

1999 SENATE AGRICULTURE

SCR 4020

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4020

Senate Agriculture Committee

Conference Committee

Hearing Date 2/5/99

Tape Number	Side A	Side B	Meter #
2	X		3680-END
2		X	0-780
2/12	1	X	2085-2750
2/15	1	X	2148-3010
Committee Clerk Signature <i>Tricia Ferguson</i>			

Minutes:

Senator Wanzek called the meeting to order, roll call was taken, all were present.

Senator Wanzek opened the hearing on SCR 4020.

Senator Krauter introduced the bill. Removes caps on loans reformat crop insurance.

Senator Sand: A loan price of \$5 for flax if it were \$6 it would be better would it not?

Senator Krauter: Yes.

Senator Sand: When we do that are we not supporting the Canadian market, wouldn't it be better to make a production payment directly to the farmer?

Senator Krauter: Marketing loans does not cost the government money, there will be a cost deferment.

Senator Tim Mathern spoke in favor of the bill. Testimony enclosed.

Senator Wanzek: Some of these low prices are strictly to do with a later farm bill.

Senator Mathern: I think there are some farm policies on the national level that could change in order to create more stability for the farmers.

Senator Wanzek: If they survive this year they would have the ability to plant other crops.

Senator Mathern: There are a number of farmers who aren't able to make it.

Senator Thompson spoke in favor of the bill. Feels the bill is straightforward. There are people who can't get coverage and you can't get a loan if you don't have coverage.

Representative Nowatzki spoke in favor of the bill. Would like to be more specific on the legislation. Like to set a specific amount on the caps.

Senator Kroeplin: Do you have a comparison wheat as to corn and soybeans?

Representative Nowatzki: Wheat is 2.58 a bushel, production is up about 60%, soybean production is up about 80%.

Senator Kroeplin: What about corn?

Representative Nowatzki: I'm not sure about corn.

Mark Sitz from the ND Farmer's Union spoke in support of the bill. They have wanted to lift the cap off for many years.

Senator Sand: If wheat loan cap was \$5 nobody would haul until it was \$5.02 would they?

Mark Sitz: I would think farmers would use this as a marketing tool.

Senator Sand: Well then when nobody is hauling to the elevator how much Canadian stuff would come down here and sell for \$4.90?

Mark Sitz: I don't see the loan cap on wheat being \$5.

Senator Sand: Anything we do to raise the price raises the international market at the expense of the U.S. tax payer, we need to have a better way of doing it.

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Senate Agriculture Committee
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Mark Sitz: We would like to fix NAFTA.

Senator Wanzek: Nothing saying the market can't be below the loan.

Mark Sitz: I believe so.

Bill Hardy spoke in support of the bill. Urge this bill to be passed.

Jeff Knudson from the AG Commissioner handed out testimony for Roger Johnson. Testimony enclosed.

Senator Wanzek closed the hearing on SCR 4020.

FEBRUARY 12, 1999

Discussion was held.

FEBRUARY 15, 1999

Senator Klein made the motion for a Do Pass on the Amendments.

Senator Urlacher seconded.

Motion passed.

Senator Klein made the motion for Do Pass as Amended.

Senator Mathern seconded.

ROLL CALL: 7 Yes, 0 No

CARRIER: Senator Mathern

Date: 2/15/99
 Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SCR 4020

Senate Agriculture Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Amendments 93064, 0101

Motion Made By Klein Seconded By Urlacher

Senators	Yes	No	Senators	Yes	No
Senator Wanzek	✓				
Senator Klein	✓				
Senator Sand	✓				
Senator Urlacher	✓				
Senator Kinnoin	✓				
Senator Kroepflin	✓				
Senator Mathern	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2/15/99
Roll Call Vote #: 2

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SCR 4020

Senate Agriculture Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended

Motion Made By Klein Seconded By Mather

Senators	Yes	No	Senators	Yes	No
Senator Wanzek	✓				
Senator Klein	✓				
Senator Sand	✓				
Senator Urlacher	✓				
Senator Kinnoin	✓				
Senator Kroeplin	✓				
Senator Mather	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Senator Mather

