

news

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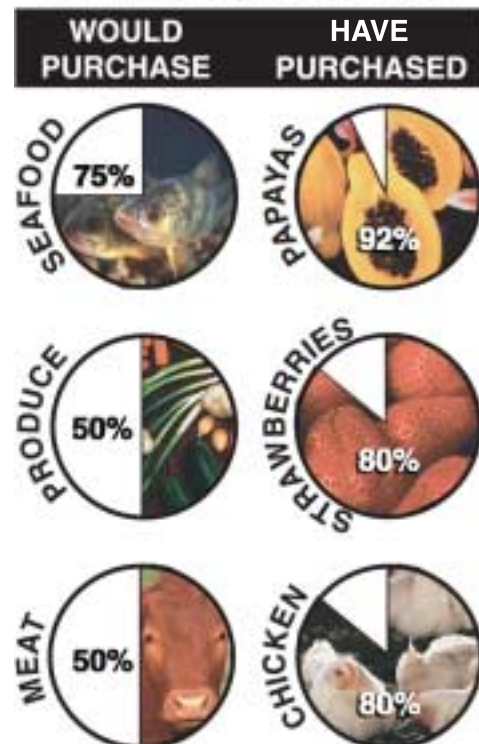
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CONSUMER ACCEPTANCE OF IRRADIATED FOOD



Source: Institute of Food Technologists

Groups send urgent plea for disaster aid

The American Farm Bureau Federation and 31 other farm and lending organizations have once again urged Congress to support emergency disaster assistance for crop and livestock producers immediately upon convening the 108th Congress.

In letters to the full House and Senate, the groups said an adequate response to the natural disasters of 2001 and 2002 is needed immediately to reduce the devastating economic impacts that farmers, ranchers and rural communities are experiencing.

Congress convenes Jan. 6 and is expected to spend most of January trying to complete the 11 appropriations bills needed to fund the government during the current fiscal year. Typically, those bills are completed before the fiscal year begins on Oct. 1; however, the 107th Congress failed to do so.

The farm and financing groups hope that, by alerting Congress now to the economic impacts of the natural disasters and the loss of farm income due to the lack of federal aid, Congress will begin its work knowing that it needs to make emergency disaster assistance a necessary part of its funding package. They also hope that the strength of the rural vote, displayed in the outcome of last November's elections, will encourage Congress to approve disaster aid.

With the federal budget getting tighter by the day, the competition for federal dollars in January will be intense. But, farm program spending is down because the reduced yields due to disaster have driven prices up for the lucky few who were able to salvage their crops. In addition, the groups said, Congress has traditionally helped

victims of natural disasters, including farmers, with emergency funding. However, it has failed to pass assistance for farmers who suffered losses in the last two years due to drought and floods.

The groups also said that when Congress passed the 2002 farm bill its intent was to provide a level of assistance similar to that provided by the legislation it replaced.

Instead, the groups said, "projected outlays for commodity programs under the new law are projected to be significantly less than the annual average federal expenditures incurred since 1998."

In addition, they said, the new farm bill does not adequately deal with natural disasters. They commended the Agriculture Department for taking

See Disaster aid, page 8

EPA issues rules for livestock operations

The Environmental Protection Agency has completed new regulations to limit water pollution from most large and medium animal feeding operations. The American Farm Bureau Federation said the new regulations, unlike an earlier version, represent a reasonable approach that will help solve the problem of water pollution from manure runoff without overburdening farmers and ranchers.

The new rule increases from about 4,500 to 15,500 the number of operations defined as concentrated animal feeding operations, or CAFOs, and requires them to obtain permits and file nutrient management plans (NMP). The agency estimates the new rule will affect about 11,000 operations it has defined as large CAFOs, and about 4,500 defined as medium-sized. Only CAFOs that demonstrate that they have "no potential to discharge" nutrients into surface waters would be exempt from the permitting requirement.

Operations that were already defined as CAFOs under EPA's prior regulations but have not obtained permits must do so immediately. Operations that are newly defined CAFOs on the effective date of the rule must obtain permits by March 2006. Newly constructed, expanded or designated CAFOs face

other, different deadlines depending on how and when they become CAFOs. AFBF said the 420-page rule appears

to be compatible with the funding provided in the 2002 farm bill to help pro-

See Livestock operations, page 7



Time to make policy

State Farm Bureau presidents, as well as the Young Farmer and Rancher Committee and the Women's Committee chairs, gathered last month in Washington, D.C., to consider policy recommendations.

VIEWPOINT

Farm Bureau is a functional family making a difference

Gifts have been unwrapped. Leftovers have been devoured. New Year's resolutions have been made ... and perhaps broken. Another holiday season, and year, has drawn to a close.

The holidays are always busy, but the opportunity to get together with family and friends makes the season special.

Farm Bureau family tradition

Just as each individual family celebrates the holiday season in its unique way, the Farm Bureau family has its own long-established annual tradition. After months of dedicated, grassroots policy development work, and countless volunteer hours of telling agriculture's story and making our communities better places to live, we soon will come together for several days of reassessment, recharging and retooling.

This year an estimated 5,000 member families will travel to Tampa, Fla., for the American Farm Bureau Federation's 84th annual convention and meeting.

Our annual family reunion provides an opportunity for members across the nation to visit with old and new friends. Members will learn about developing issues important to agricul-



ture, get a much-needed boost from motivational speakers and receive recognition for outstanding contributions to our organization.

Our convention is about people. It renews those thousands of Farm Bureau members who every day of the year volunteer for worthy projects such as Ag in the Classroom and programs such as Farm Bureau Women, Young Farmer and Rancher, and Promotion and Education.

The AFBF convention focuses on grassroots members dedicated to working the land and tending to livestock and on their Farm Bureau families, solid people who care about agriculture and their communities and strive to make a positive difference.

Grassroots members make the difference

It's also during our convention when farmers and ranchers from all across this great land, transform their ideas and ideals into one voice, the Voice of Agriculture.

