Ag Policy for the 1990

by Neil Meyer, Extension Economist in Policy

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Introduction

In November of 1989, all agricultural related groups in Idaho were invited to participate in a session exploring the possibility of an Ag Policy conference in preparation for the 1990 Food and Agricultural Legislation. This group of 14 people decided to go ahead with the planning of this conference and set the dates along with the recommended topics for emphasis.

The coordinating committee then identified 15 topics (listed below) they thought to be of high importance for Idaho Agriculture. A letter asking for each organization's position on the issues was sent to the organizations on November 14, 1989. Those responses are included in this pamphlet. The positions stated in this pamphlet are those submitted.

<u>Topics</u>

Food safety
Water quality
Chemical registration
Environmental education needs
National farm credit policies
Economic importance of agriculture in Idaho
Anti-trust rules and regulations as they relate to agriculture and related industries
GATT and Its relation to the 1990 Farm Bill
Funding for export markets
Access to foreign markets
Consumer information on agricultural products
Extension and research funding levels
Conservation reserve (CRP) and compliance provision in the Farm Bill
Cargo preference in exports
Producer referendum policies

Issues of Concern for Idaho Agriculture
by Idaho Farm Bureau

Food Safety--We feel that the quality of agricultural food and fibers in the nation and Idaho are the best in the world. The high quality, abundant availability, and economical price of our foods should be presented to the public in an informational awareness campaign.

Those that use some questionable tactics or eco-terrorism to create public "outrage" that results in economic destruction of a commodity or food stuff, without factual data and support from scientific community, should be forced to pay restitution to those damaged.

Water Quality--We support the continued management of water quality, both underground and surface, by utilizing "Best Management Practices" (BMP's) as contained in USDA's Soil Conservation Services Field Office Technical Guide and Idaho's Forest Practices Act. Changes in these BMP's should be based only on scientifically monitored data rather than "Best Professional Judgment."

Chemical Registration--We oppose the jurisdiction for regulation of agricultural chemicals from the Federal Insecticide, Fungicide, and Rodenticide Act to the Resources Conservation and Recovery Act.

1. We support reasonable regulation of use and storage of agricultural chemicals, and dissemination of factual information on their need, use, hazards and safety.

2. We oppose establishment of zones of agricultural land in which any kind of legal application or storage of agricultural chemicals is curtailed without sound scientifically validated evidence to warrant curtailment.

We recommend that compliance with federally approved label instructions should absolve farmers or commercial applicators from liability claims of environmental pollution. We support increased IR4 funding and the Idaho legislation and funding adequate for development of a state program.

Environmental Education Needs

We support factual scientific data collection, collation, and distribution of environmental information to users, state agencies, and the public. Only scientific data be used in changing current agricultural practices by governmental regulatory land use agencies.

Environmental, Natural Resource, and Food Quality information that is scientifically supported and published should be distributed by commodity groups or farm organizations whenever possible. Factual teaching of the agriculture "story" in our schools should be expanded as well as professionally portrayed to the public.

National farm Credit Policies

Producers need a variety of credit sources at the lowest possible interest rates. We believe competition provides the best assurance of an ample supply of farm credit. We oppose a moratorium on farm foreclosures. Lenders should not be permitted to retain mineral interests when disposing of real property.

The Farmers Home Administration (FmHA) is an important source of capital for those who cannot qualify for other financing.

We urge the Small Business Administration to assist their borrowers with debt restructuring loan guarantees.

Preservation of the Farm Credit System is in the long-term best interest of U.S. agriculture to assure that the Farm Credit System will be a viable source of agricultural credit. We support he following principles of the system:

1. Continuation of a borrower-controlled organization;
2. Decentralization to the maximum extent feasible;
3. Lending to farmers and their cooperatives, and processing and marketing enterprises that are agriculturally related or that provide input to production agriculture;
4. Full disclosure of financial condition;
5. Pursuit of meaningful and effective restructuring of member-borrower loans; and
6. Prompt infusion of federal government capital as needed.

Economic Importance of Agriculture in Idaho

Economic progress, cultural advancement, and ethical and religious principles flourish best where men are free, responsible individuals. The exercise of free will, rather than force, is consistent with the maintenance of liberty. Individual freedom and opportunity must not be sacrificed in a quest for guaranteed "security." Agriculture in Idaho provides the basic support for all state and local government funding, programs and services. Increased awareness should be taken by governments to insure that agriculture be allowed the opportunity to continue providing that base of support.

Anti-Trust Rules and Regulation as They Relate to Agriculture and Related Industries

An effective anti-trust policy and program should include clarification of farmer cooperatives' rights to encourage the development of cooperatives and producer bargaining associations.

We oppose proposals to require large corporations to obtain federal charters and to add consumer or public representatives to their boards of directors. We oppose mergers or acquisitions which tend to create a monopoly of production and marketing situations or reduce competition in acquiring and pricing or commodities and products.

