

news

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Bill aims to boost U.S. farm exports

Attempting to reduce trade barriers to U.S. agricultural exports, a bipartisan group of legislators recently introduced legislation designed to increase exports of farm products by making it easier to enforce trade agreements already in place.

The Farm Bureau-supported U.S. Agricultural Products Market Access Act of 2003 creates a special Section 301 investigation for agricultural market access similar to the one governing intellectual property.

The legislation would require the Office of the U.S. Trade Representative to investigate countries that unfairly block U.S. products from entering their borders. USTR would prepare a report each year that lists those countries and prioritizes the impacts of their onerous trade programs and protective actions.

Sen. Charles Grassley (R-Iowa), chairman of the Senate Finance Committee and sponsor of the bill, said the legislation would not solve all trade problems. "However, the [act] will help us identify the most egregious problems, so we can focus our energy on fixing them," Grassley said. "It will also provide a new enforcement tool to help make sure American farmers are getting the benefit of our hard fought trade bargains."

When introducing the bill, Grassley

said that U.S. agricultural exports have declined from \$60.4 billion in 1996 to \$53.1 billion in 2002, due in part to foreign trade barriers.

The House bill (H.R. 2579), sponsored by Reps. Dave Camp (R-Mich.) and Earl Pomeroy (D-N.D.), has been

referred to the House Ways and Means Committee and the companion Senate bill (S. 1324), sponsored by Grassley and Sen. Max Baucus (D-Mont.), Finance Committee ranking member, has been referred to the Senate Finance Committee.

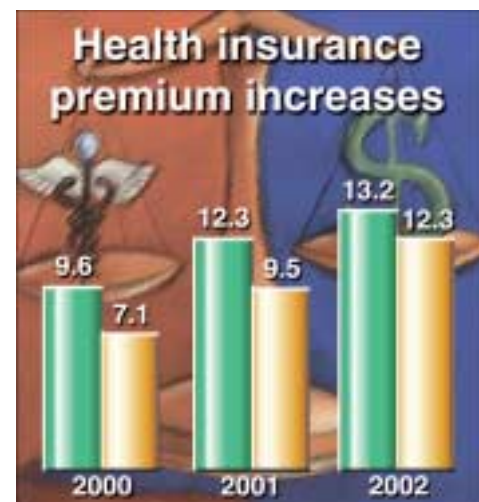


PHOTO BY SAM KNIPP, OKLAHOMA FARM BUREAU

Managing risk

Oklahoma farmer Steve Feddersen (center) and Oklahoma Farm Bureau Insurance agent K.P. Haley (right) talk about the importance of crop insurance to farmers. They appeared in a recent American Farm Bureau Federation Ag Feed story, which can be viewed at www.agfeed.net.

Corner Post



■ Insured employers
■ Self-funded employers

Source: Kaiser/HRET Survey of Employer Sponsored Health Benefits, 2002

FB reiterates appropriations priorities

The House this week is expected to vote on about \$77 billion in agriculture appropriations for fiscal 2004, much less than last year. With less money to go around, the American Farm Bureau Federation is defending its policy priorities.

The House agriculture appropriations bill spends about \$872 million less than last year's bill for agriculture programs that are discretionary, meaning Congress must approve the programs' funding each year.

While this year's bill cuts some programs, it left farm bill commodity programs unscathed.

AFBF last month commended the House Appropriations Committee for maintaining full funding of commodity programs, such as direct and countercyclical payments, which Congress passed just last year.

"Changes in farm bill programs would be devastating not only to farmers and ranchers but the rural economy as well," AFBF President Bob Stallman wrote Rep. C.W. Young (R-Fla.), the committee chairman. "Consequently, Farm Bureau strongly encourages you to avoid making changes to [the farm bill] in the FY04 appropriations process."

But, other farm bill programs did not fare as well. The bill prohibits the Agriculture Department from using fiscal 2004 funds to implement mandatory country-of-origin labeling for meat. There is a chance that a member of Congress could introduce an amendment on the House floor to strike the labeling prohibition. However, as of press time, no members had come forward with an announcement that they would do so.

Rep. Henry Bonilla (R-Texas), chairman of the House Agriculture Appropriations Subcommittee, said postponing implementation of the mandatory labeling provision would give USDA time to review concerns that have arisen about the program. Some livestock groups oppose the program, fearing that it will increase production costs and complexity. Farm Bureau supports country-of-origin labeling and believes the program could be implemented with minimal costs to livestock producers.

The bill also eliminates funding for the new Conservation Security Program (CSP) and cuts \$25 million from the Environmental Quality Incentives Program (EQIP). Farm Bureau hopes the funding will be restored when the Senate takes up its agriculture appro-

See Appropriations, page 7

VIEWPOINT

Taking stock of progress, priorities, patriotism

July stirs thoughts of red, white and blue, family reunions, picnics and fireworks. It is the month when we gather to celebrate our nation's birthday and the uniquely American gifts bestowed by our ancestors. We celebrate our singular nationality and our unalienable rights to life, liberty and the pursuit of happiness.

Sometimes we forget how blessed we are to be Americans. We have freedoms others only dream about. Thousands risk their lives each year for a chance to come to our country.

