

The Natural Farmer

Fill the Full Man's Plate: Report on the 2002 Farm Bill - Summer 2002

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By Elizabeth Henderson

Have you ever watched a hand wrestling match between a very determined ten year old and a professional prize fighter? The odds are 1000 to 1 against the boy. He is young and inexperienced, his hand is small and his arm short. His only assets are youth, optimism and fierce drive. The combatants clasp hands. The boy strains with all his might. For a few exhilarating moments, he holds back the downward pressure of the mature, seasoned athlete's arm. Then the inevitable occurs: in a flash of power, the pro crushes the boy's arm to the mat. That is kind of what my experience has been watching the 2002 Farm Bill unfold. The growing grass roots movement for sustainable agriculture is that valiant ten year old. And we deserve a lot of credit for persistence, nerve and resourcefulness. In the end, we won a few crumbs from the glutton's table, and while that is better than nothing, we have to face the reality that we have a long way to go to achieve social justice, equity, and community food security in federal farm policy.

After months of haggling, the Senate and House conferees agreed upon a Farm Bill. The 2002 Farm Bill, a compendious compilation a thousand pages long of food and farm legislation covering commodity payments, rural development, food stamps, nutrition, agricultural research, and conservation, will last 6 years. I think if we asked most readers of TNF what the big issues in food and farm policy are, they might answer - saving family-scale farms, feeding the hungry, shifting investments from bioengineering to biological solutions, stopping the circle of poison, and reducing farm chemicals. The Congressional conferees, however, had other fish to fry. Should they set the loan rate for soy beans at \$5.05 or \$5.01, and for corn at \$1.98 or \$2.02? Till these burning questions were answered, everything else hung in the balance.

The commodity title, the center-piece of the Farm Bill and the biggest chunk of taxpayer money, determines the allocation and size of payments to farms which produce the program crops - corn, soybeans, grains, cotton, sugar and peanuts. This bill will not change the historic pattern of making the biggest payments to the biggest farms.

For those of you who have not been following every twist and turn in this saga, let me provide some background information. The National Campaign for Sustainable Agriculture is a coalition of hundreds of organizations from around the country, including organic farming associations, the National Farmers Union, the National Family Farm Coalition, the Rural Coalition, consumer and environmental groups, the Humane Society and other animal rights groups, faith organizations, community food security

groups, and others. The NOFAs have been involved since its inception as the Dialogue for Sustainable Agriculture in 1992. The NCSA does not have a party line. Member organizations gather annually to develop policy priorities based on their own priorities. In the words of NCSA Executive Director Kathy Lawrence, "what distinguishes the National Campaign is:

- *Practical, concrete, policy initiatives* borne of grassroots experience and ingenuity, coupled with in-depth knowledge of the federal legislative process;
- *The strength, diversity, expertise, and passion* of our grassroots and national partners, *committed to making under-represented voices heard*; and
- *A holistic, inclusive vision of sustainable agriculture*, based on the integration of economic, environmental, and social justice."

This year's annual meeting of the National Campaign for Sustainable Agriculture (NCSA) in February opened on a note of excitement. Throughout the fall and winter, the NCSA staff had been coordinating the efforts of member organizations around the country to break the "Freedom to Fail" mold of the old Farm Bill and to cast sustainability for family farms as the centerpiece of the new one. The major national environmental organizations had finally awakened to the significance of agriculture as an environmental issue and committed their resources to work on changing the Farm Bill. As a result, for the first time, a little of the big Farm bill money for commodity programs will go instead for conservation to farms of any size and with any crops through the Conservation Security Program.

Against all expectations, the Senate version of the Farm Bill incorporated measures that would limit the power of the few large meat packing companies and increase the chances that small farmers would be able to attain fair contracts. Although the House hurried its version of the Farm Bill through without any grassroots participation, the House-Senate Conference that negotiated the final bill adopted a few of the most important gains from the Senate version. However, in the lengthy back room dealing amongst the conferees, the big boys muscled their way through again. Despite motions to instruct from the House, which passed with large margins, the conferees paid no attention to the demands to limit payments and restrict packer ownership of livestock. "Fill the full man's plate. Hosanna!" is the central theme of the 2002 Farm Bill.

Below is a summary of farm bill "wins" and "losses" written by the staff of the National Campaign for Sustainable Agriculture, incorporating summaries from Campaign for Contract Agriculture Reform, the Campaign for Family Farms, the Community Food Security Coalition, Midwest Sustainable Agriculture Working Group/Sustainable Agriculture Coalition, National Family Farm Coalition, and Rural Coalition/Coalicion Rural. All of these groups cooperated in the Farm Bill struggle.

Wins and Losses in the 2002 Farm Bill

In late February, partners within the National Campaign for Sustainable Agriculture developed a summary of what the National Campaign would actively fight for in the farm bill conference committee. The following summary of our wins and losses in this farm bill is built upon this summary. We had many major wins, and a few stinging losses.