Agricultural cooperatives should be farmer-owned and controlled and should be based upon the principles of our private competitive enterprise system.

We oppose the federal government's attempts to dilute the bargaining power of farmers through anti-trust suits.

We oppose any attempt to repeal or weaken the Capper-Volstead Act.

GATT and Its Relation to the 1990 Farm Bill

The provisions of the 1990 Farm Bill should be developed and drafted to promote agriculture in the United States. Although some of the GATT issues should be taken into consideration, primary responsibility should be to American Agriculture and only minor credence given to the issue topics of the GATT. The 1990 Farm Bill provisions should be independent of GATT's issues and if subsequent GATT issues are developed, adjustments to the Farm Bill could be made. Those issue adjustments should only be made to the 1990 Farm Bill if they are equalizing provisions of world trade.

Funding for Export Promotion

We recognize the right of producers to promote increased research, sales and consumption of the commodities they produce. We will support a national promotion program funded by producer assessments only if it contains enabling legislation providing for checkoff funds from individual producers which contain reasonable yet workable, safeguards for producers. A referendum vote must be allowed and/or a refund provision provided.

Promotion of value-added agricultural products overseas is an area in which Farm Bureau should play a very effective role in expanding U.S. agriculture exports. Imported commodities should be subject to promotional checkoffs on the same basis as domestic producers. Any commission or body created under an agricultural commodity promotion program should be required to provide complete accountability to its producers of the expenditure of funds collected from them, including funds released to any agricultural organization, public agency or private firm for promotion or research purposes.

Access to Foreign Markets--We endorse expansion of Idaho agricultural markets, domestic and foreign. We support and encourage efforts by the Idaho Department of Commerce on behalf of Agriculture. We also support trade missions abroad to better inform our producers as well as support hosting foreign delegations to our state in efforts to increase our market share.

We urge that trade and other economic policies be developed that promote rather than retard the growth in world trade. We urge the administration to pursue a vigorous export program for raw and value-added U.S. agricultural products to gain a greater share of the world market. programs intended to aid our foreign customers in the financing of agricultural purchases should be strengthened where possible.

Consumer Information on Agricultural Products--The total "story" of agriculture should be explained to the general consuming public as well as the benefits of ag products, their quality, low cost and abundant availability.

Extension and Research Funding Levels--These funding levels need to be increased to provide the latest technological advances to production agriculture so that they can meet the future production demands in quality and quantity, satisfying the current and future environmental needs and concerns of today and the future.

Conservation Reserve (CRP) and Compliance Provision in Farm Bill--We support the concept of a Conservation Reserve Program (CRP) to improve soil and water resources. The program should include whole farm set-aside with protection of tenant farmers' rights. Reasonable limits on participation should be included to protect the economic stability of individual counties or regions.

If there are future restrictions based upon environmental factors such as water quality, then an environmental reserve program option should be provided. Under these circumstance, we support expansion of the CRP eligibility to include land that is not highly erodible but will improve water quality and other environmental factors. This would be defined as an Environmental Conservation Acreage Reserve Program (ECARP). Any such program should provide limits to the total amount of farmland idled.

The conservation compliance provisions should be modified to recognize economic and technical feasibility, traditional or normal farming practices, local conditions and other such factors. The local Soil Conservation Service field office Technical Guide should be used only as a guide and not mandatorily applied.

We recognize the need for greater soil conservation. To accomplish this goal, we believe farmers should have an approved conservation plan by 1990 and have the plan implemented by 1995.

Cargo Preference in Exports

Since cargo preference requirements make U.S. farm exports less competitive in world markets, we oppose legislation or decisions to extend cargo preference to any U.S. farm exports.

Producer Referendum Policies

We support compulsory deduction of funds for promotion and research purposes of any commodity if individual producers are given a vote in a referendum on initiation of the program, or producers have the opportunity to obtain refunds of their assessments without undue difficulty or delay. In the absence of provisions for assessment refunds, we favor provisions which would allow referendum to be initiated by petition of a reasonable percentage of commodity producers.

Food Safety-- The Idaho Grain Producers Association (IGPA) supports the expressed broad goals of the Bush Administration and de la Garza/Madigan (ER 3292) to use good science to improve upon an already safe food supply.

The abundant, safe, nutritious, reasonably-priced food supply available to American consumers is possible thanks to comprehensive technology available to U.S. farmers. Farmers, in turn, utilize the best available management information to decide where and how to deploy this technology--including the judicious use of pesticides.

The government's role in establishing safety standards to be applied to technology and the responsible application of those standards is an important function. Consumer confidence in this government function has been shaken in 1989 and must be restored. The IGPA believes that the primary changes to the law that are needed to affect this are:

* Alleviate the Delaney clause paradox by establishing the negligible risk/benefit concept in the law;

* Accelerate the process by which EPA can cancel a problem chemical; and,

* Establish national food residue tolerances to be uniformly applied by all state

Sound, science-based decisions must be allowed to drive the regulatory mechanism; and consumers deserve to have this process work more quickly than it has in the past. However, the IGPA believe it is critical that any attempt to streamline this process must **maintain** an equitable review and appeals procedure.

