



Farm Bill Reauthorization: New Approaches, Flexibility Needed for Western Agriculture

“The complexities and challenges faced by farmers and ranchers in the 21st Century necessitate a change in the status quo of the Farm Bill. We need to develop a sound agriculture policy that is fair to farmers and ranchers, provides needed flexibility to address unique issues of the West, and that will ensure our nation’s agriculture producers of success in the new global economy.”

– Governor Mike Johanns, Nebraska

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Agriculture in Western states is significantly different than in other regions of the country. We have greater variations in soil, climate, terrain, agricultural practices, water availability, agricultural structure, and crop diversity. Despite these differences, programs and technical tools do not, as a rule, acknowledge local differences or allow sufficient flexibility to be truly effective or to meet state and local priorities. The challenge for policymakers today is to capture a national vision that resolves into regional goals and, with further refinement, translates into local action.¹

This national vision will form the foundation for the next farm bill. Aside from making changes in existing programs, the next farm bill provides the chance to promote new opportunities, especially for conservation. These new opportunities will form the cornerstone for ensuring that farmers and ranchers remain on their land. This becomes increasingly significant when examining land use/ownership in the United States.

Private land constitutes the single largest portion of our country’s landscape. Most privately owned land is in agricultural use - crops, grazing or forest.² Privately owned cropland, grazing land and forest land account for at least three-fourths of the land area in the

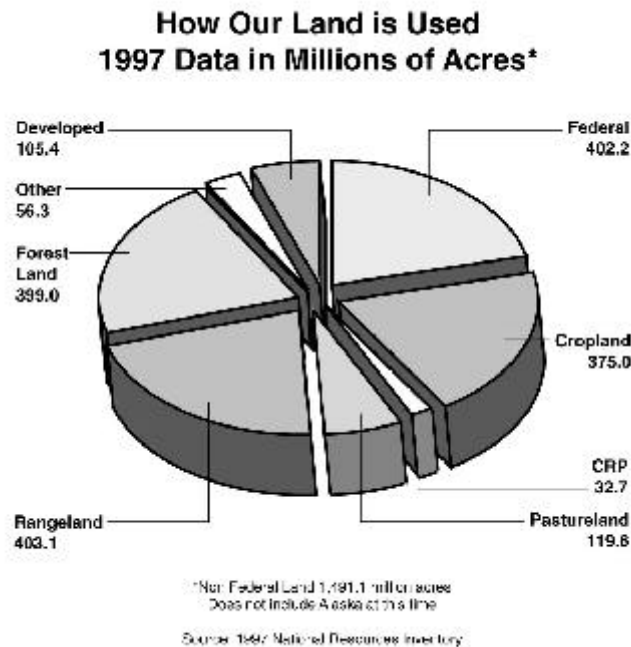
contiguous United States, and over 90 percent of the Nation’s privately owned land. These agricultural land uses form the foundation of a substantial and vibrant agricultural economy that provides food and fiber for the nation and contributes to global food security. Keeping our natural resource base in good condition helps ensure that these important lands remain productive.³

Actions Needed

- T** Develop and implement a Grassland Easement Program
- T** Develop and implement a Conservation Partnership Initiative
- T** Develop and implement a wetland tax credit and/or a Conservation Reserve Tax Credit system, which would link Swampbuster and highly erodible land provisions to federal price supports
- T** Establish landowner incentives and multi-credit trading system based on a given watershed to provide incentives and funding for restoration and improvement of ecosystem functions
- T** Urge USDA to adopt a short term set aside program to reduce production and to get funds to financially stressed farmers
- T** Give producers the option of a one time, up-front, payment for continuous CRP

However, land use in this country has gone through some dramatic changes in the last decade and productive agricultural land is being converted at a rapid rate.

According to the USDA's Natural Resource Inventory, in 1997, non-federal land amounted to just under 1.5 billion acres, most of it rangeland (27 percent) and forest land (27 percent), followed by cropland (25 percent), pastureland (8 percent), and developed land (about 7 percent). Federal land totaled about 402 million acres. The largest increase in acreage by land use was for development, about 30 million acres, from 5 percent of the land area in 1982 to more than 7 percent in 1997.⁴



The inventory shows that from 1992-97 more rural land was converted to urban uses than in the previous 10 years. During those five years, nearly 16 million acres of land were developed, more than doubling the average annual rate of conversion seen in the previous decade. Although not considered to be a threat to food production nationally, urbanization and development lead to the fragmentation of agricultural land and the

loss of prime farmland.⁵ This loss is not only an economic loss to communities, but a loss of habitat for threatened species, open space, and a threat to the rural lifestyle that has been enjoyed by generations of family members. We have the opportunity to include new measures in the next farm bill that will open up a world of new possibilities to fit conservation onto the landscape and into the bottom lines of farmers and ranchers.

