National Family Farm Coalition

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NFFC President's Response to Administration's 2007 Farm Bill Proposal

The United States Department of Agriculture's 2007 Farm Bill Proposal fact sheet explains the intention of the farm bill as "market oriented." This term "market oriented" signifies the type of policy favored by big agribusiness since the 1950's because it intends to "let the market" determine price levels—today in international markets. This means that farmers around the world will be pitted against each other since multinational agribusiness firms like Cargill can access commodities globally —and encourage production globally—assuring the cheapest commodities possible to the detriment of family farmers and the environment around the world.

Under this proposed system, as with the 1996 Freedom to Farm and 2002 Farm Bills, farmers will have no alternative but to maximize production in the face of uncertain, and often declining, prices. Secretary Mike Johanns repeats the often stated, but completely incorrect, idea that farmers overproduce major commodities like corn, soybeans, and wheat because of government payments and "high marketing loan rates." Loan rates today are less than they were in the late 1970's and very much below the cost of production. The truth is that these are the crops farmers plant when no other crops can be raised or marketed at a profit. What would some alternative crops be? Biofuel production and animal feed production for domestic use and for export will still be the main markets for feedgrains and oilseeds. Most fruit and vegetable farmers are already suffering from cheap imports from China and Mexico where labor is paid less than $4 per day.

Consumers will still be faced with a corporate food system that sources production and processing from thousands of miles away. In the case of meat, they will have no idea which country their pork, poultry, and beef came from because the Administration once again fails to support mandatory country of origin labeling. Dairy imports, often in the form of undefined substances called Milk Protein Concentrates will continue to keep milk prices at half the cost of production for giant dairy processors, while forcing dairy farmers to survive on government payments from the MILC program.

Following 2006, which was without contest the worst year ever for dairy farmers, the Administration offers the same meaningless support price of $9.90 per hundredweight, again less than the support of the late 1970's. The USDA proposal is worse than a case of benign neglect for both dairy farmers and the consuming public.

Quite remarkably, this market oriented farm bill proposal ignores the nation's food and energy security by not providing for food and energy security reserves. The carryover from the 2007 corn crop is projected to be only 20 days and to be held in private hands. Massive investments are already being made to produce biofuels from feed grains (ethanol) and oilseeds (biodiesel) that could be totally unprofitable if a short crop materializes from our unstable climate and drives commodity prices sky high. The President's recent announcement that he is doubling the nation's Strategic Oil Reserve shows that the principle of having stocks isolated from the market to temper unforeseen supply shortages is a sound principle for raw materials, like commodities and oil.

The USDA 2007 Farm Bill proposal claims to meet World Trade Organization (WTO) rulings against farm subsides, but nevertheless creates a incomprehensible system of "revenue assurance" which somehow will provide taxpayer dollars when markets fail to reward farmers with enough income to survive—hardly "market oriented." This will again lead to more accusations by WTO members that the USDA talks the talk, but doesn't walk the walk. Are all the other countries supposed to have a direct payment and revenue assurance program for their farmers?

What our family farmers and tax payers need is a 2007 Farm Bill that ensures actual market prices reflect the cost of production rather than making farmers dependent on government payments. The Bush administration's proposal guarantees five more years of confusion and further exploitation of family farmers and the environment by giant multinational agribusiness firms whose sole concern in the next farm bill is to access farm commodities and biofuels as cheaply as possible from all over the world. Archer Daniels Midland, Cargill, Smithfield and the biofuels industry, the silent partners in the Administrations proposal, need to pay a fair price, while consumers are protected by grain reserves for food and energy security.

The National Family Farm Coalition proposes a 2007 Farm Bill called the Food from Family Farms Act that requires:

- Establishment of food security reserves, commodity price floors, fair wages and working conditions for all workers in the food system.
- Support for new generations of diversified, sustainable family farmers.
- Encouragement of fair and open competition and enforcement of existing rules pertaining to competition and anti-trust to address the rampant concentration in the food industry.
- All farm and food policies to fully serve the diversity of our nation's family farmers through accessible USDA programs.
- Stewardship of land and water through improved conservation programs.
- Encouraged economic development through new markets for healthy, sustainably produced food.
- A democratic policy making process that protects the future of our environment and encourages healthy rural communities.

Features of this program and a discussion of other important family farm topics can be found at www.nffc.net.

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