

WEEKLY UPDATE
SUSTAINABLE AGRICULTURE COALITION
May 14-18, 2007

ACTION NEEDED

CSP Gutted in Chairman Peterson's Mark – Calls Needed Before Tuesday Morning! House Agriculture Committee Chairman, Collin Peterson (D-MN) introduced the conservation section of his farm bill proposal on Thursday this week. In it, he cuts \$1.1 billion from CSP, *freezing any new sign-ups for the program until 2012*. This move effectively kills the CSP for the next five years.

We need your help and sent you an action alert this morning! We are targeting members of the House Agriculture Subcommittee on Conservation, Credit, Energy, and Research who will be debating and voting on the conservation bill on Tuesday, May 22.

In particular, we are asking you to mobilize supporters in the following Members' states: Herseth (D-SD), Costa and Cardoza (D-CA), Space (D-OH), Walz (D-MN), Salazar (D-CO), Boyda (D-KS), Kagen (D-WI), Gillibrand (NY), King (R-IA), and Fortenberry (R-NE), though calls to all subcommittee members are encouraged. For the full action alert with a list of Members of the Conservation Subcommittee, please go to www.sustainableagriculturecoalition.org/ActionCenter/AA-CSP-May18.pdf

Competition Title Vote Coming Thursday: On Thursday, May 24 the House Agriculture Subcommittee on Livestock, Dairy, and Poultry will meet to markup their sections of the farm bill. While full committee Chairman Peterson has not yet released his proposal for the livestock subcommittee, it is not expected to include competition provisions. Subcommittee Chairman Leonard Boswell (D-IA), however, plans to offer his Competitive and Fair Agricultural Markets Act (H.R. 2135) as an amendment. Subcommittee member Steve Kagen (D-WI) is a co-sponsor of the bill. We need people who live in the following Livestock Subcommittee Member's districts call and urge them to support the Boswell competition amendment when they meet in committee on Thursday: Gillibrand (NY-20), Holden (PA-17), Baca (CA-43), Cardoza (CA-18), Lampson (TX-22), Donnelly (IN-2), Costa (CA-20), Mahoney (FL-16), Hayes (NC-8), Rogers (AL-3), King (IA-5), Foxx (NC-5), Conway (TX-11), Schmidt (OH-2), Smith (NE-3), Walberg (MI-7). Go to the Farm Bill Action Center of the website for more information.

THIS WEEK

Chairman Peterson Unveils Conservation Title Proposal: On Thursday, House Agriculture Committee Chair Collin Peterson (D-MN) unveiled his conservation title for the 2007 Farm Bill. The proposal would take all baseline funding for the Conservation Security Program (CSP) -- other than money to pay existing contracts -- and transfer those funds to the Farm and Ranch Land Protection Program (FRPP) and Environmental Quality Incentives Program (EQIP). The FRPP would increase from \$97 million a year in the baseline to \$150 million in 2008 and ramping up to \$300 million a year by 2012. EQIP would increase from \$1.27 billion a year in the baseline to \$1.55 billion in 2008 ramping up to \$2.0 billion by 2012. All of that new funding over baseline would be drawn from the CSP, in essence putting the CSP in mothballs until the next farm bill five years from now.

The Peterson FRPP proposal, like many of the so-called conservation marker bills from earlier this year, would turn much of the program into a block grant and allow the states or NGOs running the grant program to establish their own level of acceptable impervious cover on a farm that would still allow it to qualify for an easement to save soil and prime farmland. The chairman's EQIP proposal leaves intact the insanely high \$450,000 per person payment limitation and would continue to allow funds to be used to build new and expanded industrial livestock facility waste systems, encouraging excess production and more environmental problems to be solved at a later date.

Despite his proposal to mothball the CSP, the chairman's mark nonetheless rewrites the entire program. It would do away with the 3-tier structure of the program, lowers the eligibility standards for the program, and require farmers to only address designated priority resource concerns, moving dramatically away from the total resource management, comprehensive conservation approach that has been part of the CSP philosophy from the beginning. It would require all participants to enroll their entire operation to qualify, thereby removing the existing partial farm Tier 1 option. It would do away with all three kinds of existing CSP payments and replace them with two new payments – a base payment to pay for maintaining existing practices and a 75% cost share payment for new practices. The payment limit would be \$30,000 a year, and contracts would be 5 years in length. Needless to say, this proposal is a far cry from the SAC proposal and is unacceptable in many, many respects.

