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Farm Bill Proposals and Legislative Action in the 110th Congress

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Summary

The farm bill, renewed about every five years, governs federal farm and food policy. The Farm Security and Rural Investment Act of 2002 (P.L. 107-171) is the most recent omnibus farm bill, covering a wide range of programs including commodity price and income support, farm credit, agricultural conservation, research, rural development, and foreign and domestic food programs, among others. The current farm bill expires in 2007.

This report tracks the development of the 2007 farm bill and identifies major issues of the debate. It also describes the major changes and provisions that are in the House-passed 2007 farm bill (H.R. 2419). These include proposed changes to commodity support and risk management policies and programs (such as direct payments, payment limits, revenue and counter-cyclical payments, crop insurance and disaster assistance, planting flexibility, and specialty crops), as well as provisions affecting conservation, bioenergy, rural development, forestry, agricultural research, competition, trade and food aid, agriculture credit, and domestic food programs and nutrition.

The 2007 farm bill debate has differed from the 2002 debate in some important ways. First, this farm bill faces potentially significant budgetary and spending constraints. Second, current debate continues to be influenced by constraints due to U.S. trade commitments and obligations under existing multilateral agreements. Third, the Administration has submitted its own detailed proposal for the 2007 farm bill, which Secretary of Agriculture Mike Johanns claims would achieve the goals of being "equitable, predictable and beyond challenge." In recent farm bills, the Administration has not issued specific recommendations. Finally, many other groups, including both traditional and non-agricultural interests, also have submitted specific recommendations that range from maintaining the *status quo* to making dramatic policy changes.

Early on, the chairmen of both the House and Senate Agriculture Committees indicated their intention to complete work on a new farm bill prior to the August 2007 recess, with full congressional action by September. The House Agriculture Committee conducted its markup of its version of the farm bill (H.R. 2419) from May through July, and completed House floor action on July 27, 2007. In the Senate, however, a crowded floor calendar and uncertainties about budget limit options have delayed initial activity. The Chairman of the Senate Agriculture Committee has indicated that he intends to complete full committee markup of its farm bill in September. The 110th Congress is expected to adopt a new farm bill before the end of 2007 or in early 2008.

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This report tracks the development of the 2007 farm bill and identifies major issues of the debate. It also describes the major changes and provisions that are in the House-passed 2007 farm bill (H.R. 2419). These include changes to commodity support and risk management policies and programs (such as direct payments, payment limits, revenue and counter-cyclical payments, crop insurance and disaster assistance, planting flexibility, and specialty crops), as well as provisions affecting conservation, bioenergy, rural development, forestry, agricultural research, competition, trade and food aid, agriculture credit, and domestic food programs and nutrition.

This report does not provide detailed information on the specific programs in the 2002 farm bill. CRS Report RL33037, *Previewing a 2007 Farm Bill*, offers a comprehensive overview of each of the programs and issues under current farm legislation. CRS Report RL34113, *The House-Passed 2007 Farm Bill (H.R. 2419) at a Glance*, also provides a side-by-side comparison of how some of the major provisions in the House bill provisions could change current law.

Current Policy Setting

The 2007 farm bill debate differs from the 2002 debate in some important ways. First, this farm bill faces potentially significant budgetary and spending constraints, while the 2002 farm bill was enacted during a period of surpluses. Second, current debate continues to be influenced by constraints due to U.S. trade commitments and obligations under existing multilateral agreements, and evolving negotiations for new ones. Third, the Administration has submitted its own detailed proposal for the 2007 farm bill, which Secretary of Agriculture Mike Johanns claims will achieve the goals of being "equitable, predictable and beyond challenge." In recent farm bills, the Administration has not issued specific recommendations. Finally, many other groups, including both traditional and non-agricultural interests, also have submitted specific recommendations that range from maintaining the status quo to making dramatic policy changes.

Budgetary Considerations

As with all federal programs, the farm bill faces budgetary constraints imposed by Congress. Recent federal deficits have raised concerns with respect to reauthorization or expansion of current farm programs. Current budget projections also show a lower baseline budget for agriculture programs for the 2007 farm bill, mainly because high commodity prices have caused projections of future farm program spending to fall sharply if current law were continued in the future.

The Congressional Budget Office's (CBO's) March 2007 baseline budget serves as the official benchmark for the FY2008 budget resolution and for scoring the mandatory spending impacts of the 2007 farm bill.[1] On May 17, 2007, Congress approved the FY2008 budget resolution, which adopted the baseline budget as the fiscal parameter for the next farm bill. It also includes a $20 billion reserve fund (above baseline) for new farm bill spending over five years.[2] However, any new spending must be deficit-neutral, meaning that it would have to be offset with equivalent reductions in other federal spending or by increasing taxes.

Large increases in the market prices of corn and other commodities since the summer of 2006 have contributed to a lower March 2007 baseline for farm program spending. The March 2007 baseline spending for commodity support payments under current law is projected to be $42.4 billion for the FY2008-FY2013 period, which is about $30 billion lower than actual spending in the previous six years (**Table 1**). Baseline estimates for mandatory conservation programs and the food stamp program for the next six years are higher compared to the previous six years. Spending for mandatory conservation programs under current law is estimated at $26.5 billion and food and nutrition assistance is estimated at $225.8 billion, both for FY2008-FY2013. For more information, see CRS Report RS22694, *Farm Bill Budget and Costs, 2002 vs. 2007*.

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[1] The CBO baseline assumes continuation of current farm bill policies under expected economic conditions. It is the budget resolution that sets the actual spending constraints for the House and Senate Agriculture Committees as they draft a new farm bill.

[2] Concurrent Resolution on the Budget for Fiscal Year 2008, "Deficit-Neutral Reserve Fund for the Farm Bill" (H.Rept. 110-153, conference report, Section 307).

Table 1. 2002 Farm Bill Actual Spending (FY2002-FY2007 est.) and the March 2007 CBO Baseline (FY2008-FY2013)

Budget Category	Commodity Support	Conservation	Exports	Food Stamps	Total
	(Outlays in Million $)				
Baseline					
(FY08-FY13 Total)	**42,446**	**26,496**	**2,005**	**225,845**	**296,792**
(Yearly Average)	**7,074**	**4,491**	**334**	**37,641**	**49,465**
Actual					
(FY02-FY07 Total)	**72,934**	**18,323**	**1,648**	**178,158**	**271,063**
(Yearly Average)	**12,156**	**3,054**	**275**	**29,693**	**45,177**
Baseline vs. Actual					
(6-Year Total)	**-30,488**	**+8,173**	**357**	**+47,687**	**+25,729**
(Yearly Average)	**-5,075**	**+1,362**	**+60**	**+7,948**	**+4,288**

Source: Compiled by CRS from various Congressional Budget Office (CBO) baselines.

Trade Negotiations and Commitments

The current debate continues to be influenced by obligations concerning the design and size of farm subsidies under the World Trade Organization (WTO) Agreement on Agriculture, as well as by the U.S. position in the Doha Round of multilateral negotiations.

Agreement in the Doha Round was expected to converge in 2007 with the expiration of the 2002 farm bill, and to occur well before the June 30, 2007, expiration of Trade Promotion Authority (TPA), which provides for expedited congressional consideration of trade agreements. Some policymakers wanted a Doha Round agreement so that the next farm bill could be made consistent with new farm trade rules; others argued that the United States should not unilaterally change its own subsidy programs ahead of any multilateral trade agreement. However, progress in the Doha Round stalled in 2006. Now, many in Congress are seeking to write a new farm bill without regard to any future Doha Round agreement.

Nevertheless, criticisms and legal challenges by some WTO member countries of current U.S. farm programs, and the backdrop of the ongoing negotiations, could influence the choices U.S. lawmakers make in designing new farm policies.[3] EU officials have publicly stated that changes to U.S. domestic support programs suggested by the Bush Administration's farm bill proposal do not go far enough in meeting Doha Round objectives for farm trade policy reform.[4]

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[3] See CRS Report RL33144, *WTO Doha Round: The Agricultural Negotiations*; CRS Report RS22522, *Potential Challenges to U.S. Farm Subsidies in the WTO: A Brief Overview*; and CRS Report RL33853, *U.S.-Canada WTO Corn Trade Dispute.*

[4] See, for example, "EU's Disappointment with US Farm Bill," *Washington Trade Daily*, February 12, 2007.

The Administration's Policy Recommendations

On January 31, 2007, the Administration released its recommendations for the 2007 farm bill, covering each title of the current bill.[5] The Administration's proposal for the 2007 farm bill is unusually detailed compared with past Administrations' proposals. These recommendations, if enacted, would alter some aspects of the current commodity support system, as well as change other farm bill programs, including conservation, rural development, trade, domestic food assistance, agricultural credit, energy, and research. The Administration's stated approach for the 2007 farm bill is to take a "reform-minded and fiscally responsible approach to making farm policy more equitable, predictable and protected from challenge."[6] In part, this refers to the perceived need to more evenly distribute federal program spending and benefits across a larger share of the U.S. farm community, as well as the perceived need to modify current farm programs to better comply with WTO obligations and limit future legal challenges from other countries. Some of these same concerns have been voiced in recommendations and proposals by other organizations and interest groups. For more information on the USDA proposal, see CRS Report RL33916, *Questions on the USDA 2007 Farm Bill Proposal*.

