

## COMPARISON OF SAC FARM BILL PLATFORM WITH HOUSE FARM BILL AND DRAFT SENATE CHAIRMAN'S MARK

Farm Bill Issue	SAC Position	Final House Bill	Draft Senate Bill as of 08/03/07
<b>Beginning Farmer and Rancher Initiative</b> Background Information: <a href="http://www.sustainableagriculturecoalition.org/farmbill/PolicyBackgnd-BeginningFarmerInitiative.pdf">http://www.sustainableagriculturecoalition.org/farmbill/PolicyBackgnd-BeginningFarmerInitiative.pdf</a>			
Beginning Farmer and Rancher Development Program	reauthorize with a minimum of \$25 million in annual mandatory funding	<b>YES - reauthorized with \$15 m mandatory a year</b>	<b>YES - reauthorized with [bracketed amount] mandatory a year</b>
Beginning Farmer and Rancher Individual Development Account	fund IDA pilot program at \$5 million per year for five years and establish in at least 15 states	<b>NO - program not included in bill</b>	<b>YES - included in full with \$5 million per year</b>
Beginning Farmer and Rancher Down Payment Loan	improve by reducing loan rates and down payment requirements, deferring first year payments, and increasing the maximum allowable portion of farm sales price eligible for the down payment loan from \$250,000 to \$500,000	<b>YES - interest rate to reduced (as low a 1%), down payment requirements reduced, maximum allowable portion of farm sales price eligible for down payment loan increased; no first year deferral; FSA loan increased to 20 years</b>	<b>YES - identical to House except interest rate reduction cannot go below 2 %</b>
Beginning Farmer Land Contract Pilot Program	make the existing Land Contract guaranteed loan pilot program permanent, strengthened, and applied nationwide to encourage private land sales that transfer farms from retiring farmers to new farmers	<b>YES - program improved and expanded to nationwide</b>	<b>YES - program improved and expanded to nationwide</b>
Direct Credit Loan Limits	increase the per farm loan limits for direct operating and direct ownership loans from \$200,000 to \$300,000	<b>YES - direct operating and direct ownership loans increased from \$200,000 to \$300,000</b>	<b>YES - direct operating and direct ownership loans increased from \$200,000 to \$300,000</b>
Beginning Farmer and Rancher Loan Fund Reservations	increase direct ownership loan reservation to 75% of the total, direct operating loan reservation to 50% of the total, and guaranteed ownership loan reservation to 40% of total	<b>YES - beginning farmer and rancher loan fund reservations increased</b>	<b>YES - BFR loan fund reservations are increased</b>
Loan Authorization Levels	increase authorization for appropriation for direct operating loans from \$565 million to \$850 million and for direct ownership loans from \$205 million to \$350 million	<b>NO - does not increase authorization levels</b>	<b>YES - \$850 million and \$350 million</b>

Term Limits and Graduation	eliminate term limits provided an enhanced graduation process is adopted	<b>YES &amp; NO - enhanced graduation process is adopted, but term limits on direct loans continue</b>	<b>YES &amp; NO - enhanced graduation process is adopted, but term limits on direct loans continue, though with up to 3 year extension for disaster years likely to be added</b>
Conservation Loans	retain conservation loan authorization and strengthen by adding a priority for beginning and socially disadvantaged farmers and ranchers as well as a priority for using the loan to help convert to sustainable or organic production systems. The current \$50,000 cap on the size of conservation loans is eliminated.	<b>YES &amp; NO - priority for beginning and socially disadvantaged farmers and ranchers and for those converting to sustainable or organic production systems included, but direct loans are dropped (guaranteed loans only) and loan limit raised to \$1 million</b>	<b>YES - BFR, SDA and sustainable and organic conversion prioritized; separate loan cap eliminated; direct and guaranteed; no increase in loan limit to \$1 million</b>
Conservation Reserve Program Farm Transition Option	offer special incentives for owners of CRP land returning to production to rent or sell to beginning farmers and ranchers who use sustainable grazing practices or fully compliant conservation cropping systems, or who transition to organic	<b>YES - offers incentives to owners of CRP land returning to production to rent or sell to BFR using sustainable practices</b>	<b>YES - offers incentives to owners of CRP land returning to production to rent or sell to BFR using sustainable or organic practices</b>
Conservation Funding Set-Asides for Beginning and Socially Disadvantaged Farmers	reserve 10 percent of total funds for each farm bill conservation program for beginning and socially disadvantaged farmers and ranchers for the first four months of the program year	<b>YES - 5 percent of total funds set-aside for beginning and socially disadvantaged farmers, but only for EQIP</b>	<b>YES - 10 percent of total funds for all programs reserved for a length of time to be determined by USDA</b>
Conservation Cost-Share Bonus for Beginning and Socially Disadvantaged Farmers	provide 15% bonus up to 90% cost share for beginning and socially disadvantaged farmers and ranchers	<b>YES - provides bonus at 90% cost share for beginning and socially disadvantaged farmers and ranchers</b>	<b>YES - 15% bonus up to 90%</b>
Beginning Farmer and Rancher Risk Management Education Emphasis	include a special emphasis on making grants for risk management for beginning, immigrant, and socially disadvantaged farmers and ranchers	<b>YES - includes emphasis on grants for risk management for beginning, immigrant, and socially disadvantaged farmers and ranchers</b>	? Not sure ?

