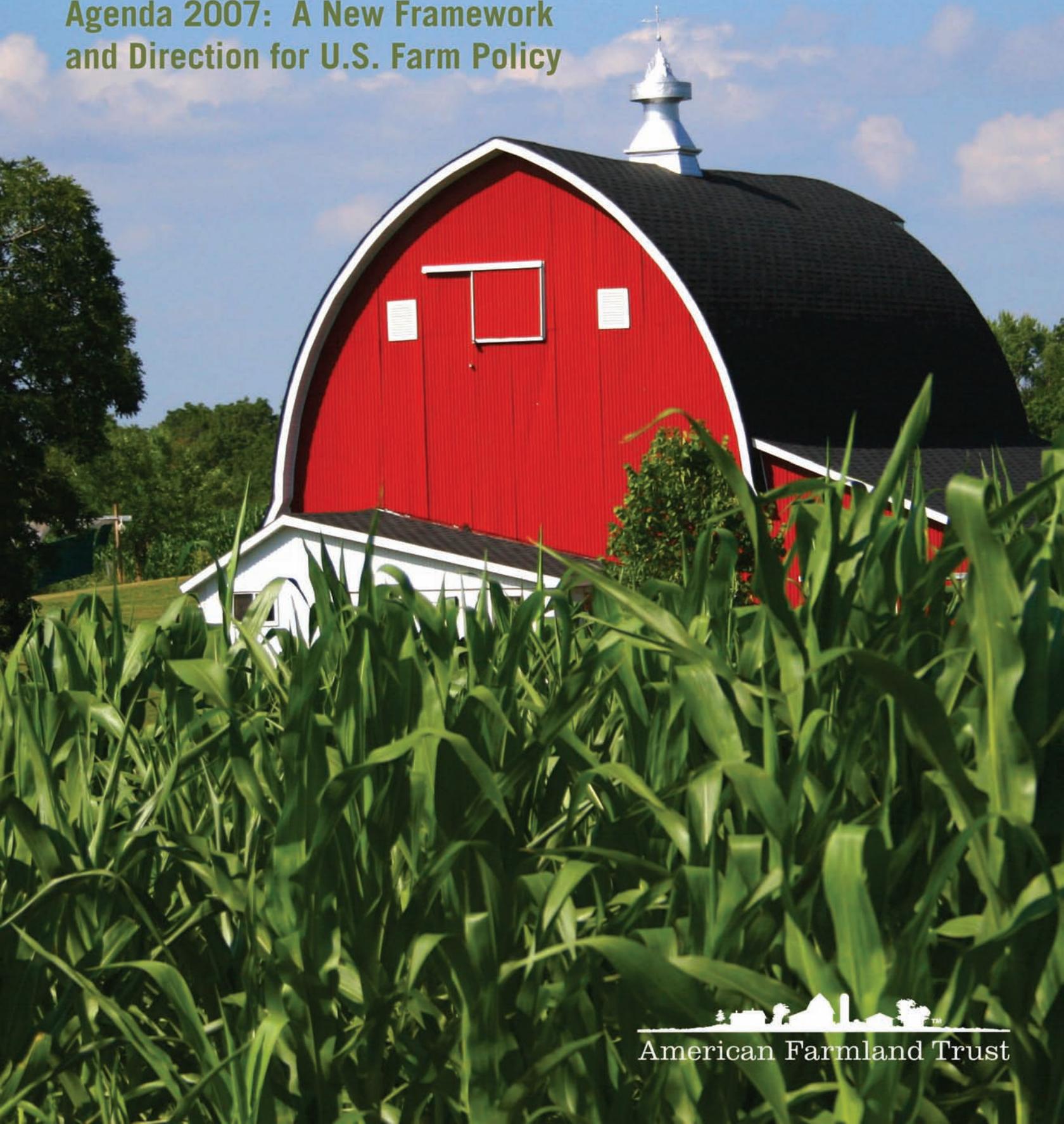


# Farm and Food Policy for All— Farmers, Citizens and Communities

Agenda 2007: A New Framework  
and Direction for U.S. Farm Policy



# 2007 Farm Bill Campaign



**AMERICAN FARMLAND TRUST** (AFT) is leading a campaign to strengthen the future of American agriculture—and expand benefits to the public—by transforming U.S. farm policy. For the first time in 70 years, we can create a farm bill that improves the prosperity of all farmers, ensures a healthy environment for our children and vastly increases the public benefits of farm programs. A diverse and growing consensus is emerging among farmers, ranchers, conservationists, public interest groups and taxpayers in support of a new farm policy that benefits everyone.

