board or the Agency.

Honorable Representatives,

I wouldn't drive this far and take out a day in the heart of my tax season if I didn't think it was important. We are sitting on a powder keg that will affect a bigger percent of farmers than in the early eighties (paragraphs 5 and 6).

I am an accountant and a farmer. I see about 300 farmers a year in my business working both their taxes and other financial work. I also handle many bank/farmer problems, mostly on a volunteer basis. I got started in this work in the early eighties working with our church wide farm crisis task force. My wife and I also farm about 750 acres and feed about 2000 lambs per year. My wife works as an intensive care nurse and a nursing course coordinator at Hesston College. We are a family farm and provide nearly all the labor ourselves.

We entered farming in 1975, with a degree in finance, and determined to run our farm as a business. We purchased our farm, land, and large ewe flock. In 1984 we were named Kansas sheep producer of the year. Also in the early 80's the bottom dropped out of both the sheep market and the wheat markets our two main products. It was tight and we both activated our college skills to create extra income on the side. We keep our payments current. We survived only to face a far greater danger in the present banking situations. We would not have survived or even be in our rural community today without the help of FACTS. The hot issue in state government seems to be rural development. I wish instead of always talking about bringing business into the State, we would spend just a fraction of that amount to save the businesses already here. They are already adapted to our environment. The FACTS program has saved many; and, may be the best rural development tool we have in Kansas. The phone call to FACTS that saved our farming business didn't cost the State \$30. How much would it cost the State to replace a business that spends \$170,000 in the local economy?

The situation I see in the tax and financial work I do is far more critical with farmers as a whole now than it was in the early 1980's. The cases were far more dramatic than the slow deterioration I see now. Income figures alone are not a good indicator. In 1985 and 86 the average net farm income I saw with my clients was only \$6000, but depreciation was close to \$20000, which gave a cash flow of \$26000 to live on and service debt. Now in 1989 I see an average net farm income of \$16000, with depreciation of only \$2500, which gives a cash flow of only \$18500 to live on and service debt. Granted, because some of the high debt farms are already gone, and large amounts of debt have been written off, the total debt picture looks better. The thing that scares me though is that a far larger number of farms are much more fragile than in the mid-eighties. Equipment has not been being replaced and cash flows are barely enough to cover family living. On top of that, I see a general despair, the last two years more than ever. Beef and pork producers have been the exceptions.

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The point I want to make is that with 50 to 60% of farms in fragile shape we are very vulnerable to any disruption. Certainly a break in hog and cattle price could affect some. But the disruption, I am most concerned about is the banking disruption. The last three months I have been besieged with desperate calls. Even in the heart of the farm crisis I didn't see anywhere near the amount of farmers in danger. The typical story goes, "I haven't missed or been late on a payment for 20 years, and suddenly my bank says they want to accelerate my loan." Or, "The bank says they won't advance the normal amount to buy cattle, or put out my crop unless I agree to allow them to accelerate my 7 year loan," etc. In some cases the small local bank has been bought out by a big bank and has been ordered to cut all the small ag loans or all ag loans period. In an increasing number of cases similar to what went on in the savings and loans, banks are scrambling to cover up large insider lending problems, and have to squeeze in good loans to increase liquidity. Most the time the later is done by getting in hatchet men from the outside to intimate farmers into allowing the bank to break their lending contract with the farmer. This is where the FACTS program has been a lifesaver for many farms and farm businesses.

We are just on the verge of a major disruption in farm credit. Kansas is about to be forced to change their interstate banking rules and Eastern banks desperately need the deposits from Kansas banks to shore up their problems. This is going to suck the capital right out of the farms. If ever the farmers in Kansas are going to need an advocate for them such as FACTS, it is going to be now and for the next few years. Farmers by themselves are not a fair match for the intimidating hatchet men that are going to be sent in to squeeze the money out of the farm and business loans, so it can be sent elsewhere. If we can just save some of these farmers, some of these businesses, by helping them get a fair chance. We have done a great deal for rural development at a bargain price.

There is no doubt we will need the FACTS program desperately in the 90's. But we also have to make some improvements, in getting the word out to farmers about the help available. I continue to meet productive people, who have lost their chance to be productive, because they didn't know about the help available until it was too late. So often it would have taken so little to keep this person productive. FACTS also has to have the freedom to be a more aggressive advocate for farmers, especially on the legal side. The farmers in this state don't have a fair chance against the new breed of banking that's coming.

Thank you

Jim Graber  
Route 1, Box 40A  
Newton, KS 67114  
316-327-2712

Jim and Ruby Graber  
Route 1, Box 40 A  
Newton, Ks. 67114

January 8, 1990

Dear Hesston State Bank Stockholder,

Knowing most of you, I can't believe you would be supportive of some of the business decisions being made now by some of the management in your bank. It is the purpose of this letter to let you know some of these decisions.

Ruby and I have been banking at Hesston for the past 14 years. As young farmers with a young family, we have struggled to put our farm operation together and make it work. We have always made our payments and kept our loans current. In the early 80's when the price for our farm products fell through the floor things were very tough, we didn't always eat well; but, we kept our loans current. In 1987 we had a problem pregnancy, Ruby had to stay flat on her back for 6 of the 8 months and we had tremendous medical costs; but, we kept our loans current. In fact, since 1977 we have managed to shrink the loans from nearly \$160,000 to just over \$60,000. In that time we have also managed to increase our farm from 160 acres to over 750 acres and from selling 150 lambs a year to over 1300 lambs last year. Last year, despite the drought resulting in the loss of our wheat and barley crops, we had our best year ever. This is why it disappoints us so much that the "outside experts" have decided to destroy our farm.