The chairman's mark provides no funding for the Wetlands Reserve Program, which does not have baseline funding and therefore would come to an end without new money. However, the bill says that if the reserve fund provided for the farm bill in the budget resolution were to actually happen and new funds are provided for the farm bill later in the process, then WRP would be continued.

The Peterson bill contains no improvements to conservation compliance and does not, despite his previous public statements of support, contain the sodsaver provision.

The bill does include a Cooperative Conservation Partnership Initiative with some of the same features as the SAC proposal, but minus many of its most important features and with no references at all to addressing community development needs and opportunities.

SAC is working with members of the Subcommittee on several different amendments, and we will report on the outcomes of those amendments next week.

Energy, Research, Credit, and Dairy Titles Still to Come: Chairman Peterson has decided to dribble out his farm bill mark title by title. With the Conservation, Credit, Energy, and Research Subcommittee marking up its titles starting on Tuesday, we expect to see the chair's proposals for energy, credit and research by Monday at least. Nothing has been released on those three titles as we go to press. Rumor has it the energy title will include \$500 million a year for the Section 9006 Renewable Energy and Energy Efficiency grant and loan program, up from \$23 million currently, contingent on oil and gas tax savings being made available to fund it. Rumor also has it that the research title will combine the Initiative for Future Agriculture and Food Systems competitive grant program (the only research program with a farm bill baseline) and the National Research Initiative program into a single program to be called, you guessed it, the National Institute for Food and Agriculture. We will be watching these proposals very closely.

FY 2008 Budget Resolution: On Thursday, Congress finally approved the final 2008 Budget Resolution this week, with a 214-209 House vote and 52-40 Senate vote. The Resolution provides for \$21 billion more in discretionary (appropriated) spending than requested by the President, some small portion of which will go to the Agriculture Appropriations Subcommittee for the bill they will be marking up in June. The Resolution also provides for a \$20 billion farm bill "reserve" fund that the Agriculture Committees can draw on if and only if offsets are found by cutting other programs or raising taxes.

The bigger, but quieter farm bill story related to the Budget Resolution is some behind the scenes side deals pertaining to making the reserve fund into real money, but at far lesser amount than the \$20 billion. Agricultural reporters have been speculating all week about the nature and size of that deal, with reports bandied about ranging in size from \$1 billion to \$7 or 8 billion. Some reporters have said it is to be used for conservation and energy only, while others have heard that it is more wide open than that. Time will tell if there has really been a deal and if so what it is. For now, those who know aren't talking.

FY2007 Supplemental Appropriations Still Up in the Air: The FY2007 Supplemental Appropriations bill is still up in the air. President Bush vetoed an earlier version of the bill which included relatively

modest domestic spending increases in addition to funding for the wars in Iraq and Afghanistan and timelines and goals for the war in Iraq. The House then approved two separate bills, one with the war funding and one with domestic funding including a \$3.5 billion agricultural disaster assistance package as well as the 2007 funding for the Conservation Security Program and the one month extension of the MILC dairy payment program that would also trigger a full MILC baseline for the farm bill.

During negotiations with the President this week, Democratic leadership agreed to keep the domestic funding out of the supplemental appropriations for military funding, but President Bush continued to his veto threat unless any measures for troop readiness or other mission benchmark timelines for actions in Iraq were removed. It is now up to the congressional Democrats to decide how to proceed, including the issue of how to package the additional domestic spending, as staff meets through the weekend to prepare a bill for floor votes next week. They hope to have a new supplemental passed and sent to the President before leaving town for the Memorial Day recess.

Beginning Farmer and Rancher Opportunity Act Introduced: On Wednesday, Senator Tom Harkin (D-IA) and Representative Stephanie Herseth Sandlin (D-SD) introduced the Beginning Farmer and Rancher Opportunity Act of 2007 (S 1412/HR 2348). Original co-sponsors include Senators Grassely (R-IA), Baucus (D-MT) and Brown (D-OH) and Representatives Walz (D-MN) and McCollum (D-MN). This bill is a major SAC farm bill priority. SAC sent the bill's sponsors a letter of support signed by 24 organizations, including a dozen SAC member groups plus others, including National Grange, National Farmers Organization, and Communicating for America. A copy of the SAC press release on the introduction is on the website.