Water Quality--The IGPA believes that groundwater is a vital natural resource which should be managed, protected and conserved in a manner that prevents, to the fullest extent practicable, the entry of man-induced and naturally occurring contaminates.

While protecting groundwater quality is a high priority, we strongly oppose any plan or Food Security Act provision which establishes water quality or monitoring criteria as a requirement of eligibility for farm program benefits.

Chemical Registration--The crops of Idaho are in most cases considered Minor use crops which puts many of the chemicals used on these crops in jeopardy of not being re-registered under the current FIFRA review. The IGPA opposes the re-registration process when it results in cancellation of "generic" pesticides due to industry's inability to fund the required research. The IGPA feels that stronger consideration should be given to the economic impact of a loss of a chemical and consideration to the availability of alternative products before a product is cancelled under the re-registration. If the chemicals are not available for use in the United States many of the U.S. grown minor crops will not be competitive with foreign produced crops. Furthermore the foreign produced crops will have been treated, in many instances, with the chemicals that were eliminated in the United States. The IGPA also feels that with third party registration the issue of liability needs to be addressed and limited liability in the case of a third party registrant needs to be considered. The IGPA also feels the farming community should not be forced to absorb the financial burden imposed by wholesale removal of critical farming chemicals.

Environmental Education--The IGPA supports education and advocacy groups which endeavor to inform the public of the proper use and benefits of household, lawn, garden and farm

chemicals. The IGPA also supports education of the public to the benefits versus risks involved in chemical use.

National Farm Credit--The IGPA feels the current Farmers Home Administration program is not meeting the needs of most agricultural borrowers and therefore supports the development of a more viable program.

Economic Importance of Agriculture in Idaho--The IGPA feels an economic evaluation of agriculture's contribution-(including its impact on all-supporting businesses) to the state's economy would be beneficial in dealing with state issues and in recognizing the importance of a farm program which provides reasonable economic returns to the producers.

Anti Trust and Regulation As They Relate to Agriculture and Related Industries--The IGPA feels it is important to maintain healthy competition in the agricultural supply sectors and the marketing sectors of Agricultural products.

GATT and Its Relation to the 1990 Farm Bill--The IGPA feels strongly that the 1990 Farm Bill should be developed without the attempt of incorporating possible agreements to be made under the GATT negotiations. The 1990 Form Bill should address the current needs and upon completion of the GATT negotiations necessary adjustments should be made.

Funding for Export Promotion--The IGPA feels that producers are at a disadvantage in many world markets because of the actions of other exporting nations in subsidizing their wheat prices. Therefore, the IGPA support further development funding and utilization of the export promotion programs. The IGPA feels that **EEP** should be expanded to include all countries importing U.S. Wheat. The IGPA feels the USDA needs to increase the level of EEP for Barley. The IGPA opposes the FAS/USDA proposals for commodity groups to assume more funding responsibility by participating In a cooperator program (matching funds formula).

Access to Foreign Markets--The IGPA supports efforts of the USDA to increase penetration and open new markets for U.S. commodities by increased use of the current programs.

Consumer Information on Agricultural Products--The IGPA supports programs which will increase the consumers awareness of the economics in the production of commodities. The IGPA feels the *U.S. is* quickly losing its position in technology advancements compared to other countries due to the decreases in funding available for research. The IGPA feels this is an issue which affects consumers in the U.S. in that losing our competitive edge in food production with the consumer ultimately feeling the effects.

Conservation Reserve and Compliance Provision in the Farm Bill--The IGPA supports the CRP program of the 1985 program but do not feel there should be expansion of the program in the 1990 Farm Bill: The IGPA opposes any efforts of outside interest groups to impose restrictions on this ground once the contract has been fulfilled.

Cargo Preference--The IGPA strongly opposes Cargo Preference in that it has increased the cost of shipping U.S. commodities and reduced the volume of U.S. exports. Furthermore the IGPA does not feel that the USDA should maintain the cost of the program but that it should be put in the defense budget since the intentions of the program are for national security.

Producer Referendum--The IGPA does not feel this issue has any significance in the 1990 Farm Bill.

ISSUES OF CONCERN FOR IDAHO AGRICULTURE
RESPONSE OF THE IDAHO RURAL COUNCIL

1) FOOD SAFETY, WATER QUALITY AND CHEMICAL REGISTRATION.

We strongly support safe, high quality food and clean water. We believe this is a matter of self interest for farmers from a health standpoint. We also believe the well documented consumer preference for safe food produced under environmentally sustainable conditions should not be viewed by producers as a regulatory problem, but rather as a marketing opportunity. Since consumers are willing to pay a premium for safe food produced under sustainable conditions Idaho producers should work with our Agriculture Department to build on our current reputation as a wholesome food source.

