



Farm and Food Policy for All

Farmers, Citizens and Communities



Forces of Change

- Change is inevitable, due to
 - Globalization/WTO
 - Budget deficits
 - Poor perception of farm subsidies
 - Unmet needs of agriculture
 - Growing outside interest



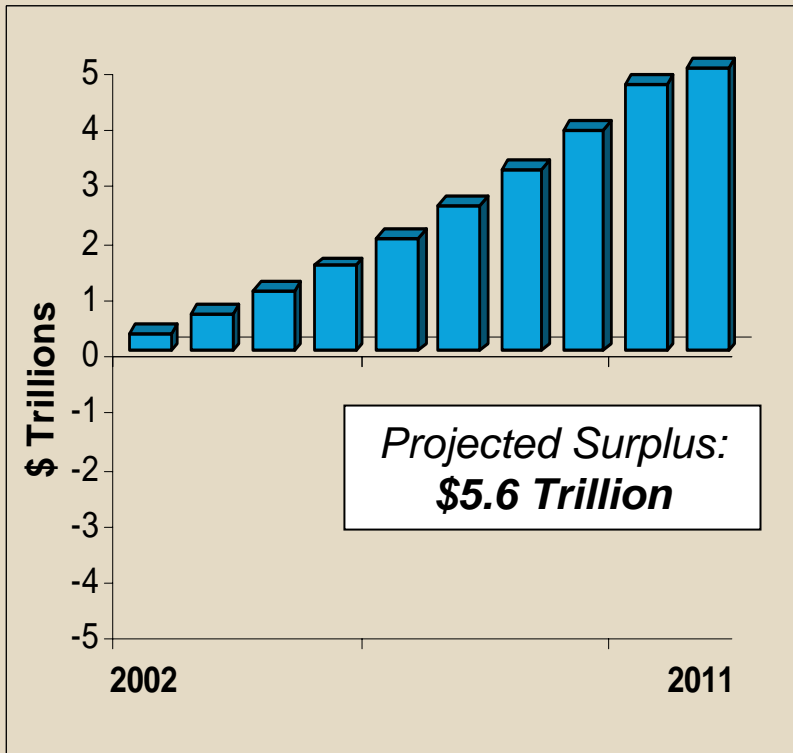
- **Change is coming . . .
with or without Doha**
 - WTO dispute cases
 - Bilateral trade agreements
 - Long term trend toward freer trade



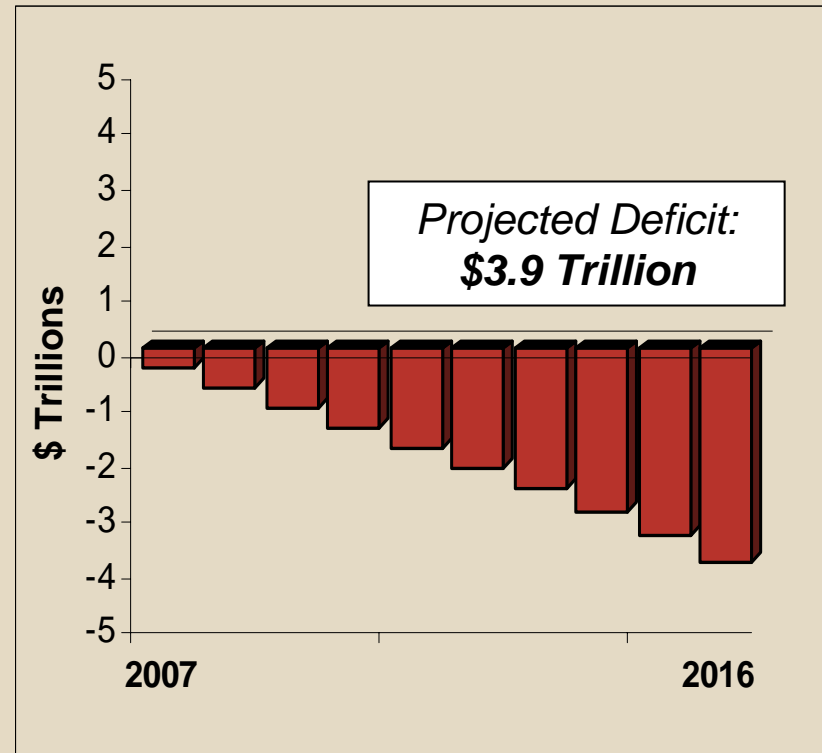
Budget Deficit

Future Deficits Will Shape the New Farm Bill

FY 2002-2011



FY 2007-2016



2007 Farm Policy Campaign

Source: Ten-Year CBO Budget Projections (cumulative)



Increased transparency has resulted in:

- Declining public support
- Farmers and ranchers questioning the current payment structure
- Even traditional political supporters questioning current programs



Most farmers and ranchers are not getting the support they require to remain competitive

- New market development
- Deteriorating infrastructure
- Research, pest management, etc.
- Rural development
- Environmental regulation



Advocates involved in farm bill:

- International development
- Health and nutrition
- Fiscal conservatives
- International business
- Energy
- Rural development
- Environmentalists
- Hunting and fishing



Forces for Change

- “I’ve been in the unholy agricultural alliance for 33 years. I’ve voted for every damned ridiculous agricultural program and subsidy conceived by the minds of men. But I may not anymore.”

-Senator Trent Lott, July 2005



Forces for Change

- “If we gave up 100% of subsidies, the gains politically and economically would be much greater than what we would lose.”

-Former House Ag Committee Chairman
Rep. Charlie Stenholm, Fall 2005



A New Framework for U.S. Farm Policy



U.S. FARM POLICY PILLARS

Safety Net ■ Stewardship ■ New Markets



Four Major Policy Proposals

- Green Payments
- Cooperative Conservation Program
- Revenue Protection Program
- Farm and Ranch Profitability Grants



Green Payments - Rationale

- **Enjoy broad public support**
- **Considered “green box” under WTO**
- **Allows farmers to “sell” environmental services much like they sell agricultural products**
- **Provides a steady, reliable stream of revenue**



Conservation Initiative

- **Double funding for working lands programs**
- **Simplify the application process**
- **Establish cooperative conservation partnership**



- Allow regions and groups to compete for conservation funding for major regional issues (e.g. salmon . . .)**
- Allow work to traverse state boundaries**
- Encourage farmers and ranchers in an area to work together to address problems**



Cooperative Conservation – Rationale

- **Engages producers in collaborative efforts to better direct conservation assistance**

- **Improves the effectiveness of existing conservation programs by focusing conservation efforts**



Why a shift to conservation



- ❑ Saving farms saves the environment
- ❑ Saving the environment, should also save farms.
- ❑ Puget Sound Salmon Recovery Plan & the many emerging watershed plans in region



Revenue Protection - Mechanism

- **A national level revenue deficiency payment; and**
- **An individual level revenue insurance product**
- **Protects against unexpected drops in revenue (Price * Yield), which occur during the growing season**
- **Developed by an agricultural economist at Ohio State University**



Farm & Ranch Profitability Grants



A \$1 billion state level program that combines new funding for:

- marketing strategies
- new business ventures
- product promotion
- consumer education
- on-farm improvements



AFT's Agenda 2007

- “AFT’s new policy framework is the right formula for converting a potential policy train wreck into an unprecedented opportunity for a new generation of farmers and ranchers.”

-Former Secretary of Agriculture, Dan Glickman



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