

# National Farmers Union

## Comments Gathered From Nationwide Farm Bill Listening Sessions

During the summer of 2006, National Farmers Union held 13 Farm Bill Listening Sessions across the nation, with hundreds of farmers, ranchers and rural citizens participating. Federal, state and local elected officials and representatives of other organizations voiced opinions and listened to others about what should be done when crafting the next farm bill. These listening sessions, which gained widespread media coverage, are part of NFU's continuing effort to develop grassroots policy – listening to and then acting upon the issues raised by those directly impacted by federal policies. It is part of NFU's effort to ensure that all voices are heard.

In that regard, each fall, more than 200 NFU members visit Capitol Hill to carry their message to Congress. In addition to NFU policies, our message this year is the result of the nationwide Farm Bill Listening Sessions. The following is a summary of some of the key issues that emerged from these events.

**Profitability from the Marketplace** – Above all else, farmers and ranchers want to receive a fair price from the marketplace. They view the farm bill as an opportunity to help them achieve profitability for their hard work and investment. Farm bills often focus on the symptoms and miss the cause of the challenges faced in rural America. Producers' biggest concern is the lack of a decent return from the market for the commodities produced and/or raised. There is a strong feeling that the next farm bill's focus should be on solving the problems that are barriers to a fair, open and competitive marketplace.

Two significant economic opportunities were cited as means of addressing profitability:

- 1) Direct farmer-to-consumer sales of farm-fresh, source-verified, natural and/or organic commodities. The “buy local/buy fresh” trend is the fastest growing sector of the food industry and presents an opportunity for farmers to price their products based upon quality. Congress should enact legislation to encourage new-generation food distribution systems. Value-added endeavors should lead the way to ensure that more of the food dollar goes back to those who work the land and the communities in which they live.
- 2) The same goes for fuels from the farm – renewable, environmentally friendly energy sources like ethanol and biodiesel are helping to rejuvenate rural communities. They also offer added benefits to our nation's energy security and independence, by promoting less reliance on a handful of countries in the most volatile region of the world. Policies should be targeted to ensure that the production of ethanol, biodiesel and wind energy be locally owned, in order to build and maintain our rural communities.

**Natural Disaster Assistance** – At every listening session, producers expressed frustration at the lack of assistance for natural disasters. A stream of personal accounts made it clear that people are hurting and deserve to be assisted. More than 50 percent of all U.S. counties have been declared primary or contiguous disaster areas by the U.S. Department of Agriculture (USDA) in 2006. A year ago, nearly 80 percent of all U.S. counties were declared weather-related disaster areas by either secretarial or presidential declarations.

The 2002 Farm Bill was not designed to provide protection or mitigate weather-related losses, and risk management programs are insufficient in addressing production and quality losses. Farmers and ranchers at the listening sessions called for Congress to vote on disaster assistance before the November elections. They also sought a permanent disaster program as part of the next farm bill, so that assistance is not contingent on *ad hoc* legislation and political volatility. Finally, they felt strongly that disaster assistance should be equitable and that all weather related disasters should be treated the same – a drought is just as devastating to crops as a hurricane.

**Extend The Current Farm Bill** – The 2002 Farm Security and Rural Investment Act is set to expire in September of 2007, but producers at the listening sessions – by and large – think this is not the time to renegotiate the legislation.

While several producers had specific items they would like to change in the farm bill, most farmers expressed concerns that the budget, trade and economic climates are not currently conducive to writing a good farm bill. Many producers also expressed the opinion that the 2002 Farm Bill was an improvement, especially when compared to previous farm bills, such as the Freedom to Farm Bill of the mid-1990s. With budget pressures that would likely mean a reduction in farm bill allocations, and the outcome of a new global trade treaty that could call for changes to the 2002 Farm Bill, now is not the time to rewrite this important law. There was general agreement that extending the Farm Security and Investment Act of

2002 for an additional two years would ensure continuation of our economic safety net and other vital farm bill programs. When the time comes to write a new farm bill, there was overall support for a counter-cyclical safety net based upon cost-of-production to address skyrocketing input costs as a result of escalating energy costs. They also expressed the need for a Renewable Energy Reserve to help the United States become energy independent.

**Fuels From The Farm/Energy** – There was a common theme that American agriculture needs to play an even greater role in moving the country toward energy independence. Programs and policies, including tax-based incentives, should ensure that family farm agriculture and rural communities benefit from increased use of renewable fuels from the farm. Linking agriculture and renewable energy is the key to diversifying our energy markets and creating new economic opportunities for rural America.

**Conservation** – There was extreme frustration that existing conservation-related programs such as the Conservation Security Program, remain under-funded. Likewise, producers called for increased conservation efforts on working lands and for technical assistance resources, in addition to an expansion of the Conservation Reserve Program.

**Trade** – Producers at the listening sessions expressed concern that agriculture is being used as a bargaining chip in the overall World Trade Organization (WTO) negotiations in order to get a trade deal on other industry sectors. The farm and ranch families we heard from support negotiating from a position of strength and not unilaterally seeking new limits and disciplines for future domestic agricultural policies. Producers also said that trade agreements must address all factors of trade including environmental standards, health and labor standards and currency manipulation. Finally, many expressed concerns that the U.S. agriculture trade balance has shrunk from a surplus of \$27 billion in 1996 to \$3 billion today. Competitive imports are outpacing exports so rapidly that the United States may become a net agriculture importer in the very near future.

**Competition** – Family farmers and ranchers told us that inadequate market competition is one of the most severe problems they face in the agriculture industry. As evidenced by the sharp decline in the number of family farms in the past decade and the increasing trend toward horizontal and vertical concentration in the agriculture and food sector, independent producers cannot succeed in the absence of protection from unfair, anti-competitive practices. Producers expressed concern that mandatory Country-of-Origin Labeling (COOL) was not being implemented as called for in the 2002 Farm Bill, the need for a ban on packer ownership of livestock, and enforcement of existing antitrust laws.

Based on information NFU learned at its listening sessions, the organization sent a letter to the Commodity Futures Trading Commission (CFTC), asking the agency to investigate the unusual difference between prices on the Chicago Board of Trade and the local cash prices offered to farmers. Producers need to have the assurance that market concentration is not being used to manipulate the futures markets. The CFTC should review the effects of concentration within the grain sector and the economic impact it can have on producers across the country.

**Agriculture/Rural Budget** – Producers sought new and creative programs for conservation, rural development, energy, research and other areas and expressed concern that the agriculture and rural budget not be reduced. The administration and Congress continue to cut funding from farm bill programs through the annual appropriations and budget reconciliation process as a way of reducing the federal deficit, despite the farm bill saving more than \$15 billion in the first three years of enactment. Those speaking at the listening sessions supported keeping the budget for agriculture and rural programs at current or increased levels.

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NOTE: The listening sessions are part of NFU's continuing effort to hear from the heartland. While NFU's members spoke in favor of extending the current farm bill, the information gathered from producers across the countryside guarantees that NFU will be ready with suggestions to ensure that family farmers, ranchers and rural Americans will be treated fairly when Congress does write a new farm bill.