

**WEEKLY UPDATE**  
**SUSTAINABLE AGRICULTURE COALITION**  
**June 11-15, 2007**

**ACTION NEEDED**

**STAY TUNED!! ACTION ALERTS WILL BE ISSUED NEXT WEEK FOR  
FULL HOUSE AGRICULTURE COMMITTEE MARKUP**

We are finishing work on amendments that will address SAC priorities left out of the Chairman's mark, weakened in the Chairman's mark, or otherwise tabled during subcommittee meetings. These amendments will be the basis for action alerts that we will be issuing to Weekly Update readers next week, in advance of the full House Agriculture Committee markup the week of June 25. We encourage you to send them to your action networks or use them as a template for developing your own alerts. As always, the action alerts will also be posted to "Act Now!" on our Farm Bill Action Center: [www.sustainableagriculturecoalition.org](http://www.sustainableagriculturecoalition.org).

**Special CAFO Alert -- Senate Energy Bill Amendment to Exclude Animal Waste from CERCLA-EPCRA:** On Thursday SAC learned that Senator Pete Domenici (R-NM) may offer an amendment to the energy bill (H.R. 6) before the Senate which would exempt all the wastes and air emissions from concentrated animal feeding operations (CAFOs) from the protections of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or "Superfund") and the Community Right-to-Know Laws (EPCRA). An Action Alert urging Senators to oppose the amendment was circulated to the members of the Clean Water Network. Senate floor action on the energy bill will continue next week. A copy of the Clean Water Network e-mail is attached to the message with this Weekly Update.

**THIS WEEK**

**Farm Bill Reserve Fund Math Problem:** As we have reported repeatedly, the congressional budget resolution for this year allows the farm bill to spend \$20 billion more than baseline spending levels over the next five years if offsetting spending reductions or tax increases can be found to pay for the increase. The lack of any concrete plan to make the reserve fund real is the number one factor potentially holding up full consideration of the bill in both the House and the Senate.

The House, traditionally the first of the two bodies to markup a farm bill, has so far dealt with this problem in subcommittee markups by funding some programs with mandatory spending, some programs with mandatory spending contingent on the reserve fund becoming real via actual offsets, and some programs with nothing more than authorizations for appropriations.

This week, House Chair Collin Peterson (D-MN) has told the press corps covering the farm bill that the farm bill will be allowed to spend \$13 billion over baseline, or about two-thirds of the full reserve fund. However, neither he nor anyone in the House Democratic leadership has yet to explain where the funding offsets will come from, other than funding for the energy title. The current expectation is for the farm bill to be considered at full committee level with the contingency funding provisions still intact. If funding offsets are not ready to be married to the bill when it reaches the floor, there is even some talk of keeping the contingency funding designations while the bill is on the floor and not getting down to brass tacks on real funding levels until the bill goes to conference with the Senate. It is difficult to imagine how that could possibly work, though nothing about the fiscal process on this farm bill deliberation has been clear or straightforward.

Reserve fund math is getting interesting, and problematic. As you will read below, the nutrition title approved this week would spend nearly \$6 billion from the reserve fund, considerably more than most

observers thought would be the case just weeks ago. The previously passed conservation title spends over \$7 billion from the contingency, with the energy title weighing in at about \$5 billion. Specialty crop programs get a medium chunk of reserve fund money, and organic, farmers markets, and beginning farmers get small portions. In other words, the \$20 billion is nearly spent out, with more amendments on tap at full committee to spend more. If the \$13 billion turns out to be the real deal, there will be some substantial shrinking to be achieved. And if it is wishful thinking rather than a real deal, watch out. Whether the shrinkage is enough to force House floor consideration of moves to downsize commodity program spending (see story below) in order to fund other priorities remains to be seen.

**House Ag Subcommittee Markup of Nutrition Title:** On Thursday, the House Ag Subcommittee on Department Operations, Nutrition and Forestry marked up its portion of the Farm Bill. The bill authorizes up to \$30 million per year in discretionary funding for *Community Food Projects*, which would replace the current mandatory funding level of \$5 million per year. The *Seniors Farmers Market Nutrition Program* would retain its \$15 million in annual mandatory funding, and could receive an additional \$230 million over the life of the Farm Bill, if money is made available through appropriations.