This year, 409 voting delegates selected by and representing Farm Bureaus from all 50 states and Puerto Rico will vote on and set the official public policy positions to guide the organization. This vital task culminates a yearlong policy development cycle that started at the county level. This part of the get-together is truly a uniquely Farm Bureau feast, somewhat like a spirited discussion around the family dinner table.

There are not many organizations out there that share our commitment to people. It's a notion grounded in our grassroots policy process that starts with the individual and ascends through the county, state and AFBF levels. While some may judge this process as tedious, our family knows it is the only way to ensure that our organization's overriding policy positions reflect the wishes of our members.

It is the foundation on which our functional family has built its house.

We also recognize that as a family grows and changes, the house needs remodeling along the way. Agriculture is an industry in constant transformation and our policy process, likewise, includes the ability to positively respond.

Farm Bureau is a family organization that has always approached the business of farming and ranching with excitement and an optimistic attitude. We believe we can make positive change. We delight in helping each other. We give of ourselves to help make the future better for each other and agriculture. We are family.

I can't wait to see that spirit as we gather in Tampa.

May God bless us all in this new year.

Debate continues over global warming, Kyoto Protocol

By Terry Francl

Another round of media stories concerning global warming was set off in conjunction with the 8th Conference of Parties to the United Nations Framework Convention on Climate Change (COP-8) that took place in New Delhi, India, in November of last year.

Under the Kyoto Protocol, ratifying nations agree to reduce their emissions of carbon dioxide an average of 5.2 percent below the 1990 baseline level during a five-year period ranging from 2008-2012.

With the growth in its economy since 1990, the United States would have to decrease greenhouse gas emissions some 30 percent to 40 percent below the current level.

For the Kyoto Protocol to be ratified and implemented, 55 nations must ratify the protocol, including enough Annex I countries to account for at least 55 percent of Annex I carbon dioxide emissions.

As of last October, 95 parties had ratified, including developing countries responsible for 37.1 percent of the carbon dioxide emissions. All but three of the 30 Annex I countries have now signed the protocol, thus meeting the first criterion.

Organizers who had hoped to bring the United States into the fold of the Kyoto Protocol were disappointed by

the Bush administration's unaltered opposition to U.S. ratification. The administration opposes it for two primary reasons. First, economic studies show that the annual economic impact of reducing carbon emissions would be to slow U.S. annual Gross Domestic Product growth by 1 percent to 4.2 percent. It would cost the agricultural sector alone between \$10 billion and \$20 billion annually. Second, developing countries, including China and India, are excluded from the emission reduction requirements.

While some countries, like Canada and Russia, have indicated that they will ratify the protocol, this has led to intense debate within those countries. Russia would be a key ratifier because its signoff would mean the 55 percent of emissions criterion will have been met without the United States' participation.

While steadfastly refusing to join the Kyoto Protocol, the Bush administration has launched a new round of research on global warming, to the tune of \$4.5 billion this year. Part of the research program is to lead an effort to develop a comprehensive, sustainable and consistent global observing system.

There are many unresolved issues, some so basic that it is difficult to fathom how or why the Kyoto Protocol was ever advanced to its current

state. One of the basic issues is whether there is any increase in the rate of global warming and, if so, whether it is due to human activities.

While surface temperature readings appear to support the argument that global warming exists, satellite readings in the lower troposphere, the area encompassed going up to approximately one mile above the Earth's surface, indicate that there has been little, if any, global warming.

Next is the issue of the correlation between increasing carbon concentrations and temperatures. Historical records indicate that there have been times when atmospheric carbon levels were nearly double the current levels, yet the Earth experienced periods of glaciation, not warming.

Finally, the original modelers have admitted that even if the goal of a 5.2 percent reduction in carbon dioxide were achieved, it would hardly have any impact on predicted global warming. In fact, few scientists are willing to predict that the full implementation of the goals of the Kyoto Protocol will have any significant impact on temperatures.

Given the potential negative implications to both the overall domestic economy and the agricultural sector, stepping back to take another look at the model assumptions and science behind global warming appears to be a wise move.

Terry Francl is a senior economist with the American Farm Bureau Federation.

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U.S. remains concerned about EU trade policies

Long-awaited EU farm trade proposal is panned

The European Union on Dec. 16 offered a World Trade Organization proposal for agricultural trade that would cut import tariffs by 36 percent, decrease export subsidies by an average of 45 percent and reduce trade-distorting domestic subsidies by 55 percent. The proposal would also give developing countries duty-free and quota-free access for farm exports from poor countries.

Richard Mills, spokesman for the Office of the U.S. Trade Representative, said that although the United States welcomes a proposal from the EU, the plan "does not embrace fundamental agricultural trade reform.

"Therefore, we hope that the [European Commission] will seek changes in the Common Agriculture Policy early next year that will enable it to support more significant tariff and subsidy cuts in global agriculture trade through the Doha negotiations," Mills said.

According to Mills, the United States would be reviewing the EU proposal carefully.

The United States has company in its reaction to the EU proposal. The 17-member Cairns Group, which includes Australia and Canada, criticized the EU proposal, saying it could actually lead to increased export subsidies for certain products.

The United States submitted its WTO

agricultural trade proposal last July, which aims to increase market access by reducing tariffs, eliminate export subsidies and provide a fair method for limiting trade-distorting domestic support levels.

During the Doha Round trade talks in November 2001, WTO members agreed to a March 31, 2003, deadline for establishing modalities on market access, domestic support and export competition. Stuart Harbinson, chair of the WTO agriculture negotiations, on Dec. 18 issued a draft text that outlines the progress of the talks and identifies outstanding issues. The EU proposal was not included in Harbinson's report because it was not offered soon enough, and because it is not yet a formal proposal because of ongoing review by members of the bloc.

In his report, Harbinson recognized "a trend toward emerging consensus" among some WTO members on certain issues, but added that a "substantial number of important issues remain outstanding."

