

news

May 26, 2003

<http://www.fb.org/fbn/>

Vol. 82, No. 11

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BSE found in one Canadian cow

Agriculture Secretary Ann Veneman on May 20 banned the import of any ruminants or ruminant products from Canada after Canadian agriculture officials confirmed a case of bovine spongiform encephalopathy (BSE), commonly known as mad cow disease, in a cow in Alberta. Veneman said that the resulting risk to human health in the United States "is very low."

Alberta agriculture officials tested the six-year-old cow for BSE after it had been condemned at slaughter in January. Although the cow did not show signs of BSE, it appeared to be ill and was declared unfit for human consumption. No meat from the animal entered the food supply.

The cow's remains were sent for rendering, according to the Canadian Food Inspection Agency (CFIA), and its brain was tested for BSE on May 16 as part of routine BSE surveillance. The cow was part of a 150-head herd, which was quarantined on May 18 and will be destroyed and tested for BSE.

Veneman said she feels "that all appropriate measures are being taken in what appears to be an isolated case" of the disease. The Agriculture Department sent a technical team to Canada to help with CFIA's investigation into

the cow's origin and how its remains were processed. While CFIA stressed that the incident showed that its BSE detection procedures worked, it said it would also be reviewing all BSE prevention policies and measures.

Even as U.S. and Canadian officials

worked to reassure consumers that they had the matter in hand and there was little risk to human health, the stock market reacted negatively to the news. Shares of beef processor Tyson Foods and several hamburger restaurant

See BSE, page 3



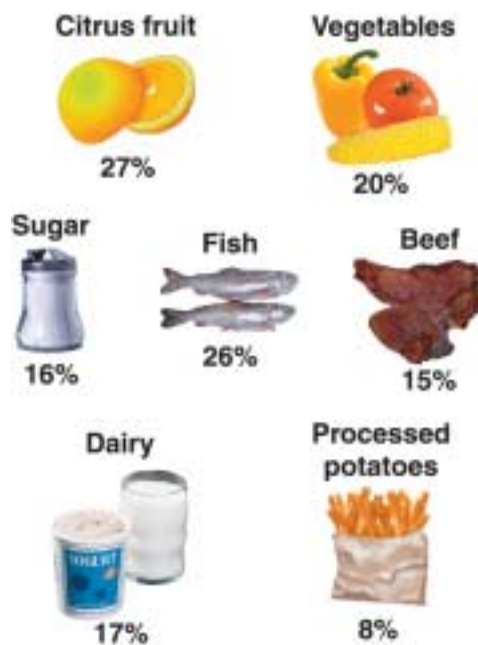
Spring tornadoes

About 400 tornadoes ripped across parts of the Midwest and South during the first 10 days in May, demolishing towns and farms and breaking the previous record of 177 tornadoes during the same period in 1999. See full story on page 8.

Corner Post

CONSUMPTION GROWTH

U.S. projected increase in quantities consumed, 2000-2020



Source: USDA Economic Research Service

U.S., EU go to mat over biotech

The United States has requested World Trade Organization consultations with the European Union (EU) over its de facto ban on agricultural biotechnology. The U.S. action starts a process that begins with a 60-day consultation and could lead to a WTO ruling and retaliatory tariffs in about a year if the EU does not lift the biotech ban.

While EU officials called the U.S. request "misguided and unnecessary," U.S. Trade Representative Robert Zoellick said it was needed to get the EU to comply with its international obligations.

The long-awaited announcement that the United States would pursue a WTO case brought cheers from the American Farm Bureau Federation, which had repeatedly asked the administration to challenge the biotech ban.

"We believe that a WTO decision, which most experts expect to be in

favor of the United States, is the only reasonable remedy available to U.S. growers—to either lift the moratorium or impose retaliatory tariffs on EU products imported into the United States," said AFBF President Bob Stallman. He expressed appreciation to Bush administration officials "for putting together this strong case."

Several members of Congress also praised the action. "Today is a hopeful day for American agriculture," said Rep. Bob Goodlatte (R-Va.), chairman of the House Agriculture Committee. "The end of the European Union's illegal and longstanding moratorium on agricultural biotechnology may be near."

Zoellick joined Agriculture Secretary Ann Veneman, May 13, at the Agriculture Department in Washington to announce the action. Zoellick noted that U.S. farmers and ranchers have been patient in waiting for the EU to

approve biotech foods. Several EU countries stopped approving biotech food sales and plantings in October 1998.

"For some five years, the United States has waited patiently for the EU to lift its moratorium," Zoellick said. "For five years, we've been told by European officials that a change in policy is just around the corner. But around every corner we find a new roadblock."

"First, we were asked to wait until new biotech approval regulations were drafted. Then, it was to wait for a labeling scheme, and then to wait for rules on legal liability and then to wait for new regulations on where biotech crops can and can't be planted. Even senior European Commission officials admit that on biotech, the goal posts just seem to keep moving."

See Biotech, page 3

VIEWPOINT

Conservation benefits farmers and consumers

By Sen.
Charles Grassley



Communities across America observed the 33rd annual Earth Day in April with recycling projects, park beautification, car-free travel, tree-planting activities and neighborhood clean-ups. I applaud Americans who organized and participated in their own local events to pay tribute to God's green earth. In the last three decades, Earth Day has sought to educate and motivate people to leave behind a better, cleaner place for our children and our children's children.