AFT released *Agenda 2007: A New Framework and Direction for U.S. Farm Policy* in May of 2006 with the endorsement of two former U.S. Secretaries of Agriculture and other farm leaders. The policies in *Agenda 2007* enhance the profitability and competitiveness of farmers regardless of their size, location or products. They also expand environmental stewardship, advance rural prosperity and improve the health of consumers.

## Change Is Inevitable

Federal farm policies, once vital to American prosperity, no longer meet the needs of most farmers and ranchers, the land or the public.

- **Most farmers and ranchers do not benefit significantly from current farm policies, and current farm policies do not adequately benefit those farmers they intend to support.** This is especially true for farmers on the urban-edge—where 80 percent of America's fruits and vegetables are grown—who sell fresh farm products directly to consumers.
- **Our environment is threatened.** Farmers and ranchers want to be good stewards of the land—and they want to protect the land for future generations—but three out of every four who apply for conservation funding are turned down due to lack of funds. U.S. farm policy

should help farmers and ranchers provide cleaner water and air, more wildlife habitat, open space and protected farmland.

- **Many Americans do not have access to healthy, nutritious food.** Americans spend billions annually on medical expenses for illnesses caused by obesity, yet many don't have access to healthy food. The U.S. has sound nutritional guidelines that call for increased consumption of fruits, vegetables, nuts and whole grains, but current policies don't provide enough support to farmers who produce those goods, or to expand consumer access.
- **Fresh local foods in our communities are at risk.** Every single minute of every day, we lose two acres of farmland to development. Local farms and ranches are the backbone of farmers' markets, and they provide productive open space and contribute to the quality of life in our communities.
- **Subsidies aren't helping rural communities prosper.** Rural communities that receive the highest level of subsidies also are experiencing the lowest rate of job creation. Rural development policy must focus on building the assets of the community, not simply providing subsidies for farmers.

Pressure for change is coming from many fronts, including mounting federal budget deficits; conflicts with trading partners over the trade distortions of existing policies; the unmet needs of agriculture; and increasing public awareness about the inequitable distribution of current farm support.

## New Framework and Direction for Farm Policy

*Agenda 2007* draws from common themes heard at AFT's forums held with hundreds of farmers, ranchers, agricultural leaders and policy experts across the country. The framework is based on:

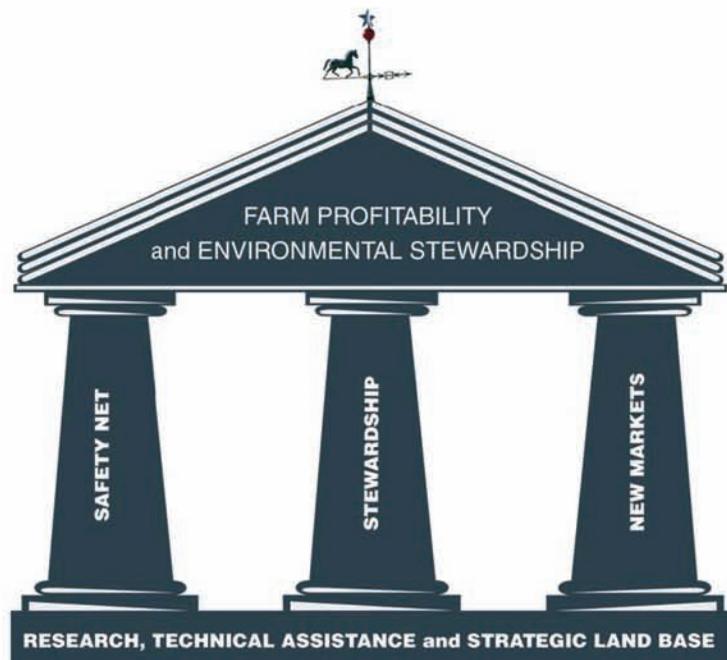
“These recommendations will recognize and reward farmers for stewardship of our nation’s resources and improve the nutrition of our citizens through expanding access to specialty crops and fresh, locally grown food.”

