

Policy Resolution
on
Implementation of the 2002 Farm Bill
March 2005

- WHEREAS,** the passage of the 2002 Farm Bill initiated a historic shift in how federal payments are distributed to farmers, and among other landmark changes, created new conservation and renewable energy programs and increased funding levels for all conservation programs; and
- WHEREAS,** farm income support programs were previously intended to help farmers during hard economic times and conservation programs were focused on keeping land out of production, this new approach to conservation on working lands yields more value to the American taxpayers as they provide both needed income to farmers while generating positive environmental outcomes; and
- WHEREAS,** new renewable energy programs were created to spur value-added market opportunities for farmers and to encourage energy self-sufficiency on the farm. MGA believes these new programs are critically important to supporting the economic renaissance underway in our rural communities; and
- WHEREAS,** the global trading system places increased pressure on the United States to align commodity payments with World Trade Organization agreements, the approach taken in the 2002 Farm Bill, particularly the creation of the Conservation Security Program, is designed to promote free and fair trade; and
- WHEREAS,** congress intended the Conservation Security Program to be a nationwide program available to all farmers who employ conservation practices on their working lands; however, the interim final rule issued by the USDA supports a far more limited program in scope, limiting farmers' ability to participate in the program; and
- WHEREAS,** the need for technical assistance in all agriculture programs is an on-going need, amplified by the creation of new programs in the 2002 Farm Bill and because funds designated for some programs are being diverted to other programs; and

- WHEREAS,** an increasing Federal deficit puts pressure on both discretionary and mandatory spending which may force Congress to make significant cuts in commodity and conservation programs; and
- WHEREAS,** governors appreciate the assistance states have received in drought and disaster relief funding and recognize that some, but not all, funding may offset spending in some farm bill programs; and
- WHEREAS,** the Milk Income Loss Contract (MILC) provides assistance to the nation's dairy farmers whenever market prices for milk fall below certain target prices. Under the MILC program, direct payments to producers are provided - up to the first 2.4 million pounds of production annually - to supplement low market prices. The program is slated to expire September 30, 2005 - two years before other Farm Bill programs; and
- WHEREAS,** the 2002 Farm Bill created the Federal Bio-based Product Procurement Program requiring all federal agencies to purchase bio-based products identified by USDA as long as they are reasonably priced, perform well, and are available. These biobased products are composed in whole or in significant part, of biological products or renewable domestic agricultural materials (including plant, animal, and marine materials) or forestry materials and their production and manufacture stimulates economic growth in the Midwest and elsewhere, particularly in rural communities, and increases energy security and environmental quality; now therefore be it
- RESOLVED,** that the MGA supports full and immediate implementation of all programs in the 2002 Farm Bill, and urges Congress to provide full, authorized funding of such programs; and be it
- RESOLVED,** that MGA supports the USDA in creating the most effective and comprehensive rules for the programs, and getting those rules out as soon as possible. The MGA also urges the USDA to engage in a cooperative rule making process with Governors and State Departments of Agriculture; and be it
- RESOLVED,** that MGA understands that technical assistance is the key to providing farmers with the tools they need to make changes on the farm and supports the funding of technical assistance at the authorized levels; and be it
- RESOLVED,** that MGA commends Congress on their support of the Farm Commodity Programs and supports continued, full funding of those programs for the duration of the Farm Bill; and be it
- RESOLVED,** that MGA supports the extension of the MILC program until 2007. This extension would bring the MILC program in line with other programs authorized in the 2002 Farm Bill; and be it
- RESOLVED,** that MGA supports the timely implementation of the Federal Bio-based Product Procurement Program and urges the USDA to work cooperatively



and efficiently with the states to finalize all needed federal program rules; and
be it

RESOLVED, that the MGA supports the continuation of Agriculture Innovation Centers. The AIC Program was authorized by the 2002 Farm Bill and funds innovation centers for work on providing technical and business development assistance to agricultural producers seeking to enter into ventures that add value to commodities or products they produce.

This resolution replaces the policy resolution on the "Implementation of the 2002 Farm Bill" that was passed in the summer of 2004.

