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McHenry County farmers prepare for farm bill's implications

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WOODSTOCK – Linnea Kooistra is absolutely going to buy dairy insurance.

Like crop insurance, the voluntary margin protection program laid out in the overhauled farm bill passed earlier this year is designed to give farmers security – even in the face of skyrocketing feed prices.

“The last couple years have been so difficult with trying to make decisions on the dairy farm with



Linnea Kooistra, owner of Kooistra Farms in Woodstock, lowers the tractor tiller while preparing for planting crops. (Sarah Nader - snader@shawmedia.com)

what crop prices are doing,” Kooistra said. “The crop prices were expensive, and the milk prices were not equivalently higher.”

This year is starting to look better for Kooistra Farms, a dairy farm located between Woodstock and Harvard that Kooistra owns with her husband, Joel, but it will take a couple of years to catch up, she said.

The new dairy program – which replaces an older subsidy program that was tied to milk prices – would guarantee Kooistra and other dairy farmers who buy the insurance a margin of

revenue above the cost of feed. That will ensure that Kooistra can cover her other expenses, she said.

The rules that will implement the program as well as the rest of the “monster” \$956 billion bill are still being worked out, said Dan Volkens, the McHenry County Farm Bureau manager. He expects the rules to be ready by the 2015 crop year.

“We won’t know what it means [locally] until it goes into place,” Volkens said.

The new five-year law – which replaces a 2008 farm bill that was extended twice as legislators argued over its myriad programs – makes fundamental changes to both nutrition and farm programs.

“This one reflects the budget scenario that we have in Congress,” Volkers said. “Everybody who was active in the farm bill expected to have some consolidation and cuts.”

Nearly 100 programs administered by the U.S. Department of Agriculture were eliminated or consolidated, according to House Agriculture Committee documents. That includes the consolidation of 23 duplicative and overlapping conservation programs into 13.

Part of the farm bill spending goes to the Supplemental Nutrition Assistance Program, informally known as food stamps.

About 850,000 households in 16 states and the District of Columbia – Illinois is not among them – could lose about \$90 in additional monthly benefits they get because they receive heating assistance. To counter this, some states have moved to raise the minimum they give in assistance to meet that new threshold, which means the projected \$8 billion in savings might not all come through.

The farm bill also eliminates direct payments to farmers, which amount to about \$5 billion a year, while adding some of the savings to government-subsidized crop insurance and restores livestock disaster assistance.

McHenry County farmers received about \$20 to \$30 an acre in direct payments, Volkers said.

Farmers have been expecting cuts and were able to plan accordingly, said Michele Aavang, who owns the 2,000-acre Willow Lea Stock Farm outside Woodstock and is the president of the McHenry County Farm Bureau’s Board of Directors.

“All in all, we knew cuts were coming, and that’s OK,” she said. “I’m just glad they left in a safety net for us because this is such a capital-intensive venture.”

Crop insurance really came in handy during the drought in 2012, Aavang said. While they didn’t make a profit, the insurance helped make her business whole that year.