—DAN GLICKMAN, FORMER U.S. SECRETARY OF AGRICULTURE AND 18-YEAR MEMBER OF THE HOUSE AGRICULTURE COMMITTEE



- A real financial safety net and tools for all farmers to help them better manage their risk
- Rewards for environmental stewardship on farms and ranches to protect and improve the quality of our nation’s air, water and land
- New market opportunities to encourage entrepreneurial innovation and improved nutrition, food security and energy independence

The foundation for the framework is the **protection of a strategic base of our best agricultural land**—American farmers’ only unique, sustainable competitive advantage—as well as investment in research and expanded on-the-ground assistance to help jump-start a new generation of farmers and offer opportunities for minority farmers.



**U.S. FARM POLICY PILLARS**  
Safety Net ■ Stewardship ■ New Markets

# Safety Net Policies

Farming and ranching is a risky business. Historically, farm policy has played a role in helping to provide a safety net of steady, reliable income assistance to certain commodities when disaster hits. However, existing commodity programs often fail to address these issues equitably or efficiently and are narrowly focused on supporting prices, not revenues.

## **AFT's safety net policies:**

- Serve as an effective bridge to a more market-oriented, sustainable and publicly acceptable safety net—one that enhances the long-term viability and competitiveness of American agriculture
- Replace existing programs, resulting in less distortion and significant cost savings while providing true protection against unexpected drops in revenue
- Link public support for farmers to land stewardship and environmental performance
- Are compatible with global trading rules

## **Farm Revenue Protection**

Farms and ranches—operating at the mercy of disastrous weather events or market prices that they can do little to control—are inherently prone

to variations in prices and yields. A genuine government safety net should protect farmers against unexpected losses in revenue based on actual market conditions, rather than pay farmers based on historical production or when prices fall below artificial targets set by Congress.

Farmers and ranchers, the government and the private sector each have a role to play in managing agricultural risk under AFT's recommended integrated farm revenue program.

## **Help farmers and ranchers manage risk**

### **Policy Recommendation**

- Replace current counter-cyclical and loan deficiency payments with a revenue-based risk protection program
- Protect against both drops in yield and price (current commodity programs only protect against drops in price)
- Offer more efficient, comprehensive and better protection at lower cost to taxpayers
- Reinvest savings in conservation, renewable energy, entrepreneurship and better diets

## **A Real Safety Net**

In 2002, typical corn farmers in Mercer County, Ohio, and in many parts of the Midwest, suffered from yields that were about half the size of the previous year's yields, due to a drought. As a result, farmers saw their average revenue drop to \$161 per acre, down from an expected \$350 per acre. However, because average prices for corn were high that season, farmers did not receive assistance from current safety net programs. With AFT's recommended integrated farm revenue program, farmers would get protection when they need it: when they experience a drop in revenue.

In 2005, the same corn farmers, and many others throughout the country, experienced a very different situation that resulted in unnecessary payments. In that year, prices were low but yields were up. However, because existing programs are triggered only by low prices regardless of yields, farmers received payments on average of \$99 per acre—payments that were not really needed during a good revenue year. In contrast, AFT's integrated farm revenue approach would have avoided excessive payments by focusing on farmers' loss in revenue.



# Protection for Farmers and Ranchers

## Green Payments

Green payments that reward *all* farmers and ranchers for sound land management and resource conservation are a centerpiece of *Agenda 2007*. In addition to supplying us with food, fiber and energy, the nation's farmers and ranchers provide the public with important environmental services. Well-managed farm and ranch land can provide cleaner air and water, habitat for wildlife, carbon sequestration, groundwater recharge and open space.

Farmers should be compensated for the many environmental "products" they generate, which are farm products just like corn, cattle, lettuce and milk. Compensation for these environmental goods and services will help stimulate even greater conservation in the future.