**New Markets, Local Food, and Value Added**

Background Information:

<http://www.sustainableagriculturecoalition.org/farmland/PolicyBackgnd-NewMarkets.pdf>

Value-Added Producer Grants	provide \$60 million in annual mandatory funding; priority for projects that improve the viability of small and mid-sized farms and improve land stewardship; set-aside 10% of total funding for projects that benefit beginning and socially disadvantaged farmers; set-aside 10% for outreach and technical assistance; create new grant fund categories for local food systems and for the development of food value chains that help mid-sized farms; create a family farm viability fund to support innovative cooperative projects	<b>PARTIAL YES - \$30 m mandatory a year with language giving preference to small and mid-size farms and providing funding for mid-tier value chain networks</b>	<b>PARTIAL YES - \$40 million mandatory a year (with chance it may increase to \$50m); 10% set aside for technical, outreach assistance and market research - includes funding for local food grants and for mid-tier value chain grants; priority for funding for small and mid-sized farms and beginning and socially disadvantaged farmers; simplified application process for projects requesting less than \$50,000; funding for feasibility studies limited to \$150,000 and working capital to \$300,000</b>
Farmers' Market Promotion Program	provide a minimum of \$25 million in annual mandatory funding, including funding for electronic benefits technology; clarify that program supports the full range of direct marketing options	<b>PARTIAL YES - \$35 m mandatory over 5 yrs; renamed Farmers Marketing Assistance Program and clarifies full range of marketing options; includes funding for electronic benefits technology</b>	<b>YES - [bracketed amount] in mandatory annual funding; adoption of SAC recommended reauthorization language, including support for full range of direct marketing options, funding for electronic benefits technology, and special consideration for underserved areas.</b>
Senior Farmers' Market Nutrition Program	increase mandatory farm bill funding	<b>YES - \$15 m mandatory a year</b>	<b>YES - \$15 m mandatory a year</b>
Community Food Project Grants	increase mandatory farm bill funding	<b>NO - authorized for \$30 million in annual appropriated funds (current funding was \$5 million annual in mandatory funds) but no farm bill funding</b>	<b>POTENTIAL YES - Expected authorization for at least 2002 levels of mandatory funding (\$5 million) or more.</b>

Local/Regional Food Enterprise Loans and Grants	n/a	<b>YES - loan preference under the Business and Industry Loan Program for food enterprises serving markets within 400 miles</b>	<b>YES - loan preference (and possibly funding set-aside) under the Business and Industry Loan Guarantee Program for food processing and distribution enterprises; provision for feasibility study grants for such enterprises within the Value Added Producer Grants program.</b>
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**Conservation Security Program**  
Background Information:  
<http://www.sustainableagriculturecoalition.org/farmbill/PolicyBackgnd-CSP.pdf>

