

National Affairs and Legislation Committee
The Garden Club of America
110th Congress, 2nd Session – May 14, 2008
Update #15

• **A Farm Bill, At Last?**

After months of extending the expired 2002 farm bill a week or two at a time, the congress has completed the so-called “farm bill,” HR 2419. It is coming up quickly for final passage in both the House and Senate, **most likely today.**

Then it will be transmitted to the White House where every indication is that a veto awaits. The votes today, therefore, will test whether a veto-proof majority exists in both the House and Senate. Overriding a veto requires a two-thirds vote of those voting. Previous farm bills have commanded majorities this large, but it will be a huge challenge for this problematic bill.

Are we happy?

So what do we think? How should we advise our elected representatives to vote on this \$300 billion package?¹ Should we join with those who say, “Well this bill certainly has a lot of blemishes, but we should support it because it includes a two-year extension of the liberalized tax deduction for donations of conservation easements.” After all, that is a very important provision, and we have wanted it for a long time.

Or should we join with those who say, “Even though this bill has the liberalized tax deduction for conservation easements, there are many terrible items in the package, including provisions that potentially harm wildlife habitat, so we simply cannot support the package.”

Welcome to the legislative process. Remember back in 2006 and early 2007 when we listened to enthusiastic speakers at our DC legislative meetings describe in rapt tones all the wonderful things that could go into a new bill focused on conservation, healthy diets, local foods, and organic and sustainable farming?



Well, forget all that. In the real world, those kinds of visions are the *starting point*, not the finish line. Far too often, the end of the legislative process serves up a bill that includes the good, the bad and the ugly. The current farm bill is a prime example.

Unfortunately we cannot pick and choose, taking the good parts and leaving the bad stuff behind for another day. Neither can our elected officials. They cannot vote for the bill they really wanted. They have to decide whether to vote for THIS bill, yes or no. It’s a conference agreement, so this is it. No more amendments, no more changes. Yes, or no. Those are the only choices.

We are flummoxed. It is really hard to take a position on a bill like this. The value one puts on the various provisions depends on where one sits—or lives. Do you think the two-year extension of the tax provision outweighs the disappointingly small increases in conservation programs? Or does the increase in funding for nutrition and feeding programs balance the fact that crop subsidies for agribusiness will continue virtually unabated? What about the biofuels provisions?

¹ Over the 2008-2012 period, \$209 billion would be spent for nutrition programs, \$35 billion for agricultural commodity programs and \$25 billion for conservation programs, according to the Congressional Budget Office’s May 13 analysis.

Do you think that if this bill is defeated, there will be another chance to write a better bill in the next 111th Congress with help from a new administration? Or are you one of the pessimists who believe that the farm state and agribusiness interests outweigh party affiliation and will again dominate the writing of the next bill? Would you prefer to continue for two more years under an extension of the 2002 legislation? Or do you think the slight improvements here and there justify passing the 2008 bill? Do you believe that the Senate, where everything is amendable, could even pass a two-year extension of the 2002 law? Do you believe Senator Harkin's threat to let the law revert to the permanent 1949 farm law if the veto is not overridden?

So rather than trying to reach a conclusion about whether this bill is (check one) pretty good considering all the interests involved, not that bad, sort of disappointing, really terrible, or outrageously awful, we will just lay out the provisions and leave it to you to contact your representative and senators as you see fit. ***However, the bill is moving fast, so if you want to have any input, pick up your phone and make your calls right now.***

What's in the final bill?

Details about the huge bill (15 titles, in all) are only now beginning to emerge. One good place to see what the bill's enthusiasts want to emphasize is the House Agriculture Committee website. Go to <http://agriculture.house.gov/inside/FarmBill.html>. It's too early, however, for a detailed analysis, and there probably will not be one available before legislators vote. Here are some details we have gleaned:

Tax deduction for contributions of conservation easements:

The final bill extends this provision for two years, through the end of calendar year 2009.

Conservation programs – Title II: 13 percent increase

Supporters of the farm bill emphasize that total spending for conservation programs would be increased. The Congressional Budget Office calculates that budget authority for Title II would be \$3.8 billion higher for 2008-2013 than the "baseline" for agriculture conservation programs of \$27.6 billion. The Senate bill increased this by \$5.475 billion. The House bill increased it by \$3.557 billion. Some details gleaned from the positive spin provided by the House Agriculture Committee:

