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Montana Stockgrowers and Montana Grain Growers Associations

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* "required information"
Good morning! With this long and tumultuous session in Congress, it’s like a breath of fresh air to be home.

This has been a landmark week with the first joint Montana Stockgrowers and Grain Growers Convention. And Great Falls is still standing!
Before I get started, I would just like to take a moment to thank all of you who are here on behalf of Montana's finest – our legacy and our future – our grain and livestock producers. Thanks for all of your hard work in keeping the ag industry alive in Montana.

It's been a tough job this year. Record drought, wildfires, continued low prices and now blizzards have made your jobs that much more difficult. But with a boost from Congress and sheer determination, you have persevered.
I also tip my hat to Keith Bales, Stockgrowers President and Mike Waters, Graingrowers President, for bringing these groups together. It’s high time that we all pull together to work together for the State of Montana’s ag industry.

I’m pleased to be here this morning to share some of my thoughts about this past year and some ideas for Montana’s agricultural future.

Before I get into my prepared remarks, I want to talk about how serious I am and others in the state are about improving our economy and creating good-paying jobs.
I want our families to stay on the land and our kids to stay and work in Montana.

That’s why I called the Economic Development Summit here in Great Falls last June, which some of you attended. And that’s why I appointed an Economic Development Action Group, headed by Tom Scott of Billings, to keep the momentum going in the state.

And that’s why I’m asking all Montanans, no matter what their political persuasion, to work with the public and private sector to come up with plans that will boost our economy – not plans that just sit on a shelf.
Tomorrow, in Billings, I will host a mini-summit on improving our telecommunications abilities in Montana so producers like you as well as all Montanans can become part of the New Economy. I urge you to join me there. In fact, we will have a representative of the Montana Grain Growers Association on one of our panels.

Again, I urge all of you to get involved in this process – a nonpartisan process – to help improve our economy and create new and good-paying jobs. It will be good for you and your families.
Now, as we look forward to finally wrapping up the 106th Congress, I would like to highlight some significant ag, trade and conservation initiatives discussed this year:

China - A Vast New Market – A Challenge to the US to be on the Competitive Edge

You all know that I am a strong supporter of China entering the global trading system. Congressional passage of Permanent Normal Trading Relations was nothing short of historic. And the market potential for agriculture is monumental -- beef and pork tariffs reduced forty-five to an average twelve percent.
The ban on Pacific Northwest wheat dropped. And benefits for the fertilizer industry, farm equipment and much more. That’s good for Montana’s and America’s economy.

This would not have happened without the support of the ag community. Your strong support should soon reap the rewards of this new market. But you will need to be competitive. Our fiercest competitors – Australia, Canada and the European Union – all know the value of this deal and are getting ready to take the market.
I know several of you recently traveled to China with the Montana Department of Agriculture. That is a good first step. I’m taking a trade mission next week. We will drive home the message that "Montana is ready to do business with China." This is a vast opportunity for our wheat, beef, pork and other products. And I urge each of you to rise to the challenge.

*New Tools for New Markets*

I am working hard to give you additional tools to take advantage of these market opportunities.
Meat and produce labeling have been popular to date, but not passed by Congress. I have traveled all over the world and believe that we need to be marketing what we do best – "Ag Products Made in the USA."

The USDA took a small step in this direction by promulgating rules to limit the use of the USDA grade to US only meat products. And many members of the cattle industry are trying to implement voluntary meat labeling. That’s good news. We should focus our efforts on labeling our domestic products as American-produced rather than give our competitors the labeling advantage.
With a branded product we often hit another stumbling block – how to remove the middleman and sell beyond Montana’s borders. Two thoughts come to mind.

First, we must pass legislation that allows the interstate shipment of state-inspected meat. In a nutshell, this would allow Montana to process specialty meat products locally and then utilize the Internet or other marketing sources to ship those products anywhere in the world. Current law prohibits those products from crossing our state line and gives the market to only a few large processors. That’s just not fair.
We need to align our inspection policies so that our entrepreneurs and local cooperatives can compete in the global market. The Senate Ag Committee of which I am a member overwhelmingly supported such legislation and I’ll work hard to make sure it passes.