First step was to cut off the funding for our most profitable operation, our feeder lamb operation, even though there had never been any problem in paying back the loans. What a surprise! But we decided that after we finished paying off the loan for the present set of lambs we were feeding we would simply go to another bank for our feeder lamb loans. I paid the note in full only to find out that Hesston State Bank was now going to prevent me from going to another bank by continuing to hold a lein on all feeder lambs now owned or ever purchased, despite the fact that the feeder lamb note was paid in full.

Second step, despite the fact that all of the loan payments are current, we received a letter from Alan Deines, Chief Lending Officer, indicating that in order for the lein to be released on our feeder lambs, we must now sell all of our ewe flock. Our ewe flock is the second most profitable operation on our farm, through which we cycle most of our stored feed--rendering it almost useless. In 1985 we were named Kansas' Outstanding Sheep Producer and were given an expenses paid trip to Reno, Nevada to the National Woolgrowers Convention. Sheep production is our strong

point, that's what we're good at, that's where we can make a contribution to our community and to our world. Now, that is being destroyed for us. Is that good business for a bank?

Third step, in the same letter, Alan Deines stated that on November 4, 1991 all my farm machinery loans will be terminated, despite the collateral, despite anything else. The destruction is complete. Systematic destruction. First cut the most profitable part of our operation and keep us from continuing it; Second ask us to sell our second most profitable operation; and, Third take away our farm equipment. What a plan!

Fearing that Alan may try to seize our bank account and make it still harder for us to operate, we started a new banking account of close to \$16,000 in another bank. We will also be moving our kid's saving account. I suppose losing these accounts is also good business for the bank.

Things must have changed. When I took banking classes in college, we learned that a bank's best asset is a performing loan, and that good business is to assist in keeping the loan performing by allowing the person to develop what they do best. If the bank was worried about our loan, we could have (and did offer) to give some grain collateral, a 90% FmHA loan guarantee, or something else in order for continued funding of our feeder lamb operation. Instead, they chose to possibly destroy our repayment ability of our existing loans. Is that good business?

We need a strong independent bank in Hesston and we certainly hope it does not meet the same fate as the Herrington bank, which also had help from some of the same "experts". It is not good business for the bank, or the community, to destroy the farms and businesses around them, even though it may force some capital back into the bank in the short run.

Don't worry about Ruby and I and our two children. Even if the bank manages to destroy our farm, we will still survive and have each other and we will still be a part of this community; even though the "experts" can move on to another bank and leave the rubble behind. But, there are others to think about; and, as my Dad (Tony Graber) says, "It must be stopped somewhere". Thank you.

Sincerely,

Jim R. Graber

DATE: February 6, 1991

TO: House of Representatives Ag Committee

SPEAKER: Charles H. Ward, Box 175, Winona, KS 67764; farmer  
and counselor

SUBJECT: Funding to Continue FACTS

As a full-time farmer with financial difficulties, I used the services of FACTS in 1986. As a result of the satisfying contacts with FACTS, I was encouraged by Earl Wright to take the FACTS training.

FACTS helped train me in the area of counseling to help farmers. I also took some training in mediation with FACTS. During the past five years I was contacted by and counseled approximately 25 people each year.

The state of Kansas has indicated that it takes about \$419,000 a year to fund the program FACTS to help the farmers in the state.

During this five year period, any costs incurred were substantially reduced by aid I was able to provide to others. Of the 1,000 to 1,100 people served each year by the FACTS program, the savings to the state could be multiplied if each of the farmers in turn helped another.

This interest in helping people created an interest for me to follow the dedication to continue in college to become a school counselor. School counseling has also offered an opportunity to help children of farmers to cope with the inadequacies of the farm income and the problems that young people feel that goes unnoticed. This help would be difficult for the State to reflect in a dollar amount.

The final analysis, in my opinion, is that the service provided by the FACTS program far outweighs the cost to the State and the good that has been done should be continued.

With production costs what they are now in relation to the price of farm products, I believe that there will be a rebounding of the problems that farmers will be forced to face. Therefore, it would be wise if the Legislature could retain the FACTS program for the benefit of its farmers.

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ATTACHMENT 3

DATE: Sat. 1-19-91TOPEKA CAPITAL JOURNAL  
WICHITA EAGLEHAYS DAILY NEWS  
HUTCHINSON NEWSOLATHE DAILY NEWS  
PARSONS SUN  
PITTSBURG MORNING SUN  
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AL  
LY COURIER

# Finney may pull plug on farm program

## *Budget doesn't include funding for FACTS*

By Ray Hemman

*The Hutchinson News*

FACTS may set with the sun on Sept. 30, 1991.

The popular Farmers Assistance, Counseling and Training Service program provides assistance to financially distressed farmers. Funding for the program has not been included in the most recent draft of Gov. Joan Finney's budget, sources told The Hutchinson News Friday.

Ann Cook, special assistant to Mrs. Finney, declined comment on FACTS and other budget matters. But several sources, including FACTS Director Stan Ward, confirmed that the governor had left FACTS out of the draft of her budget that was circulating this week.

Because of the state's sunset law, FACTS automatically dies Sept. 30, 1991, unless it is reauthorized by the Kansas Legislature.

For the current year, FACTS is funded by state government at \$419,000, Ward said. The program gets a like amount from the federal government to use for debt mediation between farmers and their lenders.

Gary Hall, acting agriculture secretary, Friday would say only that the elimination of FACTS was the rumor around Topeka. He added that he had not seen Mrs. Finney's budget and could not comment further on FACTS being removed from the budget.

FACTS was created in 1985 as the state's response to the farm crisis. The number of program clients peaked in 1986 at 1,947 and began a decline to 687 in 1989.