And, like now, Americans are sometimes called to defend freedom beyond our shores. This month, as we mark our nation's birth, we need to remember those brave Americans who remain overseas.

Laying the foundation

I believe that Farm Bureau is a great example of what is right about America. Our organization was founded on the principles of democracy, improving quality of life and unifying voices.

Farm and ranch families across the country decided to come together in order to strengthen their own farms by bolstering the entire industry of agriculture. They realized that working together, they could accomplish more than any individual acting alone.

Through a democratic, grassroots

THE ag agenda



By
Bob Stallman
PRESIDENT
American
Farm Bureau
Federation®

process, Farm Bureau establishes policies designed to keep producers profitable and improve their quality of life. That's how it started in 1919, and that's how it continues in Farm Bureau today.

In January, 409 farmer and rancher voting delegates representing all 50 states and Puerto Rico established Farm Bureau's official policies for 2003. With the year half over, it's a good time to review what's happened with some of our key policy positions. It's also good to recognize that we made notable progress with the help of many friends.

Mid-year review

Since ensuring international market access for products of agricultural biotechnology is crucial for future trade of

U.S. farm and ranch goods, we appreciate the Bush administration's commitment to pursue a case in the World Trade Organization against the European Union's five-year-old moratorium on new approvals of biotech crops.

A WTO decision, which most experts believe will favor the United States, is the only reasonable remedy available to U.S. growers—to either remove the moratorium or allow retaliatory tariffs on EU products. And we applaud the administration for fighting on behalf of our trading rights.

Farm Bureau also appreciates efforts in regard to forest management. Changes proposed by the Forest Service and Interior Department focused on expediting certain forest health projects, resulting in better forest management, fewer catastrophic wild-

fires and an improved environment.

Forest fires scorched approximately 7 million acres last year. Many rural homes and communities were put at risk. Forest management reform has reduced red tape that prevented the removal of the type of undergrowth that fueled last year's fires. These efforts complement Farm Bureau's goal of restoring multiple-use and sensible management to our forests and rangelands.

While we are giving out mid-year kudos, we can't forget everyone who worked so hard to achieve a win on this year's tax cut package. Again, bold leadership from the administration was key.

Congress approved a total of \$318 billion in tax cuts. That move will put more money into the pockets of farm families. Farmers and ranchers will be able to deduct more of their business expenses and they will realize a 5 percent cut in capital gains taxes.

I expect additional progress on Farm Bureau's priority issues throughout the last half of 2003. The table is set with big issues such as preserving farm program funding, trade, renewable fuels, regulations and labor reform.

Achieving additional progress will probably be more work than a July picnic, but together we will get the job done. Not only is that the American way, but it's also the Farm Bureau way.

Plant-based pharmaceuticals are worth a try

By Alan Foutz



Agricultural producers throughout Colorado and the nation farm under the premise of providing American consumers with the safest and cheapest value-added products possible.

The U.S. Agriculture Department, the Environmental Protection Agency and the Food and Drug Administration have tested and retested the best bio-products and have assured that this newest technology available to our industry is safe. USDA, FDA and Colorado State University, because of their safety assurances, have satisfied the Colorado Department of Agriculture (CDA) that this crop is safe and have allowed test plots of plant-grown pharmaceuticals, known as Plant Pharma, in northeastern Colorado. This decision will ensure Colorado's agricultural producers have the ability to continue providing these new-age products.

Colorado Farm Bureau believes Plant Pharma offers benefits in preventing and treating diseases. USDA should ensure the appropriate protocol for the approval of research and production of

pharmaceutical or industrial crops to protect the integrity of all agricultural products. Producers of bio-pharmaceutical crops, and the regulatory agencies governing them, should take extraordinary measures to ensure food safety and to protect the integrity of the U.S. food and grain marketing system.

Many opponents have used the contamination of soybeans with pharmaceutical corn in Nebraska as an example of possible concern. I would simply say that the system worked and the problem was addressed before the material entered any distribution system.

Another concern of many critics in recent media articles has been possible contamination of soil and water. The material that the corn is being grown for is usually a protein. All plants produce proteins. If there were to be residue left in a field, the protein would simply break down through the normal biological process and end up as carbon, nitrogen, sulfur and other nutrients required by other plants. Colorado Farm Bureau urges USDA, FDA and the CDA to use a scientifically sound, risk-based approach to regulate proteins from plant pharmaceutical and industrial crops.

With Colorado Farm Bureau taking this approach, I believe concerns regarding the safety of this new tech-

nology are misguided. These new test plots will be heavily regulated with a layered system of protection for not only the general public, but also for farmers in the immediate vicinity. The bio-pharmaceutical corn, at least in Colorado, will be planted at least 28 days later than is considered normal for corn. This is being done to help ensure that the possibility for cross-pollination with non-bio corns will not occur. Additionally, the tassels will be mechanically removed from each plant to ensure that the bio-pharmaceutical corn will produce no pollen.

Perhaps the greatest safety precaution will be the spatial separation between the test plots and adjacent farmland. The permit to grow these test plots

requires at least one mile of separation. Many scientific tests have shown that essentially no pollination occurs at distances beyond 600-900 feet.