The Administration's farm bill review began in 2005 with 52 farm bill forums in nearly all states.[7] USDA accepted comments through its website and by mail, and claims to have received more than 4,000 comments throughout this process. Information and recommendations gathered have been summarized in 41 farm forum and comment summary documents across a range of topics.[8] From these summary documents, USDA released five farm bill analysis papers between May and September 2006. These five analysis papers address risk management, energy, rural development, conservation and environment, and marketing strategies.[9] The report and related USDA materials are available at the department's website.[10] USDA also has released proposed legislative text for some titles of its farm bill proposal.[11]

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[5] USDA, *USDA's 2007 Farm Bill Proposals*, January 31, 2007, at [http://www.usda.gov/documents/07finalfbp.pdf].

[6] USDA, "Johanns Unveils 2007 Farm Bill Proposals," Release No. 0020.07, January 31, 2007, at [http://www.usda.gov/wps/portal/usdahome].

[7] USDA conducted forums in 48 states in 2005. Forums were not conducted in Louisiana and Mississippi due to Hurricane Katrina.

[8] USDA's *Farm Bill Forum Comment Summary and Background* documents are at [http://www.usda.gov/wps/portal/usdafarmbill?contentidonly=true&contentid=2006/03/0106.xml].

[9] USDA, *USDA Analysis Papers*, at [http://www.usda.gov/wps/portal?navid=FARM_BILL_ANALYSIS&parentnav=FARM_BILL_FORUMS&navtype=RT]. USDA's theme papers are at [http://www.usda.gov/wps/portal/!ut/p/_s.7_0_A/7_0_1O B?navid=FARM_BILL_FORUMS].

[10] See [http://www.usda.gov/wps/portal/!ut/p/_s.7_0_A/7_0_1UH?navid=FARM_BILL_FORUMS].

[11] USDA, "Legislative Language for the Administration's 2007 Farm Bill Proposals," at [http://www.usda.gov/wps/portal/!ut/p/_s.7_0_A/7_0_1UH?parentnav=FARM_BILL_FORUMS&contentidonly=true&contentid=farm_bill_legislative_language.xml].

Other Recommendations/Proposals

In addition to the Administration proposal, several organizations and interest groups have released their own recommendations for the 2007 farm bill. These include state organizations, national farm groups, commodity associations, conservation and rural development organizations, and several non-traditional interest groups. These policy recommendations represent a diverse range of interests seeking a range of objectives from maintaining current programs to substantially altering or eliminating them. A summary of some of these proposals is provided in **Appendix A**. While not comprehensive, this summary does review most proposals by national organizations. Other proposals are being offered by organizations representing the interests of different regions of the country. The proposals described in **Appendix A** are not listed in any particular order.

Some of these recommendations have been incorporated into legislation introduced by some Members of Congress who are directly challenging the existing farm programs and policies, including a number of comprehensive legislative proposals that seek broad-based changes to existing farm legislation and programs. Others in Congress may be reluctant to change current programs because they are strongly supported by the long-time beneficiaries. Most commodity associations and some national farm groups have expressed continued support for the current programs or have expressed opposition to others' recommendations, including specific provisions in USDA's proposal.

Several major issues are framing the current farm bill debate. For example, are current commodity support and risk management programs equitable across all producers of program crops and specialty crops? Should program payments be limited per person? Is permanent disaster assistance needed in addition to crop insurance programs? Given that many seek to increase funding and expand current programs in the area of conservation, forestry, bioenergy, rural development, agricultural research, farm credit, marketing and export promotion, foreign food aid, and domestic food and nutrition, what would be the source of funding to expand programs, given current budgetary constraints?

Congressional Action

In anticipation of 2007 farm bill, both the House and Senate Agriculture Committees conducted hearings in Washington and across the country during 2006, and continued to hold hearings early in 2007.[12] The House Agriculture Committee conducted its markup of its version of the farm bill (H.R. 2419) from May through July, and completed House floor action on July 27, 2007. The chairman of the Senate Agriculture Committee has indicated that he intends to complete full committee markup of the Senate version of the farm bill in September. Congress is expected to adopt a new farm bill before the end of 2007 or in early 2008. The text

[12] Information on House and Senate Agriculture Committee hearings is at [http://agriculture.house.gov/hearings/index.html] and [http://agriculture.senate.gov/Hearings/hearings.cfm].

box at the end of this report, "2007 Farm Bill Timeline," provides a timeline of the major actions that have occurred during the current farm bill debate.

House

Starting in May 2007, the Chairman of the House Agriculture Committee distributed "discussion drafts" to each of the subcommittees, which began deliberations and marked up legislation within their respective jurisdictions. During the three-day period from July 17 to July 19, the full committee marked up its version of a five-year farm bill and reported it as H.R. 2419.[13] The House floor began debate on H.R. 2419 on July 26, and approved a final bill on July 27, 2007.

By title, major provisions in the House-passed 2007 farm bill H.R. 2419 are as follows:

- **Title I, Commodity Programs:** Changes payment limits, modifies loan rates and target prices among commodities, and adds a revenue counter-cyclical payment option, among other program changes.
- **Title II, Conservation:** Reauthorizes, expands, and/or modifies existing programs, and creates new programs and initiatives.
- **Title III, Agricultural Trade and Aid:** Reauthorizes funding for USDA's food aid, export market development, and export credit guarantee programs, and addresses barriers to U.S. agriculture exports.
- **Title IV, Nutrition:** Increases food stamp benefits and modifies food stamp eligibility rules, limits state food stamp "privatization" initiatives, allows "geographic preference" when buying food for schools, and adds money for fresh fruit and vegetable programs for schools and The Emergency Food Assistance Program (TEFAP).
- **Title V, Agricultural Credit:** Expands borrowing opportunities under USDA's Farm Service Agency loan programs, but does not allow expansion of Farm Credit System lending, as originally allowed in the House-reported bill.
- **Title VI, Rural Development:** Reauthorizes, expands, and/or modifies existing programs, creates new programs, and allows some to expire.
- **Title VII, Research:** Reorganizes the administration of USDA's research, extension, and economic agencies, requires the President to submit a unified annual budget across agencies, and establishes a new national institution to administer all competitive programs.
- **Title VIII, Forestry:** Proposes changes to existing forestry provisions and allows one program to expire.
- **Title IX, Energy:** Reauthorizes, expands, and/or modifies existing programs, and creates new programs and initiatives.

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[13] The chairman's mark encompassed action taken by the panel's six subcommittees and also included a manager's amendment with several additional provisions covering each title of the fam bill. More information on the House Agriculture Committee bill is at [http://agriculture.house.gov/inside/2007FarmBill.html].

- **Title X, Horticulture and Organic Agriculture:** Creates a new farm bill title and provides mandatory funding over five years for specialty crop block grants and additional mandatory funding in the areas of pest and disease detection, purchases for nutrition programs, direct producer-to-consumer marketing, and organic certification cost-sharing.
- **Title XI, Miscellaneous:** Makes changes to crop insurance, animal welfare and inspections, and country-of-origin labeling, among other provisions.
- **Titles XII/XIII, Revenue Provisions and Additional Offsets:** Adds revenue and other offsetting or cost-saving provisions to the farm bill.

For a more detailed discussion of these provisions, see "Summary of the House-Passed Farm Bill (H.R. 2419) and Other Proposals," below.

The farm bill debated on the House floor included the reported House Agriculture Committee bill, but also a Manager's Amendment and an En Bloc Reserve Fund Amendment.[14] Prior to consideration of H.R. 2419 on the floor, these amendments were adopted in the House Rules Committee under a rule (H.Res. 574) that allowed for the addition of this package of provisions for consideration in H.R. 2419. In addition to certain title-by-title provisions and changes, these added amendments contained language authorizing budget offsets to compensate for additional spending on programs in the nutrition and energy titles.[15] The inclusion of some of the revenue and other spending offsets were provided by other committees, including the House Ways and Means Committee, and proved to be highly controversial.

The revenue and other spending offsets to the 2007 farm bill are included in the bill under Titles XII and XIII. The bill's revenue provisions amend the tax code (Section 894 of the Internal Revenue Code) to limit certain benefits affecting foreign-based firms. CBO estimates this provision would provide additional revenues of $3.9 billion over five years (FY2008-FY2012). The bill's spending offsets would establish a conservation of resources fee for producing federal oil and gas leases in the Gulf of Mexico; repeal existing provisions in the Energy Policy Act of 2005 (P.L. 109-58) relating to incentives for natural gas production and royalty relief, among other provisions; and revise certain provisions in the Tax Increase Prevention and Reconciliation Act of 2005 (P.L. 109-222). CBO estimates that these provisions would reduce direct spending by $2.4 billion over five years.

H.R. 2419 also provides for other cost savings through changes to the federal crop insurance program to help pay for language providing for new mandatory spending for the McGovern-Dole International Food for Education and Child Nutrition Program.

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[14] Text on the adopted amendments is available from the House Rules Committee at [http://www.rules.house.gov/110/special_rules/hr2419/parta_2419.pdf].

[15] Under the terms of the FY2008 Budget Resolution, a $20 billion reserve fund would provide additional budget authority for the farm bill over five years to the extent that other legislation is passed to offset the additional amount.

Given these revenue and offsetting provisions, CBO estimates that the House-passed farm bill, H.R. 2419, would result in no additional spending outlays over the next five and ten years, relative to CBO's March 2007 baseline projections.[16]

The House floor debate considered many amendments to the amended committee bill, adopting some and rejecting others. One controversial amendment that was defeated on the floor was a modified version of a House bill, H.R. 2720, introduced by Representative Kind. The amendment sought to reduce payments for commodity programs and to reallocate funding to nutrition, conservation, specialty crops and healthy foods, rural development, and other programs.