Producers should work with consumers and environmentalists to remove the current policy driven economic incentives and structural imbalances from our food system which foster high chemical and high energy input practices. The key incentives and imbalances which need to be addressed are: 1) The current leaky supply management system of set asides, which encourages high chemical use on the remaining acre base. 2) Structural concentration and vertical integration of production, processing and shipping, which replaces lower impact diversified producers with higher impact mono-crop operations. 3) Pricing policies which demand high input practices from year to year and do not allow producers the opportunity to get off the high chemical treadmill.

4) ENVIRONMENTAL EDUCATION NEEDS.

Attempts to educate consumers into a belief that carcinogens are safe are self defeating from a marketing perspective.

Producers, agricultural researchers and policymakers need to become better educated on lower input methods, and learn that pro-chemical policies are not necessarily pro-farmer and that chemical regulation need not be anti-farmer.

5) CREDIT POLICY.

Credit programs are only a band-aid approach to the problems faced by many Idaho producers. But they are a necessary band-aid until other more basic policies are reformed. Right now the 1987 Farm Credit Act is incomplete and needs some additions and revisions.

a) The FCS side of the restructuring rules is far less specific than the FmHA side and needs a rewrite to avoid abuses.

b) Debt write down in a restructure agreement creates phantom income currently taxable as regular income, while FCS restructuring plans require committment of all assets and make no provision for paying this tax.

c) Some FCS and FmHA personnel are still working diligently to foreclose on as many producers as possible, in violation of the letter as well as the intent of the 1987 Credit Act. The entire process needs to be opened up to greater public scrutiny and input.

In addition, the current chapter 12 bankruptcy law is working and should not be sunsetted in 1991.

6) ECONOMIC IMPORTANCE OF AGRICULTURE IN IDAHO.

As producers, we are inclined to take the importance of our industry as a given. But consider the different economic results of different farm policy strategies. The federal sugar program, which manages the farm gate price at a cost of production level, has cost comparatively little to administer and has maintained the role of sugar as an economic mainstay in rural Idaho. This is in sharp contrast to federal policies in other crops, where farmgate prices managed at less than cost of production levels have bled our rural districts. We submit that higher prices caused not by policy but by the drought have been of great benefit and illustrate the need for cost of production price policies to maintain agriculture as the rural economic leader.

7) ANTI-TRUST RULES AND REGULATIONS AS THEY RELATE TO AGRICULTURE AND RELATED INDUSTRIES.

Our food production system is becoming more and more concentrated into the hands of a few very large corporations. The meat packing industry, for example, is over 75% controlled by just three firms: Cargill, ConAgra and IBP. This enables the corporations to exert control over prices, to the detriment of both producers and consumers. We have laws on the books to prevent this monopolization of our industries but the enforcement record has been poor. We advocate vigorous enforcement of the Clayton Antitrust Act, the Packers and Stockyards Act and the Sherman Antitrust Act.

8) GATT AND ITS RELATION TO THE 1990 FARM BILL.

We are aware of the powerful rational for Free Trade Theory and are supporters of free and beneficial trade. Current U.S. proposals at the GATT for trade deregulation reveal a radical departure from past U.S. policy assumptions about the way agricultural trade works and about the role of government in keeping trade beneficial. We oppose the U.S. proposals because Idaho producers would suffer grave and specific economic losses under them which we cannot balance against the vague and non-specific benefits the administration suggests.

We oppose giving up our national right to limit agricultural imports, our national right to have a domestic substantive farm policy, our national right to limit food exports in times of shortage and our national right to set our own health and safety standards.

We feel that despite assurances from our congressional delegation, no farm organization should be complacent on this issue. While congress must approve a new GATT agreement, it must do so on one vote without amendment and will be under enormous pressure from non-agricultural sectors to vote yes.

9) FUNDING FOR EXPORT PROMOTION.

While we have high regard for our Idaho Department of Agriculture and its marketing efforts, we are concerned that in the international arena such efforts work to the advantage of agri-business and trading corporations, not producers. Since producers do not sell directly to foreign buyers, we only see a benefit from export sales if they increase our domestic price, an occasional occurrence under prevailing conditions, but one we welcome.

We understand that agri-business and trading companies are as much a part of the Agriculture Department's constituency as are producers. So we do not urge ending the export promotion program. But we wonder if a part of the program could be dedicated to direct marketing links between Idaho producers and foreign consumer cooperatives.

10)

We stand against commodity dumping, which we define as foreign sales made below the domestic cost of production. We stand in favor of import controls for the purposes of food security, development, conservation and supply management.

11) CONSUMER INFORMATION ON AGRICULTURAL PRODUCTS.