Arguably no one has a greater connection and appreciation for Mother Nature and Earth's precious resources than the farm families whose very livelihoods depend on them year in and year out. Without their commitment to conservation and environmental stewardship, America's breadbasket would not be overflowing with high-quality, agricultural abundance.

Iowa continues to lead the country in the use of conservation tillage practices, protecting millions of acres of cropland from erosion. According to the Iowa Department of Agriculture and Land Stewardship, Iowa ranks first in the nation in the number of acres set aside as riparian buffers, grassed waterways, contour buffer strips, field

borders and other buffers on private farmlands.

Conscientious stewards of the soil, Iowa farmers work to reduce soil erosion, protect water quality, curb pesticide and nutrient run-off and lower fuel costs by practicing common sense conservation. The 2002 Crop Residue Management Survey shows Iowa farmers used conservation tillage on 12.8 million acres last year. That's more than half of the total cropped acreage in the state. No-till systems were used on about 5 million acres. According to the Natural Resources Conservation Service, no-till farming in Iowa has increased by 1,000 percent since 1990. Conservation tillage has climbed more than 275 percent since 1990.

As a life-long family farmer, I understand the economic and ecological benefits that go hand in hand with preserving and improving natural resources. Without a sustained commitment to soil preservation, nutrient management and water quality protection, crop yield and quality, profitability and even land values would slide, to say nothing about the moral responsibility we bear as caretakers of the land, air and water for our neighbors and the next generation.

Whether through conventional methods, including crop rotation, to high-precision practices, which may include use of advanced technologies such as Global Positioning Systems and genetically engineered seeds, farmers young and old work to find harmony with the environment and the

needs of their farming operation.

The federal government sees the public value in protecting America's treasured natural resources. That's why financial incentives and technical assistance are offered to farmers, ranchers and landowners to promote farmland conservation.

In fiscal year 2003, Iowa will receive more than \$68 million in federal funding (behind only California and Texas) through the USDA to promote farmland conservation. Nearly half of this amount will be distributed through voluntary conservation, including programs for protecting and restoring wetland acres; assisting livestock producers to improve soil, water and air quality; protecting farmland in the Loess Hills and Upper Iowa River/Mississippi Blufflands region; and helping landowners to improve fish and wildlife habitat.

In addition, the USDA recently announced a new Conservation Reserve Program (CRP) sign-up. CRP allows voluntary participants to receive financial incentives to remove environmentally sensitive land from agriculture production by entering into long-term contracts for 10-15 years. The CRP general sign-up is taking place through June 13 at local USDA offices.

As farmers fan out across the countryside to plant a new crop, all Iowans, both rural and urban, can take pride in our state's agricultural heritage. Although fewer farmers are making a living off the land, each of us is a stakeholder in production agriculture.

Consider American agriculture's stake in:

- U.S. economy: The agricultural sector accounts for 15 percent of the Gross Domestic Product; creates 25 million American jobs; and produces \$3.5 trillion in output;

- National security: "A nation that can feed its own people is a nation more secure."—President George W. Bush;

- Basic survival: We all need to eat. And U.S. consumers get the best deal in the world, paying just 10.9 percent of income—the lowest in the world—for a high-quality, reliable and affordable supply of food.

As the only working family farmer in the U.S. Senate, I take pride in bringing Iowa's agricultural heritage to the policymaking tables in Washington. And I share the sentiments of President Thomas Jefferson: "Cultivators of the Earth are the most valuable citizens ... they are tied to their country and wedded to its liberty and interests by the most lasting bonds."

That's why I work so hard to advance policies that help farmers harmonize their profitability and production output with common sense conservation practices that protect and improve Earth's natural resources.

Sen. Charles Grassley (R-Iowa) is chairman of the Senate Judiciary Committee and a member of the Senate Committees on Agriculture, Nutrition and Forestry; Budget; Judiciary; and Joint Taxation.

Biotechnology saves Hawaii papaya industry

By Stewart Truelsen

A dramatic success for biotechnology took place a few years ago in Hawaii when development of biotech papayas literally saved the industry from papaya ringspot virus, a disease that stunts the tree's growth and puts tiny, dark rings on the surface of fruit.

"If it weren't for the biotech varieties I think papaya wouldn't be here today," says grower Clyde Fukuyama. "Back two or three years ago when the ringspot virus started to hit the Big Island, which is the primary producer of papayas in Hawaii, it basically devastated the industry." Production on the Big Island dropped from 72 million pounds in 1989 to 28 million pounds in 1999.

In case you are not familiar with papaya, it is an oblong fruit grown in tropical regions of the world. "We like to consider papaya to be our magic fruit," says grower Kenneth Kamiya. "We like to say a papaya a day keeps the doctor away just like you say the apple keeps your doctor away."

At Fukuyama's farm near Haleiwa on

the main island of Oahu, green papayas hang in bunches on the trees. The skin of the fruit turns yellow as it ripens. The soft flesh is golden-yellow and juicy with a sweet-tart flavor.

Kamiya wasn't kidding about the benefits of eating papaya. The fruit is rich in Vitamins C and A and contains papain enzymes that promote digestion. Eating papaya is a whole lot better than gobbling antacid tablets. Like melons, papayas can be eaten for breakfast, dessert or for a snack.

Papaya is served everywhere in Hawaii, so one can only imagine what it was like when the trees were threatened by the ringspot virus. It would indeed be like the loss of the mainland apple crop.

Researchers at Cornell University and the University of Hawaii solved the problem after two decades of work by inserting a gene into the plants that gave them resistance to ringspot virus. Two virus-resistant varieties of papaya are among the first fruits of biotechnology, in a manner of speaking.

