

Policy of the National Farmers Union
Enacted by delegates to the 114th anniversary convention
Minneapolis, MN
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National Farmers Union Mission and Vision Statements

Mission – To advocate for the economic and social well-being, and quality of life of family farmers, ranchers, fishermen and consumers and their communities through education, cooperation and legislation. National Farmers Union advocates sustainable production of food, fiber, feed and fuel.

Vision – National Farmers Union will continue to be the respected, influential and independent national voice and coalition leader that bridges family producers and consumers on behalf of a vibrant and growing grassroots membership.

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1 **PREAMBLE**

2 We, the members of National Farmers Union, in the following policy statement, strive to
3 articulate the fundamental principles of a food, fiber and energy policy essential to our nation
4 and today's world. This issue transcends every social, economic, environmental, and
5 geographic boundary of our planet.

6 The goal of NFU is to protect and enhance the economic well-being and quality of life for
7 family farmers, ranchers, fishermen, and our local communities. Our experiences as family
8 farmers, ranchers, fishermen, and those concerned with the survival of productive family-
9 oriented agriculture provide us with a unique and qualified perspective to make meaningful
10 contributions to this issue.

11 The Farmers Union symbol, a triangle constructed with education at its base and completed
12 with cooperation and legislation on its sides, represents a structure that takes on more
13 importance than ever before. Education is not only for our youth, but also for adults, families
14 and our seniors. It affords us the opportunity to share and learn from both young and old.

15 The educational process must extend beyond our farms and reach out to consumers and
16 our urban brothers and sisters, as well as across borders and oceans. Sharing information is
17 important, but sharing our values, concerns, and spirit is of greater significance.

18 The goals of Farmers Union have grown out of our understanding of God, nature, and the
19 love of our country, with respect for the past and vision for the future. Our goals are nourished
20 through the truth and rightness of the ideals expressed in the Declaration of Independence, the
21 Constitution of the United States and its Bill of Rights. We affirm our faith in a benevolent God,
22 whose grace has bestowed upon us immensely fertile resources, and whose justice demands
23 stewardship.

24 Woven throughout this document is a sense of moral and ethical values that family farmers
25 embrace as we assume the responsibilities that are part of every acre of ground, drop of water,
26 animal, plant or any of the multitude of resources entrusted to our care. We are also very
27 cognizant of the need to extend beyond our fence rows and townships to ensure these gifts are
28 shared and not exploited or wasted.

29 We recognize the invaluable contributions of stewardship and expertise offered by
30 indigenous people and multigenerational farmers as well as all farmers who embrace and
31 perpetuate historically rooted and traditional approaches to farming and fishing.

1 The family farm system of agricultural production can provide opportunities for individual
2 enterprise to all families in our society. This system achieves economic and social stability, as
3 well as soil, water and environmental stewardship of our natural resources and unparalleled
4 production efficiency. We cannot change or improve the past but will proactively advance, with
5 a strong vision for the future, the best interests of today's family-oriented agriculture.

6 We acknowledge that family farmers employ a wide variety of philosophies and practices.
7 Our responsibility is to be inclusive and serve all types of family farms in legislative,
8 educational, and cooperative areas.

9 The loss of family farms and other independently owned businesses is not inevitable. We
10 believe the accelerated march toward a vertically integrated production system must be
11 reversed. This requires action to enforce and enhance antitrust and competition laws,
12 strengthen the regulatory system and revitalize independently owned businesses and
13 competitive markets.

14 Parity is the cornerstone of our policy. Our definition of parity expands beyond the simple
15 economic definition. We believe that it should encompass a sense of balance that not only
16 diminishes hunger, but also fosters peace and justice.

17 We remain wholly dedicated to the strengthening of the family farm system and farmer
18 cooperatives. The essence of the cooperative movement – farmers working together for our
19 mutual benefit – is the spirit that motivates Farmers Union activity. We view attempts to
20 restrict farmer-owned and –controlled cooperatives as an assault on farmers themselves, and
21 we will vigorously defend the Capper-Volstead Act. Family farmers have a valuable tool in
22 working together in farmer-owned and –controlled cooperatives. They are essential to our
23 economic well-being and success.

24 Cooperation also comes from knowledge as well as respect for other people and cultures.
25 Our spirit of cooperation must continue to grow and not have limits. Our challenge is to take
26 this knowledge and spirit and incorporate it into meaningful policy through legislation on local,
27 state and national levels.

28 This document is not a collection of words, but an anthology of the spirit of the hundreds of
29 thousands of family farmers, ranchers, fishers and their advocates that make up our
30 organization. We dedicate this document, along with our energy and efforts, to bring about
31 long-term meaningful policy that identifies our common thread and utilizes that energy for the
32 common good.

1 **ARTICLE I – AGRICULTURAL PROGRAMS FOR THE FAMILY FARM**

2

3 **A. NATIONAL FOOD AND FIBER POLICY**

4 A family farm or structured family farm is operated by a family, with the family providing
5 the base of the labor needed for the farming operation, assuming the economic risk, and
6 making the management decisions.

7 The family farm is the keystone of a free, progressive, democratic national society, as well
8 as a strong America, and is the basis of a safe, secure and stable food system. A vertically
9 integrated and/or multinational grain and food conglomerate is not a family farm.

10 The future control and ownership of agriculture is a fundamental issue facing our nation
11 and the world. National farm policy must provide direction with an emphasis on profitable
12 farm commodity prices to ensure that control and responsibility of agriculture is vested within
13 the family farm. The decline in the number of family-sized commercial farms must be reversed.
14 The family farm system of agricultural production is truly sustainable. Sustainable agriculture
15 integrates three main goals – environmental health, economic profitability and viability, and
16 social economic equity. We believe farmers engaged in sustainable agriculture set out to
17 protect the environment, improve their quality of life and enhance the communities in which
18 they live. Programs that encourage sustainable agriculture through diversified production,
19 improved marketing strategies, and enhanced value-added opportunities can be keys to
20 reversing this trend. Another important aspect of reversing the decline in these farms is to
21 encourage new farmers to enter the agriculture industry. Farms and consumers need stability
22 and fairness in a farm program. Farmers, rural communities and consumers are at the mercy of
23 a marketplace that is increasingly dominated by vertically integrated, multinational grain and
24 food conglomerates.

25 We oppose any plan that does not protect net farm income for family farmers. Family farms
26 have the right to a fair and competitive environment in their pursuit to be financially viable.

27 We commit ourselves to being good stewards of the land and resources by working toward
28 innovative approaches that move beyond the parameters of past farm programs and seek to
29 bridge philosophical differences within the agricultural community and our nation's political
30 structures.

1 At the core of our willingness to embrace new agricultural policy directions is the
2 fundamental need to direct the benefits of federal agricultural policies to the production levels
3 of family farm and ranch operations.

4 Choice and diversity of agricultural practices have always been essential to the success and
5 prosperity of agriculture in the United States. As advances continue to occur in all areas,
6 including conventional, organic, biotechnology and other farm practices, NFU calls on all people
7 affected by agriculture to be mindful of their neighbors and show mutual respect toward their
8 farming practices and production choices. Six major goals to improve agricultural legislation
9 for family farmers are:

- 10 1. Profitability: to enhance and protect net family farm income and provide a safety net;
- 11 2. Accountability: to reduce government costs and prevent activities that are counter-
12 productive to the intent of the programs;
- 13 3. Directed benefits: to direct benefits toward family farming operations;
- 14 4. Simplicity: to require less bureaucracy and red tape;
- 15 5. Conservation: to maintain and enhance our natural resources; and
- 16 6. Diversity: to maintain opportunities for family farmers, regardless of crop and
17 management choice.

18 **B. GENERAL PROGRAM PROVISIONS**

19 **1. MEASURES OF ECONOMIC EQUITY**

20 For generations, farming and ranching income has lagged behind the overall prosperity
21 of the nation. The national farm policy based on “parity” was intended to create tools that
22 would balance this inequity of agricultural income compared to the average income in
23 other segments of society. Like other economic measures such as the Consumer Price Index
24 and the Cost of Living Index, an economic yardstick for agriculture is essential. “Parity”
25 prices provide a reasonable standard for measuring the relative economic health of
26 agriculture, and we urge continued support of the calculation of an “Agricultural Parity
27 Index.” NFU continues to be unique in its unwavering support for this measurement of
28 economic equity.

29 We support indexing farm program support levels to reflect changes in the cost of
30 production. We strongly support national farm policy providing a return of the cost of
31 production plus an opportunity for reasonable profit for farmers and ranchers.

32 **2. DIRECTING BENEFIT PROTECTION TO FAMILY FARMS**

1 Characteristically, a family farm is owned and/or operated by a farm family with the
2 family providing the base of the labor needed for the farming operation, assuming the
3 economic risk, making most of the management decisions, and depending substantially on
4 agriculture for a livelihood.

5 Family farms are at economic risk as crop and livestock production and land ownership
6 are being concentrated into the hands of fewer and fewer larger-than-family-sized
7 corporate farm units.

8 The primary objectives of national agricultural policy should be to enable farmers to
9 significantly increase net farm income, improve the quality of rural life, and increase the
10 number of family farmers, so farmers may continue to provide a reliable supply of food and
11 fiber and serve as stewards of our nation's resources. Rural communities are richer and
12 more viable with more farmers, even if there is the same amount of agricultural production.

13 We believe payment limits should be realistic and meaningful. This means:

- 14 i. The definition of a person who is actively engaged in production agriculture
15 needs to remain strong and require active personal management and active
16 personal labor in the actual farming operation;
- 17 ii. Payments be transparent and directly attributable to a person who meets the
18 criteria of actively engaged; and
- 19 iii. Price supports, together with realistic overall per-program and volume-based
20 commodity program limitations, are effective tools to assist in directing benefits
21 to family farm producers.

22 We support directing farm program benefits to the production levels of family farm
23 operators in such a way as to reduce government costs while furthering the sustainability
24 of our family farms, our rural communities, and our natural resources.

25 Directed benefit provisions should include:

- 26 i. The family-sized farm should be protected from the cuts scheduled under the
27 terms of any future budget acts; and
- 28 ii. Prohibition of artificial subdivision of farms to avoid limits should be enforced.

29 While we oppose decoupling federal farm program payments from planting decisions
30 and believe that production-oriented benefits are the most viable public policy alternatives
31 available today to respond to the crisis facing family farm agriculture, we recognize some
32 farmers, by virtue of their enterprise and choice of harvest, cannot benefit from payments

1 unless harvest occurs mechanically. Therefore, we support the opportunity for all our
2 members and producers to choose farm programs that best fit their operation.

3 We support future farm policy, which recognizes our geographical differences and
4 provides for flexibility regardless of the agriculture operation, whether crops or livestock.

5 **3. PROVIDING A SAFETY NET**

6 NFU urges Congress to give the secretary of agriculture the authority to implement
7 commodity loan programs with loan rates set at a level that at least equals the regional cost
8 of production as measured by the Economic Research Service.

9 To provide a safety net, we must take action to:

- 10 i. Improve and fully fund a permanent disaster program;
- 11 ii. Improve commodity loan rates, and extend the loan period from nine months to
12 18 months. A producer should have the option to forfeit after nine months;
- 13 iii. Improve and expand risk management tools (*see Article I.G.2 - Crop Insurance*);
- 14 iv. Adequately fund livestock compensation programs to prevent the sell-off of base
15 breeding herds of the United States in the event of a disaster declaration;
- 16 v. Establish a regionalized cost of production floor under dairy prices;
- 17 vi. Establish a farmer-owned Strategic National Food, Feed and Biofuels Feedstock
18 Reserve;
- 19 vii. Expand the Food Security Commodity Reserve Program;
- 20 viii. Implement an effective inventory management program for all farm
21 commodities;
- 22 ix. Enhance a farm storage facility loan program;
- 23 x. Continue an effective Conservation Reserve Program (CRP); and
- 24 xi. Limit the authority of the secretary of agriculture to take discretionary actions
25 that would result in lower farm income.

26 **4. FARM VIABILITY PROGRAMS FOR FAMILY FARMS**

27 Congress should continue to support and develop annual grants and programs for the
28 purpose of improving the profitability of farms and increasing self-employment
29 opportunities for family farmers and ranchers. We support revitalizing local and regional
30 food and energy systems, increasing wealth and asset-building in rural communities and
31 encouraging entrepreneurship and innovation in farming and ranching by funding federal,
32 state, local and farm-level programs that address:

- i. Market development and promotion;
- ii. Product development/differentiation and promotion;
- iii. Consumer education;
- iv. Business planning;
- v. Alternative ownership models and structures;
- vi. Local and regional infrastructure needs;
- vii. Local and regional food security needs;
- viii. Local and regional energy needs; and
- ix. Attracting new and beginning farmers.

5. LOCAL FOOD & FOOD SYSTEMS

NFU supports any and all initiatives aimed at re-regionalizing our food system. This may include encouraging the development of regional food hubs, incentivizing (by way of tax credits or subsidies) those farms who commit to growing non-commodity food crops and easing/simplifying the restrictions on small meatpackers to process meat for retail sale, as well as the farmers who sell direct-to-consumer and institutions that purchase their products for resale (i.e. farmstands, markets, farm-to-table restaurants), educating consumers, and other such initiatives that would incentivize or enable a more regional food system. We support the expansion of agricultural operations in urban and peri-urban areas. The growing local food movement has many benefits to both NFU members and Americans in general. These include:

- i. Enhanced markets for the products that many members' farms produce;
- ii. The ability for farmers to capture a larger share of the retail food dollar;
- iii. Opportunities to employ and engage more Americans, in more regions, in the pursuit of agriculture;
- iv. Keeping consumer dollars circulating in each respective region, and to the family farms therein;
- v. Reconnecting consumers to the food they eat and their families;
- vi. Reducing transportation costs;

- 1 vii. Providing fresher, healthier food products, with a reduced need for
- 2 transportation, long-term storage, processing or treatment;
- 3 viii. Food security: encouraging food production to be spread across the country,
- 4 rather than concentrated in a few areas will help to insulate our food system
- 5 against drought, flood, disease, fuel costs (or shortages) and malicious
- 6 disruption;
- 7 ix. Allowing for more sustainable methods of agriculture to be employed –
- 8 profitability; and
- 9 x. We support:
- 10 xi. USDA’s promotion of buying local and regional agricultural products, such as the
- 11 “Know Your Farmer, Know Your Food” initiative, as a means to provide new and
- 12 larger markets for smaller specialty crop farmers. Local will be defined by the
- 13 consumer to be the immediate area, state, or region, but must be U.S.-produced;
- 14 xii. Promotion of farm-to-school and farm-to-institution programs;
- 15 xiii. Promotion of farmers markets and community-supported agriculture (CSA) to
- 16 allow consumers greater access to fresh produce and to allow smaller-scale
- 17 farmers opportunities to market directly to consumers;
- 18 xiv. USDA efforts in the creation of regional food hub distribution centers in order to
- 19 create new aggregation, marketing, processing and distribution opportunities
- 20 for specialty crop growers;
- 21 xv. The purchase of surplus fruits and vegetables through Section 32 and bonus buy
- 22 programs for distribution through federal food aid programs;
- 23 xvi. Removal of barriers and incentives so that farmers markets and farm stands can
- 24 redeem SNAP benefits, WIC benefits, and other federal nutrition program
- 25 vouchers;
- 26 xvii. Geographically disadvantaged provisions for U.S. areas not included in main
- 27 farm programs, including Alaska, Hawaii, and Puerto Rico;
- 28 xviii. Local seed producers who produce regionally adapted seed; and
- 29 xix. Improved access to reasonably priced liability insurance for small local-market
- 30 and direct-marketing producers.
- 31

1 **6. BEGINNING FARMERS AND RANCHERS** *(ALSO SEE ARTICLE IV.A - FARM SERVICE*
2 *AGENCY (FSA) CREDIT PROGRAMS)*

3 We recognize that the average age of a U.S. farmer continues to increase and a majority
4 of the nation's farmland will change hands in the coming years due to the aging farmer
5 population. The ability of the next generation of family farmers to continue to produce food
6 and fiber is critical to the economy, health, and security of our nation and local
7 communities. In order to address this critical concern, the necessary programs must be in
8 place and funded in order to meet the unique needs and barriers facing beginning farmers
9 and ranchers, with special emphasis on returning military veterans, and ensure that they
10 can enter and sustain farming or ranching as a viable livelihood.

11 We support:

- 12 i. Implementing and funding the Beginning Farmer and Rancher Development
13 Accounts Pilot Program;
- 14 ii. The loan category within Farm Service Agency that directs operating loans to
15 provide flexible capital through operating microloans for beginning farmers and
16 ranchers;
- 17 iii. Maintaining the loan set-aside within the direct and guaranteed Farm Service
18 Agency loan program for beginning farmers and ranchers while reducing the
19 farm management experience requirement from 3 years to 2 years;
- 20 iv. Increasing the down payment loan program limit to assist beginning farmers
21 and ranchers to purchase land in areas with high real estate values;
- 22 v. Incentives and/or tax credits to landowners to lease or sell to beginning farmers
23 or ranchers *(also see Article VI.C - Land Transfer)*;
- 24 vi. Cost-share differentials and funding set-asides for beginning farmers and
25 ranchers in the Environmental Quality Incentives Program (EQIP), Conservation
26 Stewardship Program (CSP), and other programs;
- 27 vii. Including a priority for projects benefiting beginning farmers and ranchers
28 within Value-Added Grant Program and fostering new entrepreneurial
29 opportunities for beginning farmers and ranchers within the Rural Development
30 grants and loans programs;
- 31 viii. Continuation and funding of the Beginning Farmer and Rancher Development
32 Program to provide education and training to beginning farmers and ranchers,

- 1 including for agricultural rehabilitation and vocational training programs for
2 military veterans;
- 3 ix. The Risk Management Agency (RMA) making whatever regulatory or
4 operational changes are necessary to ensure fair access to crop and revenue
5 insurance by beginning farmers and ranchers;
- 6 x. Additional emphasis within the National Institute of Food and Agriculture to
7 support research, education, and extension on issues related to beginning
8 farmers and ranchers, farm transition, and farm entry;
- 9 xi. The reauthorization and full funding of programs previously administered by
10 the National Sustainable Agriculture Information Service to serve as a resource
11 for beginning farmers and ranchers;
- 12 xii. Continuation and support of NFU youth and beginning farmer and rancher
13 programs to assist and educate individuals interested in pursuing a future in
14 farming;
- 15 xiii. The establishment of a funding priority for the federal Farm and Ranch Land
16 Protection Program for easements conserving farmland for which there is a
17 generational farm transfer plan, easements which include the use of an Option to
18 Purchase at Agricultural Value or easements which occur in conjunction with the
19 transfer of the conserved land to a beginning farmer; and
- 20 xiv. Specific training and education for state and county FSA and NRCS staff on
21 helping beginning farmers and ranchers access programs, with emphasis on
22 specialty crops and alternative enterprises.

23 **7. URBAN FARMING**

24 National Farmers Union recognizes urban agriculture as an important part of meeting
25 rising food demands, supplying easier access to highly nutritious vegetables and fruits,
26 reconnecting the food consumer with the farmer, storing carbon out of the earth's
27 atmosphere and also as an important new market opportunity for emerging farmers.

Furthermore, NFU supports the development of these new markets for these emerging urban farmers, including markets for food and for storage of carbon through new sequestration markets.

C. DAIRY, LIVESTOCK, AQUACULTURE AND FISHING

1. DAIRY POLICY

i. Domestic Dairy Policy

We urge Congress to develop a comprehensive dairy program to allow dairy producers across the nation to receive a profitable return on their investment.

It should:

- a. Encourage and enable producers to use sustainable environmental practices;
- b. Provide a high-quality, stable supply of dairy products to consumers;
- c. Assist new farmers entering into dairying;
- d. Balance milk supply and demand through a long-term supply management program;
- e. Encourage voluntary producer assessments that must clearly demonstrate they substantially increase producer income;
- f. Prohibit mandatory producer assessments unless it can clearly be demonstrated that they substantially increase producer income;
- g. Provide full funding of the School Milk Program and Special Milk Programs;
- h. Include 100 percent real dairy products in the National School Lunch Program as well as in school vending machines;
- i. Utilize the Commodity Credit Corporation (CCC) to mitigate low prices;
- j. Provide transparency in milk price reporting;
- k. Require mandatory participation of processors in an audited National Agricultural Statistics Service (NASS) survey;
- l. Require mandatory participation of processors in an audited cold-storage report;
- m. Include development of a transparent pricing mechanism to replace the inadequate Chicago Mercantile Exchange (CME) pricing system;
- n. Ensure research and promotion activities are directed toward enhancing income to family farmers;

- o. Provide an incentive payment to domestic producers who agree to voluntary limits. Funding should be provided by those producers who increase production from the previous year and produce more than a level targeted to family-sized farms;
- p. Prohibit volume premiums;
- q. Include market loss assistance during times of low prices, with capped payments based on production. The cap levels should be targeted to family farmers;
- r. Prohibit federal legislation allowing dairy forward contracts that give processors and marketers the ability to pay below the minimum market order price;
- s. Include a floor price policy for milk. The floor price should help producers in all regions of the country and provide for supply management. The floor price should be set at a level that allows producers to earn a fair return on their milk from the marketplace;
- t. Require plants to pay the minimum prices established by USDA for butter, nonfat powder, and cheddar cheese;
- u. Prohibit the use of fluid milk as a loss leader at the retail level; and
- v. Require USDA and CME to standardize labeling and packaging of surplus dairy products.

ii. **Market Order Reform**

A federal order system should be maintained and expanded to include all areas within the continental United States. A national milk marketing order and pricing reform should emphasize maximum return to producers. Transportation differentials, quality premiums, and usage result in price disparities throughout the United States. A revised national milk marketing order should include:

- a. A price discovery formula at the producer level allowing for variable market conditions;
- b. Location-specific differentials coupled with a floor price on all classes of milk;
- c. Price incentives that reflect the value of all milk components;
- d. Tests for component pricing that are checked for accuracy by USDA;

- e. A national make allowance that is adjustable to cover processing and fortification. This allowance should be generated from the market, not deducted from the established price through end-product pricing;
- f. A base make allowance that is adjustable to reflect the difference between milk prices and the producer's cost of production;
- g. Elimination of bloc voting on market orders;
- h. The continuation of the current order provisions following the defeat of a proposed change. Orders should only be eliminated through a producer referendum with no bloc voting; and
- i. The establishment of a federal milk marketing order that includes California so that California dairy producer prices are brought in line with prices paid in the federal order, which will benefit all dairy producers nationwide.

iii. **International Dairy Trade** (*also see Article III – International Trade, Cooperation and the Family Farm*)

Implementation of the Uruguay Round of General Agreement on Tariffs and Trade (GATT) has substantially increased dairy imports and has limited domestic program options. Several steps should be enacted to help U.S. producers be competitive in the global market. These steps are:

- a. Publishing meaningful, current, and standardized reports on imports of dairy products, quantities and types, and a USDA report on the impact of the WTO on dairy producers;
- b. Implementing increased USDA, Food and Drug Administration (FDA) and customs inspection and regulation of casein, milk derivatives and milk adhesives imported for food use;
- c. Establishing tariffs on foreign imports of all dairy ingredients that displace domestically produced milk usage including animal feed ingredients;
- d. Using GSM-102 export credit guarantees; and
- e. Further utilization of the Market Access Program (MAP)

iv. **Milk Protein Concentrate/Ultra-Filtered Milk Products** (*also see Article I.D – Labeling of Commodities and Commodity Products*)

Imported casein, milk protein concentrate (MPC) and ultra-filtered (UF) milk products, blends, and food preparations have benefited from a significant loophole

1 in U.S. dairy trade policy and have distorted the nation's dairy market. Under
2 current law, casein and MPC imports are not limited under the Harmonized Tariff
3 Schedules of the WTO. In addition, casein, MPC, and UF products are being used in
4 the current production of standardized cheeses, although they do not meet the U.S.
5 Food and Drug Administration's (FDA) definition of milk.

6 We support:

- 7 a. Maintaining FDA's current definition of milk to prevent casein and MPC from
8 being used in standardized cheese;
- 9 b. Actions that restrict the importation of casein, MPC, dairy blends, and food
10 preps;
- 11 c. Properly informing consumers about the use of casein, MPC/UF dairy blends
12 and food preps in food production, including labeling;
- 13 d. Immediate passage of legislation to subject casein, MPC, and other dairy
14 blends to a tariff rate quota;
- 15 e. Imposing strong penalties for the dairy plants using casein and/or MPC and
16 dairy blends in standardized cheese production;
- 17 f. Requiring an end-use certification on all imports of MPC, dairy blends and
18 food preps;
- 19 g. Bringing a trade action against nations that are dumping subsidized MPC,
20 dairy blends and food preps;
- 21 h. Disallowing MPC for human consumption until it meets the necessary
22 generally regarded as safe (GRAS) requirements; and
- 23 i. Prohibiting government subsidization of the production of MPC.

24 v. **Consumer Protection** *(also see Article I.D – Labeling of*
25 *Commodities and Commodity Products)*

26 Rapidly changing technology within the production of dairy products has led to
27 consumers being uninformed about the true nature of all dairy products. We
28 support the following initiatives to ensure consumers can make informed purchase
29 decisions:

- 30 a. State and federal legislation to require all schools to use rBST-free milk;
- 31 b. Restricting the use of the Real Seal to domestically produced dairy products
32 and subsequent enforcement of its standards;

- c. Educating and promoting the Real Seal program to consumers;
- d. Increasing the federal standards for fat and solids in fluid milk to meet the national average of the milk content produced on U.S. farms;
- e. Requiring imports to meet the same high standards used for domestically produced dairy products; and
- f. Prohibiting the addition of artificial sweeteners, such as aspartame, to dairy products. If allowed, they must be labeled as such.

vi. **Raw Dairy**

We support:

1. The production and sale of raw/unpasteurized milk as it provides a market niche for dairies. Because of the possible risks of cross-contamination, we recommend that raw/unpasteurized milk be bottled as the product of a single source and wherever possible at the physical location of that source. Single-source bottling will keep intact the chain of responsibility and greatly aid in tracking possible cases of contamination;
2. Policies, practices and standards for responsible raw/unpasteurized milk production for dairy producers that choose to produce raw/unpasteurized milk (or raw/unpasteurized dairy products) for human consumption;
3. Equal access to raw/unpasteurized milk (and/or raw dairy products) for human consumption for all consumers that choose to consume raw/unpasteurized milk; and
4. Producers conforming to Grade A production specifications.

2. LIVESTOCK POLICY

i. **Animal Welfare**

We support:

- a. Producers' rights to own and raise livestock and have livestock and their products recognized as personal property;
- b. Promotion of animal welfare, as opposed to animal rights initiatives which would limit production agriculture by imposing mandatory restrictions on traditional methods of agricultural animal production;

- c. Responsible care and management of animals to provide for the welfare of herds and flocks; and
- d. Educating the public regarding the important use of animals for agricultural and medical research. Any illegal actions taken by animal rights organizations toward producers should be prosecuted to the fullest extent of the law.

We oppose a ban on the slaughter of horses and the criminalization of individuals processing, shipping, transporting, purchasing, selling, delivering, or receiving any horse, horseflesh, or carcass for the purpose of harvest.

We call for the reinstitution of facilities and USDA inspection to deal with the processing and humane disposal of horses.

ii. **Livestock and Livestock Product Imports** *(also see Article III – International Trade, Cooperation, and the Family Farm)*

The unrestricted importation of livestock and livestock products is causing serious damage to our domestic industry. Additionally, a lack of sufficient meat import inspection poses an increased potential of contaminated food reaching tables in the United States. We recommend that Congress incorporate the following steps to protect U.S. livestock producers from unfair trading practices:

- a. Investigate the impact of foreign pricing practices on the U.S. market;
- b. Impose countervailing duties to offset subsidies paid to foreign exporters;
- c. Require the amount of imported meat and live animals intended for slaughter be reported weekly;
- d. Re-establish Section 301, allowing the United States to impose trade sanctions against foreign countries that the USTR determines applicable;
- e. Re-establish the Meat Import Act, which was replaced under the Uruguay Round, by replacing existing tariff rate quota system with an import quota system; and
- f. Require end-use certificates to monitor the flow of livestock being imported.

iii. **Consumer Protection** *(also see Article X.J – Food Safety and Article I.D – Labeling of Commodities and Commodity Products)*

We support:

- a. Strengthening USDA and FDA safety standards to prevent bovine spongiform encephalopathy (BSE) contaminated products from being imported (*also see Article I.C.2.iv – Livestock Health*);
- b. Requiring more vigorous inspection of imported meat processing facilities and imported meats to ensure foreign standards are equal to U.S. standards;
- c. Banning meat and/or meat products from foreign countries that allow use of medications or additives not approved for use in the United States;
- d. Prohibiting the importation of ground and shaved meat into the United States;
- e. Enforcing all existing quarantine requirements and health standards as set forth by USDA/Animal and Plant Health Inspection Service (APHIS) regarding imports of livestock and other commodities;
- f. USDA ensuring a rigorous and enhanced meat inspection system, in order to maintain consumer confidence in the safety and wholesomeness of meat and poultry products; and
- g. The reauthorization of country-of-origin labeling (COOL).

We oppose:

- a. The shipping of U.S. beef, pork, poultry, or fish to be processed in foreign countries that is then returned to the U.S. for U.S. consumption; and
- b. Any changes to slaughter inspection that moves inspection tasks away from USDA inspectors. This includes any expansion of the HACCP-Based Inspection Models Project or any other project that would privatize inspection roles.

iv. **Livestock Health**

Livestock health is critical to production agriculture and our nation's ability to provide a safe food supply. Achieving the necessary means to ensure livestock health is a priority for NFU. We support good animal husbandry practices as the primary means of livestock health maintenance, as well as the following initiatives to ensure livestock health:

- a. Continue to allow FDA to permit the use of therapeutic antibiotics approved for use in livestock unless valid scientific evidence proves the product is

1 unsafe. NFU believes that antibiotic treatment should be reserved for clinical
2 treatment of illness and for judicious use in preventing illness during periods
3 of stress, and supports producers' right to treat his or her animals with
4 antibiotics to address herd health issues while opposing the constant
5 subtherapeutic use of antibiotics;

6 b. In order to protect the continued and effective use of antibiotics for human
7 health care, we oppose the off-label use of antibiotics and/or arsenicals and
8 fluoroquinolones in animal production;

9 c. Ionophores should be reported as feed additives;

10 d. Fully fund a disease (such as chronic wasting disease) eradication program,
11 including testing of non-traditional livestock species and imported livestock
12 and livestock byproducts;

13 e. Ban livestock, animal protein products, and meat imports that would
14 jeopardize U.S. efforts to eradicate livestock diseases, including BSE and
15 Foot-and-Mouth Disease (FMD);

16 f. Encourage congressional support for emergency economic assistance for
17 producers who have suffered economic and market losses as a result of an
18 incident of livestock disease, as covered by the Animal Health Protection Act
19 (PL 108-498);

20 g. Establish funding for a voluntary Johne's Disease testing program;

21 h. Increase research on transmission modes, vaccine regimens, and protocol for
22 vesicular stomatitis by federal officials and private organizations;

23 i. Re-evaluate the quarantine restriction and reclassification of vesicular
24 stomatitis from Class A to a Class B disease;

25 j. Prevent Bovine Spongiform Encephalopathy (BSE) and Foot-and-Mouth
26 Disease (FMD) through:

27 1. Increasing federal and international research to understand and
28 prevent BSE/FMD;

29 2. Continuing the site-specific ban on processing, blending, and shipping
30 of meat from a plant where BSE has been found, until subsequent test
31 results show that the plant is free of BSE;

3. Rescinding the USDA rules that allow the import of livestock and meat products from countries with active disease outbreaks and returning that authority back to Congress with producer and consumer input;
 4. Continuing the ban on livestock and meat imports from countries with BSE/FMD outbreaks until the disease is controlled and/or eradicated;
 5. Banning all meat and feed imports from countries that have not implemented and enforced a ruminant-to-ruminant feed ban;
 6. Prohibiting the importation of animal protein products from countries that cannot certify BSE- and transmissible spongiform encephalopathies (TSE)-free products;
 7. Prohibiting TSE-positive materials in non-ruminant feeds; and
 8. Cross-referencing all regulations for complete consistency of standards.
- k. Develop a comprehensive strategy and work with electric providers to help producers detect and eliminate stray voltage. The strategy should include research on stray voltage, inspectors to detect the problem, and public education about funding available to assist producers who have suffered losses due to stray voltage;
 - l. Enforce Section 21 General Requirement Rule 215-B of the National Electric Safety Code to prohibit using the ground as the sole conductor or return to utilities substations;
 - m. Require user-fees for importers to implement inspections and disease prevention;
 - n. Encourage Congress to continue funding research and prevention methods for all harmful and life-threatening strains of influenza. USDA should develop a strategic plan to help producers detect, monitor, and eradicate infected animals, vaccination compensation for mandatory culling should be directed toward producers with limited finances to prevent the driving out of small producers; and

- 1 o. Urge Congress to upgrade the Plum Island Research Facility; however, we
2 oppose constructing a National Bio- and Agro-Defense research facility in
3 any location critical to food production in our nation. That said, if built on the
4 mainland United States, rigorous standards of containment must be
5 developed and the government should assume complete liability should
6 containment not be successful. Funding must be full, adequate and
7 continuous to meet the rigorous standards of containment. To prevent any
8 biosecurity risk, funding for this facility should be exempt from any
9 budgetary cuts.
- 10 p. Legislative efforts to amend the Minor Use and Minor Species Animal Health
11 Act of 2004 to include language that would provide federal incentives, tax
12 and others, for the development and labeling of much needed
13 pharmaceuticals for minor species and minor uses.

14 **v. State Animal Identification**

15 We support the USDA's action to leave animal identification for disease
16 management to the states. We urge state programs to establish voluntary individual
17 animal identification systems that recognize that the collected information is the sole,
18 proprietary property of the producer and those authorized to use it. Any livestock
19 database shall be housed at the state government level – not privately held. The data
20 shall only be shared in the event of a disease outbreak and to the extent necessary for
21 its control.

22 **vi. National Animal Identification**

23 NFU does not currently support a mandatory National Animal Identification System
24 due to a vast array of issues not yet addressed:

- 25 a. Costs of implementing the program remain uncertain. The Department of
26 Homeland Security (DHS) has stated the necessity of a national animal I.D.
27 program to combat terrorism; therefore, we urge Congress to provide the
28 full funding necessary to create and maintain the database and provide
29 compensation to producers for their costs of implementing the program;
- 30 b. Any national animal I.D. program should be administered by USDA;
- 31 c. Mitigate producer liability for contaminated food products. A seamless
32 system should be provided at all retail levels that ensures the information

1 gathered through an I.D. system is complementary with that provided
2 through mandatory country-of-origin labeling;

- 3 d. Use of the proprietary information should include clear limits to ensure
4 protection under the Freedom of Information Act (FOIA). Access to producer
5 information should be available only to relevant federal and state agencies
6 and only in times of animal disease outbreaks or bioterrorism attacks;
7 e. Ensured uniformity of identification system with tracking technology and
8 database management; and
9 f. Control of the database needs to remain under the control of the federal
10 government. The concerns we have with USDA's proposal to allow a
11 privately managed database system include:

- 12 1. It forces producers to bear the financial burden, which they cannot
13 afford;
14 2. This public database will create a revenue source for private entities
15 seeking to make a profit;
16 3. It does not contain oversight to protect confidential producer
17 information;
18 4. It does not mitigate producer liability;
19 5. It will create opportunities for packers to condition the purchase of
20 livestock upon participation in a voluntary I.D. program;
21 6. It assumes coordination among a complex web of data with no
22 guarantees of success; and
23 7. It assumes all sectors of the livestock industry will agree upon the
24 development and maintenance of a single entity to represent each
25 species' interests.

26 **vii. Aquaculture, Fishing and Alternative Livestock**

27 The land-based aquaculture and alternative livestock industries represent
28 opportunities for family farmers to establish new and/or more diversified farming
29 enterprises.

30 In order to ensure consumer confidence in the health and safety of these products,
31 we support:

- a. The extension of federal, or equivalent state, food inspection services for these products and recommend that a uniform inspection fee system be adopted by the agency of jurisdiction;
- b. Recognizing farm-raised freshwater fish and shellfish production as a domesticated livestock under USDA definition and moving its inspection from FDA to USDA jurisdiction;
- c. Recognizing game farms as livestock operations and subjecting them to all livestock health regulations, as well as making them eligible for any benefits provided traditional livestock operations;
- d. Recognizing vermiculture as an agricultural practice and worms as an alternative livestock; and
- e. USDA, utilizing state departments of agriculture where feasible, being the agency that regulates all health issues for these farms and ranches, as well as providing production, processing, and market development assistance for these products.

1. Marine Aquaculture

The development of industrial-scale offshore finfish aquaculture is detrimental to the family fishers and local economies of historic fishing communities. It should not be allowed to proceed unless and until there is national legislation in place that ensures it can be conducted without harming marine ecosystems and coastal fishing communities.

We oppose:

- a. Promotion of offshore aquaculture operations that displace or endanger traditional fishing practices and onshore infrastructure;
- b. Inefficient use of marine resources as feed within such operations;
- c. Federal subsidies to promote, sustain or further develop such operations; and
- d. Marine fishing operations that are not community-based and do not contribute to the promotion of locally and sustainable caught wild seafood.

2. Sustainable Working Waterfronts and Fisheries

1 Small boat fishermen and women face many of the same challenges as family
2 farmers: an aging population, consolidation of the fishing fleet, and high cost of
3 production in fuel and license costs make it hard to enter or sustain a fishing
4 business. Overfishing of forage fish habitat has led to a current economic crisis
5 for many small boat fishermen and their coastal communities. Drastic declines in
6 commercial and ground fish off of all U.S. coasts will necessitate extreme cuts to
7 fish harvest. The economic impact of these reductions will be devastating for
8 small boat fishermen.