Consumers need to learn just how weak the link is between farmgate prices and consumer prices. They need to know just how deeply they are being gouged by agri-business processors and middlemen and how events like the drought are manipulated to the consumer and the producers' disadvantage.

Consumers also need to learn more about the link between large food-factory production systems and chemical food additives. They need labelling on the grocery shelf that will allow them to choose fairly between food produced under factory and diversified farm conditions.

12) EXTENSION AND RESEARCH FUNDING LEVELS.

Our land grant university system was created at public expense and should be dedicated to research in the public interest. This requires continuing public funding. Public funding reductions which cause these institutions to seek research grants from corporations allow those corporations to misdirect them from the public to their private interests. A comparatively small amount of private grant money can be the tail that wags a very large public dog.

13) CONSERVATION RESERVE (CRP) AND COMPLIANCE PROVISION IN FARM BILL.

While the CRP is good conservation policy as far as it goes, the real conservation issue in farming is how we treat land that actually stays under the plough, not the land we don't farm. The current supply management system by acreage set-asides is bad conservation from this perspective. Under it farmers have a direct, policy driven economic incentive to over use chemical and energy inputs.

A better approach from the conservation standpoint would be to manage supplies with marketing quotas instead of acreage limits. The economic incentive would then be to produce with minimal chemical and energy inputs.

14) CARGO PREFERENCE IN EXPORTS. SEE 8,9,10.

15) PRODUCER REFERENDUM POLICIES.

The Food Security Act of 1985 failed in every commodity where the below cost of production target price system was used. It caused taxpayer costs to go up, net farm income to go down, surpluses to go up and exports to go down. It was drought induced shortages which raised prices, exports and income, not the 1985 policies.

We believe that farmers should receive the cost of production for their products, plus a reasonable profit. Farmers' prices should be protected on the down side by price support loans set just below the cost of production. Consumers should be protected by a commodity reserve that would put commodities on the market in times of shortage and keep prices from climbing too high. We advocate accompanying these pricing policies with commodity inventory management by marketing quotas. We further advocate national farmer referenda to choose on a commodity by commodity basis between our program for cost of production prices and no government program at all.

Issues of Concern for Idaho agriculture
by Idaho Wheat Commission

Food Safety--The agriculture industry in the United States and Idaho provide an abundant, affordable and safe food supply for not only the citizens of the United States, but for many people around the world. Our food supply, in most instances, surpasses those standards imposed by the government of the United States. The Idaho Wheat Commission supports continued testing to identify safe levels of chemical residue in our food supply (based on sound scientific data), increased education programs directed toward consumers, in order to inform them of the safety of food supply, as well as continued research programs that can identify methods of minimizing production inputs.

Water Quality--The Idaho Wheat Commission supports the identification of non-source water pollution sources and conservation efforts to eliminate those practices. The Idaho Wheat Commission support continued research efforts to minimize water pollution (such as the Solutions to Economic and Environmental Problems program). However, the Commission does not support the Low-Input Sustainable Agriculture research programs until the environmental community describes their hidden agenda when considering "sustainable" agriculture.

Chemical Registration--Because Idaho's agriculture industry is predominantly comprised of crops which are designated as "minor" crops, the Idaho Wheat Commission does not support the methods of chemical re-registration as currently handled under the FIFRA program. The expense incurred by the chemical manufacturer for re-registration of chemicals for "minor" crops is discouraging those same companies from the re-registration program. The Idaho Wheat Commission supports the expansion of USDA research with regards to chemical use in minor crops. New analytical and research efforts, either through development of regional laboratories of through contracts with land grant universities, need to be expanded. The later effort may minimize the time-frame and expense of the re-registration process.

Environmental Education Needs--Agriculture needs to take the offensive with regards to environmental education. The general population needs to be made aware that modern agriculture, which includes the use of herbicides, pesticides, fertilizers and biotechnology, can exist with minimal impact on the environment. Additionally, the Idaho Wheat Commission supports an effort to have producers develop a data base for chemical application on their individual operations. The only way that the industry as a whole can respond to mis-use of chemical claims or higher levels of chemicals in certain crops is with a good information base. The only method to develop this base is through producer involvement and through better record keeping.

National Farm Credit Policies--The Idaho Wheat Commission feels that every effort needs to be made to make the Farmers Home Administration a realistic arena for agriculture borrowers to participate or eliminate the program entirely. The membership currently feels that the system is "a joke." Increased emphasis by the government to support the Farmer Mac program should be developed in the upcoming Farm Bill. Additionally, continued authorization of funding to support the mediation process should be encouraged.

Economic Importance of Agriculture in Idaho--The Idaho Wheat Commission would support an economic evaluation and distribution to the general public of the agricultural contribution to the State's economy. The evaluation should include the increased

benefits to Idaho's economy of a strong farm program which provides an economic return to the various commodity producers over the cost of production.