A contentious partisan debate focused on the USDA nutrition programs, with the bill providing a \$5.8 billion increase in funding supported by hunger and nutrition advocates. This increase, if included in the final version of the Farm Bill, would take a significant part of the so-called Farm Bill reserve fund, for which House Ag Committee Chairman Colin Peterson (D-MN) recently speculated \$13 billion may be available. Chairman Peterson's proposed expansion of the food stamp program includes most of the nutrition spending increase, including:

- Increase the standard food stamp household deduction and index the deduction to inflation.
- Remove the cap on the childcare expense deduction.
- Exclude combat-related military from income calculations for determination of benefits under the program.
- Exclude qualified tuition savings programs from countable financial resources.
- Index the allowable amounts of household resources to inflation.
- Exclude retirement accounts from countable financial resources.
- By one year after Farm Bill enactment, cease issuing food stamp coupons and institute universal EBT redemption at retail stores.

Republican members of the Subcommittee opposed the increases, citing concern that the proposed food stamp program increases are tied to the Farm Bill reserve fund, rather than specific budgetary offsets. Rep. Randy Neugebauer (R-TX) introduced amendments to remove provisions that would link food stamp benefits to inflation rates and exclude retirement funds from income calculations, with both amendments ultimately rejected. Rep. Charles Boustany (R-LA) challenged the prohibition on the hiring of independent contractors to administer food stamp programs in an amendment that was defeated by a 5-6 party line vote.

Several amendments were approved by the Subcommittee with bi-partisan support, including an amendment offered by Subcommittee Chairman Joe Baca (D-CA) and Ranking Member Bonner (R-AL) that would give the food stamp program a new name—the “Secure Supplemental Nutrition Assistance Program” or SSNAP. Also approved was an amendment offered by Rep. Steve Kagen (D-WI) for the creation of a USDA grant program for education aimed at combating rising obesity rates.

The bill also provides a significant funding increase for the *Emergency Assistance Food Program (TEFAP)*, which since the 2002 Farm Bill has received discretionary funding, and would now see \$250 million in mandatory funding over the live of the Farm Bill, assuming reserve funds are realized. The *Fresh Fruit and Vegetable program* would also see expansion to all 50 states through mandatory funding of \$100 million annually, this increase once again tied to the availability of reserve funds. The *DOD Fresh Program* also received significantly increased support, and is slated to receive \$300 million in

annual mandatory funding over the life of the Farm Bill, with this increase coming directly from the existing Farm Bill budget.

The markup concluded with consideration of the Forestry Title. The Subcommittee approved, without amendments or debate, the Chairman's draft which largely proposes to extend existing USDA forestry programs for private lands. The nutrition and forestry titles and amendments are posted at <http://agriculture.house.gov/inside/2007FarmBill.html>.

**Ag Appropriations Delayed:** The scheduled House Subcommittee mark-up of the 2008 agricultural appropriations bill, the first step in the annual appropriations process, was postponed twice this past week. The bill, which was otherwise ready to go, was caught up in a larger partisan battle over how appropriations bills will deal with earmarks.

House Appropriations Full Committee Chair David Obey (D-WI) had earlier seized the high ground on this issue by declaring that with the return to Democratic control of the House, they would slash the total value of earmarks in half compared to where they have been in recent years under GOP control. More recently, however, he announced that the bills as they are debated in committee and on the floor would not have the remaining earmarks in them, but rather the earmarks would be married back up to the bills later in the year. The GOP pounced, attacking Obey and the Democrats for a non-transparent process that would leave earmarks less than fully debated.

After a week of back and forth, the earmarks are going back in from the start for those bills, including agriculture, which have not been approved yet. Problem is, having been temporarily relieved of the burden of sorting through the thousands of earmark requests from Members, the appropriations subcommittee had not yet completed that critical task. Hence, it appears now that the agricultural spending mark-up will be postponed until after the July 4 recess to allow this work to be completed. That means, you guessed it, we have more time to make sure we are registering citizen opinion in support of our priority sustainable and organic agriculture program priorities!

