

Good morning. My name is Brian Starck, a farmer in Jefferson County in the southeast part of Nebraska. My family and I own and operate a corn, soybean and wheat farm which includes a 100 sow farrow to finish swine operation.

Mr. Chairman and members of the Committee, I want to thank you for holding this field hearing on the 2007 farm bill and for taking time to listen to those who have the most at stake in this debate – our nation's farmers and ranchers.

The landscape that my family farm faces has changed considerably since the enactment of the 2002 Farm Bill. Unpredictable weather conditions, marketing opportunities involving the development of the ethanol industry, uncertainties involved with international trade and significantly higher input costs are creating many challenges for my operation.

While we are experiencing some great opportunities in the corn and soybean markets at the present time, now is no time to abandon the basics of the safety net created in the 2002 Farm Bill. What should be done in the 2007 Farm Bill is to make some modifications to the existing safety net to help farmers like me deal with the growing risks inherent to agriculture.

We in agriculture are unique in many ways. We are very vulnerable to weather-related crop disasters each and every year which constantly puts my production levels at risk. In 2001 we experienced dryland corn yield of 10 to 30 bu/acre and again in 03 we experienced similar yields.

We are price takers when we sell our commodities. To develop a farm policy on the notion that crop prices will remain high for a long-time would be a mistake. Farm commodity markets are no different than other markets in that they will cycle and there will be both good and bad years to come. We have to keep a safety net in place to deal with the risk of lower prices.

When it comes to the input side, I am also a price taker when I purchase fertilizer, fuel and other inputs vital to my operation. Some of these costs have almost doubled in the last three or four years which makes my operation even more vulnerable to production and price risks I face.

Therefore, I support a safety net structure that incorporates direct payments, counter-cyclical support and loan deficiency payments. However, I believe that consideration should be given to modify the counter-cyclical program to have payments triggered by a shortfall in crop revenue rather than a trigger based solely on price.

I have faced a couple years of drought during the last five years and it seemed that the years that I needed the most assistance from a safety net, I received the least help from current safety net structure because you had to grow the crop in order to receive

assistance. In those dry years, the direct payments were very beneficial because they provided some cash assistance at a time when there was a short crop to sell.

I also believe that crop insurance continues to play a larger and larger role in providing a safety net for my individual risk in agriculture. I usually participate in a 70 or 75 % level Crop Revenue Coverage policy and though I hope to never use the guarantee I know it is there to recoup most inputs at a near breakeven level.

It is my opinion that future farm policy should strive for more improvements in our current crop insurance programs while taking the uncertainties out of annual disaster bills that seem to come up every year in Congress.

As a farmer from a state that relies a great deal on farm exports, I think it is imperative that the next farm bill be compliant with current WTO rules. WTO violations could have huge, negative impacts on many sectors in agriculture – particularly the livestock industry. By the same token, the 2007 Farm Bill should not be written to comply with what someone assumes will be the “outcome” of the current WTO negotiations taking place.

Many producers in Jefferson County are participants in the Conservation Security Program. I support the CSP program and I think we should look for ways for more funding to provide room for steady and efficient expansion of the program. The CRP program has in some cases turned out to have some negative economic factors in rural counties. The rent paid on CRP acres use to stay in the local economy but with the rise in outdoor enthusiasm some urban landowners have purchased land for hunting and the majority of the rent paid is being exported to Lincoln, Omaha or Kansas City and only the property tax money is staying in the local economy.

In terms of biofuel development, I believe it is imperative that Congress prioritize research on modifications of Dried Distillers Grains (DDGs) and other byproducts to expand their use, especially in non-ruminant animals. Projections are by the end of 2009, we will process the equivalent of 65 percent of total production of corn in Nebraska to ethanol and we will increase the production of DDGs threefold.

In order to take advantage of this exciting phenomenon in Nebraska of corn to ethanol to DDGs to livestock, we must have more research to improve ways distiller grains can be used for cow/calf operations, non-ruminant animals, and to enhance the consistency of the DDGs to increase their levels in cattle rations.

Finally, I like to mention some of the conditions that I have had to face because of the unintended consequences of the current and past farm bills and how that impacts the next generation of farmers. Clearly, government support has had an impact on land costs and cash rents which is often cited as a factor limiting opportunities for young farmers entering agriculture. It is my opinion that the payment limitation is too high and the big farmer that hits the limitation just starts another entity and then can go and offer in some

cases \$20 to \$30 an acre more in cash rent than I or another small younger producer can compete with.

Another policy issue affecting land values and cash rents relates to the 1031 tax-free exchanges. This has forced land values to the point where I and other young producers are unable to compete in purchasing land for further expansion without seriously diving into debt with little chance of success in servicing that debt.

Mr. Chairman and Members of the Committee, thank you for the opportunity to share our thoughts with you and I look forward to any questions you may have.

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: Brian Starck
2. Business Address: 57295 PWF rd
Fairbury NE 68352
3. Business Phone Number: 402-729-3293
4. Organization you represent: self-employed Farmer
5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:
Farmed for 15 years
6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:
AAS 2yr degree SCC-Beatrice
Farm Bureau Board Jefferson County
Nebraska LEAD 26 program
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 positions you hold:
Nebraska Farm Bureau
Jefferson County President

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: Brian Starck
Address: 57295 PWFrd Fairbury NE 68352
Telephone: 402-729-3293

Organization you represent (if any): _____

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 the 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: _____ 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 the amount of each grant or contract:

Source: _____ Amount: _____

Source: _____ Amount: _____

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

Signature: Brian Starck

* 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.