9 We support:

- 10 a. Protecting our working waterfronts so that viable family fishing
11 businesses can thrive and grow;
- 12 b. Disaster assistance for small boat fishermen;
- 13 c. Full assistance of USDA Risk Management Agency for small boat
14 fishermen;
- 15 d. Development and support of cooperative marketing, processing and
16 branding models that provide a fair livelihood for fishing families,
17 healthy local food products, and sustainability of wild harvest
18 fisheries;
- 19 e. Extension of the full range of USDA Know Your Farmer, Know Your
20 Food (KYF) programs to support small boat fishermen and provide
21 access to education and training for beginning fishermen and women;
- 22 f. Programs that provide regionally appropriate research and technical
23 assistance to improve profitability of sustainable fishing practices,
24 enhanced marketing and processing of sustainably caught fish;
- 25 g. Programs that enhance the production and processing of local meat
26 and poultry should be extended to include fish;
- 27 h. USDA conservation programs that support the development and
28 adoption of sustainable fishing practices and protect coastal
29 ecosystems;
- 30 i. Nutrition incentives should be extended to fresh fish;
- 31 j. Catch limits as essential means of rebuilding fish stocks;

- k. Selective harvesting practices that allow healthy stocks to be targeted, while at-risk and depleted stocks are avoided;
- l. Reviewing current practices as well as development of new fishing gear or techniques that avoid depleted stocks;
- m. Forage fish populations being carefully managed to avoid overharvest using science-based annual catch levels and a risk adverse management strategy;
- n. Development of meaningful protections for sensitive sea floor habitat essential for the needs of managed species based on best available science; and
- o. Prohibiting fishing gears and/or practices that are not conducive to protecting these important and vulnerable areas.

We oppose opening closed areas of the ocean fisheries in response to recent declines in ground fish stocks.

D. LABELING OF COMMODITIES AND COMMODITY PRODUCTS

1. COUNTRY-OF-ORIGIN LABELING

We support full implementation of mandatory country-of-origin labeling (COOL) for agricultural, aquaculture and wild-caught seafood products. Mandatory COOL is a valuable marketing tool for producers, and it allows consumers to know where their food is produced. U.S. producers have the right to distinguish their products from those of other countries and U.S. products should not be categorized as a North American product (*also see Article II – Agriculture Competition and Concentration*).

We support the following principles in the continued implementation of mandatory COOL in order to qualify and be labeled as U.S.-produced:

- i. Meat products must come from an animal born, raised, and slaughtered in the United States;
- ii. Fresh produce, honey, and nuts must be exclusively grown and processed in the United States;
- iii. Dairy products to be labeled to indicate country-of-origin;
- iv. Farm-raised fish and shellfish must be hatched, raised, and processed in the United States or wild fish and shellfish harvested and processed solely in the United States or by a U.S.-flagged vessel;

- v. USDA should prohibit any third-party compliance reviews and third parties dictating what types of records producers need to keep and the manner in which the records should be kept;
- vi. USDA should perform any/all producer audits to determine compliance with the law;
- vii. Allow those who solely produce U.S. products to self-verify that fact;
- viii. Allow producers, processors and retailers to maintain records in a manner of their choosing, as long as the information is available and can be transferred to a standardized format in the event of an audit by USDA;
- ix. In the absence of mandatory COOL, the same labeling standards outlined in mandatory COOL should be maintained to benefit producers and consumers in any voluntary program; and
- x. If a national animal identification program is implemented, the information should include country-of-origin distinction for consumers of covered commodities at all retail levels.

2. LABELING OF FOOD PRODUCTS

Thorough and accurate food labels are an important tool that helps consumers make informed decisions and allows producers to differentiate their products. We support conspicuous, mandatory, uniform, and federal labeling for food products throughout the processing chain to include all ingredients, additives, and processes such as:

- i. Artificial growth hormones;
- ii. Products derived from cloned animals;
- iii. The identity of the parent company;
- iv. Carbon monoxide injected in meat and seafood or packaging for appearance or shelf-life purposes;
- v. Point of origin and producer-determined standards for geographic indicators, including percentage coming from that origin;
- vi. Date of kill, for meat and seafood;
- vii. Whether the meat was frozen;
- viii. The date/dates the meat was subsequently refrozen;
- ix. Irradiated products, and we call for further research on its long-term effects on human health;

- x. Maintaining and protecting the integrity of organic labeling; and
- xi. Labeling standards for the sale of organic products, while not limiting opportunities to market other natural or sustainably produced food products.

We oppose:

- i. Labeling poultry chilled below 26 degrees Fahrenheit as fresh; and
- ii. USDA regulation that allows the addition of up to eight percent water-weight to poultry products without mandating that these products are so labeled.

3. LABELING OF DAIRY PRODUCTS

We support:

- i. Requiring labeling of milk from cows injected with recombinant bovine somatotropin (rBST), a hormone to stimulate milk production. In the absence of federal labeling requirements, we encourage farmer-certified rBST-free labeled products;
- ii. Labeling products as free of artificial growth hormones;
- iii. Requiring labeling of imitation and substitute dairy products;
- iv. Requiring labeling of food products to identify the parent company;
- v. Labeling the use of casein, MPC/UF dairy blends, and food preps in food production; and
- vi. Requiring the labeling of artificial sweeteners, such as aspartame, added to dairy products.

4. NUTRITION LABELING

We support providing consumers with information on nutrients in food products to help avoid misleading health claims.

E. COMMODITIES

1. WHEAT, COARSE GRAINS, OILSEEDS, RICE, AND COTTON

A farm program should recognize the market realities of the fundamentally unique business of farming. Such a program should include these basic provisions:

- i. Price support and income support mechanism for wheat, coarse grains, oilseeds, rice, and cotton that establishes a floor under market prices and enables producers to obtain their income from the marketplace;

- ii. Price and income supports should primarily be provided by CCC non-recourse, commodity loans;
- iii. Loan maturity periods should be extended at the discretion of the producer, for up to 18 months, to provide producers maximum marketing flexibility;
- iv. Price support and CCC loan rates should be set at levels to ensure producers have the opportunity to receive a fair return on their investment. The loan rate should not be for less than the USDA national average cost of production. CCC loan rates should be adjusted annually to reflect inflation and productivity;
- v. Price supports and CCC loan rates should be annually balanced in an upward manner, to ensure equity in support among commodities, in order to prevent market and planting distortions;
- vi. NFU strongly urges the establishment of a voluntary, farmer-owned market-driven inventory system that reduces volatility in agricultural commodity markets. In order for such a system to succeed, we recommend the following:
 1. USDA will offer per bushel storage rates for commodities when prices fall below a designated loan rate, which is set near the midpoint between the variable and full cost of production for each commodity. Enrollment in the storage program will cease when prices recover;
 2. Farmers may enter any portion of their crop into storage, which must remain enrolled in the program until the market price for the commodity reaches the release price, or approximately 160 percent of the loan rate;
 3. Farmers must maintain the crop in proper condition while in storage;
 4. Economically sound inventory caps should be set on each commodity. Should the inventory cap be reached for a commodity, a voluntary set-aside program may be made available by USDA;
 5. When the release price is reached, the farmer may sell the commodity into the market or hold the commodity, but storage rates will cease;
 6. Allowing the secretary of agriculture the authority to manage price-depressing surpluses by providing producers incentives to plant dedicated energy crops on acres which are now, or may be produced, in surplus;

7. Commodity support based on actual production history (APH), where available. For cases without APH, the program yield cannot be lower than county Farm Service Agency yields. Additionally, we urge the establishment of APH floors to protect producers in the event of successive crop failure brought on by natural disasters;
8. Planting flexibility;
9. Low-interest grain storage facility loans should be made available to producers;
10. Each farm operator and crop share landlord should be eligible for maximum loan volume targeted to family-sized producers;
11. Farmers should have the right to periodically update acreage bases and proven yields on all crops for each farm; and
12. Farmers should have the option to store forfeited grain and receive storage payments until final sale is consummated.

NFU believes cotton should be a covered commodity in any future farm bill. We support the designation of cottonseed as an “other oilseed” for the purpose of the Agricultural Risk Coverage (ARC) program and the Price Loss Coverage (PLC) program.

Due to potential cross-contamination of other crops, we oppose the growing, harvesting, or processing of castor beans, which can produce ricin, a toxic substance, which can be lethal to humans and animals.

2. OTHER PROGRAM COMMODITIES (WOOL, MOHAIR, HONEY, PULSE CROPS, ETC.)

We support:

- i. The establishment of an economic safety net program for other eligible commodities based on price income supports provided through Commodity Credit Corporation (CCC) non-recourse, commodity loans in a manner comparable to more traditional farm program crops. Other eligible commodities include, but are not limited to: a) wool; b) mohair; c) honey; d) pulse crops; and e) forage crops, if hayed or grazed;
- ii. Funding the Wool and Mohair Program from tariffs on sheep and wool imports; and

- 1 iii. The Pulse Health Initiative, a focused effort to increase and leverage scientific
2 research on the advantages of certain pulse crops such as dry beans, lentils,
3 chickpeas, and dry peas.

4 **3. TOBACCO**

5 We urge action by Congress and the administration to:

- 6 i. Provide for a plan and funding for economic development assistance to tobacco-
7 dependent communities;
8 ii. Establish country-of-origin labeling for tobacco;
9 iii. Ensure that all imported tobacco meets the same standards of domestic leaf and
10 is monitored and tracked in a similar fashion as domestic leaf;
11 iv. To act to include provisions to continue the inspection of foreign tobacco for
12 U.S.-banned chemicals and pesticides;
13 v. Encourage USDA to continue research to develop new uses for tobacco plants,
14 such as development of any pesticidal properties and medical research;
15 vi. Support the president’s Commission on Tobacco recommendations and the
16 efforts of the Alliance for Health Economic and Agricultural Development
17 (AHEAD);
18 vii. Act to establish a new chapter under the Food, Drug and Cosmetic Act for the fair
19 and effective regulation of all tobacco products in the way in which they are
20 manufactured, sold, labeled and marketed and ensure that growers and other
21 stakeholders have the opportunity to provide input and comments on any future
22 rules issued by FDA;
23 viii. Ensure that adequate funding is provided for grower compensation, as well as
24 tobacco control, education, and cessation programs; and
25 ix. Establish mechanisms by which tobacco and tobacco products can be monitored
26 and tracked in interstate and foreign commerce to prevent the illegal
27 manufacture, sale and distribution of tobacco products. The trafficking and
28 smuggling of tobacco products is a national and international multibillion-dollar
29 crime phenomenon negatively impacting growers, responsible manufacturers,
30 and public health.

31 **4. PEANUTS**

1 Historically, U.S. farm policy has recognized that for peanuts, the cost of requirements of
2 the sector, such as specialty harvesting equipment and storage facilities would attract a
3 limited number of equipment dealers, processors, and marketers. Therefore, family-sized
4 farms would require particular attention to the orderly and honest marketing of such a
5 specialty crop.

6 Given the significant change in policy that occurred with recent farm bills, we support:

- 7 i. Grower marketing associations and federal marketing and warehouse assistance
8 to aid in the maintenance of fair and transparent market competition;
- 9 ii. Increased research funding to develop alternative uses for peanuts;
- 10 iii. Prohibiting the importation of peanuts or any peanut products from countries
11 that produce no peanuts; and
- 12 iv. Prohibiting the importation of peanuts or peanut products from countries that
13 have plant disease problems, use unjust labor practices, or have less stringent
14 pesticide regulations than the United States.

15 **5. SUGAR**

16 We support the continuation of the no-cost U.S. sugar program and encourage Congress
17 to work with U.S. sugar producers to adopt a strong sugar program in future farm bills.
18 Today's program has successfully provided consumers with stable, reliable supplies of
19 sugar at reasonable prices, provided sugar producers with decent income and provided
20 good employment opportunities in rural communities.

21 Program quota limits must be carefully safeguarded to protect domestic producers from
22 the masking of sugar imports in the form of stuffed molasses and other stealth products
23 capable of refinement.

24 We support prohibiting ethanol produced from imported sugar from receiving any
25 taxpayer subsidies.

26 **6. TREE FARMS AND FORESTRY**

27 The economic well-being, as well as the independent existence of family-sized tree
28 farmers, is threatened by regulatory uncertainty, over-regulation of wetlands, and
29 restraining buffer zones. We support the family-sized tree farmers who share problems
30 similar to other agriculture producers.

1 NFU encourages private landowners to adopt cooperative sustainable forest
2 management practices, including but not limited to completion and implementation of
3 forest stewardship management plans as recognized by USDA's Forest Service.

4 NFU encourages state and local governments to protect prime harvestable forestlands
5 through local zoning ordinances.

6 **7. SPECIALTY CROPS**

7 Specialty crops include but are not limited to fruits, vegetables, tree nuts, dried fruits,
8 nursery crops, floriculture and horticulture including turf grass, sod, *Camellia sinensis* teas,
9 coffee and herbal crops. Congress should provide mandatory funding for a safety net
10 program, including risk management tools, to allow producers to earn the cost of
11 production plus the opportunity for a reasonable profit from the marketplace.

12 We support:

- 13 i. Mandatory funding for the Specialty Crop Act. Specialty crop block grants that
14 are provided to states should be provided to producers and not supplant state
15 budgets;
- 16 ii. Collaboration with consumer, culinary and other food groups to promote U.S.
17 specialty crops;
- 18 iii. Protection for specialty crop producers from imports during the primary harvest
19 season for perishable crops (window of harvest);
- 20 iv. Incentives for all federal nutrition program beneficiaries, such as those of the
21 Special Supplemental Nutrition Program for Women, Infants and Children
22 (WIC), the WIC and Seniors Farmers Market Nutrition Programs, and the
23 Supplemental Nutrition Assistance Program (SNAP) to use their benefits at
24 farmers markets, CSA's and other direct marketing outlets. These programs are
25 mutually beneficial for specialty crop producers by providing a market
26 opportunity and low-income consumers who receive high-quality, locally
27 produced, farm fresh products;
- 28 v. Reauthorization and expansion of the SNAP-based Food Insecurity Nutrition
29 Incentives program with continued prioritization for the direct-to-consumer
30 marketing and the local and regional sourcing of fruits and vegetables;
- 31 vi. Urging the president, attorney general, and Congress to direct the U.S. Drug
32 Enforcement Administration (DEA) to reclassify industrial hemp as a non-

1 controlled substance and adopt policy to allow American farmers to grow
2 industrial hemp under state law without affecting eligibility for USDA benefits,
3 and supports legislation to allow for industrial hemp to become a crop in the U.S.
4 again;

5 vii. A state's right to make their own choice on medical and recreational marijuana
6 by calling on Congress and U.S. DEA to reclassify marijuana as a schedule 2 or
7 lower drug;

8 viii. USDA designation of tree syrups as a specialty crop; and

9 ix. Both seed exchanges and seed libraries for the open exchange of heirloom and
10 open-pollinated seed.

11 **8. HONEY/POLLINATION**

12 Pollinators are vital to agriculture and in particular to the production of fruits and
13 vegetables. Bee-pollinated forage and hay crops such as clover and alfalfa are also used to
14 feed livestock and dairy animals. Introduced parasites have had a significant impact on
15 honeybees in the United States. Undetermined factors have led to an observed collapse in
16 the bee populations, commonly referred to as Colony Collapse Disorder.

17 Therefore, we support:

18 i. Agricultural research and education to encourage innovative approaches to
19 protecting honeybee health and improve genetic stocks of honeybees;

20 ii. Development and expanded research to enhance native pollinators;

21 iii. Encouraging EPA to enforce its pesticide use labels to ensure proper application
22 of pesticides;

23 iv. Encouraging collaboration between the pesticide manufacturing and pollinator
24 industries to educate applicators and producers about the potentially harmful
25 effects of pesticides on pollinator populations;

26 v. Continued monitoring of pest populations and pest control methods;

27 vi. Continued monitoring of pollinator imports, accidental importation of pests and
28 invasive species;

29 vii. Ensuring that pollinator-beneficial habitat and best management practices are
30 eligible for cost-sharing assistance and incentives in USDA conservation
31 programs intended to assist producers;

- 1 viii. Public research of effects of pesticides, such as neonicotinoids, on bee colonies,
2 especially related to Colony Collapse Disorder;
- 3 ix. The Food and Drug Administration (FDA) defining honey as a food product
4 based on the Codex Alimentarius standards so that U.S. beekeepers have the
5 ability to utilize trade and legal mechanisms when imported honey is
6 adulterated. Until the FDA defines honey as a food product, we support efforts at
7 the state level to authorize state departments of agriculture to define honey
8 using the Codex Alimentarius standards as a guideline; and
- 9 x. The continued consideration of honeybees and hives for inclusion in livestock
10 compensation programs.

11 We oppose any attempt to classify sweet, white, or yellow clover as an invasive species
12 or to prohibit the sale or planting of sweet clover seed because of its important role in
13 honey production.

14 **9. VALUE-ADDED AND MINIMALLY PROCESSED FOODS**

15 We commend and support artisan producers for their pioneering efforts in revitalizing
16 agriculture in their local communities. Their efforts have resulted in multiple benefits by
17 creating value-added revenue streams for themselves and their communities.

18 These products also supply a high quality, balanced diet for consumers.

19 We support policies and programs that encourage the further development of these
20 types of farm-based enterprises.

21 **10. VALUE-ADDED USES OF FARM PRODUCTS**

22 We support value-added uses of farm commodities that encourages the development of
23 bio-degradable consumer packaging as the standard choice for storage containers,
24 packaging and bags.

25 **F. AGRI-TOURISM**

26 We support:

- 27 1. The inclusion of agri-tourism, including on-farm bed and breakfasts, as part of the
28 definition of agriculture and encourage USDA to recognize the value agri-tourism
29 plays in small, diversified farms and communities throughout the United States by
30 adopting agri-tourism allowances in its programs; and

2. USDA developing and implementing a program to educate producers about liabilities associated with agri-tourism operations.

G. RISK MANAGEMENT

We encourage:

1. The expansion of risk management tools to cover all commodities; and
2. The FSA to always consider prevented plant acres in revenue calculations not limited to farm safety net programs, risk management programs and disaster programs.

1. LIVESTOCK PRODUCER ASSISTANCE

We support:

- i. Full and permanent funding for the livestock compensation programs;
- ii. Safeguards to assure that program benefits are targeted to family farmers and ranchers; and
- iii. Deferring the tax consequences of a forced liquidation of livestock if it is due to severe weather conditions or other causes and if the animals are replaced within a 5-year time frame.

2. CROP INSURANCE

Crop insurance and revenue coverage should not be considered a replacement for fair market prices and an adequate price support program.

We support:

- i. The continuation and improvement of the federal crop insurance program;
- ii. A permanent disaster program, in addition to crop insurance that addresses both catastrophic and shallow losses;
- iii. Enhancing the affordability of coverage above 75 percent of actual production history (APH);
- iv. A limitation on the cumulative value of all federal premium subsidies for the purchase of “buy-up” crop insurance coverage. In the event budget cuts result in decreased “buy-up” premium subsidies, those cuts should be accomplished by caps on per-individual subsidies. Crop insurance subsidies should be attributed to individuals based on their share of ownership of insurable production and entities they own;

- v. Development of federal crop insurance policies that provide a dollar-per-acre, multi-peril coverage option similar to policies that exist for single-peril hail coverage;
- vi. Development of federal crop insurance policies based on the regional average cost of production for the insured commodity;
- vii. Development of new products that allow producers to protect their income in times of low prices and/or quality losses;
- viii. Expanded production loss and revenue protection programs to cover more crops and livestock in an equitable and comparable manner in all states;
- ix. Development of products that allow producers to better protect against livestock and livestock feed losses;
- x. Directing the Risk Management Agency to further develop the Adjusted Gross Revenue (AGR) and AGR-Lite insurance programs and expand their availability nationwide;
- xi. Legislative action to provide the RMA authority to allow nationwide crop and revenue insurance pilot programs;
- xii. Legislative or administrative action to increase the producer representation on the Federal Crop Insurance Corporation (FCIC) board of directors and establish a local appeals process including conflict resolution;
- xiii. Providing family farms producers the opportunity to utilize all available disaster programs without penalty; farmers relying on surface water for irrigation should not be penalized by being forced to sign up crop as dry-land instead of irrigated land due to an “act of God” resulting in lack of water because of drought;
- xiv. Reasonable funding for crop insurance agent and company reimbursement;
- xv. No reduction of APH for federal crop insurance purposes when production is reduced by natural disasters;
- xvi. Offering an adequate, individual catastrophic coverage program to provide a safety net against crop disasters with a graduated premium based on acres rather than crops;
- xvii. Signup requirements that contain enough flexibility including changes to established planting dates to allow producers to respond to weather changes;

- 1 xviii. Being eligible to plant a “ghost” crop when a producer collects a payment for a
2 prevented planting;
- 3 xix. The use of cover crops for stewardship purposes on prevented planted acres
4 when feasible;
- 5 xx. Prevented planting provisions in insurance policies that can provide valuable
6 coverage when extreme weather conditions prevent expected plantings. To
7 maintain the integrity of the program and avoid abuse, producers should make
8 planting decisions based on agronomically sound and well-documented crop
9 management practices. We encourage the RMA to develop guidelines that are
10 objective rather than subjective;
- 11 xxi. Maintaining eligibility to receive prevented planting indemnity payments
12 regardless of the producer’s planting history;
- 13 xxii. The inclusion of local quality and basis adjustments in revenue assurance (RA)
14 products;
- 15 xxiii. The risk management program to recognize and accommodate the unique
16 production and actuarial experience of producers of certified organic
17 commodities;
- 18 xxiv. Not reducing established crop insurance during that crop year;
- 19 xxv. The development of an optional, supplemental crop insurance product to
20 expand production loss coverage by helping offset either catastrophic or modest
21 production losses in the event of weather-related or other insurable disaster
22 losses;
- 23 xxvi. Requiring the RMA and the FSA to coordinate all definition, reporting
24 requirements and information technologies;
- 25 xxvii. The creation of regional advisory committees composed of producers, insurance
26 agents and insurance company officials to work with RMA regional staff and
27 offices to establish appropriate policies, procedures and educational activities
28 for the individual RMA regions;
- 29 xxviii. The development and expansion of products that allow producers of non-
30 program commodities, small diversified farming operations of specialty and
31 minor crops to have equitable insurance coverage based on the market for
32 which it is produced. USDA should make whatever regulatory or operational

- 1 changes are necessary to remove barriers and ensure fair access to crop and
2 revenue insurance for beginning farmers and ranchers;
- 3 xxix. The concept of a risk management account that would be a private, self-insured
4 policy for farmers that is similar to the current health savings account. This is
5 not a replacement for crop insurance; rather, it is an alternative tool for farmers;
- 6 xxx. Preventative planting losses including all weather contingencies, including
7 drought;
- 8 xxxi. A crop insurance premium due date of December 1 with no interest charges to
9 the premium if the claim is unsettled;
- 10 xxxii. Conservation compliance to be eligible for federal crop insurance subsidies, but
11 recognize the need for specialized carve-out provisions; and
- 12 xxxiii. The continued development of risk management tools for organic-certified crops
13 (*also see Article I.I.9 – National Organic Standards and Article X.B.1 – Public*
14 *Research*).

15 We oppose:

- 16 i. RMA allowing outside influence on crop insurance premium levels with regard
17 to specific crop inputs, practices or technologies;
- 18 ii. The sale of crop insurance by ag lending institutions and other ag industries that
19 are able to coerce the producer, i.e. lenders discounting interest or requiring
20 purchase of the lender's own crop insurance product as condition of receiving a
21 loan;
- 22 iii. The voiding of an entire crop insurance policy due to an error in a single line of
23 the policy; and
- 24 iv. Crop insurance eligibility being coupled with wetland requirements.

25 **3. NATIONAL FOOD LIABILITY INSURANCE PROGRAM**

26 We support a national food liability insurance program to assure at a national level that
27 unprocessed or less processed whole foods, fresh fruits, cheese and dairy products, meats and
28 fresh vegetables continue to remain accessible in the marketplace. Current U.S. food liability
29 culture places the farmer in an unfair position and this must be addressed if we intend to have
30 farm-fresh or less processed foods available to consumers.

1 **4. RISK MANAGEMENT EDUCATION**

2 We encourage the USDA to continue funding risk management education grants.

3 **H. FARM PROGRAM ADMINISTRATION**

4 We urge full implementation and funding of all provisions of the 2014 Farm Bill, consistent
5 with the intent of Congress.

6 **1. FARMER-ELECTED COMMITTEES**

7 We support:

- 8 i. The integrity and independence of farmer-elected committees in carrying out
9 farm programs;
- 10 ii. Sufficient funding so the committee members can be trained and can function
11 effectively;
- 12 iii. Appointees to state FSA committees, which administer farm programs, being
13 family farmers;
- 14 iv. Farmer-elected, county- or area-farmer committees;
- 15 v. Uniformity of interpretation of USDA programs to the maximum degree possible,
16 while still meeting local needs;
- 17 vi. Offering appeals at the local, state, and national levels;
- 18 vii. Continuing an independent appeals process and the producer's right to
19 mediation;
- 20 viii. Programs to educate producers and others about mediation processes; and
- 21 ix. Greater authority given to FSA county committees in determining the disaster
22 designations and the appropriate program applications.

23 We oppose selection of the county or area farmer committees by political appointment.

24 **2. NATURAL RESOURCES CONSERVATION SERVICE**

25 The Natural Resources Conservation Service (NRCS) should be the service agency to
26 provide technical assistance working with local boards and local conditions whenever
27 possible. We support the following changes to NRCS:

- 28 i. Implementation of an appeals system;
- 29 ii. Giving the soil conservation district boards the authority to hear farmer appeals
30 on conservation land-use issues, including good, fair variances;
- 31 iii. Providing full funding for conservation technical assistance to implement
32 conservation programs;

- iv. Appointees to the NRCS state technical committees, which provide advice and counsel to state conservationists, being actively engaged in a family farm operation;
- v. NRCS state technical committees having voting power over the cost-share rates and ranking procedures; and
- vi. Funds designated to NRCS programs being used to hire local fishers and farmers to implement conservation projects.

We oppose:

- i. The privatization of the services of the NRCS and object to forcing farmers to pay for the technical assistance, which should be provided by NRCS staff; and
- ii. Any effort to eliminate NRCS or shift conservation services to some other agency or branch of the USDA.

3. IMPROVED MARKETING MECHANISMS

NFU reaffirms its support for enabling legislation to establish a National Agricultural Relations Board or separate board for single commodities or groups of closely related commodities. Once established, this board should:

- i. Bring farmers and farm cooperatives together with handlers and processors, for the purpose of bargaining over prices received by agricultural producers. Farmers need and are entitled to a firm legal procedure which will enable them to manage the production and marketing of their products; and
- ii. Help preserve the long-standing rights of farmers to participate in bargaining associations and cooperatives without being subject to antitrust action.

I. SPECIAL AGRICULTURAL POLICIES AND SERVICES

1. FARM LABOR (ALSO SEE ARTICLE X.F – IMMIGRATION POLICY)

We support passage and implementation of many provisions of previous AgJOBS-type legislation.

We encourage Congress to continue funding existing programs and establish new grant initiatives that aim to improve the supply, stability, and training of the agricultural labor force.

The National Labor Relations Act should be extended to workers on corporate and other farms that employ enough hired help to be subject to the federal minimum wage provisions applicable to agricultural workers.

1 We support enforcement of the following labor standards:

- 2 i. Worker protection standards regarding wage rates, health, safety and housing
- 3 conditions for migrant, seasonal, minority and other farm laborers and for
- 4 education of their children;
- 5 ii. Allow the rights of workers to bargain collectively for fair wages; and
- 6 iii. Provide a livable minimum wage.

7 **2. SAFETY OF FARMERS AND FARM WORKERS**

8 Agriculture has been determined to be a hazardous occupation in the United States.
9 Farm machinery is not subject to federal safety regulations or recalls but is instead
10 manufactured according to voluntary standards set by the American Society of Agricultural
11 and Biological Engineers.

12 We recommend:

- 13 i. Farmers take advantage of training opportunities, including pesticide applicator
- 14 programs, as often as possible;
- 15 ii. Farm equipment manufacturers be subject to rules requiring product safety, and
- 16 that manufacturers be liable for damages suffered due to injuries caused by
- 17 faulty equipment;
- 18 iii. Developing incentives for the purchase of rollover protection for farm
- 19 equipment;
- 20 iv. Standardized hazard and caution lights and distinct turn signals on all farm
- 21 equipment that uses public roadways, and increased education of the public on
- 22 the need to respect them;
- 23 v. Discouraging the use of Slow Moving Vehicle emblems for purposes other than
- 24 their intended use;
- 25 vi. Farmers and their employees have access to information regarding hazardous
- 26 materials used on the farm;
- 27 vii. Farmers maintain adequate records on their transportation, use, storage, and
- 28 disposal of fertilizers and pesticides;
- 29 viii. Farmers and small businesses have a voice in assuring that rules implementing
- 30 the Occupational Safety and Health Act of 1970, established for the protection of
- 31 those employed by farmers and small businesspersons, are reasonable and
- 32 workable. This assures that OSHA requirements are within the reasonable

- 1 financial reach of farms and businesses affected, that the penalties are not
2 excessive, and that reasonable periods of time are allowed for compliance;
- 3 ix. Congress provide for continued exemption of small farms and businesses that
4 have 10 or fewer employees from the inspection provisions of the law;
- 5 x. Family farmers exercise reasonable care to promote the safety of themselves
6 and their families; and
- 7 xi. Developing International Labor Organization (ILO) standards that adequately
8 protect the health and safety of children.

9 **3. STORABLE COMMODITIES PRODUCER PROTECTION**

10 **i. Federal Warehouse Act**

11 We support the right of individual states to regulate the grain merchandising activities of
12 warehouses licensed by the federal government under the Grain Standards and Warehouse
13 Improvement Act of 2000 (USWA). NFU will oppose federal preemption of state regulatory
14 authority over grain merchandising unless:

- 15 1. Federal regulation includes appropriate and effective oversight of federally
16 licensed warehouses and merchandising activities;
- 17 2. Modifications to federal warehouse and merchandising activities that may
18 have an impact on producers are proposed and adopted through public
19 rulemaking procedures rather than the annual licensing process;
- 20 3. Producers are provided a protection program funded by the warehouse and
21 merchandising industry against losses from warehouse and merchandising
22 company insolvencies and bankruptcies at no less than:
- 23 a. 100 percent in the case of warehouse receipted stored grain and
24 grain sold for payment within 30 days of delivery; and
- 25 b. \$3 million per producer for each commodity stored, delivered, or
26 contracted within 31-365 days of delivery
- 27 4. Limitations on the level of licensing flexibility provided to grain warehouses
28 and merchandisers are enacted to ensure it does not result in a reduction in
29 existing financial protections for producers; and
- 30 5. States' abilities to fund operations and inventory transactions, liquidity, and
31 maintain "weights-and-measures" regulations are protected.

1 We further urge that each state provide supplemental guarantees beyond any federal
2 maximum. Congress should take whatever action is necessary to ensure that stored
3 commodities remain the property of those persons who delivered them for storage.
4 Warehouses should be required to issue negotiable warehouse receipts upon request, at a cost
5 not to exceed the dump charge.

6 **ii. Ag Merchandiser or Supplier Bankruptcies and Receiverships**

7 Farmers should be given first position priority in ag merchandiser or supplier bankruptcies
8 and receiverships, including commodities prices under deferred price and delayed payment
9 contracts.

10 **iii. Commodity Basis**

11 Basis should reflect the cost of transportation and storage from the point of local delivery to
12 the point of terminal delivery and it is not to be used as a risk mitigation tool for the grain
13 merchandiser. We call for oversight by the appropriate federal agency and/or the Commodity
14 Futures Trading Commission to investigate abuses of the basis levels.

15 **4. AGRICULTURAL CENSUS**

16 Census data are useful in designing farm programs and defending and promoting the
17 interests of family-sized farm operations. The census of agriculture provides data that show
18 the trends in the agricultural economy of each county and state and for the nation. NFU
19 encourages the following relative to the census of agriculture:

- 20 i. Continue to be conducted every five years;
- 21 ii. Opposition to efforts to increase the minimum financial criteria for classifying
22 agricultural operations;
- 23 iii. Continued collection of needed data relating to corporate involvement in
24 agriculture and coordination with information collected on foreign involvement
25 in the purchase of farmland and agricultural enterprises to more clearly reflect
26 the pattern of ownership and management of U.S. agriculture; and
- 27 iv. Opposition to USDA using information obtained in the census in a manner that is
28 detrimental to family farmers and ranchers.

29 **5. NATIONAL AGRICULTURAL STATISTICS SERVICE (NASS)**

- 30 i. We encourage producers to recognize the importance of filling out National
31 Agricultural Statistics Service (NASS) data, which is used by USDA to determine
32 price and yield information for multiple USDA programs; and

- 1 ii. We support adequate funding levels for NASS, allowing them to complete
2 surveys and work in an expeditious fashion.

3 **6. COMMODITY RESEARCH AND PROMOTION PROGRAMS**

4 We support a voluntary checkoff, with producer participation determined at the point
5 of sale. Our support for producer-financed commodity research and promotion programs is
6 determined by the extent to which producers who are actively involved in production
7 agriculture control the programs.

8 NFU will support programs financed from the proceeds of sales by producers of
9 agricultural commodities, only if the following criteria are met:

- 10 i. Research and promotion programs are for the sole financial benefit of domestic
11 family farmers;
- 12 ii. Disbursement of funds collected is controlled solely by boards of non-processing
13 domestic producers elected by the domestic producers assessed, and the
14 operations of the program are solely controlled by those domestic producer
15 boards;
- 16 iii. Members of national producer-funded boards shall be nominated and elected by
17 producers, with the election process supervised by FSA;
- 18 iv. It shall be mandatory that all eligible producers be provided with a ballot for all
19 elections and referendums;
- 20 v. Each producer of an agricultural product to be covered under any multi-
21 commodity checkoff shall have one vote in any referendum to determine
22 whether that checkoff program should be created and the board so created
23 should adequately represent independent family farm producers;
- 24 vi. Approval is by 60 percent of producers voting in a referendum prior to
25 implementation of the order, with spouses allowed to vote individually, and no
26 bloc voting allowed;
- 27 vii. The outcome of producer referendums should be determined solely on the basis
28 of one vote per person;
- 29 viii. Changes in levies and administrative and operational procedures should be
30 submitted to producers affected and subject to approval by a simple majority
31 vote;

- 1 ix. Periodic review referendums should be financed and conducted by the federal
2 government every fifth year, with no producer funds used to influence the
3 voters. A simple majority of producers voting in a referendum shall be able to
4 recall a commodity checkoff program. USDA shall make available the total
5 number of producers;
- 6 x. When an assessment is collected from U.S. producers of a commodity, an equal,
7 non-refundable fee should continue to be assessed on foreign imports of that
8 commodity, in either raw or manufactured form. Any special provisions
9 extended to U.S. regions, remote states or territories should not be extended to
10 imported products;
- 11 xi. The assessment should also be collected from those integrators who are
12 currently exempted by virtue of being in a vertically integrated operation;
- 13 xii. Periodic independent, outside evaluations and audits should be conducted to
14 ensure that the benefits of the program outweigh the costs to producers, with
15 copies of the audits available to all who pay the assessments;
- 16 xiii. Procedures should be provided to enable producers to immediately obtain the
17 refunds of the research and promotion funds they were assessed;
- 18 xiv. Research funds generated through producer assessments should not be used as
19 a substitute for publicly generated research funding;
- 20 xv. Farmers and ranchers have the right to designate the use of the checkoff dollars
21 he or she contributes for research, promotion, expanded cooperative
22 development, or nutrition programs and food banks;
- 23 xvi. Prohibiting the use of dairy producers' checkoff money to conduct research into
24 the use of casein and/or MPC's in the making of cheese and other dairy products,
25 or to promote anything other than U.S.-produced natural dairy products;
- 26 xvii. Mandatory producer assessments should not go to organizations that engage in
27 lobbying. No funds should be donated or contracts provided to organizations
28 that carry out political or lobbying activities or to their shared staff, even if
29 records are kept which separate their activity. No checkoff programs/events
30 shall be held in concert or conjunction with any policy organization's
31 programs/events. Severe criminal penalties should be assessed for using funds
32 for personal, political, or lobbying activities;

- 1 xviii. The payment of a mandatory commodity checkoff must not constitute
2 membership in a producer organization; and
3 xix. Producer-funded research should remain the property of the producers. Patents
4 granted as a result of the research should also belong to the producers. Royalties
5 collected should be returned to the producers' research fund.

6 **7. GRAIN STANDARDS**

7 Our nation's grain standards fail to reward producers for production of clean, higher-
8 quality grain. The current standards provide a wide margin for manipulation by grain
9 buyers and processors through blending and other devices. The grade limitations are
10 arbitrary, permitting buyers to establish large discounts of factors that are not necessarily
11 related to real differences in the value of a given commodity. Our grain standards also fail to
12 identify many quality characteristics related to the actual end-use value of the commodity.

13 We support:

- 14 I. Producers receiving a premium for higher quality grain;
15 II. Regulation or legislation that provides a consistent grading and moisture
16 discount scale that is monitored and enforced at the local elevator or mill; and
17 III. A periodic review of our nation's grain standards so our producers can more
18 effectively compete in world markets based on the quality of their production.

19 Revised standards should:

- 20 I. Reward positive actions taken by producers, such as genetic improvement and
21 sound grain-handling practices;
22 II. Establish grade and non-grade factors that can be commonly understood and
23 mutually determined by producers and end-users;
24 III. Adopt dry-matter grading by the grain trade as a better way of compensating the
25 power for the grain delivered to the elevator;
26 IV. Be implemented in such a manner that the grade determined at the time of the
27 initial sale is consistent with the grade received by the end user;
28 V. Ensure testing standards that reflect actual grain quality; and
29 VI. Establish standardized tests that are accurate and reproducible.

30 **8. GRAIN INSPECTION**

31 We reaffirm our position for the high standards in grain inspection and support the
32 weighing system as authorized under the original Federal Grain Inspection Act.

1 To protect and improve our reputation as exporters of U.S. commodities, we support
2 legislation that would:

- 3 I. Prohibit and penalize exporters adding foreign material or moisture to any
4 commodity for overseas shipment;
- 5 II. Require export customers to pay for shipments on a clean-grain basis, just as
6 farmers are paid on a clean-grain basis;
- 7 III. Provide grain inspection personnel to spot check U.S. grain at foreign ports to
8 determine whether it is of the same kind, class, quantity and condition that was
9 certified upon shipment;
- 10 IV. Prohibit the imposition of user fees for the inspection and grading of agricultural
11 commodities. Federal inspection and grading of such commodities is in the public
12 interest and should not be charged to the producer;
- 13 V. Continue to investigate grain companies as to the total pricing system and any
14 quality discounts such as those for protein schedules, test schedules, DON
15 (vomitoxin) levels, falling numbers and scab; and
- 16 VI. Prohibit privatization of grain export inspections.