The program, however, saw a turnaround in 1990. Through the end of November, the program had served 885 clients, 198 more than in all of 1989. Ward said final 1990 statistics would be comparable to 1987 statistics when the agency served 1,131 clients.

The end of FACTS also would mean the end of the federally funded mediation program, Ward said.

Mrs. Finney's proposal to ax FACTS came as a surprise to Ward, who has been with the program since its inception.

"I had been aware of Joan's populist stance," Ward said Friday. "We had worked with Joan for a long time. We had worked with her very closely on Kansas Funds for Kansas Farmers program and riding with her in tractorcades for farmers. So I was just shocked."

The Kansas Funds for Kansas Farmers program allowed banks to loan certain idle state funds at lower interest rates to farmers. Mrs. Finney administered the program when she served as state treasurer.

Ward said he learned of the proposal Thursday during a staff meeting with Hall. During the meeting, Hall announced that he had met with the governor and that her budget proposal would end FACTS.

"Mrs. Finney said the week before at the Board of Agriculture meeting that economic development in Kansas began with the family farm," Ward said. "Now, we are not funding one program that has been very helpful for farmers."

And the program may have a greater caseload in 1991 because of the 1990 farm bill, which increases the financial risk farmers take. In December, FACTS began receiving two new types of calls because of the farm program.

The first type of call was from a relatively young farmer, between the ages of 30 and 40, who are financially secure now and are able to pay their bills. These farmers are looking for more dif-

ficult times under the 1990 farm bill and are asking for help to get out of farming now.

The second type of call is from a group of the largest farmers in Kansas. These farmers have \$1 million or more of gross sales and are looking for ways to reorganize and strengthen their financial positions during the next five years.

During the FACTS committee of the agriculture board earlier this month, members went on record as providing "positive support" for the program, according to minutes of the meeting.

Board support is considered critical in 1991 as the Kansas Legislature must reauthorize the FACTS program under the state's sunset law.

"The board has not made a decision as to whether to sunset or to enhance or to downsize FACTS," Hall said. "The board is interested in the re-employment opportunities for farmer as they transition out of agriculture."

This is what happened to me back in 1985, when the bank closed me out. I turned to F.A.C.T.S. The bank closed us out in December 22, 1985. What a real nice Christmas present for my family, huh? I thought that it was the end of the world. I didn't know anything but farming. We had to have a farm sale. Our sale was in August 1986. Thanks to my wife, friends, and neighbors it all got done. I wasn't going to do anything, but set in the rocking chair in the house. I didn't move or talk to anyone, not even my family. Everyone else done it all. I didn't help any. I didn't even move because I thought that I was a failure to my family, friends, and my neighbors. When all you know is farming, what else are you going to do? When someone takes it all away from you, you really are down and that is what I was. I didn't care, I just gave up. I thought that my Dad would look down on me and think that I was a failure. I know my Dad would have been disappointed in me, and so would everyone else.

Then some gave me the FACTS number and I finally called them. I even wrote to the Willie Nelson Farm Aide. They told me to get in touch with FACTS, also the church had the information on this. They told me that there were people out there that could help me. I had gotten to the point of no return, so I thought. I wouldn't go anywhere or talk to anyone, even my family. Which my family is very important to me. I just sat in the chair and would not move. I knew that I was a failure. So I finally called FACTS. They put me touch with a person that I could talk to. A psychiatrist. I could call her and talk to her when I couldn't or wouldn't talk with anyone else. My wife took a job at the Frankfort Care Home so our 2 kids could

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ATTACHMENT 4



eat. My parents helped out alot and are still helping out. The bank took everything and didn't even let me have enough to feed my kids. About this person that I called and talked to, I could call her and really talk thing out. My family would listen but I couldn't burden thme with this. My wife had enough to worry about. She worried about me alot and I love her for that. She has even stayed by me when I was really down. The psychiatrist would call me once or twice a day, depending on how our conversation went. If she wouldn't hear form me, she would write me a letter and tell me to get in touch with her and do it now. I kept telling her that I was a dumb farmer. She kept telling me that I was a farmer and proud of it. She said that NO I was not a dumb farmer. Everyone has problems. This lady helped me out alot. I even got to the point of killing myself. I sat in the chair and told my wife that I was going to end this all by killing myself. My wife told me to go ahead, but she alos said that if I did kill myself that she would tell my kids that their Dad didn't LOVE them. If I didn't kill myself and just wounded myself then I would have to expain to my kids why I did this. My wife knew that I wouldn't do this, but I didn't and at the time I didn't really care. My daughter was only 10 years old and our son was only 5 years old. Our daughter had alot of responsibility at that time in our lives. Then FACTS put me in touch with Jean Silesky out of Topeka. She was with SER Corportation. She helped me to find a job in Manhattan. I didn't like being a salesperson inside a store all day. I had already made up my mind before I took this job that I wouldn't like it. Jean even met with me and we went grocery shopping. Jean said that there was money or funds for people

le me. When my wife went to work at 5:30 am my daughter had to get our son up and get him ready to go to my parents house and she had to catch the bus by 7:10. So she helped out alot and didn't realize it. I would take our son to my folks on my way to Manhattan before I went to work. I really felt guilty about all this so I would get back in touch with the psychiatrist We would have a long talk and she told me to keep calling. I really felt guilty by taking the food Jean had me buy. She even told me that if we needed a doctor to go and not wait. It would be taken care of. We didn't. I just couldn't handle this job in Manhattan, because it was beeing inside and I jsut was not use to this. It was not farming. So we kept looking for another job and one came open at S.C.S. office. I liked that job a lot better even thou it was just a temporary job. I worked with people on their farms and with maps. It was even closer to home. I had this until the government ran out of money to fund this project that I was in.