### *Compensate farmers and ranchers for environmental stewardship*

#### Policy Recommendation

- Create a broad-based green payments program available to all agricultural producers—regardless of size, type or location
- Base payments on sound performance-based measures, rather than on specific practices
- Tie payments to a simple, transparent and reliable measure of environmental performance that encourages continual improvement in stewardship
- Complement working lands conservation programs like the Environmental Quality Incentives Program (EQIP) and the Conservation Security Program (CSP) and other programs that help producers achieve higher levels of environmental stewardship

Researchers estimate that American farmers and ranchers produce billions of dollars in environmental benefits annually—\$33 billion in improved water quality, and \$153 billion related to the biodiversity of plants and animals.



## Green Payments

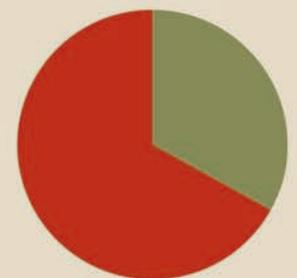
With green payments, farmers throughout the country would be free to choose the most effective methods for producing environmental benefits. Green payments could help farmers increase soil quality by switching to conservation tillage systems; improve water quality by installing grass and tree buffer strips along streams; and reduce the use of chemicals by shifting to integrated pest management.

Green payments also would provide new, reliable revenue for producers. Under a green payments program, payments would be based on each farmer's environmental stewardship. As a result, farmers would realize additional streams of revenue, while the public received real value for its support of working farms.

# 85%

of voters are willing to pay farmers and ranchers for environmental benefits

—AFT POLL



Two-thirds of farmers don't receive any commodity subsidies

—USDA

# Stewardship Policies

Nearly half the land in America is working land—farms and ranches. The use of this land to produce food, fiber and energy has an enormous impact on our natural and human environment. Because of its importance, land stewardship is a theme that runs throughout *Agenda 2007*.

AFT's stewardship recommendations help farmers and ranchers improve their land by applying conservation practices to treat natural resource problems. While green payments pay for the environmental benefits that farmers and ranchers produce, stewardship policies offer the means to improve performance.

## **AFT's stewardship policies:**

- Provide greater numbers of farmers and ranchers with cost-share assistance for conservation practices and land protection
- Reduce the backlog of applications to conservation programs
- Help producers attain a higher level of environmental performance, which would enable more producers to qualify for a direct green payments program
- Increase the effectiveness and impact of conservation programs through cooperation and partnerships

## **Working Lands Conservation**

Current conservation funding levels are not sufficient to address the needs of producers or the landscape. Additionally, farmers and ranchers cannot effectively use the “alphabet soup” of federal programs due to the complexity of multiple sign-ups, applications, eligibility requirements and various program rules. The result: lost opportunities for cleaner air and water, improved wildlife habitat and protected farmland and open space.

AFT recommends a doubling of funding for working lands conservation programs—and the creation of a conservation loan program—to allow

more farmers to participate in federal programs like the Environmental Quality Incentives Program (EQIP), the Farm and Ranch Lands Protection Program (FRPP), the Conservation Security Program (CSP) and the Wildlife Habitat Incentives Program (WHIP). Federal conservation programs should also use a simple, unified application process.

## **Expand, improve and simplify working lands conservation programs**

### **Policy Recommendation**

- Double funding for working lands conservation to help farmers and ranchers care for our nation's resources
- Simplify the conservation application process to make it easier for farmers and ranchers to participate in current programs
- Create a revolving conservation loan program to help producers finance additional conservation practices

## **Cooperative Conservation Program**

U.S. farm policy can revolutionize the conservation efforts of America's farmers and ranchers through *cooperative conservation* by allowing producer groups and organizations to compete for conservation funding. Because many natural resource concerns traverse the borders of individual farms and ranches, the nation needs a conservation program that encourages collective action among producers and allows farmers and ranchers in a given area, watershed or region to work together.

