

news

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Senate passes renewable fuels standard

By a vote of 67-29, the Senate on June 5 passed an amendment attaching the renewable fuels standard to the Energy Policy Act of 2003 (S. 14). The standard would increase the use of ethanol and biodiesel, made from agricultural commodities.

The provision requires that the U.S. fuel supply consist of 2.6 billion gallons of renewable fuel by 2005 and 5 billion gallons by 2012.

American Farm Bureau Federation President Bob Stallman called the Senate vote "a win for U.S. farmers, the environment, consumers, petroleum refiners and, most importantly, our national security."

Stallman thanked the two sponsors of the renewable fuels amendment, Sens. Bill Frist (R-Tenn.) and Tom Daschle (D-S.D.), for their leadership and commitment to increasing the nation's use of homegrown fuels.

The amendment enjoyed support from farm groups, environmental groups, the petroleum refining industry and the rapidly growing renewable fuels refining industry.

Passage of the renewable fuels amendment came after several failed attempts to weaken the standard

through second-degree amendments, and after passage of one amendment
See Renewable fuels standard, page 2



Farmers care

Florida Farm Bureau Federation (FFBF) President Carl Loop explains the "This Farm CARES" program to participants in the American Farm Bureau Federation's recent environmental issues conference in Jacksonville, Fla. The FFBF program recognizes Florida farmers who help stem water pollution.

Corner Post

WHAT THE TAX PLAN MEANS TO YOU

CATEGORY	CONGRESS' PLAN
DIVIDENDS AND CAPITAL GAINS	Freezes the dividend tax at 15% for anyone in the top four tax brackets. Long-term capital gains tax rate falls to 15% from 20%.
1040 LABEL INDIVIDUAL RATES	The top rate drops to 35% and other brackets are cut by two points. A married couple with \$50,000 in income saves \$333.
MARRIAGE PENALTY	The standard deduction for married couples increases to \$9,500, which is double the deduction for single filers.
CHILD TAX CREDIT	Immediately boosts the child tax credit to \$1,000. Some 24.4 million families could get a \$400 rebate check later this summer.

Congress to vote on death tax repeal

The American Farm Bureau Federation is preparing for a likely House vote on permanent estate tax repeal on June 18 or 19.

By identifying which members of Congress may be straddling the fence and asking state Farm Bureau members to call, write and send them e-mails in support of repeal, Farm Bureau hopes to ensure enough support for a death tax elimination bill (H.R. 57), introduced by Reps. Jennifer Dunn (R-Wash.) and Bud Cramer (D-Ala.), for it to pass with a large margin of victory.

"It is good news for American farmers that the House will be voting on our bill to permanently end the death tax in the coming weeks," said Cramer. "I have been working on repealing this tax since I came to Congress in 1991. Hopefully, this will be the year when we finally get rid of this unfair burden that harms or even kills our small family farms built on years of hard work and sacrifice. I'm hopeful that the House will pass this bill and that the Senate will act soon so that we can send it to the president for his signature."

"It is good news for American farmers that the House will be voting on our bill to permanently end the death tax in the coming weeks."

• Rep. Bud Cramer (D-Ala.)

Pat Wolff, AFBF tax specialist, said that individuals and families, not corporations, own 99 percent of U.S. farms and that death taxes and estate planning expenses are particularly huge burdens on those family farmers and ranchers.

"It appears we have the luxury of a couple of weeks to get in touch with members of Congress and let them know that," Wolff said. "We need to take advantage of that and try to secure as much support as possible, as early as possible."

Wolff said a strong vote in the

House for repealing the death tax would send an important signal to the Senate to follow suit. The House passed similar legislation last year, but the Senate failed to muster the 60 votes needed to waive a budget point of order and pass it.

AFBF is part of the Family Business Estate Tax Coalition, a group that has lobbied fervently to make the repeal of the tax permanent. It says that small businesses' tax planning expenses average \$125,000 per company over five years.

"That's money that could be used to operate and expand the farm or maybe hire more workers instead of having to pay lawyers, accountants and consultants," Wolff said. "And, the really crazy part of it is, even when they do all that estate planning, it still doesn't ensure that their businesses will be protected when they die because businesses are always changing in response to the marketplace."

In 2001, Congress voted to phase out death taxes, with full repeal by

See Death tax repeal, page 7

VIEWPOINT

Consensus brings about positive results for all

I am thankful every day for Farm Bureau's policy development process, our system of constructive debate, and, in those very few instances when, for one reason or another, everyone can't see completely eye-to-eye, a formal method of agreeing to disagree.

During this time of year, when many states are kicking off their policy development programs, it's good to remember that the founders of our organization really knew what they were doing.

Even during our most contentious debates within the Farm Bureau family, I am proud to say we never act like bickering siblings in the back seat of a family car. Road trips bring out the worst in siblings, and once the trouble starts, the win-at-all-costs mentality usually escalates, until a parent is forced to intervene. Typically there are no winners, including the parents.

Constructive debate

Thankfully, Farm Bureau is built on a much more constructive model for resolving issues and establishing poli-



cies that meet our mission of improving the bottom line and quality of life for all our members. Rather than hanging on to the fight until individuals "win," or until someone has to "intervene," our policy development process focuses on moving the debate to a consensus that will result in the most benefit for everyone.

