

# CRS Report for Congress

## Farm Bill Proposals and Legislative Action in the 110<sup>th</sup> Congress

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## Summary

Many provisions of the current omnibus farm bill, the Farm Security and Rural Investment Act of 2002 (P.L. 107-171), expire in 2007. Without new legislation, notably in the area of farm commodity and income support programs, permanent statutes will take effect. Most of these statutes were enacted decades ago and are no longer compatible with current national economic objectives, global trading rules, and federal budgetary or regulatory policies. The 110<sup>th</sup> Congress is expected to consider legislation to reauthorize the farm bill.

The 2007 farm bill debate differs from the 2002 debate in some important ways. First, the 2007 farm bill faces potentially significant budgetary and spending constraints as well as constraints due to U.S. trade commitments and obligations under continued multilateral negotiations. Second, the Bush Administration has submitted its own detailed proposal for the 2007 farm bill, which seeks certain changes to existing programs and provisions. Secretary of Agriculture Mike Johanns has repeatedly stated that the Administration's goals for a new farm bill are for it to be "equitable, predictable and beyond challenge." In past farm bills, the Administration has not issued specific recommendations. Third, many other groups, including both traditional and non-agricultural interests, have also submitted recommendations for the 2007 farm bill. Each of these groups is seeking to exert influence on the scope of U.S. farm policy and might also seek certain modifications to current law. In addition, some non-traditional coalitions have emerged in pursuit of specific farm bill policies or programs that would be of mutual interest. This report provides a summary of some of the proposals and recommendations offered to Congress for changes in the farm bill. These proposals could expand the scope of the farm bill, which would allow other constituencies to benefit from farm programs beyond the traditional base.

Congress initiated debate on a 2007 farm bill in the 109<sup>th</sup> Congress. Throughout 2006, the House and Senate Agriculture Committees conducted a series of hearings reviewing federal farm policy. Both committees conducted hearings related to farm bill programs early in the 110<sup>th</sup> Congress. In March 2007, two comprehensive bills were introduced in the House of Representatives that seek broad-based changes to existing farm legislation. Other bills have been or may soon be introduced that cover specific programs and provisions and may later be added to other larger bills. Public statements made by the chairman of the House Agriculture Committee, Collin Peterson, have indicated that he intends to complete work on a new farm bill prior to the August 2007 recess, with full congressional action by the end of September.

This report will be updated as new major legislation relating to existing farm bill statutes is introduced in the House and Senate in the 110<sup>th</sup> Congress.

## Contents

Budget and Trade Constraints .....	2
Budgetary Considerations .....	2
Doha Round and WTO Trade Disputes .....	3
Preliminary Hearings and Field Reviews .....	3
U.S. Congress .....	4
House .....	4
Senate .....	4
Administration .....	5
2007 Farm Bill Proposals .....	5
Administration/USDA .....	6
National Association of State Departments of Agriculture .....	7
National Farm Groups .....	7
National Farmers Union .....	7
American Farm Bureau Federation .....	8
American Farmland Trust .....	8
National Commodity Associations .....	8
National Corn Growers Association .....	8
National Association of Wheat Growers .....	9
National Milk Producers Federation .....	9
Specialty Crop Farm Bill Alliance .....	9
Conservation and Rural Development Groups .....	9
National Association of Conservation Districts .....	9
Defenders of Wildlife .....	10
Agriculture and Wildlife Working Group (Theodore Roosevelt Conservation Partnership) .....	10
Midwest Sustainable Agriculture Working Group / Sustainable Agriculture Coalition .....	11
Center for Rural Affairs .....	11
Other Organizations and Interest Groups .....	12
25x'25 Renewable Energy Alliance .....	12
Renewable Fuel Association .....	12
Chicago Council on Global Affairs .....	12
National Association of State Universities and Land-Grant Colleges .....	13
Institute for Agriculture and Trade Policy .....	13
Oxfam America .....	13
Congressional Action .....	14

## List of Tables

Table 1. 2002 Farm Bill Actual Spending for Major Programs (FY2002-FY2007 est.) and the March 2007 CBO Baseline (FY2008-FY2013) .....	2
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# Farm Bill Proposals and Legislative Action in the 110<sup>th</sup> Congress

Many provisions of the current omnibus farm bill, the Farm Security and Rural Investment Act of 2002 (P.L. 107-171), expire in 2007. Without new legislation, notably for farm commodities and income support programs, permanent statutes will take effect. Most of these statutes were enacted decades ago and are no longer compatible with current national economic objectives, global trading rules, and federal budgetary or regulatory policies. The chairman of the House Agriculture Committee, Collin Peterson, has indicated that he intends to complete work on a new farm bill prior to the August 2007 recess, with full congressional action by the end of September.

The 2007 farm bill debate differs from the 2002 debate in some important ways. First, the 2007 farm bill faces potentially significant budgetary and spending constraints as well as constraints due to U.S. trade commitments and obligations under continued multilateral negotiations. Second, the Bush Administration has submitted its own detailed proposal for the 2007 farm bill, which seeks certain changes to existing programs and provisions. Secretary of Agriculture Mike Johanns has repeatedly stated that the Administration's goals for a new farm bill are for it be "equitable, predictable and beyond challenge." In recent farm bills, the Administration has not issued specific recommendations. Third, many other groups, including both traditional and non-agricultural interests, have also submitted recommendations for the 2007 farm bill. Each of these groups seeks to exert influence on the scope of U.S. farm policy and may also seek certain modifications to current law. In addition, some non-traditional coalitions have emerged in pursuit of specific farm bill policies or programs. This could expand on and shift the focus of the types of issues raised during the debate.<sup>1</sup>

This paper tracks the development of the 2007 farm bill and provides a timeline of events. It does not provide information on the specific programs in the 2002 farm bill or information on how these programs might be modified under the 2007 farm bill. CRS Report RL33037, *Previewing a 2007 Farm Bill*, coordinated by Jasper Womach, offers a comprehensive overview of each of the programs and issues under current farm legislation.

