

Weather and the LaSalle Ranch

Written Statement for the Record

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Drought, Fire and Freeze:

The Economics of Disasters for America's Agricultural Producers

Before the United States Senate
Committee on Agriculture, Nutrition and Forestry

The Honorable Debbie Stabenow, Chairwoman

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Washington, D.C

Thank you, Chairwoman Stabenow, Ranking Member Cochran, Montana Senator Baucus and members of this committee for today's opportunity to share my experiences regarding the Federal Livestock Disaster Programs.

My name is Leon LaSalle and I am a Native American rancher from Rocky Boys Indian Reservation located in north central Montana approximately 100 miles north east of Great Falls. I am president of LaSalle Ranch Incorporated, a family ranch corporation that includes my wife Shannon, my parents Robert L. and Jenny, my brother Robert W. and his wife Susie. Together we raise Black Angus cattle in and around the beautiful Bears Paw Mountains, a mountain range making up a large part of the Rocky Boys Indian Reservation.

Currently I serve as a member of the Montana Stockgrowers Association Board of Directors and as the President of the Rocky Boys Cattlemen's Association.

My maternal Grandfather Frank Billy and his sons were among the first residents of Rocky Boy to become cattle ranchers, and today, as in the past, we manage our ranching operation with future generations in mind. We have installed several conservation practices specifically designed to preserve and protect our natural resources and to help the land help us withstand nature's challenges that present themselves in the form of droughts, blizzards, wildfires and floods. Weather phenomena so severe that when encountered each can financially devastate a family ranching business.

Even though we have implemented these conservation measures there are times when my family's ranch has been struck so hard by weather related disasters that we have had to search for additional economic assistance...The Federal Livestock Disaster Programs have been that assistance.

My family and I have participated in the Bureau of Indian Affairs (BIA), ASCS and FSA disaster programs since the mid 1980's and I have been witness to some pretty dramatic changes through the years. With anything that changes, the change itself causes uneasiness as we attempt to learn the new program.

One thing that has always been a problem was the need to have Congress pass legislation in order for these programs to proceed. That changed in the 2008 Farm Bill. For the first time livestock disaster was included as part of the farm bill. This inclusion was definitely a positive and welcome change for livestock producers.

Those years when we have used these programs to help offset the painful financial consequences of a drought, fire, blizzard or flood have been tough years; and without the disaster programs we may not have been able to continue on. I know this is true especially for most Native American ranchers. The Native American Feed Program is a great example of a program that has helped keep Native American ranchers going after a weather related disaster. In drought years there is no hay. The normal option of feeding our livestock the hay we have produced is no longer available. At times like this ranchers like me must then purchase, at a premium, some or all of our livestock feed. Quite often, by the time the feed is trucked to the ranch the freight cost is more than the price of the feed itself.

Our family used the Emergency Livestock Assistance Program (ELAP) to help offset the financial effects of drought year 2008. We qualified for a payment to purchase replacement hay necessary to cover what we normally would have produced...but due to the drought conditions, we had little to no hay production to feed our livestock. We also have a current Livestock Indemnity Program (LIP) application pending. LIP is intended to provide financial assistance to help ranchers partially recover the value of calves that have perished. In my case that loss occurred during a terrible blizzard the winter of 2010-2011.

These programs provide the only financial relief a livestock producer has available when he finds himself faced with the loss of livestock or the forage necessary to feed them.

While crop producers have access to crop insurance, there is no insurance available for catastrophic livestock losses such as those experienced by Montana ranchers during the devastating wild fires in south eastern Montana during the summer of 2012. I have helped neighbors prepare applications for LIP and on one particularly sad occasion I participated as a third party witness when several cattle fell through the ice and drowned while they were trying to shelter themselves from the stinging cold, raging wind and blowing snow delivered by a harsh Montana blizzard.

While these programs are a welcome relief for producers they also come with a fair amount of frustration. Livestock producers like me typically do not work with the Farm Service Agency (FSA) staff and rules on a regular basis. If you do not have crops there is seldom a need to venture into the FSA office and for those ranching individuals the FSA office is an unfamiliar experience with unfamiliar rules.

For example a ranch family in Blaine County lost 160 tons of hay to fire when lightning struck their hay stack. The application was denied because that rancher had not purchased crop insurance on a small field of hay barley. There is also a rule requiring that an operator report a loss within 30 days of the loss event occurring. This time period needs to be extended. Very often all the losses have not even been assessed in 30 days. You need time to start your recovery from the disaster before having to prepare your data for and deliver it to your local FSA office.

The whole crop insurance thing needs to be dropped from the eligibility criteria. The LIP program is intended to provide assistance to livestock producers for livestock lost due to a natural disaster. This should not be another program for the crop insurance folks to cash in on. In general these programs need to be handled differently from other FSA programs because in most cases they are working with an entirely different crowd than those historically served by FSA. A much more streamlined process encouraging participation rather than discouraging participation would also be a welcome change to the programs.

I do believe these disaster programs should become continuous programs. If the livestock programs had some stability to them I believe that stability would benefit both the livestock producer and FSA. If the livestock programs were consistently available and if livestock producers were required to submit the necessary records annually much of the historical data FSA requires for disaster programs would already be in the FSA office.

Many of the problems we have as livestock producers, when we sign up for these programs, stems from FSA's administrative requirements and the lack of livestock producers gathering the type of data FSA requires. When a disaster is occurring seldom has the thought crossed my mind that I need to document my losses...at that given time I am normally just trying keep other calves from freezing to death. If I already had some baseline data delivered to FSA about my livestock operation I believe the program would work smoother and better for both parties.

For example the FSA handbook it states..." when appropriate use a normal calving rate of 90%" ...this would only be appropriate if I had no records indicating the number of pregnant cows I started with. I however, try to use Best Management Practices (BMP's) and did have a record of pregnant cows. Meaning I had reason to expect all of them to calve. Additionally I had records demonstrating an industry average death loss of 3.5%. However, my local FSA office has interpreted the data to mean I have experienced a normal calving loss of 13.5%. A figure way above industry standards and certainly way above an acceptable economic thresh hold for calving deaths. It is this type of rule that makes the program unusable for producers. Livestock producers, who should, in fact, qualify for the program.

Mother Nature throws a variety of natural events in the path of a Montana rancher. Our weather is uncertain...sometimes severe and we find our markets are even vulnerable to the effects of drought. Drought has reduced the number of cattle and processing facilities have closed as a result. If the weather and markets are not the issue then many of my fellow ranchers are challenged by ever increasing predator losses.

In summary my experience with these programs would suggest the need for the following changes...

- The current system for determining drought needs to be revised
- The whole crop insurance thing needs to be dropped from the livestock eligibility criteria.
- The LIP program is intended to provide assistance to livestock producers for losses due to a natural disaster. This should not be another program for the crop insurance folks to cash in on.
- These programs need to be handled differently from other FSA programs. In most cases they are working with an entirely different crowd than those historically served by FSA.
- A streamlined process encouraging participation rather than discouraging participation would be a welcome change to the programs.
- Consistency...the programs need to be made permanent

In closing I want you all to know that I am proud of my family and my Native American Heritage...and I'm equally proud to be one of many Montana Ranchers working every day to deliver safe, healthy, environmentally wholesome beef to your families and to other families around world.

Thank you.

Respectfully submitted,

Leon LaSalle