

BUDGET

will be the deciding factor

Congress must ax \$13.4 billion from farm programs by 2002.

BY ANGIE STUMP

The 1995 Farm Bill is on hold as Congress decides where to make the cuts. In order to coordinate under the budget reconciliation the agriculture committee is discussing the option of a seven year farm bill.

"It has been delayed," says I'm Hemmer, deputy press secretary for the House Agriculture Committee, about the writing of the 1995 Farm Bill. The full House Agriculture Committee will meet Sept. 13-15 to mark-up legislation in order to meet their budget responsibilities as required by the Budget

Resolution. The resolution states that \$13.4 billion be cut from farm programs and \$30.4 billion from food stamps by 2002.

Hemmer says where they decide to make cuts will dictate the shape or components of farm commodity programs in the Farm Bill. In late September and October the House Agriculture subcommittees will begin drafting the remainder of the Farm Bill. Issues to be considered will include trade, credit issues, conservation compliance and the reauthorization of the food stamp program.

Freedom to Farm Act of 1995

As Congress continues to discuss ideas for the Farm Bill many key members are

Continued on next page

TEST YOUR FARM BILL KNOWLEDGE

1. When was the first Farm Bill established?
 - a. 1990
 - b. 1980
 - c. 1900
 - d. 1933
2. Which one is not a component of the Farm Bill?
 - a. price and/or income supports
 - b. voluntary land retirement
 - c. food programs
 - d. social security
3. Most of the agricultural budget is for farmers.
 - a. True
 - b. False
4. Farm Bills have been amendments to the last permanent legislation the Agricultural Act of
 - a. 1990
 - b. 1949
 - c. 1900
 - d. 1933
5. What committees write the Farm Bill?
 - a. Senate
 - b. House of Representatives
 - c. The President's Cabinet
 - d. The Senate and House Agricultural committees
6. Who helps with the informal development of the Farm Bill?
 - a. environmental groups
 - b. consumer groups
 - c. public interest lobby
 - d. all of the above
7. The administration's suggested Farm Bill is first introduced by a member of Congress with other bills introduced by "key" members of Congress. Both the House and Senate Agriculture Committees draft bills with reports from different sub-committees. Both houses vote on their bill and then it goes to conference committees where the differences are ironed out. It then goes back to each house for approval and to the President for his signature.
 - a. True
 - b. False
8. The old agricultural establishment or troika was made up of?
 - a. United States Department of Agriculture
 - b. Farm Organizations
 - c. Congressional Agricultural Committees
 - e. All of the above
9. What percentage of the USDA budget is for farm programs?
 - a. 5 percent
 - b. 16 percent
 - c. 38 percent
 - d. 52 percent
10. CRP costs _____ per year.
 - a. \$1.8 billion
 - b. \$100
 - c. \$2.9 billion
 - d. \$1 million

Answers: 1. d; 2. d; 3. b; 4. b; 5. d; 6. d; 7. a; 8. d; 9. b; 10. a

"I hope the Farm Bill is out of here by the time the snow falls, but that is wishful thinking."

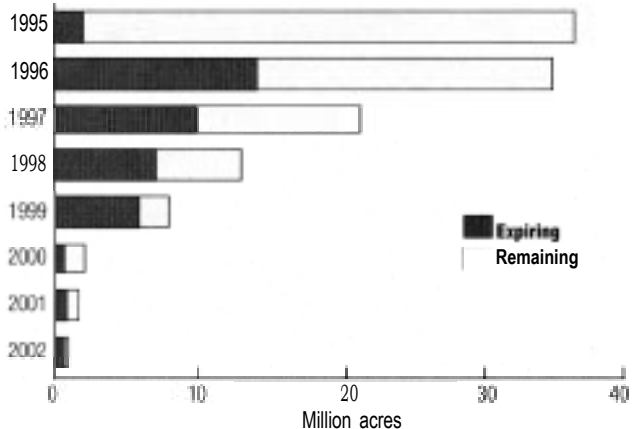
— Conrad Burns

suggesting new approaches to farm policy.

Chairman of the House Agriculture Committee, Pat Roberts, and General Farm Commodities Sub-Committee chairman, Bill Barnett, introduced the "Freedom to Farm Act of 1995" that will give farmers the flexibility to plant for the marketplace and moves government out of farm program management.

The suggested legislation creates a contract between the federal government and farmers. It allows farmers to receive a guaranteed annual payment based on the percentage of their historical farm payments for the next seven years. Farm spending would be capped so payments would decline each of the seven years as the transition progresses, answering farm program criticism that it is a runaway entitlement.

Contracts on more than 22 Million CRP Acres will expire in 1996 and 1997



Acres Reduction Programs (ARPs) and set-asides would be eliminated by the act. Farmers would agree to maintain previously developed conservation compliance plans, ensuring environmental preservation. According to this plan, the Conservation Reserve Program (CRP) would remain unchanged.