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<sup>1</sup> See, for example, "Crop of Proposals to Fill Out the Farm Bill," *CQ Weekly*, Jan. 8, 2007.

## Budget and Trade Constraints

### Budgetary Considerations

As with all federal programs, the farm bill faces budgetary constraints imposed by Congress. Recent federal deficits have raised concerns with respect to reauthorization or expansion of current farm programs. Current budget projections also show a lower baseline for agriculture programs for the 2007 farm bill, mainly because projected high commodity prices have caused actual farm program spending to be below budget projections.

The Congressional Budget Office's (CBO's) March 2007 budget baseline provides the starting point for the next farm bill. This 10-year baseline estimate of spending assumes the current farm bill continues under specific economic conditions. Yet to be determined is whether the forthcoming FY2008 budget resolution will allow more or less spending than baseline.

Rapid increases in the futures market prices of corn and other commodities since the summer of 2006 have contributed to a lower March 2007 baseline for farm program spending. Projected spending for government commodity payments under current law is projected to be \$42.4 billion for the FY2008-FY2013 period, which is about \$30 billion lower than actual spending in the previous six years (**Table 1**). Baseline estimates for mandatory conservation and food stamps program for the next six years are higher compared to the previous six years. Funding for mandatory conservation programs under current law is estimated at \$26.5 billion and food and nutrition assistance is estimated at \$225.8 billion for FY2008-FY2013.

**Table 1. 2002 Farm Bill Actual Spending for Major Programs (FY2002-FY2007 est.) and the March 2007 CBO Baseline (FY2008-FY2013)**

	Farm Commodity Support	Conservation	Exports	Food Stamps	Total
(outlays in \$ millions)					
Total Baseline (FY08-FY13)	42,446	26,496	2,005	225,845	296,792
Actual (FY02-FY07)	72,934	18,323	1,648	178,158	271,063
FY08-FY13 Baseline vs. FY02-FY07 Actual	(30,488)	+8,173	+357	+47,687	+25,729

**Source:** Compiled by CRS from various Congressional Budget Office (CBO) baselines.

The House and Senate are in the process of completing an FY2008 budget resolution, which will determine budget parameters for the 2007 farm bill. By April 2007, both chambers are expected to complete action on the resolution, which will

likely include a specific multi-year allocation to the Agriculture Committees for the new farm bill. Once given the new allocation, the Agriculture Committees will craft changes in policy to fit the new farm bill within the budget allocation. The Senate version of the FY2008 budget resolution (S.Con.Res. 21) contains a \$15 billion reserve fund for the farm bill (above baseline) but would require the spending to be offset with reductions in other federal spending.

## **Doha Round and WTO Trade Disputes**

In ongoing trade negotiations of the World Trade Organization (WTO), U.S. trading partners have criticized U.S. farm programs as being potentially trade-distorting. Some U.S. programs have been faced with legal challenges brought by WTO member countries. These disputes and the ongoing negotiations could influence Congress to devise new farm bill programs that would comply with WTO obligations and limit future legal challenges. (See CRS Report RL33144, *WTO Doha Round: The Agricultural Negotiations*, by Charles E. Hanrahan and Randy Schnepf.)

A high-profile case brought by Brazil resulted in changes to U.S. cotton support. The WTO panel ruling in the cotton case also affected programs that the United States had considered WTO-compliant, such as export credit guarantees and restrictions on planting flexibility. In January 2007, Canada issued a WTO complaint against the U.S. corn program, but the result will not likely be known anytime soon. (See CRS Report RL33697, *Potential Challenges to U.S. Farm Subsidies in the WTO*; and CRS Report RL33853, *U.S.-Canada WTO Corn Trade Dispute*, Randy Schnepf.)

Initially, agreement in the Doha Round of multilateral trade negotiations was expected to converge in 2007 with the expiration of the 2002 farm bill, well before the expiration of Trade Promotion Authority (TPA), which provides for expedited congressional consideration of trade agreements. Many policymakers wanted a Doha Round agreement so that the next farm bill could be made consistent with new farm trade rules. However, progress on the Doha Round negotiations stalled in 2006. Now many in Congress are seeking to write a new farm bill without regard to any future Doha Round agreement. Nevertheless, this backdrop of negotiations and the potential for litigation could potentially influence the choices U.S. lawmakers have in designing new farm policies. EU officials have publicly stated that changes to U.S. domestic support programs suggested by the Bush Administration's farm bill proposal do not go far enough in meeting Doha Round objectives for farm trade policy reform.<sup>2</sup>

## **Preliminary Hearings and Field Reviews**

In anticipation of the farm bill, Congress began to consider options for the renewed legislation starting in the 109<sup>th</sup> Congress. Both the House and Senate Agriculture Committees conducted a series of hearings in Washington and across the country during 2006, and continued to hold hearings early in 2007. The Administration conducted its review and farm field hearings starting in 2005.

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<sup>2</sup> "EU's Disappointment with US Farm Bill," *Washington Trade Daily*, Feb. 12, 2007.

