

Farm Bill Focuses on the Future



THE 2008 FARM BILL has taken steps to expand and improve conservation programs that help farmers protect the environment; to continue and improve the safety net for farmers; to support fruit and vegetable producers and to encourage renewable energy production from cellulosic sources. All these steps may affect the seed business.

1. The **Horticulture and Organic Agriculture Title** provides new resources for fruit and vegetable producers. It expands activities covered under the Farmers' Market Promotion Program and also provides \$33 million to expand opportunities for direct producer-to-consumer marketing. Within this sector the Farmers' Market Promotion Program provides competitive grants to improve and expand farmers markets, roadside stands, community-supported agriculture programs and other direct producer-to-consumer market opportunities.

Horticulture and Organic Agriculture Facts:

- Provides new funding to support organic farmers with \$5 million for organic marketing data collection and publication.
- Helps producers address food safety, pest and disease management issues providing \$377 million over 10 years for pest and disease detection and control.
- Establishes certification systems between USDA, states and growers to address plant pest infestations.
- Provides \$466 million over 10 years to states to support projects in research, marketing, education, pest and disease management, production and food safety.

2. The **Commodity Title** of the 2008 Farm Bill maintains the safety net that ensures a stable food supply and extends the safety net for farmer programs authorized in the 2002 Farm Bill. Producers have an option to enroll in a new program called the Average Crop Revenue Election program beginning in crop year 2009, which provides producers with payments for a commodity when the actual state revenue for the commodity is less than the revenue guarantee.

Commodity Program Facts:

- 25 different commodities, representing one-third of gross farm sales, qualify for Farm Bill program support.
- Commodities that qualify for support include corn, wheat, soybeans, other oilseeds (including sunflower seed, rapeseed, canola, sesame seed and others), rice, cotton, sugar, peanuts, grain sorghum, barley, oats, wool, mohair, honey, dry peas, lentils, small chickpeas and dairy products.

- Spending on commodity programs account for about 13% of the Farm Bill's budget.

3. The **Conservation Title** of the 2008 Farm Bill preserves natural resources and extends the Conservation Reserve Program, which authorizes 32 million acres to be enrolled in the program from 2010-2012. It also includes a new provision to allow retired landowners participating in CRP to modify their contracts if the land is being transferred to a beginning, limited resource or socially disadvantaged farmer or rancher. This would allow eligible producers to return some of this land to grazing or crop production.

Conservation Program Basics:

- CRP removes marginal croplands from production and encourages environmental enhancement on those lands.
- Continue and expand the Grassland Reserve Program.
- More flexibility to allow grazing.

4. The **Trade Title** increases the availability and viability of American products in foreign markets and will maintain funding for the Market Access Program at \$200 million per year. It also extends the Foreign Market Development Program which works to expand U.S. export opportunities. Funding has been increased by \$27 million over five years for the Technical Assistance for Specialty Crops Program, which helps U.S. organizations address

sanitary, phytosanitary and other technical barriers that keep them from exporting to certain other countries. The Export Credit Guarantee Programs have also been reformed to bring them into compliance with World Trade Organization agreements.

Trade Program Facts:

- The Foreign Agricultural Service administers the Export Credit Guarantees Programs and other programs to advance U.S. agricultural exports overseas.
- The FAS is responsible for the Market Access Program, Foreign Market Development Program and the Technical Assistance for Specialty Crops Program.

5. The **Energy Title** will continue to invest in renewable energy programs and will provide an overall \$1 billion to fund programs in the energy title that will leverage renewable energy industry investments in new technologies and new feedstocks. This includes \$320 million in loan guarantees for biorefineries producing advanced biofuels and provides \$35 million for a new program to help existing ethanol facilities reduce their fossil fuel use.

Energy Program Basics:

- Provides \$120 million for the Biomass Research and Development Program for feedstock development and the efficiency of biofuel production.
- Funds the Bioenergy Program at \$300 million to expand production of advanced biofuels made from agricultural and forestry crops and associated waste materials, including animal manure and livestock/food processing waste.
- Creates a Biomass Crop Assistance Program to develop the next generation of feedstocks for renewable energy and provides for multi-year contracts for crop and forest producers to grow dedicated energy crops.

6. The **Rural Development Title** will invest in rural America's expanding opportunities for locally grown, organic and small producers. This sector provides \$15 million for the Value-Added Agricultural Product Market Development Grant program, which offers planning and working capital for marketing value-added products. Create a 10% set-aside for beginning and socially disadvantaged farmers and ranchers as well as create a 10% set-aside for strategic marketing alliances between small to mid-sized farms and ranches and other supply chain partners.

Rural Development Basics:

- Attract new businesses, improving access to technology and capturing new markets.
- Provides information and resources related to sustainable and organic farming practices to farmers through a technology transfer program.
- Extends the Agriculture Innovation Center Demonstration Program, which provides technical assistance, outreach and business and marketing planning to increase the viability, growth and sustainability of value-added agricultural businesses.

7. The **Crop Insurance Title** helps farmers to better manage risk and reforms crop insurance to provide better coverage for organic producers. This sector requires the USDA's Risk Management Agency to conduct a thorough risk analysis on differences between conventional and organic crops as well as directs the RMA to reduce premium surcharges on organic crops if the analysis demonstrates no significant difference in production risks between conventional and organic crops.

Crop Insurance Program Facts:

- Promotes conservation and protects the nation's prairies.
- Directs RMA to work with USDA's Agricultural Marketing Service to survey prices organic products receive in the marketplace so those prices can be incorporated in the crop insurance options available to organic crops.

8. The **Livestock Title** provides producers with the basic protections for livestock and poultry markets implementing a mandatory Country of Origin Labeling for meat AND produce.

Livestock Program Facts:

- Requires country of origin labels for beef, lamb, pork, chicken and goat meat, fruits and vegetables, macadamia nuts and peanuts.

9. The **Commodity Futures Title** strengthens oversight of futures markets and reauthorizes the Commodity Futures Trading Commission, the agency responsible for federal regulation of commodity futures trading, through to 2013. The CFTC will require position and accountability limits for significant price discovery contracts and require large traders to report their positions in significant price discovery contracts.

Commodity Futures Requirements:

- Publish trading information on a daily basis and monitor trading activity.
- Enforce conflict of interest principles in its administration and provide self-regulatory oversight.
- Monitor and enforce compliance with rules and enact emergency authority to address problems that may arise.

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