

TESTIMONY OF

Jim W. Schaben Jr.

Co-Owner

Dunlap Livestock Auction

&

West Point Livestock Auction

701 Hwy 30 West Dunlap, Iowa 51529

Friday April 30th 2010

Chairman Peterson, Congressman Boswell, Agricultural Committee
Members, Staff and Guests

I want to thank all the members of the Agricultural Committee and staff for the invitation to give testimony here today and allowing each of us the opportunity to express our feelings, concerns, apprehensions and enthusiasm about agriculture both here in Iowa and all across the United States.

My name is Jim Schaben and I reside in Dunlap, Iowa, a town of less than 1000 people located in Western Iowa. Like most towns the size of Dunlap in the mid-west our community is heavily dependent on the health and well being of agriculture.

I am a part owner in the Dunlap Livestock Auction, a now third generation family business that was started in 1950 by parents. Most recently we have expanded our business to include a livestock auction in Eastern Nebraska in the town of West Point. Between the two markets we are currently selling between 175,000 and 190,000 cattle annually. Our business is made up of all facets of the cattle industry including selling finished weight steers and heifers ready for harvest being sold to packers across the Midwest. Selling locally raised feeder cattle bound for feed yards both large and small in a mostly 7 state region and selling replacement females to help populate the pastures in the upper Midwest. Having a cattle action nearly every day of the week has its ups and downs but it does allow me to conduct business on a day to day basis with some of the best people that this country has to offer. I am excited to tell folks that most recently my son has joined our business with the hope of being able to raise one more generation in the heartland dealing with America's cattle producers.

It is some of the events of the recent past that are a cause of concern that I want to address today. In the last 5 years I have watched a huge change in the cow calf business in the mid-west. There has been a flight out of the cow business at a pace that I have never witnessed in my 30 years at the livestock auction. Those huge numbers of dispersal of cows have been caused by a economic disparity when you compare profitability of the cow business with other aspects of agriculture most commonly grain farming. With the recent rally in grain prices and the advances in yield due to technology we have watched the demand for pasture increase from the pressure of crop farmers to the point it is either driving the cow man off the land or he himself turns the pasture into grain crops because of the higher dollar per acre return. I do understand economics and the forces of supply and demand but the field of play has not always been level when the livestock industry is involved. In order to keep the livestock producer on the land and ensure that his way of life is kept intact for generations to come something is going to change and change quick.

In the writing of the 2012 Farm Bill I would ask that members and staff explore at a greater length and depth the possibility of furthering the idea a partnership of sorts that could bring cattle producers, conservationists and grain farmers to the table allowing for a more aggressive "set-aside" program that would give more consideration to the cow man. Partial grazing of CRP acre is a great start but the program needs to be enhanced and allow the cowman more access to those acres. Being able to graze CRP acres for only a few months during an already short season poses all sorts of problems. Allocating cost of fencing for a short grazing period is not cost effective. What happens with the cows during the months that you cannot graze the CRP. There are extra trucking costs moving animals back and forth from CRP. These expenses add to an already thin profit margin making the decision to disperse a cow heard a disappointing reality.

If marginal farmland could be "set aside" with a program that put the emphasis on encouraging cow calf production along with conservation I believe it could be a good situation for all involved. Encourage participation from young cattle producers, land owners and/or landlords and the federal government. All the while the primary concern should be to level the playing field and enhance the economic vitality of the cow industry in this country. We've had a good start with the last farm bill but the program needs to be improved. Anything that can be done to ensure the survivability of our young agricultural producers has proven to yield all kinds of positive results in our communities both economic and societal.

I hope you will keep the economic well-being and survivability of the livestock producers as a high priority in the 2012 farm bill.

Thank you again to all the Members of the Agricultural Committee for your time and commitment to this country and all of agriculture.

**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: Jim Schaben Jr.
2. Business Address: 701 Hwy 30 West
Dunklap, Ia 51529
3. Business Phone Number: 712-643-5761
4. Organization you represent: Self
5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:
30 Year business owner of
Dunklap Livestock Auction
Life-time cattlemen
~~3rd~~ 2nd Generation Farmer
6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:
Graduate Texas State University
owner/operation Farm, Feedlot,
Livestock Auction
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:
None

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, 2007.

Name: Jim Schaben
Address: 3819 Hwy 37 Dunlap Iowa 51529
Telephone: 712-643-2249 cell 712-263-9449
Organization you represent (if any): None

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2007, 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, 2007, 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: _____

Signature: [Handwritten 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.