

AGSTATE FARM BILL TASK FORCE

Iowa AgState members recognize that much of what happens in Iowa agriculture is tied to national and international circumstances. There are many things that can be done within the state's borders to brighten the future for its agricultural industry. There are many other things that require action on a higher level, with a broader scope.

Such is the case with federal farm programs. Agriculture's prosperity long has been tied to federal programs. So Iowa's agricultural industry and the entire state have a big stake when changes are contemplated.

The current farm program legislation, adopted in 1996, runs for seven years. Iowa AgState wants producers to be involved in the farm program debate from the beginning. So an AgState Farm Bill Task Force was formed. The team held its first meeting Aug. 19, 1998, and continued to meet throughout 1999.

Each group involved in Iowa AgState appointed two people to serve on the study team. The team follows in the footsteps of the first Iowa Farm Bill Study Team, which is credited with having a significant impact on the current farm program legislation.

The Farm Bill Task Force reviewed the current farm program and analyzed its implementation and effectiveness. Their recommendations for the next farm bill follow.

New Directions in the Farm Bill?

Recommendations from the Iowa AgState Farm Bill Task Force

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The goals of farm policy are easy to define –

- ◆ a well-fed nation
- ◆ affordable food
- ◆ food safety and quality
- ◆ food security
- ◆ a stable farm economy
- ◆ protection of our natural resources

By fostering and strengthening the free enterprise system, America should be able to build strong rural communities and provide opportunities for rural citizens.

There are many stakeholders involved in the effort to meet these goals – farmer producers, agribusinesses, food processors and retailers, commodity and farm organizations, rural advocates, conservationists and consumers. Identifying the inherent and compatible goals of these stakeholders is imperative for the success of any farm policy.

The commonality of all groups involved in farm policy-making include assuring food safety and an adequate food supply, providing opportunities for rural life and maintaining good conservation practices in order to preserve Iowa's natural resource – the soil. The differences in the groups are the methods used to achieve these things.

As modifications are made to current farm policy, the focus needs to be on establishing stable farm income through commodity prices and demand for the products grown. Many factors play into the equation, not the least of which is dependency on foreign markets and policy. As other countries respond and react to U.S. actions there are two questions: Is the U.S. the lowest cost producer? Do other countries accept the notion of comparative advantage?

In exploring these questions, the Iowa AgState Farm Bill Task Force determined that agriculture is a stimulant for rural development and that building and strengthening the farm base should be a goal of any new policy. Growers, retailers and consumers must become partners in providing a stable food system. Local systems must be flexible in order to personalize and tailor the products to the needs and demands of end-users.

History has allowed us to better understand that government will always play a role in farm policy. There will be programs that will allow the food chain to be able to achieve the goals stated above. If we partner and can be flexible in creating a stable source for food, we can produce food the consumer wants to buy in addition to maintaining its integrity.

Consensus was achieved among members of the Iowa AgState Farm Bill Task Force that new farm policy should include:

- ◆ Open trade markets, increased market access and the introduction of action on sanction reform
- ◆ Savings from discontinuing AMTA (Agricultural Market Transition Assistance) payments would go toward a whole farm revenue program, subsidized at a certain level and kept equitable based on productivity
- ◆ Timely incentive-driven conservation practices on a voluntary whole farm basis and encourage CRP on the most fragile land
- ◆ Policies to encourage entry-level producers including the removal of capital gains tax and tax incentives for landowners to establish younger producers
- ◆ Repeal of the Jones Act
- ◆ Improve, strengthen and overhaul crop insurance and include livestock
- ◆ New risk management tools and the educational opportunities for producers to utilize them. Funneling of the money to those who bear the risk should be a priority.
- ◆ The building of an infrastructure program that will encourage identity preservation and assist producers and the retail industry in the transition from today's bulk commodity agriculture
- ◆ Continued funding for public/private research
- ◆ Encourage the U.S. government to negotiate for agriculture and not use agriculture as a tool

The task force agreed there are things future farm policy SHOULD NOT include:

- ◆ Set aside programs
- ◆ A farmer-owned reserve
- ◆ An increase in the loan rate on commodities

The variables in negotiating any new farm policy are many. These include:

- ◆ The fate or prosperity of GM (biotech)
- ◆ The future weather around the world
- ◆ How government will respond to the continued consolidation occurring in agriculture
- ◆ If the U.S. is willing to place a priority on repairing and/or improving our transportation infrastructure in both rail and river
- ◆ Government negotiations that continue to use food as a bargaining chip globally
- ◆ How much growth will come from our competition (i.e. South America, etc.)
- ◆ How large will the demand for food be in five to 10 or more years and will it be affordable to the consumers who need it
- ◆ Who will own the land - who will farm the land
- ◆ How the EPA handles its role in clean water and air and will regulations be based on science or emotion
- ◆ How the USDA addresses food safety
- ◆ How the U.S. establishes itself as the first choice of world-wide buyers
- ◆ The U.S. governments' role in establishing the value of the dollar in relation to world currencies

As the Farm Bill Task Force reviewed all of the information garnered through this process, it became apparent that on a national level, there is consensus there will be changes to the bill. It is inconceivable that, as with any legislation, one size will fit all. There are many facets to establishing a program that meets the goals this team said were imperative when the process began.

The Farm Bill Task Force believes U.S. farm policy should result in an affordable, safe and secure supply of food, a stable farm economy, and the protection of our natural

resources. By fostering and strengthening the free enterprise system, America should be able to build strong cooperation between producers, the food chain and the consumer. Personalized food, with a face, is the future.

As the process of making changes to the farm bill moves forward, this team is committed to providing input and comment at the request of the Iowa AgState group.