Hawaii may seem like paradise, but it

isn't always a paradise for its farmers. Many papayas now sold on the mainland actually come from Mexico, Brazil and the Caribbean. Hawaiian papayas exported to the mainland must go through a treatment facility where they are blasted with hot air to eliminate any possibility of fruit flies. Hawaiian growers also ran into problems exporting biotech papaya varieties to Japan and elsewhere. Canada just gave its approval for shipments this year.

Hawaiians and island tourists eat a

lot of fruit so farmers like Fukuyama and Melvin Matsuda, his business partner, grow their Kahuku brand for the local market. At a time when all Americans are being urged to eat more fruit for a healthy diet, papaya stands to gain from consumers seeking variety. It is hoped that more Hawaiian papayas will reach the mainland now that biotechnology saved the day.

Stewart Truelsen is director of broadcast services for the American Farm Bureau Federation.

Farm Bureau
news

(ISSN 0197-5617)

Published semimonthly, except monthly in August and December, by the American Farm Bureau Federation, 600 Maryland Ave., SW, Suite 800, Washington, DC 20024. Phone: 202-484-3600. E-mail: fbnews@fb.com. Web site: <http://www.fb.org>.

Periodical postage paid at Washington, D.C., and additional mailing offices. Subscription rate for officers and board members of county and state Farm Bureaus—\$6, which is deducted from dues. For other subscribers—\$10.

Postmaster: Send address changes to Farm Bureau News, 600 Maryland Ave., SW, Suite 800, Washington, DC 20024.

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Canada ends exports of illegally subsidized dairy

In response to a December 2002 World Trade Organization ruling that Canada's subsidies to its dairy industry are illegal, Canada earlier this month announced it would no longer export its subsidized dairy products to the United States.

"This is great news for American dairy farmers and processors. The playing field has been leveled," said U.S. Trade Representative Robert Zoellick. "I welcome Canada's quick action to comply with the WTO's most recent ruling, and fully expect Canada to abide by its WTO commitments on dairy exports."

The Agriculture Department and the Office of the U.S. Trade Representative on May 9 announced that the

"This is great news for American dairy farmers and processors. The playing field has been leveled."

Robert Zoellick, U.S. Trade Representative

United States and Canada reached an agreement that revises Canada's subsidy programs for its dairy exports.

Under the settlement, all Canadian provinces on April 30 eliminated the Commercial Export Milk (CEM) program, which the WTO found to be providing illegal export subsidies. Canada also prohibited any new contracts under the CEM program as of Dec. 31, 2002, in order to limit the amount of subsidized dairy exports for the rest of

the current marketing year, which ends July 31. And as of May 1, all deliveries of CEM milk ended, and Canada will not export any subsidized milk or cream to the United States.

"Canada's dairy subsidies have hurt U.S. producers and we are pleased that the WTO process has resulted in a positive solution," said Agriculture Secretary Ann Veneman. "This agreement will allow our producers to more effectively compete in the marketplace."

The subsidies cost American farmers and processors up to \$35 million per year in lost sales, according to a December 2002 USTR estimate.

The United States for many years argued that Canada's dairy programs provided export subsidies to its dairy farmers and processors above the level that Canada committed to in the WTO. In December 2002, the WTO ruled in favor of the United States, confirming that Canada was continuing to provide illegal export subsidies through the sale of discounted milk to Canadian processors under its CEM program.

Canada's settlement of the case is also with New Zealand, which joined the United States in challenging Canada's dairy program in the WTO.

Administration releases highway funding bill

The Transportation Department recently released the Bush administration's six-year \$247 billion transportation proposal, which would be the largest surface and public transportation bill in U.S. history.

"SAFETEA (The Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2003), when enacted by the Congress, will help ensure transportation projects are completed on budget and on time, while protecting the environment," said Transportation Secretary Norman Mineta. "More importantly, this proposal will further the administration's commitment to dramatically reducing the number of highway injuries and fatalities."

SAFETEA continues the guarantee from the previous highway bill that fuel taxes deposited in the Highway Trust Fund will only be used for highway purposes. Previously, fuel taxes could be used for general government spending. The American Farm Bureau Federation supports continuation of the guarantee.

The legislation did not call for a raise in the federal gas tax. AFBF opposes any increases in the federal gas tax because of the negative effect those increases would have on farm production and marketing costs.

Additionally, the bill contains funding for intermodal freight facilities to improve freight transportation efficiency and improvements to the envi-

ronmental review process to accelerate highway projects.

The administration's proposal has a Farm Bureau-supported provision to direct the 2.5 cents per gallon of the ethanol tax that is currently deposited in the general fund into the Highway Trust Fund. Currently, 2.5 cents of the 13.1 cents per gallon from ethanol is deposited in the general fund. Existing law taxes fuel that contains 10 percent ethanol at 13.1 cents per gallon, while standard gasoline is taxed at 18.4 cents per gallon. Farm Bureau continues to back the ethanol tax credit as a way to encourage growth in ethanol production.

While the ethanol tax credit is a boost to the ethanol industry, some

members of Congress are opposed to the credit because it reduces Highway Trust Fund revenues. But the Senate Finance Committee last month approved a \$15.5 billion energy tax bill (S. 597) that contains a provision to eliminate the 5.3 cents per gallon excise tax exemption for ethanol-blended gasoline at the pump. The bill would instead allow ethanol producers to apply for an income tax credit of 5.3 cents per gallon, a compromise supported by Farm Bureau.

