

WEEKLY UPDATE
SUSTAINABLE AGRICULTURE COALITION
May 7-11, 2007

ACTION NEEDED

The Farm Bill Process Officially Underway May 22 – CSP Support Needed NOW!: The House Subcommittee on Conservation, Credit, Energy, and Research kicks off the 2007 Farm Bill process the week of May 21. We have many interests in all four of the subcommittee's titles, but none bigger than the Conservation Security Program and the conservation title as a whole. Our direct advocacy and some of our targeted grassroots advocacy is aimed at several issues and programs within the subcommittee's jurisdiction, but, for purposes of widespread grassroots action, we would like all our member and partner groups to be focusing on the CSP.

An action alert is attached to this email and is also at www.sustainableagriculturecoalition.org. Please use it, and as always feel free to modify it and send it out as your own. Advance notice: Chairman Peterson (D-MN) is expected to issue his complete farm bill proposal, which will be used as the mark-up vehicle for all the subcommittees, next Thursday or Friday. We will likely re-tailor the action alert next Friday, therefore, to make it more specific to his proposal. But we cannot wait for that to start this action alert campaign because there would be only a few short days left at that point before mark-up.

Beginning Farmer and Rancher Initiative: Last week we announced the Beginning Farmer and Rancher Initiative would be introduced this week. However, several technical and timing problems intervened, but it now appears like it will be ready to be introduced this Tuesday. A letter of support to the lead sponsors – Chairman Tom Harkin (D-IA) and Rep. Stephanie Herseth Sandlin – is in process; if your group wants to sign on, contact Ferd by Monday night. Also, if you are working to get co-sponsors, put in your last minute calls and pleas on Monday.

Agriculture Appropriations for FY 08 After Memorial Day Recess: We now expect the 2008 agricultural spending bill to be marked up in the House very soon after the Memorial Day recess week. We will say more about ways to help secure funding for key sustainable agriculture priorities in coming weeks. Stay tuned!

THIS WEEK

FY 2007 Supplemental Appropriations: On Thursday, the House approved a new post-veto version of the Iraq war FY 2007 supplemental funding bill, and some domestic program assistance, except for FY 2007 supplemental agricultural assistance which was approved in a separate, stand alone bill. The two bills will be packaged together and sent to the Senate for consideration next week. The second bill includes the \$3.5 billion agricultural disaster assistance package as well as the 2007 funding for the Conservation Security Program and the one month extension of the MILC dairy payment program that would also trigger a full MILC baseline for the farm bill. The White House has already threatened to veto both bills.

FY 2008 Budget Resolution: House and Senate conferees hope to finalize a conference report on an FY 2008 Budget Resolution soon. The resolution could then go to the floor for final approval next week. House Appropriations Committee Chair David Obey (D-WI) will begin dividing about \$953 billion in discretionary funding among the 12 House Appropriation Subcommittees. House appropriations bills can begin moving next Tuesday even if a final budget resolution is not in place. The White House today threatened to veto appropriations bills that exceed a total of \$933 billion in discretionary spending.

NIFA Legislation Introduced in House: On May 2, Rep. Collin Peterson (D-MN), chair of the House Agriculture Committee and six co-sponsors introduced the National Institute of Food and Agriculture Act

(H.R. 2118). The bill is nearly identical to S. 971 introduced by Senate Ag Committee Chair Tom Harkin (D-IA) and Senator Kit Bond (R-MI) in March. The bill would create a stand-alone federal agricultural research agency modeled on the National Institutes of Health. NIFA would administer a national competitive grants program for basic research projects conducted by both academic institutions and industry. The House bill departs from the Senate proposal only its recommendation for congressional approval of some members of the NIFA Advisory Council that would oversee the new institute.

Both bills place mandatory farm bill funding for the program at close to \$1 billion annually beginning in 2012, following five years of staggered budgetary increases as the institute is developed. Those kinds of spending levels are unimaginable in the current fiscal context of the 2007 Farm Bill. Nonetheless, with both chairmen on the bill, it likely signals at least a start-up for NIFA in the new farm bill. SAC continues to advocate for the retention and improvement of the Initiative for Future Agriculture and Food Systems integrated and applied research competitive grants program – the only research title program with a farm bill baseline – and has suggested various ways of coordinating NIFA and IFAFS to the committee leaders.

