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Chairman Frank Lucas announced a series of field hearings on the 2012 Farm Bill to take place throughout March and April. The hearings will give Committee Members the opportunity to hear firsthand how U.S. farm policy is working for farmers and ranchers in advance of writing legislation. To view the transcript of the field hearings click here.

A news release from the House Agriculture Committee yesterday stated that, "Today, Congressman Dennis Cardoza, D-Calif., Chairman of the House Agriculture Committee's Subcommittee on Horticulture and Organic Agriculture, held a hearing to review specialty crop and organic agriculture programs in advance of the 2012 Farm Bill.

"I am once again reminded of the extraordinary diversity of products and practices represented by the specialty and organic sectors of our nation's agriculture industry," said Subcommittee Chairman Cardoza. "It is imperative we work together to address health and nutrition issues in this country by increasing accessibility to healthy fruits and vegetables. Based on what I have heard today, it is clear we have work to do but are on the right track."

In a news release from yesterday, Subcommittee Chairman Cardoza also indicated that, "Today's hearing comes on the heels of the first round of field hearings conducted by the full House Agriculture Committee on the 2012 Farm Bill. The Committee convened a hearing on May 3, 2010 in Fresno, CA. To read more, please click here."

Similarly, in his testimony at yesterday's hearing, Ohio producer Robert Jones pointed out that, "Sixty percent of all the nation's farmers do not raise Farm Bill program crops and therefore do not receive direct subsidies. Please let me be very clear on this point, we do not want them. Ohio growers like myself are much more interested in becoming better growers, marketers and promoters." (Related audio- MP3- 2:22).

Also at yesterday's House hearing, Subcommittee Ranking Member Jean Schmidt (R-Ohio) highlighted the increasing federal regulatory burden that U.S. producers are facing. (Related audio- MP3- 1:55). "As we prepare for the next Farm Bill, it is critically important to consider the regulatory pressures are farmers are facing from this current administration," she said.

Chris Clayton indicated yesterday at the DTN Ag Policy Blog that, "USDA's proposed rules on livestock competition [related USDA news release; related news article] are in jeopardy and will almost certainly have an extension to the public comment period following a hearing Tuesday by

the House Agriculture Subcommittee on Livestock, Dairy and Poultry.â€•

â€œUndersecretary for Marketing and Regulatory Programs Edward Avalos [opening statement] found himself trying to stick to the script by stressing, repeatedly, that the livestock rule â€“is a proposed ruleâ€™ and that USDA wants to hear from the industry. Avalos said USDA would make a decision on the extension soon. He also largely deferred to GIPSA Administrator Dudley Butler. Avalos indicated at one point that he personally has not met specifically with any packers or critics of the proposed rule.

â€œHouse Agriculture Committee Chairman Collin Peterson, D-Minn., said he had asked Agriculture Secretary Tom Vilsack last week to consider an extension of the comment period. Peterson said producers had expressed concern to him that some of their branded premium programs could be in jeopardy because of the impact of the rule.

â€œRep. David Scott, the Georgia Democrat who chairs the subcommittee that oversees livestock issues, told Agriculture Department officials today that they went â€“well beyondâ€™ what Congress intended and were trying to impose regulations that lawmakers had specifically rejected when they wrote the 2008 farm bill [related audio, MP3- 1:22]. Another Democrat on the panel, Walter Minnick of Iowa, called the regulations â€“silly.â€™ Rep. Jim Costa, D-Calif., said the rules would be a â€“lawyersâ€™ field dayâ€™ [related audio, MP3- 6:49]. The chairman of the full committee, Minnesota Rep. Collin Peterson, D-Minn., worried that the rules would make it harder to continue branded marketing arrangements between farmers and processors.

Mr. Brasher added that, â€œThe proposed rules would among other things make it easier for producers to prove that the prices that packers were paying them were unfair and would bar packers from selling livestock to one another. The USDAâ€™s undersecretary for marketing programs, Edward Avalos, insisted that the department had the legal authority for the regulations but he struggled to defend specific rules. He repeatedly responded to lawmakers by saying that thousands of farms had gone out of business under the status quo.â€•

However, a release yesterday from the National Farmers Union indicated that, â€œNational Farmers Union (NFU) President Roger Johnson sent a letter to Secretary of Agriculture Tom Vilsack, urging the U.S. Department of Agricultureâ€™s (USDA) Grain Inspection, Packers and Stockyards Administration (GIPSA) oppose any extension of time requested beyond the original 60-day public comment period established on the proposed rule, â€“Implementation of Regulations Required Under Title XI of the Food, Conservation and Energy Act of 2008; Conduct in Violation of the Act.â€™â€•

A news release yesterday from the National Pork Producers Council (NPPC) noted that, â€œNPPC, in a July 6 letter to GIPSA Administrator J. Dudley Butler, requested a 120-day extension of the comment period. It said the scope of the proposed rule and the lack of an adequate economic analysis of its impact on the livestock industry warrant an extension.â€•

â€œâ€“Todayâ€™s hearing provided a good overview of the strengths and the weaknesses of our rural development programs given their current resources. I appreciate hearing from Under Secretary Tonsager and the USDA Rural Development administrators about their progress on Farm Bill implementation, the administration of Recovery Act funds, and issues we might consider for the next Farm Bill,â€™ Chairman McIntyre said. â€“Our second panel of witnesses provided good testimony and helpful suggestions, particularly on the complexity of the loan and grant application process, that I hope USDA will keep in mind as we move forward with the 2012 Farm Bill.â€™â€•

During yesterdayâ€™s hearing, Subcommittee Ranking Member K. Michael Conaway inquired about USDAâ€™s â€œKnow Your Farmer, Know Your Foodâ€• program (related audio-MP3- 3:24), and also asked witnesses on the second panel if federal allocations for farmerâ€™s markets were as important as allocations for emergency first responders (related audio- MP3- 2:59).

