

**SPECIAL EDITION**  
**Weekly Update**  
**Sustainable Agriculture Coalition**  
**June 19, 2007**

*We are issuing another special edition of the Weekly Update to cover breaking news on today's House commodity title markup and the revised House schedule for consideration of the farm bill.*

**SCHEDULE CHANGE**

This morning House Agriculture Committee Chair Collin Peterson (D-MN) announced that House leadership has told him there will be at least a one week delay for House floor consideration of the farm bill, postponing it from the week of July 16 until, at the earliest, the week of July 23. As a result of that change as well as the major surprise at today's markup (see below), the consideration of the farm bill by the full Agriculture Committee will be put off until the week of July 9, right after the July 4 congressional recess. That week, by the way, is also the tentative date for Senate Committee markup, though it is unlikely that both committees would actually work on their bills the same week, suggesting that something will likely give.

**ACTION NEEDED**

With full committee originally scheduled for next week, we intended to send out action alerts this week. We want to make the alerts as specific as possible, naming specific amendments to support or oppose. Without the force of an impending deadline, it will be slightly harder to be that definitive that quickly. Our current plan is to issue the alerts as soon as possible, once we have fairly certain information about amendments. So please stand by, and be ready to rock as soon as we get the alerts out the door to this list and others. As always, the action alerts will also be posted to "Act Now!" on our Farm Bill Action Center: [www.sustainableagriculturecoalition.org](http://www.sustainableagriculturecoalition.org).

**COMMODITY MARKUP**

The General Commodities and Risk Management Subcommittee marked up the commodity title and crop insurance subtitle of the farm bill today. After unanimously voting down the Bush/Johanns farm program proposal, the Farm 21 proposal from Representatives Kind (D-WI) and Flake (R-AZ), and the commodity buy-out proposal put forward by Citibank, the Subcommittee turned to consideration of a GOP amendment to toss aside House Agriculture Committee Chairman Colin Peterson's mark and substitute the 2002 farm bill commodity title in its place. That turned out to be the winning ticket, at least for the time being, though as soon as extension was approved amendments were offered and passed to move some of the items included in Chairman Peterson's mark back into the document. We expect that re-integration process to continue at full committee.

Last night, Chairman Peterson announced that the reduction in direct payment base acres, anticipated in the mark as the way to pay for increases in loan and target prices, would not be needed after all, as new Congressional Budget Office estimated that the incredibly weak payment limitation reform provision included in the mark would be sufficient to pay for the "rebalancing" of loan and target prices. We think that some form of "magic" was involved in that budget scoring process.

Nonetheless, there was strong opposition on the committee to even the hint of a possible need to lower direct payments and to any hint of payment limit reform. Cotton, which stood to lose from rebalancing and from payment limits, objected the most, but even the commodity groups that benefited from the

proposed rebalancing mostly complained that the safety net increases were not sufficient. That combination of disgruntlement proved to be the perfect storm to result in a unanimous vote for extension.

Amendments accepted after voting for extension of the 2002 Farm Bill commodity title included equalizing the posted county prices for corn and sorghum, changes to the calculations for cotton and rice loan programs, and the re-institution of a program that looks suspiciously similar to the cotton “step 2” program that Congress rescinded in 2006 as a result of the Brazilian cotton case at the World Trade Organization. Expect to be hearing more about that as the new proposal is analyzed and debated. An amendment to allow fruits and vegetables to be grown without penalty on base acres was not accepted, but the 10,000 acre Indiana pilot project for processed tomatoes did pass on a 13-4 vote.

Chairman Peterson stressed after the markup that the commodity title is a work in progress, and what passed today is still a long ways from the likely final product. We would agree. Today set up the likelihood of a long full committee discussion and set of votes on rebalancing, payment limitation amendments, and perhaps some form of permanent disaster program.

After disposing of the commodity title, the Subcommittee marked up the crop insurance section of the farm bill. The mark for the crop insurance section came out late yesterday and is online at the farm bill center at [www.agriculture.house.gov](http://www.agriculture.house.gov). It includes the Risk Management Education section of the Beginning Farmer and Rancher Opportunity Act, a provision that was proposed for the title by Rep. Tim Walz (D-MN). It would direct USDA to offer risk management education grants to projects focused on beginning, immigrant, socially disadvantaged, and transitioning farmers.

The crop insurance subtitle also includes the version of organic crop insurance reform proposed by the Organic Trade Association. The provision would require the Risk Management Agency at USDA to contract with an outside group to do a study of the risk factors and crop loss experience involved in organic farming relative to conventional farming. If the study determines the variations are not significant and systemic, then USDA would be directed to eliminate or reduce the current 5 percent surcharge paid now by organic growers. The outside contract would also develop a procedure for a price election for organic growers to receive payouts based on the actual organic premium price. SAC prefers language that has been proposed by SAC, the National Campaign for Sustainable Agriculture, National Organic Coalition, and Organic Farming Research Foundation, among others, that would get rid of the surcharge unless and until such time as the agency can prove a factual basis for its existence. That preferred provision would put the burden of proof on the agency rather than on the farmer, and eliminate the unfair surcharge far more quickly.

With this markup, all the subcommittee action is completed for the farm bill, and attention now turns to House and then Senate full committee consideration.