Senate

Chairman Harkin has long stated that there may be a need to rewrite current farm programs to address changes in the food and agriculture sectors, as well as a need to make U.S. farm programs less production- and trade-distorting to avoid potential international challenges. He has complimented provisions in House-passed bill but has also indicated that the Senate version of the farm bill may expand upon conservation, payment limits, and country-of-origin labeling requirements. He has also indicated that he may consider writing a six- or seven-year farm bill that will allow tapping of the baseline funds from the FY2013-FY2017 period.[17] Senate Agriculture Committee markup is expected in September.[18]

Among the priorities emphasized by Chairman Harkin are the need to expand agricultural conservation, renewable energy, agriculture research and extension programs, and rural development programs. He has also emphasized the importance of continuing the value-added product development grants and encouraging new venture capital programs. He has voiced continued support for two programs he developed in the 2002 farm bill, the Conservation Security Program (CSP) and school fruit and vegetable snack initiatives.[19] Some possible new programs that he is considering include $500 million for a new Rural Collaborative Investment Program to support regional economic development strategies.[20] He has mentioned the possibility of creating a new working lands program, the Comprehensive Stewardship Incentives Program, which would combine the current CSP and the Environmental Quality Incentives Program.[21]

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[16] CBO estimates dated August 2, 2007.

[17] "Harkin: 6-7 year farm bill may provide more dollars," *Agri-Pulse*, July 11, 2007.

[18] Crowley, B., "House Ag Lawmakers Vow to Fight Changes to Farm Bill," *CongressNow*, July 24, 2007.

[19] Statements by Senator Tom Harkin, "National Security at Stake," March 13, 2007, at [http://thehill.com/leading-the-news/national-security-at-stake-2007-03-13.html].

[20] "Harkin continues calls for reform, rural development priorities," *Agri-Pulse*, June 22, 2007.

[21] "Harkin: 6-7 year farm bill may provide more dollars," *Agri-Pulse*, July 11, 2007.

Legislation introduced by others in the Senate includes several comprehensive proposals that seek broad-based changes to existing farm legislation and programs. Some of these bills are summarized here, in order by date of introduction.

S. 541 (Feingold). The "Rural Opportunities Act of 2007" contains four major components, including supporting local bioeconomies and food markets; encouraging local renewable fuels and biobased products; expanding broadband Internet service in rural areas; and supporting beginning farmers, ranchers and land managers. The bill also would expand funding for existing USDA market development programs, as well as domestic food programs, and also expand technical assistance for bioenergy development, and expand funding for agriculture research and extension.

S. 919 (Menendez). The "Healthy Farms, Foods, and Fuels Act of 2007" would expand investment in the development of renewable energy on American farms, promote resource conservation, and expand food and nutrition programs. Some specific provisions in this bill include increased funding for loan guarantees to farmers for renewable energy development; assistance to farmers in transitioning to organic production; more funding for farmers' market programs and fresh fruit and vegetable projects in schools and an increase in required purchases of specialty crops for child nutrition program; increased incentives for farmers and ranchers to protect drinking water supplies and make other environmental improvements; and additional funding to restore wetlands and for farmland preservation. This bill is similar to House bill H.R. 1551 (Kind).

S. 1160 (Stabenow). The "Specialty Crops Competition Act of 2007" would strengthen the economic role of specialty crops by creating new specialty crop provisions in the 2007 farm bill. The bill would assist specialty crop producers with market development and trade promotion, provide research and administrative funding for food safety and inspection, and expand school nutrition programs to include more fruits and vegetables, among other provisions directed at specialty crop producers.

S. 1422 (Lugar). The key feature of the "Farm Risk Management Act for the 21st Century" is a transition to farmer-held income stabilization accounts. Current price-contingent programs, including all counter-cyclical payment programs, would be phased out and eliminated after 2009, replaced with direct payments that would be deposited in individual risk management accounts to be used to purchase crop insurance, cover income losses, or invest in other on-farm improvements, such as conservation. Loan deficiency payments would be replaced with a recourse loan program.[22] The bill also would decrease direct payments, remove the planting restriction that prevent planting specialty crops, and eliminate the sugar program. It would expand the food stamp and summer food service programs and provide added funding for TEFAP and fresh fruit and vegetable programs in schools, as well as add to funding for rural development, conservation, bioenergy, and international food aid programs. This bill is similar to House bill H.R. 2720 (Kind).

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[22] Under this type of commodity program, a producer pledges commodity as security, but in contrast to nonrecourse loans (see footnote 23), the borrower must repay the loan with interest within a specified period.

S. 1872 (Durbin). The "Farm Safety Net Improvement Act of 2007" would replace the current price-based counter-cyclical program with a revenue counter-cyclical program.

Summary of the House-Passed Farm Bill (H.R. 2419) and Other Proposals

The 2007 farm bill debate has focused on several major topics including commodity support and risk management policies and programs (such as direct payments, payment limits, counter-cyclical payments, crop insurance and disaster assistance, planting flexibility, and specialty crops), as well as conservation, bioenergy, rural development, forestry, agricultural research, competition, trade and food aid, farm credit, and domestic food programs and nutrition. Following is a discussion of these major topics and issues in the context of the House-passed 2007 farm bill (H.R. 2419, H.Rept. 110-256), the Administration's proposal, and various other legislative proposals.

More information is available in CRS Report RL34113, *The House-Passed 2007 Farm Bill (H.R. 2419) at a Glance*, which provides a side-by-side comparison of how some of the major provisions in the House bill could change current law. For background on some of these topics, as they pertain to the current farm bill, see CRS Report RL33037, *Previewing a 2007 Farm Bill*.

Commodity Support and Risk Management

Grains, Oilseeds, and Cotton Support. The House-passed bill generally continues the framework of the 2002 farm bill, revises payment limitations, offers a one-time choice for a revenue counter-cyclical payment, and re-balances some target prices and loan rates. The CBO estimate of all changes to Title I programs is a reduction of $974 million over five years (-2.7% compared with the $36.5 billion commodities baseline). But if changes to the timing of direct and counter-cyclical payments are not counted, which affect fiscal year budgeting but not ultimate payments to farmers, the House-passed changes to Title I would cost $223 million over five years. For more background, see CRS Report RS21999, *Farm Commodity Policy: Programs and Issues for Congress*.

Payment Limits. Payment limits in current law set the maximum amount of farm program payments that a person can receive at $360,000 per year. In addition, an income test denies payments to households with adjusted gross income (AGI) over $2.5 million, unless more than 75% comes from farming. The debate over payment limits usually focuses on the size of farms that should be supported, whether payments should be proportional to production or limited per individual, and the need to reduce spending. For more background, see CRS Report RS21493, *Payment Limits for Farm Commodity Programs: Issues and Proposals*.

The House-passed bill makes several changes to payment limits, some tightening the limits and others relaxing the limits. Limits are tightened by (1) reducing the AGI limit to $1 million with no exceptions, and to $500,000 for individuals who do not earn more than 67% of their income from farming, (2) eliminating the "3-entity rule," which allows individuals to double their payments by having multiple ownership interests (doubling by having a spouse would continue), and (3) requiring "direct attribution" of payments to a natural person instead of to a corporation, general partnership, etc. Payment limits are relaxed by (1) raising the limit on direct payments from $40,000 to $60,000, and (2) eliminating the $75,000 limit on the marketing loan program. The latter change is in response to perceived abuse of commodity certificates, which were unlimited and used to avoid the limit. CBO scores these changes to save $227 million over five years.

The Administration's farm bill proposal would preserve the $360,000 payment limit, but deny all payments to households with more than $200,000 AGI. CBO has scored this proposal saving $596 million over five years. H.R. 2720 and H.Amdt. 700 (Kind) would tighten the AGI limit to $200,000. S. 1486 (Dorgan/Grassley) would lower the maximum government payment to $250,000 and apply limits to all commodity payments, including the use of commodity certificates.

Counter-cyclical Payments. Counter-cyclical payments are one part of a safety net for farm income. Counter-cyclical payments provide automatic payments to farmers when market prices are below a target price set in statute. Historically, farm commodity programs have focused on price, while crop insurance programs have focused on yield. But producers cite insufficient government support during drought years when yields are low and prices are high, because they have little to sell and receive no counter-cyclical price support. The National Corn Growers Association and the USDA, among others, propose shifting a portion of current farm subsidies to a revenue-based policy.

The House-passed bill would offer farmers a one-time choice between the existing price counter-cyclical payments and a new revenue counter-cyclical payment. The revenue-based option is modeled largely on the Administration's proposal. The bill also eliminates advance counter-cyclical payments beginning with the 2011 crop year, and delays final counter-cyclical payments for the 2008-2010 crop years. The House-passed bill also adjusts target prices for six commodities, increasing supports for five commodities and reducing support for cotton. CBO says these counter-cyclical program changes would save $652 million over five years.

Risk management also has been raised in various "farmer savings account" proposals (H.R. 1882, Everett; S. 1422, Lugar/H.R. 2720, Kind). These special purpose savings accounts would encourage farmers to set aside income during good years for withdrawal during bad years. The government could encourage savings by allowing tax deductions or making matching contributions.

Direct Payments. Direct payments are fixed annual payments based on historical production. Recent high commodity prices and high farm incomes have made it difficult for some to justify the annual $5 billion in direct payments. Thus, direct payments are receiving increased scrutiny. The House-passed bill would extend direct payments through the 2012 crop year. However, to score savings, the House bill would eliminate the advanced installment of direct payments in the last year of the farm bill (2012). According to CBO, this would shift about $1.1 billion of payments into a later fiscal year without reducing total payments to farmers. The

House-passed bill also would eliminate direct and counter-cyclical payments to recipients entitled to less than $25, and permanently deny program participation to people convicted of defrauding USDA.