## U.S. Congress

**House.** In the 109<sup>th</sup> Congress, the House Committee on Agriculture conducted a series of 25 hearings reviewing federal farm policy in 2006, and hearings are continuing in 2007. Field hearings on farm commodities and risk management were held in Valdosta, GA (March 28, 2006), Coolidge, AZ (May 1, 2006), and Wall, SD (July 31, 2006).<sup>3</sup> A hearing on U.S. dairy programs was held in Fresno, CA (September 16, 2006);<sup>4</sup> hearings on livestock and horticulture were held in Sioux City, IA (July 31, 2006), Springfield, MO (August 28, 2006), and Washington, DC (September 26, 2006).<sup>5</sup> Washington-based hearings were held in September 2006 that reviewed farm commodity and risk management programs.<sup>6</sup>

Hearings on conservation, credit, rural development, and research were conducted in Harrisburg, PA (May 1, 2006), El Reno, OK (September 18, 2006), and Washington, DC (July 27, 2006).<sup>7</sup> Other general field hearings took place in Fayetteville, NC (February 6, 2006), Auburn, AL (February 7, 2006), Stockton, CA (March 3, 2006), Nebraska City, NE (March 4, 2006), Greeley, CO (May 8, 2006), San Angelo, TX (May 9, 2006), Yakima, WA (June 10, 2006), Canandaigua, NY (June 26, 2006), Staunton, VA (July 17, 2006), Marshall, MN (July 22, 2006), and Scottsburg, IN (July 24, 2006).<sup>8</sup>

In the 110<sup>th</sup> Congress, the House Agriculture Committee began hearings on farm bill reauthorization, including a review of the Bush Administration's proposal. Recent hearings have covered commodity programs and risk management, renewable energy, feed costs in livestock production, specialty crops and organic agriculture, and food stamps and child nutrition programs.

**Senate.** The Senate Committee on Agriculture, Nutrition and Forestry conducted eight regional hearings in 2006.<sup>9</sup> Locations and dates of these hearings were as follows: Albany, GA (June 23, 2006), Cape Girardeau, MO (July 17, 2006), Harrisburg, PA (July 21, 2006), Ankeny, IA (June 24, 2006), Redmond, OR (August

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<sup>3</sup> House Agriculture Committee, Review of Federal Farm Policy, Serial No. 109-28, at [<http://agriculture.house.gov/hearings/109/10928.pdf>].

<sup>4</sup> House Agriculture Committee, Review of Federal Farm Policy, Serial No. 109-39, at [<http://agriculture.house.gov/hearings/109/10939.pdf>].

<sup>5</sup> House Agriculture Committee, Review of Federal Farm Policy, Serial No. 109-37, at [<http://agriculture.house.gov/hearings/109/10937.pdf>].

<sup>6</sup> House Agriculture Committee, Review of Federal Farm Policy, Serial Nos. 109-38 and 109-28, at [<http://agriculture.house.gov/hearings/109/10938.pdf>] and [<http://agriculture.house.gov/hearings/109/10928.pdf>]. Hearings were held Sept. 13-14 and 20-21, 2006.

<sup>7</sup> House Agriculture Committee, Review of Federal Farm Policy, Serial No. 109-31, at [<http://agriculture.house.gov/hearings/109/10928.pdf>].

<sup>8</sup> House Agriculture Committee, Review of Federal Farm Policy, Serial No. 109-25, [<http://agriculture.house.gov/hearings/109/10925.pdf>].

<sup>9</sup> Senate Agriculture Committee, Regional Hearings, at [<http://agriculture.senate.gov/ag/fbfield.htm>].

15, 2006), Grand Island, NE (August 16, 2006), Great Falls, MT (August 17, 2006), and Lubbock, TX (September 8, 2006).

In the 110<sup>th</sup> Congress, the Senate Agriculture Committee farm bill hearings began with a review of the Administration's proposal as well as a review of issues pertaining to conservation, bio-energy, rural development, agricultural research, trade and food aid, and domestic food assistance and nutrition programs. In March 2007, the committee also conducted additional reviews on farm bill opportunities within certain states and regions, including the Northeast, Vermont, and Colorado.

## Administration

USDA conducted its review of current farm programs starting in 2005. This review consisted of 52 farm bill forums in nearly all states.<sup>10</sup> USDA also accepted comments through its website and by mail. USDA claims to have received more than 4,000 comments throughout this process. Information and recommendations gathered during this time period are summarized in 41 farm forum and comment summary documents across a range of topics.<sup>11</sup> From these summary documents, USDA released five farm bill analysis papers between May and September 2006. These five analysis papers address risk management, energy, rural development, conservation and environment, and marketing strategies.<sup>12</sup>

## 2007 Farm Bill Proposals

As of March 2007, several organizations had released recommendations for the 2007 farm bill. These include state organizations, national farm groups, commodity associations, conservation and rural development organizations, and several non-traditional interest groups. The Bush Administration also released its own detailed set of recommendations for the farm bill, covering each title of the bill. These policy recommendations vary widely and span the range from broad policy shifts to detailed program changes. To date, only a few commodity associations and some national farm groups have released formal recommendations; several commodity groups have expressed continued support for maintaining the status quo. However, many have voiced support for maintaining current programs or have expressed opposition to others' recommendations including provisions in USDA's proposal.

The proposals described in this section may not be a comprehensive list of all recommendations offered to Congress for changes in farm policy. This section reviews only proposals by national organizations; other proposals are being offered by organizations representing the interests of different regions of the country, such as the Chesapeake Bay Foundation. The proposals described in this section are not listed in any particular order.

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<sup>10</sup> USDA conducted forums in 48 states, excluding LA and MS due to Hurricane Katrina.

<sup>11</sup> USDA's *Farm Bill Forum Comment Summary and Background* documents are at [<http://www.usda.gov/wps/portal/usdafarmbill?contentidonly=true&contentid=2006/03/0106.xml>].

<sup>12</sup> USDA, *USDA Analysis Papers*, at [[http://www.usda.gov/wps/portal?navid=FARM\\_BILL\\_ANALYSIS&parentnav=FARM\\_BILL\\_FORUMS&navtype=RT](http://www.usda.gov/wps/portal?navid=FARM_BILL_ANALYSIS&parentnav=FARM_BILL_FORUMS&navtype=RT)]. USDA's theme papers are at [[http://www.usda.gov/wps/portal/!ut/p/\\_s.7\\_0\\_A/7\\_0\\_1OB?navid=FARM\\_BILL\\_FORUMS](http://www.usda.gov/wps/portal/!ut/p/_s.7_0_A/7_0_1OB?navid=FARM_BILL_FORUMS)].