When I finally got things sorted out, and straightened up, I talked to my cousin at Wetmore. She was working at a store called Help the Farmer. You could go and get food, clothes, and other items that others had donated. It was a good idea in my thoughts. My cousin and I had set up a meeting in Osborne. We gave a talk on this project and what I ahd gone through in the past few days. I am still going through at the present. Out at Osborne I found out that their was others just like me. People in the same boat. Some of them were in worse shape, than I was. I heard of people killing themselves and others. Maybe even their bankers or family members. I knew then that I had to do something to save some of these people. I listened to alot that day. The killing part was always on my mind and still is at

times. I don't think that I could do it now. Back then it would have been real easy. After I returned home I still had people call me and write to me. I learned to listen to them so that I could help them and maybe they could help me at the same time. People told me to set up more meetings and to keep up the work. When I listened to these people talk about killing themselves or someone else it started me really thinking about what life was really all about. This helped me to deal with my problems. I have help set up meetings, so FACTS could come and talk to these people and to tell them who to get in touch with if they just needed to talk. I have even referred several people to FACTS. I am still dealing with FACTS. I realize that I probably won't be able to go back into farming, but maybe I can save a life. My door and phone are always easy to reach. This program has helped me, my family and others just like me. Especially the psychiatrist part. When you can't talk to family find someone that you can talk to. It will help you in the long run. I still remember Jean telling me that I am a farmer and Proud to have been one. I just wish that I still was. At least one good thing is that I am still here and still have my family. Some people don't even have that. This has helped me alot. I think that if you do away with this program alot of us won't know where or who we can turn to when we need help. You will have people taking their own lives and maybe someoneelse's, just like I thought about doing. I think that this is a very good program, the farmer needs all the help he can get right now. My kids are now 14 and 10 and they know just as much as we do. We tell them everything that is going on. They may not understand, but at least they are not in the dark. Sometimes we can all

learn from one another. Please don't cut this program. We all need some help. I am still working with FACTS and I don't know what I would do if we didn't have this. This is not just for the young people. There is a lot of older folks out there that is this same way. If you cut this program, then who are they going to talk to or with? Can you honestly say we don't need this? I don't go along with all the government does and I am sure they wouldn't go along with everything I would do. I hope that you rethink this. Think of the younger folks that are coming up. They may want to farm, but if you cut everything what would they do if they needed help. I mean when they don't have any money to buy things with like food and clothes. They may need some help of some kind. Give us a break. If all the farms fail, where is the next generation going? If all the farms go under and there is no program, then where are these people going to find work? New jobs will have to be created, and import all the food. I hope that you give this some thought. Not just for me but for the next generation.

If I can do anything then let me know.

Kenneth Feldhausen  
R.R. 1 Box 94  
Frankfort, Kansas 66427

My name is Linda Hessman, I live west of Dodge City. I am a farmers daughter and a farm wife. I am also the Rural Life/Peace & Justice Director for the Catholic Diocese of Dodge City. The Diocese covers twenty-eight counties in Western Kansas.

I come before you today on the behalf of the rural families in our diocese and the FACTS Program. I deal with rural families from all walks of life on a daily bases. FACTS has worked with over one thousand of these families in our twenty-eight counties.

In all honesty it is with great frustration that the question of whether or not to continue the FACTS Program or to even scale it down has to be dealt with in the light of the realities and the projections facing our rural families and communities. I feel confident that other sources will or have provided you with statics and reports to prove the economic out-look for agriculture and the 90's, the information is all vital to your decision. Some of the figures may put us in a comparatively better light than is true because of the simple fact that there are fewer of us to use as a statistical base.

The area I am asking you to consider is far more important than figures on paper. The reason for all of the information produced is the welfare of the families who make up the rural population of this agriculture based state.

America has created its own refugees because of the chronic rural situation. There is a disproportionate number of people living in poverty in the rural areas compared to the urban. We also deal with the homeless. To assume that it will get better, or that it is no longer an important issue because it is not in the forefront of the news does not do away with the fact that we will continue to loose families in our rural areas because of policies already set.

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It also does not do away with the reality that jointly we have a moral and ethical responsibility to do our best to help empower people in the rural areas. This will allow us to remain in our communities and on our land. We are still caught up in survival, and we need all of the tools available to make that survival possible.

FACTS is one of the tools needed for survival. As you look at the program, you must realize the program is no longer an entity in itself. The program has far reaching effects because of the extensive network that has evolved from and with it. It is a vital link in a network to keeping our rural areas alive and healing. Hampering the program or even scaling it down also effects the mediation and Kansas Legal Services. Mediation is a new and useful tool that is becoming known in its proper form. Losing Kansas Legal Services means we will revert to the legal problems prior to 1985. Farmers will not fit into the requirements of those services. Some could hire private attorneys, but few attorneys have a specialized ag-law background.

I cannot tell you how many times I have been with a family and need to call the eight-hundred number for immediate help in every area of the hotline. If time would allow, I could relate numerous stories about situations we have dealt with. I challenge each of you to mentally take a family, add financial and/or legal problems, as that problem is dealt with, does that solve all of the areas that effect that family in order to keep them functioning and viable? I can tell you from experience it does not!

Sometimes, if the economical side and family needs could be addressed first, the legal and financial would be easier to handle. On the other hand there are times when dealing with financial and legal problems uncovers the need for economical and family needs.



It is impossible to take "a piece" of us, work with it and expect everything to be OK. We as rural people are unique and that in itself is good and something to take pride in. *The pain, suffering, and questions of rural families that has been addressed through FACTS staff and the network cannot be determined or valued in numbers on a piece of paper.*

Let me tell you what I hear from people who have survived and from those who are struggling, "WALK THE JOURNEY WITH US", we are not being asked for magical answers, nor to fix their problems, but to help create some order out of chaos by empowering them through options, referrals and just being there. Many times that journey is filled with hurt, frustrations, anger, denial, but still, hope. This journey is not with the farm families alone, because it ultimately effects everyone in the community.