Marketing Loans and Related Assistance. The House-passed bill increases support prices for seven commodities and reduces support prices for two. It also sets the loan repayment price for cotton at the Far East price. CBO scores these changes as costing $615 million over five years. The bill creates a new payment for domestic users of upland cotton to build or modernize buildings and equipment. CBO scores this cotton users provision at $427 million over five years.

Planting Flexibility, Fruits and Vegetables, and the WTO. The direct payments program gives producers the flexibility to make planting choices based on actual market conditions instead of subsidy rules, but there are prohibitions on planting fruits, vegetables, and wild rice on program crop base acres. The purpose of the planting restriction is to protect growers of unsubsidized fruits and vegetables from competing with production on subsidized cropland. As reasonable as this may appear, problems have arisen with the policy. The WTO determined that the restrictions are inconsistent with the rules of a minimally distorting subsidy. This determination jeopardizes the "green box" classification for direct payments.

The House-passed bill does not change the fruit and vegetable planting restriction, although it does create a pilot program allowing up to 10,000 acres of tomatoes to be grown on base acres in Indiana with a corresponding one-year reduction in payment acres. The program (similar to H.R. 1371/S.1188) aims to address the concerns of midwestern fruit and vegetable processors who faced reduced supplies once soybeans became a program crop. But the pilot program does not address concerns over WTO compliance. USDA proposes to eliminate the fruit and vegetable planting restriction completely. For more information, see CRS Report RL34019, *Eliminating the Planting Restrictions on Fruit and Vegetables in the Farm Commodity Programs*.

Dairy. Two federal programs that support milk prices and dairy farm income are expiring in 2007 — the dairy price support program (DPSP) and the Milk Income Loss Contract (MILC) program. Most dairy farm groups and USDA view the DPSP as a safety net in a market that is frequently characterized by volatile prices. Dairy processors consider the price support and MILC programs to operate at cross-purposes, which they say contributes to surplus milk production. Others are concerned that dairy support might have to be modified in order to comply with U.S. trade obligations in the WTO. H.R. 2419, as passed, would extended the dairy support program for five years (through 2012), but would modify it to directly support the prices of certain manufactured dairy products at mandated levels rather than supporting the farm price of milk.

The MILC program is generally supported by milk producer groups in the Northeast and the Upper Midwest. Large farmers, particularly in the West, contend that its payment limit is biased against them. In order to achieve budget savings, the MILC program was scheduled to expire one month before the end of FY2007 (August 31, 2007), but that meant the program subsequently was excluded from the 2007 farm bill baseline. To fix that problem, a provision in the FY2007 Iraq war supplemental act (P.L. 110-28) funded the MILC program through the end of FY2007, thus creating a budget baseline of $1.24 billion over the next five years. H.R. 2419, as reported, extends the MILC program for five years (through FY2012) at the current level of support. The Administration supports MILC program extension, although at a lower level of support and with modifications that it says would make the program more WTO compatible.

A number of federal milk marketing order issues have been brought to the attention of Congress for the farm bill debate. Dairy processors are seeking a change in statute to exempt them from paying the federal milk marketing order minimum price whenever they forward contract prices with dairy farmers, a provision adopted by H.R. 2419. The House-passed bill authorizes a temporary forward contract program (through September 30, 2012) and contains safeguards designed to ensure that dairy farmers are not compelled by processors to participate in the program. H.R. 2419 also would authorize a commission to review and evaluate federal milk marketing order policies and procedures and require the commission to report its findings within two years of its first meeting. For more information, see CRS Report RL34036, *Dairy Policy and the 2007 Farm Bill*.

Sugar. The sugar program is designed to guarantee the price received by growers of sugarcane and sugar beets, but at no cost to the U.S. Treasury. To accomplish this, USDA limits the amount of sugar that processors can sell domestically under "marketing allotments" and restricts imports, in order to keep market prices above support levels. This way, the incentive exists for sugar cane processors and beet refiners to repay nonrecourse price support loans[23] extended by USDA rather than hand over processed sugar as payment. While the domestic sugar producing industry emphasizes the importance of support to preserving farm and processing jobs and income in rural areas, sugar-using food and beverage manufacturers point out that because domestic sugar prices are two to three times higher than the price of sugar traded internationally, some firms have laid off workers and moved operations offshore. For more background, see CRS Report RL34103, *Sugar Policy and the 2007 Farm Bill*.

Beginning in 2008, sugar imports from Mexico no longer will be restricted under rules of the North American Free Trade Agreement. Also, additional amounts will be allowed entry under other free trade agreements. Both CBO and USDA project that, if the sugar program continues without change, the additional imports will bring prices down below support levels and make it attractive for processors to default on price support loans. The program is forecast to cost $1.4 billion over 10 years.

To address the potential for a U.S. sugar surplus caused by imports, H.R. 2419 as passed by the House, would mandate a sugar-for-ethanol provision. USDA would

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[23] A type of loan where farmers or processors pledge a commodity as collateral to obtain a loan from the Commodity Credit Corporation (CCC) at a commodity-specific, per-unit loan rate. The borrower may repay the loan, with interest, within a specified period and regain control of the commodity. Alternatively, the commodity can be forfeited to the CCC with no penalty if market prices fall below the loan rate at the end of the term. The government takes no recourse beyond accepting the commodity as full settlement of the loan.

be required to purchase U.S.-produced sugar if, and to the extent, necessary to maintain market prices above support levels, for sale to bioenergy producers for processing into ethanol. The Commodity Credit Corporation would provide open-ended funding for this program. Other provisions would increase the raw sugar and refined beet loan rates by almost 3%, and tighten the rules (i.e., remove discretionary authority) that USDA follows to implement marketing allotments and administer import quotas. The bill's sugar provisions reflect recommendations made by sugar crop producers and processors, who expressed appreciation that current sugar policy was not "weakened." Food and beverage manufacturers that use sugar opposed these provisions, arguing that they would increase costs by $100 million annually to consumers and restrict the amount of sugar for food supplied to the market. A floor amendment to strike the committee-reported sugar provisions was defeated.

In Senate legislation introduced to date, S. 1422 (Lugar) would repeal the sugar program, but make sugar beet and sugarcane producers eligible to take advantage of a new approach to handle farming risk — tapping risk management accounts held by producers to purchase crop insurance, cover income losses, or invest in other on-farm improvements. S. 1872 (Durbin) would extend current sugar program provisions through 2012.

Crop Insurance and Disaster Assistance. The federal crop insurance program is designed to protect crop producers from unavoidable risks associated with adverse weather, weather-related plant diseases, and insect infestations. Although the scope of the crop insurance program has widened significantly over the past 25 years, the anticipated goal that it would replace *ad hoc* disaster payments has not been achieved.[24]

The crop insurance program is permanently authorized and hence does not require consideration in the farm bill. Some policymakers have expressed interest in expanding the crop insurance program in the context of the farm bill and/or complementing it with a permanent disaster payment program. However, many view the crop insurance program as a potential target for program cost reductions, where savings could be used to fund new initiatives in various titles of the farm bill. The Administration and others contend that the private companies should be required to absorb more of the program losses, and that the reimbursement rate for their operating expenses needs to be reduced as a means of reducing federal costs. The insurance companies and many farm groups are concerned that significant reductions in federal support will negatively impact the financial health of the crop insurance industry and possibly jeopardize the delivery of crop insurance, particularly in high-risk areas.

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[24] The most recent ad-hoc agricultural disaster assistance package was signed into law on May 25, 2007, as part of the FY2007 Iraq war supplemental act (P.L. 110-28). It includes an estimated $1.55 billion in crop disaster assistance for 2005, 2006, or 2007 crop losses. For the first time in recent history, the act prohibits disaster payments from being made to any producer who waived crop insurance in the year of the loss. For more information, see CRS Report RS21212, *Agricultural Disaster Assistance*, by Ralph M. Chite.

H.R. 2419, as passed by the House, contains several revisions to the crop insurance program. Virtually all of these changes are cost-saving measures, which CBO has estimated at $4.0 billion in reduced federal outlays over five years (FY2008-FY2012). Nearly $2.7 billion of this estimated savings is attributable to changes in the timing of premium receipts from farmers, and payments to the companies, neither of which directly affects participating farmers or insurers. However, $1 billion of the five-year savings is realized by requiring insurance companies and farmers to share more in program costs and risks. Farmers would be required to pay higher fees for catastrophic coverage and some plans would provide somewhat lower premium subsidies. Participating insurers would see smaller reimbursements for their operating expenses and would be required to share more of their underwriting gains with the government. The House-passed bill does not contain a committee provision that would have allowed insured farmers to opt for additional coverage on the deductible portion of their policies.

For general information on crop insurance and disaster assistance, see CRS Report RS21212, *Agricultural Disaster Assistance*.

Specialty Crops. Sales of specialty crops, such as fruits, vegetables, and tree nuts, account for nearly one-third of U.S. crop cash receipts and one-fifth of U.S. agricultural exports, according to USDA. When floriculture, greenhouse, and nursery crop sales are included, total specialty crops account for nearly 50% of all U.S. farm crop cash receipts. However, specialty crop producers are not eligible for mandatory commodity support programs, nor do other provisions in the farm bill's conservation, trade, research, and nutrition titles take the unique characteristics of the specialty crop industry into account. For more information, see CRS Report RL33520, *Specialty Crops: 2007 Farm Bill Issues*.