EU ministers legalize ban on hormone-treated beef

European Union agricultural ministers on Dec. 16 voted to legalize a ban on the use and import of growth-promoting hormones in cattle, claiming the substances pose a risk to human health. The action marks the latest move in a long-running dispute over beef between the EU and major trading partners Canada and the United States.

EU officials claim they have scientific evidence that six hormones used to promote growth in cattle pose significant risks to human health. Those hormones, all of which are used by the U.S. cattle industry, are oestradiol-17-beta, testosterone, progesterone, trenbolone acetate, zeranol and megestrol acetate, the EU said.

"One of the hormones under the scrutiny of the [EU] Scientific Committee, oestradiol-17-beta, has been evaluated as a complete carcinogen with both tumor-initiating and tumor-promoting effects," the EU said in a statement. "The proposed measure therefore not only bans the use of oestradiol-17-beta as a growth promoter but

also significantly reduces all other circumstances in which it can be administered to farm animals."

An earlier statement from the Office of the U.S. Trade Representative said that no published studies the EU has cited have shown evidence that justifies the import ban.

The EU first imposed the hormone ban in 1989. In 1998, the World Trade Organization found in favor of the United States and Canada by ruling that the EU had not provided enough scientific evidence to justify the ban.

In response to the WTO ruling, the United States imposed sanctions on products—mostly agricultural—from the EU, worth about \$116 million annually. A few days before the vote to legalize the hormone ban, EU officials said the bloc plans to ask the WTO to force the United States to lift the three-year-old sanctions against the EU.

If the WTO agrees that the hormone ban is justified in light of new scientific evidence, the United States would have to lift its retaliatory sanctions.

The hormone-ban legislation now returns to the European Parliament for a second and final vote, expected mid-2003. The body last took up the issue in 2001.



FB TRADE WATCH

WTO dispute reforms sought

In response to congressional complaints about the outcome of several World Trade Organization dispute settlement procedures, the Bush administration reported Dec. 30 that it would seek reform of the process during the current round of WTO negotiations. In the Trade Act of 2002, which included trade promotion authority, Congress directed the administration to outline by the end of 2002 the steps it will take to address the concern that WTO dispute settlement rulings have produced different standards and rules from what was agreed to in the Uruguay Round. The administration said that, in addition to negotiating for changes to the process, it would work in the meantime to avoid problematic rulings.

U.S., Mexico renegotiating poultry tariffs

U.S. and Mexican trade officials are reportedly renegotiating the schedule for eliminating tariffs under the North American Free Trade Agreement.

Tariffs on a number of agricultural products went from 49 percent to zero on Jan. 1. Mexican poultry producers claim such a dramatic reduction will devastate their industry and put thousands of rural Mexicans out of work.

Poultry industry groups in both countries have given government officials the nod to proceed with negotiations on a new schedule for phasing out the tariffs.

One proposal would increase the tariffs on chicken legs and thighs to 99 percent this year, then reduce them 20 percent each year until they are eliminated in 2008.

"At the urging of our domestic poultry industry, we are discussing with Mexico ways to keep American poultry exports to Mexico at current or improved levels," said Richard Mills, press secretary for the office of the U.S. Trade Representative.

Mexico's industry hopes to protect itself from a flood of chicken imports

Mexico's industry hopes to protect itself from a flood of chicken imports.

from the world's largest and most efficient poultry producers. But, even if the tariffs are renegotiated, industry officials say no such flood would happen. There is still the matter of Mexico's testing for avian influenza, which limits U.S. exports to that country.

Still, the U.S. chicken industry hopes a reworked deal on the tariffs will lead to more predictable poultry trade with Mexico. Unless the United States agrees to extend tariff protection for Mexico's poultry producers, the U.S. industry fears the Mexican government could be very creative in erecting new technical barriers. Mexico has already threatened to take safeguard action against U.S. poultry, something the industry views as a no-win situation that could drag on for years without a resolution.

After last year's ups and downs with

Russia over its ban on imports of U.S. poultry, the U.S. industry is painfully aware of how disruptive those barriers can be. Russia banned U.S. poultry from its shores in March of last year and did not lift the ban until August. The U.S. industry is still recovering from the lost sales to its largest export market.

At \$258 million in 2001, Mexico's purchases make it the third largest market for U.S. poultry exporters. In addition, Mexico, like Russia, takes the "dark meat" parts that are harder to sell in the United States.

Mary Kay Thatcher, public policy director for the American Farm Bureau Federation, said Farm Bureau is concerned about the precedent that would be set for other countries to delay market-opening measures when high noon arrives, and when all countries involved have known for years that those agreements would be going into effect.

"But the U.S. poultry industry has indicated that they believe this is in their best interest, and of course we hope they're right," she said.

TAXES

FairTax would reduce, simplify farmers' tax burden



By Rep. John Linder

Farming is one of the most honorable professions in American life. Since the dawn of our Republic, farmers have formed the economic backbone of our society. They did in 1776 when the Declaration of Independence was signed, and they do today.

And yet, the heavy foot of government and the heavy yoke of taxation fall more heavily and squarely on the American farmer today than ever before. It is now time, with one voice, for the American farmer to again call for a declaration of independence—independence from taxation.

I'm not talking about avoiding paying your fair share. The American farm family has never shirked responsibility, and I am not proposing that it do so today. What I am proposing, however, is to make paying your fair share easier and to make sure that it is, in fact, fair.

It is not unreasonable for the government to ask you to contribute, but it is unreasonable that you are required to pay an accountant in order to calculate that contribution.

It is not unreasonable for the government to want to tax agricultural products, but it is unreasonable for the government to embed those taxes in the prices of those commodities and then shrug its shoulders when those commodities don't sell competitively overseas.

At its annual meeting last year, the American Farm Bureau Federation took a giant step toward solving these problems by endorsing legislation to create a national retail sales tax, the FairTax, that would replace and abolish the Internal Revenue Service, the personal and

the corporate income tax, the payroll tax, the death tax, the capital gains tax, the self-employment tax and more. This bill would change America forever.