17 **9. USDA'S INFORMATION MANDATE**

18 USDA should provide accurate income statistics for farmers and ranchers. Separation of
19 income levels for producers, landlords and integrators would permit more accurate net
20 farm incomes in USDA's farm projections.

21 Aerial land maps are vital to producers for proximate land use, sale and productivity.
22 These maps should be made available by USDA to the public for the gain of the producer.

23 We oppose charging user fees for formerly free USDA reports and information or
24 supplying them only on a paid basis by computer.

25 **10. NATIONAL ORGANIC STANDARDS** (*ALSO SEE ARTICLE I.D. – LABELING OF*
26 *COMMODITIES AND COMMODITY PRODUCTS*)

27 NFU recognizes the growing importance of organic family farming. Organic farming is a
28 management-intensive method of production, not merely a list of acceptable or prohibited
29 materials, designed to achieve a balance in the agricultural and livestock system similar to
30 that found in natural systems.

31 We support:

- I. The enforcement and monitoring of the national organic standards promulgated by USDA;
- II. Ensuring accreditation and certification costs do not discriminate against small producers, including support and funding for the National Organic Certification Cost-Share Program;
- III. Requiring USDA to maintain the role of the National Organic Standards Board (NOSB) as the official source of developing policies and procedures to interpret and implement the federal organic standards. Adequate staffing must be provided to enable the NOSB to fulfill its obligation to organic producers;
- IV. Maintaining organic livestock production standards that are uniform and account for feeding and animal health care practices for continuous or transitional organic management;
- V. Prohibiting genetically modified organisms, irradiation, and the use of sewage sludge that contains heavy metals;
- VI. Protecting organic producers from chemical and/or genetic pollution and provide reasonable redress for any damage caused by this drift;
- VII. USDA negotiating trade arrangements to eliminate the need for National Organic Program (NOP)-certified U.S. farmers to certify through multiple international agencies; and
- VIII. The continued development of risk management tools for organic-certified crops (*also see Article I.G.2 – Crop Insurance and Article X.B.1 – Public Research*).

11. GENETICALLY MODIFIED ORGANISMS AND BIOTECHNOLOGY

The use of genetically modified organisms (GMOs) has raised some ethical, environmental, food safety, legal, market, and structural issues that impact everyone in the food chain. At the same time, many of our producers are incorporating GMO varieties in their farming operations. The rights of both GMO and non-GMO producers should be respected as appropriate regulatory agencies continue to research and evaluate these concerns, including but should not limit the freedom of agricultural producers and processors to accurately advertise, label and promote products as hormone-free, antibiotic-free, non-genetically altered or exceeding national organic standards.

1 We acknowledge concerns that biotechnology is being used as a trade barrier. We
2 respect all nations' sovereignty and food policies and thus urge open dialogue, cooperation
3 and understanding in trade negotiations relating to biotechnology. We support:

- 4 I. The development of new GMO traits when issues of cross-pollination, liability,
5 commodity and seed stock segregation and market acceptance are objectively
6 addressed and fairly resolved for the protection of all producers and consumers.
7 While biotech traits are under patent, the patent holder should be prepared to
8 indemnify its trait users against financial burdens caused by claims;
- 9 II. Research conducted in an environmentally secure facility being exempt from the
10 above requirements. Research conducted in open fields production should be
11 subject to mandatory public disclosure of: persons or entities initiating the
12 research, location of test sites, specific species and traits involved and the
13 characteristics of the intended resultant genetically modified plant to be created;
- 14 III. Legislation to prohibit the patenting of heritage seed and animal and biological
15 genetics;
- 16 IV. Legislation to prohibit the development of terminator technology in any form;
- 17 V. The right of farmers to plant seed derived from proprietary organisms on their
18 own land;
- 19 VI. New products involving GMOs be certified as safe by the FDA in testing done
20 independently of the patent holder, before being allowed on the market. Such
21 testing is to be done at the expense of the specific patent holders seeking to
22 market such products;
- 23 VII. Legislation requiring that patent holders or owners of GMO technology be held
24 strictly liable for damages cause by genetic trespass including safety, health,
25 economic, and environmental effects. Farmers are not to be held liable for food
26 safety, human health or environmental problems, including cross-pollination,
27 related to the use of GMOs as long as generally accepted crop production
28 practices are followed;
- 29 VIII. Congressional action to regulate the biotech industry's technology agreements.
30 Farmers should not have to sign away their fundamental rights, including but
31 not limited to a jury of their peers in court, in exchange for the privilege of

- growing biotech crops. Grievances should be settled in the home state of the farmer, not the state of the biotech corporation;
- IX. Any damages caused to farmers through lower prices, lost markets, or contamination shall be fully reimbursed to farmers, including legal fees, by the company producing the genetically modified product;
- X. All data used in the analysis of the health and environmental effects of GMOs being public record, and that criminal penalties be established for the willful withholding or altering of such data;
- XI. Prohibiting government regulatory agencies from licensing genetically modified products that are not acceptable for both human consumption and animal feed;
- XII. USDA and FDA improving oversight and regulation of pharma crops. NFU does not endorse or support pharma farming based on economic, environmental, food safety, and liability risks to producers and consumers;
- XIII. Requiring governmental regulatory agencies and input suppliers ensuring farmers are informed of all potential market risks and segregation requirements associated with planting any licensed genetically modified crop;
- XIV. Requiring USDA to further investigate and research the effects of GMO feeds on livestock;
- XV. Government regulatory agencies considering domestic and foreign consumer acceptance of the product when licensing;
- XVI. Requiring all GMO seed to be clearly labeled with the following information:
1. Markets (foreign or domestic) where the product is not accepted; and
 2. All planting restrictions;
- XVII. Development of a verification system and a storage, transportation and marketing plan to aid farmers with non-GMO grains;
- XVIII. Identity-preserved systems and insist they receive protection from cross-contamination; and
- XIX. The development and implementation of patent rules, legislation (i.e. the Hatch-Waxman Act for pharmaceuticals) or regulations, which promote and maintain free market competition in regard to generic production.

12. PLANT VARIETY PROTECTION ACT

1 We support the modification of the Plant Variety Protection Act of 1994 in the area of
2 royalty fees, taking into consideration a reasonable period of time for specific commodities
3 and based on scientific methods.

4 We support immunity from legal action for grain handlers from consequences of the
5 Plant Variety Protection Act when handling grain without a fee.

6 **13. UN TREATY ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE**

7 We urge U.S. ratification of the International Treaty of Plant Genetic Resources for Food
8 and Agriculture. We support three key tenets of the treaty, including:

9 I. Enhancing and diversifying the genome and plant genetic resources pools;

10 II. Recognizing farmers' contributions to the development and conservation of
11 plant genetic resources by protecting farmers' rights, including the right to save
12 seed; and

13 III. Keeping public research and research results in the public domain and protected
14 from acquisition by corporations or other private entities attempting to develop
15 their own products derived from public research genetic pools.

16 **14. NEBRASKA TRACTOR TEST LABORATORY**

17 We support the testing of all agricultural tractors above 40 horsepower (HP) in
18 approved Organization for Economic Cooperation and Development (OECD) laboratories
19 for sale in the United States. We support the Nebraska Tractor Test Laboratory, the only
20 U.S.-approved OECD laboratory and the unbiased, third-party testing information that it
21 provides at little or no cost to U.S. farmers so they can make informed buying decisions.

22 **15. AGRICULTURE AND THE FIRST-SALE DOCTRINE**

23 NFU supports the first-sale doctrine. This measure provides that an individual who
24 knowingly purchases a copyrighted work from the copyright holder receives the right to
25 sell, display, or otherwise dispose of that particular copy. NFU believes the purchasers
26 should be provided protections that would not otherwise be available for licensees.

1 **ARTICLE II – AGRICULTURE COMPETITION AND CONCENTRATION**

2

3 Inadequate market competition is one of the most pressing issues facing producers

4 across the country. As evidenced by the sharp decline in the number of family farms in

5 the past decade and the increasing trend toward horizontal and vertical concentration

6 in the agriculture and food sector, independent producers cannot succeed in the

7 absence of protection from unfair, anti-competitive practices. Competitive provisions

8 should be established that ensure fairness, transparency, protection and bargaining

9 rights for producers, and restore and enhance competition for agricultural markets.

10 Packers have always had the ability in most states to own animals for their

11 company’s personal use when the spot/open market for live animals from independent

12 producers was higher than they wanted to pay. By slaughtering their own animals for

13 days and even up to weeks, the supply of livestock from independent producers would

14 escalate, causing the price on the spot/open market to drop. To further decrease the

15 competition in the packing industry, the top four packers in 2011 controlled

16 approximately 75 percent of the market. Economists state any concentrated market

17 power over 40 to 60 percent would demonstrate a lack of competition in commerce

18 within the respected industry.

19 **A. COMPETITION AND ANTITRUST**

20 We support the following initiatives to achieve true competition for producers in the

21 marketplace:

- 22 1. Implementation of a temporary moratorium on large agricultural mergers to
- 23 provide Congress with time to review and strengthen current laws as
- 24 appropriate;
- 25 2. Requiring USDA to collect and publish concentration information;
- 26 3. Clarification of the Packers and Stockyards Act to allow individual producers
- 27 to seek recourse for abuse of market power without having to prove
- 28 competitive injury to the entire marketplace;
- 29 4. Requiring the Justice Department (DOJ), Federal Trade Commission (FTC),
- 30 and the Surface Transportation Board (STB) where applicable to require
- 31 firms to submit information on joint ventures and alliances between firms
- 32 above a certain size. In many cases, firms that are participating in joint

- 1 venture arrangements behave just like firms that have merged and should be
2 subject to the same level of antitrust scrutiny as mergers. The disclosure
3 requirement should be set at a threshold sufficient to include firms that
4 account for a significant percentage of market share at a regional level;
- 5 5. Requiring the DOJ, FTC, or STB to publicly disclose why a merger subject to
6 antitrust review is approved;
 - 7 6. Expanding the role of USDA to initiate and/or participate in the review of
8 proposed mergers in the agricultural sector;
 - 9 7. Requiring economic and environmental impact statements detailing the
10 impact of a proposed merger on farmers, ranchers, and consumers prior to
11 approval;
 - 12 8. Establishing an Office of Special Counsel on Competition within USDA to
13 streamline and increase the effectiveness of USDA investigation and
14 enforcement of competition laws;
 - 15 9. Establishing a level of concentration that triggers a presumption of a
16 violation of antitrust law to make it easier for the DOJ, FTC, or STB to prevent
17 high levels of concentration;
 - 18 10. Congressional action to change the Illinois Brick doctrine, to allow producers
19 to hold retailers responsible for price gouging;
 - 20 11. Prohibiting slotting fees that provide windfall profits to retailers and create a
21 barrier for new firms and products;
 - 22 12. A target price program on a limited volume of production as automatic
23 compensation for livestock producers when a lack of antitrust enforcement
24 or unfair imports damage their markets;
 - 25 13. Congress repealing statutory provisions that exempt railroads from the
26 antitrust injunctive actions, as well as the judicially developed Keogh
27 doctrine that limits antitrust damage remedies;
 - 28 14. Supporting state anti-corporate and contract producer protection legislation;
29 and
 - 30 15. Providing strong protection to employees that report non-competitive
31 practices.

32 **B. LIVESTOCK MARKET REFORM**

1 We support the following initiatives to reduce livestock market concentration and
2 enhance competition:

- 3 1. Restriction of all forms of direct and indirect ownership or control of
4 agricultural products by agribusinesses, including the prohibition of
5 ownership, control and feeding of livestock by packing companies;
- 6 2. Encouraging development of farmer-owned cooperatives for marketing and
7 processing;
- 8 3. Placing restrictions on the percentage of captive supply and that firm-bid
9 pricing be established in forward contracts as directed in the Captive Supply
10 Reform Act;
- 11 4. Making permanent the mandatory price reporting law;
- 12 5. Efforts to increase transparency of mandatory price reporting information,
13 including but not limited to:
 - 14 a. Eliminating or lowering the kill capacity reporting exemption;
 - 15 b. Regular reporting after the fact, even when a proprietary exemption
16 precludes price and volume reporting on a daily basis; and
 - 17 c. Enhancing the reported date to be user friendly.
- 18 6. Protecting the livestock producers from unfair competition and monopolistic
19 practices by strengthening the definition of the Packers and Stockyards Act.
20 All livestock producers should have equal access to markets that do not
21 discriminate against family-farm livestock producers; and
- 22 7. Enacting legislation that clearly defines and prohibits volume-based price
23 discrimination in livestock markets

24 **C. POULTRY MARKET REFORM**

25 We support enacting legislation to give USDA's Grain Inspection, Packers, and
26 Stockyards Administration (GIPSA) full enforcement over poultry. We also recommend
27 for the protection of poultry growers:

- 28 1. Extension of the protection of the Packers and Stockyards Act to producers
29 who grow and care for breeder hens, pullets and commercial eggs, not just
30 broilers;

2. Modifications to regulations under the Packers and Stockyards Act that govern integrator fair-trade practices and strengthen the enforcement mechanisms therein, including, but not limited to, regulations to:
 - a. Prohibit companies from retaliating against producers for speaking out about problems in the industry or about their contracts, or for attempting to organize other producers to negotiate as a group for better contract terms;
 - b. Prohibit companies from requiring producers to make unnecessary upgrades to their facilities unless the company pays for the costs of those upgrades;
 - c. Reform the system used to pay producer, i.e. the ranking system, to assure that producers are not penalized for inputs controlled by the company, and that there is full transparency in the factors used to calculate the producers' payment;
 - d. Prohibit companies from cancelling a producer's contract or reducing the number of livestock units placed on their farm based solely on the failure of the producer to make equipment changes, so long as existing equipment is in good working order; and
 - e. Require the production contracts be long enough in term to allow producers to recoup their investments.
3. Enactment of state legislation which better defines contract production for growing arrangements; and
4. Requiring integrators to provide an accurate cash-flow analysis to new poultry contract operations.

D. PRODUCTION CONTRACTING

Current law falls short of ensuring fairness and protection for producers under contract. We support the following initiatives/legislation to enhance contract producer protection:

1. Strengthening the Agricultural Fair Practices Act to provide improved protection for contract producers;

2. Implementation of all GIPSA provisions including disclosure of contract clauses for farmers who contract, the right to discuss the contract with their lawyer, financial advisor or family member;
3. Requiring contracts and contract rights to be written in plain language and disclose risks to producers;
4. Providing contract producers three days to review and cancel production contracts;
5. Providing producers with a first-priority lien for payments due under contracts;
6. Protecting producers from contract termination or price reduction because of:
 - a. Retaliation purposes,
 - b. Inadequate or faulty inputs/services provided by contractor, and
 - c. Denying opportunity to remediate problems related to production specifications.
7. Making it an unfair practice for processors to retaliate or discriminate against producers who exercise rights under the proposed legislation;
8. Authorizing producer bargaining to encourage contract producers to form collective bargaining units to negotiate with integrators;
9. Prohibiting the use of mandatory arbitration clauses in livestock and poultry contracts to assure that farmers have adequate access to justice in the event of fraud, misrepresentation, breach of contract or other contract disputes with a processor or integrator. Arbitration should be a voluntary mechanism for dispute resolution agreed to by both parties after a dispute arises;
10. Prohibiting contracts involving ag producers from containing language that prohibits a trial by jury; and
11. Publicizing and widely distributing educational materials regarding the rights of contract producers.

E. PROFIT-TAKING BY MANUFACTURERS OF FARM INPUTS

1 We call for all farmers and member-driven and –controlled cooperatives to place
2 pressure and influence on manufacturers of farm inputs to reduce the manufacturers’
3 level of profitability at the expense of farmers.

4 **F. VOLATILE FOOD AND FIBER PRICES**

5 Farmers are often incorrectly blamed for rising food and fiber prices. Retail prices
6 are more often determined by forces outside the control of farmers, ranchers, and
7 fishermen. We support efforts to increase the farmer’s share of the consumer’s dollar.

1 **ARTICLE III – INTERNATIONAL TRADE, COOPERATION, AND THE FAMILY FARM**

2
3 Future trade agreements must be designed to promote rural livelihoods by ensuring
4 fair market returns for producers and production of safe, quality food for consumers.
5 Thus, future trade agreements must not be limited to regulating domestic support
6 levels, export subsidies, and market access. Rather, every future trade agreement must
7 address differences in labor standards, environmental standards, health standards, and
8 the trade-distorting effect of currency manipulation and cartelization of agriculture
9 markets.

10 The measure of the success of a trade agreement has to be its benefit to U.S.
11 agriculture and specifically of its producers' net income. Vague promises of "market
12 access" to foreign markets do not offset opening our borders for even larger
13 amounts of foreign-produced goods to enter our markets. Market access does not
14 equal market share. NFU supports the federal government conducting a formal and
15 thorough analysis of current agricultural trade agreements to determine their
16 success at meeting their promised goals before any new trade agreements are
17 negotiated or proposed.

18 Companies who repeatedly send banned products to countries with specified
19 requirements and standards for imports should be held liable for market losses by
20 producers resulting from the shipment.

21 Our trade negotiators need to recognize that food security is non-negotiable for
22 many trading partners, and that they will never agree to give us full market access.

23 **A. AGRICULTURAL TRADE NEGOTIATIONS**

24 Fair trade, not free trade, holds the potential to increase family farm profitability
25 and U.S. food security, but trade by itself is only one tool. In creating a fair agricultural
26 trade environment, we support the inclusion of the following goals, objectives, and
27 provisions in U.S. trade policy and in international trade negotiations and agreements
28 that:

- 29 1. Require all countries to meet health, environmental, food sovereignty,
30 working conditions, and labor rights standards equal to those of producers
31 in the United States;

2. Allow U.S. producers the right to distinguish their products from those of other countries. U.S. products should not be categorized just as North American products;
3. Call for a formal and thorough analysis of current agricultural trade agreements to determine their success at meeting their stated goals before any new bilateral or regional trade agreements are negotiated or approved;
4. Address domestic food safety, security, and inadequate economic returns to producers resulting from market failure, lack of market competition, and an imbalance in supply and demand;
5. Ensure global food security and safety, including the elimination of unilateral sanctions on agricultural and pharmaceutical products;
6. Enhance producer returns, economic development, and individual standards of living;
7. Foster the economic and resource sustainability and efficiency of food production and distribution systems;
8. Achieve an equitable distribution and balance of the costs/benefits of agricultural trade among all participants, including producers and consumers;
9. Acknowledge and accommodate the multi-functionality of agriculture, including non-economic considerations of value to producers and consumers;
10. Diminish poverty and hunger;
11. Do not undermine U.S. laws, jurisdiction or sovereignty of a country and its political subdivisions;
12. Are negotiated and enacted through a transparent democratic process;
13. Provide consumers with an adequate, high-quality, safe and affordable supply;
14. Generate reasonable rates of return to agricultural producers by coordinating efforts to reduce dumping, balance supply and demand, share responsibility to provide nutrition assistance and maintain an optimal level of buffer stocks for food security;

- 1 15. Allow the United States to impose trade remedies against nations using
- 2 currency manipulation to gain an unfair trade advantage;
- 3 16. Have a speedy and fair method of resolving disputes among trading
- 4 partners;
- 5 17. Allow flexibility for individual nations to provide economic safety net
- 6 programs and address unforeseen production, market, and trade
- 7 circumstances;
- 8 18. Encourage a balance of increased and transparent market competition, limits
- 9 on the concentration of market power and coordinated public competition
- 10 policy to ensure the efficient and appropriate allocation of resources within
- 11 all agricultural sectors;
- 12 19. Maximize the opportunity for individual and cooperative participation in all
- 13 segments of agriculture;
- 14 20. Create an effective, efficient, timely and transparent implementation,
- 15 compliance, and dispute resolution process; and
- 16 21. Prevent further conversion of the Amazonian and other tropical rainforests
- 17 to production agriculture to preserve their essential biodiversity and their
- 18 vital role in carbon sequestration and the global climate system.

19 We support the following current negotiating topics:

- 20 1. Unified, worldwide elimination of export subsidies;
- 21 2. Increased transparency and market disciplines of state trading enterprises;
- 22 3. Greater equity and balance in agricultural tariff and tariff rate quota regimes;
- 23 4. Development of an improved and more inclusive methodology for measuring
- 24 the level and impact of domestic support programs, including green box
- 25 supports and effective subsidies conveyed through monetary policy and
- 26 labor and environmental regulation;
- 27 5. The rights of countries to address the circumvention of tariffs and tariff rate
- 28 quotas by trading partners;
- 29 6. The need to provide consumer information (labeling) on agricultural
- 30 products as a means to address food safety concerns and enhance market
- 31 access;

- 1 7. National flexibility in the design and implementation of domestic support
- 2 programs within reasonable negotiated limits such as the Trade Adjustment
- 3 Assistance program;
- 4 8. Cooperative development, implementation and enforcement of competition
- 5 policies;
- 6 9. Utilization of end-use certificates to monitor the flow of all agricultural
- 7 imports; and
- 8 10. Allowing countries to restrict the import of agricultural commodities that are
- 9 contaminated or infected with disease or other toxic or noxious organisms
- 10 that threaten domestic production and/or food safety.

11 We oppose:

- 12 1. Elimination of tariffs, tariff rate quotas and domestic trade remedies utilized
- 13 to counter the effects of dumping and other unfair trade practices, including
- 14 the use of monetary, labor, and environmental regulations that create
- 15 competitive trade advantages;
- 16 2. Elimination of “credit” for supply management programs (blue box); and
- 17 3. Requirements that domestic support programs be de-coupled.

18 **B. TRADE PROMOTION AUTHORITY (FAST-TRACK)**

19 We support the immediate repeal of Trade Promotion Authority (TPA).

20 We oppose:

- 21 1. Fast-track negotiating authority for the president; and
- 22 2. The fast-track system of ratification of trade agreements in which the entire
- 23 trade package must be approved without amendment or rejected in total by
- 24 Congress.

25 Congress should have full opportunity to review and amend provisions of a trade
26 agreement, consistent with the authority and power endowed by the U.S. Constitution.
27 Because agriculture is only one area considered in the trade agreement negotiation,
28 fast-track could easily sweep agricultural concerns aside.

29 **C. FAIR AND TRANSPARENT TRADE PRACTICES**

30 U.S. products entering into international trade are subject to various potential
31 exclusionary mechanisms, impediments, and manipulations. These barriers to fair trade
32 include tariffs, unnecessary phyto-sanitary requirements, arbitrarily adjusted exchange

1 rates, prejudicially applied border and value-added taxes, as well as selectively applied
2 local taxes and regulations specifically designed to prevent fair and equitable treatment
3 of our products. These unfair trade practices are a significant economic burden on
4 domestic producers. Therefore, we support:

- 5 1. Anti-dumping petitions on behalf of all U.S. producers;
- 6 2. Creation and implementation of a “green tariff” to be imposed on all
7 imported goods and services produced or created under less restricting
8 environmental constraints than those originating from U.S. sources;
- 9 3. A step-by-step auditing process to identify sources of, and seek solutions to,
10 uncompetitive practices that influence price to the final consumer;
- 11 4. Re-establishment of the Byrd Amendment;
- 12 5. The U.S. Trade Representative investigating countries for revocation of
13 Generalized System of Preferences (GSP) benefits from countries that may
14 no longer qualify for programming and supporting the U.S. Congress looking
15 into the way that other countries subsidize agriculture and its detrimental
16 effects on U.S. farmers. .

17 **D. HEALTH AND INSPECTION STANDARDS FOR FOOD AND FIBER IMPORTS**

18 We believe that food imports pose a much greater food safety threat to American
19 consumers than domestic food. Only a minimal amount of food imports are physically
20 inspected, and of those which are inspected, many are rejected for reasons ranging from
21 mislabeling of residues to pesticides banned for use in this country. We support the
22 following initiatives to ensure consumer protection:

- 23 1. Increased funding and number of inspectors for the Agriculture Quarantine
24 Inspections Program and transfer inspectors back to USDA from Department
25 of Homeland Security (DHS);
- 26 2. Legislation to pass “circle of poison,” prohibiting the export of chemicals not
27 registered for food and fiber uses in the United States for food and fiber uses
28 in other countries;
- 29 3. Strict monitoring of imports to prevent importation of residues of chemicals
30 banned in the United States for food and fiber;

4. Requiring all imported food, feed, fiber, milk protein concentrate (MPC) and animal products and by-products to meet the same health and inspection standards as those required for domestic products;
5. Processing facilities for such imported products should be inspected at least annually. Food products from that facility should be labeled as such, even if the product originated in the U.S.;
6. Requiring inspection be continuous and thorough, not just an occasional, minor sampling. Products that fail inspection should be condemned and not allowed a second opportunity to enter our country; and
7. Expenses for all inspections coming from fees on the imported products paid by the exporter at the point of origin.

E. CHINA TRADE

We support annual reviews of the impact of the Permanent Normal Trade Relations (PNTR) for China to document its effect on U.S. farmers. Such reviews should also address whether China:

1. Ratifies and enforces all pending United Nations covenants on human rights;
2. Develops a history of actually complying with international trade agreements;
3. Enacts and enforces rules that protect individual rights, establishes appropriate environmental standards and fosters fair trade; and
4. Enacts and enforces food and product safety standards equal to those require of producers in the United States.

We oppose trade provisions that pit the agricultural sector against the industrial or manufacturing sectors (*also see Article III.A – Agricultural Trade Negotiations*).

F. INTERNATIONAL FOOD ASSISTANCE

Everyone should have the right to have access to safe and nutritional food. We support the following provisions to enhance international food assistance:

1. Funding for food aid programs be used to purchase U.S.-produced food when in-country local food is unavailable;
2. Food and developmental aid for those here and abroad who are poor, and certainly for those endangered by famine, to assure their survival and well-being;

3. Providing available means and agencies to supply the necessary food;
4. Emphasizing distribution of food once it reaches recipients' country;
5. Providing donations of high-quality commodities instead of using poverty-stricken nations as a dumping ground for poor-quality grains;
6. Adequate funding of the McGovern-Dole International Food for Education and Child Nutrition program;
7. Continued work with CARE and other hunger and agricultural organizations to support economic development opportunities for people in less-developed countries.
8. Forfeited grain be reverted back to the USDA to be used for overseas relief packages to third world countries;
9. Development of a world food/grain reserve that is structured as to not depress prices or discourage food production in developing countries; and
10. Continue our support of P.L. 480 as long as food aid is not used for political objectives.

We oppose the monetization of U.S. food aid to purchase food commodities for developing countries when adequate supplies of U.S.-produced foods are available.

G. WORLD FARMERS ORGANIZATION (WFO)

As a founding member of the World Farmers Organization (WFO), we believe that WFO plays a vital role in providing the world's farmers with a forum in which to exchange ideas and information, not only about farming techniques, but policies that affect farmers' economic well-being and daily lives.

We urge WFO to be an active advocate for the world's farmers.

H. POLICIES TOWARD DEVELOPING NATIONS

We support:

1. The use of the United States' economic strength, in cooperation with our private sector and other nations, to promote the economic development of less-developed nations;
2. Ending the embargo and establishing fair trade relations with Cuba;
3. Respecting the food sovereignty of developing countries by not undercutting the price of local staples; and

- 1 4. The adequate compensation of indigenous peoples for the consumption of
2 their resources.

3 We oppose:

- 4 1. The dumping of agricultural products in developing countries which puts
5 local farmers out of business and destabilizes local economies;
6 2. The forced removal of indigenous peoples from their traditional homelands;
7 and
8 3. The exploitation of developing countries through forcing them to abandon
9 their own domestic food security policies and/or indigenous seed stocks and
10 foods.

11 **I. FARMERS AND FARM YOUTH EDUCATIONAL EXCHANGE PROGRAM**

12 Since a better understanding of agriculture and trade can help promote a more
13 peaceful and prosperous world, we believe that educational exchange programs
14 including farmers, farm leaders, and farm youths should be encouraged.

1 **ARTICLE IV – CREDIT AND THE FAMILY FARM**

2
3 We recognize that agricultural debt will continue to be a problem until there is a
4 genuine and lasting improvement in farm income opportunities. We support:

- 5 1. The efforts of the Consumer Financial Protection Bureau to monitor and act
6 on availability of loans and transparency of loan servicing activities;
- 7 2. Policies that ensure equal access to credit, regardless of gender, race, or age;
- 8 3. A farm credit policy that is adequately financed and that includes the use of
9 third-party lending agencies to help re-establish America’s family farms and
10 provide special assistance to beginning and socially disadvantaged farmers;
- 11 4. The Federal Agricultural Mortgage Corporation (Farmer Mac) to continue as
12 a viable source of long-term, fixed-rate credit for family farmers. Farmer Mac
13 should be monitored to ensure that it follows the intent of Congress and
14 helps family farmers, rather than transferring the ownership of land to
15 corporate investors. Farmer Mac should not be used to weaken state
16 borrower protection laws or penalize borrowers who make prepayments.
17 Congress should amend the statute to streamline the operating structure and
18 eliminate provisions that reduce Farmer Mac’s efficiency in providing loan
19 products with competitive interest rates to family farmers and ranchers;
- 20 5. The Federal Financing Bank, to expedite insured and guaranteed loan
21 programs and oppose any attempts to reduce the volume of the bank, which
22 would push borrowers into private sector credit;
- 23 6. Family farmers being eligible for Small Business Administration loans that
24 are available to other businesses at low interest rates;
- 25 7. Cooperative credit unions, initiatives to allow farmer investments into credit
26 unions and allowing farmers to obtain agricultural credit from credit unions;
- 27 8. Farmers Union organizations aggressively forming and furthering credit
28 unions and promoting legislation on their behalf;
- 29 9. “Aggie Bond” programs allowed under federal law being enacted by state
30 and local governments. These programs should not be used for loans for
31 contract production unless the contract is approved as a USDA model
32 contract;

10. The continuation, funding, and expansion of the Certified Agriculture Mediation Program (CAMP), and extension of the program authorizing matching grants to states with qualified mediation programs;
11. Maintaining Chapter 12 as part of permanent bankruptcy law, reforming the filing process and encouraging educational efforts to farmers about their rights under Chapter 12;
12. Tax amnesty for taxes imposed on family-sized farms and ranch operators who face tax liabilities after restructuring or forced sales; protect the interests and rights of borrowers, lenders, and taxpayers through the proper and consistent implementation of existing legislation; prohibiting a debtor to reorganize into a larger-than-family-farm-size unit; and encouraging all options be made available for FSA borrowers with shared appreciation agreements, due to artificially inflated land values;
13. Special attention given to the credit needs of surviving spouses of farmers who want to continue farming;
14. Re-regulation of the financial services industry and reinstating provisions of the Glass-Steagall Act of 1933, which would prohibit commercial banks from engaging in speculative investments using bank depositor funds; and
15. Requiring banks, credit unions, and other financial institutions to publish and identify, independently of interest rate, any additional discounts, whether additional points or credit rate decrease or increase based on other business with the institution, including crop insurance.

A. FARM SERVICE AGENCY (FSA) CREDIT PROGRAMS

Guaranteed loan programs have not and cannot become a viable substitute for direct lending. We support the following actions by FSA:

1. Emphasizing adequate funding for direct-lending programs for farm ownership and operating expenses to beginning and socially-disadvantaged family farmers (*also see Article I.B.5. – Beginning Farmers and Ranchers*)
2. A consistent, sufficient funding mechanism ensuring loan funding allocations are available to all approved FSA loans in a timely fashion;
3. Increasing emergency funding so that it is available on a timely basis;

4. Encouraging the secretary of agriculture to seek the necessary authority to increase the maximum level of federal emergency farm operating loans that may be made available to producers who have suffered multiple years of weather-related disasters;
5. Educating borrowers on sound farm management principles in an effort to reduce foreclosure rates. Borrower training should be provided by existing programs, including Farm Business Management and Cooperative Extension;
6. Permitting the guarantee of loans for stock purchases in the farmer-owned, value-added cooperative, as long as the cooperative can demonstrate its feasibility;
7. Allowing producers who have used debt restructuring to be eligible for all federal loans, including FSA and emergency loans;
8. Processing applications for credit and appeals in a timely manner to meet production demands;
9. Not garnishing federal farm program payments to pay delinquent farm credit payments except in cases of delinquency in excess of 3 years without loan restructuring;
10. Streamlining loan programs and/or appeals process;
11. Implementing debt restructuring, including debt forgiveness, as equitably as possible and allowing additional restructuring to be considered;
12. Continuing to enable the USDA National Appeals Division (NAD) to be an independent and fair forum for agricultural producers, as intended by Congress, and be the final decision on producer appeals cases;
13. Increasing consistency and education on the county and state appeals process and FSA servicing responsibilities to the borrower;
14. Prohibiting the use of private collection agencies and offsets of income tax refunds to recover outstanding debt from borrowers who voluntarily liquidate their assets;
15. Elimination of term limits for non-delinquent borrowers;
16. Prohibiting the imposition of long-term or permanent wildlife or conservation easements on land acquired by FSA foreclosures; and

1 17. Establishing a revolving loan pool for all Farm Service Agency (FSA) loans to
2 ensure loan repayment is credited to the FSA budget.

3 **B. FARM CREDIT SYSTEM**

4 The Farm Credit System (FCS) should follow its original purpose, keeping the family
5 farmer on the land, by actively providing credit to all family farms within their district,
6 regardless of size, and maintain farmer-elected control of FCS boards.

7 We support:

- 8 1. Prohibiting differential interest rates for FCS member-borrowers because
9 they are contrary to cooperative principles;
- 10 2. Encouraging an investigation of the discriminatory effects of differential
11 interest rates;
- 12 3. Ensuring local control and participation of all FCS associations and banks
13 while remaining on the forefront of good governance practices to keep the
14 system viable for producers in the future;
- 15 4. Encouraging all FCS directors, officers, and bondholders to take the lead in
16 advocating improved farm income as the basic means of repaying farm debt
17 and securing the FCS;
- 18 5. Encouraging FCS to enforce regulations governing the borrowers' rights
19 sections of the Agricultural Credit Act of 1987, including the use of cease-
20 and-desist powers when necessary;
- 21 6. Encouraging Congress to give past and present FCS borrowers the right to
22 pursue litigation against FCS institutions they have done business with;
- 23 7. The banks of the FCS continue to be the primary source for financial services
24 for farmer cooperatives and their associated businesses. We call upon
25 member cooperatives to ensure that these institutions remain farmer-
26 controlled;
- 27 8. Preventing FCS institutions from being sold to outside entities, thereby
28 exiting the system. The ability to exit the system negates the benefits of
29 farmer control and makes it difficult to replace the services mandated by the
30 Agricultural Credit Act;

- 1 9. Expanding FCS lending authority only to the extent it directly benefits family
2 farmers, ranchers, and rural communities. Expanded lending authority must
3 support domestic investments and operations;
4 10. Ensuring the FCS maximizes that patronage and dividend distribution to its
5 borrower-members so they have access to the FCS capital they helped to
6 create;
7 11. Full access to rural credit for farmers, ranchers, fishermen, and the
8 communities in which they live. We are particularly concerned about the
9 lack of available credit in rural areas with high unemployment, including, but
10 not limited to Native American Reservations;
11 12. Competition in lending to allow credit options for our members;
12 13. Jurisdiction of the FCS remaining under the authority of the U.S. House and
13 Senate Agriculture Committees; and
14 14. Farmers and ranchers given first choice to purchase any foreclosed or
15 financially distressed farmland under FCS jurisdiction.

16 **C. COOPERATIVE FINANCING**

17 Cooperatives are special business entities, which are unique in nature and have
18 unique needs. Cooperative financing institutions, such as the FCS, CoBank, and the
19 National Rural Utilities Cooperative Finance Corporation, need to provide financial
20 services and investment financing necessary to assist established cooperatives in re-
21 tooling to meet changing times in the markets, and to participate in new opportunities
22 to service rural communities and their family farmer and rancher owners.

23 These cooperative financing institutions need to establish a program to assist
24 farmers and ranchers and their rural communities by providing risk capital to start new
25 cooperative ventures. The program should also provide financial grants to new
26 cooperatives for in-depth training of their respective board of directors.

27 The National Cooperative Bank is an important financial resource for rural and
28 urban consumer cooperatives and we encourage the bank to place greater emphasis on
29 rural lending. We oppose any effort by CoBank to lend money to non-cooperative
30 agribusinesses.

31 **ARTICLE V – FARM COOPERATIVES AND THE FAMILY FARM**
32

Farmer-owned cooperatives are an effective institution through which the farmer can reduce costs of production, maintain a reliable source of inputs, and effectively market and process farm products.

NFU encourages its members and organizations to provide leadership in the patronage, direction, operation, development of cooperative enterprises, and in the education of members and the public as to cooperative philosophy and principles.

A. COOPERATIVE LAW

Federal law provides a fundamental economic right to individual farmers, to join together in cooperatives associations for the purposes of pricing, processing, marketing, transporting, and selling their products, and bargaining with processors and handlers for prices and other terms of sale, without being subject to prosecution under antitrust laws. This is a right for farmers as individuals and not the cooperatives that they establish.

The basic cooperative authorities are set forth in the Clayton Act of 1914, the Capper-Volstead Act of 1922 (allowing agricultural producer associations), the Cooperative Marketing Agreement Act of 1926, the Agricultural Marketing Act of 1929, the Agricultural Marketing Act of 1937, and other statutes, including those that deal with the status of cooperatives under the federal tax system. These laws are vital.

Government policies and programs should help to better develop, protect, advance, and promote farmer cooperatives' role in assembling, processing, selling, marketing, and distributing farm commodities and services. We oppose any attempt to revise cooperative laws, administratively or legislatively, that would diminish or jeopardize the democratic nature of cooperatives, their unique governance structure and ability to maintain financial and ethical integrity.