The Horticulture and Organic Agriculture title (Title X) of the House-passed 2007 farm bill marks the first time that a farm bill has included a title specifically devoted to specialty crop and organic programs. The first key provision of the title is the reauthorization of the specialty crop block grant program established by the Specialty Crops Competitiveness Act of 2004 (P.L. 108-465). Under this program, each state receives a grant to support marketing research and promotion to enhance the competitiveness of specialty crops grown in the state. H.R. 2419 provides $365 million in mandatory funding for the program over five years. Under the authority of the 2004 act, Congress appropriated $7 million for the specialty crop block grant program in FY2006 and again in FY2007.

The second key provision of Title X is reauthorization of the National Organic Cost-share Program. Congress established this program in the 2002 farm bill and provided a one-time transfer of $5 million in mandatory funds to help defray farmers' costs for obtaining certification under the new National Organic Program. H.R. 2419 provides a one-time transfer of $22 million in FY2008 (available until expended), and the amount that an individual farmer can receive in cost-share assistance would rise from $500 to $750. Title X also authorizes appropriations of $50 million over five years to provide technical assistance and cost-sharing grants to farmers seeking to convert from conventional to organic production.

Other major provisions of the title include (1) authority for larger disaster payments to tree fruit producers who suffer weather-related losses; (2) an approximately $200 million increase in annual purchases of fruits, vegetables, and nuts for USDA nutrition programs; (3) a new cooperative program with state departments of agriculture to share the costs of state pest and disease early detection and surveillance programs, with $10 million in mandatory funding provided for FY2008, increasing to $100,000 for FY2012; (4) $200 million in mandatory funding for pest and disease control programs; and (5) $32 million in mandatory funding to expand the existing Farmers' Market Promotion Program into a Farmers Marketing Assistance Program. The expanded program would provide grants to support a wider range of direct producer-to-consumer marketing opportunities.

The title as reported out by the full committee originally contained a provision that would have returned to USDA the border inspection functions for imported agricultural products that were transferred to the Department of Homeland Security (DHS) when it was established in 2002. This provision was not contained in the chairman's amendment that was adopted on the House floor and passed as part of H.R. 2419.

Conservation

H.R. 2419, as passed, shares two characteristics with other proposals for conservation. First, it would increase overall funding, although it would emphasize programs and increase funding at rates that differ from other proposals. It would increase funding for the Environmental Quality Incentives Program (EQIP), the Wetland Reserve Program (WRP), and the renamed Farm and Ranchland Protection Program (FRPP), and the Grasslands Reserve Program (GRP), but these increases would be partially offset by eliminating additional signups for the Conservation Security Program (CSP) until FY2012. Second, it would expand the range of problems and activities that are encompassed by conservation. Topics receiving new or additional emphasis in the title include forestry, endangered species, invasive species, cooperative conservation among multiple land owners, location-specific programs for places like the Chesapeake Bay watershed, and the development of a structure to support the use of market-based approaches in conservation.

Other proposals set different priorities. For example, the Administration would increase conservation spending by $7.8 billion above the current 10-year OMB budget baseline, simplify the current suite of programs by combining similar ones, and authorize a new market-based initiative to facilitate the development of emerging environmental services markets. Two bills that are most often mentioned as alternatives to H.R. 2419 are H.R. 1600 (Cardoza) and H.R. 1551 (Kind)/S. 919 (Menendez). Both bills have many similar or identical conservation provisions, including greatly increased funding for certain programs, such as the FRPP and the Wildlife Habitat Incentives Program (WHIP). They both also give increased attention in conservation programs to wildlife habitat, rare and endangered species, and invasive species. H.R. 2144 addresses many topics of interest to the Northeast states and emphasizes a large program for cooperative conservation planning and an expanded farmland protection effort. Several other bills are more limited, such as H.R. 1766 (Van Hollen), which would increase conservation efforts related to the

Chesapeake Bay recovery program, and H.R. 1152 (Gerlach), which would create a grant program to promote farmland protection.

H.R. 2419 contains a number of additional conservation provisions. It would increase the enrollment ceiling for the WRP from 2,275,000 acres to 3,605,000 acres; allow more coordination between programs (for example, allowing land meeting certain characteristics and enrolled in the Conservation Reserve Program to be enrolled instead in the Grasslands Reserve Program, where the term of contracts is longer); add a new regional water quality enhancement program to EQIP; add new provisions to assist beginning limited resource, and socially-disadvantaged farmers; provide additional direction on technical assistance; and set an overall fiscal year payment limit of $60,000 for any single conservation program and $125,000 for all programs (three programs are excluded — WRP, FRPP, and GRP). For more information, see CRS Report RL34060, *Conservation and the 2007 Farm Bill*.

Bioenergy

Interest in renewable energy has grown rapidly since late 2005 due, in large part, to a strong rise in domestic and international fuel prices and a dramatic acceleration in domestic biofuel production (mostly ethanol). However, emerging concerns related to corn-based ethanol production are generating greater policy interest in the potential for cellulosic ethanol production which appears to offer many environmental benefits over corn-based ethanol. Many of the federal programs that currently support renewable energy production in general, and agriculture-based energy production in particular, are outside the purview of USDA and have legislative origins outside of the farm bill. Renewable energy's role in the 2002 farm bill is concentrated on grants, loan, and loan guarantees to foster research on agriculture-based renewable energy, to share development risk, and to promote the adoption of renewable energy systems. USDA's Bioenergy Program (Sec. 9006 of P.L. 107-171) — whose funding expired in FY2006 — has been the primary exception in that it provided incentives to expand actual production of bioenergy.

Many policymakers view agriculture-based biofuels as both a catalyst for rural economic development and a response to growing energy import dependence. Renewable energy policy initiatives are now included in almost every farm bill proposal. In most cases, legislative proposals involve expanding and/or extending bioenergy provisions from the 2002 farm bill. The Administration's 2007 farm bill proposal offers a prime example of the direction that new bioenergy policy initiatives could take within a farm bill context. In Congress, farm-policy related bills with important energy components include H.R. 1551 (Kind)/S. 919 (Menendez), H.R. 2144 (DeLauro), H.R. 1600 (Cardoza), S. 541 (Feingold), S. 828 (Baucus), H.R. 80 (Bartlett), H.R. 2038 (Kind), H.R. 2218 (Kaptur), H.R. 2261 (Lucas), and H.R. 2154 (Sandlin). Both Chairman Peterson of the House Agriculture Committee and Senator Salazar have introduced resolutions that "express the sense of Congress" that U.S. agricultural, forestry, and working lands should provide from renewable resources 25% of the total U.S. energy consumption by 2025 (H.Con.Res. 25/S.Con.Res. 3).

The energy title (Title IX) of the House-passed farm bill (H.R. 2419) is similar to the Administration's proposal in that it expands and extends several provisions from the 2002 farm bill with substantial increases in funding and a heightened focus on developing cellulosic ethanol production. As passed, H.R. 2419 doubles funding for the biobased product designation program, provides mandatory funding for up to $2 billion in loan guarantees for biorefineries and biofuel production plants, adds mandatory funding for renewable energy systems and energy efficiency improvements, increases mandatory funding for Biomass Research and Development, increases funding for the USDA bioenergy program, reauthorizes and funds the Biodiesel Fuel Education Program, and establishes the Biomass Energy Reserve and Forest Biomass for Energy program. Many of these provisions were included as part of the House Agriculture Committee's En Bloc Reserve Fund Amendment.[25] Additional funding for these provisions would be made available through the revenue and other offsetting or cost-saving provisions provided for in the House-passed bill. CBO estimates that these provisions would raise spending in energy programs by $2.5 billion over five years (FY2008-FY2012).

For more information, see CRS Report RL32712, *Agriculture-based Renewable Energy Production*; CRS Report RL33290, *Fuel Ethanol: Background and Public Policy Issues*; and CRS Report RL33928, *Ethanol and Biofuels: Agriculture, Infrastructure, and Market Constraints Related to Expanded Production*. Also see CRS Report RL33572, *Biofuels Incentives: A Summary of Federal Programs*. Legislative proposals focused on renewable energy are in CRS Report RL33831, *Energy Efficiency and Renewable Energy Legislation in the 110th Congress*.

Rural Development

More than 88 programs administered by 16 different federal agencies target rural economic development. The Rural Development Policy Act of 1980 (P.L. 96-355), however, named USDA as the lead federal agency for rural development. USDA administers most of the existing rural development programs and has the highest average of program funds going directly to rural counties (approximately 50%). More information is in CRS Report RL31837, *An Overview of USDA Rural Development Programs*.

The rural development title (Title VI) of the House-reported bill (H.R. 2419) reauthorizes existing rural development loan and grant programs and creates several new provisions. These new provisions include grants to improve technical infrastructure and quality of rural health care facilities; a Rural Entrepreneur and Microenterprise Assistance program; and a Community Connect Broadband Grant program.

Broadband development in rural areas is a prominent feature of the rural development title. In addition to the Community Connect provision noted above and the reauthorization of the Distance Learning and Telemedicine program, the House-passed bill reauthorizes and amends the Access to Broadband Telecommunications Service in Rural Areas, a program originally authorized in the 2002 farm bill. With this reauthorization, H.R. 2419 also includes a new provision authorizing a National Center for Rural Telecommunications Assessment and directs the Secretary to

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[25] House Rules Committee, "Summary of Reserve Fund en bloc," available at [http://www.rules.house.gov/SpecialRules_details.aspx?NewsID=2793].

conduct a comprehensive rural broadband strategy. Other provisions in H.R. 2419 reauthorize and amend several programs that were originally authorized in the 2002 farm bill, including the Rural Firefighters and Emergency Medical Service Assistance program, the Rural Strategic Investment program, and the Value-Added Products Grants program. Also, there are provisions for socially disadvantaged farms, rural food enterprise entrepreneurs, and rural public television stations.