## Administration/USDA

On January 31, 2007, the Administration released its recommendations for the 2007 farm bill.<sup>13</sup> The Administration's proposal for the 2007 farm bill is unusually detailed compared with past Administration proposals. The stated goals, according to USDA Secretary Mike Johanns, take a "reform-minded and fiscally responsible approach to making farm policy more equitable, predictable and protected from challenge."<sup>14</sup> The report and related USDA materials are available at the Department's website. For more information on the USDA proposal, see CRS Report RL33916, *Questions on the USDA 2007 Farm Bill Proposal*, coordinated by Jasper Womach.

For the farm commodity support programs, the Administration's plan would reduce marketing loan rates and link benefits to the sale of the commodity (to reduce speculative gains), raise direct payments for some crops, create a revenue-based counter-cyclical program, eliminate the fruit and vegetable planting restriction, and offer extra benefits for beginning farmers. Highly controversial is USDA's proposed tightening of payment limits and the eligibility cap, which would deny payments to households with over \$200,000 in adjusted gross income (AGI) and cap total payments at \$360,000. The Administration's plan also would increase funding for conservation and bioenergy initiatives but would consolidate some existing programs to streamline operations. The Administration's plan would expand some domestic food and nutrition programs, but would cap administrative costs and tighten requirements under some programs. It also would eliminate current planting restrictions that do not allow recipients of direct and counter-cyclical payments to plant fruit, vegetables, and wild rice on their base acres.

For all areas in the farm bill, the Administration requests \$5 billion more than the 10-year Office of Management and Budget (OMB) baseline, according to its own estimates. Commodity programs would receive \$4.5 billion less than the \$74 billion 10-year baseline, and conservation would receive \$7.8 billion more than the \$49 billion baseline. CBO estimates that these proposals would increase spending by \$9.9 billion for the FY2008-FY2017 period relative to CBO's March 2007 baseline budget.<sup>15</sup> This is twice the Administration's \$5.0 billion estimate over the same 10-year period.

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<sup>13</sup> USDA, *USDA's 2007 Farm Bill Proposals*, Jan. 31, 2007, at [<http://www.usda.gov/documents/07finalfbp.pdf>].

<sup>14</sup> USDA, "Johanns Unveils 2007 Farm Bill Proposals," Release No. 0020.07, Jan. 31, 2007, at [<http://www.usda.gov/wps/portal/usdahome>].

<sup>15</sup> Letter to Senator Robert Byrd, Appropriations Committee, from Peter Orszag, CBO, Mar. 2, 2007, at [[http://www.cbo.gov/ftpdocs/78xx/doc7836/03-02-Prelim\\_Analysis.pdf](http://www.cbo.gov/ftpdocs/78xx/doc7836/03-02-Prelim_Analysis.pdf)].

## National Association of State Departments of Agriculture<sup>16</sup>

In September 2006, NASDA released its formal recommendations, addressing most farm bill titles and provisions.<sup>17</sup> Its recommendations include (1) establishing a producer safety net, including maintaining marketing loans and counter-cyclical payments, expanding crop insurance options, and enacting a permanently authorized disaster assistance program; (2) international market access for U.S. agricultural products, including U.S. biotech crops, by continuing trade promotion authority and funding for export market promotion; (3) support for specialty crop producers through block grants to states; (4) enhancement of existing USDA conservation programs; (5) support for rural development through farm/ranch profitability grants; (6) support for domestic food programs by expanding existing pilot programs and enhancing food safety programs; (7) support for bio-energy development, including the 25x'25 agriculture energy initiative, tax credits for ethanol and biodiesel, permanent, on-farm incentives for other types of renewable energy, and cellulosic/energy feedstock development; (8) enhancement of programs to address invasive species concerns; (9) expanded state emergency and bio-security programs; (10) support for research and information collection; and (11) the creation of a federal biotechnology office, among other issues. A cost estimate was not developed by NASDA.

## National Farm Groups

**National Farmers Union.**<sup>18</sup> As outlined in its March 2007 press release, NFU supports (1) a farm income safety net using counter-cyclical payments indexed to production costs; (2) a farmer-owned strategic renewable energy reserve; (3) a renewable energy title, including provisions for ethanol, bio-diesel, and farmer and community-owned wind energy; (4) the addition of a competition title in the farm bill that addresses antitrust practices, including competition and market concentration;<sup>19</sup> (5) a permanent disaster payment program; (6) a conservation title with full funding for the Conservation Security Program and increases in funding for the National Resources Conservation Service (NRCS) technical services; (7) an enhanced nutrition title; (8) dairy programs with a supply management system that reflects cost of production shifts for producers; (9) an enhanced rural development title.<sup>20</sup>

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<sup>16</sup> NASDA represents the state departments of agriculture.

<sup>17</sup> NASDA, *NASDA 2007 Farm Bill Recommendations*, Sept. 18, 2006, at [<http://www.nasda.org/fb2007/>].

<sup>18</sup> NFU represents farmers and ranchers in all states, and its stated mission is to protect and enhance the economic well-being and quality of life for family farmers and their rural communities.

<sup>19</sup> See also NFU, "NFU Urges Congress to Address Competition and Concentration in New Farm Bill," Jan. 18, 2007, at [<http://www.nfu.org/news/2007/01/18/nfu-urges-congress-to-address-competition-and-concentration-in-new-farm-bill.html>].

<sup>20</sup> NFU, "NFU Members Lay Out 2007 Farm Bill Priorities," Mar. 5, 2007, at [<http://www.nfu.org/news/2007/03/05/nfu-members-lay-out-2007-farm-bill-priorities.html>].