As the nation's largest general farm organization, Farm Bureau represents all our farm and ranch member families. Whether an apple grower in Washington, a pork producer in North Carolina, a cattle producer in Nebra-

ska, a corn grower in Illinois or, yes, even a rice farmer in Texas, our organization strives to develop public policy positions that benefit all of our diverse members. As a result, the entire agricultural industry benefits.

Certainly there are issues that become more contentious than others. In fact, right now our members across the nation are grappling with what to do about dairy policy, packer ownership and country-of-origin labeling. There are no easy answers, but Farm Bureau members are dedicated to finding the best answers.

Results hinge on participation

Finding those answers depends on the commitment of countless Farm Bureau volunteers and staff working through the issues. The more people involved in the process, the more ideas are brought to the table. The more ideas brought to the table, the better the chance the most positive consensus can be found.

County and state Farm Bureaus across the nation are setting the table now as they begin the policy development process. It's an important process since every national and state Farm Bureau policy originates from the grassroots level. Ours is truly a member-directed organization where each individual member at the county Farm Bureau level can make a difference.

I encourage and invite all Farm Bureau voting members to pull up a chair and let your voices be heard. For it is all your voices that allow the American Farm Bureau Federation to then be the true "Voice of Agriculture." I'm confident you will come away from participating in our policy development process feeling like a winner.

Food, freedom and dignity survive war in Iraq

By Joe Sigg

I was fascinated by the coverage of the war in Iraq. I admit to being a TV junkie here. It was an endless hodge-

podge of fragmented facts, opinions and speculation. There I sat until all hours, channel surfing, so that I could assemble all of the little pieces into a picture in my mind.

My task was made easier by my five-year-old granddaughter who taught me how to shift immediately between two channels without scrolling up and down. While I am grateful to her for the instruction, when I explained I was unaccustomed to technology she suggested I must lead a "deprived life." The only thing was she pronounced the word "depraved." She is a precocious youngster, but sometimes she gets her words mixed up. Although, maybe not in this case.

Thank goodness my lasting image comes from a single newspaper picture. It showed a father and his young son, hand in hand, after the U.S. occupation. They were carrying home a dead chicken acquired from a street vendor. Now I suppose we each see what we want, but here is what I saw in this picture.

The father appeared thin, drawn, haggard and dressed in odds and ends, yet he had managed a jacket and tie.

In the midst of chaos, clutter and confusion, here was a man doing his best to feed his family, with some shred of dignity. There was hope in the boy's face, perhaps simply anticipating the coming meal.

Surrounded by the debris of war, Baghdad's water and power were not yet operating. Almost everything commercial was at a standstill. But the first thing we see is the entrepreneurial spirit beginning the flow of vital goods.

Perhaps we share nothing in common with this picture. We are worlds apart in culture, religion and day-to-day experiences. Still, those in American agriculture share everything in common with the images in the picture: food; family; freedom; independent, small business spirit and an effort at simple human dignity.

Joe Sigg is director of government relations for the Arizona Farm Bureau Federation.

Senate passes renewable fuels standard

continued from page 1

to include incentives for ethanol produced from various crop residues as well as from corn and soybeans.

With the renewable fuels provision completed, the Senate is expected to vote on the energy bill before the Independence Day holiday. Once the energy bill is passed, it will go to a conference with the House bill (H.R. 6) passed in April.

The Senate's renewable fuels standard would also provide more than \$5 billion in new investment for renewable fuel production facilities in rural areas. Stallman called the provision "a rural economic stimulus package" because it is estimated that 200,000 jobs will be created due to the growth of the renewable fuels refining industry in rural areas.

"Farmers need this rural economic stimulus package, and they are ready and able to produce the commodities needed for fuel production," Stallman said. "Farm Bureau looks forward to final passage of the energy bill containing the renewable fuels provision."

Stallman also acknowledged President Bush's support for the standard.

The Senate leadership's and the president's support for the provision were key to its passage, he said.

The renewable fuels standard is expected to at least double demand for certain agricultural commodities, primarily corn and soybeans. Demand is expected to reach 1.4 billion bushels annually for corn and 144 million bushels annually for soybeans. It is estimated the growth in demand would boost farm income by \$4.5 billion and add as much as 30 cents per bushel to the value of corn.

In addition, Stallman said, it will benefit national security and help lower the U.S. trade deficit by reducing the nation's dependence on foreign oil.

The Frist-Daschle amendment also requires the phase-out of methyl tertiary butyl ether (MTBE), added to gasoline in high concentrations since 1992 to raise the oxygen content of gasoline and reduce tailpipe emissions. In the mid-1990s, groundwater around the country was found to be contaminated with MTBE. Groundwater is the primary source of drinking water in the United States.

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Agricultural exports rise as dollar's value falls

What goes up must come down, as the saying goes, and the value of the U.S. dollar against the euro, the Japanese yen and other currencies over the last 18 months has proven the adage once again. Farmers, who suffered through seven years of a mostly rising dollar and the resulting squeeze on exports, now stand to benefit from the dollar's downward turn.

