

PROPOSED POLICY POSITION

5. REGARDING THE REAUTHORIZATION OF THE FARM BILL

BACKGROUND

The importance of agriculture to the United States cannot be overstated. The production of food and fiber from America's farms, ranches and forests is a critical part of our economy and vital to national security. Federal and state policy on agriculture plays a key role in preserving the competitiveness of the agriculture sector in the global marketplace, furthering the well-being of rural America and supporting the wise stewardship of our nation's vast natural resources.

Agricultural production in the United States varies tremendously among and within regions. It is this diversity that has made the United States a global leader in food production. The complexity of America's agriculture system has helped craft a federal farm policy system that respects the variations among crops and regions, while respecting the need for the nation as a whole to have a safe, secure, efficient and low-cost food and fiber supply.

The Farm Bill, which sets much of federal agriculture and rural policy, is due for reauthorization this year. Congress is considering sweeping changes in the legislation, including the elimination of direct payments and the expansion of crop and revenue insurance programs as a safety net. The differences between current versions being considered in the House and the Senate reflect very different approaches to building a fiscally responsible farm policy that promotes competitiveness, supports markets, and offers protections to producers.

The Farm Bill also is a vital tool for supporting rural communities through a wide range of rural development programs, including water and sewer and Internet infrastructure. Beginning farmer and rancher programs and value-added producer grants help to underpin a rural economy that is vibrant and healthy. These programs represent a very modest amount of total outlays within the Farm Bill, but are crucial to the well-being of the rural areas they aid. The Farm Bill offers necessary support for conservation through a host of very successful programs that foster improved conservation on working lands, programs that have been extremely beneficial to farmers across all regions of the country.

The Farm Bill must be reauthorized periodically or farm policy reverts to permanent law, much of which dates back to the 1940s. The current Farm Bill expires in September 30, 2012. An extension of the Farm Bill under current Congressional budgeting rules would require the elimination of more than 35 programs because their funding is not included in baseline projections, ending or at least interrupting a number of important and successful programs.

RECOMMENDATION

The Southern Legislative Conference of The Council of State Governments urges Congress to restore balance to the Farm Bill by recognizing the diversity of American agriculture, providing realistic options to help producers manage risks, and preserving the tools necessary for food production. Specifically, for those crops for which risk management strategies are unworkable, the Southern Legislative Conference of

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The Council of State Governments urges Congress to provide an enhanced counter-cyclical program with higher price triggers to offset the loss of direct payments.

In addition, the Southern Legislative Conference of The Council of State Governments urges Congress to continue to support the rural development, value-added producer, and beginning farmer and rancher provisions in the Farm Bill to ensure a strong economy for rural America. The Southern Legislative Conference of The Council of State Governments also encourages Congress to continue its support for conservation programs in the Farm Bill, particularly those that support activities on working lands.

Further, the importance of the Farm Bill to agriculture and to the economy as a whole makes it imperative that Congress act promptly to ensure continuity and predictability. Passing this legislation prior to the September 30, 2012, deadline is vital to avoiding disruption in the agricultural economy, the rural communities supported by agriculture, and the U.S. economy as a whole.

Finally, the Southern Legislative Conference of The Council of State Governments requests that a copy of this policy position be forwarded to the Southern Congressional delegation, the secretary of the U.S. Department of Agriculture, and the president of the United States.