U.S., EU go to mat over biotech

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Zoellick noted that the EU's moratorium has negative effects on famine-stricken countries that are afraid to accept biotech food aid for fear of risking the loss of European markets.

Veneman added that the case is about ensuring that biotech crops aren't unfairly rejected, that biotechnology developments can continue and that the EU plays by the rules to which all WTO member countries have agreed.

The WTO agreement on sanitary and phytosanitary measures allows member countries to adopt measures needed to protect human, animal or plant health as long as they are based on scientific principles and are not used in a way to disguise an arbitrary or discriminatory trade restriction.

The EU's stance is that the potential effects of genetically modified organisms (GMOs) on human and animal health and the environment have to be scientifically assessed before biotech products are approved for marketing. The EU claims it began considering

new applications for marketing of GMOs when a new regulatory framework went into force in October 2002, and that it has authorized a total of 18 GMOs.

However, the United States says that the EU's regulatory framework singles out GMOs for extra scrutiny that is not needed. The United States also says that a new EU requirement that the products be traced from farm to processor to retailer, and labeled as GMOs, will erect new, non-science-based barriers that will affect more processed food products in addition to the bulk commodities that are already restricted.

As the 15-nation EU expands to 25 countries in 2004 and more in future years, its regulations will affect a growing amount of world trade. The moratorium has already cost U.S. exporters an estimated \$300 million in lost corn sales, based on Agriculture Department trade data.

The United States is the world's most prolific producer of biotech crops, with more than three-quarters of the U.S.

soybean crop, about a third of the corn crop and 71 percent of the cotton crop genetically modified.

Ambassadors and diplomatic representatives of countries joining the United States in its complaint also attended the news conference where the U.S. action was announced. Argentina, Canada and Egypt are co-complainants with the United States. Australia, Chile, Colombia, El Salvador, Honduras, Mexico, New Zealand, Peru and Uruguay are third parties to the request for consultations.

The WTO challenge comes at a time when several countries are looking to the United States and the EU to lead the way down the rocky path to an agreement in the current round of negotiations for a new and improved system of global trade rules. Zoellick said the United States would continue to work with the EU to manage this and other disputes "in an appropriate way, and we look forward to advancing our shared objectives in the Doha global trade negotiations and other fora."

BSE found in one Canadian cow

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chains fell immediately after the announcement. How consumers will react in the long term likely will not be known until further tests confirm whether only the one cow had the disease, or whether the problem is more widespread.

The U.S. meat industry stressed that BSE is not contagious and that the detection of a single case does not necessarily mean that more cases are likely to be found.

The United Kingdom was the first nation to detect BSE. No case of the disease has ever been found in the United States, and the incident last week was the first time in 10 years that BSE has been found in Canada.

USDA tested nearly 20,000 cattle for BSE last year under its surveillance procedures that single out older, sick animals. Cattle and other ruminants are thought to be at risk of contracting BSE from consuming feed made with mammalian protein. The Food and Drug Administration has banned the use of such protein in cattle feed in the United States since 1997.

FREE TRADE AGREEMENTS

Do FTAs work?

The United States has entered into more than 250 trade and investment agreements with other countries, but it is a party to only three free trade agreements (FTAs): the U.S.-Jordan FTA completed in 2000; the North American Free Trade Agreement (NAFTA) between the United States, Canada and Mexico completed in 1993; and the U.S.-Israel FTA completed in 1985.

The Jordan and Israel markets are small, but the NAFTA markets are huge and easily accessible to U.S. producers. A third of all U.S. trade is covered under FTAs, with NAFTA generating the majority of that trade.

Since Congress passed NAFTA, the economy boomed in the mid- to late 1990s, then flagged in the last couple of years. But some trade experts say the economic slump would have been even worse had it not been for the growth in U.S. exports under NAFTA. While U.S. agricultural exports to the rest of the world fell between 1997 and 2001, agricultural exports to Canada and Mexico grew.

Agricultural exports to Canada went from \$5.3 billion in 1994 to \$8.7 billion in 2002, and agricultural exports to Mexico went from \$4.6 billion in 1994 to \$7.3 billion in 2002.

Of course, agricultural imports from Canada and Mexico have grown as well. That competition has been tough for some U.S. producers. But, competition is a two-way street, and as long as U.S. trade officials enforce the commitments made under NAFTA and other trade agreements, U.S. farmers have more open markets than they would otherwise, according to Chris Garza, American Farm Bureau Federation trade specialist.

"I think the near 40 percent growth in agricultural exports under NAFTA shows that bringing down trade barriers benefits U.S. agriculture," Garza said. "As we proceed with future FTAs, we must work to ensure the best possible outcome for U.S. agriculture overall, in order to achieve the same or increased benefits as under NAFTA. Our job is not over when the FTA is agreed to, though. We must also ensure that NAFTA and other FTAs are fully complied with."