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SCR 4020: Agriculture Committee (Sen. Wanzek, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4020 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "remove" with "assist farmers by removing or restricting the use of trade sanctions as they apply to agricultural products, by taking advantage of the export enhancement program, by removing", after "loans" insert a comma, and replace "reform" with "by reforming"

Page 1, line 15, after the semicolon insert "and

WHEREAS, prohibiting the use of unilateral economic sanctions that hinder the export of agricultural products would reduce financial harm to farmers in this state;"

Page 1, line 19, replace "remove" with "assist farmers by removing or restricting the use of trade sanctions as they apply to agricultural products, by taking advantage of the export enhancement program, by removing", after "loans" insert a comma, and replace "reform" with "by reforming"

Renumber accordingly

1999 HOUSE AGRICULTURE

SCR 4020

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4020

House Agriculture Committee

Conference Committee

Hearing Date 3-11-99

Tape Number	Side A	Side B	Meter #
Three SCR 4020	x		0.0 to 15.0
Committee Clerk Signature <i>Orlin Hanson</i>			

Minutes:

Summary of Resolution: Urges Congress to Assist farmers by removing or restricting the use of sanctions, take advantage of EEP, remove caps on marketing loans etc and reform crop Ins

Sen Krauter: Tape not working to begin with. Dakota cash grain prices. You can look across there and I see Spring wheat at \$2.83 a bu, winter wheat \$2.21, Durum \$2.75, barley \$1.20, Oats \$.85, flax \$4.75, sunflowers, \$6.80. and I think about those prices and I'm not happy with them. I look at them and at the bottom on them. The loan value is suppose to be the floor on these commodities but it has become the top. We need to raise those loan rates up.

Reform crop insurance. This is an issue every farmer looks at differently. We need some changes to be made in this area. I've sat down and penciled it out with my yields, acres, etc and my lender tells me to get rid of it. May we need an amendment to send this on to the Sec of Agriculture Committee.

Mark Sitz: ND FU On my computer this morning, I pulled off this report yesterday from March 10, market comment a rumor that we might lift the trade sanctions against Iran, that rumor took our wheat market upward of 9 cents a bushel. All the things in this resolution could be handled in US Congress this year.

Rep Renner: Distributed a copy of Farm Reporter & the parity prices we would need to make it go. Parity price for wheat would be \$9.63 and compared to the \$2.83 quoted above. Hogs \$101 per hundred weight.

Randolph Nodland: Dakota Resource Council, supports the resolution.

Rep Rennerfeldt: If we take caps off loan rates what should it be?

Rendolph Nodland: Maybe \$3.15 to \$3.20 a bushel. I'd like to see it higher personally. Not in favor of opening it wide open to EEP.

Rep Rennerfeldt: I don't figure our govt will subsidize our wheat in the World Market. I think its the only way out of this dilemma.

Rep Nowatzki: Differences in Marketing loan rate and old loan rates. Soybeans are at about 80% of cost of production while wheat is at about 50 % of cost of production. I feel if we could have a marketing loan rate higher, we could put some real economic activity out into our state.

Rep Brandenburg: Heard other people say EEP won't do any good because it will just lower our price. We get other people in other countries subsidize their grain to compete with us.

Rep Stefonowicz: Is there other ways to subsidize our grain overseas. Like PL 480 etc.? I've heard that the EEP is more for the benefit of the Grain Exporters then the farmers.

Randolph Nodland: Not that I'm aware of.

Jim Wheeling: Daisy ND, I have one question to ask of this group.

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House Agriculture Committee

Bill/Resolution Number Scr 4020

Hearing Date 3-11-99

Moved by Rep Warner for a DO PASS second by Rep Johnson motion carried

Vote total YES 14 NO 0 ABSENT on consent calender

PROPOSED AMENDMENTS TO SENATE CONCURRENT RESOLUTION NO. 4020

Page 1, line 1, replace "remove" with "assist farmers by removing or restricting the use of trade sanctions as they apply to agricultural products, by taking advantage of the export enhancement program, by removing", after "loans" insert a comma, and replace "reform" with "by reforming"

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Renumber accordingly

Date: 3-11-99
 Roll Call Vote #:

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SR4020

House AGRICULTURE Committee _____

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Consent

Motion Made By Warner Second By Johnson

Representatives	Yes	No	Representatives	Yes	No
Eugene Nicholas, Chaiman	✓		Bob Stefonowicz	✓	
Dennis E. Johnson, Vice Chm	✓				
Thomas T. Brusegaard	✓				
Earl Rennerfeldt	✓				
Chet Pollert	✓				
Dennis J. Renner	✓				
Michael D. Brandenburg	✓				
Gil Herbel	✓				
Rick Berg	✓				
Myron Koppang	✓				
John M. Warner	✓				
Rod Froelich	✓				
Robert E. Nowatzki	✓				
Phillip Mueller	✓				

Total (Yes) 14 No 0

Absent 1

Floor Assignment Moeller ✓

1999 TESTIMONY

SCR 4020

**Testimony of Roger Johnson
Commissioner of Agriculture
Senate Concurrent Resolution 4020
February 5, 1999
Senate Agriculture Committee
Heritage Center**

Chairman Wanzek and members of the Senate Agriculture Committee, my name is Roger Johnson and I am the Commissioner of Agriculture.

I am here today in support of SCR 4020, which calls on Congress to remove the cap on marketing loans and reform crop insurance.

The 1996 Farm Bill left farmers to rely primarily on crop insurance as a safety net. In the face of disastrously low commodity prices, multiple years of production problems, and increasing costs of production, the current crop insurance program has simply not been adequate.

This inadequacy of crop insurance is certain to receive substantial attention during the 106th Congress. Attempting to reform crop insurance in a manner, which provides both production and price protection will, however, be no small undertaking. The current controversy over Crop Revenue Coverage for durum wheat is a signal of problems that arise in efforts to combine the insuring of price and production under single coverage. The larger problem associated with crop insurance reform is the legal requirement that the program be "actuarially sound".

As Chair of our national association's (NASDA) Risk Management Task Force, I know that meaningful crop insurance reform that provides both price and production loss protection will not be easy – but it must be accomplished. Attached is a draft of the Task Force's recommendations that will be considered for approval by the entire NASDA membership at its conference this month. Any suggestions you might have for the recommendations would be welcomed, as I am certain changes will be made before final approval by NASDA.

SCR 4020 also urges Congress to remove the cap on marketing loans. Realistic and equalized marketing loan levels coupled to a reformed crop insurance program would provide a safety net for both price and production without hindering market flexibility or causing market distortions.

Additional federal funding will be required to address the farm safety net issue. It makes sense for Congress to carefully evaluate whether it is addressed through crop insurance or a combination of crop insurance and marketing loans.

Chairman Wanzek and committee members, I urge you to support SCR 4020. I will be happy to answer any questions you may have.

Farm Income and Production Stability Proposal

GENERAL

Covering production costs or ensuring a minimum price are two elements to consider in a crop insurance/risk management proposal. As farmers are exposed to unpredictable and unusual risks, a crop insurance/risk management plan should, at a minimum, cover a percentage of cost of production to a producer. As for price, the federal government should ensure that efforts to stabilize prices received by farmers do not distort production levels.

Some elements of a crop insurance program to consider are: whole farm revenue insurance and long-term reserve accounts. Whole farm revenue insurance would allow producers to purchase insurance guaranteeing a certain percentage of revenue for the whole farm. It would provide protection against unavoidable losses of production and low prices. Long-term reserve accounts are a way for farmers and the federal government to save for a rainy day. Both the federal government and the producer would contribute to these reserve accounts, allowing both to save during good times for poorer years. A long-term reserve account will also mitigate insurance losses by absorbing nationwide losses and stabilize individual premiums and coverage levels in regions of successive production problems and/or disaster declarations. In order for the long-term reserve accounts to operate successfully, the federal government must be involved to ensure that there is a minimum reserve level for American agriculture, and individual producers must participate to ensure producer involvement in managing risk.

COVERAGE

Crop insurance coverage must be meaningful and comprehensive. At the same time, premiums must not be cost prohibitive for producers. As the Freedom to Farm bill gives the producer more flexibility in making production decisions, alternative and non-traditional crops have and will continue to proliferate. Crops currently not insured and non-traditional crops should be covered by crop insurance. Further, a crop insurance program should be designed in such a way as to promote innovation and alternative crops, rather than stifle innovation and enterprise. To this end, it is important to recognize that additional resources will be necessary in order to aggressively expand insurance coverage to all crops and livestock. Further, premium subsidies should be higher for higher levels of coverage and lower for lower levels of coverage so as to encourage producers to carry more coverage.