**“Creating a healthy, naturally balanced environment is good for us and for our productivity and profitability. And we think it's the right thing.”**

—JIM CRAWFORD,

PENNSYLVANIA VEGETABLE FARMER

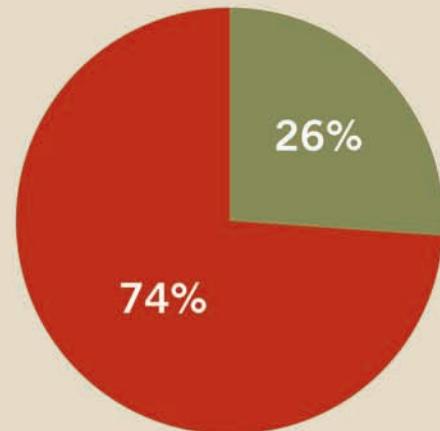
# Conservation of Natural Resources

## *Increase effectiveness and impact of conservation programs*

### Policy Recommendation

- Create a cooperative conservation program to better address the nation's natural resource concerns
- Direct conservation assistance by engaging producers, conservation districts, producer organizations and nonprofits in locally-led projects
- Get funding into the hands of those who need it most in order to have the largest impact
- Redistribute 20 percent of conservation funding from farm bill programs through a new, more effective vehicle
- Allow flexibility, as the entity that submits a proposal can choose the best means of delivering technical assistance

## Three out of four farmers who apply for conservation funding are turned down



Source: NRCS  
\*2004 total applications for EQIP, FRPP, GRP, WHIP and WRP programs

“U.S. farm policy can revolutionize the conservation efforts of America’s farms and ranches.”

—RALPH GROSSI, AFT PRESIDENT

# New Market Policies

American farmers and ranchers represent a varied group of individual businesses, with a great diversity in farm size, revenue, ownership structure and marketing approaches. Yet all of the nation's producers face a changing marketplace, where the percentage of the food dollar they receive continues to decline.

U.S. farm policy can support farm profitability, agricultural innovation, rural prosperity and healthy diets for our citizens. But most farmers and ranchers get little or no support from federal farm programs, and some of our most innovative programs are desperate for funding.

## **AFT's new market policies support:**

- An increase in renewable energy and bio-based products that offer valuable economic opportunities for farmers and ranchers
- Greater access to international markets for American farmers
- Innovation and entrepreneurship in value-added products, direct and niche markets and product promotion
- Programs that promote healthier diets and increased demand for specialty crops and locally grown food

Globally, exports—especially of value-added agricultural goods and products—will be a key driver of agricultural profitability in the future. Reducing global tariffs and non-tariff barriers will open up opportunities for U.S. products overseas, providing a level global playing field for American farmers and ranchers. Renewable energy production offers another tremendous new market opportunity for farmers and ranchers. Increased funding for the development of technologies to convert cellulose-based raw materials into “bio-fuels” and renewable energy standards can expand profitable and environmentally sustainable domestic market opportunities for farmers.



## **Healthy Food and Better Diets**

The food that Americans eat directly affects their health. U.S. agricultural policy, in turn, influences what Americans eat. The 2007 Farm Bill provides a unique opportunity to link the sound nutritional guidelines established by the health community—which call for greater consumption of fruits, vegetables, nuts and whole grains—to changes in agricultural policy.

Currently, the federal government spends billions of dollars to subsidize grains and other crops while providing almost no support for fruits and vegetables. In light of skyrocketing national healthcare costs related to diet-related diseases such as obesity and diabetes, we need to promote healthier diets by supporting farmers' markets, expanding access to specialty crops and locally grown food, and facilitating institutional purchases of local and regional agricultural products.

# Expanded Economic Opportunities

## Farm and Ranch Profitability Grants

To support entrepreneurship among farmers and ranchers and to enhance rural prosperity, AFT recommends a new \$1 billion farm and ranch profitability grants program. The new program will benefit both agriculture and consumers—rural and urban. The farm and ranch profitability grants program could be used for important programs that support farmers' markets, agriculture innovation centers, community food projects, farm-to-cafeteria programs, rural business enterprise grants, seniors and WIC farmers' market nutrition programs, value-added producer grants, specialty crop block grants and other innovative state and local programs that address local and regional producer needs. These programs currently receive less than \$100 million per year.



Farm and ranch profitability grants would help farmers like Mary James of Pender County, North Carolina, who wants to build a small on-farm processing operation for her pasture-raised hogs. James says that small farmers like her need more assistance in “marketing goods and starting up new businesses.”