One effort that is emerging as a promising opportunity is landowner incentive programs. These programs allow states to work proactively with landowners by providing assistance to landowners who improve wildlife and vegetative habitat. Assistance to landowners can include technical assistance for development of a comprehensive conservation plan, habitat evaluations, cost/share dollars for conservation practices, and incentive dollars for landowners providing habitat for endangered, threatened, or sensitive wildlife and vegetative species

As new opportunities present themselves, America's farmers should be able to take advantage of them; farm program restrictions and regulations should not stand in the way. Over the life of the farm bill, farmers should have greater decision-making authority and more flexibility without having to sacrifice program benefits. The bottom line is to keep farmers and ranchers on the land.

In order to ensure that the next farm bill incorporates the concerns of the West, the Western Governors recommend the following:

Conservation and environmental programs should be expanded and simplified and emphasis should be placed on promoting landowner incentive programs.

To date, much of the dialogue on the conservation title of the Farm Bill has focused on utilizing conservation programs as tools to shape a healthy landscape. The goal is to have a landscape that supports clean water, productive agriculture and wildlife, by placing incentives in the hands of participating landowners. Some recommendations include:

- Full and expanded funding for the USDA conservation incentive programs, including the environmental quality incentives program, conservation reserve program, wetland reserve program, conservation reserve enhancement program, and wildlife habitat incentives program. These voluntary incentive programs are crucial for maintaining the nation’s role as an agricultural leader and conducting this endeavor in an environmentally sound and sustainable manner.
- Establishment of an adequate funding level to the USDA Natural Resource Conservation Service (NRCS) to support the level of technical assistance to fully implement the funded conservation incentive programs listed above and to provide assistance with water quality issues and the Endangered Species Act.
- Development and implementation of voluntary incentive programs to effectively achieve habitat conservation and/or enhancement for listed or candidate ESA species on private lands; open space; clean air; clean water; wildlife habitat; and critical farm land conservation practices.
- Continuation/enhancement of the Watershed Protection and Flood Prevention Act under administration of the Natural Resources Conservation Service.

“Traditional farm bill programs have guided how we manage natural resources in the West. Today, agriculture is attempting to manage more complex problems of sustainability, regulation and market challenges that impact daily operation. Aside from making changes in existing programs, the next farm bill provides the chance to promote new opportunities.”

- Western Governors’ Association

Marketing programs must provide the opportunity to compete in the global marketplace.

States with products to trade are interested in the nurturing and enhancement of existing markets, the creation of new markets, and the development of options that make their goods more attractive and pronounced to buyers while simultaneously returning more on their investment. Recommendations include:

- Export enhancement through aggressive pursuit of new markets
- Trade policy considerations, such as rethinking the value of using food sales to foreign nations as an embargo weapon
- Exploring tools that can make a better return on investment for producers, including value-added processing, third generation cooperatives, and e-commerce.

Investment in research and top-priority problems must be maintained.

- Increase research funding to meet overseas' customer expectations
- Increase research in the role of biotechnology in nutrition and agricultural production

Regulations need to be streamlined and should strive to increase market orientation and promote competition and efficiency in order to enhance farm income.

- Appropriate enforcement of anti-trust laws and regulations for market access and competition
- Regulatory reform – Streamlining and reduction of regulatory entanglements; include time limits for penalty because of previous write-offs
- Revise the Animal and Plant Health Inspection Service (APHIS) to incorporate the numerous suggestions of upcoming reports

Modifications need to be made to the safety net provisions to encourage producers to save when revenues are high for years when revenues are low.

- Retain flexibility to maximize producer options
- Rebalance loan rates
- Restructure payment limitations to individual farms so that farmers can rely on a given level of support.
- Revise the Farm Service Agency's (FSA) federal farm loan programs to provide accessibility and full funding for specialty crop producers.
- Recouple crop insurance with conservation compliance.

RESOURCES:

- www.agriculturelaw.com
- <http://fb-net.org>
- www.nasda.org
- www.house.gov/agriculture
- www.senate.gov/~agr
- www.usda.gov
- Agricultural Outlook - published by the Economic Research Service -USDA
- www.westgov.org (WGA resolutions 98-016 "Conservation of Natural Resources", 98-030 "Farm Bill Reauthorization" and work group priority lists for the 2002 farm bill)

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Endnotes

1. Natural Resources Inventory Report, United States Department of Agriculture, Natural Resources Conservation Service, p.7.
2. WGA Resolution 98-030
3. “A Geography of Hope, America’s Private Lands” , United States Department of Agriculture, Natural Resources Conservation Service 1996, p.26
4. “Natural Resources Inventory: Background and Highlights”, United States Department of Agriculture, January 2000, p.9.
5. Id.