*The "RURAL" way of life is not just a career, it is a vocation, and we have taken on the job as stewards of the land, fully aware that the land belongs not to us alone.*

FACTS is the key link in an extensive network that walks that journey with families and communities. We are not only trying to keep farms viable, we are trying our darrest to keep families and communities together. *If you brake that link, or reorganize it, you will cut out the lungs of the network.* The network would remain in place, but not near as effective because of the time lapse problem that would often times be too slow to meet the immediate family concerns. *At this point, when we loose a link, it will hasten the death of our rural areas.*

If it is only a budget issue, you have before you proof that the cost is small compared to the returns.

If only the money matters, and families do not, then we will continue to move out of the rural areas into urban cities and take someone else's job, and more of us will be forced to join the ranks of those on state assistance, what will it cost the taxpayers then? Of course there is another alternative, let corporate farming become the major producer in our state and allow them to freely abuse the land, invade communities and deplete the resources and then move on. That would be short term. But you my friends, you will still have us, the rural families to deal with and to be concerned with.

Please walk the journey with us, care enough to take the budget risk, (it will cost more per year to clean Cheyenne Bottoms than to run the FACTS Program), if some members of the Board of Agriculture do not want the program, perhaps it is time to explore other options such as: placing it with Kansas Center for Rural Initiative, KCRI, or The University. Maybe FACTS needs to be moved. I will guarantee you, under the present policies, our journey in the coming years will not be easy, and sometimes the answers will be gray. But the strength and hope can be real and healing is possible. We need all of the empowerment we can get as we struggle to keep ourselves and communities going.

What kind of rural Kansas do we want, what kind of rural Kansas do you as our representatives want to have a hand in making possible? The economic growth must come from the country-side to the cities, loosing the vital link of FACTS could speed the out-migration of human resources and it could help create more of Americas' own refugees.

Last September I asked women across our diocese for input on what their issues were and what did they see as needs. They all gave me permission to use their stories, many requested I not use their names. A lot of them need to be contacting FACTS, but they do not know we have such a program available, and I was unaware of their situations. Others who responded had used the FACTS program. The following are some of the excerpts from these letters. All are dated Sept. 1990 and all range in the age group of 44 to 69.

"My biggest concern at present is getting farm credit. The bank has refused to loan us operating money. My experiences being a part of this rural crisis also concerns me about our future. There are times when I feel so helpless that I feel solving the problem is just living the problem. I hope we can accept what awaits us in the future. We will rely on God for help and understanding people in the FACTS program and Rural Life program like you, Linda. I would prefer you not use my name, I hope this letter is of some help," FO. CO.

KERNEY CO. "When I opened your letter last week and read your request a definite pain shot through me. I realized another session of grieving was about to begin. Whenever I think about "the beginning", I remember having been told to call the FACTS Hotline. I talked with Char who immediately contacted you. There wasn't much right with us by then, My mental state was at the breaking point and Dennis was broken. He couldn't decide which shoe to put on first. We were both nearly helpless and certainly hopeless.

Much of the "middle" is not clear in my memory. I remember memorizing the FACTS 800 number and calling it often. I remember getting lost in my own little town, having no recollection of several hours."

One of the rural issues that Janis feels is of importance is, "access to professional services including legal, farm management, emotional, etc. - in a nutshell FACTS".

HODGEMEN CO. This person was able to access the services of FACTS in an unusual way, her family used the services to stay on their farm, and it required all of the services. She ends her story this way. "Linda, there is no way to describe all the pain and agony those years caused but you've heard these stories before, you know, you've been there. I'm not signing this letter, I don't have to, you know who it came from. I prefer you not use my name if you use my story, but I hope it gives you "food for thought", for the project ahead of you."

Two families in the Ulysses area heard about the problems facing the FACTS Program and called me asking what they could do. I asked them to call or write their representatives. They asked me to bring their letters to you. Jointly at one time these families were some of the largest operators in their area. The operation included both brothers and five of their sons. They have experienced a lot, now only the two brothers are left, and the operation has scaled down.

Linda Hessman

Rural Life / Peace & Justice Director  
Diocese of Dodge City

Wesley, Kans.

2-1-91

Farm Facts

Dear Sirs,

We have known Linda for the past three years. She has been in our home numerous times and offered direction, compassion and constructive suggestions when it seemed there was nowhere to turn. She has offered encouragement when there wasn't much.

She tried to show a way of possibilities when there didn't seem to be very many.

She has represented Farm Facts to the very best of her ability with all of the resources she could offer and many times I am sure it was very hard, and she has seen some hard cases that were almost humanly impossible to approach.

She has seen the farm population slowly dwindle from a 7% of population down to 1% of population. She has kept her courage and direction, when there wasn't (cont.)

much of either one around.

Today, she is asking for help when there isn't much around.

We are asking that you support her and farm facts to the very best of your ability in return for the many resources that she is able and willing to create.

There are many qualified farmers leaving their farms today, because of economic hardships and unreasonable human elements, not to mention natural elements and disasters. There is no question that the farm segment will ~~be~~ continue to phase out, as long as the surplus and over supply is created and exists. There are plenty of hungry people and poverty in this country alone if there was an economical way to feed and clothe them. If our agriculture was aggressive and prosperous, I dare say you would not see the bankruptcies across this country today that are being filed daily.



3.

& request  
We strongly advise that you  
support Linda Hessman  
and Farm Facts.

yours truly,  
Arline + Betty  
Alexander  
R.R. #1, Olysses, Ks.  
67880

1-31-91

TO WHOM IT MAY CONCERN:

I am writing in regards to the Farm Facts and what they have done for my family and neighbors.