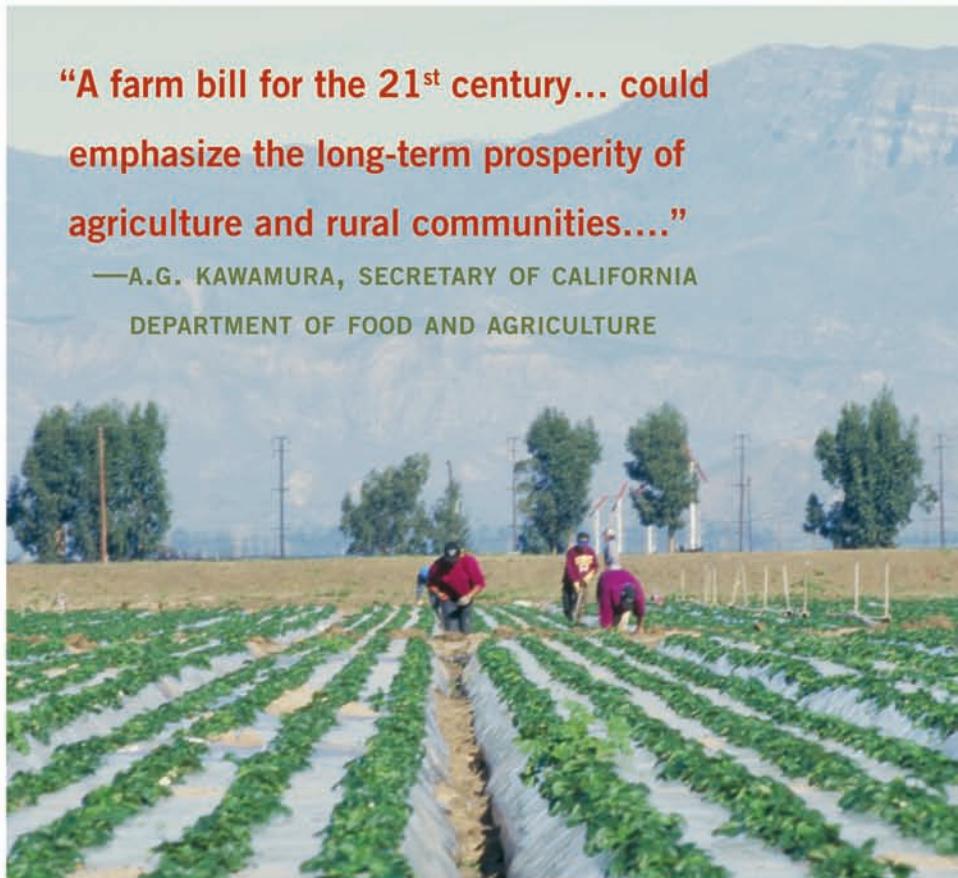
## Support farm entrepreneurship, rural development and better diets

### Policy Recommendation

- Create a new \$1 billion farm and ranch profitability grants program to support:
  - Specialty-crop (fruits, vegetables, nuts) block grants
  - Farmers' markets and buy-local campaigns
  - Farm-to-school programs and programs that help low-income communities access nutritious, fresh food
  - Innovative marketing strategies and new business ventures
  - Diversification and local infrastructure
  - Direct marketing opportunities

**“A farm bill for the 21<sup>st</sup> century... could emphasize the long-term prosperity of agriculture and rural communities....”**

**—A.G. KAWAMURA, SECRETARY OF CALIFORNIA  
DEPARTMENT OF FOOD AND AGRICULTURE**



# The Foundation for U.S. Agriculture



The foundation of U.S. agriculture is our land, people, research and innovation. The next farm bill must maintain an adequate base of agricultural land; ensure that beginning and socially disadvantaged farmers have the opportunity to farm; and reinvigorate research and on-the-ground assistance to better serve the future needs of agriculture.

## ***Provide the foundation to support the new farm policy framework***

### **Policy Recommendation**

- Protect our agricultural land base
- Assist beginning farmers
- Provide opportunities for minority farmers
- Improve research and extension
- Expand and improve on-the-ground technical assistance
- Enhance emergency preparedness

## **Protect the Agricultural Land Base**

A strategic base of our best agricultural land is essential to our long-term ability to produce food, fiber and energy. Federal farm policy must adequately address the threat to our strategic agricultural land resources from non-farm development and fragmentation.

