

**WEEKLY UPDATE**  
**SUSTAINABLE AGRICULTURE COALITION**  
**April 16-20, 2007**

*Note: There is a special In Remembrance of Jim Jontz section at the end of this week's edition.*

**ACTION NEEDED**

With both a Senate and House hearing on a farm bill **Competition Title** this week, we need follow-up action in the coming week. If you have not already done so, please contact your Senators and urge them to co-sponsor the **Competitive and Fair Agricultural Markets Act** (S. 622) and **Prohibition on Packer Ownership of Livestock Act** (S. 305), two major pieces of a comprehensive Competition Title in the next farm bill. The full action alert containing information on the two bills, existing co-sponsors, talking points, and Senate contact information, is on our website at: [Competition Title Alert](#).

The **Beginning Farmer and Rancher Initiative** is also expected to be introduced in the next two weeks by Rep. Stephanie Herseth Sandlin (D-SD). If you have not done so already, please call your Representative and ask them to join Rep. Herseth Sandlin on the bill as a co-sponsor. It will also be introduced by Senator Harkin (D-IA) on the Senate side, but the action alert is focused on the House right now. Click on the following link for the full action alert: [Beginning Farmer Initiative Alert](#)

**Reminder:** Be sure to check SAC's *Farm Bill Action Center* [www.sustainableagriculturecoalition.org](http://www.sustainableagriculturecoalition.org) at least weekly for up-to-date information on the status of relevant bills, background information on their provisions, and additional policy and advocacy resources. The next farm bill is taking shape quickly and your action in support of the SAC farm bill platform is critical.

**THIS WEEK**

**Farm Bill Hearing Trifecta!** On successive days this week, three SAC member organizations testified at farm bill hearings on, in order, the competition title, organics, and conservation. The testimony of the Center for Rural Affairs' John Crabtree, Organic Farming Research Foundation's Mark Lipson, and The Minnesota Project's Loni Kemp are online at [www.sustainableagriculturecoalition.org](http://www.sustainableagriculturecoalition.org). Stories on each of the hearings follow, right after the budget, appropriations, and farm bill updates.

**Budget, Appropriations, and Supplemental Update:** Negotiations between the House and Senate over the FY 08 budget resolution may begin in earnest late next week, after weeks of discussions primarily at the staff level. The House has yet to name its conferees, but the clock is ticking. By May 15, if no resolution is passed, the appropriations subcommittees can begin writing their bills even without a budget blueprint to guide them. (Note: The House Agricultural Appropriations Subcommittee is planning to write and approve its bill very close to the May 15 date). There is a \$7 billion difference between the chambers on the total discretionary spending cap, plus differences over how to handle extensions of middle class tax cuts. The \$5 billion difference between the House (\$20 billion) and Senate (\$15 billion) respective "reserve funds" for the farm bill should be easily resolved. Far more perplexing is how to make those reserve funds into something real, as they both require offsets through tax increases or spending reductions elsewhere. Discussions between House and Senate leadership, Agriculture Committee leadership, and tax committee leadership over this issue has begun, but if any substantial progress is being made, the principal parties are not saying very much on the record.

The outcome of the supplemental appropriations bill is also of critical importance to the farm bill. Both the House and Senate bills carry very substantial emergency farm disaster aid, but only the Senate version of the bill is carrying funding for the Conservation Security Program and a technical fix to how appraisals

are done under the Wetlands Reserve and Farm and Ranch Land Protection programs as well as a long term solution to the MILC dairy payment program funding crisis. Late Thursday, the House finally named its conferees for the bill, which will hopefully be finalized next week, passed on the two floors, and then sent off to the White House for the President's certain veto. At that point, a new version of the bill will be put together, with different language on the terms of continued funding for the war in Iraq. At this point, it appears the Democratic leadership intends to bring the new version to the floor and then to conference during May, with a goal of sending it back to the President just prior to the Memorial Day recess.

On the CSP funding issue, SAC and the National Campaign for Sustainable Agriculture and member groups have worked together to do state-specific letters to the House conferees to urge them to accept the Senate provision funding CSP for 2007 and to restore CSP funding cut in previous emergency supplemental bills.

