



SUMMARY OF THE FIRST MEETING OF THE SOUTHERN SEABOARD
RESEARCH GROUP
Reforming American Farm Policy
June 25, 2005

On June 24, 2005, 21 producers and eight policy experts from Maryland, Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Tennessee and Arkansas (part of the “Southern Seaboard” region defined by the USDA’s Economic Research Service) met with American Farmland Trust staff to discuss reform of current farm policy. AFT sought out participants who understood farm programs, anticipated change and welcomed the opportunity to be sounding boards for research. The Southern Seaboard Research Group is one of four research advisory groups providing their perspectives to AFT as we draft a reform framework for the 2007 Farm Bill.

Unlike the previous three research groups, the Southern Seaboard participants were not convinced that reform is just around the corner although they identified many factors that may drive change. These included the need to increase profitability in farming, domestic labor issues, health issues, globalization, air quality (dust), food security, land values, inheritance taxes, lack of entry opportunities for new farmers and public ignorance of the real cost of food and where taxpayer dollars really go. Desired goals for farm policy ranged from sound, safe abundant food to ensuring profitability, ensuring long-term sustainability, free access to labor, expanding value-added markets, compensating farmers for public benefits on working lands, providing opportunities for farm worker, protecting and preserving the resource base, public investment in the productivity of the land (inheritance tax issues) and expanding farmer innovation. We did not try to reach consensus on goals.

We discussed what’s good and bad with current farm policy. The group identified 40 “good” and 71 “bad” points and voted on the most important. They want to keep and increase programs that address the loss of farmland due to changing landscapes (e.g. the Farm and Ranchland Protection Program), keep the marketing loan program (non-recourse loans), keep and increase the emphasis on conservation programs, particularly sustainable agriculture, retain the 3-entity rule, keep and increase 2501 technical assistance and outreach, keep counter cyclical payments and maintain payment limits as is. Among top wrongs, they want to correct the public’s lack of recognition of the current structure of agriculture and how subsidy dollars are used, increase funding for farmers markets and direct marketing, correct or eliminate crop insurance which offers substandard protection at too high a price, make Country of Origin labeling (COOL) mandatory (currently implemented as voluntary), reduce USDA bureaucracy and correct

the lack of vision for U.S. agricultural policy that has resulted in fragmenting and polarizing groups.

Four small groups then independently designed their ideal farm policies:

- Provide a safety net for all farmers that insures income long term, is not crop-based and prohibits disaster payments; provide incentives for the next generation of farmers including mentoring and financing for capitalization; increase research and education; provide direct/counter-cyclical payments; transition to government support for working landscapes, basing allocations on performance and environmental outcomes and setting threshold requirements that maximize grower flexibility; provide a marketing loan program; and establish regionally-based programs for perishable commodities that include support for infrastructure.
- Keep the structure established in the Commodity Title, with the intent to retain World Trade Organization compliance at the same level as other countries. Increase total payments if possible, provide an increased loan rate for production, tie support to mandatory, not discretionary spending and work to include fruits and vegetables in the title but only with additional funding. Funding for the Conservation Title should not be at the expense of commodity funding. Reward good performers rather than bad, make sure conservation is incentive-based, not regulatory, create a crop rotation payment program for peanut producers, provide assistance for farmers to meet environmental regulatory requirements and distribute EQIP funds more efficiently. Keep the Nutrition Title and require local school districts to give first priority to local produce. For risk management, shift insurance away from the whole farm to smaller production units and privatize it.
- Create a comprehensive, long-term (at least 10 years) plan with specific goals: sustainable for rural America, profitable (net margin versus risk profile), targeted (conservation programs), helps educate the public and assess and adjust progress on an annual or semi-annual basis. Conservation programs should account for state and local concerns, be watershed-focused, private and voluntary, be stakeholder-driven, environmentally sustainable and well coordinated between agencies. EQIP should be driven by common sense (cost effective), cover a broader range of conservation issues, improve the focus of eligible practices and be funded at a much higher level. CSP also needs more funding and should be applied more broadly. Farm support programs should be indexed for inflation, provide crop insurance products that hedge downside risk, keep loan deficiency payments (LDPs), make the death tax repeal permanent along with other tax incentives and make the case that farm support programs are vital to national security.
- Focus on soil, water and land conservation, profitability and sustainability. Provide equal access by all to all farm bill programs. For soil, water and land conservation, encourage appropriate regional technologies that best utilize available funds; provide flexibility in programs to encourage innovation, and increase programs and funding for green payments that would help with trade, environment and energy issues. For

profitability, increase value-added/direct market opportunities at the farm and other markets, leave commodity programs as they are, undo payment limitations, increase research on biomass, energy reduction, production, crops and markets. For sustainability, clearly state a federal right to produce, process, transport and market agricultural products, provide more funding for FRPP, including start-up dollars, and encourage a national effort to support domestic production (Country of Origin labeling). For equal access, encourage new/beginning farmers by offering education, credit and training.

In addition to the Southern Seaboard, AFT is listening to research advisory groups of producers in the Upper Midwest (the Heartland), the Northern Crescent (New England and Great Lakes states) and the Fruitful Rim. We are also meeting with a wide variety of other groups including ranchers in Colorado and limited resource farmers in Georgia. Based on this feedback, we will design a policy reform framework and analyze possible impacts over the summer. Our four research advisory groups will reconvene in the fall to react to this work and help us improve the design.

Note: AFT-CAE would like to encourage our Southern Seaboard Participants to click on the following website for an article discussing “Six Common Errors in Presenting Farm Statistics”:

<http://www.ase.tufts.edu/Ogdae/Pubs/wp/05-02TWiseFarmStatistics.pdf>