



FINAL OUTCOME “SNAPSHOT” OF SAC’S 2008 FARM BILL POLICY PLATFORM

❖ REWARD SUPERIOR CONSERVATION SYSTEMS ON LAND IN AGRICULTURAL PRODUCTION

Conservation Stewardship Program

WIN: \$1.1 billion in increased funding and a total of over \$12 billion in mandatory funding for the program over 10 years, which will be sufficient to enroll approximately 115 million acres in CSP by 2017. Program is revised to be nationwide (not limited to particular watersheds), with streamlined provisions and payments structure, higher environmental standards, special outreach for organic producers, special payments for resource-conserving crop rotations, and a continuous sign-up process.

❖ ENCOURAGE AND SUPPORT A NEW GENERATION OF FARMERS AND RANCHERS

Beginning Farmer and Rancher Development Program

WIN: \$75 million over 4 years, first-time mandatory funding for competitive grants to fund education, extension, outreach, and assistance to foster new farming opportunities.

Outreach to Socially Disadvantaged Farmers (Section 2501)

WIN: \$75 million over 4 years, first-time mandatory funding for competitive grants to fund partnerships to assist minority farmers and help them access USDA programs.

Beginning Farmer and Rancher Down Payment Loans

WIN: Lower interest rates, better lending terms, and higher maximum purchase price on first-time land purchases, plus an expansion of the program to also cover minority farmers.

Beginning Farmer and Rancher Individual Development Account Pilot Program

WIN: New 15-state pilot program to assist limited-resource beginning farmers accumulate start-up savings and financial management skills; will require appropriations.

Beginning Farmer and Rancher Contract Land Sales Program

WIN: New permanent, nationwide authority for federal guarantees on private land contract sales to assist transfer of farms from retiring to beginning farmers and ranchers.

Higher Loan Limits and Credit Program Funding Levels

WIN: Increase in per farm loan limits from \$200,000 to \$300,000, and an increase in the authorization for appropriations for annual lending funds to \$350 million and \$850 million for direct ownership (real estate) and direct operating loans, respectively.

Conservation Assistance

WIN: *Conservation Reserve Program Transition Program* – \$25 million over 10 years, new program with mandatory funding to encourage owners of CRP land that is returning to production to rent or sell to beginning and minority farmers and ranchers, including those adopting rotational grazing or organic production.

WIN: *Conservation Loans* – Revised conservation loan program that includes priorities for beginning and minority farmers and for conversion to sustainable and organic farming.

WIN: *Conservation Set-Aside, Higher Payment Rate, and Advanced Payment* – Reserves 5% of total funds from conservation working lands programs for both beginning and socially-disadvantaged farmers and ranchers; also provides them with a 90% cost-share rate and 30% payment advances under the Environmental Quality Incentives Program.

Office of Small Farms and Beginning Farmers and Ranchers

WIN: Creates a new office at the top level of USDA to coordinate implementation of small farm and beginning farmer and rancher policies and programs.

❖ REINVIGORATE REGIONAL AGRICULTURAL ECONOMIES AND LOCAL FOOD SYSTEMS

Farmers' Market Promotion Program

WIN: \$33 million over 4 years, first-time mandatory funding and nearly seven-fold increase for competitive grants that increase farmer-to-consumer direct marketing, including farmers' markets, CSAs, and on-farm consumer sales.

Value-Added Producer Grants

PARTIAL WIN: \$15 million in mandatory funding over 4 years (a very significant cut, but additional annual funding through appropriations process is likely) for competitive grants to help farmers develop value-added businesses, including a new directive to support mid-tier value chains and local and regional food systems; also includes a new priority for small- and mid-sized family farms and beginning and socially-disadvantaged farmers.

Local Food Enterprise Guaranteed Loan Program

WIN: Provides that 5% (currently 5% is about \$50 million a year) of the Business and Industry Loan Program be used to provide federal guarantees on commercial loans that improve, develop, or finance local food enterprises in rural communities.

Interstate Shipment of State-Inspected Meat

WIN: Very small meat processing plants with state rather than federal inspection that meet strong food safety standards will be allowed for the first time to sell across state lines, increasing marketing options for sustainable livestock producers and improving regional food systems.

❖ ENCOURAGE A NEW, PRIMARY ROLE FOR CONSERVATION IN FEDERAL FARM POLICY

Conservation Title as a Whole

WIN: \$4 billion net increase in mandatory spending, combined with \$2.5 billion in savings from Conservation Reserve Program, for total new funding of \$6.5 billion, and a continued rebalancing toward working lands conservation.

Conservation Stewardship Program *(see above)*

Cooperative Conservation Partnership Initiative

WIN: New mandatory requirement for USDA to reserve 6% of all working lands conservation funding to be delivered through state and local partnerships, including NGOs, focusing on local and innovative solutions to agro-environmental problems: 90% of funding total will be determined at the state level.

Wetlands Reserve Program

PARTIAL WIN: \$1.3 billion in new, restored funding over 5 years; annual acreage enrollment goal declines from 250,000 acres to 185,000 acres due to funding decrease during farm bill conference; a very important restored easement appraisal process is included.

Conservation Compliance

PARTIAL WIN: Graduated penalties and better appeals process to improve enforcement when farmers are in violation of their soil conservation plans on highly erodible land. Our other proposed reforms to compliance and swampbuster (wetland) protection did not get into the bill.

Sodsaver

MISS: Provisions in both House and Senate versions of the bill prohibited crop insurance subsidies on newly broken-out native sod on a nationwide basis. Final bill limits the reach of the grassland ecology protection provision to only portions of five states and allows the state to opt out.