**American Farm Bureau Federation.**<sup>21</sup> AFBF has not submitted formal recommendations for the 2007 farm bill, but it has stated that the new farm bill should be modeled after the current law and should provide a reliable safety net for farmers. AFBF has stated that the Administration's farm bill proposal includes many of the Farm Bureau's priority issues on conservation, renewable energy, and incentives for new farmers. However, AFBF has publicly criticized USDA's proposal to tighten eligibility and payment limits for farm commodity programs.<sup>22</sup>

**American Farmland Trust.**<sup>23</sup> In May 2006, AFT released its formal recommendations outlining broad policies for the farm bill, but it continues to develop specific program recommendations.<sup>24</sup> Among its main proposals is the creation of an "integrated farm revenue program" that would provide revenue deficiency payments along with a risk management program.<sup>25</sup> AFT also recommends transitioning farm payments to green payments that reward farmers for environmental stewardship, as well as competitive grants to address certain natural resource concerns. Other recommendations include a new farm profitability grants program to enhance rural and agricultural business opportunities, including renewable energy and environmental services.

## National Commodity Associations

**National Corn Growers Association.**<sup>26</sup> As outlined in testimony before the House Agriculture Committee in September 2006, NCGA supports a proposal that blends the farm commodity programs and crop insurance to provide a revenue-based safety net.<sup>27</sup> In March 2007, their original proposal was modified toward a more formal commodity title proposal, called the National Farm Security Act. This would create a farm safety net that provides for a county-level revenue counter-cyclical program integrated with the current federal crop insurance program.<sup>28</sup> Compared to current law, NCGA's proposal would provide a farm safety net based on crop revenue, rather than commodity prices. NCGA believes its plan could eliminate the need for ad hoc disaster aid.

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<sup>21</sup> AFBF represents U.S. farmers and agribusinesses, along with state/local farm bureaus.

<sup>22</sup> AFBF, "Current Farm Bill Should Be Model for New Law," Mar. 2, 2007, at [<http://www.fb.org/index.php?fuseaction=newsroom.newsfocus&year=2007&file=nr0302.html>].

<sup>23</sup> AFT's mission is focused on farmland preservation and protecting agricultural resources.

<sup>24</sup> AFT, *Agenda 2007: A New Framework and Direction for U.S. Farm Policy*, May 8, 2006, at [<http://www.farmland.org/programs/campaign/newpolicyrecommendations.asp>].

<sup>25</sup> AFT, "Integrated Farm Revenue Program," at [[http://www.farmland.org/programs/campaign/documents/AFT\\_RevProtectionbriefing\\_overview\\_webNov2006.pdf](http://www.farmland.org/programs/campaign/documents/AFT_RevProtectionbriefing_overview_webNov2006.pdf)]; statements by Ralph Grossi at USDA's 2007 Outlook Forum, March 2, Arlington, VA.

<sup>26</sup> NCGA represents U.S. corn growers.

<sup>27</sup> NCGA, "Forging a New Direction for Farm Policy," Oct. 16, 2006, at [[http://ncga.com/news/notd/pdfs/10\\_23\\_06NFSA.pdf](http://ncga.com/news/notd/pdfs/10_23_06NFSA.pdf)].

<sup>28</sup> NCGA, "NCGA Refines 2007 Farm Bill Proposal," Mar. 8, 2007, at [<http://ncga.com/news/notd/2007/march/030807.asp>].

**National Association of Wheat Growers.**<sup>29</sup> In late 2006, NAWG released formal recommendations addressing most farm bill titles and provisions.<sup>30</sup> Regarding farm commodity programs, NAWG recommends increases in the direct payment and the target price for wheat, but maintaining the current marketing loan program. NAWG supports reauthorization of most other programs in other farm bill titles.

**National Milk Producers Federation.**<sup>31</sup> As outlined in its March 2007 press release, NMPF is proposing a new direct payment program called the Milk Producer Security Program in place of the current Milk Income Loss Contract (MILC) program.<sup>32</sup> Its proposal also would revise the Dairy Price Support Program so that USDA would support the price of specific dairy products, rather than the farm price of milk. NMPF also supports new or expanded programs to address energy, environment, conservation, animal health, nutrition, trade, and risk management, among other issues.

**Specialty Crop Farm Bill Alliance.** The specialty crop groups started promoting recommendations for the 2007 farm bill in May 2005, initially through the efforts of the United Fresh Produce Association.<sup>33</sup> These efforts were expanded and include 85 specialty crop organizations nationwide. The Alliance's goal is to enhance the competitiveness of U.S. fruits, vegetables, tree nuts, and other specialty crops by adding specific programs and provisions to the 2007 farm bill.<sup>34</sup> It supports proposals that were first introduced in the 109<sup>th</sup> Congress and later reintroduced in the 110<sup>th</sup> Congress under the "Equitable Agriculture Today (EAT) for a Healthy America Act." The Alliance opposes changes to current planting restrictions that prevent recipients of direct and counter-cyclical payments from planting fruit, vegetables, and wild rice on their base acres.

## Conservation and Rural Development Groups

**National Association of Conservation Districts.**<sup>35</sup> According to NACD, its guiding principles for the 2007 farm bill focus on increased funding and improved technical assistance for USDA's Conservation Technical Assistance Program and

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<sup>29</sup> NMPF represents U.S. dairy farmers and their cooperatives.

<sup>30</sup> NAWG, "Road Map to the 2007 Farm Bill, Policy Recommendations" [no date], at [<http://www.wheatworld.org/html/info.cfm?ID=20>].

<sup>31</sup> NMPF represents U.S. dairy farmers and their cooperatives.

