



Sustainable Agriculture Coalition

Working for public policies that support the social, economic and environmental sustainability of agriculture, natural resources and rural communities.

Farming Opportunities and Fair Competition Policy Options for the 2007 Farm Bill

Why Now?

The family farm is in jeopardy. The U.S. has moved to a significant extent to a dual system of agriculture. At one end of the spectrum are small, often part-time farms, producing a small percentage of all farm products. At the other end are the largest one percent of all farms that account for nearly one-half of all farm product sales. In the middle, and hanging in the balance, are full-time mid-sized family farms.

Family farms matter to the viability of rural communities. Replacing midsize farms with big farms reduces middle class entrepreneurial opportunities in farm communities, at best replacing them with wage labor. The result is harmful to society.

The concentration of farms and ranches into ever larger units and the decline of agricultural self-employment are not the inevitable results of inexorable forces of nature or markets. Rather, concentration in agricultural production is driven by decisions – policy choices and biases – that can be reversed.

What We Need

The family farm system can be strengthened by increasing farming and ranching opportunities, restoring fair competition in the marketplace, and by improving the viability and sustainability of small and moderate-sized family farms and ranchers. But to do so we need critical reforms in the 2007 Farm Bill.



We need a ***New Farmer & Rancher Initiative*** to address the unique needs of a new generation of farmers and ranchers, and also those that are looking to begin again by establishing new farming systems to enter new, emerging markets. We need ***commodity program and payment limitation reform*** to stop subsidizing farm consolidation. We also need a ***new Competition Title*** to help restore openness and fairness to markets, with strengthened enforcement of the Packers & Stockyards Act and the Agricultural Fair Practices Act.

Act Now

Ask your Senators & Member of Congress to pass a new farm bill now, without delay. Urge them to support a New Farmer & Rancher Initiative to foster a new generation of farmers and ranchers; commodity program reform and payment limitations to level the playing field for small and mid-size family farms; and a Competition Title to promote competitive and fair markets. See other side for specific proposals.

SUSTAINABLE AGRICULTURE COALITION

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New Farmer Initiative

- *Beginning Farmer and Rancher Development Program* - The farm bill should fund the BFRDP to support collaborative local, state, and regionally based networks and partnerships to supply financial and entrepreneurial training, mentoring and apprenticeship programs, “land link” programs, and education and outreach activities to assist beginning farmers and ranchers.
- *Individual Development Accounts (IDAs)* - A pilot program should be started with special matched savings accounts to promote a new generation of farmers and ranchers by assisting those of modest means to establish a pattern of savings and develop assets to get started in agriculture.
- *Beginning Farmer Down Payment Program* - The Down Payment program should be amended to reduce interest rates and increase the maximum allowable sales price, to reflect current market realities.
- *Beginning Farmer Land Contract Program* – The current pilot program should become a permanent nationwide program to provide loan guarantees to private sellers who self-finance the sale of land to beginning farmers and ranchers.
- *Conservation Incentives* - The farm bill should strengthen special conservation incentives for beginning farmers and ranchers to foster lifelong stewardship commitments.

Commodity Program Reform

- *Effective Payment Limitations* – The single most effective commodity reform Congress could do to strengthen family farms is to cap subsidies to mega farms. Effective payment limitation reform should close the loopholes that have allowed some farms to collect seven-figure government checks each year, spurring farm consolidation and overproduction.
- *Other reforms* - Congress should also stop expansion of subsidized cropping into prairie grasslands, re-orient farm support to green payments for effective conservation, improve planting flexibility, and eliminate or reduce the harmful impacts of marketing loan gains and loan deficiency payments on the structure of U.S. agriculture, the environment, and farm and food systems around the world.

Crop and Revenue Insurance

Whole Farm Revenue Insurance – Diversified farmers and ranchers are at a clear disadvantage when it comes to insurance because the programs that address their needs are not available nationwide. The 2007 Farm Bill should expand whole farm revenue insurance options so that they are available nationwide within the next few years to diversified crop and crop-livestock farmers.

Organic Crop Insurance - The farm bill should end the current discriminatory policies that are charging organic farmers more in crop insurance premiums and then, should they experience a drought or other disaster, paying them at lower convention crop prices.

Credit Title Reform

Direct farm ownership and operating loan limitations should be updated to reflect higher land and operating costs. Alternative crops and enterprises should be loan eligible.

Competition and Fair Agriculture Markets

- *Packers and Stockyards Act and Agricultural Fair Practices Act* - A Competition Title for the next Farm Bill should amend and strengthen the Packers and Stockyards Act and the Agricultural Fair Practices Act to ensure fairness in the agricultural product market place and increase the access of farmers and ranchers to market information.
- *Office of Special Counsel* - To ensure effective and timely enforcement of these measures, an Office of Special Counsel for Competition and Market Access Issues should be established at USDA to investigate and prosecute violations of these Acts.



Rosario Mora with her son, Hector. Rosario and her husband have started a farm enterprise with SAC member group ALBA in Salinas, CA.

For SAC's full Farm Bill Platform and for more information, see www.msawg.org