## **NEXT WEEK**

**Commodity Title Mark-Up:** House Agriculture Committee Chairman Collin Peterson (D-MN) unveiled the draft commodity title package on Thursday night. To view the summary or legislative language, see <http://agriculture.house.gov/inside/2007FarmBill.html>. The Subcommittee markup will take place on Tuesday, starting at 10 AM.

Consistent with the peanut title marked up two weeks ago, the overall theme for the major commodities is an increase in target prices and loan rates for many crops, funded by a decrease in the payment acres for direct (Freedom to Farm) payments. This continues the move away from Freedom to Farm and toward restoration of traditional safety net programs (minus the supply management) started in the 2002 Farm Bill. It also stands in sharp contrast to the Administration's farm bill proposal which increased direct payments and cut back on the traditional safety net, consistent with their trade objectives in the Doha Round of trade talks.

**Rebalancing:** In an attempt to meet the many demands of commodity groups, the bill introduced for mark-up would increase target prices substantially for wheat and soybeans and modestly for barley and oats while holding corn, sorghum, rice, and oilseeds constant and lowering the cotton support rate by 2 cents. For loan rates, wheat, malt barley, dry peas, lentils and chickpeas would rise substantially, while corn, sorghum, cotton and rice would take small nicks in the current levels.

**Planting Flexibility:** Despite the pressure of the successful Brazilian case against the US in the WTO, the Peterson proposal would retain the current prohibition against planting fruits and vegetables on base

acres, with one small exception: on behalf of food processing companies, the bill would establish a pilot project in Indiana to allow processing tomatoes to be grown on base acres.

***No Permanent Disaster:*** Despite being touted all year as one of Peterson's very top priorities, the proposal does not include a permanent disaster program. The Chairman was quoted in the press as saying he was not able to get the prospective cost of such a program low enough to fit within the budget confines of the commodity title. It was rumored to have cost the equivalent of at least a 20-25 percent cut in direct payments over and above the cut they are already making to pay for rebalancing.

***Payment Limitations:*** The Chairman has said over and over again that he does not like the idea of payment limitations, but that some amount of reform would have to be included in the bill in order for it to pass on the House floor. The draft proposal, however, does not fulfill even those low expectations. To its credit, it does include the first step of any effective payment cap proposal – direct attribution of payments to real, warm bodied individuals. While this is a necessary condition of reform, it is not a sufficient condition to achieve any practical results in the real world. It would make it slightly more difficult to double, triple or quadruple up on payments, but not at all impossible. Moreover, the proposal calls for an end to any limitation at all on marketing loan gains and loan deficiency payments. The bottomline is that there would be no effective cap on payments, and the 6- and 7-figure payments that have been catalogued on the Environmental Working Group website and elsewhere would continue. This morning, SAC issued a press release and a chart comparing current law, the new Peterson proposal, and the Dorgan-Grassley real reform bill.

***Set 'Em Up, Knock 'Em Down:*** Peterson has announced yesterday that during the markup next Tuesday, the Subcommittee will consider, and no doubt very handily defeat, the Farm 21 proposal of Representatives Kind (D-WI) and Flake (R-AZ) to replace commodity programs with tax-preferred savings accounts, the Administration's commodity title proposal, and the commodity program buy-out proposal proffered by CitiBank. That way, when the bill is on the floor, if amendments are offered containing part or all of these alternative proposals, the Committee can argue that they gave the ideas consideration but voted each of them down, an always useful talking point against such major floor amendments. More intriguing, perhaps, will be how they handle payment limit reform amendments in Committee and possibly on the floor if the Committee fails to act.

## **USDA NEWS**

**Nominations for Beginning Farmer Advisory Board:** On Friday, USDA announced that it is taking nominations for membership on the Advisory Committee on Beginning Farmers and Ranchers. Membership terms are 2-years. In this round of appointments, there will definitely be a place open for a farmer or rancher. Nominations are due July 16, 2007 and should be sent to Mark Falcone, Designated Federal Official (DFO) for the Advisory Committee on Beginning Farmers and Ranchers, Farm Service Agency, USDA, 1400 Independence Avenue, SW., STOP 0522, Washington, DC 20250-0522; telephone (202) 720-1632; Fax (202) 690-1117; or e-mail [mark.falcone@usda.gov](mailto:mark.falcone@usda.gov). USDA will announce the new members of the Committee in the fall.