I have dealt with Linda Hessman, Forrest Buhler and Earl Wright on several different occasions; Linda has been in our home twice and has given a great deal of support in several different aspects.

There have been seven different neighbors completely sold out in the last two months within a ten mile radius of our home. It wasn't just total liquidation; it was the broken homes; the mental anguish; the loss of income and the loss of tax money that falls on "somebody" else to pay.

In 1989 we received approximately \$3.50 per bushel for our grain; in 1990, we received \$2.25 per bushel; a decrease of about 1/3rd while everything we had to buy increased at about 30 to 50%. It isn't any wonder they are finding new taxes and cutting people out of jobs and tax increases.

Can you imagine the money that would go into State and Federal Treasuries if the Farmers would get \$6.50 to \$7.00 per bushel for what they sell? Can you imagine the farms it would save and the jobs it would save and create? Can you imagine the homes it would save; the people it would keep out of jail and the crime that could be prevented?

Before I knew of Farm Facts; I contacted Senator Bob Dole, Senator Nancy Kassebaum and Representative Pat Roberts; of those aforementioned, Pat Roberts was the only one that offered any help at all until we contacted Linda Hessman and Farm Facts.

I feel they have been a great asset to the farmers in this State of Kansas; to their community and most of all to me and my family. I state that whatever the cost the State would continue to support these people.

In 28 Counties, Farm Facts have helped over 1000 families; not to just get finances in order but also to families <sup>(Keep)</sup> together.

I sincerely feel there is a real and definite need for these people in the State of Kansas and also a real need in the future for these people in our State.

Sincerely yours,

A. J. Duane  
Alexander

ADA:jb

Through the rural stress program of the Area Mental Health Center in which I am allowed to work outside of the AMHC Office to provide counseling to rural communities and families.

I am aware of the consistly increasing number of individuals and families involved in farm and agriculture operations whose needs are very diverse. Many are experiencing an increase of problems economically because of financial issues. These needs are currently provided by an interlocking network of helping professionals across the state of which FACTS is an intrical part.

FACTS provides key resources such as financial, legal and support services, which increases my ability to provide quality of services in rural areas where there are many gaps in services. Without these (services) my work with these rural families would be much less effective.

To create challenges for people without support or alternate support creates negative experiences and loose of self-worth.

I urge you not to cut the FACTS budget and to continue all of the positions now offered.

Diana Walz, Area Mental Health Rural Specialist

STATEMENT  
OF  
IVAN W. WYATT, PRESIDENT  
KANSAS FARMERS UNION  
THE HOUSE COMMITTEE ON AGRICULTURE  
ON  
FACTS  
FEBRUARY 6, 1991

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

I AM IVAN WYATT, PRESIDENT OF THE KANSAS FARMERS UNION.

THERE ARE NUMEROUS PEOPLE HERE TODAY THAT WILL RELATE TO THE SUCCESS OF THE FACTS PROGRAM AND THE PEOPLE CHARGED WITH THE RESPONSIBILITY OF CARRYING OUT THE PROGRAM. THERE ARE ALSO PEOPLE HERE WHO WILL GIVE YOU INFORMATION ON WHY THERE WILL CONTINUE TO BE A GREAT NEED FOR THE CONTINUATION OF THE FACTS PROGRAM.

THE SERVICES PROVIDED BY THE FACTS PROGRAM AND STAFF BENEFITS NOT ONLY THOSE FARM FAMILIES FACING FINANCIAL DIFFICULTIES AND RELATED STRESS, BUT ALSO EVERY OTHER PERSON OF THE FARM COMMUNITY AND RELATED BUSINESSES OF THE COMMUNITY. WHEN WE LOSE A FARM FAMILY IT IS NOT JUST ANOTHER NUMBER OF A PERCENTAGE CHANGE. THAT LOSS MEANS THE ENTIRE STRUCTURE OF RURAL KANSAS IS A LITTLE LESS ABLE TO MAINTAIN ITS SOCIAL STRUCTURE OF CHURCHES, SCHOOLS AND THE COMMUNITY AS A WHOLE, AND THE BURDEN OF MAINTAINING THE ENTIRE RURAL INFRASTRUCTURE FALLS ON FEWER AND FEWER PEOPLE.

WHEN THE KANSAS LEGISLATURE ESTABLISHED THE FACTS PROGRAM IN THE 80'S, WE THOUGHT OF IT AS A PROGRAM FOR KANSAS FARM FAMILIES. AN INTERESTING SIDE EFFECT OF THE FACTS PROGRAM IS THAT SINCE THEN THERE HAS BEEN A SIMILAR PLAN IMPLEMENTED IN EUROPE.

Hs. Ae.  
2/6/91  
ATTACHMENT 6

SEVERAL YEARS AGO, A GROUP OF GERMAN FARMERS CAME TO KANSAS TO VIEW THE FIELD OF KANSAS AND BECAME ACQUAINTED WITH ITS PEOPLE, MANY WHO ONLY A GENERATION OR TWO AGO CAME FROM THE FARMLANDS OF GERMANY.

THOSE GERMAN FARMERS, HEADED UP BY A MR. RUDOLPH BUNTZEL FROM THE FARMING AREA BETWEEN STUTTGARDT AND FRANKFORT, HEARD ABOUT OUR FACTS PROGRAM AND WANTED TO LEARN MORE ABOUT IT.

ABOUT A YEAR AGO, I VISITED MR. BUNTZEL AND SOME OF HIS GERMAN FARMERS. MR. BUNTZEL TOLD US HOW THEY ESTABLISHED AND NOW OPERATE A PROGRAM TO ASSIST THEIR FARMERS, PATTERNED AFTER WHAT HE HAD LEARNED FROM THE KANSAS FACTS PROGRAM THAT THEY HAD WITNESSED AND STUDIED WHILE IN KANSAS.