Not every farmer will be able or willing to take part in this new market due to higher production costs. But, biotechnology, in the form of plant pharmaceuticals, will provide a new market for producers, a benefit to human health and a new industrial infrastructure that will provide an economic stimulus throughout my state. With the right precautions, the option to expand our livelihood, via agriculture, is both necessary and promising.

Alan Foutz is president of Colorado Farm Bureau.

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EU approves biotech labeling, subsidy reform

The European Union parliament voted July 2 to require all processed foods, animal feed and raw grains containing biotech ingredients to be traced through the production, processing and distribution processes and labeled as produced from genetically modified organisms (GMOs).

Under the EU rules, any product made from more than 0.9 percent biotech ingredients must bear a label proclaiming, "This product is produced from GMOs."

EU officials have characterized the rules' adoption as a prerequisite to lifting the EU's five-year-old de facto moratorium on approvals of biotechnology products for planting, sale or distribution within the 15 EU member countries. Now that the rules are to be implemented, they say the ban could be lifted by the end of this year. However, American Farm Bureau Federation President Bob Stallman said he is skeptical that it will lead to a lifting of the ban.

"Several times over the last five years, the EU has promised to begin biotech product approvals by dates certain, and it hasn't happened," Stallman said. "Based on that track record, we are not confident that this most recent action by the EU parliament will lead to any improvement in market access for agricultural products of biotechnology."

Stallman urged the Bush administration to continue with its plan to pursue a formal case in the World Trade Organization against the biotech ban.

"In our view, the EU has done nothing to indicate that it intends to treat biotech imports fairly," he said. "This most recent action doesn't change that. Therefore, we hope the administration will continue to proceed aggressively with the case against the biotech ban."

Stallman said AFBF would encourage the administration to challenge the labeling and traceability rules, as well, once they are implemented.

It is expected to take a month or two for the new EU rules to go into effect. Meanwhile, the 60-day consultations phase of the WTO case ends on July 13. For that case to continue, the administration must file a request for a dispute settlement panel when the WTO Dispute Settlement Body meets in late July.

Regardless of what the EU does at this point concerning biotechnology, a WTO decision on the matter is needed, said Ron Gaskill, AFBF director of regulatory relations.

"We need a dispute settlement panel to establish a precedent and remove any chance that other countries will think they can get away with the same sort of trade restriction that the EU has imposed," Gaskill said. "There needs to

be a ruling that says non-science-based bans on food and feed imports violate WTO agreements and will not fly."

Even if the EU were to make good on its promise to lift the ban now that labeling and traceability rules are to go into effect, it would not likely have any positive impact on U.S. exports of biotech products. Grains, oilseeds and other commodities are blended from thousands of co-ops and farms across the country before ending up in processed foods or on ships for export. The products would have to be traced through every phase of production and processing, even to the U.S. farm level. Stallman said that is "commercially impossible."

It is also expected that European retailers will not want to go to the trouble of having to label the foods, and will find it easier just to keep them off store shelves entirely. That could affect sales of everything from breakfast cereals and dog food made from biotech corn, to candy and other goods made with biotech soybean oil. With a threshold as low as 0.9 percent, it would be near impossible to avoid the labeling and tracking requirement.

In addition, Stallman said the 0.9 percent threshold "appears to be rather arbitrary and pointless, unless one's point is to continue to restrict imports and protect domestic producers." It is unclear how the EU came up with the threshold, Stallman said, since there is no scientific analysis that says that any health risk associated with consuming biotech foods is reduced if biotech content is 0.9 percent or lower, or that the safety of the foods is compromised by biotech content above that level.

An Office of the U.S. Trade Representative official has been reported as saying that the labeling and traceability rules represent a new non-tariff trade barrier, just as WTO member countries are trying to negotiate trade liberalizing reforms to the current system of

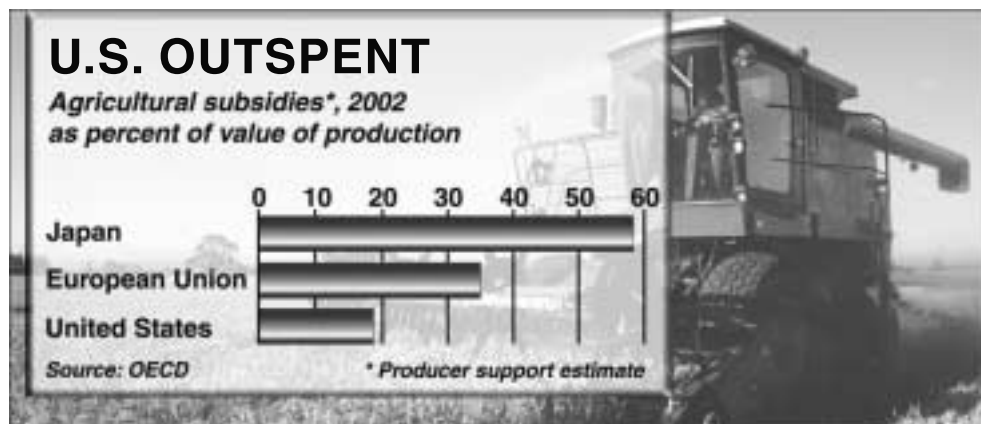
WTO trade rules. The WTO Doha Development Agenda negotiations were launched in November 2001 with the goals of substantially improving market access, as well as reducing export subsidies and domestic support for agriculture.