<sup>32</sup> NMPF, "2007 Farm Bill, A New Path for Dairy: A National Perspective," Mar. 9, 2007, at [<http://www.nmpf.org/newsFlash/index.cfm?sectionsCode=PR&nfID=321>].

<sup>33</sup> United represents the produce industry, and resulted under a 2006 merger of the United Fresh Fruit & Vegetable Association and the International Fresh-Cut Association.

<sup>34</sup> The United Fresh Produce Association, *Priorities for the 2007 Farm Bill*, Specialty Crop Farm Bill Alliance, at [[http://www.unitedfresh.org/newsviews/farm\\_bill](http://www.unitedfresh.org/newsviews/farm_bill)].

<sup>35</sup> NACD represents the nation's 3,000 conservation districts, carrying out local natural resource management programs, working with landowners and operators.

farm conservation programs, focused on local priorities and concerns.<sup>36</sup> NACD supports continued funding for conservation programs, balancing programs that set aside land and those that provide incentives and cost-share. It also supports streamlining and improving the efficiency of current programs. NACD also proposes the development of alternative energy from woody biomass, forest byproducts, new and traditional crops, and agricultural waste materials while protecting the natural resources of the land and providing conservation and wildlife benefits.

**Defenders of Wildlife.**<sup>37</sup> In February 2007, the Defenders released its formal farm bill recommendations. These recommendations focus on increasing funding and modifying certain provisions in farm bill conservation programs, especially programs that address wildlife concerns: the Grasslands Reserve Program, the Wetlands Reserve Program, the Wildlife Habitat Incentives Program, the Conservation Security Program, and the Environmental Quality Incentives Program. The group also wants a “sodsaver” provision that would disallow federal farm benefits on newly broken grasslands. It supports the development of U.S. biofuels production capacity, given the preservation of wildlife needs and environmental quality, and opposes use of biofuels crops grown on environmentally sensitive lands enrolled in the Conservation Reserve Program, or native prairie lands.<sup>38</sup>

**Agriculture and Wildlife Working Group (Theodore Roosevelt Conservation Partnership).**<sup>39</sup> In February 2007, AWWG released its formal farm bill recommendations, which seek to expand most conservation and forestry programs in the conservation title of the farm bill, especially the Conservation Reserve Program, the Wetlands Reserve Program, the Grasslands Reserve Program, and the Wildlife Habitat Incentives Program. The group also seeks provisions that would identify measures and track the performance of conservation programs. Similar to the Defenders’ proposal, AWWG’s recommendations support the development of U.S. biofuels production capacity, given the preservation of wildlife needs and environmental quality. AWWG also supports a “sodsaver” provision for land converted from non-cropland status, which it would make ineligible for any federal benefits. It also would require that sodbuster/swampbuster compliance be linked to all federal farm program benefits, including crop insurance and disaster

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<sup>36</sup> NACD, “NACD Farm Bill Principles,” August 2006, at [<http://www.nacdnet.org/FB07/FarmBillPrinciples.htm>].

<sup>37</sup> The Defenders of Wildlife’s mission is to protect native wild animals and plants in their natural communities.

<sup>38</sup> Defenders of Wildlife, “Bush Administration Farm Bill Conservation Program Recommendation a Mixed Bag,” Feb. 1, 2007, at [<http://www.defenders.org/releases/pr2007/pr020107.html>].

<sup>39</sup> AWWG (TRCP) represents America’s leading hunting, angling, conservation, and wildlife organizations. Member groups include the National Wildlife Federation, Ducks Unlimited, Pheasants Forever, Association of Fish and Wildlife Agencies, Izaak Walton League of America, The Wildlife Society, The Nature Conservancy, Trout Unlimited, North American Grouse Partnership, and American Sportfishing Association.

programs.<sup>40</sup> AWWG also supports a provision based on proposed “Open Fields” legislation that would provide grants to fund state-managed, voluntary-access programs that enhance wildlife management and improve recreational opportunities on land enrolled in conservation programs.<sup>41</sup>

**Midwest Sustainable Agriculture Working Group / Sustainable Agriculture Coalition.**<sup>42</sup> In October 2006, the Coalition released its 2007 farm bill recommendations, which include (1) enacting a comprehensive initiative for new farmers and ranchers; (2) modifying the Conservation Security Program; (3) expanding the scope and funding of USDA’s Value-Added Producers Grant program to include a new grant component for mid-sized farms; (4) investing in a new Farm, Food, and Rural Transitions Competitive Grants program to provide funding for research, education and extension; (5) creating a Rural Entrepreneurs and Micro-Enterprise Program to provide grants to qualified organizations to assist in developing training, services, and credit for rural micro-enterprises; (6) increasing funding for the National Organic Certification Cost Share Program and creating a transition support program; (7) supporting a new competition title that strengthens the Packers & Stockyards Act and the Agricultural Fair Practices Act; and (8) developing a new Sustainable Agricultural Energy Innovation Grants Program.<sup>43</sup>

**Center for Rural Affairs.**<sup>44</sup> At a February 2007 hearing before the Senate Agriculture Committee, the Center outlined some of its recommendations for rural development programs in the farm bill. Among its key legislative efforts is promoting the Rural Entrepreneur and Micro-Enterprise Assistance Act (S. 566), which would provide loans to small businesses and promote rural job creation.<sup>45</sup>

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<sup>40</sup> AWWG, “Coalition Releases Blueprint for Growing Conservation,” Feb. 21, 2007, at [<http://trcp.brandspringsolutions.com/documents/releaseoffbr.pdf>].

<sup>41</sup> Similar to the Voluntary Public Access and Wildlife Habitat Incentive Program Act of 2005 (S. 548, Conrad / H.R. 1351, Pomeroy), which were introduced in the 109<sup>th</sup> Congress.