As with the conservation and energy titles, most of the provisions in the rural development title amend and/or extend existing provisions in the 2002 farm bill, as well as long-standing loan and grant programs administered by USDA Rural Development. In some cases, there may be overlap between the rural development and the bioenergy or conservation, though the individual provisions are often intended to target development or assistance to rural communities. Various provisions in the energy title, for example, would support construction of bioenergy facilities in rural areas. Such projects could have a positive effect on local economies.

Forestry

Farm bills typically deal with forestry both directly, usually in a forestry title, and indirectly (such as including forests and forestry practices in more general conservation programs). For a description of programs, see CRS Report RL31065, *Forestry Assistance Programs*.

The House-passed farm bill (H.R. 2419) includes a forestry title (Title VIII) with several sections addressing statewide forest resource planning. The first section would establish "national private forest conservation priorities" as (1) conserving and managing working forest landscapes for multiple values and uses; (2) protecting forests from threats and restoring appropriate forest types; and (3) enhancing public benefits from private forests. Other sections would require statewide assessments and strategies for forest resources (with periodic revision), create a new Forest Resource Coordinating Committee, require the competitive allocation of a portion of state assistance funding, based on how the statewide assessments and strategies fulfill the national priorities, and allow up to 5% of state assistance funding for competitively allocated innovative projects to address the national priorities. Also, the bill would extend, through 2012, the authorization for the Office of International Forestry and for Healthy Forest Reserves established under the Healthy Forests Restoration Act of 2003 (P.L. 108-148, 16 U.S.C. §§6501, et seq.). It includes an Emergency Forest Restoration Program to provide assistance for restoration efforts for forests damaged by natural factors. Finally, it provides a competitive grant program to Hispanic-serving institutions to increase diversity in forestry and related fields.

The House-passed bill is substantially different than the Administration's farm bill proposal. The Administration would direct comprehensive statewide forest planning, create competitive landscape-scale forestry grants, initiate a 10-year, $150-million wood energy development and use program, and establish a community working forests program. In Congress, several of the introduced bills include forests and forestry practices in the conservation programs they would authorize: for example, H.R. 1551 (Kind)/S. 919 (Menendez) and H.R. 2144 (DeLauro). Forestry titles generally address the forestry assistance programs administered by the State and Private Forestry branch of the Forest Service. H.R. 2144 includes a forestry title, and would authorize national and state forest priorities and planning; extend the Healthy Forests Reserve Program (created in the Healthy Forests Restoration Act of 2003, P.L. 108-148). H.R. 2144 also would establish a community forest and open space conservation program, akin to the Administration's proposed community working forests program. Neither the Administration nor any introduced bill would extend or replace direct assistance to forest landowners currently authorized under the Forest Land Enhancement Program.

A description of these proposals and relevant issues is in CRS Report RL33917, *Forestry in the 2007 Farm Bill*. Forestry practices and wood energy are also addressed in other sections of the 2007 farm bill; see the preceding sections on "Conservation" and "Bioenergy."

Agricultural Research

The mandate to conduct research of direct benefit to U.S. agriculture was part of the mission of USDA when it was first established in 1862. The agricultural research, education, and outreach (extension) system now comprises several agencies within the Department. These include a research agency with more than 100 labs nationwide and overseas; economic data-gathering and analysis agencies; and an agency that administers a number of block grants to all states and U.S. territories for cooperative research and extension, as well as competitive grant programs open to a wide range of institutions and individuals. For more information on these agencies' activities, see CRS Report RL33327, *Agricultural Research, Education, and Extension: Issues and Background*.

Title VII of the House-passed H.R. 2419 contains provisions making major changes in the USDA research, extension, and economics mission area, and represents an amalgamation of reorganizaton proposals put forth by a 2002 farm bill task force and the National Association of State Universities and Land Grant Colleges (NASULGC).[26] First, it establishes a National Agricultural Research Program Office within USDA to coordinate the intramural research programs of the Agricultural Research Service (ARS), the Economic Research Service (ERS), and the National Agricultural Statistics Service (NASS) with the programs of the Cooperative State Research, Education, and Extension Service (CSREES) that support the core programs at the land grant colleges of agriculture (referred to as the "capacity" programs). Second, it groups all the existing CSREES competitive grant programs under a new National Institute for Food and Agriculture (NIFA). Third, it merges the two largest competitive grant programs — the National Research Initiative (NRI) and the Initiative for Future Agriculture and Food Systems (IFAFS) — into one program. This merger makes available approximately $200 million

[26] The task force recommended the establishment of a National Institute for Food and Agriculture; this proposal was introduced as H.R. 2118 (C. Peterson)/S. 971 (Bond). The NASULGC proposal, called CREATE-21, called for reorganizing all the research mission area agencies into one and having one budget line item for the "capacity" programs and one for the competitive programs. It is reflected in H.R. 2398 (Barrow)/S. 1094 (Stabenow).

annually in mandatory funds for competitive grants (provided originally for the IFAFS program in 1998, in P.L. 105-185) beginning in FY2010; additional appropriations of $500 million annually also are authorized for the combined programs. Fourth, it requires the President's annual budget submission to present a single budget line item reflecting the total amount requested for the "capacity" programs and a single budget line item reflecting the total amount requested for the competitive programs.

In addition to making major reforms, Title VII extends a large number of existing research, education, and extension programs and reauthorizes annual appropriations through FY2012, largely at levels set in the 2002 farm bill. The Organic Research and Extension Initiative is reauthorized to continue with $25 million provided annually in mandatory funds. The title also establishes an endowment fund to increase funding for Hispanic-serving educational institutions that offer four-year degrees in agriculture, as well as an academic capacity-building program and a competitive research program for these institutions. It would expand a Biobased Products Research program established by the Agricultural Research, Extension, and Education Reform Act of 1998 (P.L. 105-185) into an initiative that would additionally focus research on improving bioenergy production. It creates a Specialty Crop Research Initiative and provides $215 million over five years in mandatory funds to support it, as well as authority for additional appropriations.

Competition

Rapid changes have occurred in recent decades in the structure and business methods of agriculture in general and of animal agriculture in particular. Production and marketing have been moving toward fewer and larger operations (sometimes referred to as consolidation or concentration), and toward vertical integration, although the pace of these changes has varied widely across the sectors. Debate has revolved around the impacts of such changes on farm prices, on the traditional system of independent, family-based agriculture, on consumers, and on global competitiveness. Inherent in these questions is the role government should play in monitoring and regulating agricultural markets. For more information see CRS Report RL33958, *Animal Agriculture: 2007 Farm Bill Issues.*

Senate Agriculture Committee Chairman Harkin has introduced a wide-ranging bill (S. 622) that, he said, could be the basis for a new "competition" title in the next farm bill. S. 622 contains provisions establishing a new Office of Special Counsel at USDA to investigate and prosecute violations of competition laws; making it easier for producers to prove unfair treatment under the Packers and Stockyards (P&S) Act; strengthening P&S Act enforcement in the poultry industry; and rewriting the Agricultural Fair Practices Act to provide many crop producers with P&S Act-type protections and to set new requirements for contracts between producers and processors. The House-passed bill, H.R. 2419, does not contain a competition title or comparable language. Representative Boswell, chairman of the House Agriculture Subcommittee on Livestock, Dairy, and Poultry, has introduced a companion bill (H.R. 2135). Other pending bills to address various "competition" concerns include S. 221, S. 305, S. 786, and S. 1759 (Grassley) and also S. 1017 (Enzi) and H.R. 2213 (Herseth Sandlin).

Representative Boswell, chairman of the House Agriculture Subcommittee on Livestock, Dairy, and Poultry, did not offer his competition measure (H.R. 2135) when the panel marked up portions of a 2007 farm bill on May 24, 2007. The subcommittee did adopt a Boswell amendment on the use of arbitration to resolve a livestock or poultry contract dispute. Under the amendment, arbitration could be used only if both contract parties agree to it in writing, and after the dispute arises, not before.[27] However, this amendment was replaced during full committee action. By a 26-17 vote, the committee adopted new language that instead would require USDA to issue regulations on what arbitration provisions are to be permitted in contracts; the rules must enable a producer to seek relief in small claims court in some situations.

In a separate provision in the House-passed bill, H.R. 2419, affecting meat and poultry industries, USDA is authorized to approve the eligibility of state-inspected meat and poultry products for interstate shipment, so long as the state program enforces all of the mandatory requirements in place for the federal program, among other stipulations. Currently, state-inspected products may only be sold in-state.

Country-of-Origin Labeling

The 2002 farm bill (§10816 of P.L. 107-171) required retailers to provide country-of-origin labeling (COOL) for fresh produce, red meats, peanuts, and seafood by September 30, 2004. Congress has twice postponed implementation for all but seafood; COOL now must be implemented by September 30, 2008. COOL does not apply to processed versions of these products, to poultry, a competing meat, or to dining-out establishments. Vigorous debate has continued over whether this new program is desirable and necessary, its purposes, and its likely impacts on farmers, processors, retailers and consumers. Opponents of mandatory COOL prefer a voluntary or market-driven program or at least some relaxation of the COOL law's compliance language. Supporters continue to seek Congress's and USDA's assurance that the mandatory program will be implemented expeditiously. For a more detailed description of the law, requirements and issues see CRS Report 97-508, *Country-of-Origin Labeling for Foods*.