Several free trade agr

In addition to completing free trade agreement negotiations that started before he took office, President Bush has proposed and launched negotiations on several new agreements with Central American countries, Southern African countries, Australia, Morocco

and countries in the Middle East. The table below provides some basic information about each of the bilateral and regional agreements that are currently on the negotiating table and what may be at stake for U.S. agriculture. The United States is currently a party

DESCRIPTION	VALUE OF TRADE
<p>Australia Free Trade Agreement The administration began free trade agreement negotiations with Australia last March.</p>	U.S. agricultural exports to Australia in 2002 totaled \$338 million. The top exports were oilseeds, grain and feeds, and fruits and vegetables. U.S. agricultural imports from Australia in 2002 totaled \$1.89 billion. The top imports were wine, lamb and dairy products.
<p>Central America Free Trade Agreement (CAFTA) The administration began negotiations in January 2003 with five Central American countries: Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua.</p>	U.S. agricultural exports to the five CAFTA countries totaled \$1.25 billion in 2002. The top exports were corn, wheat, soybean meal and rice. U.S. agricultural imports from the CAFTA countries came to \$1.96 billion in 2002. The top imports were bananas, coffee, pineapples and melons.
<p>Chile Free Trade Agreement The administration began negotiations for a U.S.-Chile Free Trade Agreement in December 2000.</p>	U.S. agricultural exports to Chile came to \$111 million in 2002, with the top exports being corn, wheat, rice and cotton. U.S. agricultural imports from Chile were valued at \$1.15 billion in 2002, with the top imports being grapes, wine, seeds and avocados.
<p>Free Trade Agreement of the Americas The administration began negotiations in April 1998 with all Western Hemisphere countries except Cuba. That includes Antigua, Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, St. Kitts, Nevis, St. Lucia, St. Vincent, Grenadines, Suriname, Trinidad, Tobago, Uruguay and Venezuela.</p>	U.S. agricultural exports to FTAA countries in 2002 were valued at \$20.1 billion. The top exports were corn, red meats, soybeans, vegetables and wheat. U.S. agricultural imports from FTAA countries in 2002 were valued at \$22.9 billion. The top imports were vegetables, fruits, live animals and wine and beer.
<p>Morocco Free Trade Agreement The administration began free trade agreement negotiations with Morocco in January 2003.</p>	U.S. agricultural exports to Morocco in 2002 came to \$124 million. Top exports were corn, soybeans, soybean oil and wheat. U.S. agricultural imports from Morocco in 2002 totaled \$54 million. The top imports were olives, citrus, tomato paste and olive oil.
<p>Southern African Customs Union (SACU) Free Trade Agreement The administration began negotiations in April 2003 with the members of the SACU: Botswana, Lesotho, Namibia, South Africa and Swaziland.</p>	U.S. agricultural exports to SACU countries in 2002 totaled \$155 million. Top U.S. agricultural exports were corn, rice, wheat and protein substitute. U.S. agricultural imports from SACU countries in 2002 came to \$145 million, with top imports being sugar, citrus, juices and wine.
<p>Singapore Free Trade Agreement The administration began FTA negotiations in November 2000 with Singapore.</p>	U.S. agricultural exports to Singapore in 2002 came to \$240 million. Top exports were fresh fruits, processed fruit and vegetables, poultry meat and sugars and sweeteners. U.S. agricultural imports from Singapore in 2002 totaled \$55 million. Top imports were cocoa, snack foods, rubber and tea and spices.

FREE TRADE AGREEMENTS

Agreements in the works

to just three of the 140 or so trade agreements around the world. The administration has said free trade agreements should complement the United States' negotiating objectives in the World Trade Organization. The American Farm Bureau Federation supports free

trade agreements that provide increased market access opportunities for U.S. agriculture, but also wants federal agencies to give priority to monitoring and enforcing the agreements to ensure that all countries abide by their commitments.

STATUS	FARM BUREAU CONCERNS
<p>Until recently, the administration had proposed to complete the negotiations by mid-2004. However, earlier this month, the president said he would like to complete the FTA by the end of this year. So far, two rounds of negotiations have taken place.</p>	<p>A key issue for U.S. agriculture in the negotiations is elimination of several sanitary and phytosanitary (SPS) restrictions Australia has in place, which keep U.S. pork, citrus and apples out of Australia's market and make it difficult to export U.S. feed grains and table grapes because of Australia's inspection and quarantine requirements. Farm Bureau wants Australia's SPS restrictions eliminated before the conclusion of the FTA.</p>
<p>The administration wants to complete the negotiations by December 2003. So far, four rounds of negotiations have taken place.</p>	<p>Farm Bureau is working with the administration to identify sanitary and phytosanitary (SPS) barriers in the CAFTA countries to imports of U.S. agricultural products. Farm Bureau believes that any non-science-based SPS barriers should be identified and eliminated before concluding the CAFTA negotiations.</p>
<p>The administration notified Congress Jan. 30 that it had concluded the U.S.-Chile Free Trade Agreement negotiations. Congress is reviewing the agreement. The president can sign the agreement 90 days after notifying Congress, but he has not yet indicated when he will do so.</p>	<p>Chile already has FTAs with Canada and the European Union, so Farm Bureau believes a U.S.-Chile FTA will increase access for U.S. agricultural products. Although Farm Bureau was disappointed that several unjustified sanitary and phytosanitary restrictions were not eliminated before the negotiations concluded, Farm Bureau believes the negotiated elimination of price bands, longer tariff phase-outs for import-sensitive U.S. commodities and language to prevent circumvention of U.S. quotas by third countries will help increase U.S. agricultural exports.</p>
<p>The countries propose to complete the negotiations sometime in 2004.</p>	<p>Because there are several countries involved in the negotiations and sanitary and phytosanitary (SPS) barriers must be resolved bilaterally, the FTAA countries are not focusing on specific SPS issues but are trying to develop more transparency concerning SPS barriers in the region. However, Farm Bureau is working with the administration to identify SPS concerns that it would like the U.S. negotiators to resolve during the negotiations.</p>
<p>The administration wants to complete negotiations by the end of this year. The next round of discussions is set for June, but agriculture is not on the agenda.</p>	<p>Farm Bureau has teamed up with the Agriculture Department, the Office of the U.S. Trade Representative and industry groups to identify sanitary and phytosanitary (SPS) barriers in Morocco to imports of U.S. agricultural products. AFBF believes SPS barriers should be identified and eliminated before an agreement is complete.</p>
<p>The administration wants to complete negotiations by 2004. The next round of discussions will take place in June in Pretoria, South Africa.</p>	<p>Farm Bureau is working with the administration and industry groups to identify sanitary and phytosanitary (SPS) barriers in SACU countries to imports of U.S. agricultural products. AFBF wants SPS barriers to be identified and eliminated before completing an agreement.</p>
<p>President Bush signed an FTA with Singapore on May 6. The U.S.-Singapore FTA is the first FTA between the United States and an Asian nation, as well as the first FTA to be signed by President Bush.</p>	<p>Farm Bureau did not have any major concerns with the U.S.-Singapore FTA.</p>