We oppose new state laws that allow supposed "cooperatives" to structure ventures with non-producers in ways that give the outsider voting control of the combined entity. We support the efforts of the National Conference of Commissioners on Uniform State Laws (NCCUSL) to fashion a limited cooperative association act that, while allowing outside investment, still protects the democratic nature and interests of producers and consumers involved in the cooperative association.

B. ROCHDALE PRINCIPLES

1 We reaffirm our belief in the basic Rochdale Principles of cooperation that were
2 designed to ensure democratic control of the business by its members and that the
3 members receive the primary benefits of their cooperative enterprise, including:

- 4 1. One vote per member, regardless of the volume of business done by the
5 member, with no proxy voting;
- 6 2. Elimination of bloc voting;
- 7 3. Directors elected by active members;
- 8 4. Savings/earnings of the cooperative distributed back to the member-users in
9 proportion to the members' patronage volume;
- 10 5. Limited interest/dividends on invested capital;
- 11 6. Sales at competitive prices, and trading normally conducted on a cash basis;
- 12 7. Open membership to all who share the common bond and objective of the
13 co-op;
- 14 8. A continuous cooperative education program to teach cooperative
15 philosophy, principles and operation, funded by five percent of a
16 cooperative's net margin; and
- 17 9. Cooperatives working for the sustainable development of their communities
18 through policies accepted by their members.

19 **C. ADDITIONAL PRINCIPLES**

20 To further the cooperative movement, we support:

- 21 1. Encouraging cooperatives to return to the original intention of Capper-
22 Volstead, which allows cooperatives to collectively process, prepare for the
23 market, handle, and market in interstate commerce;
- 24 2. Prohibiting cooperatives from engaging in domestic and foreign agricultural
25 production activities, including land ownership in direct competition with
26 agricultural producers;
- 27 3. Continuing the rights of cooperative members to organize and operate
28 regional and interregional cooperatives (marketing agencies in common) or
29 to merge with other cooperative associations and not be restricted by law or
30 government regulation;

4. Exhausting all options of maintaining local control, including merger or joint ventures with a nearby cooperative, before a local co-op is absorbed by a regional cooperative;
5. Encouraging local members or nearby cooperative associations to repurchase a local facility that has been absorbed by a regional cooperative;
6. Encouraging regional boards to work with local cooperatives to help them operate for the benefit of members;
7. Opposing mergers or joint ventures between regional cooperatives and multinational corporations unless such a merger or joint venture would benefit local cooperative members;
8. Requiring business entities to provide members with “due diligence” information that is timely and adequate before voting on a merger between two or more cooperatives;
9. Cooperative members giving serious consideration to the long-term consequences of selling a cooperative to private entities for short-term gains;
10. Individual Farmers Union members taking responsibility to be full participants and patrons in the cooperative movement and to build closer relationships between their farm organization and their cooperatives;
11. Encouraging cooperatives benefitting from nontraditional income in events, such as litigation, to expeditiously distribute the proceeds to all relevant parties;
12. Discouraging the practice of allowing individuals, other than “at risk” producers, to acquire directional status in a producer cooperative. Status of such “other individuals” should be limited to non-voting and advisory roles;
13. Traditional farmer-owned cooperatives lending their experience and cooperation in building new value-added cooperatives that will enhance their local communities and increase the profitability of their farmer-owners;
14. Cooperatives working to return the cost of production and reasonable profit. In addition, they should support federal farm policy that enables producers to receive profitable farm prices;

15. Cooperatives being of sufficient size and strength to be effective in representing their farmer-members without competing with family farmers;
16. Increased funding for Rural Business Cooperative Services (RBCS) to focus its primary efforts on working directly with farmers in the organization and development of cooperatives, including providing on-the-ground services to producers such as feasibility studies and organizational assistance to farmers, as well as start-up and development grants;
17. Funding for the Rural Cooperative Development Grant (RCDG) Program; RCDG grants of up to three years should be given to centers that have previously received funding and have demonstrated success in starting businesses. Remaining funding should be made available for new centers to apply for annual grants;
18. Revisions in rules and regulations to allow loans to producers who choose to purchase stock in established agricultural processing cooperatives and new cooperatives formed for the purpose of adding value to agricultural commodities;
19. Deferral of capital gains taxes when a refining or processing facility is sold to a farmer-owned cooperative if the benefit is passed onto family farm cooperative members;
20. Strengthening the ability of rural citizens to establish new member-owned enterprises that enhance farm income and quality of life in rural America, by continuing our work with the network of cooperative development centers;
21. Focusing on a national school/training program that both identifies opportunities and trains cooperators in the formation and operation of value-added cooperatives. NFU could serve as the coordinator of such a project;
22. Rejection of government efforts to dictate the time and manner for returning cooperative patronage earnings;
23. Membership in state Farmers Union organizations being required of all Farmers Union cooperative board and company members; and
24. Prohibiting the use of net savings of a cooperative to be used to invest in production agricultural operations by the cooperative.

1 25. Either spouse should be able to represent the family farm in voting at
2 cooperative meetings. We encourage both spouses to become voting
3 members of cooperatives.

4 **D. TEAMWORK OF FARMERS UNION AND COOPERATIVES**

5 The link between NFU, Farmers Union cooperatives and all other cooperatives
6 strengthens all entities. The farm-income improvement measures and strategies
7 advocated by Farmers Union deserve the interest and support of farm cooperatives
8 genuinely concerned about the well-being of their member families.

9 **E. CHS**

10 We urge CHS not to lose sight of the fundamental cooperative principles upon which
11 it was founded.

12 We oppose CHS owning farmland in other countries and producing crops that will
13 be in direct competition with farmers in the United States.

14 We do not support:

- 15 1. Giving the CHS board of Directors the flexibility to approve non-member
16 patronage arrangements; and
17 2. Modifying the CHS membership definition to allow non-producers the rights
18 granted to members currently.

19

1 **ARTICLE VI – WATER AND LAND POLICY, CONSERVATION AND THE FAMILY FARM**

2
3 **A. OBJECTIVES OF A COMPREHENSIVE LAND POLICY**

4 Family farmers and ranchers have historically been our best soil and water
5 conservationists when given the economic incentives and flexibility necessary to do so.
6 Our policy encourages a well-balanced, sensible environmental policy that protects the
7 public and the environment without unduly burdening family farmers through
8 excessive regulation or economic hardship.

9 We call on all federal and state regulatory agencies to act in accordance with the
10 above principles and use the least intrusive, economically practical and scientifically-
11 based methods to accomplish sound environmental quality goals, with consideration
12 given to all of these factors and not any one exclusively. We support a national land
13 policy that:

- 14 1. Recognizes multiple use values of public lands while striving for sustainable
15 use in all areas;
- 16 2. Emphasizes agriculture as the most productive use of existing high-quality
17 farmland;
- 18 3. Recognizes the right of private landowners to be compensated for
19 government land-use restrictions that amount to takings of property;
- 20 4. Recognizes the value of independently owned and operated family farms to
21 stewardship of natural resources;
- 22 5. Develops education and outreach materials for the public to achieve land use
23 goals for the benefit of future generations;
- 24 6. Encourages entry into the business of farming or ownership of agricultural
25 lands by farm families, as opposed to non-farm interests or larger-than-
26 family-sized corporations;
- 27 7. Allows states to prohibit corporate interests from circumventing corporate
28 farm laws by contracting with individual producers;
- 29 8. Strengthens and enforces state laws to protect family-owned and –operated
30 farms;
- 31 9. Prohibits concentration of farmland ownership by off-farm corporations,
32 associations, and interests. These laws must be closely monitored and

strengthened so they may continue to preserve production agriculture for family farmers;

10. Discourages the concentration of land ownership and off-farm ownership via state programs of graduated land taxes and similar disincentives or limitations;

11. Recognizes the importance of wetlands (*also see Article VI.T.6 – Wetlands*); and

12. Respects existing farming operations and practices, especially under the pressures of urban encroachment.

B. PROHIBITION OF FOREIGN OWNERSHIP OF FARMLAND, COMMERCIAL FISHING PRIVILEGES AND DISCLOSURE

Foreign interests, including those acting through U.S.-registered entities (except families or individuals seeking U.S. citizenship), should be prohibited from acquiring U.S. agricultural lands, holding federal grazing allotments or commercial fishing privileges. We respect the right of other nations to put similar limitations on agricultural lands in their nations.

Foreign individuals, corporations or governments should be required to disclose to appropriate agencies their ownership of any U.S. business, financial, energy or real estate assets, in a manner comparable to procedure in the Agricultural Foreign Investment Disclosure Act of 1978.

Citizens of the United States have a right to know the extent of such ownership or control so that remedial steps may be taken.

C. LAND TRANSFER

We support:

1. Establishing a joint federal-state cooperative effort to assist beginning and socially disadvantaged farmers to acquire an economically viable family farm enterprise;
2. Establishing income tax incentives for landowners and retiring farmers who sell farmland to beginning or socially disadvantaged farmers and veterans. Incentives should be promoted to provide for the orderly transfer of land, prior to the seller's death, and should be complementary to estate planning and estate and gift tax policies;

3. Encouraging religious, educational, charitable and similar nonprofit institutions that obtain farmland to ensure that such lands are operated or sold in a manner which preserves and promotes family farm units and does not disrupt land values with reasonable time limits being placed on holdings in order to return the land to local tax rolls as quickly as possible;
4. Maintaining existing effective conservation practices when land is transferred;
5. Requiring FSA to hold public hearings before it is allowed to acquire land easements and automatically impose conservation easements; and
6. Holding the party responsible for contamination of private land liable, after environmental audits reveal conclusive scientific evidence of contamination, whether they are the current or former owners. Current or new individual family agricultural operators should not be held liable for contamination that did not occur during their ownership.

D. PUBLIC LANDS

We recommend that Congress maintain its commitment to the responsible multiple use of public lands. The federal land stewardship agencies should improve their land management techniques on all public lands.

Livestock production in the 17 western public lands states is highly dependent upon public land grazing and local government services. The health of wildlife habitat is dependent on well-managed livestock grazing. Government actions that drastically change the way livestock grazing is conducted on public lands could greatly damage the economy in rural America.

We support:

1. The current Public Rangeland Improvement Act (PRIA) formula as a fair and equitable method for determining appropriate grazing fees. Grazing fees represent the dividends of stewardship of the federal land, not the value of the forage on the rangeland;
2. Utilization of the local Resource Advisory Council (RAC) to set standards and guidelines for grazing tailored to the local area;
3. Reinstatement of local grazing committees;

- 1 4. Public-land managers assisting public-land permittees to develop their own
- 2 goals and grazing plans that would be utilized in managing their public-land
- 3 grazing allotments;
- 4 5. Linking the holding of grazing permits with actual ownership of grazing
- 5 animals by resident family farmers and ranchers;
- 6 6. A certified mediation service for all disputes regarding grazing with the U.S.
- 7 Forest Service and Bureau of Land Management;
- 8 7. Public-land grazing legislation to require that in disputes between public-
- 9 land managers and permittees, the permittees be advised of their rights
- 10 under Section 8 of the PRIA, which authorizes land-grant university staff to
- 11 provide assistance and advocacy services to permittees;
- 12 8. Efforts to establish grass banks on public lands;
- 13 9. Efforts to establish and preserve plantings of heirloom seeds and native
- 14 plants on public lands for the purpose of ensuring biodiversity and the
- 15 protection of native flora;
- 16 10. Allowing ranchers to travel by motorized vehicles, control predatory animal
- 17 populations, continue range improvements and develop water resources;
- 18 11. Requiring the federal and state governments to pay the full amount of the “in
- 19 lieu of property tax” (PILT) payments on property that it owns or acquires. If
- 20 full payment is not made, there should be a moratorium on any further land
- 21 acquisition by the agency that fails to meet its responsibility;
- 22 12. Requiring the Bureau of Land Management to follow through with the
- 23 required annual surveys and management plans to control wild horse and
- 24 burro populations in order to minimize damage to private and public lands.
- 25 We also support the USDA-inspected horse and burro adoption program
- 26 while opposing the release of non-adopted animals on public lands;
- 27 13. Reimbursing family farmers and ranchers by the appropriate government
- 28 agency, at a fair market value, for expenses incurred in the acquisition,
- 29 development and improvement of public grazing lands in the event permits
- 30 are revoked;
- 31 14. Public access to federal and state lands being only on designated routes;

15. Encouraging public-land managers to support and facilitate the formation of locally owned cooperatives and businesses to harvest and process forest products;
16. All federal agencies charged with wildlife management taking steps to eradicate diseases, such as brucellosis and chronic wasting disease, from all wildlife under their control on federal lands;
17. Involving permittees in the process of revising, updating, creating and otherwise modifying plans that govern use of public lands in advance of public hearings, including draft plans;
18. The use of public lands for the development of energy production and transmission with priority given to renewable energy except where existing livestock grazing permits are negatively impacted; and
19. Decisions made by the administration that support input from livestock producers on best management practices and range conditions while achieving a strong balance between resources on public lands that include grazing.

We oppose:

1. The full force and effect provisions in the new grazing regulations and proposed legislation that requires permittees to remove their livestock while they appeal a decision of a public-land manager;
2. Permitting non-grazers to acquire so-called “conservation allotments” that result in the bidding up of the price of an allotment, thus denying access of grazing permits low- and moderate-income families;
3. Any swaps of public lands with private developers that would adversely impact the agricultural community. Hearings regarding such swaps must be held within 50 miles of the proposed land to be swapped. Cultural and economic impact studies must be done to assess the impact of such proposed swaps;
4. Taking private water rights and private structures on public lands;
5. Reintroduction of species detrimental to livestock production and agriculture;
6. The expansion of military reservations;

1 7. Legislation that would allow the buyout of grazing permits on federal lands;
2 and

3 8. Grazing of cattle not born and raised in the United States on public lands.

4 **E. NATIONAL GRAZING LANDS COALITION**

5 The National Grazing Lands Coalition (NatGLC), formerly known as the Grazing
6 Lands Conservation Initiative (GLCI), seeks to provide high-quality technical assistance
7 on privately owned grazing lands on a voluntary basis, and to increase awareness of the
8 importance of grazing land resources through a coalition of individuals and
9 organizations functioning at the local, state, regional and national levels.

10 We support:

- 11 1. Working cooperatively with the NatGLC to promote benefits of sustainable
12 grazing practices and their continued line-item funding; and
13 2. Restoring NRCS annual appropriations for conservation technical assistance
14 at the field office level to adequately meet the needs of America's farmers,
15 ranchers, and landowners.

16 **F. FOREST HEALTH**

17 We support:

- 18 1. Maintaining Categorical Exclusion capability in federal forest management
19 plans to address forest health issues, so the U.S. Forest Service can accelerate
20 the harvest of small timber stands in western U.S. forests;
21 2. Federal and state forests being accessible to the renewable energy industry
22 to allow the use of devastated wood product in environmentally beneficial
23 value-added products; and
24 3. Implementation and full funding of efforts to minimize the effects of the bark
25 beetle epidemics on the national and state forests throughout the western
26 United States. Federal, state, and private programs must be approved
27 immediately to protect open space, wildlife habitat, watersheds, clean air
28 and other natural resources as well as infrastructure such as roads and
29 utility lines for public safety.

30 **G. WATER QUANTITY AND QUALITY**

31 **1. WATER QUANTITY DISTRIBUTION**

1 Laws impacting water distribution should not favor industrial, wildlife, and
2 recreational uses over those of agricultural producers. NFU believes the order of
3 preference for water distribution should be domestic and municipal consumption;
4 farming, including groundwater recharge; hydroelectric uses; navigation; industrial
5 consumption; and wildlife and recreation.

6 We support:

- 7 i. States recognizing domestic and livestock water usage in neighboring
8 states when issuing irrigation permits on shared tributaries;
- 9 ii. The use of interstate water compacts between federal, state, and tribal
10 governments for regulating water sharing between neighboring states;
- 11 iii. The use of water storage through impoundment structures and
12 conservation measures as a primary tool for water development;
- 13 iv. Adoption of legislation to protect agricultural water rights through state
14 water rights in order to prevent future power and energy plants from
15 consuming water to the detriment of agriculture;
- 16 v. Requiring new energy plants to return water to a level of quality capable
17 of use by agriculture;
- 18 vi. Subjecting new large enterprises that will use a significant quantity of
19 water to a permitting process to assess the environmental and
20 community impacts of the proposed use;
- 21 vii. Enforcement of the limitations on the size of farm operations eligible for
22 federally subsidized irrigation water;
- 23 viii. Deferred implementation of the U.S. Bureau of Reclamation regulation on
24 the use of federally developed water supplies and facilities and the
25 practice known as “water spreading.” The economic impact of any policy
26 changes on family farmers and rural communities should be completed
27 before implementation:
 - 28 a. Water leasing instead of buy and dry policies; and
 - 29 b. The United Nations adding a 31st article to the 1948 Universal
30 Declaration of Human Rights, establishing access to clean and
31 potable water as a fundamental human right.

32 We oppose:

- i. The movement of any water for the purpose of a coal slurry pipeline or similar venture, unless a method can be developed to return water of equal quantity and quality to the original area from which it was taken. Prior to the exportation of any water, an environmental and economic impact statement should be completed to determine its effect on agriculture;
- ii. Any efforts by the federal government through the usage of a national water policy to usurp the rights and prerogatives of the individual states;
- iii. An outright ban on “water spreading,” as currently defined which would have devastating impacts on agricultural producers in the Columbia Basin and other Bureau of Reclamation irrigation projects throughout the West;
- iv. Producers bearing the cost of taking inventory of irrigated lands and any mandated renegotiation of bureau contracts through their irrigation district. We believe that in most cases, it is the development of new equipment, technologies and methods which have dramatically increased the efficiency of irrigation systems and provided a situation in which more acres can be irrigated with the use of the same or smaller amount of water. Agricultural producers should be credited, and not penalized, for these increased efficiencies; and
- v. The condemnation of agricultural water rights.

2. WATER QUALITY PROTECTION

The protection of our groundwater resources is critical not only to continuing farm operations, but as a source of drinking water for the vast majority of rural residents.

We support:

- i. The creation of a national database on the extent of water quality problems, including nationwide voluntary well-testing programs that include cost sharing of landowners;
- ii. Legislation or regulations affecting groundwater balancing these interests in an effort to keep groundwater from becoming contaminated

- 1 in the first place, and to move quickly to clean up already contaminated
2 sources of drinking water;
- 3 iii. Continued implementation of the Safe Drinking Water Act;
- 4 iv. The uniform administration of Environmental Protection Agency (EPA)
5 policies throughout the nation. Adding to the list of contaminants that
6 municipalities and rural water districts are required to test for, as
7 mandated by EPA, must be backed by science. We encourage EPA to stop
8 its practice of targeting specific regions with stricter standards than
9 applied in non-targeted regions. Failure to curb this practice will likely
10 result in exodus of sensitive industries, including family farms, thereby
11 jeopardizing the level of economic activity within the targeted region;
- 12 v. Requiring inspectors be public employees, rather than employees of the
13 companies who are being regulated;
- 14 vi. Information and education concerning the present condition of our
15 underground water supply and what we can and should do to prevent
16 any further contamination;
- 17 vii. Efforts in research that clarify the issue of point source pollution and
18 non-point source pollution;
- 19 viii. Programs to protect and improve the quality of surface waters, such as
20 the Chesapeake Bay Program, and urge that all who use the resource,
21 such as boaters and fishermen, be included in the effort;
- 22 ix. Producers participating in the State Watershed Assessment Program
23 (SWAP);
- 24 x. CAFOs being required to post the appropriate bonds to cover the cost of
25 cleaning up any contamination of land and water resources. When
26 posting these bonds, CAFOs should also be required to develop and
27 submit waste storage closure plans;
- 28 xi. National minimum guidelines, or standards, that give primacy for
29 implementation and flexibility in regional planning to the states. A
30 national policy should discourage polluters from “shopping” among the
31 states for the lowest environmental standards and encourage states and
32 localities to establish standards beyond the federal minimums;

- xii. Cost-share provisions targeted to small and medium-sized farmers. Responsibility for submitting a waste management plan and complying with the waste management provisions should be shared by the owner of the livestock and the operator of the facility;
- xiii. The application of best management practices (BMP) established by agencies of the USDA for disposal of poultry waste and animal manure, and recommend such manure be classified as soil supplements and plant food, and not toxic or hazardous waste. If BMP is subject to regulation, we urge the appropriate state department to be assigned as the regulator;
- xiv. Research to determine the environmental impact of animal-feed content on animal waste, which in turn affects the soil and groundwater;
- xv. Family farmers being appointed to serve as advisers to any federal agency when a national waste standard is developed; and
- xvi. Targeting water subsidies to family-sized farm operations to conserve water and taxpayer dollars.

We oppose:

- i. The method of deep-well injection of hazardous waste because of the risk of contaminating our water resources;
- ii. Legislation that restricts livestock grazing in pastures where running streams or ponds are located. We oppose mandatory fencing of rivers, streams and ponds;
- iii. In situ leach mining;
- iv. Any infrastructure or resource development that jeopardizes the health, safety and quality of the Ogallala and other freshwater aquifer resources; and
- v. Any EPA policy directive that would mandate the testing and/or certification of water or farmland unless a federal fund is established to pay necessary costs of meeting certification requirements.

3. CLEAN WATER ACT

Clean Water Act rulemaking proposed by the EPA would require Total Maximum Daily Load (TMDL) be established for 303(d) listed watershed, i.e., streams that are

1 impacted by pollution. Compliance with mandatory state and federal watershed
2 TMDL regulations will create a hardship on family agricultural producers for
3 compliance with state and federal water quality standards.

4 We support:

- 5 i. Voluntary compliance and incentive-based, cost-sharing programs
6 currently working to minimize production agriculture's impact on our
7 nation's water quality;
- 8 ii. The desirability of protecting the quality of our water and assuring its
9 suitability for beneficial uses;
- 10 iii. Regulations for the process to identify waters protected under the Clean
11 Water Act (CWA) need to be made clearer, simpler, and faster;
- 12 iv. Exemptions for normal agricultural activities need to be reaffirmed;
- 13 v. Agricultural producers and representatives of local governmental
14 entities from all agricultural areas of the US need to be included in
15 discussions to address the issues concerning the proposed changes to
16 expand jurisdiction of the CWA, and its definitions of tributaries and
17 adjacent water;
- 18 vi. Extensive monitoring of water quality to accurately assess progress
19 toward clear goals;
- 20 vii. Proper appropriation of funding to fully implement clean water efforts;
- 21 viii. Ongoing evaluation and recalibration of nutrient reduction and
22 conservation efforts; and
- 23 ix. Employment of agronomic practices, conservation efforts and funds, with
24 a focus on those that have the largest positive impact toward reaching
25 clean water goals.

26 We oppose:

- 27 i. Broadening the definition of what waters are considered jurisdictional
28 under the Clean Water Act;
- 29 ii. The deletion of the word "navigable" waters from the federal Clean
30 Water Act which would expand the taking of private property rights and
31 provide additional intrusiveness;

- 1 iii. Current rulemaking by EPA that would establish regulatory-based
2 TMDLs for family agricultural producers; and
3 iv. The broadening of the federal government’s jurisdiction over a group of
4 waters such as the entire prairie pothole region simply because the
5 bodies of water are near each other.

6 **4. DROUGHT MONITORING**

7 We support continued federal support of the National Drought Mitigation
8 Center.

9 **H. AIR QUALITY**

10 Production agriculture should be exempt from the regulating of particulate matter.
11 Agriculture should be a stakeholder in research and education about the role of
12 agricultural production in particulate matter emissions.

13 **I. ANIMAL FEEDING OPERATIONS (AFOs)**

14 NFU recognizes that family farm agriculture and good sound environmental
15 practices need to work together. Our policy encourages a well-balanced, sensible
16 environmental policy that protects the public and the environment without unduly
17 burdening family farmers through excessive regulation or economic hardship.

18 When properly managed, livestock waste is a valuable resource that provides
19 essential nutrients to cropland and lessens the need for commercial fertilizer. We
20 oppose the defining of animal manure, waste or nutrients as being considered
21 hazardous and regulated under federal “Superfund” law, the Comprehensive
22 Environmental Response Compensation and Liability Act of 1980 (CERCLA) and the
23 Emergency Planning and Community Right-to-Know Act (EPCRA).

24 Animal feeding operations should be regulated beginning at the local level. Cost
25 sharing for regulatory compliance should be made available and targeted to family-
26 sized producers.

27 We support standards that are on a graduated system of at least three tiers: small,
28 medium and large. They should be implemented with a sliding scale of standards that
29 address each size of operation.

30 **J. CONFINED ANIMAL FEEDING OPERATIONS (CAFOs)**

31 We support requiring permits for large-scale feeding operations, i.e., those confined
32 feeding operations that require National Pollutant Discharge Elimination System

(NPDES) permits as defined under the February 2003 EPA rule change. Under the rule change, all large CAFOs require permits and all other CAFOs that discharge pollutants into surface water require a permit. The issue of scale is critical in determining the level of risk associated with waste management. Therefore, we support the following standards:

1. Holding animal owners and/or contractors responsible for spills and manure disposal in contract feeding operations;
2. Using best available technology to reduce the environmental impact of waste and setting higher standards for waste storage, including open-air lagoons;
3. Requiring a CAFO to have a setback distance from an existing residence, business, church, school, public use area or riparian area;
4. Permit applications must prepare and submit a nutrient management plan containing detailed information regarding proposed methods of distribution. Aerial (irrigation) spraying of animal waste should be monitored by the states' departments of health and should adhere to the agronomically sound, best management practices adopted by the state in which the facility exists. No waste should be applied to ice, to highly erodible slopes, or where the ground is frozen;
5. Including sound, science-based guidelines for using phosphorus and nitrogen as limiting factors on the gallons of liquid livestock waste and tons of solid waste to be applied per acre as a part of the nutrient management plan;
6. Permit applications for a large-scale facility must serve notice in a timely fashion for public comment describing the type of facility to be constructed, including information on the type of waste to be generated;
7. Permit holders must disclose the number of animal units within a facility upon request by the appropriate regulatory agency;
8. A livestock owner whose permit has been revoked in one jurisdiction not being allowed a permit in another jurisdiction;
9. Facilities that close being required to use proper cleanup, including re-vegetation, within three years of closure;

10. Existing operations being required to comply with permit requirements at the time of permit approval;
11. Permits requiring financial assurance including proof of liability insurance, equity or adequate bonding;
12. Appropriate penalties for those who fail to comply with permitting requirements;
13. Implementing a temporary moratorium on the establishment of CAFOs based on issues of health until local control is re-established; and
14. CAFOs processing animal waste nutrients into renewable energy resources.

K. PESTICIDE REGULATION

We support pesticide regulations that include:

1. Protection for producers of non-targeted crops that incur damage due to drift from pesticides onto their property;
2. Liability insurance requirements for commercial licensed pesticide applicators;
3. An exemption from liability through EPA for groundwater cleanup for farmers who applied pesticides according to label directions;
4. Provisions emphasizing protection of uncontaminated groundwater and providing means to keep residue levels from increasing;
5. Access to health and safety information for farmers, farm laborers and emergency medical personnel;
6. Greater cooperation between EPA and USDA to help ensure that pesticide regulations and disposal do not unnecessarily interfere with normal farming practices and land transfers, such as requiring a mandatory buffer strip around productive farmland;
7. Legislation designed to eliminate U.S. production of pesticides not registered for use in the United States, or for which a pesticide residue tolerance has not been set;
8. Restrictions on the import of food products produced with such pesticides, with more frequent inspections at borders to protect consumers from unsafe pesticide use;

9. The agriculture secretary developing regulations implementing authorized programs for less chemically intensive farming practices. Regulations should allow farmers to protect our natural resources without economic disadvantage. Full funding for these farm programs and for pest-control research initiatives should be included;
10. Cooperation among farmers, chemical companies and governmental agencies to reduce pollution hazards, until biological controls or other effective alternatives to pesticides are available;
11. The creation and implementation of safety standards protecting people from exposure to pesticides;
12. Continued prudent use of approved chemicals for crops, including expedited registrations for minor use pesticides and requiring EPA to use peer-reviewed, third-party science, such as land-grant universities, in their registration review process;
13. Chemical manufacturers increasing the use of reusable, pre-measured, water-soluble and bulk containers;
14. Federal and state assistance for recycling containers and in establishing central locations for disposal of chemical containers;
15. Standardization of farm chemical prices and regulations between the United States and other countries;
16. Fair pricing of chemicals and pesticides not tied to commodity prices;
17. Full funding for the IR-4 minor crop pesticide registration program;
18. The Federal Insecticide, Fungicide, Rodenticide Act (FIFRA) as the primary regulatory act for applications of pesticides by farmers and ranchers. Any additional permitting required by EPA under court mandate should mirror existing recordkeeping, education and training requirements and any increases in training requirements should carry provisions for the expenses associated with such training; and
19. Extensive research on new technologies and their applications regarding their impact on non-targeted organisms.

L. FERTILIZER REGULATIONS

1 The future of agricultural producers worldwide depends to a great extent on
2 developing and implementing the best use of chemical fertilizers.

3 We support:

- 4 1. No hazardous waste being included in fertilizers;
- 5 2. Manufacturers labeling all ingredients in fertilizers and providing
6 notification to buyers;
- 7 3. Anhydrous ammonia continuing to be classified as non-hazardous for the
8 purposes of transporting nurse tanks on public roadways;
- 9 4. Privately owned anhydrous ammonia facilities and equipment to meet the
10 same safety requirements and standards as that of licensed dealers. We
11 encourage private owners to attend anhydrous ammonia safety training
12 classes;
- 13 5. The federal government stepping up enforcement of the illegal production of
14 methamphetamines and fully fund measures to prevent the theft of
15 agricultural materials and cleanup of confiscated methamphetamine labs;
- 16 6. Sludge generated from human waste should be spread or composted in a
17 timely fashion with a nutrient and pathogen management plan. Farmers
18 must be provided with a complete nutrient analysis of the sludge; and
- 19 7. Sufficient consideration be given before OSHA implements changes to the
20 enforcement of Process Safety Management of Highly Hazardous Chemicals
21 Standards for Retail Facilities.

22 **M. INVASIVE SPECIES CONTROL**

23 Much of the current infestation problem is attributed to insect or other invasive
24 species population growth on public lands. Animal and Plant Health Inspection Service
25 (APHIS) needs increased funding so it can properly inspect all imported and interstate
26 movements of agricultural products, monitor insect hatch and damage, and coordinate
27 measures in states affected by infestations. Federal grants or cost sharing on both
28 public and private lands should be made available for dealing with widespread
29 infestation of insects.

30 Increased monitoring and inspection of domestic and foreign imported products to
31 prevent introduction of invasive species. Vigorous control and eradication measures are
32 needed to ensure that invasive species be eliminated.

1 Where needed and requested, the Agricultural Research Service (ARS) should
2 provide adequate standing funding for practical, applied research and Integrated Pest
3 Management (IPM) programs to help farmers implement rapid, highly organized and
4 cooperative IPM responses to infestations. It is especially important that the additional
5 cost of such programs be wholly or partially underwritten for small-scale farms to
6 enable them to participate effectively in them.

7 Coordinated efforts and adequate funding are urgently needed for improved control
8 of noxious weeds on public lands and all road rights of way. We are concerned that
9 farmers are expected to control weeds on their land while nearby public land goes
10 without weed control. Whenever this responsibility is not being met, there should be a
11 moratorium on any further land acquisition by the appropriate agency.

12 **N. PRESCRIBED BURNING**

13 Prescribed burning is a viable farming practice.

14 We support:

- 15 1. The right to safe burning when necessary; and
- 16 2. Ongoing research to discover economically viable alternatives to burning.

17 **O. LANDOWNER RIGHTS**

18 We support:

- 19 1. Private property rights, including ownership of land and all its attributes
20 above, on, and below the surface, unless otherwise marketed;
- 21 2. Land lessees' rights;
- 22 3. Just compensation to farmers and ranchers who suffer losses as a result of
23 any state or federal agency ruling;
- 24 4. Local control;
- 25 5. The expiration (null and void) of any pipeline or utility right-of-way grant
26 five years after abandonment or period of non-use for the original purpose
27 or use of the grant; and
- 28 6. Trespassers being held liable for any damages done to private property,
29 including along public accesses.

30 We oppose:

- 31 1. The "big open concept," and the resulting confiscation of private property;

2. Any agency or individual entering into a mineral lease or granting a permit for the extraction of minerals without the consent of the land surface owner, including just compensation to the agricultural operation; and
3. Landowners being held liable for injuries obtained by a trespasser.

P. EMINENT DOMAIN (*ALSO SEE ARTICLE VIII.F – IRS TAX CODE 1031 EXCHANGES*)

Abuses of eminent domain occurring across the country raise serious concern to the rights of private property owners. While government entities are permitted to seize private property for public use via eminent domain, it is contrary to American values to seize property from one private owner and give to another for purposes of increasing tax revenue.

The rights of private property owners need to be protected against parties with condemnation rights and due process should be applied to all proceedings involving eminent domain. Every effort should be made to preserve farmer ownership.

In all public and private projects where eminent domain proceedings may eventually be used, we support:

1. Individual notifications and public hearings being held prior to project implementation;
2. Public hearings held in the county where the project is slated for;
3. Negotiations between the property owner and utility to include yearly royalty fees to be paid to the owner for each occurrence of current or future use;
4. Severance damages including payment for the diminution of remaining land values, increased expenses and inconvenience suffered by affected landowners and operators;
5. All initial court expenses, including attorney and appraiser fees, being borne by the constructing agency in condemnation proceedings;
6. Values being determined by appraisers agreed upon by all parties;
7. Easements for utilities being for the life of the utility only. If the new equipment is installed on an existing easement, the landowner should be compensated at fair market value of the land, and for surface damage, at the time of installation. The landowner should receive an ongoing cash payment

1 from the project. If the entity is for profit it should not fall under the eminent
2 domain law;

- 3 8. Owners being compensated with appropriate annual payments or a lump
4 sum of no less than three times the appraised value;
- 5 9. Federal and/or state legislation that would strengthen private property
6 rights against the use of eminent domain to transfer property to any private
7 person, non-governmental entity or other public-private business entity;
- 8 10. Restricting the use of eminent domain by state and local governments for the
9 purpose of “economic development” when it involves taking private
10 property from one owner and giving it to another private entity;
- 11 11. Offering seized property back to the original property owner if property is
12 not used in a timely manner or if property is not used for its original public
13 use intent; and
- 14 12. The right of a landowner to receive a tax shelter, and/or 1031 like-kind
15 exchange against capital gains from the sale of properties taken by eminent
16 domain.

17 We oppose:

- 18 1. The use of eminent domain without the developer putting into place
19 environmental safeguards, maintaining conservation and drainage practices,
20 and assuming liability for damages;
- 21 2. The acquisition of productive farmland through use of the eminent domain
22 process to extend wildlife habitat; and
- 23 3. Granting eminent domain authority to any foreign entity.

24 **Q. ZONING**

25 We support:

- 26 1. The preservation of farm units in any rezoning efforts. Any state and federal
27 legislation should recognize that agricultural land must be preserved for the
28 future. Family farmers should be represented in all relevant zoning
29 deliberations;
- 30 2. Farmland near areas already converted to urban or other uses, which may be
31 appreciating in speculative value, being taxed as agricultural land as long as
32 the land continues to be farmed by a family farmer;

3. Requiring economic and environmental studies to determine the effects on future water supplies of changing land-use designations from agriculture to some other use;
4. Federal and state funds for flood control projects to protect communities and agricultural land. We favor zoning laws prohibiting development of areas that flood frequently;
5. Legislation to strengthen the rights of local government units to protect the health, safety and welfare interests of their residents, including improved governance provisions for regulating concentrated feeding operations and future land use requirements; and
6. Zoning regulations describing borders, setbacks and bonding for reclamation.

R. CLIMATE CHANGE AND CARBON SEQUESTRATION

NFU is concerned about the effects of climate change and believes further research and analysis is necessary to determine its actual and potential impacts.

We support:

1. Farmers and ranchers being consulted as the United States moves forward to reduce its emission of greenhouse gases;
2. Carbon sequestration being an innovative way to enhance income for producers and protect our environment. Therefore, the trading of carbon credits with the inclusion of carbon sequestration as an agricultural conservation practice for fair and equitable carbon offset payments should be encouraged;
3. Carbon sequestration research not being biased toward a single practice, such as no-till, and instead encompassing all agricultural practices, including grazing lands, energy feedstock production, organic cropping, wood lots, the Conservation Reserve Program and other proven conservation methods;
4. The continuation and expansion of a carbon trading exchange as a way to compensate farmers and ranchers for sequestering carbon;
5. A national mandatory carbon emission tax or fee and dividend system to reduce non-farm greenhouse gas emissions that:

- a. Grants USDA control, verification and administration of the agriculture offset program, rather than EPA;
 - b. Does not place an artificial cap on domestic offset allowance;
 - c. Bases carbon sequestration rates upon science;
 - d. Recognizes early actors; and
 - e. Allows producers to stack credits.
6. Agriculture being uncapped in any climate change legislation;
 7. The inclusion of provisions that are advantageous to agriculture while minimizing potential negative effects to agriculture and rural communities such as increased input costs, elevated electricity costs and decreased global competitiveness;
 8. All nations participating to reduce carbon emissions as climate change is a global responsibility;
 9. Exempting small domestic refiners (producing 150,000 barrels per day or less) from an emission cap;
 10. Research and development of carbon capture and storage (CCS) facilities, with the understanding that landowners will not share in the risks associated with CCS; and
 11. Research and promotion of resilient farming practices, such as the NRCS Soil Health Initiative that mitigate and adapt to the potential effects of climate change.

We oppose:

1. Any attempt to regulate carbon by the EPA through Section 111(d) of the Clean Air Act through state implementation plans that do not include economic safety-valves to protect rural economies;
2. Any plan that does not cover carbon emissions from all sectors of the economy; and
3. Considering international indirect land use changes when determining U.S. carbon and energy policy.

S. CONSERVATION

Strong conservation efforts promote healthy soils. Conservation programs should be fully funded to benefit the environment, reward stewardship of land and water

resources and marine habitat, discourage speculative development of fragile land resources, strengthen family farming, and enhance rural communities. Conservation assistance should be at a level designed to meet the needs as shown in the federal land conservation inventory, the appraisals under the Resource Conservation and Recovery Act of 1976, and other federal studies.