Conservation Security Program	remove funding caps from CSP that have been used to cut the program by over \$4 billion since 2003 and increase program funding; move to nationwide, continuous enrollment process; strengthen stewardship eligibility criteria; restore a comprehensive conservation planning component; streamline payment structure to focus on environmental outcomes	<b>NO - \$4.8 B cut over 10 yrs; no signup until 2012; rewrites program to eliminate three tiers and eliminates all payments except for enhancement payments and creates ranking system to provide for a nationwide enrollment process; \$60,000 a year payment cap; Walz amendment passed with RCC Rotations, MIG, and organic systems in the ranking criteria, plus crosswalk b/n NOP and CSP; Gillibrand amendment to increase funding and restart program in 2010 included in the en bloc amendment, but dies there with no offset</b>	<b>YES - melded with EQIP into a new Comprehensive Stewardship Incentives Program, with what was CSP becoming the new "stewardship" portion of CSIP and the current EQIP becoming the cost share portion of CSIP; the stewardship section funded at 13.3 million acres a year with nationwide enrollment and ranking system; no tiers; average contract payment per acre set at \$19; \$40,000 a year payment cap; the EQIP portion funded at just over current baseline level of funding</b>
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**Conservation Title**

Background Information:

<http://www.sustainableagriculturecoalition.org/farbill/PolicyBackgnd-ConservationTitle.pdf>

<p>Cooperative Conservation Partnerships</p>	<p>reauthorize the current Partnership and Cooperation Initiative as the Cooperative Conservation Partnership Initiative, 90% at state level, programmatic flexibility, and include special support for projects in which multiple producers address specific local natural resource concerns and community development opportunities in partnership with other entities</p>	<p><b>YES - reauthorized as the Cooperative Conservation Partnership Initiative, 90% at state level, includes preference for projects serving both community development and environmental needs; though funding may only be drawn from CSP, EQIP, and WHIP (as opposed to also including WRP, FRPP, and GRP)</b></p>	<p><b>YES - reauthorized as "Partnerships and Cooperation" (same name as 2002 FB) with funding drawn from CSIP, WHIP, FRPP and WRP; includes provision or both community and environment needs, with bonus payments allowed for community development and public access. Projects may request regulatory flexibility. States may use up to 10% of their total allocation for P&amp;C projects; national office can mandate states to spend some of their 10% on multistate projects; planning grants allowed if likely to eventually be funded; requires NRCS to spend at least 5% (and not more than 10%) of total national allocation for P&amp;C projects.</b></p>
<p>Environmental Quality Incentives Program</p>	<p>restore provisions that ensure overall environmental effects are positive, including progressive planning and a \$150,000 payment limitation; restore prohibition of funding for animal waste storage and handling facilities for large-scale CAFO's; restore cost effectiveness criteria; restore the educational assistance component of the program</p>	<p><b>NO - \$1.9 B increase over 5, \$5.4 B increase over 10; payment cap of \$300,000 or over \$600,000 if in more than one conservation program; no CAFO reform; cost-effectiveness restored; negative provisions added in markup include instream flow eliminated from forest management practices outcomes, air quality carve out within Conservation Innovation Grants section; organic and specialty crop outreach funded at \$5 million a year; state performance incentive dropped</b></p>	<p><b>PARTIAL YES - progressive planning restored; payment cap of \$240,000; no CAFO reforms; cost effectiveness restored; strong water conservation/instream flow language; no air quality carve out; contains organic conversion assistance subprogram; state performance bonus included</b></p>