PARTICIPATION

Federal assistance should be contingent upon a producer's participation in the crop insurance program. To that end, producer participation is important and mandatory minimum premiums should be required. Nevertheless, while crop insurance should be mandatory in order to receive assistance, crop insurance must provide meaningful coverage and provide incentives for farmers to carry such coverage.

Along with producer participation, an appropriate role for the federal government and private insurers must be determined. The federal government should at least provide a minimum level of coverage. Private insurers could be considered for additional levels of coverage. Thus, where the federal government's coverage ends, private insurance coverage could begin. Private insurers, however, should adhere to the concepts of meaningful coverage at reasonable premiums. The states should also have a role in the crop insurance program. States are uniquely positioned to handle the administration of the federal portion of the crop insurance program. To improve efficiency of the program, the USDA and state departments of agriculture should consider cooperative agreements where appropriate.

DISASTER SITUATIONS

Disaster situations in agriculture are inevitable. The challenge for lawmakers and the federal government is to develop a program or plan to lessen the impact of such disasters. However, until crop insurance/risk management programs are established that are capable of totally replacing ad hoc disaster assistance, producers and the federal government should have a consistent way of coping with disasters. Nevertheless, an ad hoc disaster assistance plan should be handled in such a way as to not undermine the intent of crop insurance. Situations that should be covered under a plan are natural disasters such as adverse weather, and disease and pest outbreaks.

Major, sustained low price levels cannot be protected against with an insurance program that is required to be actuarially sound. Price protection should be provided by separate farm policy or if delivered through crop or farm insurance, substantial federal support must be provided during low price periods.

EDUCATION

An important component of any risk management plan is education. The USDA should be the impetus for educating producers and lenders about risk management strategies. Education should extend beyond simply educating producers and lenders about crop insurance/risk management programs. Education should also be provided on basic management training, financial management, accounting/bookkeeping, human resources, organizational development, and domestic and international marketing. Such educational forums could be positioned as incentives for obtaining lower crop insurance premiums from the federal government.

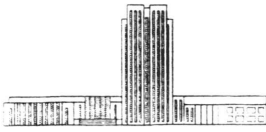
Similar to the Risk Management Agency's dairy options pilot program, such a concept should be offered for other traded commodities. By combining crop insurance and marketing tools, farmers can be shown how to develop a total risk management plan. This approach provides a transition tool that enables a farmer to move into a more market-oriented world.

FIRST-TIME FARMERS

As the average age of the American farmer rises, the Congress and the government must find ways to attract younger farmers to the business. Without a generation to pass the farm onto, the United States leaves itself vulnerable. Possible incentives are lower farm revenue insurance premiums, targeted risk management programs, and tailored training and education programs. Free CAT coverage is offered to limited resource farmers and a greater premium subsidy should be provided for the beginning farmers. Nevertheless, the government should set targets for increased participation by younger generations.

DAKOTA CASH GRAIN PRICES

	Sprg Wht (14%)	Winter Wht 12%	Durum	Barley feed	Oats	Flax	Sunflwr seeds
Beach.....	3.04	2.42	....	1.20	1.00	4.89	7.85
Beulah	2.92	....	2.60	1.13	.86	....	....
Bismarck	3.02	....	....	1.20	1.00	....	9.00
Bowman.....	2.94	....	....	1.30	1.00	....	....
Cleveland	3.16	....	....	1.20	1.00	5.10	8.20
Flasher	2.96	....	....	1.25	.95	....	....
Garrison.....	2.95	....	2.70	1.25	.85	....	8.00
Gladstone	2.93	2.37	2.70	1.25	.85	4.94	7.75
Harvey.....	3.06	....	....	1.30	.90	....	7.80
Hazen.....	2.94	....	2.75	1.15	.82	....	8.10
Linton .....	....	....	....	....	....	....	....
Max	2.98	....	2.75	1.25	.85	5.00	7.70
Medina.....	3.10	....	....	1.35	1.00	5.00	8.10
Napoleon.....	3.09	2.69	2.90	1.25	.88	5.00	7.85
New Salem	2.99	....	2.95	1.30	.95	....	....
Reeder	2.89	2.35	2.70	1.25	.85	....	....
Scranton.....	2.95	2.40	2.75	1.20	...	4.70	7.55
Sterling	3.04	....	....	1.25	.90	....	....
Tuttle.....	3.00	....	....	1.20	.90	4.85	....
Watford City.....	2.96	2.13	2.60	1.30	.85	....	....



