

WEEKLY UPDATE
SUSTAINABLE AGRICULTURE COALITION
June 4-8, 2007

PREVIEW AND TIMELINE FOR ACTION NEEDED SOON!

Thanks to everyone who has circulated and responded to the SAC Farm Bill action alerts during House Agriculture subcommittee markups over the last month. Your calls do make a difference and they will be needed more than ever during full committee markup and when the entire bill is considered on the floor of the House.

The following is the expected schedule of House farm bill activity over the next month so that you can anticipate when your rapid response and outreach to advocacy networks will be needed:

Next week: House Agriculture Subcommittee on Department Operations, Oversight, Nutrition and Forestry meets to markup the Nutrition Title on June 14. We encourage you to visit the Community Food Security Coalition's policy page at: <http://www.foodsecurity.org/policy.html> for the latest information on the Healthy Food and Communities package (including Farm to Cafeteria and Community Food Projects) that will be considered as part of the Nutrition Title.

Week of June 18: The House Agriculture Subcommittee on General Farm Commodities and Risk Management will meet to markup Chairman Peterson's (D-MN) Commodity Title proposal. An action alert on a payment limits amendment will be circulated with next week's Weekly Update so that it is on the subcommittee members' radar screen by the week of the 18, but also for full committee.

Week of June 25: The full House Agriculture Committee is expected to meet and markup all sections of the Farm Bill. This will be our chance to get amendments offered that address issues that were left out of or tabled during the subcommittee meetings. It will be a busy week and we'll need all hands on deck.

Week of July 2 (July 4 recess): We'll know what kind of advocacy in advance of floor action will be required by the July 4 recess and it will be a key time to work your Senators and Representatives while they are in their home districts and states.

Week of July 9: Possible start of Senate Ag Committee markup of the farm bill, though nothing has been set in stone yet.

Week of July 16: The House leaders have guaranteed time for consideration of the farm bill on the House floor this week.

As always, we'll provide with you with the details and status of SAC farm bill priorities in future Weekly Updates and at our Farm Bill Action Center: www.sustainableagriculturecoalition.org so that you can make timely, targeted contact with your Members.

THIS WEEK

House Rural Development Markup: On Tuesday, taking little more than an hour, the House Ag Subcommittee on Specialty Crops, Rural Development and Foreign Agriculture marked up Chairman Peterson's proposal for the Subcommittee.

The best news is the approval of Rep. John Barrow's (D-GA) amendment to create a permanent authorization for the *Appropriate Technology Transfer for Rural Areas* (ATTRA) program. With this preliminary step for ATTRA's permanent authorization, we're off to a good start as we look toward the FY2008 appropriations hearings slated to begin next week. The identical authorization language will be

in the Chairman's mark on the Senate side, which should, barring any unforeseen detours, mean the ATTRA new permanent authorization within USDA Rural Development is a done deal.

Also of special concern for the SAC agenda was an amendment introduced by Rep. John Fortenberry (R-NE) to reauthorization the *Value-Added Producers Grant Program* (VAPG) with language prioritizing projects helping small to mid-sized family farms access new markets, a key aspect of the SAC platform recommendations for VAPG. Although the amendment was eventually withdrawn, it received endorsements from several other Subcommittee Members, including Rep. Barrow (D-GA), Salazar (D-CO), and Cuellar (D-TX). Subcommittee Chairman McIntyre expressed a willingness to work on crafting a version of the amendment for inclusion the final Farm Bill.

Sadly, not a single rural development program was granted mandatory farm bill funding or even contingent reserve fund "funny money." All programs, including VAPG and *Micro-Enterprise*, were only authorized for future appropriations.

The markup included a lengthy discussion of the definition of "rural" which began with an amendment offered by Subcommittee Chairman Rep. Mike McIntyre (R-NC) to allow more favorable treatment of rural development project applications submitted by less dense rural areas. The amendment would give advantage to projects from rural areas with lower median household incomes, lower population density, and smaller seasonal population increases. Although the amendment was eventually accepted, its introduction drew strong opposition, particularly Ranking Member Goodlatte (R-GA), who cited concerns about the disadvantage rural areas in more urbanized areas of the country might face under the provision. Debate continued at length, until the amendment's approval following the Subcommittee's agreement to work with USDA on crafting a revised version for inclusion in the final Farm Bill package.