Anti-Trust Rules and Regulations as They Relate to Agriculture and Related Industries--The Idaho Wheat Commission has no comment except that we do not feel that 1990 Farm Bill debate is an acceptable forum for this topic.

GATT and Its Relation to the 1990 Farm Bill--The Idaho Wheat Commission strongly endorses the concept that the 1990 Farm Bill be written outside of the framework of the GATT negotiations or possible agreement. The 1990 Farm Bill should be written to address the needs and problems of the United States agriculture industry and should not be written to address the problems of the European Economic Community or any member of the Cairns Group. An example in defense of this position would be, if the 1990 Farm Bill were written to satisfy the terms of the U.S.-Canadian Free Trade Agreement, producers of wheat and barley in the United States would have a definite competitive disadvantage vis a vis the Canadian wheat and barley producer in both the world and U.S. marketplace.

Funding for Export Promotion--The Idaho Wheat Commission strongly urges increased funding levels for the many ongoing export expansion programs available to the USDA. A vast majority of the wheat produced in Idaho moves to export markets. These markets are reliant upon and in many cases expanded through either the PL-480, General Sales Program (GSM-102 and GSM-103), these programs are very important to the economic well-being of Idaho's wheat producers. Funding for these programs have decreased in each of the fiscal years since the 1985 Farm Program. We encourage the expansion of these programs through increased funding and a more streamlined allocation process of these funds. The Export Enhancement Program has been crucial to the expansion of agriculture exports during the last five years. Increased funding levels of the program is needed. Additionally, the scope of the program should be expanded to address unfair trade practices that are found in the currently identified "non-subsidizing" wheat producing countries.

The Idaho Wheat Commission would like to see increased funding in both the Targeted Assistance Program and the various cooperator programs which are under the auspices of the Foreign Agriculture Service of the USDA. The FAS/USDA has applied increasing amounts of pressure for the commodity groups which participate in the cooperator programs, to assume more funding responsibility (through their matching funds formulas) for the overseas operations of these program. Given that the majority of these commodity groups, such as the individual state wheat commissions, are dealing with smaller income levels due to drought conditions, increased acreage in the Conservation Reserve Program and in some years, higher ARP levels under the farm program, they are unable to assume more financial responsibility. Thus, the overall budgets for these historically successful programs are shrinking. Two options are available. First, to scale back the foreign operations and not have an "expatriate presence" in the market regions or to increase the funding base through the FAS. Given these times of increased foreign competition, the Idaho Wheat Commission would prefer the second option.

Access to Foreign Markets--The Idaho Wheat Commission supports and expanded efforts by the USDA to use the various programs mentioned in the previous section, to remove barriers to foreign markets. This effort would include the increased expansion of EEP to counteract the actions of the so-called "non-subsidizing" nations. Additionally, the Idaho Wheat Commission supports the expanded use of food aid to insure world peace instead of "the trading of military might."

Consumer Information and Agricultural Products--The Idaho Wheat Commission supports both the expansion of the home economic section of the Cooperative Extension Service of the USDA into more consumer awareness, product safety and nutrition information programs directed toward the public and increased consumer awareness and information programs in the Food Stamp and Institutional Food Service program which are under their auspices.

Extension and Research Funding Levels--The Idaho Wheat Commission supports considerable funding increases in both ARS, CSRS and other USDA research areas. Production agriculture systems in other countries of the world are, through technological advancements, catching up to our production systems. It is the consensus of the members of the Idaho Wheat Commission that the major reason for this trend is the constant reduction in federal research funds for agriculture through the 1980's. The Idaho Wheat Commission feels that it is imperative that a strong resurgent of agriculture research and extension be developed through the 1990 Farm Bill.

Conservation Reserve and Compliance Provision in the Farm Bill--The Idaho Wheat Commission supports the Conservation Reserve Program in the 1985 Farm Bill, as well as the compliance provision in the Bill. The Idaho Wheat Commission does not support the expansion of the CRP in the upcoming Farm Bill, in that any expansion could possibly cause economic hardship on rural communities. The Idaho Wheat Commission does support extensions of the current CRP contracts for up to five years. The Idaho Wheat Commission does not support "sod-buster" conditions placed on CRP ground which is brought under production after the expiration of the contract.

Cargo Preference in Exports--The Idaho Wheat Commission opposes the Cargo Preference requirements on agriculture exports which move under certain federal programs. The requirement that 75% of all commodities must move on "U.S. Flag Vessels" has served to reduce the amount of commodities exported, increased the ocean freight costs of those commodities and isolated certain port regions (and thus producers) from participating in markets which use the government export assistance programs. Most disturbing is that the program is justified as a means to insure the United States has a "strong and viable" maritime industry in cases of "war or emergency." However, while enjoying the benefit of the program, the U.S. maritime industry has in fact, reduced the number of U.S. flag vessels and has not constructed or even initiated the construction of a new vessel during the past six years. Finally, if the Cargo Preference is maintained, the cost of the program should not be born by the USDA budget, but should be placed in the defense budget as this is the government agency which places a high priority on the program.