A House Ag Committee news release from yesterday pointed out that, â€œThis is the ninth in a

series of field hearings scheduled across the country to consider new ideas regarding federal food and farm policy. Four Members of Congress attended today's hearing and heard testimony from eight witnesses on a variety of farm policy issues.

At yesterday's hearing, North Carolina farmers Frank Lee (audio clip, MP3-1:33) and Allen McLaurin (audio clip, MP3-3:21) provided perspective on the Farm Bill safety net, highlighting provisions that they viewed as important. Their testimony touched on trade, including the WTO cotton case with Brazil, as well as program payment limitation issues.

Near the conclusion of yesterday's hearing, Rep. Bob Etheridge (D-NC) pointed out that although Farm Bill debates have historically been bi-partisan, regional and geographic differences often create some stumbling blocks in policy development. In addition, Rep. Etheridge reminded the audience that budget issues would be a concern in developing the next Farm Bill. He specifically noted that in the last Farm Bill, the Ag Committee sought additional funding from the Ways and Means Committee that ended up bolstering funding for some nutrition programs.

Recall however that at a Farm Bill hearing on April 21 in Washington, D.C., Ag Committee Chairman Collin Peterson (D-Minn.) pointed out that, "We also have to be realistic in terms of our budget situation. I think most of us on this committee are not interested in running up the deficit. In fact, we are probably more interested in trying to get the deficit under control and so, as we move ahead with this Farm Bill, I am not going to be looking for additional resources. I think we have to live within the baseline that we currently have for the Farm Bill. We will proceed in that manner."

At an April 30 Farm Bill field hearing in Des Moines, Iowa, Chairman Peterson stated that, "I think that last comment kind of ties into something I want to say, and that is that we are not going to have any extra money for this farm bill. We'll be lucky to hold onto what we got. I saw on some of the testimony people wanting to raise loan rates because they are ridiculously low. If we get down to loan rates, we're out of business. It ain't gonna happen. The money it costs to raise the loan rates, you know, I just think it's not realistic. So one of the reasons we're starting this hearing process early is to see if there's a more efficient way, a better way to provide the risk management tools, the safety net, the conservation that we all want to do."

"The hearing was called to solicit opinion from farmers on U.S. agriculture policy as Congress begins to craft legislation to replace the current farm bill. That measure, passed in 2008, authorized \$289 billion over five years for all Department of Agriculture programs, including food stamps for the poor and farm subsidies."

"Some adjustments may be necessary, said Gary Murphy, the board chairman of the Houston-based US Rice Producers Association. "Rice farmers are certainly not seeing any windfalls" from farm programs, said Murphy, who grows about 7,000 acres of rice, cotton, corn and soybeans in Missouri. "Neither are our brethren who produce other crops."

Philip Brasher reported yesterday at The Green Fields Blog (Des Moines Register) that, "The fixed annual payments that grain, soybean and cotton farmers have been getting since 1996 are surfacing as a major issue facing lawmakers as they move toward writing the next farm bill. The payments [related graph], which total about \$5 billion a year, including \$500 million sent to Iowa, offer one of the only significant pots of cash that lawmakers could tap into if they're going to overhaul commodity programs without any new source of money, which is highly unlikely given the budget deficit. The payments date back to the 1996 Freedom to Farm law, which was supposed to wean farmers off of government support by providing declining amounts of direct payments that would eventually end, which never happened."

"Craig Lang, the president of the Iowa Farm Bureau Federation, told me in May that the payments are hard to defend. Today, a representative of the National Farmers Union echoed that concern in testimony to the House Agriculture Committee. Kent Pepler said the payments are particularly hard to defend in years when commodity prices are relatively high. Rob Joslin, an Ohio farmer who is president of the American Soybean Association, said the money winds up in the

pockets of landowners because the payments are factored into land rents.â€•

Mr. Brasher added that, â€œHowever, groups such as the National Cotton Council and the National Association of Wheat Growers signaled strong support for the payments. Minnesota farmer Erik Younggren said the payments provide a â€œreliable cash flow toolâ€™™ that enables farmers to obtain operating loans.

The release added that, â€œâ€œIt was good to have the opportunity to continue the Committeeâ€™™s discussion about how our current farm safety net is working and how we can improve it in the next farm bill. It was also important that members of the Subcommittee had the opportunity to ask questions about the latest draft of the Standard Reinsurance Agreement [SRA] that was submitted last Friday,â€™™ said Subcommittee Ranking Member Jerry Moran, R-Kansas.â€•

A portion of Rep. Moranâ€™™s opening statement from yesterdayâ€™™s hearing, in which he talks about the latest SRA proposal, can be heard here (MP3-2:11). Rep. Moran indicated that, â€œI do want to express my concern that this subcommittee or the full committee is not having a hearing to review what we are told is the final draft of the standard reinsurance agreement.â€•

Subcommittee Chairman Leonard Boswell asked Under Sec. Miller about the proposed cuts in the latest SRA proposal in the discussion portion of yesterdayâ€™™s hearing. Under Sec. Miller provided a general overview of the issue and also briefly addressed potential budgetary baseline implications resulting from the suggested cuts in spending. To listen to this exchange, just click here (MP3-4:03).

The significance of the budgetary baseline impact of the latest SRA proposal was highlighted in much greater detail later in yesterdayâ€™™s hearing in questioning by Rep. Moran. To listen to an in-depth discussion on some of the budgetary baseline variables associated with the SRA proposal, click here (MP3-7:56).

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