The National Campaign does not support the farm bill passed by Congress because we feel the huge subsidies for the biggest farming and factory livestock operations are glaring examples of corporate welfare policy that will hurt farm and ranch communities and are not in our true national interest. However, the sustainable agriculture movement achieved some major victories and had a profound impact on the quality of the farm bill debate. The issues that were the biggest sources of debate — real

payment limitations, contract agriculture reforms, prohibition against large meatpacker ownership of livestock, the important new Conservation Security Program — were our issues. We won the Conservation Security Program and many other important provisions, and we will continue to fight for those issues we lost.

Farm Bill Victories

Conservation Security Program This is a visionary new farm program that bridges a gap between commodity programs and land retirement programs, providing financial incentives for conservation on working lands, needed support for family farms and ranches, and environmental benefits such as clean water and air for all Americans, both rural and urban alike.

WIN: Full Conservation Security Program will be established as an entitlement program, making it the first conservation program to be on par with commodity programs (i.e. if a farmer or rancher qualifies, she or he can participate in the program).

Beginning Farmer and Rancher Provisions These secure a new generation of farmers and ranchers, support the beginning farmer and rancher development program, credit program reforms and targeted incentives in the Senate bill. There are twice as many farmers over age 65 as under age 35, and in the 140 years of USDA's existence there has not been a USDA program for new farmers or ranchers (except FSA loan programs). \$15 million per year mandatory spending on this program is a small but vital investment in the future of U.S. agriculture.

WIN: The farm bill establishes the Beginning Farmer and Rancher Development Program, but funding will be discretionary (we'll have to fight for it in annual appropriations process). The farm bill also reforms the credit title to improve programs for beginning farmers and ranchers, and the bill includes cost-share assistance to help beginning farmers and ranchers participate in conservation programs.

Value-Added Market Development Program This works for small and mid-size farms that are trying new and alternative ways to increase farm income.

WIN: Hard-won language was adopted to allow the Value-Added Market Development Program to include how an item is produced (e.g. grass-fed, free range, organic, etc.) to qualify as value-added.

Mandatory Country of Origin Labeling Provisions require mandatory labeling of meat, produce, peanuts and farm raised fish by its country of origin to allow U.S. consumers to know and choose the origin of their food.

WIN: Country of origin labeling will be voluntary this year and next, but will become mandatory for all beef, lamb, pork, wild and farm-raised fish, peanuts, and produce (fruits and vegetables).

Food Stamps for Legal Immigrants Restores food stamp benefits to legal immigrants in the Senate farm bill.

WIN: This provision is in the farm bill.

USDA Equity and Justice Reforms These provisions increase accountability and transparency in all USDA programs and services, including support for the USDA Assistant Secretary for Civil Rights.

WIN: The farm bill authorizes the creation of a USDA Assistant Secretary for Civil Rights and puts in place important reforms for County Committee election procedures. The USDA will also be required to better track and evaluate participation by limited resource and socially disadvantaged farmers in USDA programs.

Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers Strengthens and expands support for Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers (often referred to as Section 2501) and the Indian Extension Program.

WIN: Funding increased (but still discretionary) for Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and historically black land-grant colleges and other minority-serving land-grant institutions, including the Indian Extension Program.

National Organic Certification Cost Share Program This provides assistance to small farmers who choose to implement environmentally sound practices in compliance with the USDA's National Organic Program. \$3.5 million per year.

WIN: The final conference agreement kept the Senate farm bill language allowing a maximum federal cost share of 75% and the maximum payment made to a producer or handler under this provision is \$500. However, the conference report cut funding for the National Organic Cost Share Program to \$5 million total over the life of the farm bill. This is in addition to \$1 million already made available through the crop insurance bill for the Northeastern states.

Community Food Projects Increased funding for assistance to Community Food Projects begins at \$4 million and moves to \$7.5 million.

WIN: Community Food Projects will receive \$5 million in mandatory funding per year for the six years of the Farm Bill. The farm bill also improves the program by allowing for planning grants for comprehensive, multi-stakeholder solutions including policy councils, mini-grants and support for a national clearinghouse on "Innovative Programs to Address Common Community Problems."

Purchase of Locally Produced Foods Section 458 of the Nutrition Title in the Senate bill provided for Purchase of Locally Produced Foods.

WIN: Institutions participating in the National School Lunch and Breakfast programs are encouraged to purchase local foods where practicable, and a seed grant fund was authorized at \$400,000 for 200 institutions. This funding will need to be appropriated by a separate appropriations bill.

Farmers' Market Nutrition Programs Provisions in the Senate bill provided \$15 million for the WIC Farmers Market Nutrition Program this year and raised funding for the Senior Farmers Market Nutrition Program to at least \$25 million.

WIN: The WIC FMNP will receive an additional \$15 million in the current fiscal year 2002 to substitute for funds that were withheld to support caseload in the regular WIC Program. Along with the \$10 million released in January, this infusion of funding will take the program to a \$25 million funding level, thus allowing current states and tribes to expand their programs and potentially allowing five new jurisdictions (Arizona, Five Sandoval Indian Pueblos in New Mexico, Hawaii, Montana, and Puerto Rico) that applied for federal funds this year to join the FMNP. The Senior FMNP is authorized for the full six years of the bill, with mandatory funding of \$15 million per year.