Confined Animal Feeding Operation (CAFO) Subsidies

PARTIAL WIN: The per farm payment limitation for the Environmental Quality Incentives Program is reduced from \$450,000 to \$300,000 every six years, though a waiver can be provided if

USDA determines projects are of special environmental significance. Weakening of the Farm and Ranch Land Protection Program to accommodate CAFOs and other “impervious surfaces” at the state level is limited by retention of oversight by USDA.

Pesticide “Non-Discrimination”

WIN: Damaging House farm bill provision restricting USDA conservation programs from encouraging farmers to reduce the use of toxic pesticides and implementing integrated pest management was eliminated in the final bill.

Enforcing “Food Safety” Through Marketing Orders

WIN: Damaging House farm bill provision giving food safety authority to producer association marketing orders, with negative implications for both food safety and conservation, was eliminated in the final bill.

❖ **ASSIST FARMERS’ AND RANCHERS’ TRANSITION TO ORGANIC PRODUCTION**

National Organic Certification Cost Share Assistance

WIN: \$22 million over 5 years, mandatory funding, a nearly five-fold increase to help cover the costs of organic certification.

Organic Conversion Assistance

WIN: A new financial assistance option within the Environmental Quality Incentives Program for producers transitioning to organic production.

Organic Agriculture Research and Extension Initiative

WIN: \$78 million over 4 years in mandatory funding, a seven-fold increase, to fund competitive grants for organic farming research and extension.

Organic Data Collection Initiative

WIN: \$5 million over 5 years, first-time mandatory funding to fund a USDA organic data collection effort; will supplement appropriated dollars for the same program.

Organic Crop Insurance

PARTIAL WIN: Sets in motion processes at USDA that should have the effect of ending the current discriminatory treatment of organic producers under the Federal crop insurance program.

❖ **ENSURE FAIR AND COMPETITIVE AGRICULTURAL MARKETS**

Livestock Title

WIN: Newly-created Livestock Title within the farm bill to begin to provide fairness and contract reform for farmers in livestock and poultry markets.

Undue Price Preference

WIN: Requires USDA to implement a regulation to define undue price preference so that smaller, independent livestock producers cannot be offered unjustified lower prices than mega-operations by the big packers.

Voluntary Arbitration

WIN: Provides farmers for the first time with the ability to decline to be bound by unfair mandatory arbitration clauses in a livestock or poultry contract.

Contract Reforms

WIN: **Contract Cancellation** – Requires a company to give contract growers 3 days to cancel a contract after signing it.

WIN: **Capital Investments Disclosure** – If large capital investments will be required of a contract grower, the contractor is required to disclose that such investments may be required over the life of the contract.

WIN: **Breach of Contract** – Requires USDA to provide contract growers with a reasonable period of time to remedy a breach of contract that would lead to contract termination.

WIN: **Dispute Settlement** – Enables a contract grower to settle a dispute in the Federal judicial district where he or she lives rather than where the company headquarters is located.

Annual Compliance Report

WIN: Requires the USDA to provide an annual compliance report detailing the number and length of time spent on potential violations of the Packers and Stockyards Act.

Packer Ban, Captive Supplies, Competitive Harm, Bargaining Rights, USDA Special Counsel

MISS: Final bill does not include the Senate provision that prohibits packer ownership of livestock used to manipulate prices to detriment of producers, or other high priorities for restoring open markets and fair competition.

❖ **SUPPORT ENTREPRENEURSHIP AS A RURAL DEVELOPMENT STRATEGY**

Rural Micro-enterprise Assistance Program

WIN: \$15 million over 4 years, new program with mandatory funding to assist rural entrepreneurs in establishing new small businesses in rural sectors; had hoped for more funding, but the program will at least get off the ground and could receive additional funding through appropriations.

Value-Added Producer Grant Program (*see above*)

❖ **INCREASE SUSTAINABLE AGRICULTURE RESEARCH AND EXTENSION RESOURCES**

Agriculture and Food Research Initiative

PARTIAL WIN: Creates a new national competitive grants program that melds the National Research Initiative and the Initiative for Future Agriculture and Food Systems with an authorization of appropriations of \$700 million a year; no mandatory funding, however.

WIN: Small and medium-sized farm profitability, rural entrepreneurship, conventional/classical plant and animal breeding (including for sustainable and organic systems), agro-ecosystems, and sustainable energy included as new or revised national priorities, with high probability that each will be a major annual national program with AFRI funding.

Research Grants for Antibiotic Research

WIN: Creates a competitive grant program to study the development of antibiotic-resistant bacteria in livestock and ensure judicious use of antibiotics in livestock; will require appropriations.

Appropriate Technology and Transfer for Rural Areas (ATTRA)

WIN: Creates permanent authorization within the USDA Rural Business Cooperative Service for ATTRA, the National Sustainable Agriculture Information Service.

Organic Research and Extension Initiative (*see above*)

Organic Data Collection Initiative (*see above*)

❖ **PROMOTE A TRANSITION TO MORE SUSTAINABLE BIOENERGY STRATEGIES**

Biomass Crop Assistance Program

PARTIAL WIN: \$70 million over 5 years for new program with mandatory funding that provides assistance to farmers producing biofuel crops, including perennial crops.

❖ **REFORM COMMODITY PAYMENT PROGRAMS**

MISS: Comprehensive payment limitation reform was not included in the bill. The “three-entity rule” was repealed and “direct attribution of payments” was enacted, two necessary but not sufficient conditions to achieving real reform. However, the net result is no change in the highly skewed status quo on payment limits for direct and counter-cyclical payments. Existing per farm limits on loan deficiency payments were removed, so that those payments are now unlimited. A bit of means-testing was added for direct payments only, but at levels so high as to be inconsequential. No change was made to the prohibition on growing fruits and vegetables on commodity base acres other than a small 75,000 acre pilot project for several Midwestern states for canned fruits and vegetables only.