When the full committee marked up the farm bill during the week of July 16, 2007, it adopted a compromise amendment by Representative Goodlatte that would continue to require the mandatory program to be implemented on current schedule. However, for red meats, the amendment creates several new types of label categories that are intended to facilitate and simplify compliance in specifying the country or countries of the products. For all covered commodities, the bill also would ease recordkeeping and verification requirements, and lower noncompliance penalties. Another committee change would extend COOL to goat meat. These provisions were generally retained in the version of H.R. 2419 passed by the full House.

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[27] A Senate bill (S. 221) containing the same requirement as the Boswell amendment was approved by the Senate Judiciary Committee on May 17, 2007.

Agricultural Trade and Food Aid

Farm bills have included a trade title with legislative authority for programs that subsidize or promote commercial agricultural exports and that provide international food assistance. Title III of the 2002 farm bill currently provides authorization for these two kinds of programs. For the most part, a new Title III in the House-passed farm bill (H.R. 2419) extends authorization for these programs through 2012, with increased funding for selected export and food aid programs. The House-passed bill also authorizes increased funding for humanitarian food aid donations. For one of the food aid programs, the House-passed bill changes the funding basis from discretionary to mandatory and substantially increases its funding.

Trade. Provisions of the trade title of H.R. 2419, as passed by the House, extend USDA's export market development programs through 2012 and increase funding for export promotion in the Market Access Program by $125 million over five years. A provision of the committee-reported bill that would have restored promotion of leaf tobacco exports in MAP was stripped from the bill by amendment. MAP promotion of tobacco and tobacco product exports has been prohibited since 1993. The bill revises the Export Credit Guarantee programs to bring them into compliance with a WTO dispute settlement decision in the U.S.-Brazil cotton case which the United States lost. The bill eliminates the 1% cap on origination fees for export credit guarantees and repeals legislative authority for an intermediate export credit guarantee program (3-10 years), as requested by the Administration, to help to remove the subsidy elements from the guarantee programs in line with the WTO decision in the cotton case. H.R. 2419 also eliminates authority for the Supplier Credit Guarantee Program (SCGP). SCGP guarantees open account financing of U.S. agricultural exports and had been plagued by instances of fraudulent activity and defaults on loans. However, contrary to the Administration's proposal, the House-passed bill does not eliminate, but extends, authority for export subsidies under the Export Enhancement Program (EEP) through 2012.

The House-passed version of the trade title increases funding for the Technical Assistance for Specialty Crops (TASC) program which focuses on eliminating sanitary and phytosanitary (food safety) barriers to U.S. agricultural exports. TASC funding would increase by $28 million over five years from levels authorized in the 2002 farm bill. Appropriations also are authorized to strengthen U.S. representation in international standard setting bodies and also to assist limited-resources persons and organizations to address unfair trade practices and reduce foreign trade barriers.

Food Aid. The United States is the world's largest provider of food aid, accounting for about 60% of total global food aid over the last decade. Most U.S. food aid is provided via P.L. 480 Title II which authorizes the donation of U.S. agricultural commodities for emergency relief or for use in development projects. H.R. 2419 extends P.L. 480 food aid programs through 2012, and authorizes appropriations for P.L. 480 Title II humanitarian donations of $2.5 billion annually. If appropriated, that amount would represent a very substantial increase over the $1.2 billion appropriated annually in recent years. An increase in appropriations for P.L. 480 Title II was originally a provision in H.R. 2488, the House Foreign Affairs Committee reported version of the farm bill's trade title. The House-passed bill also increases the amount of cash that could be allocated to private voluntary organizations to pay for project related expenses. In addition, the House-passed bill stipulates that of the amounts made available for Title II, not less than $450 million annually be made available for nonemergency (development) food aid. This minimum level of non-emergency assistance could not be waived unless requested by the Administrator of USAID, followed by enactment of a law approving the Administrator's request. In its Statement of Administration Policy,[28] the Office of Management and Budget said that it strongly opposed this provision because it deprives the Administration of the ability to quickly waive it in an emergency. OMB estimated that this provision would result in a $100 million decrease in emergency food aid.

Other, smaller programs provide food aid to countries that are promoting the development of market-oriented agricultural sectors (Food for Progress) or for school feeding and nutrition programs (the McGovern-Dole International School Feeding and Child Nutrition Program). H.R. 2419 reauthorizes, without change, the Food for Progress program through 2012. In reauthorizing the McGovern-Dole program, however, the House-passed bill changes its funding basis from discretionary to mandatory and increases spending from $140 million in FY2009 to $300 million in FY2012. These provisions for the McGovern-Dole program are similar to those proposed in H.R. 1616 (McGovern) and S. 946 (Durbin) introduced earlier in the 110th Congress.

The Administration's sole farm bill food aid proposal was for legislative authority to allocate up to 25% of funds for humanitarian food aid (through P.L. 480 Title II) to local or regional purchase of commodities for emergency relief. Local or regional purchases, the Administration maintained, would make the U.S. response to emergencies more timely and cost-effective. Opponents of the proposal, however, maintain that it would undermine the coalition of producers, shippers, and charitable organizations that support U.S. food aid and result in less U.S. food aid being provided. H.R. 2419 did not include the Administration's proposal for local/regional purchase, but did increase the authorized funding, by $40 million, for the International Disaster and Famine Assistance (IDFA) program, administered by the U.S. Agency for International Development. IDFA funds can be used for local or regional purchases of agricultural commodities in emergency situations.

For more information on farm bill trade and food aid programs, see CRS Report RL33553, *Agricultural Export and Food Aid Programs*.

Agricultural Credit

Statutes for two farm lenders typically are revised in farm bills. First, the USDA Farm Service Agency (FSA) is a lender of last resort that makes direct loans or guarantees loans to farmers who cannot qualify at other lenders. Second, the Farm Credit System (FCS) is a private lender with a statutory requirement, and limitation, to lend to farmers and certain farm-related businesses. For more information, see CRS Report RS21977, *Agricultural Credit: Farm Bill Issues*.

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[28] Available at [http://www.whitehouse.gov/omb/legislative/sap/110-1/hr2419sap-r.pdf]

Farm Service Agency. The House-passed farm bill would (1) further prioritize Farm Service Agency lending for beginning and socially disadvantaged farmers, (2) increase lending limits per individual to $300,000 for direct farm ownership loans and direct operating loans, up from $200,000, (3) create a special loan guarantee program for conservation projects, (4) extend, but only until January 1, 2008, the suspension of the enforcement of "term limits," which are set in statute to require farmers to graduate from FSA credit to commercial lenders, and (5) extend and expand the guarantee program for seller-financed land loans, among other changes.

Farm Credit System. In recent years, FCS has sought to expand its lending authority beyond traditional farm loans and into more rural housing and non-farm businesses. In early 2006, FCS released a report titled *Horizons*, which highlighted perceived needs for greater lending authority to serve a changing rural America. Commercial banks oppose expanding FCS lending authority, saying that the availability of commercial credit in rural areas is not constrained, and that FCS's government-sponsored enterprise (GSE) status provides an unfair competitive advantage.

The House-passed bill does not contain any expansion of Farm Credit System lending authority. A floor amendment by Financial Services Committee chairman and ranking member removed by voice vote the Agriculture Committee's provisions that would have (1) expanded the population cutoff for rural housing loans from 2,500 population to 6,000 population (but not 50,000 as requested by FCS), (2) added a general agribusiness category to the list of eligible borrowers, but limited to renewable energy projects only, and (3) replaced the borrower stock-holding requirement with the discretion of the institution.

Committee jurisdiction had been called into question by letters from the House Financial Services committee to the Agriculture Committee, in which Financial Services asserted their jurisdiction for nonfarm lending and their specific opposition to *Horizons*. The Administration came out against FCS expansion in a Statement of Administration Policy. The past chairman of the Farm Credit Administration, the federal regulator, also voiced opposition.

Domestic Food Programs and Nutrition

The farm bill's nutrition title accounts for more than half of all spending on programs/activities covered by the farm bill. Most of this money finances the Food Stamp program.

The most significant issues that have been raised are those surrounding the Food Stamp program and fruit and vegetable support policies. Proposals to significantly change rules governing food stamp eligibility and benefit levels and how the program is administered by states have been advanced by the Administration and in a number of comprehensive bills, as have calls for program revisions and grant initiatives aimed at easing access to food stamp benefits. In addition, major boosts in funding and other support for increasing the availability of fruits and vegetables in nutrition programs have been proposed by the Administration and others.

Major reauthorization bills with substantial nutrition title proposals include H.R. 1551 (Kind)/S. 919 (Menendez); H.R. 1600 (Cardoza); H.R. 2129 (McGovern); H.R. 2144 (DeLauro); H.R. 2401 (Baca); H.R. 2720 (Kind)/S. 1422 (Lugar); S. 1160 (Stabenow); S. 1424 (Schumer); and S. 1529 (Harkin).

The nutrition title (Title IV) of the House-passed version of the 2007 farm bill (H.R. 2419) would loosen some eligibility rules and significantly add to food stamp benefits. It would loosen eligibility rules for food stamps by indexing the dollar limit on allowable assets and disregarding, as assets, all retirement savings/plans and education savings. It would increase benefits by boosting the minimum disregard of income (the "standard deduction"), lifting caps on the disregard for dependent-care expenses, and increasing the minimum benefit guarantee. The bill also imposes substantial limits on states' ability to "privatize" administration of the Food Stamp program, and allows the exercise of geographic preference when procuring food for child nutrition programs. Further, the House bill significantly adds support for The Emergency Food Assistance Program (TEFAP) and a program offering free fruits and vegetables in schools. Many of these provisions (those with a cost attached) were included as part of the House Agriculture Committee's En Bloc Reserve Fund Amendment.[29] Additional funding for these provisions would be made available through the revenue and other offsetting or cost-saving provisions provided for in the House-passed bill. CBO estimates that these provisions would raise spending in nutrition programs by $4.2 billion over five years (FY2008-FY2012).