Since January 2002, the U.S. dollar has weakened by a little less than 10 percent. It has dropped 25 percent against the euro and has fallen against the Canadian dollar. Canada is the United States' largest agricultural export market. The U.S. dollar remains strong against several Latin American currencies.

As long as the dollar was riding high against other currencies, U.S. exports were more expensive and less competitive in foreign markets, and some imports were cheaper than domestic products in the United States.

American Farm Bureau Federation President Bob Stallman testified to Congress one year ago that the then-



Source: Federal Reserve Bank of St. Louis

strong value of the dollar had made U.S. farm goods less competitive both abroad and at home.

Because most import and export orders are taken months in advance, it takes a while for trade levels to adjust to new exchange rates. But a rise in U.S. exports due to the falling dollar is considered inevitable.

The U.S. economy relies on more than \$1 billion a day in foreign investment, which could now decline, to help finance its budget and trade deficits.

But John Skorburg, American Farm Bureau Federation senior economist, said that as long as exchange rates remain relatively stable, trade and

investment will grow and the depreciation of the U.S. dollar will help boost U.S. farm exports.

"It can cause interest rates to go up and it causes import prices to go up, which can impact inflation, but if you just look at what's happening right now to the farmers and ranchers and what we do in the export market, this is positive," Skorburg said.

Keith Collins, the Agriculture Department's chief economist, said in recent congressional testimony that U.S. agricultural exports are expected to reach \$57 billion in fiscal 2003 thanks in part to the dollar's fall.

The dollar's fall has been gradual, which economists consider a good thing because a sharp drop would truly alarm investors and rock the stock market. Some see the smooth, steady fall of the last year and a half as just the sort of correction that was needed in the dollar's overvaluation from 1998 through 2001. Skorburg said that, although the dollar may slide a little more, he does not expect it to go much lower.

FB calls for changes to methyl bromide phase-out

The process of requesting permission to continue using methyl bromide, a pesticide being phased out under the Montreal Protocol treaty, is unfair to U.S. farmers and needs to be renegotiated, according to the American Farm Bureau Federation.

Testifying before a House Energy and Commerce subcommittee on behalf of AFBF, California Farm Bureau Federation President Bill Pauli said that despite 10 years and more than \$120 million in research into alternatives to the pesticide, no cost-effective, reliable or environmentally friendly alternative has been found. In the meantime, U.S. producers of strawberries, grapes, almonds, tomatoes, peppers, cut flowers and other commodities are losing money because they are unable to control pests and are losing market share to producers in other countries that don't yet have to cut their use of the pesticide.

Signatories to the 1987 United Nations Montreal Protocol, including the United States, are to phase out methyl bromide because of its potential to deplete the ozone layer, which controls ultraviolet radiation. The phase-out schedule differs for developed and developing countries. The United States was required in 2002 to reduce methyl bromide use to 50 percent of the 1991 baseline, which it has done. It must cut use to 30 percent by 2004 and zero by 2005.

Until phase-out is complete, countries can request critical use exemptions (CUEs) from the Protocol's Technology and Economic Assessment

Panel (TEAP). The U.S. government on Feb. 7 of this year submitted a request for an exemption on 39 percent of the U.S. baseline in 2005, and 37 percent in 2006. The government noted that would still be a reduction from the current use level. The parties to the protocol will meet in November 2003 to review TEAP recommendations and authorize exemptions.

However, the TEAP has recommended approving less than 10 percent of the U.S. government's CUE request, compared to higher percentages for other countries that compete directly with U.S. farmers. The panel recommended approving up to 80 percent of France's CUE request, leading Pauli to claim that the CUE process is not science-based and is "extremely politicized."

"Farm Bureau and many others in agriculture strongly believe that it is the intention of TEAP and the international community effectively [to] make planting decisions for American farmers that threaten our competitiveness and enforce their political grudges against the U.S. economy," Pauli testified.

Although the United States presented "reams of data" to justify its CUE request, Pauli said, the TEAP determined that the United States had not submitted sufficient information to substantiate the request. However, he said, the panel did not indicate what additional information would be needed to re-evaluate the U.S. request.

In addition, Pauli said the TEAP developed, without discussing it in advance with nations applying for CUEs, "new" criteria" for evaluating

requests. One such new criterion, he said, is the amount of money given to developing Third World nations under the United Nations Environment Program for developing alternatives to methyl bromide.

"This type of criteria has nothing to do with any alternative's feasibility or economic impact in the United States attributable to the phase-out of methyl bromide," Pauli testified.

Methyl bromide is used to fumigate soil before planting and on post-harvest crops to control pests. It is used in more than 100 crops as well as forests, nursery stock and wood products, and is especially critical in strawberry production. A report from the Agricultural Research Service in March indicated that 95 percent of strawberry acreage in California is fumigated with methyl bromide before planting, and a report by the Florida Strawberry Growers Association estimates all strawberry acreage in that state is fumigated with the pesticide.

Pauli said the U.S. strawberry industry would see some of the worst revenue losses, reaching \$131.5 million nationwide, due to the phase-out. He said the phase-out would increase the farm-gate price of strawberries, and it is already causing the cost of methyl bromide to skyrocket. The Economic Research Service reported in April that the average U.S. price rose from \$2.50 per pound of active ingredient in 1999, when the first use reduction began, to \$4.50 in 2001.