Conservation Compliance	re-link existing conservation compliance regime to crop insurance program and expand to cover all cropland eroding at unsustainable rates and strengthen waiver guidelines; remove graduated penalties for swampbuster violations that are not mitigated	<b>NO - bill does not include any SAC proposals for strengthening conservation compliance</b>	<b>MOSTLY NO - does include minor improvement to waiver guideline and FSA participation limited to FSA State ED but no expansion of coverage to eroding land; no relink to crop insurance; no improvements to Swampbuster.</b>
Sodsaver	enact a sodsaver provision prohibiting commodity, crop insurance, and conservation subsidies on all native prairie and permanent grasslands converted to cropping	<b>PARTIAL YES - only included a partial sodsaver provision prohibiting crop insurance subsidies for the first four years following grassland conversion (but does not prohibit commodity or conservation payments)</b>	<b>YES - no commodity, crop insurance, or conservation payments or benefits on grassland not cropped prior to 2007</b>
Wetlands Reserve Program	replenish funding with enrollment directive of at least 250,000 acres per year nationwide with a priority for permanent easements; additionally, incentives for landowners to allow public access to the land as part of community development plans for public recreational amenities	<b>YES - restores funding with total authorization of 3.6 million acres; directive to enroll 250,000 acres annually; no funding in outyears; includes new subprogram (up to 10% of total) for floodplain land</b>	<b>YES - restores funding with directive to enroll 250,000 acres annually, with funding in outyears; includes new subprogram (up to 10% of total) for floodplain land</b>
Conservation Reserve Program	retain as the major land retirement program with improvements to the environmental benefits index including greater weight for below cost bids; at least 7 million acres, or 20% of total CRP acreage should be reserved for enrollments through CCRP or CREP; voluntary long-term and permanent conservation easements on particularly environmentally sensitive land should be introduced as a new option; and landowners leaving CRP should have access to transition options including CCRP, CSP, organic transition, and transfers to beginning farmers and ranchers	<b>YES &amp; NO - YES = BFR transition; NO = none of the other SAC objectives included; Rep. Moran (R-KS) amendment approved allowing dryland cropping on CRP land, opposed by SAC</b>	<b>YES &amp; NO - YES = below low cost bids prioritized; BFR transition; NO = none of the other SAC objectives included</b>

Sustainable Agriculture Energy Innovation Grants Program	establish a nationwide program to determine the ecological and economic feasibility of producing energy from a new array of feedstock crops; the program would encourage the development of agricultural energy that responds to regional needs and capabilities with an emphasis placed on converting existing cropland to biomass production	<b>PARTIAL YES - program not included in bill, but a Biomass Energy Reserve included in energy title (see below)</b>	<b>PARTIAL YES - program not included in bill, but an Energy Crop Incentive Program with some strong similarities including in the energy title (see below)</b>
<b>Organic Provisions</b>			
Background Information: <a href="http://www.sustainableagriculturecoalition.org/farbill/PolicyBackgnd-OrganicProvisions.pdf">http://www.sustainableagriculturecoalition.org/farbill/PolicyBackgnd-OrganicProvisions.pdf</a>			
National Organic Certification Cost Share Program	establish on a nationwide basis with mandatory funding of at least \$25 million, while increasing the maximum amount to \$750 per farm per year	<b>YES - \$22 m mandatory over 5 yrs; increases maximum amount to \$750 per farm per year</b>	<b>YES - \$25 m mandatory over 5 years; increases maximum amount to \$750 per farm per year</b>
Organic Conversion Assistance Program	create an Organic Conversion Program (through the NRCS) to provide technical and financial assistance for adoption of organic farming based conservation systems with annual funding of \$50 million, at least half of which would be used for technical assistance, and capping financial assistance payments at \$10,000	<b>YES but not funded - new program authorized for appropriations, but no mandatory funding; \$10,000 cap a year; \$50/acre crop and \$25/acre grass max; 50% to technical and educational assistance</b>	<b>YES - incorporated into environmental quality section of CSIP, new organic conversion program with up to \$20,000 per yr or total cap of \$80,000 and a period of not more than 4 years; 50% to technical and educational assistance</b>
Crop Insurance	eliminate the 5% surcharge on premiums for organic producers and establish a deadline for providing payments to organic producers that reflect organic market prices rather than conventional prices	<b>YES - but weak and delayed - creates a multi-year process that might allow for surcharge elimination (places burden of proof on producers instead of USDA)</b>	<b>YES - eliminate 5% surcharge and establish deadline for paying out based on organic market prices</b>

**Competition Title**

Background Information:

<http://www.sustainableagriculturecoalition.org/farbill/PolicyBackgnd-CompetitionTitle.pdf>