Producer Referendum Policies--The Idaho Wheat Commission has no comment on this issue as it is not a significant or relevant part of the 1990 Farm Bill.

Potato Growers of Idaho

DECEMBER 18,1989

The following comments were prepared by Potato Growers of Idaho for compilation in a booklet to be distributed to the participants in the "Idaho Policy Conference in Preparation for the 1990 Food and Agriculture Legislation".

The following issues were presented for comment. PGI responses follow.

FOOD SAFETY--This issue is of major concern to the potato industry. We will absolutely not support any compromise in the quality of food products which we deliver to the consumer. We are concerned with unsubstantiated claims made by certain activist groups as to the fitness of agricultural produce. We feel it will be in the best interest of both the consumer and the producer to support the repeal of the Delaney clause to be replaced with a one-in-a-million standard, if for no other reason than to allow for statistical deviation in data bases. We support the continued expansion of data base in toxicology and oncology studies.

WATER QUALITY--PGI supports a strict anti-degredation policy. We feel it necessary that there be an immediate assessment of all water sources and thereafter periodic evaluation to determine sources which have suffered notable decline in quality.

CHEMICAL REGISTRATION--PGI supports the current review of all chemicals with adequate funding for the IR-4 process.

ENVIRONMENTAL EDUCATION NEEDS--PGI feels that media advertising should be utilized to reinforce consumer confidence in EPA and FDA standards. We feel there should be an education program instituted for all users, not just licensed applicators to inform of worker hazards, potential environmental damage, and correct container disposal.

NATIONAL FARM CREDIT POLICIES--The organization supports federal government intervention only when necessary to assure that there be a healthy fiducial competition available to the ag. community. We feel such intervention should be done with minimum federal exposure. We also would support a curtailing of a majority of operations of the Farmers Home Administration.

ECONOMIC IMPORTANCE OF AGRICULTURE IN IDAHO--Please note State of Idaho's current budget surplus coincides with a very much improved agricultural economy.

ANTITRUST RULES AND REGULATIONS AS THEY RELATE TO AGRICULTURE AND RELATED INDUSTRIES

We do not oppose vertical integration of business but do strongly support the continued regulation and restriction of the horizontal integration of competing industry.

GATT AND ITS RELATION TO THE 1990 FARM BILL--PGI believes it to be paramount that the 1990 Farm Bill be formed in the best interest of American agriculture, not in response or out of fear of the eventual outcome of the GATT negotiations.

FUNDING FOR EXPORT PROMOTION--PGI supports the continued use of the Export Enhancement Program only to react to export subsidies of foreign competition and not as a tool to expand the United States' share of foreign markets.

ACCESS TO FOREIGN MARKETS--It is the belief of PGI that the United States must demand and enforce reciprocal trade privileges.

CONSUMER INFORMATION ON AGRICULTURE PRODUCTS--PGI feels it necessary that there be factual information readily available to the consumer as to the quality of produce available.

EXTENSION AND RESEARCH FUNDING LEVELS--PGI supports the continued funding in the area of basic research and in those areas in which private enterprise is not actively involved. We support limited funding for research in sustainable agriculture. We support funding for research in new market development. PGI also supports funding for the research in biological control to replace our current dependency on chemicals.

CONSERVATION RESERVE AND COMPLIANCE PROVISION IN THE FARM BILL--Potato growers of Idaho has gone on record as opposing the planting of nonprogram crops on any acres which had previously been required to be set aside as a condition of enrollment in price support and production adjustment programs.

CARGO PREFERENCE IN EXPORTS--PGI does not support cargo preference legislation for domestic shipping concerns.

PRODUCER REFERENDUM POLICIES--PGI supports a no refund policy for checkoffs providing there is a provision included in that cbeckoff which requires a mandatory referendum to be held at intervals of no more than seven years. A two-thirds majority of voting producers shall be required for a change of status quo.

ISSUES OF CONCERN FOR IDAHO AGRICULTURE

1. FOOD SAFETY

Farmers Union is concerned that enforcement of food quality standards is lacking in imported foods. Currently, only two percent of imports are tested; with a rejection rate as high as 60 percent. Farmers Union's long-term policy is directed at a more sustainable agriculture with less dependency on chemicals.

2. WATER QUALITY

With regard to groundwater, Farmers Union favors voluntary well testing with incentives for farmers to clean-up or cap wells rather than imposing legal penalties. We support the approach initiated by the state of Minnesota wherein a state-wide groundwater quality task force has been administered. During our last convention, Farmers Union delegates enacted a Special Order of Business proposing a six-point plan to improve and preserve our nation's groundwater.