The subcommittee also marked up the sugar and peanut programs, extending the sugar program without change but lowering peanut direct payments in favor of a higher loan rate. Many Members expressed emphatic dissatisfaction with the peanut provisions in Chairman Peterson's mark, which had support from peanut growers in Georgia and Alabama but opposition in Virginia, North Carolina, and Texas.

House Specialty Crop and Organic Markup: On Thursday, the House Subcommittee on Horticulture and Organic Agriculture marked up its section of the farm bill. Chairman Dennis Cardoza (D-CA) and ranking member Randy Neugebauer (R-TX) used their introductory remarks to remind members of the challenges the subcommittee faced in crafting a good proposal and the need for members to prioritize where any available funding may be spent due to a limited budget and continuing uncertainty regarding the \$20 billion reserve fund.

Following these comments, Rep. Virginia Foxx (R-NC) offered an amendment to reduce the \$25 million reserve funding for the *National Organic Certification Cost-Share Program* in the subcommittee's mark by \$3 million and redirect this sum to Organic Production and Market Data Collection. She expressed her ideological problem with the cost-share program and asserted that money to promote organic agriculture would be spent better on data collection. Members of the subcommittee didn't question the shifting of funds between the programs but Rep. Bob Goodlatte (R-VA), Ranking Member of the House Committee on Agriculture, questioned whether \$3 million would be enough to adequately address the data collection needs, and suggested that \$5 million would be satisfactory. The amendment was accepted as introduced with a commitment by Chairman Cardoza to "rightsize the total dollar amount" for cost-share as Committee discussions move forward.

In an effort to secure more funding for specialty crops Rep. Kevin McCarthy (R-CA) offered an amendment to increase funding for *specialty crop block grants* to \$200 million per year in 2008 through 2012. This amendment, which originated from language in The EAT Healthy America Act (HR 1600) would have been significantly more than the 5 year total of \$165 million in the Peterson proposal, but much less than the \$500 million per year proposed in HR 1600. The amendment was rejected due to the

lack of sufficient funds, but members did express significant interest in talking about working out a proposal for full committee.

Six other amendments were offered during the mark-up, five of which were accepted. The accepted amendments include: Rep. McCarthy's (R-CA) amendment to direct the Secretary of Agriculture to establish a Fresh Produce Education Initiative, to educate persons involved in the fresh produce industry about proper food safety handling and practices; Chairman Cardoza's (D-CA) amendment for an independent evaluation of the commodity purchasing processes used by USDA to remove surplus commodities from the market and support commodity prices under Section 32; Rep. Randy Kuhl's (R-NY) amendment to establish the National Clean Plant Network which will provide a funding mechanism to distribute healthy plant stock throughout the specialty crops industry; and another Kuhl amendment to increase payment limitations under the Tree Assistance Program from \$75,000 to \$150,000 per year. Rep. Kuhl amendment to reduce reserve funding for Early Pest Detection and Surveillance Improvement Program by \$25 million and redirected it to the Threat Identification and Mitigation Program, was withdrawn due to concerns about starving one effective program to support another.

The *Farmers Market Promotion Program* was not amended in the mark-up, receiving \$5 million, rising to \$10 million, a year in reserve fund contingency funding. We will continue to work for some language changes and to secure higher and mandatory funding for the FMPP in the full House Ag Committee mark-up. In contrast to the rural development markup, several specialty crop provisions received either real mandatory funding or contingency mandatory funding, as did our two priority programs in this markup, the FMPP and Organic Certification Cost Share.

Payment Limitation Harmonization: During the debate on Rep. Kuhl's amendment to increase tree assistance payment limitations, Chairman House Ag Committee Chair Rep. Collin Peterson (D-MN) made extended comments, repeating comments made earlier in the day to reporters, on his frustrations with the issue of payment limitations and his hope to "harmonize limits" during the full committee mark-up. As has been his custom, he first belittled payment limitations bad policy and a waste of time, but then said his commodity title proposal would include some element of payment limit reform because if he didn't, there would almost certainly be a floor amendment that would be draconian. But he then pledged that if tighter payment limitations are enacted for commodities, then smaller payment limitations will also be put on conservation programs. He noted that conservation payment limits are all over the map and need to be harmonized and perhaps combined with commodity limits.

His comments ended with suggestions to committee members from the northeast and the west coast who he presumed do not want tighter limits on EQIP and other conservation programs to work with colleagues from their region to build an understanding of why strong commodity payment limit reform is not needed. SAC commented after the mark-up extensively to the press corps about how supportive sustainable agriculture and some conservation groups are of downward harmonization!

