

"Ag Notes"

A SUMMARY OF NEWS, EVENTS AND FACTS FROM USDA



Secretary Veneman joins Senator Kit Bond at tree planting ceremony to mark the 75th anniversary of the U.S. National Arboretum

USDA Continues to Strengthen Food Safety Systems

"For two consecutive years, we have proposed record-level spending for food safety programs and strengthened our inspection systems to ensure regulatory compliance and safety," Dr. Elsa Murano, USDA's Undersecretary for Food Safety told a House appropriations committee on March 14. "We are serious about protecting public health and we must continue to incorporate proven scientific principles throughout the food safety system to enhance our food safety infrastructure." To this end, Murano announced that USDA will host a series of public forums this year on pathogen reduction and microbial testing.

Veneman urges conferees not to exceed \$73.5 billion spending limit on new farm bill

In a March 13 letter to House and Senate farm bill Conferees, Agriculture Secretary Ann M. Veneman reiterated the administration's priorities for a new farm law, saying, "achieving a solid farm bill to assist farmers and ranchers in challenging times is of top priority for the Administration.

"Farm bill funding is our top concern, since it affects all policy. The Administration believes that the new farm bill must honor the limits of the Congressional Budget Resolution. Consistent with this Resolution, Congress should not pass a farm bill that exceeds \$73.5 billion. We will strongly oppose any effort by the Conferees to ignore the Congress' own spending limits," Veneman said.

The letter comes in the wake of the revelation by the Congressional Budget Office that it underestimated the cost of the Senate farm bill by more than \$6 billion. The Administration is concerned that the Senate farm bill "frontloads the ten-year funding into the first five years, placing the future of farm programs in jeopardy for the second five years." The Senate bill also sharply reduces or terminates funding for roughly fifteen rural, conservation and commodity programs after 2006 in order to compensate for frontloading. "We will strongly oppose any frontloaded farm bill that allocates more than \$36.8 billion in the first five years."

Veneman said the House bill's increased funding for fixed decoupled payments, along with countercyclical marketing loan rates, "ensures farmers a consistent, predictable income safety net while maintaining market-oriented planting flexibility."

The Administration also supports additional risk management tools to help non-program crop producers and urged Conferees to expand language in the Senate farm bill for such a program. Veneman said the House bill's fixed decoupled payments are "green box" and meet international trade obligations, while the Senate provisions would increase the likelihood of U.S. non-compliance. Veneman suggested modifications to "circuit breaker" provisions to help ensure compliance with WTO obligations.

In other areas important to the farm bill, the Administration supports a strong conservation title "that bolsters working land stewardship, supplements farmers' and ranchers' income, improves water quality, provides wildlife habitat, conserves water and protects open space."

Veneman commended the Senate for including a provision making legal aliens living in the U.S. for at least five years eligible for food stamps. "This is a key component of the President's budget, and we encourage the Conferees to include it in the final bill"

Quotables...

"Under the Taliban, Afghan women were banned from speaking, or laughing out loud. Afghan women were banned from attending school after the age of eight years old. The women's university was shut down. Afghan women were denied basic health care. They were killed on suspicion of adultery. As many as 50,000 women widowed during the long course of a civil war were forbidden from working. They were reduced to selling their possessions and begging in the streets for themselves and their children. When someone asks you why we are at war in a remote corner of the world, remember these examples," Secretary Veneman at Women's History Month celebration 3/5

Upcoming Events For Secretary Veneman

Wednesday, March 20:

10:00 a.m., Participate in
USDA National
Agriculture Day Activities,
USDA Patio.

1:00 p.m., Remarks to
the Food Group, Hotel
Washington, D.C.

For more information about
the information provided in
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USDA's website at:

www.usda.gov

Agreement Reached with China on Biotech Rules; U.S. Sends Team to Russia on Poultry Ban

On March 7 a U.S. trade team reached an interim agreement with China on implementation of its new biotech approval process for imports. Prior to this breakthrough, the Chinese had planned to require exporters to obtain safety certificates, potentially delaying transactions for months. The Chinese have agreed to accept documentation on approved biotech varieties from the exporting country for the near-term.

"We're pleased that China appears to appreciate our concerns and has said that it is developing an interim arrangement to reduce trade disruptions and address our specific concerns including approvals, market access and labeling," Secretary Veneman and Trade Representative Robert Zoellick said.

A team of US officials is in Russia working to resolve a ban Russia has imposed on poultry imported from the United States. President Bush is concerned about the impact of Russia's decision and said last week, "We've got to get this chicken issue resolved."

Veneman and Zoellick have both said, "we know of no reason whatsoever that would justify a ban on our products," and have been working with Russian officials to resolve the issue.

IN CASE YOU MISSED IT—

--On March 12, the Secretary signed a P.L. 480 agreement to supply 83,300 metric tons of U.S. rice to the government of Uzbekistan. Worth \$20 million, the rice will be sold locally allowing the proceeds to be used to increase agricultural production, improve food storage, marketing, transportation and distribution.

--The Job Creation and Worker Assistance Act of 2002 signed into law by President Bush on March 9 includes a "bonus" first year depreciation of 30% retroactive to Sept. 10, 2001. Applicable to qualifying farm machinery and equipment, the provision will help about 200,000 farmers save \$500 million in taxes each year. The provision expires 9/11/2004.

--The Senate agreed March 8 to include a Renewable Fuels Standard in a new national energy policy. "By raising the demand for farm products, this proposal would boost corn prices, as well as prices for other crops such as soybeans and raise income for farmers," Secretary Veneman said. For ethanol alone, the standard raises usage to 5 billion gallons by 2012 up from 1.8 billion gallons produced in 2001. Five billion gallons is equivalent to 1.7 billion bushels of corn.

--Due to weather conditions ranging from floods to drought, Secretary Veneman has made emergency loans available in Maine, Wyoming, New York, Virginia, Idaho, Washington, California, Vermont, Tennessee & South Carolina.

Klamath Working Group Announces Federal Aid

The Klamath River Basin federal working group has announced several new initiatives to assist farmers and ranchers and to conserve fish and wildlife in Oregon's Klamath Basin. Formed by President Bush, the working group includes the Secretaries of Interior, Commerce and Agriculture, and the chairman of the Council on Environmental Quality. The Group met on March 8 and 15.

According to Secretary Veneman, USDA will provide \$1.6 million to accelerate delivery of conservation, technical and financial assistance for irrigation water management, filter strips and creation of wildlife habitat. This approach could result in water savings of up to 30 percent in some cases.

"Farmers and ranchers in the Klamath Basin have suffered economic hardship due to scarcity of water and the President has made a strong commitment to resolve the issues in this region," Secretary Veneman said.

USDA is also: extending Emergency Conservation Program signup through September 2002; exploring opportunities for debt adjustments for farmers and ranchers in the area and launching 22 special U.S. Forest Service projects aimed at stream improvement, meadow enhancement and stream protection.