Other opportunities are available for the wheat industry. For example, I’m most interested in the USDA’s grain cleaning initiative. How can we possibly compete against the Canadians, who are required to have clean grain at their ports?
I would like to see this initiative extended to a state-by-state pilot program to allow producers of quality grain to certify cleanliness from harvest to delivery. If we add more value and ownership at the producer level, we can start to close the price differential from our competitors.

Let me mention one other area that can be directly linked to expanding our markets - use of the Internet by farmers. The ag community's participation online is growing exponentially. In fact, I receive e-mail from lots of you on a regular basis.
Web pages devoted to marketing are springing up across the country. In fact, www.MontanaMarketManager.org is one of the top resources for our producers. The world is growing smaller with the Internet. Why shouldn't a farmer in Shanghai, China chat with a farmer in Shelby, Montana? Agriculture, the most historical and innovative profession in this country, can and should tap into the technological opportunities of tomorrow.
I understand your concerns about estate taxes and I think you’re on the right track. But I had some major concerns with some of the proposals this year. As Ranking Member of the Senate Finance Committee, the first bill I work through the committee will be estate tax relief.

I have already spoken with the new committee Chairman, Senator Chuck Grassley of Iowa. In the coming months we will set the Finance Committee agenda.
And estate tax relief for all of you who want to pass on the family farm and ranch to your children and grandchildren will be my top priority.

However, it's also clear that we need to look different places for answers to preserve our farm and ranch legacy. One such tool may be through conservation. There are no better stewards in America than our ag producers. Unfortunately, our Conservation Easement law provides no real incentives for you to conserve your land for future generations.

I introduced legislation to change that this year.
The Rural Heritage Conservation Act provides a targeted tax credit to farmers and ranchers who want to voluntarily place a conservation easement on their land. This will allow producers to forever retain their land's rural landscape. At the same time it provides an inheritance tax benefit by reducing the pass-down value of the land to future generations.

Jerry Townsend of Highwood testified before Congress and received very positive feedback. I would like to see us consider this and other conservation and economic-linked credits in the next Congress.
In Conclusion

The year 2000 has been a year of recovery for many of our agricultural producers. As we in Congress continue to debate our domestic farm policy, we must be keenly aware that trade and conservation are also essential legs of the stool.

The legislative steps I've outlined today can be enacted on their own merits but will also play an integral part in shaping our domestic agricultural policy debate as we prepare for the next Congress.
I intend to play an active role in this debate and urge you to get involved. Don’t let the process happen to you – be a part of the process. I am working to bring together Montanans to rebuild our economic base.

I strongly urge you and your associations to remain committed to improving Montana’s economic base so that hard-working farm and ranch families can stay on the land and our children can live and work in Montana. We don’t want our biggest exports to be our trained and educated children.
That's why I am asking all Montanans to reach across the political spectrum and help foster and move forward new ideas to create new and good-paying jobs in Montana and to add value to our ag products.

The statewide summit my office started – which will be an annual event – and the mini-summits and action group are all designed to promote similar groups at the local level. I urge you to get involved – at the local or state level.
I just read last week that Havre and economic development groups on the Hi-Line are putting together their own economic development meeting to look at ways to boost their regional economy. That’s great. I hope we see that all over the state and in every sector of our economy.

And, finally, I want to say that our effort at the state level is private-sector driven and is designed to build private-public partnerships to leverage the energy, passion and money that different people and groups bring to the table. PP&L in Montana already has committed more than $80,000 to help move our economy forward.
And we’ve seen great interest from the ag sector too.

I look forward, with your help, to moving our state forward and ensuring that agriculture and its hard-working families remain the number one driving force in Montana’s economy.

Thank you.