Missing Signature COOL Letter: On Tuesday, House Chairman Peterson sent a letter to the meat industry inviting them to come discuss how to "fix" the country of origin labeling (COOL) law. The letter was co-signed by Ranking Member Goodlatte (R-VA) and Senate Ranking Member Chambliss (R-GA), but the fourth signature line, intended for Senate Chairman Tom Harkin (D-IA) was left blank as Harkin refused to sign he said could only be read as a letter opposing COOL.

DeLauro Downsizes Farm Bill Expectations: Rosa DeLauro (D-CT), chair of House Agricultural Appropriations and author of the so-called Northeast Marker bill for the farm bill debate, went to considerable lengths to diminish expectations about what she (and by extension, the House Democratic leadership of which she is a key member as co-chair of the Democratic Steering Committee and co-chair of the Democratic Campaign Committee). Speaking on Friday at the National Center for Food and Agricultural Policy, DeLauro said she would not play a role in floor amendment to transfer funding from commodities to nutrition, conservation, fruits and vegetables, or rural development. To do so, she said,

would create an unnecessary divide within Congress. She was quoted in *Congress Daily* as saying, "Let's not make it a fight -- the people, the public, the kids don't deserve that." She also told the audience of nutrition advocates that they should expect nothing more than downpayments on increasing food stamp benefit levels, given the budget realities.

Conservation Groups Fight Downsizing: SAC and the National Campaign are joining 18 national environmental organizations in a letter to be distributed to House and Senate leadership and Agricultural Committee leadership on Monday urging that a minimum of \$10 billion in new, additional mandatory funding be provided for the conservation title in this farm bill. The letter recommends the funding come from a combination of two sources – farm policy reform and real offsets for the farm bill reserve fund. There has been a tendency for leadership to assume increases for conservation, nutrition, and rural development can all come from farm bill reform, and a tendency for committee leadership to assume that such increases will all come from the reserve fund. The letter goes on record for a “both-and” strategy and urges all involved to get off the dime and settle the funding issue now so the farm bill can go forward in a timely fashion.

LAST WEEK

Dole-Daschle Report: We forget to mention in last week's Update that former Senate Majority Leaders Bob Dole (R-KS) and Tom Daschle (D-SD) issued their farm bill report and recommendations on May 30. The report is called “Competing and Succeeding in the 21st Century: New Markets for American Agriculture and was a product of the Bipartisan Policy Center (www.bipartisanpolicy.org). It focuses primarily on biofuels and renewable energy, but includes a chapter on commodity programs which stole the thunder from the energy focus in press accounts of the Dole-Daschle Hill briefing. The big news value was Bob Dole's support for ending Freedom to Farm (direct) payments and transferring the entire \$5 billion a year to renewable energy, value-added marketing, and conservation payments, while returning to a sole reliance on counter cyclical safety net payments (minus the supply management of course). This is more or less the exact opposite of the USDA farm bill proposal, agribusiness proposals, and the presumed thrust of any new WTO agreement. On the other hand, it bears striking similarity, though it goes further, to commodity program proposals that seem likely to emerge from House and Senate Ag Committee Democratic leaders.

NEXT WEEK

House FY 2008 Agricultural Appropriations: Markup of the agricultural spending bill will be this Tuesday, June 12. Aimee Witteman from the SAC office has been in touch with SAC members in key districts about getting last ditch calls into key offices. We do not have the date yet for full committee, but it will likely be within a week of subcommittee.

House Ag Committee Farm Bill Schedule: As noted in the Action section above, House Chairman Peterson (D-MN) has issued the schedule for the rest of June, which includes a plan to complete full House Ag Committee markup of the farm bill before the Fourth of July congressional recess. The nutrition and food stamp title will be marked in subcommittee on June 14. The commodity title and any crop insurance provisions follow on June 19. The Chairman's proposals for the mark-ups will likely be posted on the House Farm Bill Home Page at <http://agriculture.house.gov/inside/2007FarmBill.html> the afternoon before the markup. A weblink for live audio of the mark-up is posted on the House Agriculture Committee website at <http://agriculture.house.gov/index.shtml>.

The markup of the entire House version of the farm bill by the full House Agriculture Committee is scheduled for Tuesday June 26, Wednesday June 27, and Thursday June 28, with floor debate tentatively scheduled for the week of July 16.