AFT calls for doubling funding for the Farm and Ranch Lands Protection Program (FRPP) while enhancing its effectiveness to permanently protect more farm and ranch land; creating a federal matching grants program that helps state or local governments identify and implement strategies for land protection and farm transition; and strengthening the Farmland Protection Policy Act so the federal government stops being a catalyst for farmland conversion and instead becomes an active player in protecting land for future agricultural needs.

## **Assist Beginning Farmers and Provide Opportunities for Minority Farmers**

Our nation is at a crucial stage in helping a new generation take over the land, which requires new policies to improve access to land, credit and tools to manage risks. With the rising price of land and increasing capital investment required, beginning farmers face growing challenges.

As we create a farm bill that is more equitable and provides benefits to a wider range of farmers, special attention must be taken to craft agricultural programs that address the needs of minority producers who have not participated fully in past efforts.

## **Improve Research, Education and Technical Assistance**

Research, education and outreach allow farmers and ranchers to respond quickly to market opportunities, while helping industry turn raw materials into exciting new uses and training the next generation of farmers and scientists.

AFT recommends an independent national institute to bring together all basic and applied agricultural research with extension and education programs that solve problems and create more opportunities.

## **Enhance Emergency Preparedness**

U.S. agriculture loses more than \$120 billion every year to invasive pests and diseases. U.S. farm policy must strengthen the ability of agriculture to protect against the introduction, establishment, reemergence and threat of plant and animal pests and diseases.

**The protection of a strategic land base for our children's future should be a core principle that runs throughout federal farm policy.**

# Voices for Change

A growing number of farmers, ranchers and agricultural leaders agree that a new farm policy is long overdue.

*“There is little to be gained by extending policies rooted in the past. AFT wisely sets the stage for a 21st century farm policy that meets the needs of 21st century agriculture.”*

—JOHN HARDIN, INDIANA PORK AND GRAIN PRODUCER AND PAST PRESIDENT OF THE NATIONAL PORK PRODUCERS COUNCIL

**“The next farm bill is going to look entirely different from the current farm bill. We all agree on that.”**

—SAXBY CHAMBLISS, SENATE AG COMMITTEE CHAIRMAN

*“As a black farmer, farm bill programs are not helping me, and they were intended to help everyone.”*

—LARRY RASPBERRY, ARKANSAS FARMER



*“Green payments can provide the flexibility to strengthen the rural economy, establishing a bridge from New Deal era commodity programs to an entrepreneurial future for rural America.”*

—GARY MATTESON, NEW HAMPSHIRE FARMER

*“Without a strategic change in farm policy, U.S. agriculture will be rapidly marginalized, isolated and uncompetitive.”*

—VAREL BAILEY, IOWA FARMER AND FORMER PRESIDENT OF NATIONAL CORN GROWERS ASSOCIATION



**“The clock is ticking for U.S. agriculture.... The stage has been set for major policy changes.”**

—CLAYTON YEUTTER, FORMER U.S. TRADE REPRESENTATIVE AND U.S. SECRETARY OF AGRICULTURE



**“Most farmers and ranchers truly want to be good stewards. It is a challenge to do so when there are policies that limit conservation funding yet support prices for crops in surplus. We need a farm policy that encourages everyone in agriculture to be excellent stewards of their land.”**

—STEVE STINTON, CALIFORNIA RANCHER

For profiles of farmers and ranchers seeking change in U.S. farm policy, visit [www.farmland.org/programs/campaign/voices.asp](http://www.farmland.org/programs/campaign/voices.asp)

# Take Action



For more information about any of the policies recommended in *Agenda 2007: A New Framework and Direction for U.S. Farm Policy*, please visit AFT's Web site at [www.farmland.org](http://www.farmland.org).

Our nation needs a farm policy that supports economically viable farming and ranching, protects our environment, helps our rural areas thrive, and improves the health of consumers. Together, we can make this a reality. **Subscribe to the "AFT Action Network" today at [www.farmland.org](http://www.farmland.org) to receive breaking notices about U.S. farm policy and information on how you can make a difference.**

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The mission of American Farmland Trust is to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment. As the nation's leading advocate for farm and ranch land conservation, AFT works with communities and individuals to protect the best land, plan for agriculture and keep the land healthy.



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