"At an application rate of 200-250 pounds of methyl bromide per acre,

that's an additional \$400-\$500 per acre in production costs," Pauli said. "For most farmers, there is no way to recoup or pass along these added costs. Already, producers of tree fruit and nuts cannot afford to use methyl bromide. Switching to less-effective products causes pest pressures to build."

He said production agriculture has already reduced the use of methyl bromide "to the bare minimum" and producers have reached a "breaking point" on further compliance with the phase-out.

"In the end, American consumers will suffer most from the loss of methyl bromide," Pauli testified. "The phase-out means the U.S. will increase its dependence on imported, international food sources that are less regulated, less reliable and less safe."

After the hearing, Pauli said members of the committee were very receptive to the concerns he and others expressed. "I think, why it was so good that AFBF testified, was the fact that we along with the other organizations that testified have real concerns about the CUE process and we wanted to be sure that the members of the committee clearly understood them," he said. "And that there is a real problem with the protocol itself over the longer term, in that not only the United States but other countries that are both developing and developed countries don't have an alternative to methyl bromide. It was a really worthwhile hearing and it was clear that Congress is engaged and concerned about the issue."

TRANSPORTATION ISSUES

Farm efficiency rides on pending trucking bills

During planting and harvesting seasons, farmers and farm suppliers keep the road hot when getting their products where they need to go. Agriculture has a limited exemption from federal hours-of-service regulations, which govern the number of hours that commercial vehicle drivers can spend behind the wheel without resting. With reauthorization of the highway bill in full swing, rural interests are working to protect and strengthen the exemption.

"In agriculture, we deal with perishable products that need to be planted at certain times and harvested at certain times. Factors we can't control, like weather, often come into play," said Dave Salmonsens, American Farm Bureau Federation transportation specialist. "By its very nature, agriculture shouldn't be bound by federal motor carrier rules."

Under highway legislation enacted in 1995, farmers and retail farm suppliers are exempt from Transportation Department restrictions on driving time in transporting agricultural commodities or farm supplies within a 100-mile intrastate radius of a farm or final distribution point. The exemption is valid only during planting and harvesting seasons, which are defined by individual states.

But, in recent years, the Transportation Department worked to weaken the agricultural exemption. To protect and clarify the exemption, Rep. Doug Bereuter (R-Neb.) in February introduced a Farm Bureau-supported bill



PHOTO COURTESY OF KEN HAMMOND, USDA

Trucks of grain line up for inspection and unloading at an elevator near Charleston, S.C.

(H.R. 871) to amend the section in the 1995 highway bill that governs hours-of-service requirements for drivers who operate commercial motor vehicles for transporting agricultural commodities and farm supplies.

The bill would reinforce the original 1995 exemption and provide a comprehensive definition of agricultural commodities, which includes poultry, poultry feed, livestock and livestock feed.

Salmonsens said that a clearer definition for agricultural commodities would help in keeping the Transportation Department from "chipping

away" at the exemption. He said the agency has moved to narrow the exemption to exclude transportation of feed and certain livestock, which "is contrary to the intent of Congress."

The bill has been referred to the House Subcommittee on Highways, Transit and Pipelines.

Agriculture is not alone in being exempt from the hours-of-service regulations. Other industries that rely on the exemptions include vehicles used in oil field operations, groundwater well drilling, utility service, and transporting construction materials and equipment.

Regulations governing truck weights and lengths also affect transportation of farm commodities, since agricultural shippers in rural areas often find trucking to be the only option for long-distance transport of bulk agricultural goods.

The Transportation Department estimates that truck traffic will double within the next 25 years. Highway capacity is not expected to keep up with the increase. The combination of higher trucking demand and stagnant capacity will likely result in more accidents, worse congestion, greater fuel use and maintenance costs, as well as a less efficient freight transportation system.

Allowing bigger trucks to take bigger loads could help ease the capacity problem. "Changes in federal policy to permit larger trucks to haul heavier loads in rural areas could help make truck transportation more competitive with rail service, or better complement limited rail service in some areas, improving freight transportation overall," Salmonsens said.

Legislation has been introduced in both the House and the Senate that would extend federal truck size and weight limits beyond the 46,000-mile Interstate Highway System to also apply to the 160,000-mile National Highway System, a move Farm Bureau opposes.

Farm Bureau instead supports state efforts to regulate weight and length limits for trucks that are both safe and cost-effective.

Funding bills contain renewable fuels provisions

Federal highway law is set to be reauthorized by Oct. 1, and the Bush administration recently released its \$247 billion plan to fund surface transportation programs. The bill, titled "The Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2003" or SAFETEA, authorizes approximately \$195 billion to be spent on highways.

The administration's proposal has a Farm Bureau-supported provision to direct into the Highway Trust Fund the 2.5 cents-per-gallon of the ethanol tax that is currently deposited into the general fund. The tax on ethanol-blended gasoline totals 13.1 cents-per-gallon.

The ethanol tax credit is a contentious issue among legislators. While it promotes growth of the ethanol industry, the credit reduces Highway Trust Fund revenues to finance highway projects. The primary purpose of the

The Senate Finance Committee passed legislation that promotes renewable fuels but preserves Highway Trust Fund revenues.