The EU countries reached an agreement on June 26 to reform the EU's subsidy-laden Common Agricultural Policy (CAP). The EU currently spends half of its entire budget on farm supports. The reformed CAP will provide EU farmers a single, decoupled support payment based on a reference period of 2000 to 2002. However, countries can elect to maintain production-linked support payments on up to 25 percent of farm acreage, as well as greater amounts of linked payments on durum wheat, cattle, sheep and goats. In addition, member countries could make additional payments of up to 10 percent of the single farm payment to encourage farming methods that "are important for the environment, quality production and marketing," according to a news release from the EU.

U.S. Trade Representative Robert Zoellick and Agriculture Secretary Ann Veneman said they hoped the EU's reforms would "provide a useful impetus to the WTO negotiations," which have, thus far, failed to produce any specific agreed commitments on tariff and subsidy reductions.

EU officials characterized the agreement as a major, fundamental change in the way the EU supports agriculture. They said the agreement now places the burden on the United States to follow suit by reducing its domestic farm subsidy levels.

However, Zoellick and Veneman called on the EU to "promptly translate" the decision into more aggressive proposals for the WTO negotiations.



House passes health savings bill

The House late last month passed a Farm Bureau-supported measure to help people save money for out-of-pocket medical expenses and insurance costs by providing tax incentives to save.

The Health Savings Account Availability Act of 2003 (H.R. 2596), passed 237-191, creates Health Savings Accounts (HSAs) and Health Savings Security Accounts (HSSAs). The savings accounts would allow families to accumulate tax-free savings to pay for qualified medical expenses such as prescription drugs, long-term care services and insurance, and the costs of medical services.

"Finding affordable and adequate medical insurance is a constant challenge for farmers and ranchers, most

of whom are self-employed," said American Farm Bureau Federation President Bob Stallman in a letter to members of the House.

Contributions to HSAs and HSSAs by an individual are tax-deductible and are exempt from income and employment taxes if made by an employer.

An individual who is covered by a health plan with an annual deductible of \$1,000 to \$2,500 for self-coverage and \$2,000 to \$5,050 for family coverage could establish an HSA. To establish an HSSA, an individual must be uninsured or covered by a health plan with an annual deductible of at least \$500 for self-coverage and \$1,000 for family coverage.

Stallman said that Medical Savings

Accounts (MSAs) had in the past helped people who chose plans with high deductibles, but restrictions limited their usefulness. "New HSAs that expand eligibility and increase the amount of money that can be saved for health care will help farmers and ranchers obtain the medical care they need and deserve," Stallman said.

MSAs, which can only be opened by small employers and self-employed individuals, expire at the end of 2003. HSAs and HSSAs would become effective in 2004.

The measure has been rolled into the Medicare prescription drug bill, which will be conferenced with the Senate Medicare bill. The Senate bill does not contain language creating HSAs.

Editor's note

A story in the June 23 issue of *Farm Bureau News* about the proposed tobacco quota buyout mentioned that the buyout would likely be funded at \$18 billion over five years through the Commodity Credit Corp. (CCC). However, the article did not mention that the CCC funds would be reimbursed through annual user fees on tobacco product manufacturers and importers who sell tobacco products in the United States. An earlier version of the story did include that information, but it was edited out for lack of space. It appears that information was important, as several readers called the omission to our attention. We apologize for any confusion the omission may have caused.



Farm Bureau study downplays labeling costs

An American Farm Bureau Federation study has concluded that implementing mandatory country-of-origin labeling of meat products probably will not be as costly as several other studies have indicated, and that there is one particular way of implementing it economically.

The results of the study were presented at the AFBF board of directors meeting June 2-3. At their annual meeting last January, AFBF voting delegates requested the study on the impact of the labeling requirement on livestock producers. At the same time, the delegates reaffirmed AFBF's support for country-of-origin labeling.

Other studies hyped costs

The AFBF study concluded that the costs of implementing mandatory labeling are not as high as have been stated in several other studies. The studies are not wrong, the Farm Bureau study said, but they are based on inaccurate assumptions, such as assuming that the meat industry would continue operating the same way it does today, or that animals would have to be identified all along the production chain.

"If the Agriculture Department implements labeling based on those assumptions, the costs will be very high," said Caroline Rydell, AFBF livestock specialist. "But we know that the industry is changing and will continue to change. And we know that the country-of-origin labeling law prohibits the requirement of an ID system. So we think those assumptions are wrong, and if USDA implements the program correctly, the costs should be minimal."

The National Pork Producers Council (NPPC) in February released a study

that places costs for a trace-back system for hogs at \$10.22 per animal, or \$4 per hundred pounds. NPPC claimed that mandatory labeling would result in "negative impacts all across the board for U.S. pork producers, with no real benefits."

In addition, a report in April by the Sparks Cos., an agricultural market research and consulting group based in Memphis, and *Cattle Buyers Weekly*, a beef industry newsletter, estimated that the cost to the cattle and beef industry would be \$1.5 billion to \$1.7 billion per year, and the cost to the pork industry could total \$500 million to \$800 million annually.