<sup>42</sup> MSAWG and SAC represents the American Natural Heritage Foundation, the Center for Rural Affairs, the Institute for Agriculture and Trade Policy, the Izaak Walton League of America, the Land Stewardship Project, the Michael Fields Agricultural Institute, the National Catholic Rural Life, the Sierra Club, and various state and local farmer groups, conservation districts, rural development organizations, and organic research foundations.

<sup>43</sup> Sustainable Agriculture Coalition, “Sustainable Agriculture Coalition Issues Platform Calling for Farm Bill Overhaul to Strengthen Agriculture, the Environment and Rural Communities,” Oct. 11, 2006, at [<http://www.msawg.org/farmbill/PressRelease-FarmBillPlatform.pdf>].

<sup>44</sup> The Center represents small businesses, family farms and ranches, and rural communities.

<sup>45</sup> Testimony of Chuck Hassebrook, Center for Rural Affairs before the Senate Agriculture Committee, Feb. 13, 2007, at [<http://agriculture.senate.gov/Hearings/hearings.cfm?hearingid=2539&witnessId=6064>].

## Other Organizations and Interest Groups

The 2007 farm bill is seeing the addition of several other non-traditional groups that are attempting to influence the congressional debate. These include biofuel and bioenergy groups, academic organizations, and international development groups that seek broader changes to current farm programs.

**25x'25 Renewable Energy Alliance.**<sup>46</sup> In October 2006, the 25x'25 group released its recommendations for the 2007 farm bill. Its proposal is part of the group's broader objectives under its so-called "25x'25 goal," whereby America's farms, ranches, and forests would provide the source for 25% of the total energy consumed in the United States by the year 2025.<sup>47</sup> Its proposals would provide supportive policies across five areas: increase production of renewable energy, deliver renewable energy to markets, expand renewable energy markets, improve energy efficiency and productivity, and strengthen conservation of natural resources and the environment. Resolutions were introduced in both the House and Senate expressing the sense of both chambers to meet the 25x'25 goal (H.Con.Res. 25, introduced by the chairman of the House Agriculture Committee, Collin Peterson, and S.Con.Res. 3, introduced by Senator Salazar)

**Renewable Fuel Association.**<sup>48</sup> RFA has not released recommendations on the 2007 farm bill, but it has been active in the recent biofuel and bioenergy push in the U.S. agriculture sector. It also has expressed support for many of the biofuel and bioenergy proposals in the Administration's farm bill proposal, including funding for several initiatives: a bio-energy and bio-based product research initiative; a renewable energy systems and efficiency improvements grants program; and loan guarantees for cellulosic ethanol projects in rural areas.

**Chicago Council on Global Affairs.**<sup>49</sup> In September 2007, the Council released the findings of its independent Task Force on U.S. Agriculture Policy. The Task Force report calls for an end to trade-distorting subsidies, redefining the farm safety net, transforming the food stamp program, and reinvesting in U.S. agriculture. Among its key recommendations for U.S. farm programs are (1) direct payments that are delinked from production and market conditions, and fully comply with "green box" standards under the WTO; (2) a revenue insurance program covering all commodities on a multiproduct basis that allows farmers to purchase coverage at

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<sup>46</sup> Along with other bio-energy business interests, many U.S. agriculture and farm commodity organizations have endorsed the 25x'25 goals, including the National Rural Electric Cooperatives Association, AFBF, AFT, NACD, NCGA, NMPF, and many environmental groups.

<sup>47</sup> 25x'25 Renewable Energy Alliance, *25x'25 Action Plan: Charting America's Energy Future*, October 2006, at [[http://www.25x25.org/index.php?option=com\\_content&task=view&id=58&Itemid=148](http://www.25x25.org/index.php?option=com_content&task=view&id=58&Itemid=148)].

<sup>48</sup> RFA is national trade association for the U.S. ethanol industry, and promotes research and development initiatives to increase production and use of fuel ethanol.

<sup>49</sup> The Council was founded in 1922 as a forum for world affairs. The Agriculture Task Force was convened in September 2005, assembling thirty prominent leaders and agriculture policy specialists, mostly from Chicago and the Midwest.

subsidized rates to protect against losses in price and production; (3) a new land stewardship program that recognizes and rewards environmental contributions made by farmers and environmental goods and services they provide; (4) farmer savings accounts, similar to 401(k) accounts, that are backed by government matching contributions; (5) investment in public goods that benefit the farm sector, including research and infrastructure projects; and (6) transition measures to protect farmers and owners of rented farmland against investment losses (such as declining land values), as a result of the proposed changes to the support program.<sup>50</sup>

**National Association of State Universities and Land-Grant Colleges.**<sup>51</sup> At a March 2007 hearing before the Senate Agriculture Committee, NASULGC outlined some of its recommendations for agricultural research in the farm bill. In addition to increasing research funding to strengthen the land-grant system, it proposes to create National Institutes for Food and Agriculture within USDA, integrating the research, education, and extension programs.<sup>52</sup>

**Institute for Agriculture and Trade Policy.**<sup>53</sup> In March 2007, IATP released two documents outlining issues concerning U.S. farmers and also the farm bill's influence on world food policies and markets, such as the WTO, food aid, market concentration, and public health.<sup>54</sup> Among its key policy initiatives is support of efforts to create a new competition title in the farm bill to address the market concentration issues in U.S. agribusiness.

**Oxfam America.**<sup>55</sup> Oxfam's principal farm policy recommendation is to reduce funding for trade-distorting commodity subsidies and shift resources to alternative investments in rural America.<sup>56</sup> Other recommendations cover land conservation, support for a broad variety of farm products, assistance for poor and minority farmers, food and nutrition programs, and infrastructure and small business investment.