Bush wants Middle East FTA by 2013

In order to promote economic growth and expand opportunity in the Middle East, President Bush recently outlined a proposal to create a U.S.-Middle East free trade area by 2013.

"Across the globe, free markets and trade have helped defeat poverty, and taught men and women the habits of liberty," said President Bush during a recent commencement address at the University of South Carolina. "So I propose the establishment of a U.S.-Middle East free trade area within a decade, to bring the Middle East into an expanding circle of opportunity, to provide hope for the people who live in that region."

According to the administration, the U.S.-Middle East free trade area would be built off existing free trade agreements (FTAs) with Israel and Jordan.

In order to establish the area, the United States would help reforming countries become members of the World Trade Organization, negotiate agreements with governments determined to improve their trade and investment regimes, complete FTA negotiations with Morocco by the end of the year, launch (in consultation with Congress) new bilateral FTAs with governments committed to trade liberalization and provide assistance to build trade capacity and expansion.

Bush said that Secretary of State Colin Powell and U.S. Trade Representative Robert Zoellick plan to meet with regional leaders in Jordan next month to discuss an agenda of economic, political and social progress. Bush added that progress would require increased trade, which he called the engine of economic development.

Additionally, administration officials have signaled that the United States wants to launch free trade talks with Egypt and Bahrain by the beginning of next year. Both countries already are members of the World Trade Organization, which officials said would be a major prerequisite to entering into FTAs with the United States.

FOR THE RECORD

Roll Call

vote

vote

vote

vote

vote

vote

vote

House vote on tax cuts

May 9, 2003

The House approved, 222-203, the Jobs and Growth Reconciliation Tax Act of 2003 (H.R. 2). The bill would cut taxes \$550 billion over the next 10 years. It would reduce the capital gains tax rate from the current rate of 20 or 10 percent, depending on income, to 15 or 5 percent. The bill would also increase from \$25,000 to \$100,000 the amount of business expenses that small businesses, including farms, could deduct each year. Businesses could also write off as depreciation half the cost of certain capital investments, such as farm equipment, in the year of purchase. The bill also reduces individual income tax rates, increases the Alternative Minimum Tax exemption by \$7,500 for individuals and by \$15,000 for joint filers, increases the child tax credit from \$500 to \$1,000 per child and reduces the so-called marriage penalty. Farm Bureau favored a "yea" (Y) vote.

LEGEND: Y — yea n — nay ? — not voting

Table with columns: Name, Party, Vote. Lists representatives from Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming.

Table with columns: Name, Party, Vote. Continuation of House members' names and votes.

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FB NEWSWATCH

House passes healthy forests bill

The House on May 20 passed legislation to reduce the risk of catastrophic wildfires in the nation's forests. The Healthy Forests Restoration Act of 2003 (H.R. 1904) was approved, without amendment, by a vote of 256-170. The Farm Bureau-supported legislation would streamline the environmental review process of proposed forest thinning and fuels reduction projects on federal lands, as well as expedite judicial review of those projects. The legislation is based on President Bush's "Healthy Forests Initiative," which he unveiled last August after wildfires burned 7.2 million acres of forest. "I urge the Senate to act quickly on this much-needed legislation. As this year's fire season progresses, we must equip federal land managers with the tools they need to protect lives and communities, restore forest health and safeguard habitat and watersheds," the president said.

Farmers give coast-to-coast thanks to military families

By Curtis Hayes and Chris Street

Many farmers have been known to show appreciation to their good friends and neighbors with a sampling of what their natural resources, blessings from above and hard work provide during harvest season. Farmers from both coasts recently decided to do the same thing to honor the sacrifices of those who help protect the American way of life, only this time on a much larger scale.

This simple idea was the foundation of an April 23 event that provided thousands of Marine family members at Camp Lejeune, a U.S. Marine Corps base in Jacksonville, N.C., with a heart-felt thank you from North Carolina and California Farm Bureau members. That gratitude traveled 3,000 miles from the West Coast and arrived on the East Coast in the form of fresh and donated produce and other food products. This show of support for



Camp Lejeune is home to 40,000 active-duty Marines and their families, but during the past six months about 27,000 of those Marines have been deployed to the Middle East and elsewhere. The wife of one Marine stationed in Iraq said the donated food is "something really needed by enlisted families with children. Thank you."

Camp Lejeune, the nation's largest Marine base, is normally home to 40,000 active-duty Marines and their families. But, during the past six months or so, the base has deployed approximately 27,000 people, according to Staff Sgt. Jay Connolly, base spokesperson.