NOW TO RETURN TO THE CRUX OF MY STATEMENT ON WHY WE MUST CONTINUE THE FACTS PROGRAM. FIRST, WE NEED TO TAKE AN HONEST LOOK AT THE PERILOUS TIMES FACING KANSAS FARM FAMILIES IN THE COMING YEARS. I KNOW WE HAVE MANY ECONOMISTS AND SOME FARM ORGANIZATIONS AROUND WHO WANT TO FEED US ECONOMIC PABLUM SO BLAND AND WATERED THAT MONTHS LATER THEIR PREDICTIONS CAN STILL BE DECLARED CORRECT REGARDLESS OF WHAT HAPPENS. THEREFORE, I PUT MORE FAITH IN ECONOMIC STUDIES THAT HAVE A HIGH DEGREE OF ACCURACY IN PREDICTIONS BASED ON HARD AND CLEAR STATEMENTS. THESE ECONOMIC STUDIES ARE SAYING AGRICULTURAL PRODUCERS WILL SUFFER IN THE RANGE OF A NET INCOME DECLINE OF 21% TO 25%. WE CAN PLAY ALL THE GAMES WE WANT TO WITH FIGURES BUT IT IS NET INCOME THAT PAYS THE FAMILY BILLS, DOCTORS, THE BANKER, THE SEED DEALER, ETC. I THINK THE INFLUENCE OF THE ABOVE MENTIONED GROUPS IS EVIDENT IN THE FACT THE STATE BOARD OF AGRICULTURE HAS CONTINUED OVER RECENT YEARS TO TAKE THE POSITION THAT THE AGRICULTURAL ECONOMY IN KANSAS IS IN GOOD SHAPE DESPITE A USDA STUDY THAT SHOWS THAT 11% OF THE KANSAS AGRICULTURAL PRODUCERS ARE IN SERIOUS FINANCIAL DIFFICULTIES.

THIS DOESN'T MEAN THAT THE REMAINING 89% OF KANSAS AGRICULTURE PRODUCERS ARE IN FINE SHAPE. IT MEANS MANY OF THE OTHERS ARE IN SERIOUS TROUBLE TO A LESSER DEGREE, AND IF THERE IS A DECREASE OF 21% TO 25% IN NET INCOME, THAT 11% FIGURE WILL GROW.

THE FARM ORGANIZATION WITH POLITICAL DOMINANCE OVER THE STATE BOARD OF AGRICULTURE AND THE STATE BOARD OF AGRICULTURE ITSELF BOTH SHOW RELUCTANCE TO ADMIT OR ADDRESS THE FINANCIAL DIFFICULTIES FACING THE KANSAS AGRICULTURAL PRODUCER TODAY INDICATES A POLITICAL POSITION OF DOING NOTHING EXCEPT ATTEMPTING TO GLOSS OVER THE BASIC PROBLEM OF LOW KANSAS FARM COMMODITY PRICES.

EARLY IN 1990 THE MEMBERS OF THE STATE BOARD OF AGRICULTURE CONSIDERED FOR SEVERAL MONTHS WHETHER OR NOT THE FACTS PROGRAM SHOULD BE TERMINATED, OR TO DISMEMBER IT AND PHASE OUT THE FINANCIAL AND LEGAL COUNSELING AND TRANSFER THE REMAINS TO THE EXTENSION SERVICES, OR TO CONTINUE ITS STATED PURPOSES AS DIRECTED BY THE STATE LEGISLATURE.

IN RESPONSE TO THIS ISSUE, IN A KANSAS FARMERS UNION LETTER TO THE STATE BOARD OF AGRICULTURE DATED FEBRUARY 13, 1990, I STATED IN PART, "I REALIZE TODAY MANY PEOPLE IN GOVERNMENT ARE ATTEMPTING TO DENY THAT WE HAVE ANY PROBLEMS IN AGRICULTURE.

I THINK IN ALL HONESTY, WE ALL HAVE TO ADMIT THE MAJOR CAUSE OF THE RUN-UP IN COMMODITY PRICES HAS BEEN THE RECORD, WIDE SPREAD DROUGHT. PRESENTLY, COMMODITY PRICES ARE WAITING TO SEE IF SPRING RAINS ARE FORTH COMING. IF THEY DO COME, COMMODITY PRICES WILL PLUMMET TO THE LOAN LEVELS. TODAY THIS IS A FACT, THERE WAS NO DROUGHT AND PRICES PLUMMETTED.

USDA ECONOMISTS ARE PREDICTING SUBSTANTIAL REDUCTION IN COMMODITY PRICES AND FARMER INCOME IN THE NEXT FEW YEARS. THIS WOULD ONCE AGAIN RE-IGNITE FINANCIAL EMERGENCIES IN THE FARMING AND RANCHING COMMUNITY."

THESE CONCERNS ARE MANIFEST TODAY. IT IS TOTALLY INCONCEIVABLE THAT A FARM ASSISTANCE PROGRAM LIKE FACTS COULD BE ELIMINATED OR SCALED BACK AT THIS TIME DUE TO A FEW PEOPLE'S EFFORTS TO DENY THE REALITY THAT KANSAS FARMERS ARE IN FINANCIAL DIFFICULTY AND COULD FACE ANOTHER ROUND OF FINANCIAL DEVASTATION.

SINCE THE FACTS PROGRAM IS PART OF THE BOARD OF AGRICULTURE, I FEEL

COMPELLED TO ASK HOW BROAD THE SUPPORT OF FACTS IS BY THE MEMBERS OF THE STATE BOARD OF AGRICULTURE.