The Packers and Stockyards Act	amend to prohibit packer ownership of livestock used to manipulate prices to the detriment of producers; require USDA to write regulations defining "unreasonable preference or advantage"; establish that producers do not need to prove an anti-competitive injury to an entire market in cases involving trade practices which have harmed them individually; include full enforcement powers for all types of poultry	<b>NO - issues not addressed</b>	<b>PARTIAL YES - requires regs for unreasonable preferences; clarifies congressional intent that producers do not need to prove anti-competitive injury; includes full poultry enforcement authority; does not include packer ban or captive supplies bills, which are likely to be Senate floor amendments</b>
The Agricultural Fair Practices Act	amend to make it unlawful for any firm to refuse to deal with a producer for belonging to a producer association or cooperative; prohibit the use of binding mandatory arbitration clauses and restrictions on other legal rights available to producers involved in contract disputes; expand the prohibition on confidentiality clauses; and prohibit premature cancellation of contracts without a showing of good cause	<b>NO - and prohibition on mandatory arbitration, which was adopted by the subcommittee, was struck in full committee by 26-17 vote, with the support of the full committee chairman</b>	<b>YES - all provisions included in draft bill</b>
Country of Origin Labeling	allow mandatory country of origin labeling to go into effect	<b>YES - mandatory country of origin labeling to go into effect by Sept. 30, 2008, with multi-country labels where applicable</b>	<b>PROBABLE - likely to include the House language</b>
Interstate Shipment of Meat	allow interstate shipment of state inspected meat in return for strengthened federal food safety regulations including plant closure authority	<b>UNCLEAR - would require state program requirements to be "identical" to federal requirements in order to get federal approval to move meat and poultry in commerce; negotiations continuing between meat industry and state departments of agriculture</b>	? Not sure ?

<b>Rural Development</b>			
Background Information: <a href="http://www.sustainableagriculturecoalition.org/farmbill/PolicyBackgnd-RuralDevelopment.pdf">http://www.sustainableagriculturecoalition.org/farmbill/PolicyBackgnd-RuralDevelopment.pdf</a>			
Rural Entrepreneurs and Micro-Enterprise Program	authorize and fund program at \$50 million per year in mandatory funding to assist rural entrepreneurs in establishing new small businesses in rural sectors	<b>YES but not funded - the program is authorized as proposed, with a \$20 m a year authorization for appropriations, but no farm bill funding</b>	<b>YES - program is authorized as proposed, \$20 million a year in mandatory funding</b>
Community-based Entrepreneurial Development Program	create \$75 million per year program with mandatory funding to offer grants to establish regional initiatives for entrepreneurial development	<b>NO - program not included in the bill</b>	<b>PARTIAL YES - elements of the program are included as "small-area collaborative partnership" portion (5% of total funding) of larger Rural Collaborative Investment Program; RCIP currently at [bracketed] amount per year in mandatory funding</b>
Rural Entrepreneurship Education and Enterprise Facilitation Program	create new program with mandatory annual funding of \$20 million to provide resources and services to rural areas	<b>NO - program not included in the bill</b>	<b>NO - program not included in draft bill</b>
Appropriate Technology Transfer for Rural Areas (ATTRA)	create permanent authorization for ATTRA	<b>YES - provided with permanent authorization within Rural Business-Cooperative Service</b>	<b>YES - provided with a permanent authorization within the Rural Business-Cooperative Service.</b>
<b>Sustainable and Organic Research</b>			
Background Information: <a href="http://www.sustainableagriculturecoalition.org/farmbill/PolicyBackgnd-Research.pdf">http://www.sustainableagriculturecoalition.org/farmbill/PolicyBackgnd-Research.pdf</a>			
Initiative for Future Agriculture and Food Systems	retain the current annual mandatory funding of \$200 million a year for outcome-based interdisciplinary research, education, and extension; continue priorities on small and mid-sized farm viability, rural community development, and agro-ecosystems; add 6 new IFAFS mission areas	<b>YES &amp; NO - IFAFS purposes maintained, but funding transferred to and merged with National Research Initiative, with 40% of total NRI appropriated and IFAFS mandatory funds to go to IFAFS</b>	<b>YES &amp; NO - IFAFS purposes retained, and 3 new mission areas added -- sustainable energy, eco-services and outcome-based conservation, and rural and ag entrepreneurship, including BFRs; IFAFS and NRI melded; IFAFS mandatory funding split 45% applied, 45% basic, and 10% for other competitive grants programs</b>
Organic Farming Research and Extension Initiative	increase funding for the Organic Research and Extension Initiative to a minimum of \$15 million in annual mandatory funds	<b>PARTIAL YES - \$5 m a year mandatory in addition to \$25 m authorized annual appropriations</b>	<b>POSSIBLE YES - [bracketed] annual mandatory funding amount</b>