Safer assumptions

However, Rydell pointed out that there would be little additional cost if a packer chose to slaughter U.S.-born and -raised animals exclusively, or Mexican or Canadian animals only, or even if they scheduled runs of U.S., Mexican or Canadian animals for certain days of the week.

"The meat industry is likely to figure out the cheapest way possible to comply and change its practices accordingly," Rydell said. "The reports done so far have not taken that into account, and we believe that has inflated the cost estimates cited in some of these other studies."

In addition, the Farm Bureau study pointed out that the labeling requirement is likely to accelerate the current trend toward more packaging of case-ready meat products by processors so retailers do not have to deal with product segregation and labeling issues. That would lower the costs of implementing labeling at the retail level, and

it's something that is happening anyway, the study concluded. About 25 percent of pork, beef and lamb are now shipped from processors as products that can be put directly into a display case rather than having to be further processed or packaged in the store.

Program is under attack

USDA has yet to propose rules for the mandatory program. Until it does propose something, Rydell said, it's very difficult to say what the costs will be. Meanwhile, a handful of meatpackers and meat groups that oppose country-of-origin labeling have used the worst-case scenario findings to urge Congress to rethink the program. Their efforts have gained ground. The House Appropriations Committee last month approved a fiscal 2004 appropriations bill that prohibits USDA from implementing mandatory labeling for meat and meat products.

The program, created as part of the 2002 farm bill, has been voluntary since September of last year, but beginning Sept. 30, 2004, most beef, pork, veal, lamb, fish, fruits and vegetables, and peanuts must be labeled as to their countries of origin, and only those products that originated in the United States will be allowed to bear the "U.S. origin" label.

A better way

The Farm Bureau study detailed one particular way that country-of-origin labeling could be implemented "economically." The approach would allow producers to verify that their normal production systems use only domestic or imported animals rather than identifying the origins of individual animals. That would make it easy for producers

who don't buy or use imported livestock to self-verify that their animals are of U.S. origin. "This could be done with a combination of tax records, feed records, birth records, sales records, etc.," according to the study.

When producers sell animals, they would have to sign a statement legally obligating them under penalty of law that the animals being sold meet the definition of product of the United States. A paper trail would not need to follow any of the animals. Rather, the producer, sale barn or buyer would simply maintain records that show that he or she only deals with domestic livestock or segregates domestic and foreign-born animals.

Likewise, producers who only use imported animals could self-verify the countries their animals are from.

Rydell pointed out that self-verification should work because producers who make false claims as to their animals' origins would face criminal prosecution under existing laws that make it illegal to lie to the U.S. government under one's signature. "This is similar to present tax laws that make it illegal for a person to submit signed forms with statements that are not true," she said. "The burden is on the government to prove it to be false, not on the producer to prove it true."

Farm Bureau has asked USDA to consider this approach, which it calls "producer declaration of origin, subject to verification," as a way to implement mandatory labeling without imposing unnecessary costs or headaches on the industry.

"We hope USDA will take a serious look at it and get some kind of proposal on the table soon," Rydell said.

AMERICAN FARM BUREAU FEDERATION TASK FORCE



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Livestock industry task force releases recommendations

Charged with reviewing and making recommendations on policy issues regarding the changing structure of the nation's livestock industry, the American Farm Bureau Federation Task Force on the U.S. Livestock Industry recently released its findings and policy recommendations.

Voting delegates at the 2003 AFBF annual meeting in January recommended that Farm Bureau establish a task force to examine the impact to agriculture of a ban on packer ownership of livestock. The AFBF board of directors approved the recommendation, and AFBF President Bob Stallman appointed members to the task force.

The recommendation from the voting delegates suggested the task force study four issues: a ban on packer ownership of livestock; encouragement of packers to participate in the marketplace to ensure open and competitive cash markets; the effectiveness of mandatory price reporting; and the effectiveness and areas of improvement of the Packers and Stockyards Act.

The task force met three times between March 14 and April 25, where its members heard presentations from several outside sources, including two officials from the Agriculture Department, six representatives from farm groups, three professors from land grant universities and three managers from companies in the meat supply chain. The task force also considered written comments from six state Farm Bureau presidents.

The task force wrote that "if livestock producers were confident that value-based marketing systems were in place and that there was no market manipulation by packers, there would be much less concern about the current price

discovery process and marketing systems." In response to those concerns, the group provided Stallman with 15 policy recommendations, which the AFBF board approved.

The findings of the task force focus on regulatory and legislative changes to ensure fair treatment of livestock producers by other participants in the meat supply chain, as well as Farm Bureau efforts to provide additional information to members about the changing structure of livestock markets. Some of the recommendations are listed below.

Packer ownership of livestock

Packer ownership of livestock, defined as owning livestock any time before 14 days prior to slaughter, is a concern for livestock producers because of its effects on market price discovery, market performance and the independence of producers. The group also found that packer ownership is the easiest form of captive supply to use to influence market prices in the short term, and therefore, a packer should not be allowed to cause a monopsony (one buyer, but many sellers) to be established in an area of the country.