3. CHEMICAL REGISTRATION

Farmers Union encourages the re-registration of older chemicals as quickly as possible. We support efforts to disseminate new information on chemicals to farmers as quickly as possible; and, we support research into safer chemicals and non-chemical alternatives thereby reducing the amount of toxicity in the environment.

4. ENVIRONMENTAL EDUCATION NEEDS

Sound stewardship of our natural resources continues to be a major thrust of the Farmers Union. The National Farmers Union has long been involved in coalitions organized to insure that America's natural resources are managed for the public good. Environmental protection will likely be the theme of this years National Farmers Union Educational Conference.

5. NATIONAL FARM CREDIT POLICIES

While only a genuine and lasting improvement in farm prices and income will solve the agricultural debt crisis, Farmers Union applauds the Agricultural Credit Act of 1987 to provide debt relief to farmers while ensuring continued sources of agricultural credit. We call upon the reorganization of FmHA to provide for adequate assistance programs for family-sized farm operations. FmHA should play a central role in providing loan funds to enable previous owners to exercise their rights of first refusal and to help beginning and restarting farmers to buy land. We urge the Farm Credit Administration to enforce its regulations governing the borrower's rights sections of the Agricultural Credit Act of 1987, including the use of cease and desist powers when necessary.

6. ECONOMIC IMPORTANCE OF AGRICULTURE IN IDAHO

The Farmers Union believes that the maintenance of a family farm based agricultural economy is of paramount concern to Idaho. The very future of Idaho, with its numerous rural communities, is critically dependent on such a commitment. Furthermore, the economic contributions of agriculture to the state of Idaho, inclusive of its work force and interdependency with industry and other business, warrants this elevated level of priority.

7. ANTI-TRUST RULES AND REGULATIONS AS THEY RELATE TO AGRICULTURE AND RELATED INDUSTRIES

Farmers Union supports both state and national approaches to this problem. We are currently working with numerous state Farmers Union affiliates, as well as other farm organizations, to promote the passage of legislation which will halt vertical integration. Farmers Union is also working to enhance producer ability to collect for anti-trust damages. The National Farmers Union has testified in Congress to encourage greater enforcement of anti-trust legislation.

8. GATT AND ITS RELATION TO THE 1990 FARM BILL

Farmers Union is concerned that the U.S. Congress has not been made a full partner in the development of a positive U.S. position in the GATT process. We believe progress can be made in the present GATT agricultural talks if the U.S. government will substitute a more realistic negotiating position for its present unrealistic proposal to abolish all "trade-distorting" domestic farm program provisions by a specific time line.

9. FUNDING FOR EXPORT PROMOTION

The Farmers Union believes in fair and reciprocal trade. We are against the dumping of our surpluses on foreign markets. We favor a plan to assist other nation's in the improvement of their economies thereby enabling them to become cash buyers of our products.

10. ACCESS TO FOREIGN MARKETS

Farmers must have the right to sell their products in world markets if they are to maintain their productive capacity to serve the world market. Access to export markets is important but, if there are to be future gains in export earnings, they will more likely have to come from higher prices on grains. Export subsidy programs without measures to raise the level of grain export prices are likely to be self-defeating for the reason that they are, in effect, grain price reductions and are apt to result in a grain-price war harmful to all exporters. Exporting American-grown food and fiber at prices that are less than the cost of production amounts to exporting our land, water,petroleum, and other natural and human resources for less than their true value.

11. CONSUMER INFORMATION ON AGRICULTURAL PRODUCTS

The Farmers Union supports labeling of agricultural products to disclose country of origin, actual contents, and additives. Specifically for the dairy industry, we support labeling of dairy products containing synthetic substances such as BGH.

12. EXTENSION AND RESEARCH FUNDING LEVELS

Farmers Union supports increased funding for research into alternative agricultural technologies which would benefit small and specialized family farmers by reducing input costs and by developing a system of sustainable agriculture. Farmers Union insists that funding for research and extension efforts be attuned to the best interests of family farmers and not unduly influenced by large agri-business corporation interests. Therefore, greater emphasis must be placed on developing new market channels for family farm production rather than new technology for increased production.

13. CONSERVATION RESERVE (CRP) AND COMPLIANCE PROVISION IN FARM BILL

Farmers Union supports the CRP and continued funding for ACP as outlined in the 1985 Farm Bill. We agree that the program should be capped in those counties which have achieved a sign-up of 25 percent of that counties total cropland. At least 50 percent of the cost of applying the required practices should be funded by the program. We further believe that interpretation of the sodbuster and swampbuster provisions of the 1985 Farm Bill should be determined by local SCS and ASCS committees.

14. CARGO PREFERENCE IN EXPORTS

We do not yet have a policy formulated on this issue.

15. PRODUCER REFERENDUM POLICIES

Farmers Union favors producer referendums believing producers should have the right to vote prior to the implementation of commodity check-offs. National Farmers Union favors a supply management program which contains provisions for producer referendums.