Highway Trust Fund is to ensure a dependable source of federal funding for the nation's highways. Prior to the fund's establishment, fuel and vehicle tax receipts were directed to the general fund.

Ethanol-blended gasoline, or gasohol, is partially exempt from the standard excise tax on gasoline—gasohol is taxed at 13.1 cents-per-gallon, an exemption of 5.3 cents-per-gallon compared to regular gasoline. Additionally, the 2.5 cents transferred to the general fund takes away from Highway Trust Fund revenues.

The General Accounting Office has estimated that from fiscal years 1998

through 2001, the Highway Trust Fund account lost \$6.01 billion because of the ethanol tax exemption and the general fund transfer.

But legislators are working to stop that loss. The Senate Finance Committee in April passed legislation that promotes the production and use of renewable fuels, such as ethanol and biodiesel, but preserves Highway Trust Fund revenues. The \$15.5 billion Energy Tax Incentives Act of 2003 (S. 597) contains several Farm Bureau-supported provisions.

The bill would transfer the 2.5 cents-per-gallon tax on gasohol that currently goes to the general fund to the High-

way Trust Fund so the money could go toward highway projects. The Senate bill also contains a provision to eliminate the 5.3 cents-per-gallon excise tax exemption for gasohol at the pump. The bill would instead allow ethanol producers to apply for an income tax credit of 5.3 cents-per-gallon, which would result in gasohol making the same contribution to the Highway Trust Fund as regular gasoline. The compromise preserves the tax credit boost to the ethanol industry without reducing Highway Trust Fund revenues.

Currently, there is no tax credit or excise tax rate for biodiesel, which can be derived from such products as soybean oil. The energy tax bill provides an income tax credit and an excise tax rate reduction for biodiesel made from vegetable oil, as well as an income tax credit for biodiesel derived from animal fats.

TRANSPORTATION ISSUES

Low water supply hinders waterway transportation

While an adequate water supply is of the utmost importance in growing crops, it is also critical in transporting products from the farm.

American Farm Bureau Federation President Bob Stallman recently testified before the House Water Resources and Environment Subcommittee on water supply concerns in the agriculture industry. "Across the country we see the intensifying struggles over the uses and supply of water," Stallman said. "Agriculture has been concerned about water supply in times of a drought emergency. What we are beginning to realize is that concerns over an adequate water supply for all purposes is becoming a continuing feature not only for agricultural production but for the entire nation."

Stallman told the panel that American agriculture is dependent upon the inland navigation system to competitively move one-third of U.S. grain production for export.

"This potential for traffic disruption will be economically harmful to a Midwest grain industry that relies on a modern, functioning water transportation system."

• AFBF President Bob Stallman

The U.S. Coast Guard earlier this year had to close off sections of the Mississippi River due to ongoing drought conditions. Barges ran aground because of the river's low water level, slowing export traffic down the waterway. "This potential for traffic disruption will be economically harmful to a Midwest grain industry that relies on a modern, functioning water transportation system to minimize shipping costs in order to remain competitive in world markets," Stallman said.

In his testimony at the hearing, titled *Water: Is it the Oil of the 21st Century?*, Stallman addressed the national scope of water issues and the

role of agriculture, current water rights issues among states and the federal government's role in addressing the country's growing water supply problems.

"The challenges and scarcity that the West has had to seek to overcome are showing up across the country," Stallman said. "We must proceed from relief-only responses to drought to also include preparedness for water scarcity as a national challenge."

A recent court ruling affirmed the importance of river management to support barge traffic. The Eighth Circuit Court of Appeals in St. Louis on June 4 ruled that flood control and navigation of the Missouri River take precedence

over recreation and other uses.

South Dakota, North Dakota and Montana had pushed to have the Missouri River managed to protect fishing and recreation interests in upstream reservoirs. Federal district court judges ordered the U.S. Army Corps of Engineers to maintain water levels on some reservoirs in the Dakotas, a move the Eighth Circuit panel ruled was incorrect.

The appeals panel also upheld a ruling by a federal judge in Nebraska that called for the Corps to follow its Master Manual when managing the river. It ruled the Master Manual is binding, not just advisory, and determined that it gives priority to navigation and water supply uses over recreation and wildlife uses. The ruling in the Nebraska case required the Corps to maintain adequate flows for barge traffic last year when drought conditions plagued the water supply of the Missouri River.

Farm Bureau wants river locks, dams improved

The United States has an important advantage in its cost-effective water transportation system, but it will lose its competitive edge if the locks and dams along the Mississippi River are not updated to accommodate modern barge traffic.

"One-third of all U.S. agricultural production is exported, and 60 percent of those products travel down the Mississippi River before reaching their final destination," said Dave Salmonsen, American Farm Bureau Federation transportation specialist. "An up-to-date system of locks and dams is crucial in maintaining efficient water transportation."

Congress every two years enacts the Water Resources Development Act (WRDA) to fund U.S. Army Corps of Engineers projects, which include locks and dams for inland waterway navigation, dredging of harbors, flood control and irrigation.

WRDA was last passed in 2000, and the Senate Environment and Public Works Committee did not propose legislation last year. Additionally, the administration has not submitted a WRDA proposal.

