

Committee on Agriculture
U.S. House of Representatives
Information Required From Non-governmental Witnesses

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: Barry K. Childs
2. Business Address: 1530 Fir Road
Belleville, Kansas 66935
3. Business Phone Number: Farm (784)527-5045; FMSI (785)243-1854
4. Organization you represent: Childs Farms Ptr; Farm Management Services, Inc. (FMSI)
5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee: Raised and worked on a livestock and general grain farm, actively managing since 1982. 1977 to present – worked with family farm operations as an unbiased financial resource, tax preparer, and business advisor.
6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee: Enjoyed working with my father and grandfather on the farm through college. Crops: Wheat, Milo, Corn, and Soybeans, (15% irrigated). Pasture ground and a cow herd. B.S. (1976) and M.S. (1977) in Agricultural Economics from Kansas State University. Farm Manage Associate Fieldman 1977-1982. Farm Management Services, Inc. Vice President and Fieldman 1982-present.
7. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected position you hold: N/A

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: Barry K. Childs

Address: 1530 Fir Road, Belleville, Kansas 66935

Telephone: (785)527-5045

Organization you represent (if any): N/A

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: N/A Amount: _____

Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and amount of each grant or contract:

Source: N/A Amount: _____

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you: X

Signature: _____

* Rule XI, clause 2(g) (4) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.

Barry K. Childs
1530 Fir Rd.
Belleville, KS 66935
785-527-5045

June 5, 2007

Thank you for the opportunity to discuss just a couple of issues with the committee.

I'm a 53-year-old fourth generation farmer from Belleville, Kansas with a BS and Masters in Ag Economics from Kansas State in 1977.

The invitation to comment about challenges Kansas producers are facing is very open ended. There are numerous challenges, but since this committee can't control Mother Nature, I'll focus on just a few this committee could focus on. I've eliminated the first hour of my original notes.

First: Health Care Insurance, both its availability and cost will continue to be an extreme problem. I wish I had a plan. Please consider allowing farmers and other small business to deduct health insurance on **Sch F** or **C**. This would be a small help, but a start.

Second: Simplify how & when dollars are received by Producers and their Landlords.

The CCP concept was a good idea, however the implementation is almost impossible to follow. Most of the farmers and especially the landlords that I work with admit to not having a clue whether they received the correct amount from the FSA office.

There are **19** different arrows on this the Flowchart I included with my notes. The local FSA office trying to simplify when and how the present program works provided this. I would challenge any on the committee to explain how, why and when an 80-year young landlord will be receiving their specific check from the FSA office.

The staff at the FSA office should be applauded and thanked for their ability to adapt to the ever-changing procedures due to regulations and USDA's changes.

How: Limit the number of payment periods to 4 maximum

Direct Payments 50% Jan. to March; 50% November

CCP Payments Crops harvested prior to August
 100% August
 Crops harvested prior to Dec. 31
 100% December

Third: For 30 years I've had the unique experience of working with farmers of all ages and sizes, usually around their kitchen table, the past 25 years as Vice President of Farm Management Services Inc. Concordia, Kansas. I consider myself extremely blessed, to have been invited into the financial workings of so many farm families in North Central Kansas. The intergenerational workings of these farm businesses seem to be most challenging and rewarding. This experience brings me to third point of which I feel most strongly about.

Getting young people to come back to farm.

1. Change the tax on the recapture of Depreciation from the first year to an installment sale provision that is used for land.

Result; Older farmers could sell machinery and equipment on contract to younger farmers, without the extremely large first year tax. The same amount of tax will be paid, but over several years.

2. Starter loans for farmers. Somehow in the complicated budgeting process, figure out that FSA loans are just that loans. The only cost to the government is the interest expenses and the administration costs. The total amount of the loan is and should not be in the total spending budget annually. Most cities' & counties have revolving funds. When the money is paid back, it is reloaned. Make this fund large enough so it will help.

Result; Young farmers and ranchers would have much better idea of when and if the loan would and could be made. Today the loans can be approved, but it's anybody's guess when and if the money will be available.