For more information, see CRS Report RL33829, *Domestic Food Assistance: The 2007 Farm Bill and Other Legislation in the 110th Congress*.

[29] House Rules Committee, "Summary of Reserve Fund en bloc," available at [http://www.rules.house.gov/SpecialRules_details.aspx?NewsID=2793].

2007 Farm Bill Timeline

May 2005 — One of the first comprehensive sets of recommendations for the next farm bill is released by a major agricultural trade association, followed by proposal by other major interest groups and organizations (both traditional farm and other nonfarm groups).

July 7, 2005 — U.S. Department of Agriculture (USDA) begins its series of 52 farm bill forums starting in Nashville, TN, and covering nearly all states (excluding Louisiana and Mississippi due to Hurricane Katrina.).

February 6, 2006 — House Committee on Agriculture begins farm bill listening field hearings in Fayetteville, NC, and other hearings to review federal farm policy.

June 23, 2006 — Senate Agriculture, Nutrition, and Forestry Committee begins regional farm bill hearings in Albany, GA, and other hearings to review federal farm policy.

January 2007 — House and Senate Agriculture Committees begin to hold hearings on selected topics in the farm bill.

January 31, 2007 — USDA releases its recommendations for the 2007 farm bill, covering each title of the current law.

February 2007 — One of the first comprehensive bills recommending broad changes to current law is introduced in the Senate, followed by other broad-based bill introduced by others in the House and Senate.

March 21, 2007 — Congressional Budget Office (CBO) releases its multi-year March baseline estimate of spending, providing the starting point for the budget allocation for the 2007 farm bill.

May 17, 2007 — Congress approves the FY2008 budget resolution, adopting the baseline budget as the fiscal parameters and including a $20 billion reserve for the 2007 farm bill.

March 22, 2007 — House Committee on Agriculture begins subcommittee markup on individual titles of the farm bill, proceeding through June 19, 2007.

July 17, 2007 — House Committee on Agriculture begins full committee markup on individual titles of the farm bill (H.R. 2419), proceeding through July 19, 2007.

July 26-27, 2007 — Floor debate and passage of H.R. 2419 in the House.

September 2007 — Senate Agriculture Committee anticipates full committee markup of its 2007 farm bill, to be followed by debate and action on the Senate floor.

Year-end 2007/Early 2008 — House and Senate conferees are expected to settle differences between the two farm bills.

Appendix A. Key Proposed Recommendations

Organization	Key Recommendations
25x'25 Renewable Energy Alliance	Oct. 2006 proposal — Supports renewable energy policies [http://www.25x25.org/index.php?option=com_content&task=view&id=58&Itemid=148].
Agriculture and Wildlife Working Group	Feb. 2007 proposal — Supports expanding conservation/forestry programs; new grant programs; and a sodsaver provision to disallow federal farm benefits on grasslands [http://www.defenders.org/releases/pr2007/pr020107.html].
American Corn Growers Association	Feb. 2006 press release — Support a 2-year non-recourse loan program for corn, decoupling price supports from production, farmer-owned reserve program, resource management, and bioenergy [http://www.acga.org/policy/default.htm].
American Farm Bureau Federation	Apr. 2007 proposal — Supports continuation of current law; opposes payment limits [http://www.fb.org/index.php?fuseaction=newsroom.farmbill2007].
American Farmland Trust	May 2006 proposal — Supports new "integrated farm revenue program," transitioning from farm to green payments, expanded conservation support/grants [http://www.farmland.org/programs/campaign/newpolicyrecommendations.asp].
American Public Human Services Assoc.; America's Second Harvest; Food Research and Action Center; and Center on Budget and Policy Priorities	2007 proposal — Coalition of groups supports increased food stamp benefits and loosening of food stamp eligibility standards (e.g., for noncitizens). Would limit the degree to which states can "privatize" food stamp administration. Improve access to food stamp benefits. Boost funding for TEFAP commodities. Reform nutrition education initiatives for low-income individuals and families. [http://www.aphsa.org/Policy/Doc/Farm_Bill_Joint_Statement-070226.pdf].
American Soybean Association	Mar. 2007 press release — Supports raising target price of soybeans [http://www.soygrowers.com/newsroom/releases/2007_releases/r032807.htm].
American Sugar Alliance	2007 press release — Supports continuing current sugar program[http://www.sugar alliance.org/library/site/FarmBillFactSheet-FoodSecurity-1-07.pdf].
American Wildlife Conservation Partners	Apr. 2007 testimony — Supports expanding existing and creating new conservation programs; supports sod-saver, biofuels, and performance measures provisions [http://agriculture.house.gov/testimony/110/h70419/Nomsen.doc].
Bread for the World	2007 press release — Supports commodity program reform; expanded conservation/rural development, increased food stamps/emergency food assistance [http://www.bread.org/take-action/letters-campaign/how-to-improve-the-farm-bill.html].
Cato Institute	Apr. 2007 paper — Upfront buyout program [http://www.freetrade.org/node/609].
Center for American Progress	Jan. 2007 report — Proposes incentives to develop cellosic biofuels and energy crops [http://www.americanprogress.org/issues/2007/01/farm_economy.html].
Center for Rural Affairs	Feb. 2007 hearing — Supports rural business and micro-enterprise loans [http://agriculture.senate.gov/Hearings/hearings.cfm?hearingid=2539&witness Id=6064].
Chicago Council on Global Affairs	Sept. 2007 proposal — Supports reform of commodity program, redefining the farm safety net, transforming the food stamp program, and other changes [http://www.thechicagocouncil.org/taskforce_details.php?taskforce_id=1].

Organization	Key Recommendations
Citigroup	2007 proposal — Voluntary buyout farmers' direct and counter-cyclical payments, providing a fixed settlement for foregone payments [http://www.citigroup.com].
Defenders of Wildlife	Feb. 2007 proposal — Supports expanding conservation programs, and adding a new sodsaver provision [http://www.defenders.org/releases/pr2007/pr020107.html].
Environmental Defense	Jan. 2007 proposal — Supports expanding conservation/environmental stewardship programs, farmland preservation, renewable energy development, and changes to nutrition programs [http://www.environmentaldefense.org/go/farms/].
Forests on the Farm Bill Coalition	2007 proposal — Supports conservation of private forest lands, program funding, outreach, education, bioenergy, and creating environmental systems services program [http://www.wflccenter.org/ts_dynamic/edu_outreach/35_file.pdf]
Institute for Agriculture and Trade Policy	Mar. 2007 proposals — Outlines concerns about U.S. farm programs on world food policies and markets, including WTO policies, food aid, market concentration and public health [http://www.agobservatory.org/issue_farmbill2007.cfm].
National Assoc. Conservation Districts	2007 press release — Supports increased funding/technical assistance for conservation and technical assistance; supports renewable energy, forestry programs [http://www.nacdnet.org/FB07/FarmBillPrinciples.htm].
National Assoc. of State Land Grant Universities / Land Grant Colleges	2007 proposal — Supports increasing research funding to strengthen the land-grant system and creating National Institutes for Food and Agriculture within USDA, integrating the research, education, and extension programs [http://create-21.org/].
National Assoc. State Departments of Agriculture	Sept. 2006 proposal — Supports a comprehensive suite of recommendations, addressing most farm bill titles and provisions [http://www.nasda.org/fb2007/].
National Assoc. of Wheat Growers	2007 proposal — Supports higher direct payments and target prices, maintaining marketing loan program [http://www.wheatworld.org/html/info.cfm?ID=20].
National Corn Growers Association	Mar. 2007 proposal — Supports creation of a farm safety net that provides integrates a county level revenue counter-cyclical program with federal crop insurance program [http://ncga.com/news/notd/2007/march/030807.asp].
National Farmers Union	Mar. 2007 proposal — Supports indexing payments to costs; permanent disaster program; expanding conservation, rural development, energy, and nutrition programs; adding a new Competition Title [http://www.nfu.org/news/2007/03/05/nfu-members-lay-out-2007-farm-bill-priorities.html].
National Milk Producers Fed.	Apr. 2007 proposal — Supports a new direct payment program and other new or expanded programs [http://www.nmpf.org/files/NMPF_Policy_Direction.pdf].
Organic Farming Research Foundation	June 2006 proposal — Supports programs for organic production: research, extension, conservation, tax incentives, and reduced crop insurance fees [http://ofrf.org/policy/federal_legislation/farm_bill/farmbill07_initialconcepts.html].
Oxfam America	2007 paper — Supports commodity program reforms to expand rural development [http://www.oxfamamerica.org/resources/files/OA-Fairness_in_the_Fields.pdf].

Organization	Key Recommendations
Specialty Crop Farm Bill Alliance	May 2005 proposal — Comprehensive package to expand support for specialty crops; supports planting restrictions [http://www.unitedfresh.org/newsviews/farm_bill].
Sustainable Agriculture Coalition	Oct. 2006 proposal — Supports more benefits for mid-sized, new and organic farmers, adding a Competition Title, and rural business and micro-enterprise loans [http://www.msawg.org/farmbill/PressRelease-FarmBillPlatform.pdf].
Sweetener Users Association	2007 press release — Support reforms to sugar program [http://www.sweetener users.org/Congress%20Should%20Reform%20Sugar%20Program.pdf].
USA Rice Federation	Jan. Press release — Maintain marketing loans, direct and countercyclical payments; raise loan rates [http://www.usarice.com/news/news_popup.cgi/287].

Source: Compiled by CRS based on available information as of July 2007.