Role of federal government agencies

Legislation is needed to redefine the role of the Packers and Stockyards Act under GIPSA to better protect producers. The law must define and clarify a direct working relationship between GIPSA, the Justice Department (DOJ) and the Federal Trade Commission (FTC), and antitrust laws need to be changed to protect the interest of producers with respect to the formation and business practices of national agricultural oligopsonies (a few buyers

with disproportionate market influence) and monopsonies.

Anti-competitive/monopoly practices

The Packers and Stockyards Act under GIPSA needs to be further reformed and authorities defined to prevent the effects of monopsony. GIPSA, DOJ and FTC must be actively engaged in investigating and aggressive in taking actions on anti-competitive activities in the marketplace. GIPSA, through USDA, must have authority, achieved through legislation, to seek prosecution and restitution for cases involving agricultural production, processing and marketing.

Producer/processor contracts

GIPSA, through legislation, should have the authority to perform oversight on producer contracts to ensure that contracts are clearly written, confidentiality concerns are addressed, investments are protected and contractors honor the terms of contracts.

GIPSA studies of the supply chain

Farm Bureau should be actively involved in GIPSA's thorough review of competition and concentration in the food chain in the studies it has funds to complete. (Congress has appropriated \$4.5 million for GIPSA to study a ban on packer ownership and the economic impact on U.S. agriculture and on individual states.) GIPSA should also study the role of retailers in changing markets for livestock products.

Captive supply impact on market prices

The GIPSA studies should include investigations of how packers use captive supplies to influence spot market prices and marketing contract prices. GIPSA should also investigate alterna-

tive pricing mechanisms that are not easily manipulated so that producers will have a more transparent and effective way to price livestock.

Mandatory price reporting

The task force supports mandatory price reporting for livestock and meat products from processors through retailers so that producers have additional information to establish value for their products and increase options for establishing value.

Marketing options for producers

Marketing options should exist so that producers have a choice—they should have access to a viable non-contract live market in addition to contracting options.

Meat and poultry inspection under state government programs

Meat inspected under state programs should be allowed to move in interstate commerce to increase producer options for marketing and provide increased competition for larger packers.

Producer information and education

AFBF should take an active leadership role in educational efforts to help producers better understand marketing contracts, price discovery, drivers of change in the food chain and their options to manage risks in the changing marketplace.

Policy development

Farm Bureau policy on antitrust laws for agriculture should be changed to include the point that DOJ should be given broader regulatory authority to include regulation of anticompetitive monopsonistic business behavior to protect agricultural producers, as well as consumers.

FORCE ON THE U.S. LIVESTOCK INDUSTRY



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Al Pedigo
Fountain Run, Ky.



Pat Albright
Coldwater, Mich.



Pachy Burns
Big Timber, Mont.



Peter F. Case
El Dorado, Texas

FOR THE RECORD

Roll Call

vote

vote

vote

vote

vote

vote

vote

House votes on death tax, health insurance coverage

Vote 1

The House rejected on June 18, 2003, 188-239, a substitute amendment offered by Rep. Earl Pomeroy (D-N.D.) to the Death Tax Repeal Permanency Act (H.R. 8).

Vote 2

The House approved on June 18, 264-163, the Death Tax Repeal Permanency Act of 2003 (H.R. 8). The bill, offered by Reps. Jennifer Dunn (R-Wash.) and Bud Cramer (D-Ala.) would repeal estate taxes permanently.

Vote 3

The House approved on June 19, 262-162, the Small Business Health Fairness Act of 2003 (H.R. 660) to allow association health plans (AHPs). The bill, offered by Rep. Ernie Fletcher (R-Ky.), would allow farmers and small businesses, which face rising health premium costs, to join together across state lines through associations like Farm Bureau in order to obtain health insurance coverage at lower group rates.

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

Table with columns: Name, Party, Vote 1, 2, 3. Lists representatives from various states including Massachusetts, 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.

Table with columns: Name, Party, Vote 1, 2, 3. Lists representatives from 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.

State Farm Bureau public relations work honored

The following is a list of award winners from the recent Farm Bureau Public Relations Conference in Bismarck, N.D. This year there were 238 total entries, with 30 states participating. There are two competitions: one for states with more than 60,000 members and one for states with less than 60,000 members. In some categories there was one award winner due to the number of entries.

The annual competition is judged by farm writers, editors and broadcasters, and public relations professionals from agencies and corporations.

PUBLICATIONS

Best tabloid (over 60,000): Steve Adler, Rhonda Asher and Bob Krauter, California. Honorable mention: Illinois.

Best tabloid (under 60,000): Stacey Day, New York. Honorable mention: Wisconsin.

Best magazine: Kurt Ely, Lynn Snyder, Gayle Lewis, Galen Ludwick, Susie Taylor, Rebecca Everman, Annie Cunningham and Joe Cornely, Ohio. Honorable mention: California, Illinois and Indiana.

Best leader newsletter (over 60,000): Rhonda McCurry, Kansas. Honorable mention: Oklahoma.

Best leader newsletter (under 60,000): Jeff Billington and Neil Schneider, Arizona.

Best brochure, pamphlet or handbook (over 60,000): Holly Remsburg, Iowa. Honorable mention: Kansas.

Best brochure, pamphlet or handbook (under 60,000): Alan Knight, New York.