Farm Bureau supports WRDA reauthorization to help ease congestion along the Mississippi River, as the delays lower productivity and increase transportation costs, and ultimately result in lost income for farmers.

The Inland Waterways Trust Fund (IWTF) also provides funding to modernize water transportation. Commer-



PHOTO COURTESY OF THE U.S. ARMY CORPS OF ENGINEERS

Aerial view of Lock and Dam 15 on the Mississippi River in Rock Island, Ill.

cial users of the waterways pay into the fund, which pays for one-half of the cost of new construction of locks and dams. The fund is financed by a tax of 20 cents-per-gallon that is paid by the barge and towing industry on fuel used in moving cargo on specified waterways.

IWTF funds, which are matched by general revenues from the federal government, are dedicated by law to underwrite the cost of construction or major rehabilitation of inland waterways projects that are approved by Congress. But the Bush administration's fiscal 2004 budget request pro-

poses using 25 percent to 50 percent of funds from the IWTF for operation and maintenance.

More than \$324 million has accumulated in the IWTF rather than being spent right away on modernizing locks and dams. The budget proposal would use the existing balance and future IWTF revenues to finance operations and maintenance, a move that Farm Bureau opposes.

If the administration's plan were implemented, the fund would be drained in just three years and further delay lock and dam improvements. "Rerouting funds for operations and

maintenance instead of upgrading the outdated system would damage the U.S. agricultural, energy and transportation sectors by increasing transportation costs and shifting inland waterways traffic to the already congested highway and rail lines," Salmonsen said.

Opponents of the budget proposal argue that construction and rehabilitation projects that have not been completed would go unfinished without the full IWTF revenues, therefore prompting increases in fuel taxes.

The Corps of Engineers is currently conducting a study into the feasibility of navigation improvements on the Upper Mississippi River and Illinois Waterway system. According to the Corps, the study is structured to give equal consideration of fish and wildlife resources and navigation improvement planning to ensure the system continues to be "a nationally significant ecosystem and a nationally significant commercial navigation system."

The study area includes 854 miles of the Upper Mississippi River with 29 locks and dams between the Minneapolis/St. Paul area and the mouth of the Ohio River, and 348 miles of the Illinois Waterway with eight locks and dams that connect Chicago and the Great Lakes with the Mississippi River.

The Corps issued an interim report last July and a final feasibility study is expected in 2004.

FOR THE RECORD

Roll Call

vote vote vote vote vote vote vote

Congress votes on forests, taxes

Vote 1

The House on May 20, 2003, defeated, 184-239, an amendment offered by Reps. George Miller (D-Calif.) and Peter DeFazio (D-Ore.) that would have restricted the scope of the Healthy Forests Restoration Act (H.R. 1904) to forests that are more heavily populated, or areas that are commonly called the "wildland-urban interface." The amendment would have eliminated the bill's language that is meant to reduce insect and disease infestations and invasive species in forests.

Farm Bureau favored a "nay" (N) vote.

Vote 2

The House on May 20, 2003, approved, 256-170, the Healthy Forests Restoration Act (H.R. 1904) to lower the occurrence of catastrophic forest fires, improve range and grazing conditions, help protect private forest acres from fire and improve water quality and quantity originating from federal forests.

Farm Bureau favored a "yea" (Y) vote.

Vote 3

The House on May 22, 2003, approved, 231-200, the Jobs and Growth Reconciliation Tax Act (H.R. 2) conference report. The bill reduces capital gains taxes, increases the amount of business expenses a small business can deduct on its taxes, defers capital gains taxes on any profit from selling cattle due to natural disasters and increases the child tax credit and the standard deduction for married couples filing jointly.

The Senate on May 23 approved the conference report 50-50 with the vice president casting the tie-breaking "yea" vote.

Farm Bureau favored a "yea" (Y) vote.

LEGEND: Y,y — yea N,n — nay ? — not voting S — Speaker

Table with columns for Name, Party, and Vote (1, 2, 3) for various states including Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, 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, and Wyoming.

Table with columns for Name, Party, and Vote (1, 2, 3) for various states including Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, 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, and Wyoming.

Congress to vote on death tax repeal

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2010. However, the tax cut sunsets in 2011. As a result, some business owners would enjoy only one year of relief from the tax, which can be as high as 50 percent of the estate's value. The death tax will be fully resurrected in 2011 unless Congress votes before then to repeal it permanently.

"It's pretty silly, actually," said Wolff, "to say that if you are 'fortunate enough' to die in 2010, your heirs can inherit your estate without having the federal government take a big chunk of it, but if you live to 2011 and beyond, your heirs are just out of luck. Congress did what they had to do in 2001, with this sunset provision, to get some amount of tax relief passed. But now it's time to fix the glitch and make repeal permanent. If Congress meant it in 2001 when it voted to repeal death taxes, then it should get rid of the tax for good."

Farm Bureau said the tax duplicates income taxes, hits family farms and small businesses most heavily and at an already difficult time due to the loss of a loved one, and doesn't even raise much revenue for the federal government because of compliance costs that roughly equal the tax yield.

Opponents of repealing the tax said that it would be an unnecessary tax break for the wealthiest Americans. But the coalition said that, unlike corporate executives, owners of small, family-owned businesses and farms have most of their assets tied up in the business or land, and the richest Americans can find more ways to get around paying the tax. Opponents of repeal also said that it would do nothing to help the economy, while supporters said that it would lead to 200,000 new jobs per year and increase capital investment in family businesses.