The legislation establishes an 11-member commission to study 21st Century Production Agriculture. The commission will review the future of production agriculture at the end of the seven years. The President and the House and Senate Agriculture Committees will appoint the members.

The commission would conduct a comprehensive review of changes in the agricultural sector by Jan. 1, 1999. Secondly, not later than Jan. 1, 2001, the commission would assess and make recommendations regarding the future role of the federal government with production agriculture, including an assessment of the role of the U.S. Department of Agriculture (USDA).

Chairman Roberts says the committee will continue to consider the Freedom to Farm Act as one option for setting farm policy

What is going to happen with CRP?

As budgets are cut and debate continues one main issue is the Conservation Reserve Program (CRP). Three options for CRP are to renew, terminate or modify.

"CRP will remain but it will be modified," says Senator Conrad Burns, R-Mont. "CRP has broad support," he adds. "It is the one issue that environmentalist and agriculturists agree on."

CRP was initiated in the 1985 Food and Security Act as a voluntary long-term cropland retirement program. The USDA provides participants with half the cost of establishing permanent land cover, grass or trees and an annual per-acre rental exchange.

"CRP has done what it was designed to do," Burns says. "Basically, CRP has worked but the question is, has it been worth the cost?"

Currently, 36.4 million acres of land are enrolled in the program. Annual CRP payments made to participating farmers have totaled \$1.8 billion, an average of \$50 per acre.

"Our concern while supporting to continue the program," says Bob Drake, president of the National Cattlemen's Association (NCA), "is the cost of the program will not allow it to continue."

Until Congress decides to change CRP, the USDA and the Consolidated Farm Service Agency (CFSA) are continuing to improve the program. CFSA, formerly the ASCS office, is where farmers enroll their land in government programs.

"We are changing the target to even more environmentally sensitive land without the Farm Bill," says Leslie Deaver, CFSA.

In December 1994, the USDA announced the extending of CRP contracts and the targeting of CRP to more environmentally sensitive acres. During the 1995 calendar year CRP participants have had the opportunity to be released from their contracts and to modify their contracts in order to reduce the amount of acreage subject to it. The department will also accept new bids from producers to replace those released early. To be accepted, the new acreage will have to meet higher environmental and conservation criteria and provide significant soil erosion, water quality or wildlife benefits.

On Sept. 30, contracts for 2 million acres will expire. Secretary of Agriculture Glickman has the authority under provisions of the Food, Agriculture, Conservation and Trade Act of 1990 to offer CRP participants in 1996 the opportunity to modify and extend their CRP contracts for another 10 years. Before the USDA will modify and extend a CRP contract the rental rates will be reevaluated.

Americans have mixed feelings about CRP. During its tenure CRP has reduced soil erosion by nearly 700 million tons per year. The program has also improved water quality and increased land values and wildlife benefits. Negative effects of the program include noxious weed problems and business

fluctuations in some agriculturally dependent communities.

Drake and Burns say there will be several ways to handle the continuation of the program.

One example of a modification would be to limit the percentage of acres a farmer could enroll in the program. For example, if each county is limited to only allowing 25 percent of its farmland to be enrolled in CRP, then limit each farmer to 25 percent of their farmland.

Another option is to increase the amount of flex acres and pay the farmer accordingly.

Burns says he would like to see CRP be completely flex acres. This would allow farmers to experiment with non-program crops.

NCA's primary concern is that another crop will be rewarded at the cost of the cattle industry. One possibility being discussed by Congress is to continue the program but cut the price in half and allow other alternative uses of the land, such as haying and grazing.

"NCA is opposed to this concept," Drake says. "Allowed haying and grazing on this land would negatively affect the cattle industry."

CAST Surveys Interest groups

The Council for Agricultural Science and Technology (CAST) conducted an interest group survey about the renewal and modifications of the Conservation Reserve Program, CRP.

The groups surveyed were: American Farm Bureau Federation, American Farmland Trust, American Soybean Association, Ducks Unlimited, The Fertilizer Institute, National Association of Conservation Districts, National Association of Wheat Growers, National Audubon Society, National Cattlemen's Association, National Cotton Council, National Corn Growers Association, National Farmers Union, National Grain and Feed Association, National Grain Sorghum Producers, National Pork Producers Council, The Nature Conservancy, Soil and Water Conservation Society and the Wildlife Management Institute.

Their research found participants are pleased with the program. It provides income stability, decreases the need for credit and in some instances allows farmers to retire early,

Other positions of 16 of the groups surveyed:

- **All support a CRP renewal.**
- **Groups recommend very different levels of acreage enrollment.**
- **All favor multiple targeting.**
- **All favor use of contracts while some support a mixture of short- and long-term land retirement options.**
- **A majority favors economic land use options, of which haying and grazing are the most controversial.**
- **All support more localized control of the program.**

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