

WEEKLY UPDATE
SUSTAINABLE AGRICULTURE COALITION
July 16-20, 2007

ACTION NEEDED

FARM BILL GOES TO THE HOUSE FLOOR THIS THURSDAY!
SUPPORT CSP and REAL PAYMENT LIMITS!!!

The farm bill that was approved by the House Agriculture Committee on July 19 is now expected to go to the floor of the House for a vote on Thursday, July 26. Between now and July 26 we need an all-out mobilization. Please help! Here's the message: It is critical that you call your Representative (if you do not know who your Representative is, click [here](#)) and ask them to urge Speaker of the House, Nancy Pelosi (D-CA) to restore the \$3 billion that was cut from the Conservation Security Program and demand *real* payment limits for commodity programs, including a \$40,000 direct payment cap and the closing of all loopholes. In addition to contacting your Representative, please deliver this message to Rep. Pelosi directly by visiting a landing pad set up by the Center for Rural Affairs that takes you to a comment page on the Speaker's website: <http://www.cfra.org/frame/nofakereforms.html>.

A full action alert is attached and will be posted to SAC's Farm Bill Action Center, www.sustainableagriculturecoalition.org and will be updated as needed between now and when the bill goes to the floor of the House as the details of amendments we are supporting become clear.

THIS WEEK

House Ag Committee Marks-up Farm Bill: On Tuesday, Wednesday and Thursday, the full House Committee on Agriculture marked up a farm bill (H.R. 2419), approving the final measure at 10 pm Thursday night, after going until 1 am the night before. The Committee is still awaiting final budget estimates from the Congressional Budget Office to determine whether or not they have met the "no new net cost" budget rules the Congress is working under.

The bill will head to the Rules Committee by Wednesday of next week, where it will be married up with two tax bills – one which will pay for a \$2-plus billion farm bill energy title and one of which will pay for a \$4 billion nutrition title. The House Democratic leadership has been indicating its support for the bill, while also hinting at the need for additional changes before the bill hits the floor. This is giving us some hope that the unfunded conservation programs, most especially the Conservation Security Program, and the sham payment limitation provisions, might still possibly see some change. Also seeking funding is the Community Food Grants program and the Beginning Farmer Individual Development Account pilot program.

We are issuing a Special Edition this weekend with lots of information about how our SAC proposals fared, so check it out for the details.

House and Senate Appropriations Committees Approve Ag Spending Bill: This week both the Senate and House Appropriations Committees approved their respective FY08 Agricultural Appropriations bills. Our SAC Ag Appropriations Chart is attached to the message with this issue of the Weekly Update. Here are some highlights.

The great news is that the Senate approved \$20 million for the *Sustainable Research & Education program (SARE)* as SARE approaches its 20th anniversary, a strong affirmation of our 20 by 20 campaign. The House also came through with a more modest increase over FY07 funding, with \$18.2

million for SARE, which is \$2 million over 2007 levels and close to the program's all time high of \$18.5 million in FY03. We now have at least a decent shot at obtaining the \$20 million in SARE funding that has been a crucial SAC priority for FY08.

More great news is both the House and Senate approval of the *Conservation Security Program* with no funding limitations. For the first time in a very long time, no farm bill conservation program was cut in the appropriations bill, with the sole exception of the *Environmental Quality Incentives Program*, which was cut by over \$200 million in both bills.

ATTRA, another top SAC priority, also received increased support at the full SAC request of \$3 million in the Senate. The House was lower at \$2.475 million, but the conference committee should ultimately come up with a significant increase. (Note: we provided the wrong number for ATTRA in last week's edition) The *National Organic Program* received a \$1 million increase in both bills, to \$3.2 million. The *Farmers Market Promotion Program* was flat funded in both the House and Senate at \$1 million, while the *Value-Added Producer Grant Program* received \$20 million in the House and \$17.5 in the Senate. The *Renewable Energy Systems and Energy Efficiency (9006) program* was doubled in the House bill to \$46 million and increased in the Senate bill by over \$5 million to \$28.5 million.

The *Outreach and Assistance Program for Socially Disadvantaged Farmers* received a \$1 million increase in the House and level funding in the Senate, at \$6.9 and \$5.9 million, respectively. Of concern was the Senate's decision to zero out the *Organic Transitions Research* program. The House kept the program at \$1.9 million in level funding, and we will support its continuation even as we fight for mandatory organic research funding as part of the 2007 farm bill. The Senate bill includes a \$54 million increase in funding for the *National Research Initiative* to \$244 million, compared to level funding in the House, suggesting one possible area for an offset for the organic research program.