In the spirit of full disclosure, I will tell you that I am the author of the FairTax. I, a Georgia Republican, along with Colin Peterson, a Minnesota Democrat, came together to move this bill forward. So far, the response has been phenomenal, but we need your help.

The FairTax is a big idea. It eliminates most of your dealings with the taxman. It eliminates your payroll tax burden for employees. It reduces the cost of goods and services by eliminating all of the hidden taxes embedded in the price. It increases American competitiveness overseas by exporting goods tax-free. It increases consumption here at home by giving workers their entire check and thus more money in their pockets.

Farmers, and particularly Farm Bureau members, are able to change the hearts and minds of the men and women in the White House and in the U.S. Congress. As a result, laws can change.

I encourage you to learn about the FairTax by calling 1-800-FAIR-TAX or visiting www.fairtax.org. And if you agree that this fight and this opportunity are too big to ignore, call or write your U.S. congressman and senators.

This fight isn't just about farmers; it is about all Americans and how we choose to be governed. Farmers have changed America before, and they can do it again today.

Rep. John Linder (R-Ga.) is a member of the House Rules and Administration Committees.

By Rep. John Linder

The FairTax would replace and abolish the Internal Revenue Service, the personal and the corporate income tax, the payroll tax, the death tax, the capital gains tax, the self-employment tax and more.

Farmers should monitor streamlined sales tax project



By Patricia Wolff

When a cantaloupe is cut in half, put on a plate and sold with a fork and napkin, it is not food. Instead, it's "prepared food" in certain states where that definition makes it subject to sales taxes. In other states, the cantaloupe may be taxed regardless of whether it's "prepared." The pennies difference may not be a big deal to consumers. But if you're in the business of selling cantaloupe, you need to know whether, and how much, it's taxed in your state and perhaps others.

The patchwork of state and local sales and use taxes is complex, and a business that sells in more than one jurisdiction has to keep track of the tax laws in each jurisdiction. More than 7,000 units of government, including all but five states, levy sales and use taxes.

Thirty-four states and the District of Columbia have decided it's time to come up with a uniform system to simplify collecting the taxes. That could create opportunities as well as challenges for farmers and ranchers.

After meeting for several years on the issue, those 34 states and D.C. approved in November a model Streamlined Sales and Use Tax Agreement that will go into effect once 10 state legislatures have modified their state sales tax laws to comply, provided that 20 percent of people who pay sales taxes live in those 10 states. Additional states can join the agreement any time with the approval of those that have already signed on.

The agreement would give businesses new tools to help them collect the taxes, such as approved software. They could also end up dealing with a single state entity, which would pass along the share of taxes due to counties, cities and local taxing jurisdictions.

State and local governments see development of a one-size-fits-all sales tax system as the first step toward collecting taxes on catalog and Internet sales.

Some farmers and ranchers, as business owners, could benefit from some of the business-friendly aspects of the agreement. But, vigilance will be needed to ensure that current farm exemptions are preserved and that the enactment of a new sales tax system does not result in a tax increase for agricultural producers.

The agreement would allow states and other taxing districts to con-

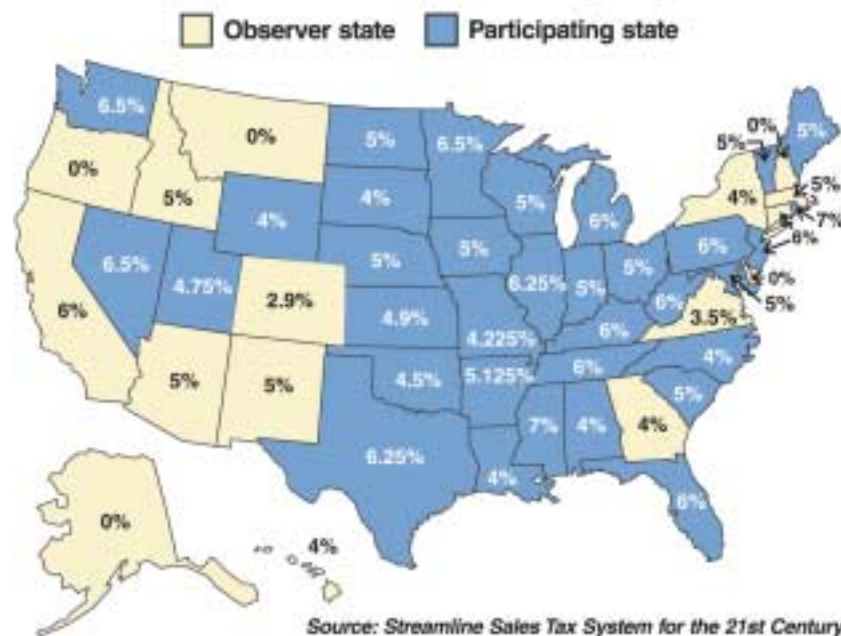
tinue exempting products from sales taxes only if they tax them at one agreed-upon rate. A handful of states currently have separate, lower tax rates for farm equipment. The choice between exempting farm equipment altogether or taxing it at a single rate opens the door for states to raise the tax to increase revenues. This is a real win-or-lose situation for agricultural producers, who can shell out tens of thousands of dollars each year for farm equipment.

Once states are given a reason to open the issue of state and local sales taxes, it could become a Pandora's box. There's no telling what they'll try to take out or put in. This is something that farmers and ranchers, and state Farm Bureaus, will want to keep an eye on in 2003.

Patricia Wolff is a senior director of congressional relations with the American Farm Bureau Federation.

Vigilance will be needed to ensure that current farm exemptions are preserved and that the enactment of a new sales tax system does not result in a tax increase for agricultural producers.

Streamlined sales tax project



Tax cuts return to legislative agenda



The American Farm Bureau Federation hopes the renewed enthusiasm for tax cuts will bring opportunities to seek tax savings for farmers and ranchers.

The start of a new Congress usually brings a spate of new legislative proposals. Among the ideas new and returning members will bring to the table this year are additional tax cuts to liven up the sluggish economy.