Jane Mize, wife of base commander Maj. Gen. David Mize, greeted the farmers and thanked them on behalf of the base.

"I think through this goodwill gesture, you are showing our families that you appreciate them, that you are concerned about them and that you care for them," Mize said.

There was a question about the ability to hold the event due to heightened security throughout the nation. But, base officials and the office of Rep. Walter Jones helped smooth the road that opened the base gates so the farmers and the military families could get together. Tony Joyner, Jones' military liaison, was on hand to offer special thanks.

"Soldiers, sailors, airmen and Coast Guard members are serving today, and without them, we wouldn't know the freedoms we have," Joyner said.

But the appreciation exhibited between the farmers and the military families was definitely a two-way street.

While watching food being unloaded from two transfer trucks, Dora Parrish, wife of a U.S. Marine sergeant stationed in Iraq, said with a huge grin, "I can't believe all this food! It's such a surprise, but something really needed by enlisted families with children. Thank you."

After an inspection of the food by base personnel, a line of Marines and military families stretching the length of a football field prepared to fill sacks, boxes and grocery carts with the donated food. The assortment included avocados, broccoli, cauliflower, lem-

ons, lettuce, oranges, peanuts, premixed salad, strawberries, bottled water and even juice and ready-to-freeze Popsicles.

Marion Howard, Onslow County (N.C.) Farm Bureau president, his son, Brandon, and young farmer David Heath of Craven County, N.C., helped hoist boxes and distribute produce throughout the day. Heath, a cotton and tobacco farmer, said, "This is the busiest time of the year for all of us (farmers), but I'm gladly giving up a day of working in the field for the families of soldiers who are helping to protect our freedom. We need to show our support."

California farmers in Santa Barbara and San Diego counties spearheaded the effort to hand out farm-fresh food as a thank you to military families.

Estrella Portalatin, whose husband had been in the service for 12 years and had been deployed in Iraq since last August, said, "It's (the food) going to help a lot, because I have two kids," she said. "We never get free stuff—until today. I'm so excited to be here."

While Staff Sgt. Connolly and many family members said Camp Lejeune's commissary is an excellent resource for

base families, Connolly added that the donated produce and food products were welcome.

After a long day of distributing food to more than 2,000 military family members, California Farm Bureau member Sam Frye, a Santa Barbara avocado and lemon farmer, still offered an excited smile. "This was basically a way to give these families a big hug from us," he said.

In addition to the Santa Barbara County, San Diego County and North Carolina farmers who donated produce and food items, several companies and the North Carolina Department of Agriculture and Consumer Services helped make the "Coast-to-Coast Project" a success.

"Our military people are our first line of defense," Wooten added. "This shows our military folks that farmers care about them. We are also a part of this country's national security."

Curtis Hayes and Chris Street of North Carolina Farm Bureau are, respectively, editor of the *Leader Newsletter* and editor of the *North Carolina Farm Bureau News*.



Larry Wooten, president of the North Carolina Farm Bureau, offered farmers' praise and produce to Marines and their families at Camp Lejeune. The project was a joint effort by the North Carolina Farm Bureau Federation and the California Farm Bureau Federation.

America's armed services was a joint mission to distribute North Carolina food products and 80,000 pounds of California fruit and vegetables to military families at the Jacksonville base.

"It is in times of the utmost need that the really important things in life come into focus. Our nation's troops and their families need encouragement, and we hope our farmers were able to make a difference," said Larry Wooten, president of the North Carolina Farm Bureau. "We were proud to offer praise and support for our soldiers and their families. They are the ones who sacrifice the most for the freedom we all enjoy."



Thanks to the California and North Carolina Farm Bureaus, donated food was distributed to more than 2,000 military family members.

FB NEWSMAKERS

Steve Eddington has joined the staff of the **Arkansas** Farm Bureau Federation as **director of public relations**. He is responsible for strategy and program development to help promote agriculture and Farm Bureau interests in the state.

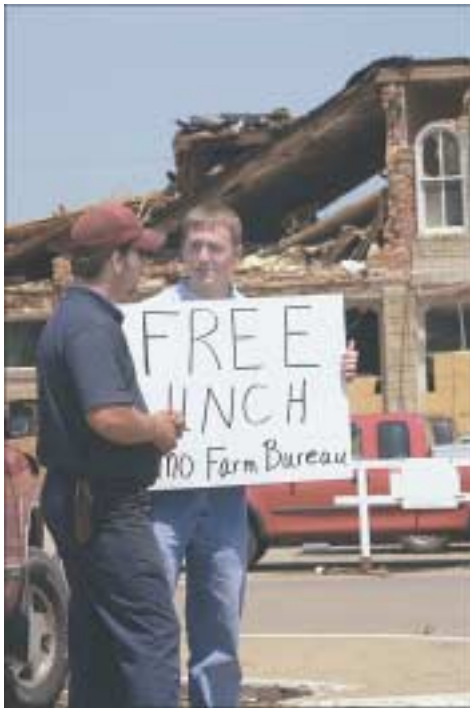
Alan Foutz, president of the **Colorado** Farm Bureau, received a **Distinguished Alumni Award** from the Colorado State University College of Agricultural Sciences. The award was presented to Foutz on May 2.

Susan Shouse has been named **assistant director of education and volunteer development** for the Kentucky Farm Bureau Federation. Shouse will provide staff support for agriculture education programs aimed at consumers and students.