USDA NEWS

RFP for Biomass Research: On Monday, USDA will release a Federal Register request for proposals for Biomass Research and Development Program, with \$12 million from USDA and \$4 million from DOE up for grabs for research on: (1) Feedstock production through the development of crops and cropping systems relevant to production of raw materials for conversion to biobased fuels and biobased products; (2) Overcoming recalcitrance of cellulosic biomass through developing technologies for converting cellulosic biomass into intermediates that can subsequently be converted into biobased fuels and biobased products; (3) Product diversification through technologies relevant to production of a range of biobased products that eventually can increase the feasibility of fuel production in a biorefinery; and (4) Analysis that provides strategic guidance for the application of biomass technologies in accordance with realization of improved sustainability and environmental quality, cost effectiveness, security, and rural economic development. Awards are limited to \$1 million, and pre-proposals are due no later than July 11, 2007.

EPA NEWS

EPA-Army Corps Guidance Leaves Many U.S. Waters without Protection: On Monday, EPA and the Army Corps of Engineers issued regulatory guidance on determining whether a water or wetland is within the Clean Water Act's protection. The guidance document will leave many streams and wetlands unprotected from polluters and from destruction by dredging and fill activity. It was issued ostensibly to comply with a 4-4-1 decision of the U.S. Supreme Court in the Rapanos case. This decision gave no clear ruling on the scope of the Clean Water Act's jurisdiction. The guidance appears to protect waters large enough for boat transportation and their adjacent wetlands. The protection of other streams and wetlands is left to a case-by-case determination. EPA and Army Corps admitted they could not determine how much of the nation's waters will be unprotected under the guidance. The guidance is posted at http://www.usace.army.mil/cw/cecwo/reg/cwa_guide/cwa_guide.htm. The guidance is effective immediately but the public will also have 6 months to comment on it.

Representatives James Oberstar (D-MN), John Dingell (D-MI) and Vernon Ehlers (R-MI) along with 158 co-sponsors have introduced the Clean Water Authority Restoration Act which would clarify that the Clean Water Act is not limited to navigable waters and reverse the weakening of the Act by recent U.S. Supreme Court opinions. In the Senate, long-time clean water leader Russ Feingold (D-WI) has announced he will introduce similar legislation soon.

Press releases and an action alert are available at www.cleanwaternet.org. For state-specific information about waters at risk in your state, contact Navis Bermudez: Navis.Bermudez@sierraclub.org.

DULY NOTED

Show Me the Money Briefing: On Monday this past week, Ferd Hoefner from SAC presented information about payment limit reform at House and Senate staff briefings as part of a panel that included Jason Weller from House Budget Committee discussing the farm bill reserve fund, Bruce Babcock from Iowa State reviewing ways to save money through crop insurance reform, Elliot Conway from CitiBank discussing their commodity program buy-out proposal, and Scott Faber from Environmental Defense, who organized the briefing, talking about the overall farm bill budget picture. Over 60 Hill staffers attended.

Whole Foods Market Starts Loan Program for Small Producers: Whole Foods Markets has a new program to provide low-interest, long-term loans to small producers across the U.S., with up to \$10 million annually in low-interest loans. Loan amounts will be targeted between \$1,000 and \$100,000 at an amount not greater than 80% of total project cost. The interest rate will be based on the Prime Rate, with terms and repayment tied to the life of the asset financed. According to Whole Foods, loan application

paperwork is minimized, there are no penalties for early repayment, and loan terms may be from a few months to ten years. The program coordinators can be contacted at lplp@wholefoods.com. Information and a loan application are at www.wholefoodsmarket.com/products/locallygrown/lplp/index.html.

Des Moines Register Conservation Editorial: On June 6, the Des Moines Register published an excellent editorial in support of the Conservation Security Program. The editorial is posted at <http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20070606/OPINION03/706060361/1110>. The editorial calls for converting crop subsidies to conservation payments, notes with favor Tom Harkin's push for at least \$6 billion in increased conservation spending in the new farm bill, and notes it will not be easy given pay-as-you-go spending rules and competition for funding from biofuels development. The editorial ends with a ringing endorsement of the CSP, calling it "a template for a sustainable farm program for the 21 st century. It also supports tougher conservation compliance standards in light of expansion of crop production for ethanol.

More Good Work on Biofuels by the Des Moines Register: The Des Moines Register is running a year-long series on the impact of the biofuel boom. For a link to stories published to date and other information, go to www.desmoinesregister.com/apps/pbcs.dll/article?AID=2007706030327.