I KNOW THIS SOUNDS LIKE A POLITICAL QUESTION; IT IS. THE CONTINUATION OF THE FACTS PROGRAM IS A POLITICAL ISSUE. JUST AS IS THE CLAIMING KANSAS AGRICULTURE IS IN A GOOD FINANCIAL POSITION, WHEN IT ISN'T. JUST AS THE ISSUE OF PUMPING BILLIONS AND BILLIONS OF TAX PAYER DOLLARS INTO THE FSLIC AND FDIC TO ASSURE PEOPLE WHO PUT THEIR SAVINGS IN THESE LENDING INSTITUTIONS THAT WERE BEING QUESTIONABLY MANAGED WILL GET THEIR INVESTMENTS BACK.

IN MANY CASES THOSE INDIVIDUALS PLACED THEIR SAVINGS IN THOSE INSTITUTIONS BECAUSE THAT WAS WHERE THEY COULD DRAW THE HIGHEST RATE OF INTEREST WITH NO CONCERN ABOUT THE STABILITY OF THAT INSTITUTION.

IN LIGHT OF THIS SITUATION, I FIND IT DIFFICULT THAT WE SHOULD EVEN CONSIDER NOT CONTINUING A PROGRAM THAT DOES NOT GUARANTEE THE RETURNS OF FARMERS INVESTMENT AS WITH THE SAVINGS AND LOANS, BUT RATHER SETS FORTH ONLY TO GIVE ASSISTANCE, COUNSELING AND TRAINING TO THOSE FAMILIES CAUGHT IN CIRCUMSTANCE WHICH IN MOST CASES WAS NOT BROUGHT ABOUT BY SELFISH MOTIVES, BUT WAS CAUSED INSTEAD BY A STATED GOVERNMENT POLICY OF DEVALUATION OF ASSETS AND GREATLY LOWER FARM COMMODITY PRICES.

PRICES OF MOST KANSAS PRODUCED GRAINS TODAY ARE AT THE APPROXIMATE LEVELS OF FIFTY YEARS AGO. THE PURCHASING POWER OF THESE COMMODITIES ARE AS LOW OR LOWER THAN THE DEPTHS OF THE 30'S. A BUSHEL OF WHEAT IN THE 30'S WOULD PURCHASE APPROXIMATELY 5 GALLONS OF GASOLINE. TODAY A BUSHEL OF WHEAT WILL PURCHASE ONLY ABOUT 2 GALLONS OF GASOLINE.

THE FACTS PROGRAM HAS WORKED. IF I WERE TO SAY ANYTHING THAT COULD BE CONSTRUED AS NEGATIVE, ABOUT THE FACTS PROGRAM IT WOULD BE THERE MAY STILL BE MANY KANSAS FARM FAMILIES WHO ARE NOT AWARE OF THE SERVICES AVAILABLE TO THEM IN THE FACTS PROGRAM. HOWEVER, IF YOU ARE DOING YOUR JOB WELL YOU CAN'T SPEND MUCH TIME TOOTING YOUR HORN.

IN BRIEF SUMMATION, WE RECOMMEND THAT THE SUNSET DATE OF THE FACTS PROGRAM BE EXTENDED, THROUGH SEPTEMBER 30, 1996, AND FACTS FUNDING BE CONTINUED AT LEAST AT ITS PRESENT LEVEL.

Hs. Ag.  
2/6/91

ATTACHMENT 6-4



# Kansas Association Of Wheat Growers

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## "ONE STRONG VOICE FOR WHEAT"

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### TESTIMONY

HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS  
Representative Lee Hamm, Chairman  
House Bill 2077

Mr. Chairman and members of the committee, I am Howard Tice, Executive Director of the Kansas Association of Wheat Growers. On behalf of our members, I appreciate this opportunity to testify today in support of House Bill 2077.

When the FACTS program was first proposed, during the winter of 1984, the delegates to the KAWG state convention were given an explanation of the idea by members of the Governor's staff. Following that presentation, and a question and answer session, a resolution was presented, discussed and passed, to support the program. Due to the early date of our convention that season, the KAWG became the first major farm organization to official endorse the FACTS program.

We have continued to support the program, as it has served Kansas farmers. We have been given update reports at state conventions and distributed FACTS brochures at county fairs, farm shows and the Kansas State Fair.

The KAWG believes the FACTS program has provided an invaluable service to Kansas agriculture, apparently at a very low cost.

Agriculture continues to be a very stressful occupation. The constant pressure on the ag-economy never seems to let up, and the knowledge that business failure often means the loss of family land holdings and traditions that date back several generations, adds to that pressure. As a result of budget pressure in Washington, D.C., income protection is declining more and more every year. At the same time, foreign export subsidies which dwarf U.S. spending keep export sales low and market prices even lower. As long as this pattern persists, there remains a need for programs such as FACTS.

If there is duplication with other programs, we would certainly not object to its elimination. If some scaling back of the program is really warranted, and would not severely handicap the program's effectiveness, we could not object to that either.

People in other occupations have unemployment compensation and state assistance to find new jobs when they are put out of work. Social and Rehabilitation Service programs continue to grow each year. While I don't have cost figures to the state for either, I would suggest that the FACTS program costs much less than either program.

I have heard some people say that farm organizations should be wary of proposing a continuation of FACTS, due to the need to continue certain sales tax exemptions. In light of expensive social programs for other sectors, and the need for a strong rural economy, I believe both the exemptions and FACTS are needed and justified. If the FACTS program can help farmers stay in business, and help keep some strength in the rural economy, the modest cost is repaid in many ways, and becomes a very positive investment.

Hs. Ag.  
2/6/91  
ATTACHMENT ?