GRASSROOTS

Record-breaking tornadoes pummel Midwest, South

Parts of the Midwest and South are still recovering from a wave of 412 tornadoes that touched down in early May, the largest number since the government started keeping tornado records in 1950. The previous record was 177 tornadoes during the same



Garrett Hawkins (right), director of national legislative programs for Missouri Farm Bureau, does some low-tech advertising about the lunch MFB staff and volunteers provided to tornado victims and workers cleaning up storm debris.

period in 1999.

The spate of tornadoes, including at least five in the F-4 category on a scale of F-0 to F-5, resulted in 42 deaths, hundreds of injuries and destruction of homes, businesses and farms. Federal Emergency Management Agency (FEMA) inspectors are still assessing the damage.

President Bush has declared disasters and authorized federal recovery funding for 103 counties in Alabama, Illinois, Kansas, Missouri, Oklahoma and Tennessee. Storms also caused flooding and damage to farm structures in Georgia, Mississippi, Kentucky and Ohio. Tornadoes can rip roofs off homes and farm buildings, blast away fences, erode soil and leave fields strewn with debris.

Once the president authorizes assistance, FEMA can provide grants to help tornado victims pay for temporary housing, home repairs and other disaster-related expenses. The Small Business Administration can provide low-interest loans to cover residential and business losses not covered by insurance. And the Agriculture Department can provide low-interest emergency loans of up to \$500,000 each to cover losses of farm structures, crops and livestock.

Surviving a tornado is easier today than it used to be, according to the

The spate of tornadoes resulted in 42 deaths, hundreds of injuries and destruction of homes, businesses and farms.

National Oceanic and Atmospheric Administration (NOAA), thanks to improved forecasts and warnings that

enable people to seek appropriate shelter. But there usually isn't much time between a warning and when a tornado arrives, and most people use that time to protect themselves and their families before trying to protect crops or livestock. High winds can kill farm animals and uproot plants, and heavy rains can drench stored grain.

Regardless of how much advance warning is provided, a severe tornado can cause extensive damage. The town of Pierce City, Mo., was demolished, according to NOAA. President Bush took time out from promoting his tax cut proposal to visit Pierce City on May 12 and view the tornado damage. Information provided by the National Weather Service indicates Missouri was virtually the epicenter of storms throughout the 10 days.

While Pierce City has received much of the national media attention, about 60 miles north, Stockton was hit with equal force from another tornado, said Chris Fennewald, editor of Missouri Farm Bureau publications. "The devastation in Stockton is especially surreal," he said after photographing the damage and interviewing residents there. "Many homes in Stockton were

destroyed and the entire downtown was heavily damaged. "

A crew of Missouri Farm Bureau volunteers served hot dogs, hamburgers, chips, apples and cookies baked by Farm Bureau employees to about 250 tornado victims and volunteer workers helping to clean up the debris in Stockton. "It was very rewarding to help these people out after being there a week earlier and feeling very awkward just taking photos and interviewing people for a story," Fennewald said.



The Winder dairy farm in Webb City, Mo., lost just five of their 175 head of cattle, even though the tornado flattened all the buildings on the farm.

AFBF announces new method for Washington 'fly-ins'

In order to increase attendance and lower expenses for state Farm Bureau representatives, the American Farm Bureau Federation will begin using a new method when organizing its "fly-ins" to Washington, D.C.

Fly-ins call for state Farm Bureau members and staff to fly to Washington to urge members of Congress to

take action on a specific Farm Bureau policy. Previously, fly-ins were scheduled once key Farm Bureau issues were ripe, sometimes giving states as little as five days notice to make the trip.

This method created many challenges for the state Farm Bureaus, said Linda Johnson, AFBF senior director of policy implementation. "State Farm

Bureaus determine their budgets a year in advance, and last-minute airfare is not cheap," Johnson said. "Also, in a lot of states, the same person does both national and state affairs, so they can't fit a fly-in into their busy schedules."

The new method will focus fly-ins around key times during the congressional year, such as before recesses, which are normally critical points in which to get the Farm Bureau message out. Scheduling fly-ins just prior to recesses will allow states to utilize airfare promotions and staff and volunteers can work to keep certain dates open. The two pre-set fly-ins will be coordinated with regularly scheduled meetings held in Washington, D.C., which state Farm Bureaus receive notice of well in advance.

To enhance the impact of the fly-ins, AFBF will be asking states to also implement "drive-ins" to their congressional district offices at the same time a fly-in is taking place in Washington, D.C. "If some states can't participate in a fly-in or can only send a couple people, they can drive to their congressional offices and build relationships there," Johnson said. AFBF will request an additional drive-in during the August recess.

"Adding pre-set fly-ins and drive-ins to the regularly scheduled meetings in D.C. attains the ultimate goal of building the grassroots base and keeps Farm Bureau members in front of Congress throughout the year," Johnson said.

Fly-ins schedule

First year of congressional cycle

February	Fly-in: outline Farm Bureau legislative agenda and attend new member reception. Drive-in to congressional district offices (concurrent with fly-in)
May	Public Policy Conference
July	Council of Presidents: press for action before August recess
August	Drive-in to congressional district offices
October	Fly-in: round up final votes before adjournment

Second year of congressional cycle

February	Fly-in and drive-in: refocus Congress on Farm Bureau legislative agenda
May	Public Policy Conference
July	Council of Presidents: press for action before August recess
August	Drive-in to congressional district offices
September	Fly-in: round up final votes before adjournment

NEWSPAPER HANDLING

FARM BUREAU NEWS