- **Conservation Reserve Program** (CRP) is authorized for 32 million acres, *down* from 39.2 million acres in the 2002 law. The re-authorization allows enrollments only from 2010 to 2012—meaning no new CRP enrollments until then. This hiatus will occur just when many farmers are taking lands out of conservation and growing corn for fuel instead.
- **Wetlands Reserve Program** (WRP) is extended through 2012, and maximum enrollment is increased to slightly more than 3 million acres. This increase is smaller than provided for in either the House or Senate bill.
- What used to be called the **Farm and Ranchland Protection Program** (FRPP) is now the Farmland Protection Program. The program would now support farming operations with no mention of topsoil protection and only requires standard impervious surface limits for applicable farming operations. This completely alters the conservation purpose of the program.
- EQIP – **Environmental Quality Incentives Program** would be increased by \$3.3 billion.
- CSP – The **Conservation Security Program**, which pays farmers to implement conservation practices on their working lands, would get \$1.1 billion in new funding to enroll nearly 13 million acres per year. Private forests would be eligible.
- The **Grassland Reserve Program** (GRP) would be expanded by 1.22 million acres. However, the National Wildlife Federation says this does not offset the anticipated damage from cuts in CRP and WRP, or from a new permanent disaster program that would encourage farmers to plant crops even on marginal lands that now offer wildlife habitat..
- New funding of \$438 million to help farmers in the **Chesapeake Bay Region** meet new regulatory requirements imposed to help restore the Bay.
- **Forestry conservation tax credit bond** – Sen. Baucus (D-MT) was able to get a \$250 million provision included in the bill to help the Plum Creek Timber Company sell a parcel of land to the Nature Conservancy. (The NAL and Conservation Committees visited Montana's Blackfoot River Valley in September 2007 and saw first hand the looming presence Plum Creek Timber there and heard about Plum Creek's conservation work with the Blackfoot Challenge.)

Horticulture and Organic Agriculture – Title X:

The 2008 farm bill is the first to include a title for fruit and vegetable production. The conference agreement expands activities covered under the Farmers' Market Promotion Program and provides \$33 million to expand opportunities for direct producer-to-consumer marketing. It also provides \$22 million for USDA's cost-share program and \$5 million for organic marketing data collection and publication. It provides \$466 million (over 10 years) to expand the specialty crop block grant program. Also, \$20 million to establish and operate the National Clean Plant Network and develop a national source for clean, pest- and disease-free plant stocks for horticultural crops.



Commodity subsidies – Title I:

- **Limits:** Efforts to limit the payment of crop subsidies to large agribusiness corporations and wealthy land owners did not succeed. The Administration wanted to eliminate subsidies for farmers earning more than \$200,000. The bill moves only slightly in this direction by putting a hard cap on non-farm income of \$500,000 and a \$750,000 cap on farm income. Producers with greater non-farm or farm incomes would be ineligible for direct payments. The bill also establishes a total payment cap for direct and counter-cyclical payments for a single farmer at \$40,000 and \$65,000 respectively.
- **ACRE: Average Crop Revenue Election** is a new optional program created under the 2008 farm bill that fundamentally reforms the crop subsidy system by moving away from government-set prices and toward a safety net built on moving market prices. Producers who choose this market-oriented risk management system will receive a 30 percent cut in the marketing loan rate and take a 20 percent cut in their direct payments. But they will get benefits when they suffer a real loss in revenue. The American Farmland Trust supports this provision because, it believes, it has much less market distortion than the traditional crop subsidy system. AFT expects more than 50 million acres to be enrolled in ACRE.

Energy – Title IX: Despite recent concern over whether growing crops for biofuels contributes to food scarcity and high food costs, the 2008 farm bill puts a lot of chips—\$1 billion in all—on biofuels. The bill also attempts to help farmers reduce their energy use.

- A Biomass Crop Assistance Program encourages production of feedstocks for cellulosic ethanol.
- \$320 million in loan guarantees would go to bio-refineries producing advanced biofuels.
- A Rural Energy for America Program (REAP) would provide \$250 million for agricultural producers to purchase renewable energy systems and make energy efficiency improvements.
- A Sugar-to-Ethanol program is established to divert surplus sugar to fuel production.

How you can help:

- If, on balance, you favor enactment of the bill, NOW is the time to contact your Representative and Senators. Even though the bill is far from perfect, you can urge them to vote for it and to vote again to sustain the expected veto.
- Moderate Republicans are a key group in the House. If they support the bill, their votes added to a nearly solid Democratic base will be enough to provide the two-thirds vote required for override. These Republicans include Bartlett, MD; Biggert, IL; Bono, CA; Capito, WV; Castle, DE; Davis, VA; Dent, PA; Ehlers, MI; Emerson, MO; English, PA; Frelinghuysen, NJ; Gerlach, PA; Gilchrest, MD; Hobson, OH; Tim Johnson, IL; Keller, FL; Kuhl, NY; LaTourette, OH; LoBiondo, NJ; Petri, WI; Platts, PA; Porter, NE; Pryce, OH; Ramstad, MN; Regula, OH; Reichert, WA; Saxton, NJ; Shays, CT; Tiberi, OH; Upton, MI; Walden, OR; Walsh, NY; Wilson, NM

To telephone any representative or senator: Call the Capitol switchboard: 202-224-3121. Ask for your legislator's office

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