**Farm Bill Chairman Weigh In:** Both House Chairman Peterson (D-MN) and Senate Chairman Harkin (D-IA) have been working behind the scenes to find potential offsets for the 2007 Farm Bill that would make the budget resolution reserve funds into something real. At the conservation title hearing, Peterson made a strong pitch to those interested in food stamps, conservation, rural development, energy and specialty crops, saying that the farm bill's commodity title can be written within current baseline and there will be no political price to pay for not having any additional funding. He said "it is saleable in my district" and by extension in many other districts represented on the Committee. He said if the other major farm bill interests want to have titles they can be excited about, they need to press the House leadership to deliver the offsets that will provide the funding to strengthen the other titles.

On a related matter, at a meeting of ag journalists, Peterson and Senate Ranking Member Saxby Chambliss (R-GA) expressed their displeasure with Secretary Johanns' decision to provide Congress with legislative language for the Administration's farm bill proposal. Chambliss bluntly said "I don't think it's their function." By contrast, Harkin said that while there was much in the Johanns proposal he would not agree with, he nonetheless welcomed their input and hoped that some of it would be useful as he puts together his own bill. Peterson and Harkin also differed on the subject of a competition title, with Peterson saying it might do more harm than good, but noting that it may well come up during farm bill markup and that he would be prepared to respond. Harkin of course is leading the effort to incorporate a first ever competition title in the farm bill. They also differed on whether direct ('freedom to farm') payments are sacrosanct, with Harkin suggesting that they should not be considered set in stone.

**House and Senate Hearings on Farm Bill Competition Issues:** On Tuesday, the Livestock, Dairy and Poultry Subcommittee of the House Agriculture Committee held a hearing on livestock industry market structure and competition issues. John Crabtree, with the Center for Rural Affairs, testified about the concentration of the packing and processing sector, which has left many regions with only one buyer of hogs and cattle. He also focused on the need for farm bill measures to ban packer ownership of livestock, prevent packers and processors from using captive supply to manipulate market processes, and define and enforce the prohibition on undue price preferences.

Other panel members included Kay Doby, the President of the North Carolina Contract Poultry Growers Association, who testified on behalf of the Campaign for Contract Agriculture Reform – an organization which includes SAC in its membership. She focused on the dilemma of poultry growers in a vertically integrated system which provides little control of inputs to the operation and little economic certainty beyond the price offered by the vertical integrator for one or a few poultry flocks. Representatives from the National Farmers Union and the American Farm Bureau Federation also testified in favor of measures to be included in a comprehensive Competition Title in the next farm bill. All the witness statements from the hearing on posted at <http://agriculture.house.gov/hearings/statements.html>.

On Wednesday, the Senate Agriculture Committee held its hearing on livestock and poultry competition issues. The first panel included University of Wisconsin Prof. Peter Carstensen, who criticized the lack of anti-trust enforcement. He was followed by Lynn Hayes, Program Director with the Farmers Legal Action Group, who emphasized the need for fair contract provisions and for greater protection of poultry growers under the Grain Inspection Packers and Stockyards Act. Other panelists included Tim Schmidt, a young pork producer from Iowa who described the impact of packer on concentration on prices for independent hog producers, Scott Hamilton, an Alabama poultry grower, described first hand the unfair terms in poultry contracts, and Eric Nelson representing R-CALF USA emphasized the negative impacts on cattle producers resulting from the market power wielded by the few remaining beef packers. Senators speaking in support of various elements of the Competition Title included the Chairman Tom Harkin (D-IA) and Senators John Thune (R-SD), Amy Klobuchar (D-MN), Chuck Grassley (R-IA), and Ken Salazar (D-CO). The written statements of the witnesses are posted at <http://agriculture.senate.gov/Hearings/hearings.cfm?hearingId=2699>.

**House Hearing/Historic Day for Organic Agriculture:** On Wednesday, the Horticulture and Organic Subcommittee will hold a hearing on organic agriculture, which included testimony from Mark Lipson on behalf of the Organic Farming Research Foundation. It was a historic day for organics, as numerous leaders from the movement were given the opportunity to testify in the first hearing ever held on organic agriculture in the House Committee on Agriculture. Subcommittee Chairman Dennis Cardoza, (D-CA), and other members of the committee, listened intently as the three panels of experts on organic agriculture spoke about the challenges and opportunities facing organic agriculture.