We support:

1. The development of a one-stop conservation planning system for agriculture through the Natural Resources Conservation Service (NRCS) with conservation program decisions being made by locally elected conservation entities, where appropriate;
2. A single conservation plan jointly developed by the farm operator and approved by NRCS being established to fulfill the requirements for the current maze of land and water regulations of various governmental agencies. Such a conservation planning system should replace the existing sodbuster, swampbuster, Corps of Engineers flood plain and other regulations which affect agricultural lands. The plan should be supervised and approved by the USDA committee process, with the technical assistance of the NRCS;
3. The objectives of the conservation plan being used to reduce and control wind and water erosion, prevent non-point source pollution, and enhance the soil and water capacities of the land;
4. Designation of which highly erodible soils should not be tilled and which may be tilled with approved conservation practices;
5. Programs that promote soil health and sustainable farming practices;
6. Accurate mapping and documentation of both existing and drained wetlands, as well as any drains and channels. The plan should outline the conservation of wetlands, as well as the maintenance of drains and channels;
7. A payment system that moves toward an outcome-based approach where real changes and environmental benefits are tracked and rewarded;
8. Programs being based on voluntary continuous signup and preclude the use of a bidding system;

- 1 9. Basing a producer's conservation plan on relevant, locally identified priority
2 resources of concern, in addition to addressing the various resources on the
3 farm. Once the plan is filed with NRCS and implemented, a producer should
4 be deemed to be in compliance with all federal agencies. Producers should
5 be allowed to remedy inadvertent or unavoidable failures to carry out
6 conservation plan practices, and penalties should be based on the degree of
7 the violation. Loss of full federal farm program benefits should be imposed
8 only in cases of purposeful destruction of conservation practices. Current
9 conservation compliance requirements allow too few options to account for
10 local involvement, climatic conditions and geography, which are beyond
11 producer control. If a producer is working with a government agency to
12 remedy a specific environmental problem, the producer should not be
13 penalized for any other problems that are discovered, but rather, the agency
14 should work with the producer to solve the problems;
- 15 10. Federal financing to meet clean water and air standards of the
16 Environmental Protection Agency (EPA) being available to farmers from
17 funds appropriated by Congress for this purpose, and that such funds be
18 administered through the farmer-elected committees;
- 19 11. Adequate funding to enable the small watershed programs to provide for the
20 maintenance and rehabilitation of existing structures built under P.L. 534
21 and P.L. 566, as well as to build additional structures to provide flood
22 control, livestock water, irrigation water, and recreational benefits to rural
23 America;
- 24 12. State efforts to create cost-share programs for soil and water conservation
25 practices;
- 26 13. The continuation of NRCS snow surveys and SNOW TELEMETRY (SNOTEL)
27 measuring stations; and
- 28 14. The continuation and expansion of the Environmental Quality Incentives
29 Program (EQIP), which provides federal cost-share and technical assistance
30 to enable farmers to comply with environmental requirements, and urge full
31 appropriation of existing authorized funding and an increase in future
32 funding.

1 We support:

- 2 a. Appropriate caps on funding levels to assure funds are being
- 3 directed to family farmers and ranchers;
- 4 b. Preference and priority given to family farmers below a 1,000
- 5 animal waste unit threshold;
- 6 c. The agriculture secretary prioritizing the use of EQIP funds for
- 7 family farmers and ranchers, taking into account the geographical
- 8 differences in farming and ranching operations;
- 9 d. EQIP program eligibility and cost-share levels being consistent
- 10 with commodity program eligibility and payment limits; and
- 11 e. USDA funding public and private research and development of
- 12 composting and that composting be eligible for cost sharing
- 13 under EQIP as an enhancement of pollution control.

14 We oppose conservation program provisions which exclude or penalize producers
15 who are early adopters of stewardship practices and those that penalize producers for
16 non-compliance with program requirements resulting from “Acts of God” such as
17 drought, fire, and floods.

18 **1. LAND RETIREMENT AND EASEMENT PROGRAMS**

19 We urge the full funding of the Conservation Reserve Program (CRP) and the
20 Agricultural Conservation Easement Program (ACEP).

21 We support adjusting enrollment requirements to allow native prairie
22 grasslands as an eligible class for ACEP or similar programs.

23 Greater emphasis should be placed on improved farm management techniques.
24 We believe that assisting farmers in becoming the best possible stewards of natural
25 resources is a better long-term approach to sustainability than simple land
26 retirement.

27 **2. CONSERVATION RESERVE PROGRAM (CRP)**

28 We support:

- 29 i. CRP contracts and contract extensions which maintain CRP lands in
- 30 private ownership of resident family farm and ranch operators;
- 31 ii. Program payments being competitive with local land values and/or
- 32 rental rates so as not to discourage participation;

- 1 iii. A 25-percent-per-county acreage limit for CRP, unless it is determined
2 that lifting the cap would address local endangered species concerns and
3 not have a negative economic impact on rural communities;
- 4 iv. Adequate funding to ensure close monitoring by the Natural Resources
5 Conservation Service (NRCS) and the Farm Service Agency (FSA) to
6 enforce contract requirements for adequate weed, erosion, insect and
7 fire control;
- 8 v. Enrollees being allowed to manage permanent, vegetative cover to
9 enhance wildlife habitat and ecosystem health;
- 10 vi. Landowners' rights to collect hunting or recreational use fees on land
11 enrolled in the Conservation Reserve Program;
- 12 vii. When extending CRP contracts, programs being better focused to serve
13 the needs of family farmers and ranchers and to protect highly erodible
14 land and other environmentally sensitive lands;
- 15 viii. Land enrolled in CRP shall have an end-of-contract plan in place for use
16 of the land following the contract expiration date that takes into account
17 erodibility, soil type and conservation practices;
- 18 ix. Voluntary participation to transfer CRP lands that qualify for ACEP to
19 that program;
- 20 x. Evaluation of all CRP lands currently or previously enrolled in the
21 program for contract re-enrollment. The most environmentally sensitive
22 land should be given first opportunity for contract. Land enrolled in CRP
23 that is critical habitat for endangered species should be given an
24 extension of up to 15 years. CRP lands diverted into long-term timber
25 and forestry conservation projects should be given a high priority for
26 contract re-enrollment;
- 27 xi. Financial and technical assistance being provided to producers in
28 preparing CRP acreage for sustainable agricultural systems that will
29 meet established conservation standards;
- 30 xii. Land managed with appropriate organic standards while enrolled in CRP
31 being eligible for organic certification upon leaving the program;

- xiii. Land that was farmed prior to being enrolled in CRP being eligible for crop insurance upon contract expiration;
- xiv. In times of extended drought conditions or weather disasters, haying or grazing on CRP acres being allocated to all livestock producers based on need, with up to one-third of CRP acres being used to replenish feed supplies. Haying and grazing of CRP by a producer in a disaster declared county should not be restricted to land in the disaster-declared county or state. The FSA farmer-elected county committees should be given the authority to set the date of harvest in order to maximize the feed value of hay and forage. These regulations should be in place so the procedures are known in advance. The maximum landowner income from the haying and grazing should not exceed the annual CRP contract amount from that farm;
- xv. No further reductions in total acres enrolled in CRP;
- xvi. Incentives to aid beginning farm and ranch families being offered on land that was previously enrolled in CRP, but is not environmentally sensitive under the new rules and will not be re-enrolled;
- xvii. Planting property to shelterbelts of other conservation measures being encouraged through reduced property taxes on those acres. Producers who destroy shelterbelts or wooded areas should establish the same number of acres of new trees for a minimum of 10 years;
- xviii. An expedited process to adopt rules and regulations to re-enroll or to extend Conservation Reserve Program contracts; and
- xix. Allowing approved CRP conservation cover crops to be used for biomass production in areas where needed until the biomass industry evolves to a more economically viable level. CRP payments would be paid on these acres in years where biomass is harvested.

3. NATIONAL BUFFER STRIP INITIATIVE

The mission of the National Buffer Strip Initiative is to support development and adoption of agricultural conservation systems in all U.S. watersheds.

We support:

- i. Development of new markets for products of perennial systems, such as biofuels and feedstock crops; and
- ii. Enterprise research to evaluate and develop new plant material selections along with associated production, harvesting and processing technologies to discover and develop new uses for products of perennial systems.

4. CONSERVATION STEWARDSHIP PROGRAM (CSP)

We support:

- i. Full funding and implementation of the Conservation Stewardship Program;
- ii. CSP acreage levels included in the 2008 Farm Bill;
- iii. Implementation of the CSP in a manner which recognizes conservation practices appropriate to different climatic regions and provides for such agricultural production practices to be adequately scored by the Conservation Management Tool (CMT);
- iv. Allowing new conservation enhancements made to land in an existing CSP contract to count as credit on subsequent CSP contracts as a way of rewarding early-adopters; and
- v. Consistent interpretation of the rules and guidance documents among all NRCS offices.

5. SODBUSTER AND SWAMPBUSTER PROVISIONS

We support:

- i. Provisions that give the secretary of agriculture greater discretion in handling sodbuster and swampbuster violations. FSA should be the single regulatory agency;
- ii. The goal of soil conservation practices being to reduce soil losses to tolerable levels, or "T-levels;"
- iii. Alternative conservation systems being used only in cases of financial hardship, after recommendation of local conservation officials; and
- iv. A federal sodsaver provision, which disallows the payment of farm and crop insurance subsidies for crops planted on land without any previous cropping history.

6. WETLANDS

We support:

- i. Producers being provided full opportunity to participate in the development and review of a single, coordinated approach to wetlands protection. Requiring recertification of wetlands at 5-year intervals creates a moving target for producers in compliance efforts;
- ii. Making the NRCS and FSA the lead agencies in wetlands delineation on agricultural land, but oppose the use of special interest groups making wetland determinations;
- iii. Any and all wetlands determinations throughout the United States relying on the presence of all three of the following mandatory wetland criteria simultaneously appearing on the same site year round:
 - a. Hydrology,
 - b. A predominance of hydric soil, and
 - c. A prevalence of hydrophytic vegetation;
- iv. All existing wetland determinations being re-evaluated under the proposed manual's uniform definitions and producers with the elimination of buffer zones, with determination made in 60 days or less;
- v. The federal government consulting with the state and local governments to develop a unified, mutually agreeable management program to protect our nation's wetlands;
- vi. Wetlands management programs balancing wetland values and the needs of the various states and their political subdivisions and individual property rights;
- vii. Any leaseholder, renter or owner being compensated equitably for the taking of lands through the classification of wetlands;
- viii. The final interagency manual being revised with greater consideration for the food and fiber producers of the United States;
- ix. Wetlands of less than one acre not falling under any jurisdiction of state or federal agencies;
- x. When dealing with farmland, consideration being given to the economic and environmental impact on agriculture;

- 1 xi. In cases where adjacent landowners are not affected, landowners being
- 2 able to move water within the contiguous boundaries of their own
- 3 property without regulation, interference, or easements;
- 4 xii. Water outside the boundary of a wetland being considered sheetwater
- 5 and not subject to jurisdiction by the state or federal agencies; and
- 6 xiii. NRCS and FSA cooperating with state and local agencies on wetland
- 7 mitigation.

8 **T. SUSTAINABLE AGRICULTURE**

9 We support programs that promote soil health and sustainable farming practices as
10 defined by the USDA definition of sustainable agriculture.

11 **U. PREDATOR AND RODENT CONTROL**

12 We support:

- 13 1. Restoring the original intent of the 1931 Animal Damage Control Act (ADC),
- 14 which mandates the federal government protect the livestock industry from
- 15 predatory loss. To the extent that an adequate ADC program is not available
- 16 to farmers, we recommend that a federally financed indemnity program be
- 17 instituted to pay for crop and livestock losses;
- 18 2. Judicious use of control practices being continued on federal and state lands
- 19 to control coyotes, feral hogs and other damaging species. Control practices
- 20 on private lands must be done with landowners' permission;
- 21 3. Farmers and ranchers being allowed to defend against predatory animals,
- 22 including those on the endangered species list, on their land by using the
- 23 most effective, safe, economical and humane means; and
- 24 4. U.S. Fish and Wildlife Service assuming full responsibility for any livestock
- 25 losses resulting from the reintroduction of non-domesticated animals.

26 We oppose the reintroduction of predatory animals.

27 **V. ENDANGERED SPECIES**

28 We support:

- 29 1. All impacted industries and individuals being compensated for actual annual
- 30 losses as a result of critical habitat designation;

2. Federal policy establishing meaningful incentives for landowners in the business of farming and ranching who provide habitat for endangered species;
 3. Requiring federal agencies to continue cooperative public/private efforts designed to increase the population of candidate species since such efforts have proven successful;
 4. Candidate conservation agreements as a tool to lessen impacts to agriculture producers from candidate species that are warranted-but-precluded or listed; and
 5. Amending the law by specifying that no species may be listed as endangered or threatened and no critical habitat may be so designated unless the following conditions exist:
 - a. Site-specific studies have been done that find the species actually occupies or has occupied within the last 15 years, habitat that is declared critical;
 - b. Cultural and economic impact studies have been done which determine what impact the declaring habitat or listing of species will have on rural economies and rural cultures;
 - c. Treaty law has been observed by the development of mutual agreements between federal agencies and tribes and other indigenous peoples protected by treaties; and
 - d. Hearings are held within a 50-mile radius of the proposed critical habitat, with all public land permittees provided written notice; and
 - e. Managing any species that are threatened or listed under the Endangered Species Act (ESA) to prevent detrimental effects on working agricultural crops, lands and livestock.
- We oppose efforts to list the Greater Sage Grouse and Lesser Prairie Chicken as endangered or threatened.

W. ARMY CORPS OF ENGINEERS

1 We urge that the authority of the Army Corps of Engineers be limited to its historic
2 role of maintaining navigable waterways, dams and facilities on public lands. We urge
3 the corps to designate flood control and rebuilding levees destroyed by floods a priority.

4 **X. NUCLEAR, RADIOACTIVE AND TOXIC WASTE**

5 We support:

- 6 1. Enactment and vigorous enforcement of legislation, both federal and state, to
7 prohibit dumping of nuclear, radioactive, toxic and other hazardous wastes
8 without detoxification;
- 9 2. Development of hazardous waste encapsulation and disposal methods with
10 stricter enforcement of laws on transporting, handling, and disposal;
 - 11 a. The current practices of disposing hazardous wastes in existing
12 landfills and surface mine sites, spreading hazardous wastes on land
13 surfaces, and injecting hazardous wastes in deep-well sites should be
14 discontinued;
 - 15 b. Alternative disposal sites should be identified which eliminate the
16 risk of surface and groundwater contamination, protect the health
17 and safety of citizens, and protect the soil and water of agricultural
18 lands, from which the nation's food is produced;
 - 19 c. Final decision-making authority for determining disposal sites and
20 methods must take into consideration the citizens who are directly
21 affected by the site;
- 22 3. Disposal of chemical weapons that insures the health of nearby communities,
23 agricultural markets and the environment; and
- 24 4. Research into thorium or other fuels to replace uranium in nuclear plants.

25 **Y. SURFACE MINING**

26 With proper enforcement of the law, energy and other resources can be provided
27 without permanently damaging one of the nation's most important resources, namely
28 agricultural land.

29 We support:

- 30 1. Strong enforcement of the Surface Mining Control and Reclamation Act
31 including hard rock;

- 1 2. Ensuring that land stripped to recover underground resources is returned to
- 2 its original or better condition;
- 3 3. Public involvement in the monitoring and enforcement of the surface mining
- 4 law;
- 5 4. Mandatory public disclosure of chemicals used in the mining process; and
- 6 5. Adequate bonding for post-mining reclamation.

1 **ARTICLE VII – ENERGY AND THE FAMILY FARM**

2
3 **A. ENERGY OBJECTIVES**

4 We support a balanced energy policy that seeks energy independence by 2025 for
5 the United States and, at the same time, protects our nation’s environment and
6 recognizes the special energy needs of America’s agricultural sector and its potential
7 contributions.

8 We urge Congress and the Administration to address additional elements of a
9 national energy policy including:

- 10 1. Making the development of renewable sources of energy our number one
11 priority in reducing our dependence on fossil fuels;
- 12 2. Ambitious mandates for renewable energy production;
- 13 3. Equitable distribution and efficient development of energy while assuring
14 appropriate production of food and fiber;
- 15 4. Incentives for environmentally safe domestic exploration, drilling and
16 development to assure a reasonable degree of self-sufficiency and mitigate
17 all negative economic consequences incurred by farmers, fishers and fishing
18 businesses by such exploration and subsequent drilling resulting from said
19 exploration;
- 20 5. A balance of energy needs with a sustainable environment;
- 21 6. Concern for the survival of independent oil producers through the
22 elimination of the oil depletion allowance on all but domestic production;
- 23 7. Opposition to federal deregulation of the electric utilities industry;
- 24 8. Supporting the establishment of a stand-alone Energy Efficiency Resource
25 Standard that will achieve, by the end of 2020, electricity savings of 15
26 percent and natural gas savings of 10 percent (using 2010 levels as the
27 baseline), including savings from new building codes and equipment
28 efficiency standards;
- 29 9. The right of farmers and property owners to feed back into the commercial
30 energy system power produced in excess of farm needs, at equitable rates.
31 Farmers should be encouraged to utilize both agricultural crops and
32 agricultural byproducts in the production of energy;

- 1 10. Country-of-origin labeling for fuels, requiring the secretary of energy to
2 implement country-of-origin disclosure requirements with respect to fuels;
3 11. The impacts on our rural economy of eliminating existing power plants
4 before they achieve their maximum intended lifecycle while transitioning to
5 a clean power economy;
6 12. Acceleration of development of fusion energy technology; and
7 13. Ability of mass-based and rate-based states to trade carbon emissions.

8 **B. DISTRIBUTION**

9 **1. PETROLEUM SUPPLY**

10 In order to ensure an uninterrupted flow of petroleum products for priority
11 uses, we call for:

- 12 i. The U.S. government to ensure a necessary level of refining to process
13 the crude oil that would be available in a petroleum-supply emergency;
14 ii. Crude oil at competitive prices to be made available during an emergency
15 to refineries so the resulting petroleum products will be provided to the
16 agricultural sector;
17 iii. Strategic Petroleum Reserve supplies being allocated to cooperative and
18 other independent domestic refineries at equitable prices at the early
19 stages of any supply disruption;
20 iv. The reserve being used only in shortfall of stock, not price, to avoid price
21 manipulation; and
22 v. The creation of reserves in other fuel sources, including ethanol.

23 We oppose:

- 24 i. Efforts to force conservation through excise taxes, and support a
25 continuation of the farm-use exemption from such taxes;
26 ii. Excise taxes on gasoline for deficit reduction purposes; and
27 iii. Efforts to curtail or eliminate the Strategic Petroleum Reserve.

28 **2. ELECTRICITY AND DEREGULATION**

29 We support:

- 30 i. Local regulation of power to ensure all U.S. residents have access to
31 affordable, high-quality electric service;

- a. We urge the EPA to place more emphasis on preliminary planning assessment with the states and tribes expanding the Visibility Protection Program through the addition of the regional haze concept and to propose a rule that addresses a more reasonable and realistic approach to the issues of regional haze.
- b. We encourage the EPA to use actual air quality monitoring data and improved computer modeling to determine if a state is in compliance with EPA to air quality requirements for Class 1 areas such as national parks and other designated natural treasures.
- ii. Federal policy that would provide nonprofit power groups with the necessary credit and financial support to set up needed generating and transmitting facilities;
- iii. Electric utilities providing rate structures that offer an incentive to consumers to use off-peak power;
- iv. The development of wind, solar, and other alternative sources of energy in community-based and individually owned systems where viable;
- v. The development of a national electrical grid designed with the capacity to carry renewable energy from the production source to the areas where it is needed;
- vi. Federal and state electric distribution studies on rural electric cooperative (REC) and municipal utility lines and substations to identify necessary improvements and available capacity for renewable energy production;
- vii. A national Renewable Portfolio Standard (RPS) of 25 percent by 2025 that includes a strong local ownership component;
- viii. When sighting lines “cross country,” citizen input should be a first priority in the sighting process;
- ix. When new transmission lines and substations are placed, a yearly rental payment to the landowner should be established; and
- x. The use of the best available clean air technology when using fossil fuels to even out the production of electricity from renewable sources. The use of fossil fuels in conjunction with renewable energy sources is necessary

1 given today's level of technology to produce reliable and affordable
2 electricity.

3 We oppose:

- 4 i. Infringement upon the existing service areas of RECs by investor-owned
5 companies;
- 6 ii. Federally mandated restructuring of the electric utilities industry;
- 7 iii. Development of local transmission lines, which do not ensure financing
8 for low-voltage upgrades, which will be needed for many community
9 energy projects to reach these larger grids;
- 10 iv. NEPA studies on public lands for energy transmission corridors without
11 local notification of landowners and local governments at the scoping
12 process; and
- 13 v. Granting eminent domain authority to or on behalf of foreign
14 corporations, state or federal governments for merchant transmission or
15 non-public utility projects, and any new nuclear plants in the United
16 States until safety issues are reviewed and confirmed.

17 **3. ECONOMIC ASSISTANCE**

18 We support:

- 19 i. Utilization and adequate funding of the USDA Rural Utilities Service
20 (RUS) to provide direct low-interest loans to rural electric cooperatives
21 and their members to carry out renewable energy projects and energy
22 conservation measures;
- 23 ii. Expanding RUS's role to provide funding for financing renewable energy
24 transmission and substations to community-based projects;
- 25 iii. Assistance to landowner associations or groups to conduct renewable
26 energy resource assessments and environmental impacts studies; and
- 27 iv. Full disclosure of all classifications of subsidies received by private
28 utilities.

29 **4. PUBLIC OWNERSHIP OF POWER MARKETING ADMINISTRATION AND POWER** 30 **GENERATORS**

31 Public ownership has been an essential element in providing reasonably priced
32 hydroelectric power to rural areas in the United States. Access to federally produced

1 and subsidized power must be guaranteed to new and existing public or cooperative
2 electric utilities.

3 We oppose:

- 4 i. The sale of one or more of these Power Marketing Administration (PMA).
5 The sale of these public assets would threaten consumer-owned utilities,
6 state institution and federal installations with an uncertainty of power
7 supply and would significantly increase wholesale power costs for large
8 segments of rural America; the sale of the PMAs would negatively impact
9 control of the reservoirs and rivers and will eliminate existing
10 environmental laws and regulations;
- 11 ii. The sale of state-owned dams and other publicly owned power
12 generators; and
- 13 iii. Any efforts or attempts to sell or privatize the Tennessee Valley
14 Authority (TVA) or any of its power functions.

15 **5. HYDROELECTRIC POWER**

16 NFU recognizes that hydroelectric power is an important renewable energy
17 source.

18 We support:

- 19 i. Continued development of hydroelectric power sites, where they are
20 cost-effective and ecologically and environmentally compatible, and
21 upgrading of current sites for better efficiency;
- 22 ii. Amending the Federal Power Act to provide preference to rural electric
23 cooperatives in the licensing and re-licensing of water power projects;
- 24 iii. Inclusion of small hydro as an eligible project/technology for USDA and
25 DOE incentive programs;
- 26 iv. Inclusion of small hydro and existing hydro in national renewable energy
27 legislation; and
- 28 v. Funds received from sale of public water that displaces hydro generation
29 being returned to the generating authority.

30 **6. PIPELINES**

31 We support:

- i. An understandable process that clarifies when and how eminent domain can be used, who has what liability where there are damages from pipeline failure, siting standards and routing criteria, environmental considerations, and decommissioning expectations and costs. The process should provide for transparency in the planning and routing process including public input, fair compensation to landowners and a process to deal with landowner and public complaints and conflicts;
- ii. Pipeline developers being barred from using non-disclosure agreements prior to, during, and after contract negotiations;
- iii. Privately owned pipeline companies building and operating a pipeline maintaining insurance/bonds to cover liability for pipeline failure costs associated with environmental damage, health and public safety issues, infrastructure costs and maintenance, emergency response situations and costs if the pipeline developers are no longer in business or lack the financial resources to cover these liabilities, including in the case of bankruptcy;
- iv. Regulations mandating that soil disturbed during pipeline construction be returned to its previous condition and farmland returned to its previous level of production; and
- v. Adequate compensation for landowners for loss in value of a farm crossed by a pipeline, for any future loss to land value associated with the pipeline or its construction.

We oppose:

- i. The classification of a private, foreign-owned pipeline as a public utility;
- ii. The classification of a foreign-owned pipeline as a common carrier unless it can be demonstrated that the majority of the transported material is from domestic sources and that majority of the transported material is for domestic consumption;
- iii. Pipeline construction across farmland without permission of all affected landowners; and

- iv. Forcing additional rights of ways or leases upon landowners where a lease or right of way currently exists, as this would further devalue the land for agricultural use.

C. DEVELOPMENT OF RENEWABLE ENERGY AND FUELS FROM THE FARM

1. PRIORITIES

NFU should promote, expand, and ensure localized farmer ownership to the fullest degree possible in renewable/alternative energy development including wind, solar, biofuels and other technologies. Policies that can achieve this goal are feed-in tariffs, incentives and mandates for locally owned facilities. We support the efforts of “host” communities and municipalities to accurately calculate the income-generating capacity of potential renewable energy projects, regardless of ownership type, and to establish feeds, property tax provisions, or impact assessments to ensure that a reasonable amount of the economic benefits are shared by all of the local communities and residents without deterring smaller-scale, distributed, community-based and individually owned projects.

NFU should lead efforts to educate family farmers, ranchers and rural communities about how to adapt to the effects of climate change on their own respective operations, as well as the enormous economic benefits that renewable energy brings to our rural areas.

We support:

- i. Expanded research and development dollars for renewable energy technology. At all levels of government, a commitment is required to truly become energy independent, including full funding of renewable energy programs within the current and future farm bills;
- ii. The development and promotion of renewable energy sources appropriate to their location. Special emphasis should be placed on wind, solar, biomass, geothermal energy, biodiesel and ethanol research directed toward developing self-sufficient units suitable for farm, home, small industry and business use;
- iii. Farmer-owned cooperatives pursuing the development and marketing of wind, solar, biomass, geothermal, biodiesel and ethanol energy through their networks of local and regional cooperatives;

- iv. Availability of early stage development funds for feasibility studies, resource assessments and wildlife and other studies. Adequate funding levels for feasibility studies under the Rural Energy for America Program should be reinstated and cover all pre-development activities involved, including allowing adequate time for completion of thorough wildlife studies by public agencies;
- v. Incentives for local development and ownership of renewable energy production in all forms, to support all agricultural sectors and regions, such as the Rural Energy for America Program of the farm bill;
- vi. Development of new markets for cellulosic products from perennial systems;
- vii. Enterprise research to evaluate and develop new plant material selections along with associated production, harvesting and processing technologies to discover and develop new uses for products of perennial systems;
- viii. Aggressive research on utilizing biomass for energy of all forms, with emphasis on efficient use and positive energy conversion, and research supporting perennial energy crops that provide these efficiencies along with multiple environmental benefits;
- ix. A robust biomass energy crop development program, such as the Biomass Crop Assistance Program, to develop a domestic and sustainable source of biomass materials for multiple uses and markets;
- x. Economic assistance for family farmers to make agriculture more self-sufficient through increased application of alternative forms of energy and energy efficiency;
- xi. Reversing the trend toward concentration of the ownership or control of sources, production and distribution of energy;
- xii. Targeting funds to encourage diversified, community-based and individually owned energy systems that create jobs and new wealth in rural areas of our country;
- xiii. Reducing, toward the goal of eliminating, the importation of foreign sources of biofuels;

- xiv. An import fee on non-renewable foreign-produced energy, to fund the development of domestic renewable energy;
- xv. A phased-in moratorium on the export of domestically produced energy until energy independence is reached;
- xvi. No local, state and/or federal tax dollars, nor tax exemptions, apply to renewable fuels that are not imported or derived from imported commodities;
- xvii. No local, state and/or federal tax dollars, nor exemptions, apply to foreign-owned companies that produce renewable fuels;
- xviii. Creation of a Strategic Biofuels Feedstock Reserve;
- xix. A program to tackle the lack of infrastructure in the expansion of renewable energy. We support many increases in research and development, particularly in the areas of:
 - a. Pipelines designated or altered for the transport of biofuels;
 - b. Solidifying the railroads in this country to move renewable fuels to each coast;
 - c. Expanded use of flex/blender pumps;
 - d. Establishing E85 filling stations/pumps; and
 - e. Expanding and creating a network of transmission lines throughout the country to aid in the movement of renewable energy from sources such as wind and solar;
- xx. Extension and expansion of renewable energy tax credits, incentives (including the Section 1603 30 percent U.S. Treasury grant, effective in 2011) and loan guarantee programs including a permanent renewable energy production tax credit (PTC) that includes nonprofit organizations as qualifying entities;
- xxi. Biodiesel and ethanol blenders' tax credits and the cellulosic production loan guarantees;
- xxii. Policies to create greater domestic production of biofuel plants and other renewable energy components, such as wind turbines and solar panels;
- xxiii. Fully funding the Biopreferred Program, as well as ensuring the federal government is a leader in procuring these products;

- xxiv. Expanded energy conservation research and development as well as implementation of programs that encourage the conservation of energy inputs by the agricultural and food sectors;
- xxv. Working with landowners and other groups to develop a landowner's bill of rights for renewable energy;
- xxvi. Research and development on the production of fuels and fertilizers from renewable electricity;
- xxvii. Expanding the utilization of anaerobic digesters in a complimentary effort to produce energy, participate in carbon offset markets, and manage waste on livestock operations; and
- xxviii. Funding for research and technical advancement of energy storage systems allowing for reliable and consistent availability of renewable energy.
- We oppose efforts by power utilities to discourage distributed solar and other renewable power generation, including but not limited to, raising base monthly rates, either specifically to individual renewable energy-producing customers or to all customers in general.

2. ETHANOL

We support:

- i. Congress and the administration launching an alcohol fuels program to include:
 - a. Renewable resources that should be established through low-interest federal loans to farmer-owned cooperatives;
 - b. Further federal legislation to provide for conversion of farm products and byproducts into alcohol emphasizing on-farm and local cooperative site development;
 - c. Federal legislation to extend permanently the federal gasoline excise tax exemption on ethanol-enhanced fuels;
 - d. Immediate action by the Department of Energy to place ethanol production on its priority list for rapid commercialization;
 - e. State legislation granting tax credits on each gallon of ethanol-enhanced fuel sold within each state;

- f. An expanded Renewable Fuel Standard (RFS) for requiring increased usage of ethanol fuels within the United States; including a separate standard for cellulosic ethanol and biodiesel;
- g. Promote research on usage and marketing of dry distillers grain for feed and other value-added uses;
- h. An aggressive and ambitious cellulosic program, geared to rapidly developing necessary technology, to compliment traditional ethanol supplies of motor fuel;
- i. Adequate infrastructure to improve pipeline distribution and accessibility to filling stations/pumps of biofuels across the country;
- j. Expansion of available gasoline blends to E15 or higher, as supported by scientific data;
- k. Flexibility for new fuel systems to accommodate advances in ethanol blend utilization technology;
- l. Maintaining the ethanol import tariff. Biofuels should not be exported or imported until energy independence is achieved;
- m. Research and production of engines designed to run solely on ethanol;
- n. Funding for ethanol infrastructure; and
- o. Tax credits or other federal incentives for retailers installing flex pumps.
- ii. The extension of the ethanol fuel tax incentive to include the ethanol portion of ethyl tertiary butyl ether (ETBE);
- iii. Allowing ETBE refiners the ability to claim the ethanol excise tax exemption at the blend point;
- iv. The use of ethanol as a fuel additive for gasoline formulations to enhance octane levels, with an expanded role of replacing aromatics, in accordance with the Clean Air Act;
- v. Urge all vehicle manufacturers to actively produce and market flex-fuel options in all market classes; and

- 1 vi. The government purchasing and using flex-fuel vehicles and fueling them
2 with renewable fuels.

3 We oppose:

- 4 i. Any future efforts to eliminate ethanol tax incentives;
5 ii. Liability protection for MTBE producers; and
6 iii. Any further use of methyl tertiary butyl ether (MTBE) in gasoline.

7 **3. RENEWABLE FUEL STANDARD**

8 We support:

- 9 i. Expanding the Renewable Fuel Standard (RFS) to set an ambitious
10 mandate for production of biofuels to make up one-third of the nation's
11 fuel supply as soon as possible, consistent with grain availability for
12 livestock production;
13 ii. Separate mandates of production for each form of biofuel, including
14 cellulosic ethanol and biodiesel;
15 iii. Full implementation of RFS legislation that will:
16 a. Supply clean-burning ethanol to reduce air pollution,;
17 b. Provide strict anti-backsliding requirements in the RFS;
18 c. Ensure that air quality gains from the reformulated gasoline
19 programs are preserved;
20 d. Provide incentives to expand use of other biofuels, and encourage
21 the use of eligible feedstocks such as, but not limited to, grain
22 sorghum, millet, barley, oats, sugar beets and wheat to meet the
23 requirements for other advanced biofuels under the RFS; and
24 e. Establish separate requirements for non-gas fuels such as
25 biodiesel;
26 iv. Bipartisan legislation to ensure that American farmers, not ethanol
27 importers, would benefit from the RFS; and
28 v. Legislation that would amend the Caribbean Basin Initiative by limiting
29 ethanol imports that are only partially produced in the Caribbean Basin
30 and qualify for duty-free status.

31 We oppose:

- 32 i. Ethanol import schemes that would thwart ethanol import tariffs;

- ii. The importation of renewable fuels; and
- iii. Changes to the RFS mandate that are not based on the best available science and subject to public review.

4. BIODIESEL

We support:

- i. Farmer-owned cooperatives and others providing higher blends of biodiesel fuels to their customers and urge marinas to offer biodegradable biodiesel fuels to their customers;
- ii. Increased research funding through USDA and the U.S. Department of Energy (DOE) to demonstrate the effectiveness of biodiesel as a transportation fuel, for generating electricity, and as a replacement for home heating oil;
- iii. Research and development of oilseed crops and animal byproducts for use as biodiesel alternative fuels;
- iv. The government's purchase and use of flex-fuel vehicles and fueling them with renewable fuels;
- v. DOE developing a rapid commercialization program for biodiesel;
- vi. Legislation to provide for the recycling of used cooking oils and waste greases generated at government facilities to be processed into biodiesel for use in government vehicle fleets, wherever feasible;
- vii. Establishing a separate requirement for a national RFS for biodiesel use in transportation fuels; and
- viii. ASTM D6751 as the biodiesel industry's quality standards to meet the requirements of the railroads, military and other heavy industry.

5. COMPRESSED NATURAL GAS

We support the development of infrastructure to permit use of compressed natural gas as a transportation fuel.

6. WIND ENERGY

We support:

- i. Development and distribution of electric generation from wind, including a reasonable timeline for approval for interconnection to the electric grid;

- ii. Efforts to educate our farmers and ranchers about their wind rights and other related issues;
- iii. Federal legislation to require all utilities to allow community-based wind projects access to the electric grid by actively pursuing power purchase agreements;
- iv. The use of production tax credits to provide financial incentives for wind energy development. Such production tax credits should:
 - a. Be long-term, 20 years at minimum;
 - b. Include active, not just passive income tax credits;
 - c. Encourage local ownership of wind turbine manufacturing, development and operations; and
 - d. Set the production and other tax credit levels for local community and farmer-owned wind systems at higher levels and allow them to be refundable;
- v. Ownership models that provide the most economic and social benefit while providing an economic base for further rural economic development. We recommend that the Community Based Energy Development (CBED) ownership model created in Minnesota and Nebraska be adopted by other states and used by Congress in developing wind energy-related policies;
- vi. A national net metering standard for systems up to 100kW in order to help expand the use of smaller wind energy systems;
- vii. Account balancing of small wind generators on an annual basis; and
- viii. Congress creating a grant program for local RECs who will upgrade their system to monitor the flow of energy both ways within their system to accept net-metered energy produced by a local REC customer.

7. SOLAR ENERGY

We support:

- i. The development of solar energy, including solar thermal;
- ii. Community solar garden models to allow for greater participation in solar projects;
- iii. Educating our landowners about solar rights and other related issues;

- iv. The use of production tax credits to provide financial incentives for solar energy development. Such production tax credits should:
 - a. Be long-term, 20 years at minimum;
 - b. Include active, not just passive income tax credits;
 - c. Encourage local ownership of solar manufacturing, development and operations; and
 - d. Set the production and other tax credit levels for local community and farmer-owned solar energy systems at higher levels and allow them to be refundable;
- v. Provide net metering for solar systems;
- vi. Research into concentrated solar and other developing solar technologies;
- vii. Replacing fossil fuel-powered heating and drying applications with solar powered systems; and
- viii. The development of community and commercial solar farms in areas with no current value-added use.

8. RENEWABLE ENERGY STORAGE

We support development of storage technology for electricity produced by intermittent renewable sources, including but not limited to hydroelectric pump-back, battery technologies, fuel cell technology and others.

9. COOPERATIVE DEMONSTRATIONS

We support:

- i. Consumer-owned utilities uniting to develop and demonstrate the economic feasibility of renewable and other alternate energy systems. The economic viability of those cooperative utilities must be taken into consideration;
- ii. Cooperatives providing consumers price incentives for using ethanol- or biodiesel enhanced fuels; and
- iii. The secretary of energy continuing the Department of Energy's support of the long-term operation of the Great Plains Synfuels Plant, the nation's only commercial-scale, coal-to-synthetic gas operation. The plant's

closure would undermine America's energy policy objectives, which rely on the long-term operation of the project to convert America's abundant lignite coal into clean-burning fuel and profitable byproducts, including anhydrous ammonia, which is very important to agricultural production.

10. FLEX/BLENDER PUMPS

We encourage our cooperative members to lead the nation in serving our customers by placing alternative marketing devices for alternative fuels such as E85/biodiesel and flex/blender pumps at every cooperative retailer in the nation.

D. ENVIRONMENTAL PRECAUTION IN ENERGY PRODUCTION AND USE

We support:

1. The Clean Air Act;
2. Regulations that emphasize achieving the greatest amount of pollution control through the most cost-effective measures available;
3. Diesel emissions being reduced in the most cost-effective manner possible, consistent with good fuel economy; and
4. EPA avoiding excessive sulfur requirements, and not mandating the production of a third diesel fuel for a light-duty diesel market.