Last year, the House passed a death tax elimination bill (H.R. 8) by a vote of 274-154, with support from both Republicans and Democrats. Wolff said Farm Bureau will work, once again, to line up bipartisan support.

"We will target Republicans who co-sponsored the bill last year but, for whatever reason, haven't yet done so this year, Democrats who supported it last year and new members," explained Wolff. "We need a strong vote. We would like to secure more 'yeas' on this year's bill than last year, because that will send a really good message that support for repeal is growing."

FB member exposes women to ranch life

By Rebecca Colnar

Within two minutes of arriving at Pachy Burns' sheep ranch, I was soaking wet, covered with paint and smelled distinctly of sheep. It just so happened that the moment I pulled into the farmyard, a storm broke, pelting rain and hail, and the newborn lambs in the outdoor pens needed to be brought into the barn for shelter. Since they had just been branded, the red and blue paint rubbed off onto my wet clothes.

I made my way into the farmhouse kitchen to be greeted cheerily by two guests wanting to know if I wanted to eat lunch. There was delicious lasagna, they informed me. It was just another day at the "Jam to Lamb," an annual event that brings women from locales near and far to Burns' ranch to learn about ranch life and enjoy each other's company. The Jam to Lamb All-Women's Lambing Party takes place over six weeks, during lambing season, in April and May.

Burns, who is chairman of the American Farm Bureau Federation's sheep committee, developed the concept when she decided that more urban people needed to experience agriculture firsthand.

"I wanted to help people get through their world with a greater appreciation of what they have," Burns said of her inspiration to create the event seven years ago. "We've covered the country corner to corner, from California, Oregon, Texas, Georgia, Wisconsin, Wyoming, Colorado, Iowa, Michigan and New York—and even Germany. More than 150 women have come to the ranch for the experience."

The women spend several days at the ranch learning about branding lambs, docking tails, nursing bums (orphaned lambs), tossing hay and building fences.

"I love it here because you have to be a master at jerry-rigging," said Jenn Nelson, who, standing in the corrals, grabbed the hammer and electric saw and proceeded to reconstruct a chute built out of old wood panels for the sheep. Nelson, who hails from Whitefish, Mont., has been helping with the Jam to Lamb since 1995. This year, she brought her team of Belgian horses to pull the hay wagon for a hayride, an added treat for the guests.

Guests take special pride in caring for the bum lambs. Several times a day, Cynthia Johnson and Leslie Vinson, both from Gainesville, Ga., dashed into the house to warm up the formula for a bottle-feeding. Neither of the women had any farming experience, but when Johnson saw an article about Jam to Lamb in *Country Woman* magazine, she wanted to see if she could be a farmer.

"One of my favorite things about being here is seeing the lambs in the



One of 23 women who participated in this year's lambing party on Montana Farm Bureau member Pachy Burns' sheep ranch nurses a bum (orphaned) lamb.

pasture playing—suddenly they'll jump straight up," Johnson said, laughing. "My visit here has been such an amazing experience. I've read the journals of my great-grandfather who was a farmer. I wanted to see if I had any of my great-grandfather in me."

With that, she picked up a bum lamb and smiled. "After being here, I know I could be a farmer. I've done my great-grandfather proud," she said.

In fact, listening to the voices in the barn, everyone sounded like an experienced lamber. Shouts of, "Put these twins in that jug," "This one gets branded with number 321," and "Don't forget to dock this one's tail,"



Jenn Nelson (right), a participant in the Jam to Lamb event, and a helper construct a chute for sheep out of old wood panels. The six-week event exposes women from around the world to farm and ranch life as they enjoy each other's company.

rang through the barns and pens. The women adapted quickly, whether it was feeding and watering, checking the drop and bringing in newborn lambs and their ewes, or cornering a nervous ewe so her lamb could easily nurse.

Before lambing season begins on Burns' farm, she sends a whimsical invitation to a list of women—past visitors, their friends and others who have inquired about Jam to Lamb. A few weeks before the women arrive, Burns and her daughter, Piney, are joined by several friends in a mad cooking spree so there's plenty of delicious food in the freezer.

During one of the meals at this year's event, everyone pitched in cooking and cleaning, and there were plenty of laughs while the shepherd's pie baked in the oven, the veggies were chopped for the salad and the table was set. This year, 23 women experienced raising livestock firsthand.

"I love the realities of life and death you experience here," noted Tanya Tsukamoto of Bozeman, Mont. "This makes you explore your physical and mental parameters. We live in such a consuming culture, but an experience like this actually makes you think about where our food comes from and how we work with the land."

That, exactly, is Burns' mission.

"I want to expose people to this, to keep agriculture alive in America," she said.

Having women visitors "is like the world walking in our door," said Burns. "I now have so many friends because of this experience of Jam to Lamb."

Rebecca Colnar is director of communications for the Montana Farm Bureau Federation.

GRASSROOTS

Conference surfaces green issues, programs

The American Farm Bureau Federation hosted an environmental issues conference May 28-30 in Jacksonville, Fla., for state Farm Bureau staff members who handle environmental issues.