Congress passed sweeping tax cuts in 2001, but many in Washington say it wasn't enough. Members are expected to introduce proposals ranging from speeding some of the 2001 cuts that are continuing to be phased in over the next eight years, permanently eliminating the estate tax, cutting payroll taxes and eliminating double taxation of corporate dividends. President Bush is expected to boost the tax cutting effort in his State of the Union address and a separate address to the nation this month specifically concerning the economy.

The American Farm Bureau Federation hopes the renewed enthusiasm for tax cuts will bring opportunities to seek tax savings for farmers and ranchers. Even if the new tax measures aren't introduced with provisions targeted to farmers, they could become vehicles for those provisions as they make their way through the legislative process, said Pat Wolff, AFBF tax specialist.

"Farm Bureau supports a whole slate of agriculture-specific tax cuts to provide sustainable economic growth in the farm economy," Wolff said. "Farm, Fishing and Ranch Risk Management accounts that let farmers save part of their farm income tax-free, changes to self-employment taxes to prevent cash rents and Conservation Reserve Program payments from being subject to additional taxes and changes to the alternative minimum tax so farmers can use income-averaging and avoid wide year-to-year swings in their tax bills; all of these, in addition to eliminating death taxes, could bring long-term

stimulus to the rural economy. Farm Bureau will be eager to get any or all of these provisions attached to a tax bill that is moving."

Sen. Max Baucus (D-Mont.) is the first member of Congress out of the gate with an economic stimulus proposal. The senator said his proposal would cost \$160 billion in 2003 and cost \$135 billion over 10 years. But, he also said the proposal would save \$13 billion over 10 years by clamping down on corporate tax shelters and would promote long-term fiscal discipline.

Sen. Charles Grassley (R-Iowa), who is taking over the chairmanship of the Senate Finance Committee from Baucus, issued a statement Dec. 19 supporting Baucus' proposal.

Rep. Bill Thomas (R-Calif.), chairman of the House Ways and Means Committee that deals with tax issues, plans to unveil an economic stimulus proposal soon for consideration in the House.

Last year, tax cutting legislation was introduced but failed to go anywhere. Amid growing concern over the stalled economy and talk of needing to make more aggressive tax cuts to spur a recovery, there is increased optimism this year that tax cutting measures could make it through Congress.

"Before the election, members were reticent in talking about tax cuts because there was fear about how that could be used as a campaign issue. That made it harder for Congress to get anything done on taxes last year," Wolff explained. "After the elections, there has been a tremendous shift and a renewed interest in doing something to stimulate the economy. Farm Bureau hopes those stimulus measures will be geared toward sound principles for the long-term health of the economy."

Dunn, Cramer to introduce death tax repeal bill



Rep. Dunn

In an effort to promote economic growth, Reps. Jennifer Dunn (R-Wash.) and Bud Cramer (D-Ala.) plan to offer legislation to permanently end the death tax once Congress reconvenes this month.

"As we approach the beginning of the 108th Congress, we must renew our resolve to repeal today's death tax that places such a tremendous burden on America's family-owned farms," Cramer said. "These farms are at the heart of the economic vitality of our communities, and too often, this tax has forced American families to liquidate a farm that was built on years of hard work and sacrifice."

The legislators believe repealing the death tax once and for all is one way to bolster economic growth because it would give farms and businesses assurance during the financial planning process while freeing up money to be spent on growing the farm or business.

"Without permanency, family businesses and farms will be left in taxpayer purgatory, uncertain whether the death tax will remain dead or whether it will rise from the grave and continue to haunt them," Dunn and Cramer said in a "Dear Colleague" letter inviting other legislators to be original co-sponsors of the bill.

Enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 repeals the death tax in 2010, but because the law's provisions sunset in 2011, death taxes will be fully repealed for only one year.

On the Senate side, Sen. Charles Grassley (R-Iowa), incoming chairman of the Senate Finance Committee, has said that eliminating the death tax and making other parts of the 2001 tax reform bill permanent will be one of his top priorities as chairman.

"I think ... we'll try to make the entire tax bill of 2001, which under the screwy rules of the Senate could only be a 10-year bill, so if we don't make it permanent we'll have the biggest tax increase, in 2011, even without a vote of Congress because the old law goes into effect automatically," Grassley said. "So I would hope to make that permanent, which means we would have permanency of ending the marriage penalty, the \$1,000 child credit, the estate tax would be done away with and we'd have lower marginal tax rates."

President Bush also may speak in favor of permanently eliminating the estate tax during his speeches this month, including his State of the Union address.

Pat Wolff, an American Farm Bureau Federation tax specialist, is

pleased to see that death tax permanency will be on the forefront of the new Congress. "By getting out of the gate early, Reps. Dunn and Cramer are spotlighting the need to get rid of the death tax," Wolff said. "They see it's wrong, and that it needs fixing now."

Last June, the House voted to end the death tax permanently, but the Senate did not have the votes to waive a budget point of order that killed the bill.

"I'm hopeful that this Congress will vote to provide our family farmers the relief they deserve from this tax that makes a difficult situation worse for small, family farms throughout our country," Cramer said.

Who *really* benefits if the death tax isn't fully repealed?



Calculating the estate taxes due, planning for estate transition and complying with the law costs farmers and others billions of dollars each year, according to the congressional Joint Economic Committee. Those resources could be better used for investment and job creation, the committee said.

Dunn's and Cramer's proposal is among the first for the new Congress.

CAPITAL UPDATE

Deep plowing not allowed

The Supreme Court, Dec. 16, upheld a judgment against Borden Ranch owner Angelo Tsakopoulos that deep plowing—a common farming practice for preparing orchards and vineyards for planting—is a violation of the Clean Water Act. The ruling came in a 4-4 deadlocked decision.

Supreme Court Justice Anthony M. Kennedy did not participate in the case because he is an acquaintance of Tsakopoulos and is from California, the location of the Borden Ranch.