These funding levels are a testament to the effort and dedication of our SAC members and to our partners in the National Campaign for Sustainable Agriculture over the past several months. While we still have work to do in preparation for floor votes and especially for the House-Senate conference committee, the FY08 appropriations campaign has been a tremendous success. Let's keep that momentum going!

A few additional items of interest, both bills direct USDA to implement *mandatory Country of Origin Labeling* no later than September 30, 2008, and set benchmarks for assessing the agency's progress. Funding for USDA's Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is slated for the biggest single increase in both bills, to \$5.6 billion in the House bill and \$5.7 billion in the Senate bill. The WIC funding represents roughly a third of the total bill and over half of the total increase in funding for the bill this year. Responding to the many food safety crises over the past several months, both the House and Senate bills include substantial increases for USDA's Food Safety and Inspection Service (FSIS) as well as FDA. Both bills provide \$930.1 million for FSIS, an amount consistent with the President's budget request. In the Senate bill, FDA would receive \$1.75 billion, \$120 million more than the President's request, while the House bill provides FDA with \$1.69 billion.

The House may take up its bill on the floor as early as next week, but the week of July 30th is reported as more likely. The Senate has not placed its appropriations bill on the floor schedule, and it is doubtful it will be considered before the August recess. And just a final heads up, the final measure will exceed President Bush's budget request by almost \$1 billion and the President has repeatedly threatened to veto any appropriations bill that exceeds his FY08 budget request.

House Hearings on Clean Water Authority Restoration Act: On Tuesday and Thursday, the House Committee on Transportation and Infrastructure held a hearing on recent Supreme Court rulings and EPA guidance which restrict the scope of the Clean Water Act's jurisdiction. The hearings focus on the Clean

Water Authority Restoration Act (H.R. 2421) which would remove the term “navigable waters” as a reference for the scope of Clean Water Act jurisdiction.

In preparation for the hearing the Committee’s Water and Environment staff released a background report which is posted on the web at http://transportation.house.gov/Media/File/water/20070717/SSM_FC_7-17%20and%207-19.pdf. In addition, the Sierra Club and American Rivers released a report entitled *Where Rivers Are Born: The Scientific Imperative for Defending Small Streams and Wetlands*, posted on the web at www.sierraclub.org/healthycommunities/rivers/. More information on the issue is on the Clean Water Network website at <http://www.cleanwaternet.org/issues/scope/index.cfm>.

USDA NEWS

APHIS Releases Draft EIS for GMO Regulation: On Tuesday, USDA’s Animal and Plant Health Inspection Service (APHIS) officially announced that it was releasing for public comment a Programmatic Draft Environmental Impact Statement which assess alternative measures for revising APHIS regulations for genetically engineered organisms. APHIS will take comments on the Draft EIS until September 17, 2007. The agency is scheduling public meetings for August in Washington D.C., Missouri and California. The Draft EIS is posted at www.aphis.usda.gov/biotechnology/EIS_index.shtml.

EPA NEWS

U.S. Court of Appeals OKs EPA-CAFO Voluntary Compliance Agreement: On Tuesday, the U.S. Court of Appeals for the District of Columbia, in *Association of Irrigated Residents v. EPA* (Docket No. 05-1177), ruled against environmental organizations, including the Sierra Club, the Environmental Integrity Project, Iowa Citizens for Community Improvement and the Association of Irrigated Residents, in their challenge to EPA’s Voluntary Air Compliance Agreement with large-scale CAFOs. The opinion is on the web at <http://pacer.cadc.uscourts.gov/docs/common/opinions/200707/05-1177a.pdf>.

Under the agreement, EPA will defer enforcement of past and continuing violations of the Clean Air Act, the Comprehensive Environmental Response, Compensation & Liability Act (CERCLA or “Superfund”) and the Emergency Planning Community-Right-to-Know Act which arise from air pollutants released by large-scale CAFOs which signed the agreement. In turn, the CAFOs pay a modest civil penalty, without admitting any violations, and pay a \$2,500 fee to fund a study of CAFO air emissions. The air emission study will take an estimated 2-1/2 years to complete, followed by another extended time period in which EPA will develop standard air emission factors and implement CAFO regulations. In short, the ruling will subject rural residents and the surrounding land and water to continued exposure to CAFO air pollution until approximately 2012 without any enforcement by EPA.