1. FUEL STORAGE TANKS

We support:

- i. Rules for underground fuel storage tanks that provide cost sharing to mitigate the financial impact of compliance on farmer-owned, locally owned and cooperatively owned outlets;
- ii. An exemption for farm and ranch use in the EPA rule pertaining to existing above-ground fuel storage tanks; and
- iii. Above-ground fuel storage tanks being monitored and replaced on an as-needed basis as the condition of the tanks change and leaking becomes detectable.

2. WASTE PRODUCTS

We support:

- i. Recycling as a socially responsible activity;

- ii. Federal assistance to help establish an effective recycling system throughout the country for agricultural, post-consumer and industrial waste;
- iii. Only the environmentally safe use of solid wastes in the production of energy; and
- iv. Composting of food and organic fiber waste, and the opening of markets for the sale and distribution of the composed products, especially for schools and other public institutions.

3. HYDRAULIC FRACTURING

We support:

- i. Holding energy companies that use the hydraulic fracturing process liable for any and all expenses or environmental damage and health impacts incurred as a result of the activity and handling of wastewater and other byproducts associated with the extraction process;
- ii. A complete Environmental Impact Statement (EIS), with assessments of health and economic impacts, baseline water quality and quantity and the effect of a diversion of water that may currently be assigned to agricultural, private and municipal use or under contracted obligations;
- iii. Local oversight and regulation of the fracking process;
- iv. Mandatory disclosure of the chemicals, including percentages, used in fracking and drilling fluids. Such chemicals must be identified as environmentally safe before use;
- v. Mandatory monitoring of possible groundwater contamination and oversight of saltwater disposal systems; and
- vi. Compliance with the Federal Right to Know Act (Emergency Planning and Community Right to Know Act). Oil and gas well operators must report all hazardous chemicals in use or stored at drilling sites to the State Emergency Response Commission (SERC). The SERC shall maintain a current database with this information that is easily accessible to first responders and the public.

E. LANDOWNER RIGHTS IN NATURAL RESOURCES PROJECT DEVELOPMENT (WIND, SOLAR, FRACKING, OIL, ETC.)

1 We support a comprehensive policy that protects landowners from speculation and
2 unfair contracts in the development of natural resources. We support the following
3 landowners' rights:

- 4 1. Prohibition of non-disclosure or secrecy clauses in leases. Landowners
5 should be allowed to review leases with attorneys, lenders and other holders
6 of leases to ascertain the relative value of a lease offer;
- 7 2. Establishment of a registry of current standard natural resources leases that
8 is accessible to the public;
- 9 3. Prohibiting mandatory arbitration clauses to ensure the right of civil
10 litigation for landowners in lease disputes and help balance the legal
11 interests of landowners and developers;
- 12 4. Limiting length of lease options to encourage the use of lease options for
13 actual development instead of speculation; wind and solar power leases to
14 terminate after five years if the project is not developed;
- 15 5. Private property rights, including ownership of land and all its attributes
16 above, on, and below the surface, unless otherwise marketed;
 - 17 a. We support a regulatory process that ensures the ending spot and
18 direction of directional drilling, and
 - 19 b. We urge legislation to apportion the present real estate tax between
20 the surface owner and the mineral owner;
- 21 6. Authorizing collective bargaining of leases to encourage fairness in the
22 application of lease terms among multiple landowners;
- 23 7. Bonding and reclamation protections to encourage responsible energy
24 development and transmission at outset of the lease by providing funds up
25 front for reclamation of land after equipment, tower or project life has
26 expired;
- 27 8. Prohibiting prior investment as a condition of lease or option of fulfillment;
- 28 9. Prohibiting farmland ownership by energy development or generation
29 companies to ensure that agricultural land remains in the hands of
30 producers and retains the agricultural value of the land used in energy
31 development;

10. Prohibiting right of first refusal by developers, which allows a developer to tie up land, and/or reduce marketability of landowner's land without purchasing an option;
11. Disclosure of actual lease payments in contracts;
12. Three day cooling-off period after a lease agreement is signed to allow a landowner to have a window to reconsider if, for example, his or her attorney has an objection to the contract language;
13. Ownership of wind, solar, and mineral rights should not be severed from surface rights and ownership of land;
14. Ownership of wind rights should extend up to a minimum of 100 feet above the height of the wind turbine;
15. Enacting a moratorium on industrial wind siting in federal waters until an open public process is developed for siting industrial wind power generation;
16. Land owners sharing in percentage of energy revenues transmitted through transmission lines sited on their property;
17. Landowner models for developing transmission associations that will create transmission corridors and receive compensation on an annual basis through royalties rather than one-time payments; and
18. An annual tax credit for landowners with renewable energy transmission based on value of land impacted by development.

1 **ARTICLE VIII – ECONOMIC REGULATION AND THE FAMILY FARM**

2

3 **A. FEDERAL BUDGET REFORM**

4 The federal budget process is not working effectively. We urge Congress to revise

5 the entire budget process to prevent understating the true deficit problem and to

6 provide realistic reduction goals.

7 To cure the structural failings, we support:

- 8 1. Congress imposing the same Generally Accepted Accounting Principles
- 9 (GAAP) on the federal government as it has imposed on private financial
- 10 institutions;
- 11 2. Maintaining the system of static scoring by the Congressional Budget Office
- 12 (CBO);
- 13 3. All long-term credit programs, permanent and long-term improvements,
- 14 multipurpose conservation, dam and watershed projects, public buildings,
- 15 highways and inland waterways, be placed in a “capital budget,” distinct
- 16 from the annual operation budget;
- 17 4. Farmers assessments or trust fund revenues not being used for deficit
- 18 reductions;
- 19 5. Congress demonstrating fiscal responsibility by the mandatory review of all
- 20 currently implemented legislation, and new legislation containing
- 21 mandatory sunset clauses to ensure timely review;
- 22 6. Programs that fail to meet their intended objectives to be reviewed and
- 23 restructured or terminated; and
- 24 7. Not punishing the farm bill baseline budget for savings generated through
- 25 the safety net.

26 We oppose:

- 27 1. Using budget sequestration in an attempt to reduce the federal deficit;
- 28 2. Any proposed agricultural cuts to relieve the federal deficit; and
- 29 3. Attempts to reduce funding for farm bill programs through budget
- 30 reconciliation.

31 **B. MONEY AND CREDIT POLICY (*ALSO SEE ARTICLE IV – CREDIT AND THE FAMILY FARM*)**

32 We support:

- 1 1. Consumer, farmer and small business representation on the Federal Reserve
- 2 Board (Fed);
- 3 2. Congress providing for allocation of credit;
- 4 3. Requiring the Fed to comply with provisions of the Humphrey-Hawkins Full
- 5 Employment and Balanced Growth Act of 1978;
- 6 4. Congress immediately authorizing a nonpolitical outside entity to conduct a
- 7 thorough audit and investigation of the Fed and its policies; and
- 8 5. To allow cannabis and cannabis-related businesses that are state regulated
- 9 to have access to the normal banking system.

10 **C. BANK REGULATION**

11 From the beginnings of this country, public policy has favored a decentralized

12 banking system, avoiding the abuses that would come from a highly concentrated

13 financial structure.

14 We are concerned about recent trends in bank regulation that have accelerated the

15 loss of independent community banks and have decreased the banks' desire to service

16 agricultural credit needs. It has also reduced community reinvestment.

17 We support:

- 18 1. Passage of a banking reform bill that mirrors the Glass-Steagall Act and
- 19 Dodd-Frank;
- 20 2. Maintaining individual Federal Deposit Insurance Corporation (FDIC)
- 21 coverage of at least \$250,000, as gross sales transactions in agriculture have
- 22 increased over the past number of years;
- 23 3. Making all financial institutions aware that "too big to fail" will not be
- 24 tolerated in the future; and
- 25 4. Vigorous investigation and prosecution of criminal activity in our financial
- 26 institutions.

27 **D. CREDIT UNIONS**

28 We support:

- 29 1. Maintaining the National Credit Union Share Insurance Fund as a separate
- 30 and independent agency from other federal deposit insurance systems;

- 1 2. The credit union movement in its efforts to combat the anti-competitive
- 2 regulatory tactics undertaken by other segments of the financial services
- 3 industry; and
- 4 3. The right of all Americans to choose how and where they deposit their
- 5 earnings and transact their personal financial business.

6 We oppose any proposal that seeks to curtail services by credit unions to their
7 members under the false guise of regulatory reform or financial soundness. Such
8 proposals are especially discriminatory against rural credit unions that provide
9 agricultural credit services.

10 **E. ESTATE AND GIFT TAX POLICY**

11 In lieu of estate tax repeal, we support estate tax relief for family-owned farms,
12 ranches and small businesses in order to facilitate the transfer of those enterprises to
13 the next generation. We also support:

- 14 1. Creating policy that taxes agriculture estates based on production value and
- 15 not on potential development value so long as the estate and its property
- 16 remain in agriculture production;
- 17 2. Permanently maintaining the federal estate tax exemption per individual at
- 18 \$10 million, \$20 million per couple, indexed for inflation, with an additional
- 19 \$5 million exemption if the estate continues to be operated by a family
- 20 member or transfers to a beginning farmer;
- 21 3. Simplifying the exemption qualification rules and requirements; and
- 22 4. Implementing graduated rates with a base rate of 35 percent.

23 We oppose shifting tax liability from the estate tax to the capital gains tax through
24 the elimination of the “step-up” in basis provision.

25 **F. IRS TAX CODE 1031 EXCHANGES**

26 We support:

- 27 1. A study on the impact of IRS Tax Code 1031 Exchanges (Starker Exchange)
- 28 on farmland values;
- 29 2. The return to a stricter interpretation of like kind property exchanges, i.e.
- 30 agricultural land for agricultural land; and

3. Allowing property owners a minimum of 18 months to identify and complete a 1031 exchange if the property was lost through eminent domain (*also see Article VI.Q – Eminent Domain*)

G. INCOME TAX REFORMS

We support:

1. A more progressive tax structure and oppose a flat tax;
2. A simplified tax code;
3. The full deductibility for the individual payment of premiums for health, disability and long-term care. Premiums on life insurance benefits up to \$500,000, or as required to be carried by creditors, should also be deductible;
4. A limited refundable federal income tax credit equal to all or a percentage of the state and local real estate taxes paid by farmers and ranchers on farmland utilized for commercial agriculture production;
5. Income from a farm sale being put into a tax-deferred individual retirement account (IRA);
6. Annual gift tax limits of \$25,000 per individual;
7. The concept of family savings accounts, the saver's credit for low-income families with net incomes of \$40,000 or less, and other state and federal programs known as an Individual Deposit Account (IDA) that are targeted at low-income savers;
8. Permanent tax legislation for deductions of expenses accrued on the farm and ranch under section 179 of the tax code of no less than \$500,000; and
9. Tax expensing tools that allow family farmers to elect to deduct part or all of the cost of qualifying farm assets (including machinery, equipment, and special use of single-purpose buildings) in the year they are placed in service. Such tools include adequately high limits of the accelerated depreciation deduction and bonus depreciation deductions.

H. TAXATION

We support:

1. Legislation that would hold multinational and off-shore corporations responsible for their full tax burden, including user fees to cover the cost of import inspections;
2. Closing tax loopholes for corporations and individuals to balance the tax burden for funding the federal government;
3. The right of state governments to tax production of nonrenewable resources such as coal, oil, natural gas and minerals. These taxes are the means by which a state can recover its costs from social, economic and environmental impacts and provide compensation for resource depletion;
4. Reforming U.S. capital gains tax laws to allow tax-free conversion of farm assets, i.e. breeding livestock, equipment, real estate, grower quota rights and other farm investments in exchange for investments in all categories available to the general public and other business entities;
5. A \$500,000 capital gains exemption tax on farm real estate sales comparable to the current residential sales exemption; and
6. Studying the inclusion of a federal mechanism to equalize the effects of foreign consumption taxes on trade.

We oppose:

1. Multinational corporations moving to tax havens to avoid tax liabilities;
2. Legislation and court action that would prohibit states from taxing multinational corporations based on the volume of business done in the state;
3. Any taxation for the use of the internet;
4. Enactment of a national sales tax;
5. Unfunded federal mandates being imposed on state and local jurisdictions; and
6. Efforts to prohibit the cash method of income and expense accounting.

I. TAX CREDIT

A properly designed tax credit can encourage new enterprises in rural communities, be a stimulus for encouraging new family farms and family fishing businesses and be an opportunity for retiring farmers to sell their operations to beginning family farmers.

We support:

- 1 1. A tax credit, targeted to the seller of farm land, who sells to a beginning or
- 2 young farmer;
- 3 2. Credit being extended to a sale of land or a small business from one
- 4 generation to the next;
- 5 3. Continuation of the investment tax credit;
- 6 4. A federal tax credit for approved conservation practices for non-deductible
- 7 expenses; and
- 8 5. An investment in tax credit allowance to farmer-owned cooperatives that
- 9 build facilities in rural America. The investment tax credit should be
- 10 required to be allocated back to the patron-members of the co-op.

11 We oppose the forced sale of assets under receivership of bankruptcy resulting in
12 tax liabilities that exceed the capacity of asset liquidation funds to meet those tax
13 obligations.

14 **J. COMMODITY FUTURES**

15 To ensure that the objectives of the commodity futures regulatory statutes are
16 carried out, we support:

- 17 1. Oversight and authorization jurisdiction for the Commodity Futures Trading
- 18 Commission (CFTC) being maintained by the Senate and House Agriculture
- 19 Committees; efforts to merge the CFTC with the Securities and Exchange
- 20 Commission (SEC) should be defeated;
- 21 2. Increased farm owner-operator representation on exchange boards,
- 22 specifically on those committees responsible for rulemaking relating to new
- 23 agricultural commodity contracts;
- 24 3. Establishing appropriate contract and aggregate position limits for all
- 25 commodities in all price discovery markets with input from agricultural
- 26 producers and commercial market users;
- 27 4. The collection and publishing of data on the total value of index funds and
- 28 other passively held long-only positions in all markets;
- 29 5. Requiring over-the-counter (OTC) trades be cleared by a CFTC-regulated
- 30 clearing organization and reported publicly;
- 31 6. Increased transparency between domestic and foreign boards of trade; and

1 7. Clearly defining hedgers and the hedger exemption to only include those
2 with a legitimate commercial interest in the physical commodity.

3 NFU supports increased funding for public agricultural research. We are concerned
4 of the reductions in state and federal funds for crop and livestock research. The
5 resulting increase in private research has reduced the sharing of information and
6 increased costs of production inputs. We encourage study and development of new
7 research revenue streams such as an assessment on agricultural commodity futures
8 contracts. These revenues could be allocated to new or ongoing research products.

9 We oppose the adoption of policies that shift agricultural risk to individual
10 producers and force producers to depend on the commodity exchanges for risk
11 management protection.

12 Accordingly, CFTC should:

- 13 1. Guard against insider trading by individuals or firms that possess
14 foreknowledge of significant changes due to large market transactions;
- 15 2. Examine and investigate the role of increasing market power funds, the
16 connections between the funds and large commercial interests and the
17 ability of these organizations to exchange resources and information that
18 create excessive market volatility and “economic bubbles” which are
19 detrimental to producers in the short or long term;
- 20 3. Ensure there is an adequate number of delivery points for hedging
21 participants;
- 22 4. Work in cooperation with other federal and state securities enforcement
23 agencies to crack down on “boiler room” operations and other violators of
24 the Commodities Exchange Act;
- 25 5. Monitor with special vigilance any market movements that indicate a
26 deliberate accumulation of excessive speculative positions that exceeds the
27 limited number of positions an individual speculator may hold and to
28 exercise, when necessary, the emergency powers granted by the Act;
- 29 6. Monitor and guard against proposals by the commodity futures exchanges
30 impacting trading rules and trading limits that would increase market
31 volatility to the detriment of agricultural producers;

- 1 7. Continue to monitor off-exchange-traded agricultural options and ensure
- 2 they are operated in a manner that benefits family farmers;
- 3 8. Monitor activity on so-called “dark markets;” and
- 4 9. Have a minimum of three of the five commissioners with agricultural
- 5 backgrounds.

1 **ARTICLE IX – RURAL DEVELOPMENT AND THE FAMILY FARM**

2

3 **A. RURAL COMMUNITY DEVELOPMENT**

4 We support a comprehensive rural development policy that includes:

- 5 1. Coordination and cooperation of the various government agencies involved
- 6 to better utilize existing programs and funds;
- 7 2. Consideration of social needs, such as a living wage, health care, education
- 8 and human resource development, as well as venture capital, transportation
- 9 and telecommunications;
- 10 3. Research and development of additional and alternative uses for existing
- 11 agricultural and seafood commodities and new alternative crops and fish
- 12 stocks, with a commitment to marketing and processing these products;
- 13 4. Development of local expertise, to make the best use of available programs
- 14 and local talent;
- 15 5. Low-interest loan and grant programs that foster the development of value-
- 16 added products and promote the production of renewable energy;
- 17 6. Creation of agricultural opportunities for a new generation of beginning
- 18 farmers as a central component of rural development;
- 19 7. The organization of cooperative enterprises that retain equity, control and
- 20 ownership within rural communities as a proven self-help, home-grown
- 21 rural development mechanism which builds needed economic infrastructure
- 22 for rural people;
- 23 8. Access to credit, technical expertise and markets as essential ingredients in
- 24 securing opportunities for rural and agricultural enterprises;
- 25 9. Utilizing competitive grants and producer opportunity payments to
- 26 stimulate research, education, market development and farm innovation that
- 27 increase the farm and ranch share of food system profit. We also support
- 28 revitalization of agricultural communities through entrepreneurship,
- 29 enhance food security by offering consumers greater choice and access to a
- 30 diversity of agricultural products;
- 31 10. Expeditious approval, adequate federal funding and construction of water
- 32 projects and waste systems for rural communities and Indian reservations;

11. The development of farmer-owned cooperative facilities;
 12. The development of emergency loans to rural communities and the expansion of rural access to advanced telecommunications that will allow for the financing of “star school” and “medical link” programs in rural communities. This program should be combined with the lower loan rate provisions for rural low-income areas by USDA Rural Development (RD). Requiring RD to apply more liberal rural hospital loan restructuring standards will assist rural communities to maintain needed health care standards;
 13. The expanded role of the Rural Utilities Service (RUS) in rural development. We call for the close monitoring of pilot programs on “local investment revolving funds” and “rural economic development review panels” to all rural areas;
 14. Continuation and full funding for the Resource Conservation and Development (RC&D) program to encourage and improve the capability of volunteers, locally elected officials and civic leaders; and
 15. Incentives for rural business opportunities for veterans.
- We oppose rural development grants that encourage the establishment or expansion of larger non-family farms or open ocean aquaculture.

B. TRANSPORTATION

An integrated intermodal transportation system of waterways, railways and roads is of crucial importance to America’s farmers. Maintenance of a viable, competitive transportation network within the United States ensures the free flow of farm products to the market.

We support federal transportation policy that:

1. Fosters a balanced competition between all modes of transportation and maintains protections for transportation users in those areas where such competition does not exist;
2. Addresses deregulation of the nation’s transportation system that has reduced the quality of, or eliminated altogether, public transportation services for small cities and rural communities. This trend has been evident

1 in airline services for several years and is now being felt in reduced or
2 eliminated bus service;

- 3 3. Extends the hazardous materials exemption for transportation of
4 agricultural production materials to family farmers and/or end-users, as it
5 relates to the Department of Transportation's HM-200 rule;
- 6 4. Exempts farm machinery operators from Commercial Driver's License
7 (CDL) requirements;
- 8 5. Exempts farm operations that are delivering their own product from CDL
9 requirements; and
- 10 6. Encourages development of alternative transportation systems including
11 electric, CNG, and other alternative fuels.

12 We oppose:

- 13 1. New federal budget cuts that could further damage the transportation
14 services remaining in our rural communities. Proposals to terminate funding
15 for Amtrak rail service, or to privatize it now that it is making money, would
16 hurt hundreds of rural communities without alternative transportation
17 services; and
- 18 2. The use of gas tax funds for deficit reduction. Federal, state and local support
19 must be supplied to provide an integrated transportation system to serve
20 America's farmers and other rural residents.

21 **1. U.S. HIGHWAY TRUST FUND**

22 Money raised by highway excise taxes and interest earned on such revenues
23 accumulates in the Highway Trust Fund and can only be used for highway purposes,
24 with the exception that Congress has allowed part of such funds to be diverted to
25 mass transit construction and subsidies. We support using a portion of the trust
26 fund to repair county and rural bridges that are structurally deficient.

27 **2. TRUCK TRANSPORTATION**

28 NFU believes that regulation of the trucking industry should focus on high
29 quality, energy-efficient and reliable service for rural areas. Honest competition
30 should be encouraged and rates should be regulated to prevent unfair practices by
31 trucking companies.

32 We support:

- i. Trucking industry regulations that permit cooperative-owned trucks to haul up to 30 percent of non-member, general merchandise;
- ii. Review of backhaul restrictions on trucking, while maintaining an emphasis on food safety, to save energy and lower shipping costs;
- iii. Legislation to provide for uniform maximum gross truck weights and measures, along with harmonized safety, license and operational regulations across all states; grandfather provisions for the longer lengths and higher gross weights presently authorized in certain states should be maintained;
- iv. Exclusion of farm vehicles, used exclusively to transport products of the farmer owner-operator, from federal highway-use taxes collected by the IRS, and exemption from any unnecessary federal regulation regarding the transportation of hazardous substances being used by farmers in the course of their own farming operations. Farm machinery and farm vehicles used for off-road purposes, which are being moved from one field to another, should be exempt from using taxable highway fuel; and
- v. Increased law enforcement to ensure commerce shipping is subject to traffic law so that community residents enjoy adequate protection of their safety.

The above-listed regulations, as well as U.S. safety standards, must apply to all members of NAFTA.

We believe family-farm operations hauling their own commodities should be exempt from mileage limitations, commercial driver's licenses, and commercial truck licensing requirements, including International Fuel Tax Association (IFTA) tax requirements and issues relative to the Federal Motor Carrier Safety Act.

3. RAIL TRANSPORTATION

i. Rail Service

Federal rail transportation policy should recognize that deregulation of railroads cannot be treated in the same manner as deregulation of other industries. Continuing rail mergers result in elimination of rail service to many communities and the establishment of a single railroad service to entire portions

1 of the country. Federal policy must provide for government regulation in
2 instances where there is no rail competition.

3 We support:

- 4 1. The Surface Transportation Board (STB) addressing the problems of
5 captive shippers, including:
 - 6 a. Ensuring that common carrier obligations are adhered to;
 - 7 b. Providing oversight of branch-line abandonment, in addition
8 to transferring jurisdiction of branch-line abandonment to
9 state regulatory agencies from the federal government;
 - 10 c. Ensuring that reasonable notice of rate changes is continued;
 - 11 d. Establishing trackage rights in order to encourage rail-to-rail
12 competition;
 - 13 e. Establishing reciprocal switching within, and for an
14 appropriate distance outside of terminals in order to
15 encourage rail-to-rail competition;
 - 16 f. Authorizing a maximum rate for a movement to a captive
17 shipper;
 - 18 g. Authorizing, when petitioned, the removal of agreement
19 provisions that prevent short-line railroads from delivering
20 traffic to any railroad;
 - 21 h. Enacting a policy that would hold railroads responsible for
22 losses due to delayed delivery of rail cars; and
 - 23 i. Reasonable rates for less than unit train pricing.
- 24 2. Taking action to avoid a rail car shortage for transporting grain and
25 other perishable commodities;
- 26 3. Expansion of regional railroads where local residents deem
27 appropriate, using a route that spares productive farmland;
- 28 4. Continued implementation of the Railroad Regulatory Reform Act of
29 1980 (Staggers Act) intended to provide protection to rail
30 transportation users who have been determined to be captive
31 shippers;

5. Legislation that would provide adequate bulk commodity and intermodal shipping facilities;
6. Funds to finance a survey to determine the most desirable location of subterminals as well as adequate financing of subterminals and equipment, including rolling stock;
7. Provisions to assure continued local control over the movement and storage of farm commodities;
8. Federal legislation that would create rural transportation cooperatives and finance programs, patterned after the rural electric cooperative program, for railroad cooperatives seeking to preserve rail service in rural areas;
9. Careful consideration of proposals to create utility corridors or federalize the railroad beds, thereby improving railroad efficiency and promoting more competition among conventional and alternative railroads;
10. "Unit train" loading that provides for pooling of grain shipments and is not limited to one-stop terminal loading, in addition to stricter regulations and better enforcement of laws to require companies to provide proportionately equal service to elevators in the allocation of rail cars;
11. Rate regulations that incorporate provisions to protect smaller shippers from rate discrimination;
12. Continued regulation of freight rates and commodities shipped by rail;
13. Statutory provisions to govern mergers or reorganizations of railroad lines facing financial difficulty to assure that such mergers do not destroy competition or necessary service;
14. Allowing adjacent landowners or existing businesses leasing the property to be given first option to purchase abandoned railway rights-of-way, including mineral acres, at fair appraisal value;
15. Legislation to prevent companies or railroad property owners from charging unreasonable prices for railroad property and lease sites;

16. A moratorium on all rail-line abandonments, until a formula for abandonment determination is enacted by Congress that will weigh all economic and social costs prior to abandonment approval;
17. Prohibition of railroad companies from forming holding companies or subsidiaries for the purpose of hiding assets originally received from land grants. Congress should insist that statutes barring acquisition of competing transportation lines be upheld;
18. Opposition to any merger between major railroad carriers that will result in the decreased competition of the rail industry; and
19. The expansion of high-speed rail, including in rural areas.

ii. **Certificates of Transportation (COT)**

Deregulation of the rail industry consolidated power among a small number of railroads and dramatically decreased competition. The subsequent Certificate of Transportation (COT) system is discriminatory, anti-competitive, and violates the intent of Congress in its adoption of the Staggers Act. Ultimately, the producers pay the increased freight costs that the COT injects into the marketing-transportation system. The greatest danger to producers and their local grain elevators is the additional concentration of economic power that the COT system would allow within the nation's grain-marketing system.

NFU urges Congress to:

1. Conduct an immediate investigation into the use of COTs and the impact on grain producers and their local elevators; and
2. Amend the Staggers Act to prohibit the use of such devices that force shippers to compete against each other for rail service.

iii. **Safety**

We support:

1. Continued improvements to the safety mechanisms on railcars and railways to better protect our rural citizens, to include:
 - a. Requiring reflective stripes to be placed and maintained on all railroad cars so they may be seen at night at rail crossings;
 - b. Enforcing lower speed limits going through communities;

- c. Requiring railroads to erect warning light and arm signals on all crossings near schools; and
 - d. Enhanced tank car standards and an expedited phase-out of older model tank cars in the transportation of flammable liquids and other hazardous materials.
2. The Surface Transportation Board enacting a policy that will force railroads to upgrade the railway infrastructure as a first step in protecting the public and ensuring the safe transport of commodities; and
 3. The rail authority being held liable for expenses incurred by local fire and emergency response departments for updating equipment and training to deal with potential rail accidents.

C. PORT DEVELOPMENT, SHIPPING POLICY

We support:

1. Adequate funding to improve our inland waterway transportation system, including funding to repair our system of locks. We are particularly concerned with needed lock renovation on the Mississippi River;
2. The lowest possible user fee for the use of locks on inland rivers;
3. Keeping the Great Lakes shipping channels, including the St. Lawrence Seaway and the twin ports of Duluth and Superior, open while such lanes are navigable, to maximize this nation's export capabilities;
4. Restricting the management of our nation's port system to U.S.-owned and – based companies;
5. Congress repealing the Jones Act; and
6. Efforts to deepen and maintain ports in the U.S., especially those that load agricultural commodities.

We oppose:

1. Legislation that requires agricultural interests to pay a disproportionate fee for operation, maintenance and construction of deep-draft channels and ocean and Great Lakes ports, in relation to the benefits derived from such activities; and

- 1 2. Any excessive increases in the inland Waterways Fuel Tax affecting the
2 transportation of agricultural commodities by barges.

3 **D. AIR TRANSPORTATION**

4 We support:

- 5 1. Maintaining feeder and commuter airline services to farm/rural
6 communities to ensure airmail and passenger service;
7 2. The continuation of federal regulation of all airline services to protect public
8 safety;
9 3. Regulations that would assure that rural areas are not penalized in airline
10 rate structures; and
11 4. Full funding and implementation of the Essential Air Service (EAS) which
12 was created to assure rural Americans access to air transportation.

13 We oppose airline fees imposed at airports, after ticket purchase, such as a
14 surcharge for checked luggage.

15 **E. RURAL UTILITIES**

16 We support:

- 17 1. The ability of rural electric and rural telephone cooperatives to continue
18 supplying reliable and affordable services to farms and other sparsely
19 populated areas of the nation through loans, loan guarantees and economic
20 development programs made available by the Rural Utilities Service (RUS) at
21 levels adequate to meet capital requirements;
22 2. Policies that allow for distributed generation that would enable family
23 farmers to provide electric generation for themselves and their
24 communities; and
25 3. The continuation of technical standards and other assistance provided by
26 RUS, provided at minimal cost to the taxpayer.

27 We oppose suggestions that the loan programs and other important services
28 provided by RUS be terminated or in some way “privatized.”

29 **1. TELEPHONE DEREGULATION**

30 In 1985, the Federal Communications Commission (FCC) proceeded along the
31 path of deregulation with little interference from Congress. Congress should
32 reaffirm its role in the formulation of communications policy by establishing

1 transitional rules for the competitive telecommunications era, which will preserve
2 universal telephone service.

3 Telephone service in rural regions will be jeopardized unless Congress directs
4 the Universal Service Fund, established in the FCC's Access Charge Decision, to
5 provide adequate support for high-cost, rural-area telephone service.

6 We support continued access, maintenance and improvement to landline
7 (including metal wire) telephone service.

8 Congress should provide safeguards for rural local exchange companies, which
9 are beset with increased regulatory burdens.

10 We support offering enhanced 911 emergency telephone service in rural areas.

11 **2. ELECTRIC SERVICES**

12 Low density is a major criterion for rural electric cooperatives, and we urge
13 continuation of a low-interest-loan pool program.

14 The established right of rural electric cooperatives to serve patrons other than
15 farmers in their service areas should be fully protected from encroachment by
16 private and municipal power companies.

17 **3. TELECOMMUNICATIONS**

18 Access to information, education and entertainment programming in an
19 information age is increasingly important to the quality of life in rural communities.

20 We support:

- 21 i. A ban on cross-ownership of media. Deregulation has fostered
22 emergence of news and entertainment monopolies, resulting in higher
23 telephone rates and rapid escalation of cable television rates;
- 24 ii. The continuation of the e-rate program, authorized in the
25 Telecommunications Act of 1996 to help make telecommunications
26 services affordable for school, libraries and health care facilities in rural
27 areas;
- 28 iii. The development of cooperative cable television systems to serve both
29 rural and urban sectors;
- 30 iv. Rejection of proposals that would weaken or eliminate radio and
31 television farm news, public service broadcast time and other services;

- v. Adoption of FCC policies that encourage sound technical standards for rural radio and television service;
- vi. Legislation to allow citizens to participate in advisory boards and committees via the use of secured telecommunications;
- vii. Greater transparency in billing for telecommunications services; and
- viii. Congress reinstating the Fairness Doctrine.

We oppose federal, state or local governments imposing taxes and fees on services such as satellite television or internet.

4. RURAL ACCESS TO TECHNOLOGY AND INFORMATION

NFU should work with its rural advocacy partners to ensure policymakers in Congress, the Federal Communications Commission (FCC) and USDA understand the importance of robust broadband deployment in rural America.

We support:

- i. Efforts to ensure competitively priced, high-speed broadband access to the internet for rural America, which should remain free of censorship and not interfere with other frequencies;
- ii. Collaborative efforts and public/private initiatives that leverage internet-based technology and use the internet to improve communications, reduce costs, increase access and grow farm business for producers and their cooperatives;
- iii. Legislative action and efforts by the administration to encourage robust broadband and wireless deployment in rural America to drive economic development, better serve farmers and ranchers and to prevent a digital divide between rural and urban citizens;
- iv. Net neutrality; and
- v. The further advancement of the cell tower and fiber optic networks to cover all rural communities to support:
 - a. New technology in agriculture that involves the use of cell service,
 - b. Faster, more improved emergency services, and
 - c. Carriers for emerging technologies.
- vi. National Farmers Union supports Fair Repair and Right to Repair legislation that would allow farmers and independent mechanics access

1 to diagnostic software, information, and other tools in order to repair
2 modern equipment.

3 **F. SMALL BUSINESS DEVELOPMENT**

4 **1. INDUSTRIAL DEVELOPMENT BONDS**

5 We support:

- 6 i. Each state being allowed a minimum base allocation in addition to the
7 per-capita allocation allowed industrial development bonds, in order to
8 provide equity among states;
- 9 ii. Judicious use of these bonds to ensure priority is given to long-term,
10 locally based economic development projects within the community; and
- 11 iii. States using industrial development bonds to finance beginning or
12 socially disadvantaged farmer programs.

13 **2. SMALL BUSINESS POLICY**

14 We support:

- 15 i. Federal policy that fosters and encourages small businesses, protecting
16 them from predatory encroachment of monopolistic big business;
- 17 ii. Small businesses being given a fair opportunity to bid on government
18 contracts;
- 19 iii. Continuation of the Small Business Administration (SBA);
- 20 iv. Ample small-business loan funds being available through the SBA to meet
21 credit-worthy applications; and
- 22 v. Requiring government regulations and paperwork to be administered in
23 ways that do not place an undue burden on small businesses.

24 **3. ENTERPRISE FACILITATION**

25 We encourage family farmers, ranchers and small boat fishermen and their local
26 communities to research and utilize various USDA Rural Development technical
27 assistance and funding programs that exist to create and support economic and co-
28 op development, enterprise facilitation, and foster the development of new products
29 and markets through the National Sustainable Agriculture Information Service,
30 Rural Cooperative Development Grants (RCDG), Value-Added Producer Grants
31 (VAPG), the Agricultural Marketing Resource Center (AgMRC), Agricultural
32 Innovation Centers (AIC), and regional food hubs, as well as others.

1 **ARTICLE X – QUALITY OF LIFE IN RURAL AMERICA**

2
3 NFU urges the adoption of national policies that address the difficulty and greater
4 cost of providing necessary health, education, consumer protection, public and
5 emergency services for our children, sick, needy, handicapped and elderly.

6 **A. HEALTH CARE**

7 NFU strongly affirms the right of all Americans to have access to affordable, quality
8 health care, with emphasis on disease prevention and access to nutritionally sound
9 foods.

10 **1. HEALTH CARE COVERAGE, ACCESS AND CARE**

11 We support:

- 12 i. A continued effort toward an improved national comprehensive health
13 plan, which includes a public option that allows citizens to choose their
14 own doctors, that provides universal, affordable and accessible coverage
15 and elder care for all Americans, regardless of their health status,
16 employment, gender or financial situation;
- 17 ii. Adoption of a single-payer national health insurance program with no
18 deductible and minimal co-pays that provides comprehensive health care
19 services that would include physical, mental and dental care to all
20 Americans. Government funds to operate such a system, similar to
21 Medicare, should be raised in a manner based on ability to pay;
- 22 iii. Emphasizing preventive care and retention of choice of doctors;
- 23 iv. Including health promotion and education in long-term policy and
24 planning;
- 25 v. Consumer education with special emphasis on childhood education on:
26 a. The benefits of nutritionally sound foods;
27 b. Health dangers of harmful products; and
28 c. Education about the benefits and risks of immunization.
- 29 vi. Increased funding for mental health and addiction treatment services;
- 30 vii. Research and education, including increased publicly-funded research, to
31 prevent the spread of, and to find a cure for, life-threatening diseases;

- viii. The development, research and use of licensed alternative medicines and practices. Such remedies should be eligible for reimbursement;
- ix. Expedited access to promising treatments for terminal illnesses, including those in trial phase;
- x. Increased access to, and use of, palliative care for patients in end-of-life situations to relieve pain, help make them more comfortable, and improve their quality of life in their last remaining days;
- xi. Third-party reimbursement for advanced health care professionals to allow nurses, resident caregivers, nurse practitioners, and physician's assistants to set up clinics and to allow improved access to home health care, health promotion, and health maintenance in rural America;
- xii. Long-term care, end-of-life care, and expanded in-home care coverage being included in any universal coverage reform. In addition, asset spend-down limits should be increased;
- xiii. Continuation of the National Health Service Corps. Funds should also be allocated to communities to provide training and equipment for emergency health care;
- xiv. Self-employed farmers having the same access to dependent care services as those in other industries;
- xv. Assistance to families struggling to provide care to their dependents, including children, handicapped persons and the elderly;
- xvi. Adoption of a comprehensive program of federal aid for depended care, including the use of tax credits;
- xvii. Congress opposing tort reform that precludes consumers' ability to receive adequate compensation for wrongful actions;
- xviii. Implementation and full funding of the Farm and Ranch Stress Assistance;
- xix. The elimination of payment caps;
- xx. That the decision-making power for patient care lies with the physician and patient, not with the insurance company or government;
- xxi. Rural areas being included in implementation of Health Information Technology (HIT) systems, which occurs as a means to use computers,

1 computer network systems to store, protect, retrieve and transfer
2 clinical, administrative and financial information electronically. We urge
3 federal legislation to eliminate gaps in incentive funding for Rural Health
4 Clinics (RHCs) and Community-Funded Safety Net Clinic (CSNCs) to
5 obtain funds to establish the systems necessary to fully serve their
6 patients with new information technology; and

7 xxii. Full implementation of provisions that will end discrimination by
8 limiting or denying benefits due to pre-existing conditions; and full
9 implementation of recently adopted legislation to remove limits on
10 benefits;

11 xxiii. Rural Health Clinics (RHCs) and Community-Funded Safety Net Clinics
12 (CSNCs) as critical parts of rural health care safety net systems. We urge
13 these entities be provided the same access to funding that is available to
14 other safety net providers. We urge the inclusion of rural and
15 community-funded safety net providers in the programs and services
16 included in the Affordable Care Act passed by Congress;

17 xxiv. States crafting health insurance exchange legislation, a state-based
18 marketplace where individuals and businesses will be able to compare
19 and purchase health insurance and establish a system that is feasible,
20 promotes access and care for rural citizens and addresses their needs;

21 xxv. States expanding Medicaid coverage to additional low-income citizens;

22 xxvi. The reauthorization and expansion of the State Children's Health
23 Insurance Program (SCHIP); and

24 xxvii. The establishment of cooperative-based health insurance companies.