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<sup>50</sup> Chicago Council on Global Affairs, "Modernizing America's Farm and Food Policy: Vision for a New Direction," Task Force on U.S. Agriculture Policy, Sept. 27, 2006, at [[http://www.thechicagocouncil.org/taskforce\\_details.php?taskforce\\_id=1](http://www.thechicagocouncil.org/taskforce_details.php?taskforce_id=1)].

<sup>51</sup> NASULGC consists of representatives from America's land-grant and related universities.

<sup>52</sup> NASULGC, *Creating Research, Extension, and Teaching Excellence for the 21<sup>st</sup> Century (CREATE-21)* [no date], at [<http://create-21.org/proposal/proposal.htm>].

<sup>53</sup> IATP's key issues include food safety, bioeconomy, market concentration, fair trade and alternative agriculture.

<sup>54</sup> IATP, *A Farm Bill for America and A Farm Bill for the World*, March 2007, at [[http://www.agobservatory.org/issue\\_farmbill2007.cfm](http://www.agobservatory.org/issue_farmbill2007.cfm)].

<sup>55</sup> Oxfam America is an affiliate of Oxfam International, and supports efforts to end global poverty, strengthening communities, and campaigning for change.

<sup>56</sup> Oxfam America, *Fairness in the Fields* [no date], at [[http://www.oxfamamerica.org/resources/files/OA-Fairness\\_in\\_the\\_Fields.pdf](http://www.oxfamamerica.org/resources/files/OA-Fairness_in_the_Fields.pdf)].



## Congressional Action

Two comprehensive legislative proposals have been introduced in the House that seek broad-based changes to existing farm legislation. Other legislation relating to existing farm bill statutes has also been introduced in the House and Senate. The chairman of the House Agriculture Committee, Collin Peterson, has indicated that he intends to complete work on a new farm bill prior to the August 2007 recess, with full congressional action by the end of September.<sup>57</sup>

Chairman Peterson has indicated that he does not anticipate broad changes to the existing farm programs, and that he plans to move forward on a new farm bill independent of the Doha negotiations.<sup>58</sup> Among his stated top priorities are expanding development, use, and research of agriculture-based energy, and adding a permanent disaster assistance program in the farm bill. Chairman Peterson also has stated that he agrees with some of USDA's proposed recommendations, including the need to increase funding for conservation programs such as the Environmental Quality Incentives Program (EQIP) and the Conservation Reserve Program (CRP). However, he opposes USDA's proposal to tighten eligibility and payment limits for farm commodity programs.<sup>59</sup>

The chairman of the Senate Agriculture Committee, Tom Harkin, has stated that there may be a need to rewrite current farm programs to address changes in the food and agriculture sectors, as well as a need to make U.S. farm programs less production- and trade-distorting to avoid potential international challenges. Chairman Harkin has voiced continued support for two programs he developed in the 2002 farm bill, the Conservation Security Program (CSP) and school fruit and vegetable snack initiatives.<sup>60</sup> He also has emphasized the need to expand agricultural conservation, renewable energy, and agriculture research and extension programs.

In the House, two comprehensive legislative proposals have been introduced that seek broad-based changes to existing farm legislation.

**H.R. 1551, Healthy Farms, Foods, and Fuels Act of 2007.** H.R. 1551 was introduced on March 15, 2007, by Representatives Kind and Gerlach. A companion bill is expected to be offered in the Senate by Senator Menendez. The bill would expand investment in the development of renewable energy on American farms,

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<sup>57</sup> American Farm Bureau Federation, "Peterson: Farm Bill Will Be the Same, But Different," Jan. 8, 2007, at [<http://www.fb.org/index.php?fuseaction=newsroom.newsfocus&year=2007&file=nr0108k.html>].

<sup>58</sup> Western Farm Press, "Peterson: Doha Had Better Be Good," Feb. 10, 2007, at [[http://westernfarmpress.com/mag/farming\\_doha\\_better\\_good/](http://westernfarmpress.com/mag/farming_doha_better_good/)]; Southwest Farm Press, "Texas Producers Urge Ag Committee to 'Stay Course' on Farm Bill," May 10, 2006, at [<http://southwestfarmpress.com/news/051006farm-bill-hearing/>].

<sup>59</sup> Statements by Representative Collin Peterson, "Change for the Better," Mar. 13, 2007, at [<http://thehill.com/leading-the-news/change-for-the-better-2007-03-13.html>].

<sup>60</sup> Statements by Senator Tom Harkin, "National Security at Stake," Mar. 13, 2007, at [<http://thehill.com/leading-the-news/national-security-at-stake-2007-03-13.html>].

promote resource conservation, and expand food and nutrition programs. Some specific provisions in this bill are:

- increased funding for loan guarantees to farmers for renewable energy development,
- assistance to farmers in transitioning to organic production,
- expansion of the types of foods offered in school food programs,
- increased incentives for farmers and ranchers to protect drinking water supplies and make other environmental improvements,
- additional funding to restore wetlands and for farmland preservation.

**Equitable Agriculture Today for a Healthy America Act (EAT Healthy Act); bill number not yet available.** The EAT Healthy Act was introduced on March 20, 2007, by Representatives Cardoza and Putnam. This bill focuses on the concerns of growers of fruits, vegetables, tree nuts, and other specialty crops, as well as an expansion of farm conservation programs. The four components of the bill address:

- increased funding for the Technical Assistance for Specialty Crops program, the Market Access Program, and the Specialty Crop Block Grant program,
- inclusion of more fruits and vegetables in domestic food and nutrition programs, including the school lunch and school breakfast programs, the fruit and vegetable snack program in schools, and new nutrition promotion programs,
- higher priority for specialty crops in USDA-funded agriculture research, and
- increased opportunities for specialty crop producers to participate in agriculture conservation programs.

This report will be updated as other major legislation relating to existing farm bill statutes is introduced in the House and Senate in the 110<sup>th</sup> Congress.