USDA also announced that the next meeting of the Advisory Committee on Beginning Farmers and Ranchers will be held on July 9-10, 2007 starting at 8 am CST each day at the Embassy Suites Des Moines-On the River, 101 East Locust Street, Des Moines, Iowa, (515) 244-1700. The agenda includes (1) Discussions concerning provisions of the 2007 Farm Bill legislative proposals to assist beginning farmers and ranchers, many of which were proposed by SAC; (2) A young farmer panel discussion; (3) Comments from the Director of Iowa's Beginning Farmer Center; and (4) Status of previous committee recommendations. The meeting is open to the public. If you wish to make an oral statement to the Committee, contact Mark Falcone by July 5.

**Comment Period for Mandatory Country of Origin Labeling Re-opened:** On Friday, USDA's Agricultural Marketing Service announced that it is re-opening the comment period for 60 days for general comments on the proposed rule for mandatory country of origin labeling (COOL) for beef, lamb, pork, perishable agricultural commodities, and peanuts. USDA will review the comments and information received as it promulgates a final rule for mandatory COOL for all covered commodities.

USDA published the proposed rule on Oct. 30, 2003. The proposed rule requires designated retailers and their suppliers to notify customers of the country of origin of covered commodities. It also requires retailers and their suppliers to maintain specific records to verify claims. The full text of the proposed rule can be found at [www.ams.usda.gov/cool/ls0304.pdf](http://www.ams.usda.gov/cool/ls0304.pdf). Comments are due August 20, 2007 and should be submitted online at [www.regulations.gov](http://www.regulations.gov) or via e-mail to [cool@usda.gov](mailto:cool@usda.gov); by mail to Country of Origin Labeling Program, Room 2607-S, Agricultural Marketing Service, 1400 Independence Avenue SW, Stop 0254, Washington, DC 2025-0254; or by fax to (202) 720-1112. Additional information on the COOL program can be found at [www.ams.usda.gov/cool](http://www.ams.usda.gov/cool).

## **DULY NOTED**

**ALBA Featured on NPR's Marketplace:** On Wednesday, the nationally broadcast NPR radio show Marketplace aired a great story on the Agriculture and Land-Based Training Association, a SAC member. The story featured Florentino Collazo, ALBA's farm manager, who learned organic farming techniques at ALBA. With his family savings and ALBA's assistance in securing loans, Mr. Collazo is about to start his own farming operation. The story also emphasized the importance of local marketing opportunities for small-scale, entrepreneurial farmers.

**EWG Releases Farm Subsidy Database Update:** This week, the Environmental Working Group released the update of its farm subsidy database. This update tracks payments from FY1995-FY2005 and incorporates new, more detailed data on ownership interests that USDA made available in May, 2006. Among the new factoids from the database – in recent years, the top 1 percent of the beneficiaries received 17 percent of the subsidies. The database is at [www.ewg.org/sites/farmbill2007/index.php](http://www.ewg.org/sites/farmbill2007/index.php).

**Public Health Letter Calls for a Healthy Farm Bill:** On Wednesday, a letter calling for a healthy farm bill was delivered to Congress. The letter was signed by over 300 health professionals, including organizations and individual physicians, nurses, dietitians and public health practitioners. The letter was organized by the Institute for Agriculture and Trade Policy, the American Public Health Association, and the Johns Hopkins Bloomberg School of Public Health. It urges Congress to use the farm bill to make healthy food more affordable and accessible in order to help stem the rise in childhood obesity and related health problems. The letter also singles out the industrial-scale production of food animals raised on grain and routinely fed human antibiotics as growth promoters, which increases antibiotic resistance. Impacts on the health of consumers, communities and the planet from the intensive use of pesticides and fossil fuels in agriculture are highlighted as well. To read the letter, go to [www.farmandfoodproject.org/](http://www.farmandfoodproject.org/).