Not lying around gathering dust, pieces of the bill will become amendments next week as the House Subcommittee on Conservation, Credit, Energy and Research marks up its four titles of the farm bill. The bill addresses all of those titles except energy, and both Herseth Sandlin and Walz sit on the subcommittee. Over on the Senate side, Chairman Harkin intends to include the bill's provisions in his farm bill proposal due out later next month. In the meantime, we encourage all members and partners to help secure additional co-sponsors of the bill. An action alert is on the Farm Bill Action Center home on the website.

Local Food & Farmers Markets Bills Introduced: On Thursday, bills were introduced supporting key provisions of the SAC platform aimed at increasing consumer access to fresh, locally grown food and supporting the farmers and ranchers that produce it. In the House, Rep. Earl Blumenauer (D-OR), along with Rep. Steve Kagen (D-WI), Nancy Boyda (D-KS), Kirsten Gillibrand (D-NY), Bobby Rush (D-IL), Janice Schakowsky (D-IL), Thomas Allen (D-ME) and Donald Payne (D-NJ) co-sponsored the Local Food and Farm Support Act (H.R. 2364).

The bill includes the Value-Added Producer Grant (VAPG) program provisions outlined in SAC's farm bill platform, including support for mid-tier supply chains and a farm viability and innovation fund, as well as \$25 million in mandatory funding for the Farmer's Market Promotion Program (FMPP), also a SAC provision. H.R. 2364 also provides expanded funding for the Farm to Cafeteria program, Community Food Projects, and both the Farmers Market Nutrition Program and the Seniors Farmers Market Nutrition Program. In addition, the bill proposes a new initiative, the Healthy Food Enterprise Development Program to provide loans and grants for local agricultural processing and distribution systems. SAC is very pleased to offer its full endorsement of H.R. 2364, and we urge members and partners to ask other Representatives to co-sponsor this important piece of legislation.

On the Senate side, Senators Sherrod Brown (D-OH) and Hillary Clinton (D-NY) introduced the Food Outreach and Opportunity Development (FOOD) for a Healthy America Act (S. 1432). This legislation includes the mandatory \$25 million recommended for FMPP, and additional support for the Farm to Cafeteria program, Community Food Projects, and the farmers' market nutrition programs, but does not include the VAPG program. S. 1432 also proposes increased funding for the Farm and Ranch Lands

Protection Program (FRPP), with revisions allowing an undefined increase in the amount of land covered by “impervious surfaces” eligible for easements held by “qualified state and local entities” under the program. In other words, this FRPP provision could make land converted to infrastructure for industrial livestock operations, greenhouses, and other uses eligible for protection under FRPP, a program originally designed to preserve soil and agricultural land. SAC does not endorse the FRPP component of S. 1432.

CSP-Biofuels Bill Introduced: On Tuesday, Senator Amy Klobuchar (D-MN) introduced the Farm-to-Fuel Investment Act of 2007 (S. 1403) with co-sponsors Senator Tom Harkin (D-IA), Kent Conrad (D-ND), and Dick Durbin (D-IL). The bill would authorize USDA to establish bioenergy cropsheds located in the vicinity of existing or planned biorefineries. In designating cropsheds, USDA is to give priority to geographic diversity, the diversity of feedstocks, net environmental benefits from the location, and minimizing environmental harm. In addition, areas where a biorefinery is owned primarily by rural residents would also have a priority. Eligible bioenergy crops include perennials and crops which can be incorporated into a resource conserving crop rotation, except crops eligible for commodity program payments and crops that are or could be invasive or noxious.

Bioenergy crop producers would be eligible under the Energy Title for a 3-year payment program of bioenergy crop transition assistance. Under the contract for this payment, the producers agree to meet sustainability criteria for water quality, wildlife habitat, and soil quality by the end of the contract period. In addition, new incentive payments for bioenergy producers are added to the Conservation Security Program for maintaining and actively managing a conservation system that incorporates 2 or more native perennial bioenergy crop species and for participation in a bioenergy crop system research and demonstration project.