In the 2-1 opinion, the court ruled that the Voluntary Air Compliance agreement is not a regulation disguised as an EPA enforcement action. The court also ruled that EPA did not exceed its statutory authority in devising a compliance agreement for an entire industrial sector without filing a single complaint against any CAFO for any violation of any of the three statutes covered by the agreement. The plaintiffs have not yet announced if they will file additional actions in the case.

WTO NEWS

WTO Chairs Issue Draft Negotiating Texts: On Tuesday, WTO Agriculture chair Crawford Falconer of New Zealand and NAMA (non-agricultural market access) chair Don Stephenson of Canada released new draft negotiating texts to WTO members, which they hope can be modified into the modalities, or terms of agreement, for a renewed WTO negotiating effort. The draft agriculture text includes two options for reducing all U.S. trade-distorting subsidies, either a 73 percent reduction to \$13 billion per

year or a 63 percent reduction to \$16.4 billion per year. The US has maintained a standing offer of a \$23 billion cap, with indications that a reduction to \$17 billion could be acceptable. The two proposed cuts for EU tariffs are a 75 percent of \$22.7 billion or an 85 percent cut of \$38 billion. For the amber box, most trade-distorting subsidies, the text proposes a 60 percent cut in U.S. subsidies to \$7.6 billion and a 70 percent cut for the EU. The draft also restricts the ability to shift subsidies into blue box category, limiting such shifts to 40 percent of total trade-distorting support. The U.S. has negotiated to have the counter-cyclical commodity payments shifted to the blue box. The text proposes cuts in developing country tariff lines on farm product imports. In addition, the text recommends that state trading enterprises be eliminated by 2013 at the latest. The NAMA draft proposes cuts in developing countries tariffs on industrial products to open their markets to developed country products.

Chairman Falconer noted that he will be in no danger of being hugged to death by WTO negotiators when the meet from July 23-27 for a first discussion of the draft texts. The negotiations will be suspended in August, with more rigorous negotiations resuming on Sept. 3. This negotiation timetable precludes any final Doha deal by the original deadline of December 2007. The draft texts, with additional information, are on the web at www.wto.org/english/news_e/news07_e/ag_draft_modalities_july07-e.htm.

DULY NOTED

New Report Critical of Corn Ethanol: The Food & Water Watch, the Network for New Energy Choices and the Vermont Law School Institute for Energy and the Environment have released a report entitled *The Rush to Ethanol: Not All Biofuels Are Created Equal*. The report finds that corn is the least sustainable and most environmentally damaging ethanol feedstock and that it offers only an 18 to 28 percent reduction in greenhouse gas emissions in comparison to cellulosic feedstocks. Even if the entire U.S. corn crop was used for ethanol production, corn ethanol would meet only 15 percent of the nation's gasoline consumption. The report emphasizes that just a 1-mile-per-gallon increase in the fuel efficiency standards for all cars and light trucks could cut petroleum use more than all the alternative fuels combined. The report is on the web at www.newenergychoices.org/uploads/RushToEthanol-rep.pdf.

New Report on Minority Farmers in the U.S.: On Thursday, Oxfam America released *Shut Out: How US Farm Programs Fail Minority Farmers*, detailing the lack of equity for minority farmers in federal farm policies. The report contains several policy recommendations for the Farm Bill, including commodity program reform so that more resources are available to support minority, small to mid-sized farmers, and diversified operations; improving the access of socially disadvantaged farmers to USDA programs; and improvements to the Census of Agriculture so that it accurately reflects the participation of socially disadvantaged producers in agriculture. Among Oxfam's specific policy changes, they recommend adequately funding the Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers Competitive Grants Program (2501 Program); targeting EQIP to serve small farms and socially-disadvantaged farmers; and providing sufficient technical assistance for USDA programs.

Interfaith Farm Bill Letter: A letter signed by the leaders of numerous faith-based advocacy groups and religious denominations, including SAC member organization National Catholic Rural Life Conference, was submitted to House Leader Nancy Pelosi on Tuesday. The leaders were propelled by their concern for the direction the Farm Bill has taken in the House Agriculture Committee. The letter condemned current Farm Bill policy as harmful to small and mid-sized farmers, in both the United States and around the world, and advocated policy changes containing meaningful reform. Among the letter's recommendations were to restore and expand funding for the Conservation Security Program and other conservation programs. Furthermore, the leaders endorsed the creation of rural micro-enterprise programs and other investments in rural development. To read the letter with the entire policy recommendations: <http://www.elca.org/advocacy/issues/farmbill/07-07-17-pelosi.html>