Because of the split vote, the Supreme Court may again tackle the subject in another case where all nine justices could take part. "There was uncertainty then, and there's uncertainty now," said Don Parrish, an American Farm Bureau Federation water quality specialist. "The split decision will give the court another opportunity to define the bounds of normal farming practices."

Tsakopoulos has been prohibited by the Environmental Protection Agency and the U.S. Army Corps of Engineers from planting additional orchards or vineyards on his ranch because he did not get a permit before plowing, an action that the agencies claim "pollutes" the temporary wetlands with dirt.

Tsakopoulos argued that he did not need a permit because the Clean Water Act has an exemption for normal farming practices to be continued without permits. His appeal regarding the CWA farming exemption was the first such appeal to be heard by the Supreme Court.

EPA and USACE fined Tsakopoulos \$500,000 and ordered him to restore four acres of wetlands. The Ninth Circuit Court of Appeals upheld the penalties after hearing the case last year.

AFBF filed a friend-of-the-court brief on behalf of the Borden Ranch. "As this case perfectly demonstrates, implementation of the normal farming exemption has not proceeded as Congress intended ... and [has] not fulfilled Congress' aim of minimizing the interference of federal regulators in the routine decisions of farmers and ranchers," AFBF said in an earlier statement.

USDA worried about program sign-up

Producers who intend to sign up for commodity price support programs should do so sooner rather than later in order to avoid processing delays, according to the Agriculture Department.

In a news conference on Dec. 18, department officials said the current pace of sign-up for direct and countercyclical payments authorized in the 2002 farm bill "is a point of real concern."

Particularly troublesome, said J.B. Penn, USDA undersecretary for Farm and Foreign Agricultural Services, is the fact that only about 15 percent to 20 percent of eligible producers in Illinois, Indiana, Ohio and other "mainstream agricultural states" where program participation is usually robust have signed up for the new programs. Sign-up is at 35 percent in Texas and Georgia, he said. In Michigan, it's only 7 percent.

"We have the April 1 deadline [for updating acreage bases and yields] and if the pace does not pick up appreciably in the next few weeks, then we're going to have a serious backlog develop," Penn explained. "So we want to today strongly encourage farmers to contact their local FSA (Farm Service Agency) offices to schedule a time to go in to visit with the staff during the winter months while they're out of the fields."

Penn attributed the problem to the late harvest in much of the country and the complexity of the new programs.

Keith Weatherly, FSA state executive director for North Carolina, added that weather-related problems, both from

last summer's drought and excessive rain during the harvest period, kept farmers in the fields working to complete their harvesting. In addition, he said, "farmers are often driven by deadline."

Penn also conjectured that some producers could be waiting to see if Congress changes any of the programs early this year.

"Now there's also been some talk in the countryside, I hear as I travel about, that, well, I'm going to wait because the Congress, when it comes back, may change some of the provisions. Don't wait. Go ahead and sign up," Penn said. "If the Congress does change the provision, then you'll certainly have an opportunity to come back in and to revise your decision based on anything the Congress may do."

Penn said producers who sign up early should remember that, if they change their minds, they have until April 1 to revisit their local FSA office and change the decision. "It's not set in concrete," he said.

In addition to signing up early, USDA urged producers to prepare for their meetings with agency staff.

"I would encourage everyone, landlords and operators alike, to take advantage of all of the educational materials that are available from us, that are available from their land grant universities, the state Extension services, the major farm organizations, to utilize that information, try to inform themselves as best they can, and I think that will lead to an informed decision," Penn said. "These are complex deci-

sions but there are literally billions and billions of dollars involved which go to the benefit of producers. So it's worth the effort to be informed."

Penn and Jim Little, FSA administrator, outlined a number of efforts the department has made to help producers and landlords understand the new farm bill provisions. County executives are holding weekend meetings. The agency has held six regional outreach meetings at land grant universities, with another 10 scheduled for the next two or three months. The agency created a frequently asked questions page on its Web site, as well as a base and yield calculator that has been visited 900,000 times, Little said. Forms for sign-up also are available on the Internet.

Producers have until June 2, 2003, to sign up for direct and countercyclical payments. But, if they are going to update their bases or yields, a factor that can have a huge impact on payment amounts, they must do so no later than April 1, 2003.

Sign-up for direct and countercyclical payments began Oct. 1 and FSA began making payments in December. Payments are currently available to producers of rice, cotton and peanuts because market prices for those commodities are less than the target prices established in the farm bill. The program is authorized to provide support for feed grains, wheat, cotton, rice, soybeans, other oilseeds, peanuts, wool and mohair for 2002 through 2007 whenever market prices dip below the target prices.

Livestock air emissions data inadequate

The government needs to do a better job of estimating the amount of pollutants emitted from livestock farms, and of helping livestock producers reduce emissions, according to a new report by the National Academy of Sciences (NAS).

Concern about emissions from animal feeding operations (AFO) has grown in recent years as suburban development has encroached on agricultural areas, and as livestock operations have gotten larger, said the committee of scientists that wrote the report. As a result, the Environmental Protection Agency is considering new ways to measure the emissions.

The lack of accurate estimates makes regulating air pollutants from AFOs almost impossible, according to Dave Salmons, American Farm Bureau Federation director of congressional relations and legislative counsel.

"In a region where there are several livestock operations, it can be impossible to attribute the emissions to a single farm," he said. "It's important to address the problem in an accurate,

scientific and appropriate manner. In the meantime, many producers are doing everything they can to keep the peace with their neighbors and avoid nuisance complaints or more government regulation."

The report acknowledges that available estimates of the causes and concentration of emissions are inadequate for regulating or managing them. It recommended that the science for estimating air emissions from individual AFOs be strengthened to provide a basis for regulation and management programs.

Also recommended is the continued development and use of best management practices and "clearly effective measures" to reduce emissions.

The scientists said that neither EPA nor the Agriculture Department has committed sufficient financial or technical resources to estimate air emissions. The report recommended that the government agencies set up a joint council to coordinate and oversee research on the issue.