An unofficial theme of the conference seemed to be "recognition:" recognizing emerging environmental issues, recognizing the success of state Farm Bureau environmental programs and the need to help farmers get recognition for their stewardship efforts.

The conference was "an opportunity to learn about new challenges and some new ideas, new solutions to the things that we're working on," said Mark Maslyn, AFBF deputy executive director of public policy, as he kicked off the opening session.

Emerging issues

The first part of the conference dealt with issues that AFBF sees as "maybe ones that aren't on your plate yet, but they're going to be there very soon," according to Don Parrish, AFBF senior director of regulatory relations.

Jonathan Pawlow, counsel for the Water Resources and Environment Subcommittee of the House Transportation Committee, presented a comprehensive look at water availability. The subcommittee has started a series of hearings on the issue. AFBF President Bob Stallman testified at one of the hearings on May 22.

Pawlow noted that several issues on the conference agenda tie into the issue of water quantity.

"More and more we're starting to see a blending together of issues in the regulatory arena," he said. "Traditionally, regulation has tended to be in little compartments. You know, we deal with air quality issues here, we



Joe Hall (right), owner of Suwannee Farms, is considered by many to be a model farmer when it comes to doing what is best for the environment. He hosted conference attendees on his northeastern Florida vegetable farm to talk about his environmental practices. Darrell Smith (left) is coordinator of the Suwannee River Partnership, which works with farmers to control nutrient runoff.

deal with water quality issues here, we deal with say solid or hazardous waste issues over here, and we might deal with water quantity issues over here. Increasingly, all of this stuff is blending together."

He said those who are involved or affected by the issues "increasingly need to think very broadly in terms of what's going on out there and ultimately how to address a lot of these kinds of issues."

Due to changes in agricultural practices, the future demand for irrigation water is going to be "generally steady," Pawlow said. However, due to continuing population growth, the problem in the future will be meeting the demand for water for domestic uses, and of course that will put pressure on other uses as well.

Other speakers discussed the growing role of litigation in federal rule-making, and how proposed air quality regulations will affect agriculture.

Templates for success

Several state Farm Bureau staff members highlighted successful environmental initiatives in their states.

Ron Harrell of the Louisiana Farm Bureau Federation (LFBF) described the Louisiana Master Farmer Program. LFBF started the program because of a complaint filed with the state's Department of Environmental Quality (DEQ) about high coliform levels in a southeast Louisiana river, which led to calls for farmers to change their practices.

"The first thing we did, back in 1989 after this became an issue and we saw that we were going to have to do something proactive, otherwise we

were going to have a regulatory program put on us by the state, we developed a manual, if you will," Harrell said. "For every crop we produce in Louisiana, we developed a best management practices manual for that particular commodity."

The farmers participating in the program develop, with the help of the Agriculture Department's Natural Resources Conservation Service (NRCS) and the local soil and water conservation district, a farm-specific plan for "what this individual needs to do to stay out of trouble and get into compliance," Harrell said.

The program includes eight hours of classroom instruction on environmental issues and best management practices (BMPs), on-farm assessments of BMP implementation and the chance for farmers who meet all the requirements of the program to earn certification as master farmers.

Next year, LFBF will start recognizing six master farmers each year who have done an exceptional job of implementing the program and showing leadership to other farmers. They will receive awards at the LFBF annual convention and "get all kinds of press," Harrell said.

He predicted that other state Farm Bureaus that want to implement a similar program would find that agencies involved in regulating agriculture "would probably welcome this with open arms, because it really takes a burden off of them. It shifts the burden over to us, but I think we would much rather have a program initiated by us than initiated by a bureaucracy," he said.

The state also plans to put its stamp of approval on the program. The Louisiana legislature has passed a law that presumes a master farmer to be in compliance with state water quality standards. Gov. Mike Foster, who is a past board member of LFBF, is expected to sign the bill. Harrell said the state's environmental organizations also support the program.

Other state initiatives discussed at the conference included farmland protection, wetland mitigation, environmental services, and recognition programs started by the Ohio, Michigan, Texas, Iowa, Indiana and Florida Farm Bureaus.

In the field

On the second day of the conference, participants visited one of Florida's many springs, toured a few farms and talked about Florida Farm Bureau's successful CARES program. The title stands for County Alliance for Responsible Environmental Stewardship. A joint effort by Florida Farm Bureau, the Suwannee River Water Management District, regulatory agencies and others, the program recognizes farmers who control runoff by giving them a "This Farm CARES" sign to place at the farm entrance.

The non-regulatory CARES program started two years ago to help farmers do their part in cleaning up the streams and other water bodies in the Suwannee River and Sante Fe River watersheds. NRCS is a key partner in the effort by providing cost-share funding to help farmers implement BMPs.

Let's do that again

The conference could become an annual opportunity for state Farm Bureau staffers to get together.

"We think you will enjoy the program and learn a lot from it," Maslyn said at the start of the conference.

"And, if you do like it, when you go back home pass it on, because we'd like to do this on a regular basis."



Suwannee County, Fla., poultry farmers Chuck and Cindy Edwards were among the first farmers in the Suwannee River basin to receive recognition through the Florida Farm Bureau's CARES program for their environmental stewardship.