Kind/Flake and Lugar Bills to End Commodity Programs: Reps. Ron Kind (D-WI) and Jeff Flake (R-AZ) and Senator Richard Lugar on Thursday announced their intention to introduce a bill to transition from commodity payment support to a new savings account-based program. The measure, yet to be released in detailed form, would end counter-cyclical payments after 2009, turn the marketing loan program into a recourse loan, and ramp down direct payments over time (but add a bonus based on environmental criteria). Farmers would then be free to create tax-preferred savings account (“farmer-held income stabilization accounts”) from which they could withdraw funds in low income years, to buy crop insurance, or to make investments. The proposal would also end the dairy price support program and the MILC dairy payment program, but would give dairy farmers a transition payment they could use to put into a farm savings account. It would also eliminate the sugar program.

The proposal has yet to be scored by the Congressional Budget Office, but the proponents claim it would save \$20 billion over the life of the 5-year farm bill, and they propose to invest those savings as follows: \$6.5 billion for conservation, \$5 billion for food stamps, \$1 billion for the international school feeding program, \$1 billion for renewable energy, \$700 million for rural development, \$400 million for farmers markets, farm to institution, and school fruit and vegetable programs, and \$5 billion for deficit reduction. The bill has been negotiated and supported by Environmental Defense, among other organizations.

Marketing & Regulatory Appropriations Hearing: The House Agriculture Appropriations Subcommittee held a hearing Thursday on USDA marketing and regulatory program appropriations. Chairwoman Rosa DeLauro (D-CT) opened the hearing with comments and questions about food safety inspection of fruits and vegetables, country of origin labeling (COOL) implementation, producer concerns about privacy issues in animal identification systems, and enforcement activities under GIPSA. Rep. Sam Farr (D-CA) inquired about low staffing and funding levels for the National Organic Program, as well as USDA’s failure to report organic pricing data. He also noted the problems international coffee growers are having with organic certification requirements. The hearing was cut short by House floor votes and will likely resume next week.

House Ag Research Title Hearing: The House Conservation, Credit, Energy and Research Subcommittee held a relatively uneventful hearing on the research title of the farm bill on Thursday, hearing from USDA, the land grants, and the NIFA proponents. Neither the USDA CSREES-ARS consolidation proposal nor the land grants’ Create 21 proposals received much backing by committee members. More interest was expressed in the USDA proposal for mandatory money for energy and specialty crop research. The low light of the hearing was the USDA Under Secretary telling the Committee that they do not have a good idea what USDA and land grant researchers are doing on renewable energy research but that he has hired an outside consultant to help find out the answer and that the consultant’s report would be discussed at a conference in September. To which Chairman Peterson

responded, with visible irritation, that they would be marking up the research title in two weeks time and that if USDA wanted to have any input they would have to speed up the process.

SARE Sign-on Letter: On Thursday, SAC delivered a letter requesting increased funding for the SARE (Sustainable Agriculture Research & Education) program in FY2008. Seventy Northeast organizations signed on to the letter which notes that 2008 marks SARE's 20th anniversary and requests \$20 million in funding for 2008. The letter was directed to Rep. Rosa DeLauro (D-CT), Chair of the House Agricultural Appropriations Subcommittee, and fellow subcommittee members Maurice Hinchey (D-NY) and Steven Rothman (D-NJ), plus Rep. John Olver (D-MA). On the Senate side, subcommittee members Arlen Specter (R-PA) and Jack Reed (D-RI) received the letter, as did Senators Patrick Leahy (D-VT). Special thanks to the National Campaign for helping to collect sign-ons.

EQIP Reform Letter: Also on Thursday SAC delivered to all Senate and House members a letter urging them to support restrictions in the next farm bill on direct funding to large-scale, new or expanding confined concentrated animal feeding operations (CAFOs) under the Environmental Quality Incentives Program (EQIP). The letter was signed by twenty-six national, regional and statewide organizations from around the country, including the Sierra Club, National Environmental Trust, Waterkeeper Alliance, Defenders of Wildlife, National Family Farm Coalition, and Union of Concerned Scientists.

The letter highlighted this issue as a fundamental flaw in several bills that have been introduced for consideration during congressional proceedings on the 2007 Farm Bill, including the Healthy Farms, Foods and Fuels Act (H.R. 1551- Rep. Ron Kind / S. 919 - Senator Robert Menendez), EAT Healthy America Act (H.R. 1600 - Rep. Dennis Cardoza), Chesapeake's Healthy and Environmentally Sound Stewardship of Energy and Agriculture Act of 2007 (H.R. 1766 - Rep. Chris Van Hollen), and the Farm, Nutrition, and Community Investment Act (H.R. 2144 - Rep. Rosa DeLauro and Rep. Wayne Gilchrest). A copy of the letter with a SAC press release is posted at www.sustainableagriculturecoalition.org.