NORTH DAKOTA SENATE

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Senate Minority
Leader

Senator Tim Mathern
District 11
406 Elmwood
Fargo, ND 58103-4315

Testimony for Senate Agriculture Committee
Senator Tim Mathern, February 5, 1999

Chairman Wanzek and members of the Senate Agriculture committee, I am Tim Mathern, Senator from District 11 in Fargo. I'm here today to express my support for SCR 4020.

This concurrent resolution is to urge Congress to remove the caps on marketing loans and reform crop insurance so that our farmers who are experiencing disasters, year after year can have adequate coverage to remain on the farm and keep their pride.

Congress and our state must take immediate action to stem the alarming trend of the decline of the family farmer. As legislators from a farm state, we must send a unified message to Congress that our economy is in distress, and that immediate action is required if we are to remain a viable economic entity.

Our farmers, like all North Dakotans are proud people. With hard work they supply the world with some of the best products we all need.

But with disaster after disaster during the past decade, our farmers that remain on the land are on the brink of personal disaster. If Congress and the state doesn't change its policies, the farmers only recourse is charity or leaving the land.

And charity is not much of an option. Besides the stigma of accepting charity, which to many people means that you have failed; there is not enough private assistance to put much of a dent in the growing decline of the family farm. I work for Catholic Family Service and this month we begin a one million dollar effort to help farmers. We know it is only a small fraction of the help needed. It will only pay a bill here and there or provide some financial counseling. Though helpful, it is not enough.

Our farm policy must channel needed financial resources to farmers. This is a matter of justice, it should not be a matter of charity.

As an urban legislator, I see the decline in our farms as bad news for our state and for my district in downtown Fargo. We must not forget, it is our rural communities that built Fargo, Grand Forks, Minot and Bismarck. Make no mistake, the cities immediate and long-term fortune is dependent on a healthy rural North Dakota.

I recommend a Do Pass for SCR 4020.

**Testimony of Roger Johnson
Commissioner of Agriculture
Senate Concurrent Resolution 4020
March 11, 1999
House Agriculture Committee
Peace Garden Room**

Chairman Nicholas and members of the House Agriculture Committee, my name is Roger Johnson and I am the Commissioner of Agriculture.

I am here today in support of SCR 4020, which calls on Congress to remove the cap on marketing loans, reform crop insurance, and prohibit the use of unilateral trade sanctions as they apply to agricultural products.

The 1996 Farm Bill left farmers to rely primarily on crop insurance as a safety net. In the face of disastrously low commodity prices, multiple years of production problems, and increasing costs of production, the current crop insurance program has simply not been adequate.

This inadequacy of crop insurance is certain to receive substantial attention during the 106th Congress. Attempting to reform crop insurance in a manner, which provides both production and price protection will, however, be no small undertaking. The current controversy over Crop Revenue Coverage for durum wheat is a signal of problems that arise in efforts to combine the insuring of price and production under single coverage. The larger problem associated with crop insurance reform is the legal requirement that the program be “actuarially sound”.

As Chair of our national association’s (NASDA) Risk Management Task Force, I know that meaningful crop insurance reform that provides both price and production loss protection will not be easy – but it must be accomplished. Attached is a copy of NASDA’s policy regarding crop insurance and risk management programs. This policy was recently adopted at NASDA’s legislative conference in Washington D.C.

SCR 4020 also urges Congress to remove the cap on marketing loans. Realistic and equalized marketing loan levels coupled to a reformed crop insurance program would provide a safety net for both price and production without hindering market flexibility or causing market distortions. This resolution also urges the restriction of trade sanctions as related to agricultural products, which should help to maintain and create new export opportunities.