WRITING AND PHOTOGRAPHY

Best news story (over 60,000): Annie Cunningham, Ohio. Honorable men-

PHOTO BY ELIZABETH NEIGHBORS



Farm Bureau public relations staff enjoyed a boat ride on the Missouri River during the American Farm Bureau Federation public relations conference in Bismarck, N.D., June 22-25.

tion: Missouri, Iowa, California, North Carolina, Texas and Florida.

Best news story (under 60,000): Chris LaRoe, New York. Honorable mention: Washington.

Best feature story (over 60,000): Pat Petzel, Ohio. Honorable mention: Texas, California, Virginia, Arkansas and Missouri.

Best feature story (under 60,000): Erik Ness and Chris Coon, New Mexico. Honorable mention: Washington, Arizona and Maine.

Best feature series: Kathleen Dutro, Indiana. Honorable mention: Michigan and Texas.

Best editorial or commentary (over 60,000): Mike Barnett, Texas. Honorable mention: North Carolina, Iowa, Missouri, Arkansas, Ohio and Florida.

Best editorial or commentary (under 60,000): Erik Ness, New Mexico. Honorable mention: New York.

Best series of editorials or commentaries (over 60,000): Mike Barnett, Texas. Honorable mention: Illinois, Ohio, Tennessee and Missouri.

Best series of editorials or commentaries (under 60,000): Cheryl Stubbendieck, Nebraska. Honorable mention: New York.

Best single photo: Joseph Murphy, Iowa. Honorable mention: Florida, California and Indiana.

Best photo essay (over 60,000): Eric Miller, Virginia. Honorable mention: California and Iowa.

Best photo essay (under 60,000): Wilson Smeltz, Pennsylvania. Honorable mention: Arizona.

TELEVISION/VIDEO

Best news story: Chip Van Zandt and

Dave Smith, North Carolina. Honorable mention: California.

Best feature story: Sherri McKinney, Virginia. Honorable mention: Oklahoma.

Best regular program or service: Jeremy Coyle, Iowa. Honorable mention: California.

Best video newsletter: Ken Moore and Robert Potter, Arkansas.

Best promotional or educational video: Jeremy Coyle, Iowa. Honorable mention: Mississippi.

RADIO

Best news story (over 60,000): Dal Grooms, Iowa. Honorable mention: Kentucky and Oklahoma.

Best news story (under 60,000): Bill

Scott, Idaho. Honorable mention: New Mexico.

Best feature story: Mike Feldhaus, Kentucky. Honorable mention: Oklahoma and Idaho.

Best regular program or service: Lee Maddox, Tennessee. Honorable mention: Kentucky and Kansas.

Best editorial or commentary: Denny Bannister, Missouri. Honorable mention: Illinois.

Best public service announcement or PSA series: Steve Simms, Vince Sampson, Mark Williams and Jim Polus, Illinois. Honorable mention: Kansas.

PUBLIC RELATIONS

Best media campaign: Jayanna Yeakle and Marel Raub, Pennsylvania. Honorable mention: Ohio.

Best media relations program: Chris Baxter, Greg Hicks, Norm Hyde, Sherri McKinney, Eric Miller, Olivia Orr, Cathy Vanderhoff, Pam Wiley, Gina Wojtysiak and Barbara Zeidman, Virginia. Honorable mention: Michigan.

Best training tool: Gayle Peterson, Tony Wilson, Dave Patton and Mary Ellen Sharkey, Illinois.

Best campaign or spot: Aaron Putze, Iowa. Honorable mention: New York.

INTERNET

Best Web site (over 60,000): Glenn Hoepfner, Dennis Rudat, Jill Haake and Paul Jackson, Michigan. Honorable mention: Iowa.

Best Web site (under 60,000): Tom Thieding and John Marquart, Wisconsin. Honorable mention: Pennsylvania.

FB NEWSMAKERS

Jeff Harper has been named **commodity director** and **assistant director of public affairs** for the **Kentucky** Farm Bureau Federation. He will manage the organization's commodity programs and supervise market information programs, research efforts, farm marketing programs and special events. Previously, Harper was coordinator of the National Tobacco Growers Settlement Trust and directed a grant program to assist participants in the Kentucky Aquaculture Production System program. He is a native of Mercer County and attended the University of Kentucky.

FB reiterates appropriations priorities

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appropriations bill, according to Rosemarie Watkins, AFBF senior director for congressional relations.

The 2002 farm bill, which established the CSP and increased EQIP funding, was hailed as the greenest farm bill ever. Now, just over a year after the farm bill was signed into law, the House is backing away from what had been a major bragging point.

Pat Wolff, AFBF budget and appropriations specialist, said that because CSP is a new program, Congress might think it's easier to cancel than an existing program that already provides payments or benefits to constituents. "Congress is facing a great deal of pressure to limit spending," Wolff said, "and a new program can look like an easy target."

But Farm Bureau is letting members

of Congress know that all of the agricultural conservation programs are vital in helping farmers and ranchers comply with environmental regulations and advance the nation's conservation goals.

The Agriculture in the Classroom program survived the budget ax. The bill provides the same amount of funding for the program as last year's. In addition, the bill provides funds for a renewable energy program and does not establish any new user fees to help pay for government programs and make the budget look better.