All of the panelists opened their testimony by highlighting the rapid growth in the demand for organics and the need for Congress to support the work of the organic sector in meeting this demand. The main requests from the group focused on protecting the integrity of the USDA organic seal, more resources for staffing in the certification and accreditation process, providing more conversion and technical assistance to farmers wanting to transition, improved data collection for data needed to secure crop insurance, and a serious increase in funding for research on organic agriculture. OFRF's Mark Lipson hammered home the point that organic agriculture deserves more funding for research and extension services, and that in fact, lack of knowledge of the best organic management practices is the biggest limiting factor for the ability of farmers to meet the expanding demand for organic agriculture in the United States. A new report from OFRF entitled, *2007 National Organic Research Agenda* was hot off the press for the hearing and can be accessed at <http://ofrf.org/publications/pubs/nora2007.pdf>.

Following the testimony of each panel, a lively session of questions and answers ensued. Many of the questions from Committee members focused on trying to better understand the challenges and opportunities during the required 3-year transition period, and how Congress could best support farmers during this transition. Proposals to use the Conservation Security Program and the Conservation Reserve Program were offered as ideas that members of the Committee have been thinking about to help meet the demands of the transition period. Chairman Cardoza was very interested in the trade of organic products and how other countries' organic standards stack up to the US. Before adjourning the hearing Chairman Cardoza reaffirmed that he is "looking forward to working with the organic community as we continue our work on the upcoming Farm Bill." Organic Agriculture is definitely in the House!

**House Hearing on Conservation:** On Thursday, the Conservation, Energy, Credit and Research Subcommittee heard from a producer organization panel and a conservation organization panel on views about the conservation title. Loni Kemp testified for the Minnesota Project and emphasized the need for a fully funded, strengthened and streamlined Conservation Security Program. Loni also touched on the environmental benefits of a conversion to perennial cellulosic biomass energy, and how the CSP could provide a conservation framework for accelerating the transition.

The hearing provided a good opportunity for the release of a new report on CSP prepared by SAC members and partners the Minnesota Project, Michael Fields Agricultural Institute, Illinois Stewardship Alliance, Land Stewardship Project, Practical Farmers of Iowa and Missouri Rural Crisis Center. The report entitled *The Conservation Security Program Drives Resource Management: An Assessment of CSP Implementation in 5 Midwestern States*, is the first of its kind in assessing on-the-ground CSP implementation in Illinois, Iowa, Minnesota, Missouri, and Wisconsin. Among its findings, the report concludes that the majority of farmers participating in CSP are adding new conservation practices on their farms, many of which go beyond the program's requirements. Interviews with farmers also revealed that while there is real frustration by the lack of CSP availability due to funding cuts, all of the farmers want to see CSP included and fully funded in the next farm bill. The report's preparers participated in a press teleconference on Thursday morning. If you see articles about the report, please let us know. We also encourage you as a follow-up to articles to submit Letters to the Editor in support of the report's findings and recommendations. To download the report, click on the following link: [http://www.sustainableagriculturecoalition.org/pdf/CoalitionCSP\\_Report\\_web.pdf](http://www.sustainableagriculturecoalition.org/pdf/CoalitionCSP_Report_web.pdf). The press release is posted at [http://www.sustainableagriculturecoalition.org/pdf/Press\\_Release\\_CSP\\_report\\_4.19.07\\_.pdf](http://www.sustainableagriculturecoalition.org/pdf/Press_Release_CSP_report_4.19.07_.pdf).

**Two Stabenow Farm Bills:** Last Thursday, Senator Debbie Stabenow (D-MI), a member of the Senate Agriculture Committee, introduced a bill (S.1094) to reorganize and merge USDA research agencies in an initiative which has been dubbed "CREATE 21." The proposal would rob all of the funding currently dedicated to the Initiative for Future Agriculture and Food Systems, a SAC farm bill priority, and put it into Create 21. The proposal also potentially jeopardizes the Sustainable Agriculture Research and Education program, Organic Transitions, Section 2501 and other SAC priority programs. This Thursday, along with Senator Larry Craig (R-ID) she introduced the Specialty Crops Competition Act of 2007 (S.1160), which attracted 16 co-sponsors. This bill is similar to the Cardoza bill in the House, though it is narrower and more strictly focused on solely specialty crop programs.