Farmworker Assistance Senate provisions increased funding for emergency grants to assist low-income migrant and seasonal farmworkers.

WIN: The bill removes restrictions on the amount of money that can be put into emergency grants to assist low-income migrant and seasonal farmworkers in the case of disasters and authorizes up to \$10 million dollars for grants to nonprofit organizations, coalitions and institutions to train farmworkers in new technologies and specialty skills necessary for high value crops.

Farmers Market Promotion Program There was \$25 million mandatory funding in the Senate bill for the Farmers Market Promotion Program.

WIN: The Farmers Market Promotion Program is established in the farm bill to make grants to eligible entities to establish, expand and promote farmers' markets but the funding is discretionary (we'll have to fight for it in the annual appropriations process).

Farm Bill Losses

Real Payment Limitations We supported payment limitations in the Senate bill because they set real limits, close loopholes and restore a measure of fairness, integrity and equity to farm programs. We are concerned about the amount of farm income that is dependent upon government payments. We need to close loopholes, and enforce real limits (as the Senate bill does), and go in the direction of farmers getting a fair price from the marketplace.

LOSS: Despite the fact that these payment limitation provisions were passed by a large majority on the Senate floor and the House voted by a large margin to urge the House conferees to support the Senate provisions, these real payment limitations were dropped from the farm bill.

Ban Against Meatpacker Ownership of Livestock Senate provisions banned ownership of livestock by large meatpackers to limit their market power and price manipulation, and improve market competition for cattle, hogs and lamb.

LOSS: Despite being passed as an amendment twice on the Senate floor and growing bi-partisan support in the House, the farm bill conferees dropped this provision.

Contract Agriculture Reforms Contract farmers need basic standards in fairness: we supported the Senate contract reform provisions to permit farmers to share terms of contracts with family and trusted advisors, and prohibit forced arbitration clauses.

LOSS and WIN: The most significant contract ag reform prohibition against the use of forced arbitration clauses in contracts (or giving farmers a choice in resolution of disputes with industry arbitration or lawsuit) was dropped. However, in a partial win new reforms that will allow producers to share contract information with family and key advisors, and that will give the Grain Inspectors, Packers and Stockyards Administration oversight over pork production contracts, are in the farm bill.

Rural Entrepreneurs and Microenterprise Assistance Program We liked the Rural Entrepreneurs and Microenterprise Assistance Program in the Senate bill because it helps low and moderate income individuals acquire the skills and financing necessary to establish new, small businesses in rural areas

and receive continuing technical assistance as the individuals begin operating their new businesses. Support \$10 million per year mandatory funding of this essential program.

LOSS: Included in the Senate farm bill, this provision was dropped by the conferees.

Organic Research Program The Organic Research Program in the Senate bill provided federal funds for research on production practices that protect land and water resources and help producers access growing markets. - \$45 million total

LOSS and WIN: The farm bill will not establish the Organic Research Program but we did win funding for the Organic Research Initiative which will include organic breeding, marketing, and policy research as priority areas within USDA Research, Education and Economics programs make available \$3 million (mandatory) annually for grants.

EQIP (Environmental Quality Incentives Program) Issues surrounding this program were not included on our list of issues created back in February because the battle to maintain its integrity and keep it from becoming a major subsidy for the biggest factory livestock production operations was lost in the House and Senate. In the end, hard work throughout the movement kept the program from becoming a complete giveaway with no effective limitation on payments. EQIP now has a \$450,000 per producer payment limit over life of the bill (6 years). This is obscenely high, but the movement fought an attempt by the conferees to effectively remove limits whereby some large operations would be able to capture more than \$1 million in EQIP dollars to subsidize their waste management costs. Our position is that if big industry insists on further concentrating livestock production and producing animals in massive confinement operations, they, not the taxpayer, should pick up the tab for meeting environmental standards.

Since there is no consensus among dairy farmers from the various regions of the country, the National Campaign did not take a position on dairy price supports. Northeast congressional delegations worked together to revive the Dairy compact. In vain. The compact went down to defeat in both House and Senate. In its place, Senator Leahy of Vermont devised a compromise solution: a floor price of \$16.94 per hundredweight on fluid milk (approximately \$1.46 a gallon). Whenever the price dips below \$16.94, the government will pay dairy farmers the difference between \$16.94 and the lower price. The payments will be retroactive to December 2001. Leahy and the House conferees disagreed over the maximum annual payment any one dairy farmer could receive, and compromised on payments for 2.4 million pounds of milk (the annual production from 130 cows). For the dairy farmers, the effect will be support similar to the compact, but the taxpayer picks up the bill instead of the processors.

The rhetoric that spews from our political leaders might lead you to think that the subsidies for milk and grains support family farmers. Think again - the big winners in the Farm Bill game are the milk processors and the five remaining grain dealers who handle over 80% of the grain trade for the entire world.