Additional federal funding will be required to address the farm safety net issue. It makes sense for Congress to carefully evaluate whether it is addressed through crop insurance or a combination of crop insurance, marketing loans, and trade sanction restrictions on agricultural products.

Chairman Nicholas and committee members, I urge you to support SCR 4020. I will be happy to answer any questions you may have.

12.8 Farm Income and Production Stability - Agriculture is changing at an increasingly rapid pace; consequently, there is a need for improved, comprehensive risk management programs. Sound risk management programs are a combination of federal and state governments and private industry working together to provide products, information and opportunities to producers who are willing to utilize risk management opportunities and form risk management plans.

Risk management encompasses education, marketing, and primarily crop insurance programs. Covering production costs and ensuring a minimum price are two elements to consider in a crop insurance/risk management proposal. As farmers are exposed to unpredictable and unusual risks, it is essential that a crop insurance/risk management plan cover, at a minimum, the input cost of production to a producer.

In addition, the federal government should ensure the stabilization of prices received by farmers while at the same time ensuring that such stabilization of prices does not distort production levels. Major, sustained low price levels cannot be protected against with an insurance program that is required to be actuarially sound. Price protection must be provided by separate farm policy. Substantial federal support to producers must be provided during low price periods.

CROP INSURANCE

Coverage

Crop insurance coverage must be meaningful and comprehensive. At the same time, premiums must not be cost prohibitive for producers. While current federal policies give producers more flexibility in making production decisions, alternative and non-traditional crops have and will continue to proliferate and must be included in crop insurance coverage. Crops currently not insured and non-traditional crops should be covered by crop insurance. A crop insurance program should be designed to promote innovation and alternative crops. Additional resources will be necessary to aggressively expand insurance coverage to all crops and livestock. Premium subsidies should be higher for higher levels of coverage and lower for lower levels of coverage, encouraging producers to carry more coverage.

Prevented Planting — The restriction on prevented planting eligibility for land with a "pre-existing condition" of more than two years is unreasonable in cases of standing water. Determinations of whether prevented planting due to wet conditions is pre-existing or a new occurrence of the same problem is extremely difficult to verify and administer with consistency. The restrictions of these provisions should be relaxed so producers are not unduly penalized by being determined ineligible for prevented planting coverage.

Participation

Federal assistance should be contingent upon a producer's participation in the crop insurance program. Crop insurance should be mandatory in order for producers to receive assistance. Crop insurance must provide meaningful coverage and provide incentives for farmers to purchase the insurance.

An appropriate role for the producer, the federal government and private insurers must be established. Primary delivery of catastrophic (CAT) crop insurance should be through the Farm Service Agency. Buy-up coverage should be available through insurance companies, in conjunction with federal government underwriting and subsidies. Premiums must be affordable and should provide incentives for producers to carry higher rather than lower levels of coverage. Crop insurance programs should be developed on a regional and/or state basis. The states should have a role in crop insurance programs as they are uniquely positioned to handle the administration of the federal portion of the crop insurance program. To improve efficiencies, the USDA and state departments of agriculture should consider cooperative agreements where appropriate.

Additional elements of a crop insurance program to consider are whole farm revenue insurance and long-term reserve accounts. Whole farm revenue insurance would allow producers to purchase insurance guaranteeing a certain percentage of revenue for the whole farm. It would provide protection against unavoidable losses of production and low prices. Long-term reserve accounts are a way for farmers to save, on a tax-deferred basis, during good times for poorer years.

DISASTER SITUATIONS

Disaster situations in agriculture are inevitable. The challenge for lawmakers and the federal government is to develop a program or plan to lessen the impact of such disasters. However, until crop insurance/risk management programs are established that are capable of totally replacing ad hoc disaster assistance, producers and the federal government should have a consistent way of coping with disasters. Federal disaster assistance should not undermine the intent of crop insurance programs.

Many areas of the country have been impacted by disaster situations and have experienced significantly reduced yield guarantees and/or increasingly higher premiums. In some cases, yield guarantees have been severely impacted by disease and insects even though areas might not have received disaster declarations. The result is that multi-peril crop insurance has become an ineffective risk management tool for these farmers.