**Farm Foundation Farm Bill Forum:** "Energy issues in the Farm Bill" provided the basis for a forum and discussion on Tuesday sponsored by the Farm Foundation. The panel included a representative from the Renewable Fuels Association, 25X'25 Coalition, American Petroleum Institute, and an Illinois pork producer. The exponential growth of the ethanol industry was the subject of much of the conversation, and surprisingly there was more agreement than disagreement regarding the increased role ethanol should play in meeting our energy demands.

Potential drawbacks of the ethanol boom, such as increased consolidation of farms, feed costs going up, increased global hunger from higher commodity prices, and environmental damage were mentioned in passing, as was the potential for conservation money in the Farm Bill to have to compete with money for ethanol production. But conversation quickly shifted away from these potential negative consequences, to focus more on the possible technical and distribution challenges that need to be solved in order to support the increased use and production of ethanol.

## USDA NEWS

**Rural Cooperative Development Grant Request for Applications:** On Wednesday, USDA's Rural Cooperative Business Service announced the availability of \$3.5 million in FY 2007 competitive grant funds through the Rural Cooperative Development Grant (RCDG) program. Grant applications are due June 8, 2007. With a maximum grant award of \$200,000, RCDG grants are made available to nonprofit corporations and institutes of higher education for the purpose of establishing Centers to assist individuals in the start-up, expansion, or improvement of local cooperative businesses. Cash or in-kind matching funds totaling 25 percent of the grant requested are required. A complete paper-based application

package is available on the USDA website <http://www.rurdev.usda.gov/rbs/coops/rcdg/rcdg.htm>. Those wishing to apply electronically must visit [www.grants.gov](http://www.grants.gov).

## DULY NOTED

**North American Agricultural Journalist Conference:** On Monday, Ferd joined Organic Trade Association director Caren Wilcox on a panel at the annual gathering of agricultural journalists to discuss organic farming and local food. Ferd's talk focused on superimposing a sustainability yardstick on the local versus organic debate, and on how reporters might look at both issues in light of consumer interests and the farm bill debate.

### \*\*\* IN REMEMBRANCE OF JIM JONTZ \*\*\*

Former Congressman Jim Jontz (D-IN) died April 14 at his home in Portland, Oregon following a long battle with colon and liver cancer. Jontz, a champion for sustainable agriculture and forestry, was 55. His congressional career (1986-92) spanned the 1990 Farm Bill. From his perch on the House Agriculture Committee, Jontz was the champion of such SAC farm bill initiatives as the Sustainable Agriculture Research and Education (SARE) program and the Integrated Farm Management program (a program which removed commodity program barriers for sustainable and organic farmers). Following his House career and an unsuccessful run for the Senate in 1994, Jontz worked to protect the forests of the Pacific Northwest, organized fair trade campaigns, served as president of Americans for Democratic Action, and led the Working Families Win campaign to education candidates about fair trade and environmental issues.

On a more personal note, Jim was a rare find and great friend for SAC. A few brief remembrances:

At an early meeting in the 1990 Farm Bill campaign, Margaret Krome, Chuck Hassebrook and Ferd Hoefner went to see him with three of our biggest asks for the farm bill, to see if he would be interested in sponsoring at least one of them. When we finished, Jim said, without missing a beat, "is that all, you just want me to do those three?" In fact, before the bill was over, he had led the House side battle on many more of our issues.

Showing his humorous side, Jim insisted that we call Chapter One of the SARE program "Bubba" to counteract the negative publicity that the program's original acronym (LISA) had received at the hands of the chemical industry and parts of mainstream agriculture. Later that night we came up with "Best Utilization of Biological Assets" which, believe it or not, is still the official statutory name for that program. During markup of the research title, a long debate ensued between Rep. Jontz and Rep. Pat Roberts about whether "biological" was an appropriate term related to agriculture (hello!).

After the farm bill was over that year, a House staffer put out a farm bill quiz. One of the questions was "which was the only title of the farm bill that Jontz did not successfully amend during markup?" That there was in fact only one -- in the year of the biggest, most multi-title farm bill of all time -- was a testament to his tenacity and willingness to be the guy that made a difference by standing up to the common (i.e., status quo) wisdom. After he left Congress, Jim shared the SAC Washington office with us for part of a year, where we witnessed first hand both his humility and his hard-driving and passionate commitment to progressive causes. He will be sorely missed by many, including all of us in the sustainable agriculture community. He was a real champion, and a heck of a nice guy.