25 **2. PRESCRIPTION DRUGS**

26 We support:

27 i. Immediately addressing discriminatory pricing policies, the ability of
28 providers to negotiate the price of drugs, access to generic drugs and an
29 adequate prescription drug benefit for all Americans;

30 ii. Providing rural access to prescription drugs and pharmacy services.
31 Retail pharmacies must have equal access to pharmaceutical

- 1 manufacturers' discounts, and state and federal legislative efforts are
2 encouraged to ensure equal access;
- 3 iii. The clear labeling of all prescription drugs' purposes;
- 4 iv. Permitting the general re-importation of prescription drugs from other
5 countries and repeal the federal law that prohibits it; and
- 6 v. Expedited consumer access to safe and proven generic prescription
7 drugs and an end to extended delays by drug companies or the FDA.

8 **3. MEDICARE AND MEDICAID**

9 We support:

- 10 i. Medicare, Medicaid and a prescription drug program that allows the
11 Medicare Program the ability to negotiate the price of drugs for a
12 prescription drug program;
- 13 ii. Expediting Medicare reimbursement to health care providers. All health
14 care providers should be reimbursed at a rate no lower than the
15 providers' actual cost as determined by independent audit;
- 16 iii. Extension of the Medicare program to include the treatment of long-term
17 illness as a covered benefit;
- 18 iv. Reducing the Medicare entry age to 55;
- 19 v. Accelerating the elimination of the "donut hole" (coverage gap) in
20 Medicare;
- 21 vi. The reform of Medicare and Medicaid to enable and encourage doctors
22 and dentists to serve all Medicare and Medicaid patients, especially in
23 rural areas; and
- 24 vii. Payment reform efforts and continued cost-based reimbursement for
25 rural hospitals and Critical Access Hospitals (CAH) for Medicare services.

26 We oppose:

- 27 i. Any cuts to Medicare and Medicaid;
- 28 ii. Privatizing Medicare;
- 29 iii. Proposals to block-grant Medicaid and strip its status as an entitlement;
30 and
- 31 iv. Increased use by hospitals of keeping people overnight for observation
32 care status instead of admitting patients to hospitals.

1 **4. VETERANS' RIGHTS**

2 We support:

- 3 i. Increases in the VA's medical care operating budget;
- 4 ii. Redoubling efforts to ensure all veterans receive timely and adequate
- 5 care, as they were promised;
- 6 iii. Preservation of veterans' rights and benefits;
- 7 iv. Rejecting any proposal that would close VA hospitals to balance the
- 8 federal budget;
- 9 v. Continuation of federal and state funding for existing rural hospitals and
- 10 nursing homes to provide for the health needs of veterans, while
- 11 allowing them to stay close to their families;
- 12 vi. Increasing emphasis of programs to provide assistance to individuals
- 13 suffering from post-traumatic stress disorder (PTSD) and all mental
- 14 health issues; and
- 15 vii. Agricultural rehabilitation and vocational training programs for military
- 16 veterans, such as the Farmer-Veteran Coalition.

17 **B. EDUCATION**

18 Our greatest wealth lies in an educated and informed society. The value of targeted

19 federal investment in education has been demonstrated through establishment of

20 the land-grant college system in 1862, the GI Bill of Rights, and the National Defense

21 Education Act. Schools need more time, money and a more equitable way of

22 assessing school and student achievement. We support:

- 23 1. Maintaining the U.S. Department of Education and establishing an assistant
- 24 secretary for rural education;
- 25 2. Continuation and full funding of the Perkins Act and that career technical
- 26 education remains under the umbrella of the Department of Education and
- 27 continues to be treated as an educational entity;
- 28 3. Elimination of excessive testing requirements incumbent to such programs
- 29 as "Common Core";

- 1 4. A strong national educational set of standards designed to maintain
- 2 consistency when students transfer schools;
- 3 5. No unfunded mandates from state or federal governments on schools;
- 4 6. Congress to fully fund the federal mandated Individuals with Disabilities
- 5 Education Act to assist all districts (especially rural districts) in meeting the
- 6 needs of all students;
- 7 7. Ensuring that all youth and young adults are aware of the relevance of
- 8 agriculture, cooperatives and family farming in their society through
- 9 adequate funding for coursework and/or other activities required by
- 10 education institutions;
- 11 8. Voluntary Bible-reading and prayer in our public schools;
- 12 9. States finding more equitable ways other than property tax to fund public
- 13 education;
- 14 10. Prohibiting the use of vouchers;
- 15 11. Continued involvement with, and active support of, Organizations Concerned
- 16 with Rural Education (OCRE);
- 17 12. Expansion of grants and lower “low-interest” student loans to assist students
- 18 of all ages with the cost of higher education;
- 19 13. Prohibiting the requirement of using credit ratings in determining loan
- 20 eligibility;
- 21 14. Prohibiting the privatization of state and federal student loan programs;
- 22 15. The interest rate level on student loans should be equal to, or less than the
- 23 10-year Treasury rate that is enjoyed by the large banking institutions;
- 24 16. Revising financial aid forms to ensure a more equitable system for both
- 25 urban and rural farm students;
- 26 17. Establishment of a federal student loan forgiveness program for students
- 27 who attend college and subsequently return to rural communities, based on
- 28 years of service to those communities;
- 29 18. The inclusion of agricultural producers in a federal and/or state student loan
- 30 forgiveness program based on years of service to rural communities;
- 31 19. Rural schools being assured their fair share of both federal and state
- 32 resources and support;

20. Ensuring all adults have the opportunity to participate throughout life in meaningful educational and vocational training programs;
 21. Prohibiting cuts in student aid;
 22. The federal Qualified Zone Academy Bonds (QZAB) program;
 23. Farmers Union members monitoring the implementation of the Vocational Education Act in their local schools and state vocational technical programs to be sure that the interests of agriculture are not slighted;
 24. Involvement in local, state and national 4-H, FFA, and other vocational education organizations;
 25. Unemployed workers having the opportunity for retraining and upgrading their skills as part of their unemployment benefits;
 26. The continuation of federal or state-funded retraining programs for displaced farmers and ranchers and their spouses;
 27. Teaching animal welfare, as opposed to animal rights, through efforts including, but not limited to, the "Agriculture in the Classroom" program;
 28. Adequate funding to enable public schools in rural areas to provide our children with a well-rounded education that will enable them to be productive citizens;
 29. Schools that have developed courses in entrepreneurship as a means of encouraging young people to stay in their rural communities;
 30. Encouraging rural schools to explore all educational possibilities to enhance the curriculum, such as distance-learning courses, and serve as an alternative to school consolidation or closure;
 31. The development and retention of remote learning centers to provide a broader range of educational opportunities; and
 32. Consumer and regulator education on the benefits of healthy soils in relation to our physical health, particularly as related to the Food Safety Modernization Act (FSMA).
- We oppose mandatory consolidation of rural schools.
- 1. PUBLIC RESEARCH** *(ALSO SEE ARTICLE VIII.J – COMMODITY FUTURES)*
- Land-grant colleges and universities helped create the technological revolution in agriculture. We support:

- i. These institutions focusing on research to increase family farm net income, specialty crops and commodity prices;
- ii. Farmers Union state organizations scrutinizing relationships between USDA grants and the land-grant colleges and universities and large agribusiness corporations to ensure that research by those colleges and universities is in the best interests of family farmers;
- iii. Full financial disclosure of funding sources for land-grant university research projects must be made a part of the published research;
- iv. The continuation and additional funding for all federal formula allocations, such as Hatch Act and Smith-Lever Act funds;
- v. Increased funding supporting land-grant colleges for research into alternative agricultural technologies which would benefit small and specialized family farmers by reducing input costs and by developing a system of sustainable agriculture;
- vi. Funding targeted for the development of risk management tools for organic producers (*also see article I.G.2 – Crop Insurance and Article I.I.9 – National Organic Standards*);
- vii. Targeted research specifically designed to explore innovative production, processing and marketing topics that enhance small or family-sized farm operations;
- viii. Amending the Internal Revenue Code to create a new type of 401(c)(3) organization, as an agriculture research organization (ARO), to conduct agricultural research and increase funding to advance agriculture;
- ix. Publicly funded research, findings and by-products of the research remaining in the public domain and benefiting family-sized farms; and
- x. Consideration to authorize the distribution of federal agriculture research funds to both land-grant universities and other post-secondary agricultural educational institutions.

2. NATIONAL INSTITUTE OF FOOD AND AGRICULTURE

The National Institute of Food and Agriculture (NIFA) was established with the mandate to help the public learn about and apply to everyday activities, the latest technology and management knowledge. This valuable rural information delivery

1 system's role must be reassessed and strengthened to meet the demands of a
2 rapidly changing, highly sophisticated technology delivery system now available in
3 this country.

4 We support:

- 5 i. Land-grant universities re-envisioning agricultural extension training so
6 that it respects and utilizes the experience of farmers and ranchers and
7 the significant role this experience plays in the science of agriculture;
- 8 ii. Farmers and ranchers being part of the research team;
- 9 iii. Extension training respecting and utilizing the agricultural practices of
10 traditional native peoples and acknowledge the significant role these
11 practices play in sustainable agriculture;
- 12 iv. Agricultural extension educators mentoring low- and moderate-income
13 families to improve agricultural economies by adding value to
14 agricultural products; and
- 15 v. No funds utilized by NIFA being used to carry out political or lobbying
16 activities.

17 **C. SOCIAL SECURITY**

18 We support:

- 19 1. Active participation in developing a plan to help ensure the solvency for
20 Social Security for future years;
- 21 2. Prohibition of using Social Security funds for anything other than their
22 intended use;
- 23 3. Preserving a major portion of any budget surplus for Social Security;
- 24 4. Opposition to a freeze on the Social Security cost-of-living allowance for all
25 recipients;
- 26 5. Social Security tax being applicable to all earnings by removal of the income
27 cap;
- 28 6. Opposition to any part of Social Security being invested in non-government-
29 insured investments;
- 30 7. Social Security being a mandatory, universal system to assure benefits in the
31 future;
- 32 8. Continued strengthening and protecting of the Social Security program;

9. Opposition to proposals that would privatize the system;
10. Continuation of efforts made to correct an inequity in Social Security benefits for recipients born during “notch” years, which results in reduced entitlements for basically the same level of contributions;
11. Congress changing laws so that a husband and wife who are equal business partners in a farming operation are able to collect equally on the Social Security tax that was paid as a result of that business; and
12. Congress changing the eligibility requirements for individuals who haven’t worked off the farm long enough to qualify for benefits.

D. PEOPLE WITH DISABILITIES

We support:

1. Public and private programs aimed at providing development, therapy and rehabilitation of Americans with developmental, physical and mental challenges; and
2. Equal and gainful employment for individuals with disabilities and the development of special supports for farmers who are disabled and who want to continue to farm.

E. EMPLOYMENT, A NATIONAL PRIORITY

We recognize the need to prepare a skilled workforce that will be required for a healthy, competitive, full-employment economy.

We support:

1. Expanding present policy to further training and employment opportunities for all ages of men and women who want to work;
2. Assistance being targeted to retraining dislocated workers and displaced farmers;
3. A preference for training with agriculture or agricultural related industries;
4. Directing special emphasis to stimulating economic growth and increasing research and development of technology that will generate productive jobs with fair wages and benefits; and
5. The elimination of the Multiemployer Pension Reform Act of 2014 (MPRA).

F. IMMIGRATION POLICY (ALSO SEE ARTICLE I.I.1 – FARM LABOR)

1 We believe the growing consequences of a broken immigration system must be
2 addressed in a bipartisan effort that considers the following principles:

- 3 1. Immigration is a federal issue that should be addressed at the federal level.
4 We therefore oppose programs such as E-Verify at the state level only;
- 5 2. We support adoption of a mandatory E-Verify program only in conjunction
6 with a coherent and viably effective agricultural worker program. The E-
7 Verify system must allow communication among federal agencies for
8 determining status in order to protect the integrity of the worker and of the
9 employer;
- 10 3. We support simplifying the H-2A program by removing overly burdensome
11 requirements to better serve the needs of family farmers and ranchers;
- 12 4. As we are best served by a free-market philosophy that maximizes individual
13 freedom and opportunity, our immigration system must be flexible enough
14 to address the needs of businesses while protecting the interests of workers.
15 This includes an effective visa system responsive to geographic proximity
16 and economic and cultural factors, which acknowledge the beneficial
17 contributions immigrants make as workers, taxpayers and consumers;
- 18 5. As strong families are critical to developing successful individuals and
19 cohesive communities, our immigration policies should prioritize keeping
20 families together to most enable supportive home environments for all
21 children;
- 22 6. Our immigration enforcement strategy should focus on public safety and
23 consider consequences to businesses, workers and consumers. Furthermore,
24 our broader immigration reform effort should include a path to reliably and
25 affordably determine who is permitted to work, ensuring an adequate labor
26 force for a growing economy;
- 27 7. Immigrants are part of both our rural and urban communities. We must
28 adapt to this reality and recognize the critical role immigration has played in
29 our nation's history and economy;
- 30 8. Immigration policies must provide a sensible path for those who are here
31 without legal status, are of good character, pay taxes and are committed to
32 becoming fully participating members of our society. The legalization of

undocumented workers may occur after paying appropriate fines and incurring penalties for illegal entry;

9. Encouraging any people seeking permanent residence in the United States to apply for citizenship with all the rights and responsibilities that accompany it; and
10. Moving forward with a worker visa program for immigrants who are working on farms and ranchers, including both seasonal and full time year-round workers. Eligibility for visa renewal should be based on work history.

We also support:

1. Implementing the DREAM Act;
2. A fast track toward U.S. citizenship for those immigrants of upstanding character who seek citizenship and serve with honor in a branch of the U.S. military service; and
3. A pathway to citizenship or legal residency for undocumented agricultural workers that does not restrict their employment to any specific farm or group of farms.

We oppose the indentured servitude of a captive workforce.

G. EXPANDING OPPORTUNITIES FOR SENIOR CITIZENS

In keeping with the traditional American concept of individual dignity in our democratic society, all older Americans are entitled to enjoy an active involvement in our society. The number of older Americans continues to increase, and efforts must be expanded to continue to make use of their experience, skills and energy to fill the needs of our society through citizen involvement, employment and volunteer activities.

We support:

1. The energies and talents of retired Farmers Union members and employees being used to strengthen and expand our organization;
2. Reauthorization of and enhanced funding for the Older Americans Act (OAA);
3. Experience Works, formerly Green Thumb, an Internal Revenue Code section 501(c)(3) nonprofit organization was conceived by NFU because older Americans who had the ability and desire to work were not given the opportunity to do so. Experience Works exists today because it has never lost sight of its original purpose, to serve those most in need of its benefits;

- 1 4. Continuation and expansion of the Senior Community Service Employment
2 Program (SCSEP) as a separate categorical program under the
3 administration of the Department of Labor, providing full funding at
4 authorized levels and opposing block-granting; and
- 5 5. The development of policies to allow our seniors to age in place if they so
6 desire.

7 **H. FOOD AND NUTRITION PROGRAMS**

8 It is imperative that our national nutrition policy addresses both the quantity and
9 quality of food available to needy Americans. Nutrition programs should place an
10 emphasis on fresh and local foods to ensure that Americans of all income levels have
11 access to healthy, nutritious foods.

12 **1. ADMINISTRATION OF FOOD AND NUTRITION PROGRAMS**

13 We support:

- 14 i. Reauthorization and full funding of federal nutrition programs under the
15 auspices of USDA;
- 16 ii. Expansion of nutrition programs to include farm-to-school, senior
17 project-fresh, WIC and Senior Farmers Market Nutrition Programs,
18 programs that allow SNAP and other federal nutrition program
19 beneficiaries to double their benefits at farmers markets, and others;
- 20 iii. Congress continuing federal responsibility for nutrition programs;
- 21 iv. Maintaining federal standards as well as the USDA's authority for
22 commodity donations to nutrition programs;
- 23 v. Requiring comprehensive and unbiased research precede any official
24 dietary advice regarding the relationship between diet and health;
- 25 vi. The United States Dietary Guidelines to utilize the abundant and
26 thorough evidence suggesting that Americans should consume a
27 balanced diet rich in nutrients which includes lean meats and dairy
28 products;
- 29 vii. All federally funded nutrition programs following the US Dietary
30 Guidelines;
- 31 viii. Periodic reviews of federally funded nutrition programs to assess their
32 effectiveness; and

- ix. Expansion of nutrition feeding programs for the elderly, including the distribution of excess commodities when available.

We oppose:

- i. The privatization of the administration of federally-funded nutrition programs;
- ii. The shifting of nutrition programs to state block grants; and
- iii. Separating nutrition title programs from the Farm Bill.

2. FOOD ASSISTANCE PROGRAMS

We support:

- i. The Food Stamp Act of 1964;
- ii. The Supplemental Nutrition Assistance Program (SNAP);
- iii. Outreach efforts to extend services to the increasing number of hungry people who should be served, particularly in rural areas where access is a problem;
- iv. Exclusion of farm loans as income in determining eligibility for SNAP;
- v. Continued development of the Electronic Benefits Transfer (EBT) Program;
- vi. Prohibiting efforts to substitute cash payment for SNAP;
- vii. Programs which allow SNAP users to purchase food directly from farmers markets, community supported agriculture (CSAs) and local producers;
- viii. Commodity distribution programs such as The Emergency Food Assistance Program (TEFAP), the Commodity Supplemental Food Program (CSFP) and child feeding programs;
- ix. USDA making healthy surplus foods readily available to food banks and emergency kitchens, bearing the cost of transportation and storage; and
- x. Federal law that requires commodities distributed for nutrition programs be domestically produced.

3. CHILD NUTRITION PROGRAMS

We support:

- i. Full funding and expansion of the child nutrition programs such as the School Lunch Program, School Breakfast Program, Child and Adult Care

- Food Program (CACFP), Summer Food Service Program, the farm-to-school program, WIC, and other USDA nutrition assistance programs;
- ii. Congress to redirect USDA to support a school meal program at the federal level that provides flexibility and reduces the federal regulations while encouraging a healthy diet, the use of local foods and local food preparation;
 - iii. Free lunches under the School Lunch Program for all elementary students;
 - iv. The Special Milk Program for children;
 - v. Congress to strengthen and expand farm to school programs by supporting an increase of annual mandatory funding for the USDA Farm to School Grant Program. We support expansion of the USDA Farm to School Grant Program to include preschools, summer food service program sites, and before and after school programs. We encourage farm to school partnership to increase consumption of nutritious and/or traditional foods while also supporting farmers and ranchers;
 - vi. Increased emphasis on the use of locally produced foods in all government nutrition programs, such as the farm-to-school program, and that such programs be fully funded; and
 - vii. The removal of soda sales in public schools during lunch hours.

I. NUTRITION MONITORING (*ALSO SEE ARTICLE I.D – LABELING OF COMMODITIES AND COMMODITY PRODUCTS*)

The National Nutrition Monitoring and Related Research Act creates a national system for monitoring the nutritional status of the U.S. population and, for this reason, is of great importance to those concerned with hunger, malnutrition and the broad planning for adequate food and farm policy. We urge continued effort to establish such mandated information collection as a basis for sound national policy.

J. FOOD SAFETY (*ALSO SEE ARTICLE III.D – HEALTH AND INSPECTION STANDARDS FOR FOOD AND FIBER IMPORTS AND ARTICLE I.D – LABELING OF COMMODITIES AND COMMODITY PRODUCTS*)

1. REGULATORY AUTHORITY

1 Current U.S. laws are not sufficient to address the complexities of our modern
2 food supply. As such, Congress should develop a new body to regulate food safety
3 that will oversee the U.S. food system and is adequately funded to carry out its
4 mandate. Therefore, we support:

- 5 i. The creation of a single food safety agency within USDA to regulate the
6 U.S. food supply as a whole, including imported food and foods that are
7 domestically produced;
- 8 ii. Congress providing sufficient funding for safety regulation of the U.S.
9 food supply; and
- 10 iii. The authority of the regulatory agency to require a recall in the event of
11 an outbreak of unsafe food.

12 **2. FOOD SAFETY STANDARDS**

13 It is imperative that we maintain the high quality of our food supply. This means
14 ensuring high standards for production, processing and transportation.

15 We support:

- 16 i. Vigorous action by U.S. regulatory agencies to prevent the introduction of
17 bovine spongiform encephalopathy (BSE) into U.S. livestock and
18 livestock products;
- 19 ii. A moratorium on mechanical de-boning until the process can be
20 improved to ensure that no undesired portions of the carcass are present
21 in the final product;
- 22 iii. Opposition to the transportation of food in containers that have carried
23 incompatible substances;
- 24 iv. Protecting our nation's food supply and the rigorous inspection of all
25 imported food, fiber, milk protein concentrate (MPC), animal products
26 and by-products to ensure they meet our nation's sanitary and phyto-
27 sanitary standards including safe pesticide levels. USDA inspection
28 stamps/seals should be placed only on the individual items inspected;
- 29 v. The development of fairly administered Good Agricultural Practices
30 (GAPs) for field-grown vegetable crops which support the biodiversity of
31 farming operations and which do not discriminate against smaller
32 operations. These GAPs should be administered by the USDA, in

1 cooperation with state departments of agriculture. Further, it should be
2 recognized that the most effective method of preventing foodborne
3 illnesses is for rigorous measures instituted at the time that field-grown
4 crops enter processing, packaging and subsequent transportation and
5 storage;

6 vi. Permitting states to implement food safety regulations more stringent
7 than comparable federal regulations where states deem consumer health
8 and safety to be at risk or when individual agricultural producers strive
9 to set a higher bar for the safety of food products destined for specialty
10 or export markets;

11 vii. National food safety policies that can and should protect consumers
12 without limiting farmers, ranchers or small food processors who sell into
13 local and regional markets. Regulations should be size- and risk-
14 appropriate;

15 viii. FDA ensuring Food Safety Modernization Act rules are science-based,
16 have size-appropriate regulatory flexibility, and do not conflict with the
17 National Organic Program;

18 ix. A continued evaluation of the regulations for the Food Safety
19 Modernization Act (FSMA) to rationally address the practice of organic,
20 natural and diversified farm operations vital to the local food movement,
21 to scale requirements and fees with an understanding of the differences
22 between corporate and family agriculture, and remove from the
23 regulations the needless elements that serve the purposes of corporate
24 agriculture at the expense of family farms, sovereign nations, growers of
25 local foods, and consumers; and request that Congress provide
26 appropriate funding to support the implementation of FSMA;

27 x. Allowing interstate shipment of state-inspected meat that complies with
28 federal standards and providing assistance to processors who wish to
29 participate in such a program;

30 xi. Permitting cross-utilization of meat inspectors and meat graders in all
31 federally and state-inspected meat processing plants which meet federal
32 inspection standards; and

- 1 xii. When tracking foodborne illnesses, the utilization of the epidemiological
2 model as pioneered by the University of Minnesota.

3 **3. INSPECTION OF PERISHABLE COMMODITIES**

4 NFU recognizes the need for integrity and accountability in the federal
5 inspection services. Federal agencies must maintain food inspection credibility
6 without adding to grower or packers costs by implementing the following:

- 7 i. Checks and balances to discover and address infractions that interferes
8 with transaction fairness;
9 ii. Stiff penalties on violators;
10 iii. Improved supervision and auditing; and
11 iv. Identification and prosecution of violators.

12 **4. AGRI-TERRORISM**

13 With increased attention and focus on potential agri-terrorism attacks on our
14 nation's food chain, rural America must be educated, prepared and vigilant of all
15 potential circumstances.

16 We support:

- 17 i. The Department of Homeland Security (DHS) and USDA immediately
18 developing mechanisms to combat agri-terrorism with full funding
19 provided by DHS. Such mechanisms should ensure the safety of the
20 consumer and agricultural industry;
21 ii. Increased cooperation between USDA, DHS, Department of Health and
22 Human Services (HHS) and the Federal Emergency Management Agency
23 (FEMA) to establish, expand and continue to determine vulnerabilities
24 within the agricultural and food industries;
25 iii. Establishing a USDA public awareness and education campaign for
26 producers;
27 iv. Providing federal guidance and funding to states and localities to develop
28 and implement plans for agricultural disease prevention, recovery and
29 response, based upon already established state animal response
30 activities; and
31 v. A requirement of representatives of federal, state and county agencies to
32 notify landowners prior to non-emergency access of their private

property. Representatives and vehicles used for access should also display appropriate agency signage and identification.

K. WORLD FOOD DAY

NFU urges participation in World Food Day as proclaimed by the United Nations' Food and Agriculture Organization.

L. HOUSING

We support:

1. Increased support for affordable housing, with allocation of units to rural areas in proportion to need;
2. Development of housing options for senior citizens and disabled veterans to allow them to continue living in or near their communities and families;
3. Acceleration of rural, cooperative, farm-labor housing programs, self-help, and building-site programs; and
4. Expansion, continuation and full federal commitments to Title V housing programs administered through the Rural Housing Service (RHS) of USDA.

M. LIABILITY INSURANCE

We urge a study into the rapid escalation of officers' and directors' liability insurance costs, especially as they affect our farm cooperatives and nonprofit businesses.

Because of the high costs to taxpayers and the reduced availability of liability insurance, we urge that liability against all local units of government be limited to cases of gross negligence.

N. CONSUMER PROTECTION

As one of the largest consumers of goods and services, farm producers are critically affected by legislation to protect consumers.

We support:

1. Vigorous enforcement of consumer protection laws, including Truth-in-Labeling, Truth-in-Lending, and Truth-in-Advertising and oppose exempting agricultural lending from Truth-in-Lending;
2. Loan institutions carrying insurance to protect the borrower against failures of the lending institutions, as the Federal Deposit Insurance Corporation (FDIC) protects the depositor; and

- 1 3. Continued cooperation with other consumers and organizations of
2 consumers to protect our common interests.

3 **O. CAMPAIGN FINANCE AND ELECTIONS**

4 **1. CAMPAIGN FINANCE**

5 We support comprehensive campaign finance reform, including:

- 6 i. Public financing;
7 ii. Caps on total spending;
8 iii. Caps on total contributions;
9 iv. Prohibition of unreported soft money;
10 v. Full reporting of all types of contributions;
11 vi. Eventual elimination of all political action committees;
12 vii. Elimination of “527” organizations;
13 viii. Legislation overturning the Supreme Court’s decision in the Citizens
14 United v. Federal Election Commission case that allows corporations to
15 make unlimited campaign contributions; and
16 ix. Full disclosure of contributors to political issues and candidate
17 campaigns

18 Until the time this is achieved, we support participation in the NFU Political
19 Action Committee (NATFARMPAC) as a means for our voice to be heard.

20 **2. ELECTIONS AND ELECTED OFFICIALS**

21 We support:

- 22 i. The federal government’s assistance to local government units to offset
23 the cost of election voting machines that were mandated by the federal
24 government;
25 ii. States adopting standards to avoid uncertainty in voting and counting
26 ballots and also provide a paper trail that makes reviews and recounts
27 possible;
28 iii. Barring TV and radio news reports of national elections and exit polls
29 until all voting stations are closed in the 48 contiguous states;
30 iv. Programs that encourage youth involvement in the voting process;
31 v. Legislation that states Congress shall pass no law that applies to a citizen
32 of the United States that it does not apply to itself as an institution or to

- 1 individual senators or representatives, or vice versa, except as it relates
2 to national security issues and/or their personal security;
- 3 vi. Voting, vote counting, and post-election auditing conducted with
4 electronic tabulation equipment must ensure reported results reflect
5 votes cast and not be reliant on proprietary software inaccessible to
6 bipartisan election oversight;
- 7 vii. Legislation requiring political campaigns and issue-based interest groups
8 to adhere to the “do not call” list. Furthermore, this provision should roll
9 over into a “do not text” list; and
- 10 viii. Broad enforcement of the equal-time rule.

11 We oppose:

- 12 i. Term limitations; and
- 13 ii. Practices that lower voter participation. We urge candidates who choose
14 to use negative campaigning be required to appear in the commercials
15 they authorize.

16 **P. U.S. FREEDOMS AND LIBERTIES**

17 Although much has been accomplished to ensure freedom and equal opportunity for
18 all citizens, regardless of race, gender, ethnicity, age, sexual orientation or religion,
19 much remains to be done.

20 We support:

- 21 1. Efforts to provide equality of rights for all in every aspect of life. These rights
22 shall not be denied or abridged by the United States or any state within;
- 23 2. Vigorously defending the right of privacy;
- 24 3. Elimination of the abuse of federal agency powers and surveillance of law-
25 abiding citizens;
- 26 4. The right of reporters to keep their news sources confidential as inherent in
27 the “citizens’ right to know”;
- 28 5. Proper display and respect of the U.S. flag;
- 29 6. The usage of “God” on government buildings, legal documents and legal
30 tender and we oppose the removal of existing references;
- 31 7. The men and women of the U.S. armed services for their contributions
32 around the world;

1 8. The use of unmanned aerial vehicles (drones) for agricultural purposes, only
2 after landowner or land operator approval; and

3 9. Opening up the National Airspace System to allow drones for agricultural
4 purposes

5 We oppose the use of drones for covert surveillance of agricultural operations.

6 **Q. POSTAL SERVICE**

7 It is the specific intent of Congress that effective postal service be assured to
8 residents of both urban and rural communities. Rural America has the right to expect
9 the U.S. Postal Service to adhere to the policy of the Postal Reorganization Act of 1971.

10 We support:

- 11 1. Raising First Class postage rates consistently and concurrently with bulk
- 12 mailing or Second Class rates;
- 13 2. Congress correcting the difficult situation it has imposed on the U.S. Postal
- 14 Service by requiring excessive advance funding of pension funds;
- 15 3. Re-establishment of the Postal Savings Bank; and
- 16 4. Appointing a blue-ribbon panel to investigate the expansion and creation of
- 17 new services offered by the USPS to facilitate economic growth and
- 18 development in rural and inner city communities.

19 We oppose:

- 20 1. Closing small post offices solely because they are operating at a deficit;
- 21 2. Changes in postal policy that will result in reduced, less frequent or
- 22 insufficient mail services for rural areas including the elimination or
- 23 reduction in parcel post delivery for rural areas or increased rural postal
- 24 rates; and
- 25 3. Privatization of the U.S. postal system, including the establishment of
- 26 contracted rural routes.

27 **R. RURAL EMERGENCY SERVICES AND MANAGEMENT PLANNING**

28 Agricultural communities face potential threats and emergencies (i.e. medical,
29 biological, natural and environmental disasters); therefore, we support:

- 30 1. The implementation of federal, state and local emergency management
- 31 plans;

2. Opportunities for citizens to become informed about and implement preventative steps;
3. The dedicated volunteers who serve as emergency medical technicians, firefighters, and law enforcement reserves;
4. Training schedules that recognize the time commitments of the volunteers;
5. Current laws that allow pre-hospital providers to perform services under a doctor's written or verbal protocol;
6. Development, preservation and expansion of the rural 911 emergency response systems; and
7. Prohibiting cuts and the elimination of any useful programs that benefit first responders in rural areas.

S. VOTING DISTRICTS

1. REDISTRICTING

We support:

- i. A nonpartisan redistricting process when voting districts are redrawn;
- ii. The establishment of a nonpartisan redistricting process by states that utilizes computer software to generate a redistricting map that does not take into account any political information;
- iii. The removal of politics from any redistricting process; and
- iv. Voting districts being drawn according to the following criteria:
 - a. Population equality,
 - b. Contiguity,
 - c. Unity of counties and municipalities, and
 - d. Compactness

We oppose:

- i. Current legislators drawing district lines; and
- ii. Gerrymandering of voting districts to dilute rural representation or give advantage to any particular party.

2. STATE LEGISLATIVE DISTRICTS

We support efforts to allow for the apportionment of one of the two legislative bodies of bicameral state legislatures based upon scientific geographical areas and the other body apportioned based upon population.

The U.S. Congress follows this approach to determining the composition of the Senate and the House of Representatives and the same method should be allowed for state legislatures. This method would duplicate the system defined in the U.S. Constitution for the Congress.

Since the Supreme Court ruling in *Reynolds v. Sims* in 1964, state legislatures have been forced to apportion both bodies in a bicameral legislature based solely upon population under the “one person, one vote” theory. This has led to a decline in the ability of citizens in rural areas to be effectively represented in the state legislatures. Declining rural populations have significantly changed the composition of most state legislatures to the detriment of rural citizens, with the interests of citizens in rural areas being underrepresented in the legislative process.

T. INFORMATION COLLECTION AND PROTECTION

Detailed field data should only be collected with the producer's consent in a manner so as to:

1. Ensure data collected remain the property of the producer;
2. Protect privacy;
3. Avoid consolidation of market power;
4. Maintain competition; and
5. Prevent manipulating markets.

ARTICLE XI – FAMILY FARMERS AND THEIR ORGANIZATION

Realization of democratic aims and ideals requires citizen participation in the processes of government as individuals and as members of people-oriented movements and organizations.

NFU serves its members by providing an organizational structure in which they can participate more effectively in the processes of our society. The objectives of the Farmers Union challenge us to make the organization strong and effective. To accomplish these goals, we must:

1. Require dedicated efforts of officers, leaders and grassroots members;
2. Encourage participation of family members in this effort;
3. Encourage gender balance on all committees, boards and in all offices, from the local to the national level, within our organization;
4. Encourage qualified individuals, regardless of race, gender, age, ethnicity, sexual orientation or religion to serve on all committees, boards, and in all offices;
5. Urge members to become more active in their own organization and local cooperatives, and in state, regional and national public life. Active participation can best be inspired when attention is paid to:
 - a. The study of issues;
 - b. Decision-making within the organization;
 - c. Carrying out group efforts to implement policy;
 - d. Attracting more members into the organization; and
 - e. Promoting the use of the business services associated with Farmers Union.

NFU must take the lead on educating policymakers and the public on the real cost of corporate welfare.

NFU should initiate and work with other organizations to educate the public on the important issues of our National Farmers Union policy. NFU should allow for each state to continue to teach the history of National Farmers Union, their state Farmers Union and agriculture in their respective state.

A. EDUCATIONAL ACTIVITIES

1. SEMINARS AND WORKSHOPS

Special sessions should be held at all Farmers Union levels on issues that are of special concern at a particular time. Seminars should also be directed to special groups interested in farm cooperatives or particular farm commodities.

State organizations are encouraged to include among their educational activities: camps for youth and adults, legislative workshops, leadership training institutes, and other events, especially on timely issues.

2. FARMERS UNION YOUTH PROGRAMS

Its strong national and state youth programs make the Farmers Union unique among farm organizations. The highest priority and support should be given by national and state Farmers Union leadership to the Farmers Union youth programs. Farmers Union youth must be prepared to assume eventual leadership of our organization through the following methods:

- i. Greater encouragement for Farmers Union youth to attain positions of responsibility within the organization;
- ii. Special emphasis given to ongoing study programs, camps, All-States Camps and seminars;
- iii. Increased involvement of youth in the organization's decision-making process, group action and conventions;
- iv. Frequently updated Farmers Union educational materials and texts for youth leaders;
- v. Recognition of state and national youth leaders who have given of themselves in building the organization's youth programs as well as the youth that are involved in the organization's youth programs;
- vi. Action from state organizations to encourage young people to remain active in Farmers Union as they become adults; and
- vii. Formation of a collegiate Farmers Union chapters in each member state and hold a national collegiate conference no less than once annually. We support more activities for young adults to inform them on involvements in Farmers Union.

3. FARMERS UNION YOUNG FARMER PROGRAM

Through its education program, the national organization, in conjunction with state Farmers Unions, should continue to develop its leadership programs upon the principles of cooperation and family agriculture. Farmers Union should strive to bring a broad understanding of humanities and the land to the public in order to perpetuate the spirit of cooperation, education and community development upon which the organization was founded.

4. FARMERS UNION EDUCATION CENTER

It is imperative that we maintain our ownership of the Farmers Union Education Center at Bailey, Colorado. We encourage upgrading the facility. All-States Camps at Bailey have not only been highlights of our youth program, but also represent the time that young adults have become true participants in NFU. We urge that every effort be made to continue this opportunity at the facilities.

B. COMMUNICATIONS

Communications within the organization, and with the media and public, are vital to promote and support Farmers Union activities and to call attention to the organization's goals. We encourage members and others to utilize all NFU communications tools.

C. FARMERS UNION LEGISLATIVE BUDGET FUND

The NFU Legislative Budget Fund is an important source of support for the overall legislative staff effort. Individual Farmers Union members, local and county units, affiliated cooperatives and other interested groups should give increasing support to this cause.

D. POLITICAL EFFECTIVENESS

Political education should be continuous.

Discussions of relevant political issues should be carried on throughout the organization with maximum opportunity for members to participate in efforts to influence political decisions.

The financial aspects of political action should not be ignored. Members should consider being more supportive of NATFARMPAC. Additionally, as a collective effort, we encourage state organizations to help collect a dollar per member per year. Candidates should be given support if, in the judgment of members, they regard Farmers Union recommendations favorable.

Members have a right to know the voting records of members of state legislatures and Congress on issues which Farmers Union has clearly indicated a position, and, therefore, the national organization and state Farmers Unions should continue to supply such information to their members.

In view of the steady decline in rural populations and of those directly involved in agriculture, it has become even more important for our national and state organizations to build alliances with consumer groups, other agricultural organizations, urban legislators, non-farmer rural residents and leaders so as to leverage our political effectiveness.

E. MEMBERSHIP EXPANSION

Growing our organization should be our number one priority. The best hope for family agriculture is for producers to join together to build the Farmers Union.

We encourage the expansion of our organization and affiliate memberships for like-minded organizations and ventures. *(Additional information can be found at www.nfu.org)*

We encourage individual state organizations to make membership growth a priority. Each state should establish a specific membership plan of action. Farmers Union members should be encouraged to sign up new members. A special emphasis should be made to ensure that all cooperative patrons and board members are members of Farmers Union.