Stability in Ag Programming. How else can we tell and show the young people that agriculture will be an excellent career choice?

Let me explain. When parents discuss their child's future career or anyone that you truly care about. What is one of the first things that come up? That job should have a future and be something they can succeed at. The job should not be constantly changing with regulation and government interference. The job would not be used as a political tool. The job's pay scale should be known and you should not be penalized for being successful.

I'm sorry to say, our past Ag Programs have told the potential farmers and ranchers exactly the wrong thing.

Why haven't Payment limitations been adjusted for inflation (\$40,000 in 1985 = \$77,673 in 2007)

1985 Farm Bill – 11 years

1996 Farm Bill - 6 years

2002 Farm Bill - 5 years

2007 Farm Bill - ? years

Why can't the target prices and loan rates be set now and adjusted for inflation as most other Government programs.

CCP payments will not be a liability to USDA for 2007. Where is that money going to go? Why can't these unused Budget funds be a part of a future CCP Fund set-aside for years when we unfortunately need CCP Payments?

Do the same for LDP's (loan deficiency payments).

3. Any Future Legislation proposed, especially Ag legislation:

Please consider the pros and cons and do all the research necessary, but before you decide, do one more thing. Make one more column along side the pros and cons. Title it "**Will this be a positive or a negative for the future generations of farmers?**" If it's a negative, don't pass it or even fight for it. If it would be a positive for future generations of farmers and send them a message that they are needed, pass it and fight for it. You will be able to explain to anyone why it is good legislation for the U.S. and for Agriculture.

Again, Thank you for this opportunity. We have entrusted you with a tremendous responsibility to draft and pass Ag Legislation. I think most people understand there will always be short-term wants and needs that must be addressed. With those decisions, always and without exception, you and your fellow congressman must determine whether that decision will be a **positive** or a **negative** for the future generations of Ag men and women. We cannot afford to lose another generation.

Thank you.

Barry K. Childs



Direct and Counter-Cyclical Program 2006 Crop Year



Crop	Payment Data					Counter-Cyclical Rate: (p) - projected				
	Target Price	Loan Rate (LR)	Max. CC if LR > Mrkt	Direct Rate	2002	2003	2004	2005	2006	2007
Wheat (bu)	\$ 3.92	\$ 2.75	\$ 0.65	\$ 0.52	\$ 0.00*	\$ 0.00*	\$ 0.00*	\$ 0.13		
Barley (bu)	\$ 2.24	\$ 1.85	\$ 0.15	\$ 0.24						
Oats (bu)	\$ 1.44	\$ 1.33	\$ 0.086	\$ 0.024						
Corn (bu)	\$ 2.63	\$ 1.95	\$ 0.40	\$ 0.28				\$ 0.40 (p)		
Grain Sorghum (bu)	\$ 2.57	\$ 1.95	\$ 0.27	\$ 0.35				\$ 0.27		
Rice (cwt)	\$ 10.50	\$ 6.50	\$ 1.65	\$ 2.35	\$ 1.65	\$ 0.07*	\$ 0.82	\$ 0.35 (p)		
Cotton (lb)	\$ 0.7240	\$ 0.5200	\$ 0.1373	\$ 0.0667	\$ 0.1373	\$ 0.0393	\$ 0.1373	\$ 0.1373		
Flax (bu)				\$ 0.4480	n/a	n/a	n/a	n/a	n/a	n/a
Other Oilseeds (lb)	\$ 0.1010	\$ 0.0930	\$ -	\$ 0.0080	n/a	n/a	n/a	n/a	n/a	n/a
Soybeans (bu)	\$ 5.80	\$ 5.00	\$ 0.36	\$ 0.44						
Peanuts (ton)	\$ 495.00	\$ 355.00	\$ 104.00	\$ 36.00	\$ 95.00	\$ 73.00	\$ 81.00	\$ 104		

* - Advance payment(s) exceeded the projected or final counter-cyclical payment rate.

Payment Schedule

Note: Payment rates are announced as close to the following dates or months as possible.