Congressional leaders are working to complete all 13 appropriations bills early enough to avoid a budget train wreck this year. Last year, Congress had to pass several continuing resolutions to keep the government funded while it struggled to agree on funding levels. The new fiscal year begins Oct. 1.

GRASSROOTS

Conference teaches farmers how to be watershed heroes

By Matt Janquart

With tight margins and uncertain conditions, it's difficult for producers to justify the added risk of experimenting with the industry's cutting-edge conservation and production tools. That's where the American Farm Bureau Federation's Watershed Heroes Conference can help.



The conference unites people from different professions and backgrounds and exposes them to the latest scientific information and tools for solving agricultural and environmental problems. More than 200 producers, agency officials, agricultural industry experts, high school students and others gathered June 18-20 in St. Peter, Minn., for the

eight annual Watershed Heroes Conference.

Nicollet County, Minn., farmer Garfield Eckberg recalls, as a child, exploring the marsh where he now plants soybeans. As little as 150 years ago, much of south central Minnesota was a soggy landscape unsuitable to large-scale agriculture. But, the building of channels has since allowed water to leave the flat land and, more importantly, allowed the rich soils of the area to foster a productive and profitable agricultural industry.

With the increase of settlements and development in the area, water quality issues have arisen. As an active member of his community, Eckberg found himself serving on several citizen advisory and watershed monitoring groups.

It was through these efforts that he first came to hear about AFBF's Watershed Heroes Conference. Eckberg has participated in the conference since its earliest days and, this year, hosted the conference's field demonstrations.

"The conference represents a great opportunity for our members to get involved in understanding and educating others on the solutions to water quality issues," Eckberg said.

Beginning in February, conference participants can choose from a set of options for managing a plot of corn and a plot of soybeans. Participants decide tilling methods, seeding rates, fertilizer and pesticide application, and other issues. Throughout the growing and harvest seasons, the plots are analyzed for nutrient levels and yield differentials, and the results are posted on AFBF's Watershed Heroes Web site (<http://www.fb.org/programs/waterheroes/2003/>).

In volunteering to host this year's field demonstration portion of the conference, Eckberg and his son, Paul, had to make a few adjustments in their farming routine to accommodate the conference's goal of researching new techniques and products. The flexibility and extra work required of being the host farm for the field demonstrations was OK with Eckberg because, as he stated, "I've always been interested in this type of work, of doing research on ways we can improve our farming practices. It has been an educational experience, to personally implement conservation tillage practices and new



PHOTO BY MATT JANQUART

Minnesota farmer Garfield Eckberg shows the difference between two varieties of corn being planted in the test plots on his land. The pink seed is coated with a root growth enhancer. Eckberg hosted this year's field demonstrations as part of the AFBF Watershed Heroes Conference.

products and to see firsthand the effects of these techniques."

In addition to helping other farmers learn about new techniques and technology, the Eckbergs helped demonstrate to the conference's non-farmer participants that farmers are proactive in protecting water quality.

"Agriculture has been unnecessarily targeted as the source of many of the water quality issues," Eckberg said. "This is why it is important for farmers to educate the public on the proactive efforts they employ to be stewards of their land."

Matt Janquart is a communications assistant with the Minnesota Farm Bureau Federation.

Hog manure: fuel of the future?

If a group of researchers at West Virginia University in Morgantown, W.Va., have their way, livestock manure will become a viable diesel fuel for farms and ranches in the near future.

For more than five years, professors Rich Russell, Division of Animal Sciences; Al Stiller, Department of Chemical Engineering; and Eric Johnson, Department of Mechanical Engineering, have partnered to conduct research focusing on conversion of biomass to fuel. Within the next year, they hope to have a unit that can continuously produce about a ton of fuel per day.

"We're designing [the process] to be done on the farm by farmers," Russell said. "We should end up with virtually no waste stream."

The process of converting the manure into diesel starts by combining dry hog manure with water, loading the mixture into a reactor, applying pressure and heating it to 360 degrees Fahrenheit. The mixture cools overnight and separates into a tar and a liquid.

No further use for the liquid has been developed. But, the "hog tar" is blended at a rate of 20 percent to 70 percent diesel fuel and 5 percent lecithin (from soybeans). The blend is homogenized, and it can then be used as fuel in diesel engines.

The current focus of the research, according to Russell, is to use the diesel fuel to generate electricity for farm use. Any manure source (hog, poultry, cattle, etc.) can be used in the process.

Russell was one of several featured presenters at Farm Bureau's Watershed Heroes Conference who shared innovative and thought-provoking ideas. At the invitation of three state Farm Bureaus, Russell took the idea on "tour" after the conference, making stops at their offices in Des Moines, Iowa, Bloomington, Ill., and Columbus, Ohio, to demonstrate the engine generator running on biodiesel from hog manure.



Biodiesel made from hog manure is poured into a diesel generator to demonstrate the fuel's ability to run the machine and provide electricity on the farm.



The ability to turn manure from a bane on the farm to a boon in the form of fuel was demonstrated at the annual American Farm Bureau Federation Watershed Heroes Conference in St. Peter, Minn., June 18-20.

NEWSPAPER HANDLING

FARM BUREAU NEWS