The Agriculture Department said it

has not yet made a decision on the recommendation, but that USDA already has an Agricultural Air Quality Task Force advisory committee that advises the Secretary on agricultural air quality research issues and priorities. EPA is represented on the task force.

Under the 2002 farm bill, USDA can provide technical assistance and funding through the Environmental Quality Incentives Program to help livestock producers control air emissions. Under previous law, EQIP funds could only be used for soil and water quality improvement.

The Natural Resources Conservation Service at USDA said the report confirms what it already knows—that air quality is an emerging priority resource concern. The agency said that, even before the NAS report came out, it had already started updating its practice standards to include air quality as a purpose of conservation practices and developing standards for anaerobic digesters, atmospheric resource management and biomass production.

States, counties back AFB Foundation

County and state Farm Bureau leaders dedicate countless hours to supporting the Farm Bureau mission. It is not surprising, then, that those same leaders support the American Farm Bureau Foundation for Agriculture (AFBFA) through financial contributions.



Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Minnesota, Mississippi, Missouri, Montana (first in the nation to qualify), Nebraska, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Texas, Utah, Washington and

Wyoming.

Counties qualifying for the Leader Award in 2002 include the following: Broward County, Fla.; Kent County, Del.; Muskegon County, Mich.; New Castle County, Del.; Oklahoma County, Okla.; Sarasota County, Fla.; and Sussex County, Del.

In addition, the American Farm Bureau Federation board of directors qualified for a national Leader Award.

"The support we receive through the Leader Award program is deeply appreciated and an important part of our overall fund-raising plan," said Marsha Purcell, AFBFA managing director. "What an excellent example these leaders have set, since it is only by working together that we can support agricultural research and education for the benefit of all."

For more information on the foundation Leader Award or to make a donation to the AFBFA, contact Purcell by calling 847-685-8764, e-mailing marshap@fb.org or writing to American Farm Bureau Foundation for Agriculture, 225 Touhy Avenue, Park Ridge, IL 60068.



New leaders

Members of five state Farm Bureaus have elected new presidents to lead their organizations. The new presidents are (left to right) Richard Nieuwenhuis, New Jersey Farm Bureau; Steve Baccus, Kansas Farm Bureau; Kenneth Dierschke, Texas Farm Bureau; Michael White, New Mexico Farm and Livestock Bureau; and Keith Olsen, Nebraska Farm Bureau Federation.

FB NEWSMAKERS

Mark Gebhards has been named *executive director* of the *governmental affairs and commodities division* of the *Illinois* Farm Bureau. He is currently executive director of the Illinois Pork Producers Association, and will assume his IFB position Jan. 13 where he will supervise all lobbying and political action functions of the organization. Gebhards earned a bachelor's degree in administrative science from Southern Illinois University and an MBA from the University of Illinois, Springfield.

Nathan Poling of Dunkirk has been named *organization director* for the *Ohio* Farm Bureau Federation in *Hancock, Seneca and Wyandot counties*. As organization director, Poling will act as liaison between the county Farm Bureaus and OFBF. Poling is a native of Hardin County where he is still involved with the family farm. He received a bachelor's degree in agricultural education from Ohio State University.

Alex Beard has been named *organization director* for the *Ohio* Farm Bureau Federation in *Hardin, Logan and Union counties*. Beard first came to OFBF as an intern for the business services department, and last June was hired as an organization director trainee. A native of Delaware County, Beard earned a bachelor's degree in agriculture from Ohio State University.

Thank You

The American Farm Bureau Federation thanks all the state Farm Bureaus that contributed food, beverages and holiday decorations for AFBF's sixth annual Taste of the States holiday reception, Dec. 10, in Washington, D.C. It is only because of the enthusiastic response of the state Farm Bureaus that the event is always such a success.

EPA issues new rules for livestock operations

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ducers reduce farm runoff. But AFBF President Bob Stallman said Farm Bureau has some concerns about the proposed changes.

EPA plans to eliminate existing exemptions for animal feeding operations with dry manure-handling systems and for operations that would only discharge waste into surface waters in the event of a storm that is likely to occur only once every 25 years. The rule also prohibits land application of manure within 100 feet from a water body or wellhead that is on a downward gradient, or 35 feet if there is a vegetative buffer or if there are other conditions that provide at least as much protection as a 100-foot setback.

"We believe the land application restrictions on spreading manure and other nutrients may go well beyond the reach of the federal Clean Water

Act," said Stallman.

Don Parrish, AFBF senior director of regulatory relations, added, "It appears that the land application rule is intended to further limit the agricultural stormwater exemption. We are looking closely at how the agency worded the rule because the nutrient management requirements could have much broader implications for all of agriculture."

The rule would also set a stricter limit on stormwater runoff from new poultry, hog and veal operations than other operations would face. The new operations would have to control runoff even in the event of a 100-year storm.

EPA said the new rule would enhance protection of the nation's waters from nutrient overloading, reduce pathogens in drinking water and improve coastal water quality. The agency estimates the rule will reduce the amount of phosphorous released

into the environment by 56 million pounds, nitrogen by more than 100 million pounds, sediments by more than 2 billion pounds and metals by nearly 1 million pounds.

"This new rule is an historic step forward in our efforts to make America's waters cleaner and purer," said EPA Administrator Christie Whitman, who was joined by Agriculture Secretary Ann Veneman in announcing the regulations.

"The new rule is unique in that it comes after unprecedented cooperation between EPA and USDA to find a way to help producers meet their own and society's goals for environmental quality and profitability," Veneman said. "USDA stands ready to provide assistance in an incentive-based approach combining information and education, research and technology transfer, direct technical assistance and financial assistance through the Envi-

ronmental Quality Incentives Program (EQIP) and other farm bill programs."

Stallman said the new rule underscores the importance of maintaining funding for programs contained in the farm bill to help livestock producers implement pollution controls. The farm bill authorized about \$1 billion a year in EQIP funds to help farmers and ranchers pay for conservation practices, including livestock waste management. The program prioritizes applications that are consistent with national conservation priorities.