NASDA believes the USDA and the United States Congress should review the effectiveness of risk management tools and explore all options to provide farmers with improved risk management tools. NASDA would recommend that years for which disaster declarations have been made and/or where prevented planting has occurred shall be excluded when calculating APH yield.

EDUCATION

Education is an important component of any risk management plan. The USDA should educate producers and lenders about risk management strategies. Education must extend beyond basic crop insurance/risk management programs. Education should provide basic management training, financial management accounting/bookkeeping, human resources, organizational

development, and domestic and international marketing. Educational forums should be positioned as incentives for obtaining lower crop insurance premiums from the federal government.

The Risk Management Agency's dairy options pilot program concept should be expanded to other traded commodities. By combining crop insurance and risk management tools, farmers can develop a total risk management plan. This approach enables a farmer to move into a more market-oriented world.

FIRST-TIME FARMERS

As the average age of the American farmer rises, Congress must find ways to attract younger farmers into the business. Without a generation to pass the farm onto, the United States leaves itself vulnerable. Possible incentives are lower farm revenue insurance premiums, targeted risk management programs, and tailored training and education programs. Free CAT coverage is offered to limited resource farmers and a greater premium subsidy should be provided for the beginning farmers. The federal government should provide incentives for increased participation by younger generations.

DAKOTA CASH GRAIN PRICES

	Sprg Wht (14%)	Winter Wht 12%	Durum	Barley feed	Oats	Flax	Sunflwr seeds
Beach.....	2.99	2.26	2.60	1.20	1.00	4.74	6.80
Beulah.....	2.74	....	2.75	1.15	.86	....	....
Bismarck.....	2.85	....	....	1.30	1.00	....	7.00
Bowman.....	2.94	....	2.70	1.30	1.00	....	....
Cleveland.....	3.05	....	2.60	1.20	.95	4.90	6.85
Flasher.....	2.84	....	....	1.25	.85	....	....
Garrison.....	2.82	....	2.80	1.20	.85	....	7.60
Gladstone.....	2.83	2.21	2.75	1.20	.85	4.79	6.80
Harvey.....	2.95	....	....	1.20	.85	....	6.75
Hazen.....	2.74	....	2.70	1.15	.78	....	6.35
Linton.....	2.90	....	....	1.20	.88	4.80	6.55
Max.....	2.82	....	2.75	1.15	.80	4.80	6.65
Medina.....	2.97	....	2.80	1.25	.90	4.60	7.00
Napoleon.....	2.95	2.47	2.80	1.20	.88	4.80	6.75
N. Salem.....	2.83	....	2.70	1.25	.93	....	....
Reeder.....	2.79	2.19	2.75	1.20	.85	....	....
Scranton.....	2.88	2.25	2.70	1.20	...	4.50	6.20
Sterling.....	2.85	1.25	.90
Tuttle.....	2.76	1.20	.90	4.70
Watford City.....	2.88	2.02	2.65	1.30	.85



North Dakota

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FARM REPORTER

Issue: 05-99

March 5, 1999

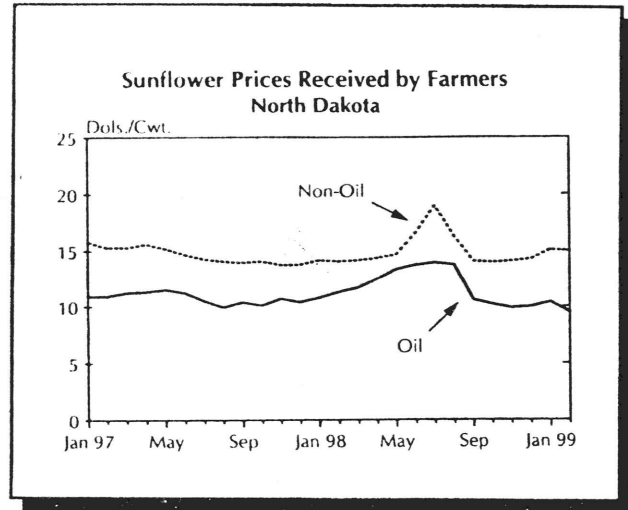
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AGRICULTURAL PRICES

North Dakota
The Index of Prices
Received for All Farm
Products in February

decreased 4 percent from January. The February index was 93 percent of the 1990 - 1992 base, down 11 percent from last year and 15 percent from two years ago. The All Crops Index, at 93 percent, was down 7 percent from January and 15 percent from a year ago. The All Livestock Index, at 92, was up 3 percent from the previous month but down 2 percent from February 1998.