RAFI's Scott Marlow Testifies at Crop Insurance Hearing: On Monday, Scott Marlow from the Rural Advancement Foundation International – USA, a SAC member group, testified before the House Farm Commodities and Risk Management Subcommittee on issues related to Adjusted Gross Revenue insurance and organic insurance. His testimony and that of the other 7 witnesses can be viewed at www.agriculture.house.gov. Scott did an excellent job of laying out the promise and current pitfalls with whole farm revenue insurance through AGR and AGR-Lite policies, and also summarized the dual problem organic producers face by being forced to pay a premium surcharge and not being able to collect at organic prices when a disaster occurs. Subcommittee Chair Bob Etheridge (D-NC) asked Scott several questions related to insurance coverage problems faced by contract farmers and Rep. Charles Boustany (R-LA) asked Scott to supply the committee with ideas for streamlining AGR insurance. Rep Randy Neugebauer (D-TX) asked about organic insurance, and Scott carefully explained to the subcommittee how the burden of proof for the organic surcharge should be shifted from the farmer to USDA, a proposal that is part of the SAC farm bill platform.

House Ag Appropriations Concludes Marketing & Regulatory Hearing: On Thursday, the House Agriculture Appropriations Subcommittee resumed consideration of FY2008 appropriations for USDA's marketing and regulatory programs, a hearing interrupted last week by floor votes. Continuing a theme from the previous week, Chairwoman Rosa DeLauro (D-CT) closely questioned USDA representatives about delays in implementing mandatory COOL requirements. Rep. Rodney Alexander (R-LA) inquired about USDA's facilitation of school procurement of local fruits and vegetables, and potential barriers to these efforts. Rep. Sam Farr (D-CA), citing growing concerns about improper or misleading use of the organic label, questioned USDA's efforts to enforce National Organic Program standards.

USDA NEWS

NCR-SARE 2008 Announces Call for Research and Education Grant Preproposals: This week, the North Central Sustainable Agriculture Research and Education (NCR-SARE) Program announced a call for preproposals for its Research and Education Grant Program. Collaborative teams of scientists, farmers, institutions, organizations, and educators who are exploring sustainable agriculture through in-depth

research projects or education/demonstration projects are eligible to apply. The 2008 preproposal has been changed from previous calls for preproposals so it is very important to visit www.sare.org/ncrsare for more information. The deadline for receipt of preproposals is June 19, 2007.

Wetlands Reserve Program Funding for Special Projects: On Tuesday, USDA announced that nearly \$35 million in FY2007 Wetlands Reserve Program funding had been distributed to fund 12 special projects in 11 states, designed to protect threatened and endangered species and enhance wildlife habitat on wetlands. The special funding is in addition to the state's WRP allocation and allows states to fund large-scale projects in defined geographic areas that include partner involvement and contributions. Special project funding covers easement acquisition costs such as appraisals, surveys and closing, and restoration costs. A list of projects funded and additional information is on the web at <http://www.nrcs.usda.gov/news/>.

DULY NOTED

Farm Bill Foundation Forum on Organics: On Tuesday, Mark Lipson of the Organic Farming Research Foundation, a SAC member group, and Caren Wilcox of the Organic Trade Association led a packed audience in a lively discussion on "Organic Food Issues in the Farm Bill," at a Farm Foundation session that is part of its Farm Bill Forum series. In their opening remarks, both Mark and Caren emphasized the fact that the demand for organics is growing exponentially, and to meet this demand, organic agriculture needs to receive its fair share of resources in the 2007 Farm Bill.

Comments and questions from the audience ranged from concerns about the income loss associated with the three-year transition period to the effect of specific proposals for the 2007 Farm Bill on organics. The lengthiest discussion centered on the overall lack of information and data on organic agriculture, such as how much land is currently in transition in the U.S. and how much organic food is being imported. Former Congressman Charlie Stenholm used his position as moderator of the panel to urge the employees of different agencies and organizations in the audience to break down the stovepipe systems that they have historically operated under, and to instead make a concerted effort to work together to compile and share the data that is needed to facilitate the expansion of organic agriculture.