EPA first proposed a CAFO rule in 2001 but, after receiving thousands of critical comments, agreed to revise it. Farm Bureau had questioned the accuracy of the data used to formulate the original rule, which would have increased to 39,000 the number of livestock operations required to get state permits. AFBF said the new rule is a more balanced approach.

GRASSROOTS

FB introduces fbcountry.com Web site

American Farm Bureau Federation President Bob Stallman on Dec. 18 announced the debut of *fbcountry.com*—a Web portal designed exclusively for Farm Bureau members to access ag-related information and member services to help them operate successful businesses and improve their bottom lines.

The announcement was made in Washington, D.C., during a meeting of all state Farm Bureau presidents.

“Our members expect us to innovate, to understand their businesses, and to deliver benefits and services

that meet the constantly changing needs of their business and our economy,” Stallman

said. “*Fbcountry.com* delivers those benefits and more, right to their computers.”

Provided by American Farm Bureau Inc., *fbcountry.com* came about as an evolution of many Web sites featuring services offered to Farm Bureau members, now conveniently rolled into one access portal.

At *fbcountry.com*, members can review policy, economic and organizational information, along with new features, such as an online auction

where members will be able to sell their products and merchandise to anyone who visits the site worldwide.

In addition, *fbcountry.com* complements the organization’s “Voice of Agriculture” Web site (www.fb.org), which also can be accessed through the portal.

At *fbcountry.com*, members will not only receive information such as news, weather, legislation, market reports

and commentaries, but also can share best practices and seek advice from fellow agricultural professionals across the country through discussion boards, chat rooms and membership directories.

“Everyone has a phone line. And, if they have a computer, they have access to the Internet,” said Casey Wojciechowski, AFB Inc. general manager. “The Internet has brought the world to our door, and *fbcountry.com* will help sort out some of that information for the agricultural community. Even more importantly, *fbcountry.com* creates a path for the

consumer and business populations to find us—the agricultural community.”

Wojciechowski further predicts that the Web site and its component services will help expand the way farmers and ranchers do business.

“Many farmers and ranchers are involved in cottage businesses as a means to earn extra income,” said Wojciechowski. “If they could reach the entire country with their products

without having to travel or leave home, we feel that could have a very significant and positive economic impact for our members.”

Only Farm Bureau members will have access to the many special features, services and discounts available on *fbcountry.com*. Twenty-eight state Farm Bureaus have already enrolled their entire memberships for access to the site.

“We believe *fbcountry.com* is the cutting-edge platform by which we will help our members build a grassroots network of knowledge, people and support worldwide,” Wojciechowski said.

For further information about *fbcountry.com*, contact Cyndee Muska of AFB Inc. at 847-685-8888.



Scholarship applications available

The fifth annual Commitment to Agriculture Scholarship program is again under way. Open to high school seniors from all 50 states, the scholarship program is offered by Monsanto in association with the American Farm Bureau Foundation for Agriculture.

In order to be eligible for one of the awards, the student applicant must come from a farm family and plan to pursue a career in the field of agriculture. One-time awards of \$1,500 will be made to 100 high school seniors chosen by an impartial selection committee of agricultural educators and industry leaders.

To qualify, a high school senior must



have an average to above-average academic record, plan to enroll as a full-time student in an agriculture-related academic major in an accredited

school. Applicants will be evaluated on their high school records, standardized test results, extracurricular activities and personal essays submitted as a part of the application process. Winners will be chosen by an independent committee. Applications are currently available from Monsanto dealers, county Farm Bureau offices and on the following Web sites:

- <http://www.farmsource.com>
- <http://www.agfoundation.org>
- <http://www.ffa.org>

Application forms must be completed and postmarked by Feb. 15. Applicants will be notified of the competition results by May 1.

Ag journalism internship available

The American Agricultural Editors’ Association (AAEA) is again sponsoring a magazine internship program in 2003. AAEA is a 400-plus ag communications organization representing ag trade publications and ag communications specialists representing non-profit groups and companies and agencies in agriculture.

The internship will be an eight- to 10-week hands-on ag journalism

position with *BEEF* and *Soybean Digest* magazines. Both magazines are based in Minneapolis and published by Primedia Business. The internship is sponsored by Mycogen Seeds.

In its fifth year, the internship is open to any college student in the field of journalism seeking a position in agricultural communications. The intern will be selected by a committee of AAEA members.

The intern will receive a \$4,000 stipend and will attend the Agricultural Publications Summit in Cleveland, Ohio, July 27-30.

Applications for the internship are available at the AAEA Web site (www.ageditors.com) or by calling Den Gardner, Mark Jenks or Liz Selvig at 952-758-6502 for more information. The application deadline is Feb. 7.

Disaster aid

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actions within its existing program authority to help farmers and ranchers. However, they said those actions could not effectively respond to a disaster of the scope experienced across much of the nation.

Almost 90 percent of U.S. counties were designated disaster areas in 2002, and more than 40 percent have experienced two straight years of disaster severe enough to bring designations in 2001 and 2002.

The current disaster is multifaceted, the groups said. In many areas, drought wiped out crops and livestock forage areas, as well as reduced water supplies for livestock. In other regions, flooding has led to crop destruction, lower yields and quality and higher incidence of crop pests and diseases.

Specialty crops such as apples, cherries and grapes in the Great Lakes region, the eastern states and the Pacific Northwest have been especially hard hit by frost, freeze and drought damage this season, on top of adverse weather in 2001 that caused fruit trees not to blossom. Apple growers in Washington alone suffered \$100 million in crop losses in 2002 due to an early freeze.

In addition, the fall 2001 cotton crop was down by more than a million bales, and wheat acreage harvested is at 45 million acres, the lowest it’s been in a decade.

“Financial assistance is needed now if the economic ruin of farms, ranches and rural businesses caused by these natural disasters is to be averted,” the groups said.