Agricultural Research Service	create within the ARS a National Program for Organic Agriculture with funding of at least \$25 million	<b>PARTIAL YES - Sense of Congress "fair share" language approved</b>	? Not sure ?
Organic Production and Marketing Data Collection	reauthorize the Organic Production and Marketing Data Initiative with specific requirements to ensure continuation and progress of comprehensive data collection in the organic sector	<b>YES - with \$3 m mandatory over 5 years</b>	<b>PROBABLE YES</b>
National Genetic Resource Program	reauthorize and increase funding to improve public plant and animal breeding programs that focus on crops and breeds critical to sustainable and organic systems	<b>PARTIAL YES - reauthorized but without changes or additional funding</b>	<b>YES - reauthorized with the new plant and animal breeding language; no specified funding</b>
National Research Initiative	create a national program withing National Research Initiative for classical plant and animal breeding	<b>YES - but added to IFAFS instead of NRI</b>	<b>YES - added to NRI</b>
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	authorize \$25 million in annual mandatory emphasizing outreach through community-based organizations	<b>YES - \$15 m a year mandatory farm bill funding; problematic 25% match added, however</b>	? Not sure ?

### Renewable Energy

Background Information:

<http://www.sustainableagriculturecoalition.org/farbill/PolicyBackgndRenewableEnergy.pdf>

Renewable Energy and Energy Efficiency Program	reauthorize with priorities for projects focusing on energy efficiency for small and mid-sized producers and projects that enable agricultural producers to implement techniques that provide a net environmental benefit; add sustainability criteria; expand funding; allow feasibility grants	<b>PARTIAL YES - \$500 m over life of FB, reaching \$150 m a year in 2012; includes a carve-out for grants of \$50,000 or less; allows for feasibility studies</b>	<b>YES - reauthorized with \$960 m mandatory over life of FB, with new rebate program; carve outs for grants \$50,000 or less; provision for feasibility grants; "merit" criteria for grants with environmental as well as energy benefits</b>
Biomass Energy Transition Reserve Program	see Sustainable Agriculture Energy Innovation Grants above	Peterson proposal included in en bloc containing incentives and payments to farmers growing cellulosic biomass for use as an energy feedstock for bioenergy production facilities	<b>YES - meld of Klobuchar and Thune proposals for incentives and payments to farmers growing cellulosic biomass and resource non-commodity crops in resource conserving systems for us as feedstock in bioenergy production facilities, with link to CSP participation</b>

**Commodity Payments Reform**

Background Information:

<http://www.sustainableagriculturecoalition.org/farmbill/PolicyBackgnd-CommodityReform.pdf>

Effective Payment Limitations	enact effective payment reform, close loopholes that currently provide incentives to overproduction and land consolidation; total payments, including gains from commodity certificates and forfeitures , should be capped at \$250,000 per farm per year; all payments should be attributed to real persons and available only to those actively engaged in farm labor and management	<b>NO - \$40,000 increase in limit on direct payments; no reform of actively engaged rules; no limit at all on marketing loan benefits; \$2 m AGI test per married couple; claims to save \$226 m over next 5 years</b>	commodity title not yet circulating
Sodsaver	see above	<b>PARTIAL - see above</b>	<b>YES - see above</b>
Other Commodity Reforms	expand planting flexibility and eliminate or reduce harmful impacts of marketing loan gains and loan deficiency payments on U.S. agriculture, the environment , and farm and food systems around the world	<b>NO - bill contains no real commodity reforms</b>	commodity title not yet circulating