PRICES RECEIVED BY FARMERS, FEBRUARY 15, 1999 ^{1/}

	Unit	NORTH DAKOTA			UNITED STATES			Effective U.S. Parity Price Feb 1999
		Feb 1998	Jan 1999	Feb 15, 1999	Feb 1998	Jan 1999	Feb 15, 1999	
		--- Dollars ---			--- Dollars ---			- Dollars -
Wheat, Durum	Bu.	4.63	3.21	3.10	4.69	3.21	3.11	—
Other Spring	Bu.	3.34	3.11	3.00	3.33	3.07	3.07	—
Winter	Bu.	—	2.93	2.90	3.16	2.67	2.52	—
All	Bu.	3.58	3.14	3.03	3.27	2.80	2.72	9.63
Corn	Bu.	2.26	1.73	—	2.55	2.06	2.01	6.58
Rye	Bu.	—	1.27	—	—	—	—	5.01
Oats	Bu.	1.29	.94	.90	1.60	1.21	1.16	3.45
Barley, Feed	Bu.	1.75	1.34	1.35	2.02	1.55	1.53	—
Malting	Bu.	2.20	1.87	1.90	2.86	2.20	2.31	—
All	Bu.	1.95	1.71	1.74	2.42	1.84	1.94	5.89
Sunflower, Non-Oil	Cwt.	14.10	15.10	15.00	—	—	—	—
Oil	Cwt.	11.30	10.40	9.50	—	—	—	—
All	Cwt.	12.10	11.50	10.60	11.80	11.40	10.10	—
Baled Hay, Alfalfa	Ton	60.00	57.00	56.00	105.00	81.40	82.00	—
Other	Ton	40.00	37.00	36.00	76.80	71.00	70.40	—
All	Ton	57.00	46.00	46.00	96.10	78.80	79.00	—
Flaxseed	Bu.	6.27	5.06	5.10	6.27	5.06	5.09	12.00
Soybeans	Bu.	6.13	4.76	—	6.57	5.32	4.83	13.90
Dry Edible Beans, Navy	Cwt.	13.40	17.90	—	—	—	—	—
Pinto	Cwt.	21.60	13.90	—	—	—	—	—
All	Cwt.	19.90	16.30	15.10	21.20	19.80	19.10	50.10
Potatoes, Fresh ^{2/}	Cwt.	7.00	5.00	—	6.81	5.68	—	—
Processing	Cwt.	5.80	5.70	—	5.25	5.03	—	—
All	Cwt.	6.55	5.55	5.65	5.94	5.32	5.75	13.20
Beef Cattle	Cwt.	67.80	65.60	66.50	60.40	59.00	60.20	151.00
Steers & Heifers	Cwt.	73.00	71.20	72.00	63.30	62.20	63.20	—
Cows	Cwt.	38.50	34.00	35.50	36.00	33.40	34.60	—
Calves	Cwt.	84.90	76.80	77.00	88.70	83.20	87.30	192.00
Sheep	Cwt.	32.30	26.60	—	39.60	32.40	—	64.70
Lambs	Cwt.	72.10	67.80	—	75.00	68.20	—	155.00
Hogs	Cwt.	28.70	22.30	—	35.90	26.30	28.10	101.00
Milk Cows (Quarterly)	Head	—	1,140.00	—	—	1,250.00	—	—
Whsle. Milk, Fluid	Cwt.	14.30	16.10	16.00	14.80	17.50	16.10	—
Mfg.	Cwt.	12.40	14.30	14.00	13.50	15.30	13.30	27.60
All	Cwt.	13.50	15.40	15.20	14.70	17.40	16.00	30.30

^{1/} Previous month and previous year prices are entire month average except hay which are mid-month prices. ^{2/} Fresh market prices only, includes table stock prices.

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