U.S. Department of Justice Approves Smithfield-Premium Standard Farms Merger: On Monday, the Department of Justice's Antitrust Division declared it saw no antitrust problems with #1 pork packer/hog owner Smithfield Foods taking over #2 hog owner Premium Standard Farms. The DOJ issued a press release which stated, "After a careful investigation of Smithfield's proposed acquisition of Premium Standard Farms, the Antitrust Division determined that the merged firm is not likely to harm competition, consumers or farmers." The DOJ added that it *will continue to be vigilant in its enforcement of the antitrust laws with respect to any further proposed consolidation in this area.*

Given the current level of concentration in the hog packing sector and this decision on the merger, DOJ's definition of vigilance appears to be "asleep at the wheel." In response to the DOJ, Senator Grassley (R-IA) had this to say: "It looks like nobody's going to stand in the way of all this vertical integration until we've just got one meatpacker in the country. Maybe then the Justice Department will figure out that we've got a problem. This makes it all the more clear that we need to address concentration in the farm bill to give the family farmer a fighting chance in the marketplace."

USDA NEWS

Federal Judge Orders USDA to Prepare Environmental Impact Statement for Roundup Ready Alfalfa – Halts Sale: Last Thursday, May 3, Judge Charles Breyer of the Federal District Court in Northern California ordered USDA's Animal Plant & Health Inspection Service to prepare a full-scale environmental impact statement on its decision to approve Roundup Ready alfalfa for commercial use. The judge also ordered a halt to the sale of the GE alfalfa and required Forage Genetics to provide the locations of all existing Roundup Ready alfalfa plots to USDA within 30 days so that growers can test their crops for possible contamination. Breyer asserts in the ruling that contamination of organic and conventional alfalfa already has occurred. Forage Genetics worked with Monsanto in developing the GE

alfalfa. Farmers who have already planted the GE alfalfa can harvest the crops and sell them for forage but must keep the GE alfalfa separated.

Plaintiffs in the case include The Center for Food Safety, which represented itself and the following co-plaintiffs: Western Organization of Resource Councils, National Family Farm Coalition, Sierra Club, Beyond Pesticides, Cornucopia Institute, Dakota Resource Council, Trask Family Seeds and Geertson Seed Farms. Monsanto has not yet announced whether it will appeal the ruling.

EPA NEWS

EPA Punting CAFO Rule Compliance to Next Administration: On Thursday, EPA issued a proposed rule that would extend Clean Water Act regulation compliance deadlines for CAFOs from July 31, 2007 to Feb. 27, 2009. The extension would apply to the date by which operations newly-defined as CAFOs under EPA's revised CAFO regulation must have Clean Water Act permit coverage and the date for permitted CAFOs to develop and implement Nutrient Management Plans. EPA has not yet issued the final revisions of the Clean Water Act CAFO regulation that were required by a federal court in 2005. Comments on the extension are due June 11, 2007. Martha Noble will prepare comments for SAC in consultation with the SAC Conservation and Environment Committee and our partners in the Clean Water Network.

We also note that the extension would conveniently allow the 2-term Bush administration to avoid full implementation of the CAFO Clean Water Act regulations, while at the same time providing hundreds of millions of dollars to the CAFO sector based on the rationale that the sector must abide by federal Clean Water Act regulations and needs subsidies to do so. For further information on the EPA proposal go to the website www.epa.gov/npdes/caforulechanges.

DULY NOTED

Summer SAC-MSAWG Meeting is A-coming In: We have the time and place for the SAC-MSAWG summer meeting – August 5-7 at the Pere Marquette Lodge and Conference Center in Grafton, IL. The Center overlooks the Illinois River at its confluence with the Mississippi, with lots of room to stroll outdoors and watch eagles soar and a wine tasting room as well. Our thanks to Van Ayers for helping find this venue, Tazuer Smith for making arrangements, Bob Gronski for pointing us to local CSAs, and to Delta Land and Community and Illinois Stewardship Alliance for co-hosting the meeting. More information will be coming soon – but be sure to book the dates on your calendars now!

FFPP Farm Bill Website: On Friday, the Farm and Food Policy Project (FFPP) launched a farm bill advocacy mini-website at www.healthyfarmbill.org/, which is intended to generate support for policies promoting the availability of fresh, healthy, and locally produced foods. Visitors to the website will be able to send a general message of support for FFPP priorities in the upcoming Farm Bill to their Senators and Representatives. Most visitors will reach the website by viewing catchy online ads that will take them to the mini-site. Those ads are targeting the states and districts of 20 key Agricultural Committee members. The ad campaign and mini-site have been funded by the W.K. Kellogg Foundation.