We are encouraged by the efforts of national and state Farmers Union organizations in development of new programs and services. Special emphasis should be made to ensure that participants in these programs and services are members in their respective state Farmers Union organization.

F. MEMBERSHIP BUDGET INFORMATION

For information on the Farmers Union budget, members are encouraged to contact their state president. A complete comparative written financial report shall be given to delegates at the start of the NFU Convention.

G. FARMERS UNION RELATED SERVICES

Farmers Union business services, whether in marketing or providing inputs and services, are important to the members and the organization. Cooperatives which work

with the Farmers Union in its program for agriculture deserve the loyalty of the members in the areas served.

Expansion and improvement of the NFU Insurances and business services will be important to agriculture in the time ahead. Therefore, close working relationships are essential.

The affiliation of Farmers Union cooperatives and insurances to the Farmers Educational and Cooperative Union of America is paramount to any other affiliations because such activities have been built by Farmers Union members as components of an organization of, by and for rural families.

H. COOPERATION WITH RELIGIOUS ORGANIZATIONS

NFU has a long history of cooperation with religious organizations on many issues of common concern.

We believe our nation is strong because its many diverse religious bodies bring their moral viewpoints to bear on public policy. We pledge our continuing cooperation this common purpose.

I. COOPERATION WITH OTHER ORGANIZATIONS

NFU should continue to seek and explore opportunities to work with other organizations at the local, state and national levels to advance the economic situation of family-scale operators.

We have worked aggressively to further build alliances and coalitions with diverse interests including commodity, rural interest, consumer, labor, minority, environmental, conservation, sustainable agriculture, health and nutrition, energy and other groups not typically involved in the nation's farm policy debate.

The information shared in those coalitions and alliances has shown that we often have much more in common with those primarily concerned with consumer, environmental and social matters than we have differences.

It is in the best interest of family farmers that NFU continues this practice of seeking allies among those who may not be directly associated with agriculture.

We support the development of both state and national contract grower associations to improve the welfare of contract growers. Benefits will be realized as a result of this mutually supportive relationship, including the establishment of a far-

reaching precedent likely to impact future contract production of poultry, hogs, cattle and other commodities.

FAMILY FARMING AND COUNTRY-OF-ORIGIN LABELING

2016 SPECIAL ORDER OF BUSINESS

Country-of-origin labeling is a labeling law that requires retailers to provide information to consumers on the origins of food products including lamb, chicken, fresh and frozen fruits and vegetables, pecans, peanuts, macadamia nuts and ginseng. COOL was originally passed into law in 2002 and expanded in the 2008 Farm Bill. Laws requiring country of origin labeling have been in place since the 1930s in order to provide consumers with information about the products they purchase.

America's family farmers and ranchers are proud of the food, fiber, and fuel they produce. They produce in an expanding global marketplace and bearing the COOL label allows their products to be differentiated as U.S. produced.

Consumers are more and more interested in learning about their food – where it comes from and how it was produced — and COOL allows consumers to make decisions about their food purchases. The U.S. continues to import more and more food and consumers have the right to know where the food they are purchasing originated. U.S. Consumer polls continue to show great approval of COOL.

Multinational meat packers sued over the COOL regulations and lost four times in domestic courts. Both the courts and the WTO agree that the U.S. has a right to require COOL. The WTO ruled against the U.S. and its implementation of the popular labeling law, and as a result, awarded \$1.1 billion in damages to Canada and Mexico. Congress repealed the law on a bill to fund the federal government with no hearings or alternative program. Now a “product of the U.S.” for beef and pork only means that the animal was slaughtered in the U.S., creating confusion in the marketplace.

COOL is popular with consumers and farmers and ranchers, and NFU supports maintaining the integrity of COOL.

FAMILY FARMING AND TRADE POLICY

2016 SPECIAL ORDER OF BUSINESS

The current attitude towards trade agreements demonstrated by U.S. negotiators does not prioritize the interests of family farmers. Trade negotiators consistently use agriculture as bait to achieve favorable trade agreements for other sectors of the economy.

American family farmers sell their products in a global marketplace, which is dominated by a small number of multinational firms. The deeply flawed trade agenda has opened domestic markets to cheap, often low-quality food, fuel and fiber products that have created a huge trade deficit. Not enough emphasis is placed upon the huge trade deficit the United States has amassed every year for the past forty years. In 2015, the total trade deficit totaled \$531.5 billion, representing a three percent drag on our GDP. Estimates by economists state that eliminating the entire U.S. trade deficit would create 6.3 million jobs.

International trade is an important part of successful family farming in the United States, but trade is not an end unto itself. In order for greater economic prosperity to come to U.S. agriculture and the broader economy, our national trade deficit must be addressed.

NFU supports rescinding Trade Promotion Authority (TPA) so Congress has the right to review and amend all trade agreements.

NFU supports the federal government conducting a formal and thorough analysis of current agricultural trade agreements to determine their success at meeting their promised goals before any new trade agreements are negotiated or proposed.

NFU opposes the Trans-Pacific Partnership as it currently stands because it does not address trade imbalances caused by currency manipulation and it follows the same failed blueprint as past trade agreements.

FAMILY FARMING AND COTTON
2016 SPECIAL ORDER OF BUSINESS

In the 2014 farm bill cotton was completely eliminated as a covered commodity. This was done because the U.S. Congress once again allowed the World Trade Organization (WTO) to tell them what is best for the U.S. farmers. It stems from a trade dispute with Brazil over cotton subsidies. The WTO ruled against the U.S. on the matter, as it has in most trade disputes. The U.S. Congress finalized a new farm bill that left cotton out of the program and any safety-net programs. Instead they made cotton a stand-alone item and tried a Supplemental Insurance program (STAX). STAX did not adequately address the needs of cotton farmers.

Title I, Part II, Section 1111, Number 12 of the Agricultural Act of 2014 gives secretary of agriculture the authority to designate cottonseed as an oilseed. Therefore allowing cotton farmers the opportunity to be eligible for the farm safety-net programs like PLC and ARC. National Farmers Union believes:

- That this is not the complete answer to what is happening to the cotton farmers;
- If cottonseed were eligible for ARC or PLC, it would give cotton farmers an avenue to help protect them in times of low prices and natural disasters, and
- That cotton should be a covered commodity in the farm bill;
- That cotton is a vital part of the farming industry;
- That cotton farmers should be allowed a fair market price for their cotton;
- That the world cotton market price has been driven down by China's actions of manipulating the market by holding stocks and under reporting the stocks, then flooding the market to drive down the price of cotton, and
- Without help cotton farmers will continue to struggle and many will be forced out of business, further devastating the rural communities, schools and businesses that depend on the cotton industry.

National Farmers Union supports:

- Secretary Vilsack immediately designating cottonseed as an oilseed to allow the cotton farmers access to safety-net programs;
- Cotton being a covered commodity in the farm bill;
- The U.S. Congress and U.S. Trade Representative do a thorough and timely analysis of other countries actions of manipulating the price of cotton;
- That any wrong doing by other countries in these matters should be dealt with immediately to protect the U.S. cotton farmers, and
- Cut the funding of the current STAX program and use this funding for the cottonseed as an oilseed designation.

FAMILY FARMING AND THE CURRENT FARM BILL
2016 SPECIAL ORDER OF BUSINESS

2016 has the potential to be a year of crisis for agriculture due to the dramatic reduction in commodity and livestock prices over the past year and a half. The projected price outlook of commodities shows no sign of strengthening, therefore possibly extending this crisis for years to come.

The primary objectives of national agricultural policy are to enable farmers to significantly increase net farm income, improve the quality of rural life, and increase the number of family farmers, so that family farmers may continue to provide a reliable supply of food, fuel and fiber and serve as stewards of our nation's resources.

Farmers depend on the programs offered in the Farm Bill in order to provide the food, fuel and fiber needs of the country. National Farmers Union believes the deal that was struck when passing the 2014 Farm Bill should be honored and will vehemently oppose any cuts until the next Farm Bill is passed.

In addition to opposing cuts, we advocate for increased funding in programs that are needed for the success of family farming. We call on Congress to give USDA the authority to use the CCC program to provide additional funding for the guaranteed loan program as well to develop innovative tools and safety net options for young and beginning farmers who are being adversely impacted due to their lack of equity.

Cash flow is also a concern for producers, so USDA should consider paying ARC and PLC farm program payments by March following the crop year instead of November. These payments could be made earlier by changing the Market-Year-Average price from a twelve month to a six month average or by estimating and making partial payments.

In summary, NFU will advocate for policies that support family farmers, like fully funding programs passed in the 2014 Farm Bill, earlier delivery of ARC and PLC payments, and increased funding for guaranteed loan programs. NFU asks Congress to fully understand the dire situation facing farmers and implement any and all solutions to address the financial crisis that is impacting farmers.

FAMILY FARMING AND AGRICULTURE RISK COVERAGE (ARC)-COUNTY PAYMENTS
2016 SPECIAL ORDER OF BUSINESS

The first payments for the new 2014 Farm Bill rolled out in October 2015. NFU is concerned about the way the U.S. Department of Agriculture determined the yields for the Agriculture Risk Coverage (ARC) County-payment. Where possible, USDA requires that National Agricultural Statistics Service (NASS) data be used to determine county yields but when NASS is unable to obtain enough information from producers in a county to make the number statistically accurate, Risk Management Agency (RMA) data is then used to determine yields. In counties where RMA data was used, the number was high enough to stop the county's producers from receiving payments.

NFU believes that USDA should be more consistent in how they determine yields for payments and calls on USDA to allow the State FSA Committee to adjust yields in counties that are unable to use NASS data by looking at surrounding county yields, as the use of RMA data will directly impact farmers for five years.

Because of lower commodity prices in the 2015 crop year, many producers, especially young and beginning farmers, were anticipating an ARC County payment to help pay for the high cost of production. NFU calls on USDA to update the regulations for the yield determination process and allow the State FSA Committee to review and adjust those county yields where RMA data was used so that all producers are treated fairly.

NFU also encourages producers to recognize the importance of filling out NASS survey data because this data is used throughout USDA to determine price and yield information in various USDA programs.

FAMILY FARMING AND ANIMAL DISEASE PROTECTION AND RESEARCH

2016 SPECIAL ORDER OF BUSINESS

NFU is concerned by USDA's proposal to weaken disease protection measures critical to protecting domestic livestock from the introduction of animal diseases such as Foot-and-Mouth Disease (FMD) from other countries. Inconsistencies between animal health disclosures by some countries, as reported by the Animal and Plant Health Inspection Service (APHIS) and the World Organization for Animal Health (OIE), erode domestic confidence in the safety of our beef imports from countries and regions with a history of FMD presence.

FMD is a highly contagious viral disease impacting cows, pigs, sheep and all other domestic and wild animals with cloven hooves. FMD is considered one of the most economically devastating diseases in the world. An outbreak in the U.S. would be highly destructive to the livestock industry.

The economic livelihood of producers and the health of consumers is critical and at stake. USDA is currently considering importing meat from Brazil, Argentina and Namibia. An abundance of caution should guide APHIS's decisions, which should be science based, without political considerations.

While the study of contagious animal diseases such as FMD will always pose a contamination risk to the U.S. livestock population, this risk has thus far been mitigated to the extent possibly by locating the research center outside the mainland United States, at the Plum Island Animal Disease Center of New York.

Moving the facility to the National Bio and Agro-Defense Facility in Manhattan, Kansas poses significant risk. The inadvertent release of any of the diseases researched at the facility, which will be closely located to domestic livestock production, would be devastating to the U.S. livestock industry.

The purpose of animal disease research is twofold: protecting a U.S. industry from economic harm, and protecting U.S. consumers from contamination of the domestic food supply. By moving highly contagious animal disease research to Kansas, the U.S. Department of Agriculture (USDA) and the Department of Homeland Security (DHS) are putting at risk the very stakeholders they propose to protect.

Therefore, NFU opposes moving research on highly contagious animal diseases to the mainland U.S. As the project moves forward, despite NFU's objections, NFU urges USDA and DHS to make every effort possible to ensure the diseases are contained.

NFU urges Congress to provide full, adequate and continuous funding of the Kansas facility to ensure it has all available resources to contain these highly contagious diseases and prevent contamination of the U.S. herd. NFU calls upon the administration to defend U.S. farmers and ranchers by opposing imports of live animals and processed or frozen animal products from countries or regions with a history of FMD.

FAMILY FARMING AND THE RENEWABLE FUEL STANDARD (RFS)

2016 SPECIAL ORDER OF BUSINESS

Biofuels have created a path for farmers who help address environmental problems. In the late 1970s and into the 1980s, the expansion of ethanol cooperatives added value to corn. Family farmers continue to struggle due to volatile corn prices. The ethanol industry creates a price-stabilizing mechanism and encourages much-needed reinvestment in our rural communities. Today, biofuels contribute significantly to net farm income and the rural economy as a whole. In 2015, the ethanol industry provides roughly 86,000 direct jobs and supported roughly 270,000 indirect jobs nationwide. In addition to supporting farm income and rural economies, biofuels increase energy security, reduce toxic air pollutants and provide environmental benefits in the form of lower greenhouse gas emissions.

The Renewable Fuel Standard (RFS) is the main policy driver of biofuels. Originally put in place in 2005, the RFS has been expanded, and now calls for the nation's fuel supply to include 36 billion gallons of renewable fuel by the year 2022. Of these 36 billion gallons, 15 billion will be comprised of conventional biofuels and the rest will be filled by cellulosic and other advanced biofuels.

The RFS is under attack on a variety of fronts. In Congress, the oil industry and other interest groups have targeted the RFS because the industry views increased biofuels consumption as a threat to its market share. The administration continues to mismanage the RFS; volume limits for 2014, 2015 and 2016 included unlawful waivers and have yet to be finalized.

Despite the pressure on the RFS, NFU remains adamantly opposed to changing the statute legislatively and insists that EPA set annual volume targets that match those in the enacting statute. Waiver authority is far more limited than EPA has recently exercised.

NFU recognizes that the oil industry has put up barriers to the increased consumption of biofuels in the United States. The Energy Independence Security Act (EISA) requires retailers to make more biofuels available to consumers. Therefore, NFU calls for the retention of the RFS, increased availability of blender pumps nationwide, and the expansion of production and use of flexible-fuels vehicles.

FAMILY FARMING AND FUTURE FARM BILLS

2016 SPECIAL ORDER OF BUSINESS

National Farmers Union has always advocated for farmers and ranchers to have the right tools in the farm bill that protects their ability to stay on the land.

The 2014 Farm Bill inadequately protects farmers and ranchers from the current downturn in farm income and natural disasters.

With hearings for the next farm bill beginning this summer, National Farmers Union should be prepared to provide input to strengthen the next farm bill.

National Farmers Union believes any new Farm Bill should contain:

- Provisions that reflect the best interest of U.S farmers and ranchers' ability to maintain a productive and profitable industry;
- Provisions that enable family farmers to market their products locally and regionally;
- Incentivizes farming practices that enhance soil health and productivity;
- Increases in reference prices for all commodities;
- Provide an adequate safety-net that is based on the cost of production;
- Value the environment by fully funding authorized conservation programs;
- Value the less fortunate by fully funding food and nutrition programs;
- Have a strong competition title to allow U.S. producers to be competitive in the global market;
- Should not be solely an insurance-based program;
- Cotton should be a covered commodity;
- Loan rates for all crops shall be no lower than the cost of production;
- Payments shall be made to farmers to reduce crop acreage on a commodity when prices fall below the cost of production; and
- A fully funded permanent disaster program shall be on a per county basis.

FAMILY FARMING AND LEADING THE WAY ON CLIMATE CHANGE

2016 SPECIAL ORDER OF BUSINESS

Farmers, ranchers and rural residents are a large part of the solution in helping mitigate rising greenhouse gas emissions through the development of renewable energy and through implementation of carbon sequestration and sustainability measures that are scientifically proven to reduce these greenhouse gases.

NFU urges adoption of policies that transition away from coal and oil-based electrical generation and towards renewable energy that emits no carbon and uses no water, and furthermore calls for the phasing out of all federal subsidies to fossil fuel industries and those funds be used to incentivize the development and deployment of wind and solar electric generation.

NFU urges Congress and the Administration to consider and mitigate the negative impacts on our economy of eliminating coal-fired power plants before they achieve their maximum intended lifecycle. NFU should lead efforts to help educate family farmers, ranchers and rural communities about how to adapt to the effects climate change on their respective operations, as well as the enormous economic benefits that homegrown renewable energy brings to our rural areas.

NFU calls upon Congress to fund land-grant universities and USDA to do the necessary research to help farmers and ranchers better increase the water holding capacity and resiliency of our nation's soils through changing cropping patterns, production and conservation practices, and carbon sequestration.

NFU supports the promotion of voluntary conservation practices that focus on water quality and quantity concerns.

NFU should lead and support efforts for the advancement of carbon storage in the soils of family farmers, ranchers, and agro-foresters, with new agriculture-based markets that reward those that practice and implement conservation techniques scientifically proven to reduce greenhouse gas emissions.

RESOLUTION ESTABLISHING AN NFU EMERGENCY DAIRY PRICE COMMITTEE & CAMPAIGN

2016 SPECIAL ORDER OF BUSINESS

Whereas, U.S. dairy farmers are experiencing an extended period of very low milk prices which, unless corrected, will force thousands of farms out of business; and

Whereas, the current federal dairy price insurance program, the Dairy Margin Protection Program, is unable to provide meaningful relief for farmers during this extended period of low prices and surplus production; and

Whereas, one of the key challenges to be addressed is the tremendous surge in imports of milk powder under the proposed Trans-Pacific Partnership trade agreement which will remove all tariff rate quotas on milk powder, and lead to chronically depressed domestic dairy farm prices; and

Whereas, a coordinated effort by dairy farmers and processor from across the country is needed to push Congress to pass such an emergency dairy program that will address the current crisis and serve as a bridge to the next Farm Bill when a more permanent program can be enacted; and

Therefore, the delegates to the 2016 NFU National Convention direct the NFU board to establish and support a special Dairy Emergency Committee, composed of NFU Dairy Farmers. This committee shall be charged with developing and implementing a campaign to propose and build support for an emergency dairy program. It shall provide an opportunity for dairy farmers in all areas to discuss the program and build support among other farmers and cooperative members. Key areas they may wish to consider and recommend include the following:

- A Reasonable Dairy price setting mechanism that takes into account production costs.
- An incentives-based inventory management program.
- Effective import control measures on Milk Protein Concentrates and other concentrated dairy products. Hold regional hearings to discuss dairy pricing and regional feed costs.
- Call upon the secretary of agriculture to declare an emergency and suspend the Dairy Margin Protection Program, as stated in the last Farm Bill.

It is evident that the Dairy Margin Protection Program trigger levels are ineffective and do not reflect actual on farm margins that are well below production costs nationwide. Given the failure of the program, USDA should refund the millions that dairy farmers paid into the program since 2014 and immediately begin purchases under the Dairy Program Donation Program (DPDP) which is designed to support dairy margins.

The ultimate aim of this committee shall be to build bi-partisan political support in Congress for the program. This effort should engage farmers in working to secure support from both current Congressional representatives and all Congressional candidates in the 2016 elections.

GLOSSARY

1031 exchange – also known as a Starker exchange or a tax-deferred exchange; permits investment property owners to sell a property and defer tax payments by reinvesting the proceeds into a “like-kind” investment property or properties. A 1031 exchange is enabled by Section 1031 in the Internal Revenue Code

527 organization – tax-exempt organizations primarily utilized to influence political elections. The structure of a 527 allows unlimited financial contributions and are typically not regulated by the Federal Election Commission or state elections commissions

AFO – animal feeding operation; agricultural enterprise where animals are kept and raised in a confined situation. An AFO congregates animals, feed, manure and urine, dead animals, and production operations on a small land area

Aggie Bonds – state agriculture loan program based on the use of tax-exempt bonds to assist beginning farmers and first-time farmers

AgJOBS – legislation aimed at reforming labor and immigration laws specifically for agriculture

AGR/AGR-Lite – whole-farm crop insurance that provides producers with protection against low revenue from natural causes and market fluctuations; covers income from agricultural commodities, as well as income from animals, animal products and aquaculture species reared in a controlled environment

Agricultural Conservation Easement Program (ACEP) – Administered by NRCS, it provides financial and technical assistance to help conserve agricultural lands and wetlands and their related benefits

American Society for Testing and Materials (ASTM) - An international standards organization that develops and publishes voluntary consensus technical standards for a wide range of materials, products, systems, and services

AMS – Agricultural Marketing Service of the U.S. Department of Agriculture; administers programs that facilitate the efficient, fair marketing of U.S. agricultural products, including food, fiber and specialty crops

APHIS – Animal and Plant Health Inspection Service of the U.S. Department of Agriculture; a multi-faceted Agency with a broad mission area that includes protecting and promoting U.S. agricultural health, regulating genetically engineered organisms, administering the Animal Welfare Act and carrying out wildlife damage management activities

Average Crop Revenue Election Program (ACRE) – implemented as a result of the 2008 Farm Bill, ACRE provides an option for farmers to forgo receiving direct and countercyclical payments in exchange for a state-level revenue guarantee. ACRE's funding expires in 2012

Base – labor that provides significant support, including material day-to-day operational support, for a family farm, business, etc.

Basis – in commodities, the difference between a local cash price and the relevant futures contract price for a specific time period

BFP – basic formula price

Biobased Markets Program – Authorized in the 2002 Farm Bill and expanded in the 2008 Farm Bill, it establishes a process for determining eligibility criteria for federal purchase of biobased products

Biodiesel (ASTM D6751) – the American Society for Testing and Materials (ASTM)-approved standard for biodiesel, which covers blends between 5 and 20 percent biodiesel by volume blended with petroleum diesel fuel; also known as B100

Brucellosis – livestock disease, which causes cows to abort calf

BSE – bovine spongiform encephalopathy; a progressive neurological disorder of cattle that results from infection by an unusual transmissible agent called a prion

Byrd Amendment – legislation that provides for the annual distribution of antidumping (AD) and countervailing duties (CVD). The distribution is available to “affected domestic producers for qualifying expenditures.” An “affected domestic producer” is defined as a manufacturer, producer, farmer, rancher, or worker representative (including associations of such persons) that 1) was a petitioner or

interested party in support of a petition with respect to which an AD or CVD order was in effect and 2) remains in operation. It was repealed in 2005

CAFO – concentrated (confined) animal feeding operation; an AFO that meets one of the EPA’s regulatory definitions of large CAFOs, medium CAFOs, and small CAFOs

Cap and trade – a regulatory program that sets a cap level of permissible emissions and allows firms to buy credits if they exceed the limit and sell credits if they are under the limit

Capper-Volstead Act – the 1922 law, which allows producers to organize into cooperatives without violating antitrust laws

Carbon sequestration – the storage of carbon from the atmosphere in soil organic matter through agricultural practices. The producer/landowner is paid an amount of money for implementing this practice

Casein/caseinates – milk protein that is manufactured from skim milk and used in processed foods and in industrial products

CBO – Congressional Budget Office; produces independent analyses of budgetary and economic issues to support the Congressional budget process

CBOT – Chicago Board of Trade

CCC – Commodity Credit Corporation of the U.S. Department of Agriculture; government-owned and operated entity that was created to stabilize, support, and protect farm income and prices; also helps maintain balanced and adequate supplies of agricultural commodities and aids in their orderly distribution

Certificate of Transportation (COT) – a futures contract issued by railroads to grain customers as a guarantee to present empty covered hoppers for loading at a specific location with an option to lock in price

CFTC – Commodity Futures Trading Commission, which has regulatory oversight of U.S. futures trading

CHS – the forerunner of CHS Inc., Cenex Harvest States was formed in 1998 by a merger between two regional cooperatives, Centx Inc. and Harvest States Cooperative. Cenex Harvest States Cooperatives changed its legal name to CHS Inc. effective August 5, 2003

Circle of Poison – the circle created by chemicals produced in the United States, banned for use here, exported to other countries, and then returned as residue on imported food

Codex Alimentarius – a commission created in 1963 by FAO and WHO to develop food standards, guidelines and related texts such as codes of practice under the Joint FAO/WHO Food Standards Programme

Community-supported agriculture (CSA) – a farm in which members or “shareholders” of the farm or garden pledge in advance to cover the anticipated costs of the farm operation and farmer’s salary and receive shares in the form of food in return

Comprehensive Land Policy – a land policy that includes and considers all elements or aspects of land use and conservation methods, and which considers valid methods which can be observed, measured and evaluated in an objective manner

Contract grower – a person who will grow or raise a commodity owned by a processor or meatpacker. The grower provides the labor and facility; other production inputs including feed, medicine and the animals are provided by the integrator/processor/meatpacker

Cooperative development centers – regional centers set up to further the cooperative movement

Countervailing duties (CVD) – specific duties imposed on imports to offset the benefits of subsidies to producers or exporters in the exporting country. The executive branch of the U.S. government has been legally empowered since the 1890s to impose countervailing duties in amounts equal to any “bounties” or “grants” reflected in products imported into the United States

CRP – USDA’s Conservation Reserve Program, administered by the FSA; the long-term goal of the program is to re-establish valuable land cover to help improve water quality, prevent soil erosion, and reduce loss of wildlife habitat

CSP – USDA’s Conservation Stewardship Program; helps agricultural producers maintain and improve their existing conservation systems and adopt additional conservation activities to address priority resources concerns

CSREES – Cooperative State Research, Education, and Extension Service

Dark market – secretive, unregulated (though often technically legal) trading in commodity futures

Decoupling – the removal of the link between the receipt of a direct payment and the production of a specific product

DFO – direct farm ownership loans administered by FSA. Loans can be used to purchase farmland, construct or repair buildings and other fixtures, and promote soil and water conservation

E15 – gasoline blend consisting of 15 percent ethanol, approved for use in 2001 model year and newer vehicles

E85 filling station – a station capable of handling up to an 85 percent ethanol blend

EPA – U.S. Environmental Protection Agency

EQIP – USDA’s Environmental Quality Incentive Program; voluntary program that provides financial and technical assistance to agricultural producers through contracts up to a maximum term of ten years in length, that help plan and implement conservation practices

ESA – Endangered Species Act; administered by the U.S. Fish and Wildlife Service and the Commerce Department’s National Marine Fisheries Service, with the purpose of protecting and recovering imperiled species and the ecosystems upon which they depend

ETBE – ethyl tertiary butyl ether, renewable gasoline oxygenate which uses ethanol as a feedstock

Fairness Doctrine – a tenet of licensed broadcasting that ensures a reasonable opportunity for the airing of conflicting viewpoints on controversial issues

Farmer Mac – Federal Agricultural Mortgage Corporation; government-sponsored enterprise with the mission of providing a secondary market for agricultural real estate mortgage loans, rural housing mortgage loans, and rural utility cooperative loans

Farmers market – a public, recurring assembly of farmers or their representatives selling local agricultural products that they have grown, raised or produced, directly to the consumer. Such markets may include other products, which reasonably serve the public or enhance the market’s diversity

FAS – Foreign Agricultural Service of the U.S. Department of Agriculture; links U.S. agriculture to the world to enhance export opportunities and global food security

FCIC – Federal Crop Insurance Corporation – this has been reorganized to become the Risk Management Agency (RMA) of the U.S. Department of Agriculture

FDIC – Federal Deposit Insurance Corporation; independent agency created by the Congress to maintain stability and public confidence in the nation’s financial system

Fed – Federal Reserve Board

FIFRA – Federal Insecticide, Fungicide and Rodenticide Act, which provides for federal regulation of pesticide distribution, sale, and use

Finfish – a true fish, distinguished from shellfish

Flex pump – a filling station fuel pump that allows consumers to select the desired blend of gasoline and ethanol (also known as a blender pump)

Flex-fuel vehicles – vehicles which contain engines that are capable of running on either gasoline or fuel blends containing mostly ethanol like the E85 blend

Fluoroquinolones – a class of antimicrobials that kill bacteria or prevent their growth

Food hub – a centrally located facility with a business management structure facilitating the aggregation, storage, processing, distribution, and/or marketing of locally/regionally produced food products

FSA – Farm Service Agency of the U.S. Department of Agriculture

GAO –General Accounting Office

Gender – the socially constructed roles, behaviors, activities, and attributes that a given society considers appropriate for men and women

Generalized System of Preferences (GSP) – a program designed to promote economic growth in the developing world by providing preferential duty-free entry for about 4,800 products from 131 designated beneficiary countries and territories

Genetically modified organism (GMO) – an organism whose genetic material has been altered using genetic engineering techniques

GIPSA – Grain Inspection, Packers and Stockyards Administration of the U.S. Department of Agriculture

Glass-Steagall Act – a law passed by Congress in 1933, which prohibited commercial banks from engaging in the investment business. The law was repealed by the Gramm-Leach-Bliley Act of 1999

Global climate change, aka global warming – changes to the earth's climate that are caused by human activity

Green Thumb – a training and employment program established in 1965 by NFU for the purpose of providing jobs for low-income people who were age 55 or older and wanted to work; the program is authorized in the Older Americans Act and funded through the Department of Labor

GRP – USDA’s Grasslands Reserve Program; voluntary conservation program that emphasized support for working grazing operations, enhancement of plant and animal biodiversity, and protection of grassland under threat of conversion to other uses

GSM-102 – short-term export credit guarantees. This commercial loan program, administered through the USDA’s Commodity Credit Corporation, leverages financing from the private sector to support and encourage U.S. agricultural exports to foreign markets. On average, CCC’s credit guarantee covers 95 percent of the combined principle and interest in GSM-102 transactions

GSM-103 – intermediate-term (3-10 year) export credit guarantees

Hatch Act – limits certain political activities of most executive branch employees

Hazard Analysis Critical Control Point (HACCP) - A management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product.

Humphrey-Hawkins Full Employment Act – an act of legislation that explicitly instructs the nation to strive toward four ultimate goals: full employment, growth in production, price stability, and balance of trade and budget, by setting requirements and goals for the federal government to attain

Hydraulic fracturing – the process by which a specially blended liquid is pumped down a well into a formation under pressure high enough to cause the formation to crack open, forming passages through which oil can flow into the well bore

Integrator – a processor or meatpacker that provides animals, feed, medicine and other production inputs to an individual as outlined in a production contract

Ionophore – feed additive that enhances feed efficiency in cattle by altering ruminal fermentation

IRA – Individual Retirement Account

ITC – Investment Tax Credit (not to be confused with the USITC, the U.S. International Trade Commission)

Johne’s Disease – chronic disease affecting domestic animals, especially cattle and sheep, caused by bacterium

Jones Act – legislation that regulates maritime commerce between U.S. cities; requires that goods and passengers transported by water between U.S. ports be done in U.S.-made ships, owned by U.S. citizens and crewed by U.S. citizens

Keogh Doctrine – also known as the Filed Rate Doctrine; precludes an award of damages under the antitrust laws when a plaintiff seeks a recovery measured by payments made according to rates approved by a regulatory agency

Land operator – person who runs the farm, making day-to-day management decisions. The operator could be an owner, hired manager, cash tenant, share tenant and/or a partner

Large-scale family farm – defined by the USDA's Economic Research Service as annual sales of \$250,000 or more

Leach mining – the recovery, by chemical leaching, of the valuable components of an orebody without physical extraction of the ore from the ground

Livestock – in this policy document, the term includes cattle, swine, sheep, poultry, goats, horses, buffalo and farmed cervidae (deer family) that are produced for food, fiber or feed

Livestock Compensation Program – A suite of USDA programs that include: the Livestock Indemnity Program (LIP), the Livestock Forage Disaster Program (LFP), the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) and the Tree Assistance Program (TAP)

Make allowance – a factor used in a formula for determining the price of milk. In the formula, an allowance is given for what it costs to turn raw milk into cheese and nonfat dry milk

Margin Protection Program – an insurance program run by the U.S. Department of Agriculture to protect dairy producers during times of low margins

McGovern-Dole International Food for Education and Child Nutrition Program – a global school feeding program that promotes education, child development, and food security for some of the world's poorest children, through donations of agricultural commodities and financial and technical assistance for school feeding and maternal and child nutrition projects in low-income countries

MPC – milk protein concentrate

NAFTA – North American Free Trade Agreement, an international trade agreement linking Mexico, the United States, and Canada; enacted in November of 1993

NASS – National Agricultural Statistics Service of the U.S. Department of Agriculture

NATFARMPAC – the National Farmers Union Political Action Committee

National Grazing Lands Coalition (NatGLC) - Formerly the Grazing Lands Conservation Initiative or GLCI, the National Grazing Lands Coalition was founded to provide technical assistance on privately owned grazing lands on a voluntary basis and to increase the awareness of the importance of grazing land resources.

National Rural Utilities Cooperative Finance Corporation – a member-owned, nonprofit cooperative and the premier lender for electric cooperatives, including Rural Utilities Service (RUS) borrowers and non-RUS borrowers

National Sustainable Agriculture Information Service – the National Sustainable Agriculture Information Service, formerly known as Appropriate Technology Transfer to Rural Areas (ATTRA), which provides sustainable agriculture information to those engaged in or serving commercial agriculture

Neonicotinoids – a class of insecticides with a common mode of action that affects the central nervous system of insects, causing paralysis and death

NEPA – National Environmental Policy Act, which requires federal agencies to integrate environmental values into their decision-making processes by considering the environmental impacts of their proposed actions and reasonable alternatives to those actions

Net neutrality – a principle that states internet service providers may not discriminate between different kinds of content and applications online. It guarantees a level playing field for all websites and internet technologies

NIFA – National Institute of Food and Agriculture, formerly the Cooperative State Research, Education and Extension Service (CSREES); provides leadership and funding for programs that advance agriculture-related sciences

Nonrecourse loan – a commodity loan that gives the borrower the options of repaying the loan in cash or forfeiting the commodity (collateral) to the lender who accepts said collateral to satisfy payment of the loan, without recourse against the borrower

NPDES – National Pollutant Discharge Elimination System permit program authorized by the Clean Water Act to control water pollution by regulating point sources that discharge pollutants into waters of the United States

NRCS – Natural Resources Conservation Service of the U.S. Department of Agriculture; provides America’s farmers and ranchers with financial and technical assistance to voluntarily make conservation improvements

OMB – Office of Management and Budget; oversees the performance of federal agencies, and administers the federal budget

Organic – the use of organic claims shall be defined by USDA under the Organic Foods Production Act and the National Organic Program (NOP)

Packer Consent Decree of 1921 – an agreement struck between packers and the attorney general’s office that allowed the packers to avoid antitrust prosecution in exchange for agreeing to: 1) sell holdings in stockyards, railroads, market newspapers and public warehouse, 2) abandon all retail meat business, 3) abandon control of transportation facilities, and 4) dissolve any conspiracies with other packers

Parity index – originally, the price per bushel, pound or bale that would be necessary for a bushel today to buy the same quantity of goods (from a standard list) that a bushel would have bought in the 1910-14 base period at the price then prevailing. In 1948, the parity price formula was revised to make parity prices dependent on the relationship of farm and nonfarm prices during the most recent 10-year period for non-basic commodities. Basic commodities, including wheat, corn, rice, peanuts, and cotton, use the higher of the historical formula or the new formula (referred to by USDA as the “prices paid index.” Current information can be found at

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1002>
]

Particulate matter – solid or liquid particles less than 10 microns in diameter suspended in the air

Pesticide – a chemical that is used to kill or control animals, insects, plants, or other organisms. The purpose of a pesticide is to reduce or eliminate damage to crops or livestock. Includes insecticides, herbicides, miticides, rodenticides, fungicides, etc.

Pharma crops – crops grown specifically for use in pharmaceuticals such as vaccines and medicine

PL-480 – law that authorizes the United States to provide food aid to needy in other countries

Poultry – any domesticated bird being processed for human consumption, according to the Poultry Products Inspection Act of 1957

Pugh clause – a clause added to an oil lease to limit holding non-producing lands or depths beyond the primary term of the lease

Pulse crop – legumes that are harvested exclusively for dry grain such as peas, lentils, beans, and chickpeas

Raw – any food in its natural state

RBS – Rural Business Cooperative Service of the U.S. Department of Agriculture

rBST – Recombinant bovine somatotropin, a synthetic hormone injected in dairy cows to increase milk production

REC – rural electric cooperative

Recourse loan – a commodity loan that must be repaid in cash, plus interest

Retail wheeling – allowing utilities to abandon current service territories and sell power in an open market to the highest bidder

RMA – Risk Management Agency of the U.S. Department of Agriculture

Rochdale Principles – a set of guidelines for cooperatives, established by a group of artisans in Rochdale, England, who formed the first modern cooperative business in 1844. These principles are known today as: 1) voluntary and open membership; 2) democratic member control; 3) member economic participation; 4) autonomy and independence; 5) education, training and information; 6) cooperation among cooperatives; and 7) concern for community

RPS – Renewable Portfolio Standard, a policy that requires retail energy suppliers to provide energy from renewable sources as part of their electricity portfolio

RUS – Rural Utilities Service of the U.S. Department of Agriculture; administers programs that provide much-needed infrastructure or infrastructure improvements to rural communities

SBA – Small Business Administration; delivers loans, loan guarantees, contracts, counseling sessions and other forms of assistance to small businesses

Section 22 – a section of the Agricultural Adjustment Act of 1933 (P.L. 73-10) that authorizes the president to restrict imports by imposing quotas or fees on imports that

interfere with federal price support programs or substantially reduce U.S. production of agricultural products

Sexual orientation – a person’s sexual identity in relation to the gender to which they are attracted; the fact of being heterosexual, homosexual, or bisexual

Slotting fee – a fee charged to companies or manufacturers by retailers in order to have their products placed on shelves

Small family farm – defined by USDA’s Economic Research Service as annual sales of less than \$250,000

Small wind – a residential wind turbine system, installed on top of a tall tower with 100kW capacity or less, which collects kinetic energy from the wind and converts it to electricity that is compatible with a home’s electrical system. Extra power generated is typically sold to local utility

Smith-Lever Act – established a national Cooperative Extension Service that extended outreach programs through land-grant universities to educate rural Americans about advances in agricultural practices and technology

Special Supplemental Nutrition Program for Women, Infants and Children (WIC) – a federally funded health and nutrition program that helps families by providing checks for buying healthy supplemental foods from WIC-authorized vendors, nutrition education, and help finding health care and other community services

Staggers Act – law that significantly deregulated the rail industry, passed in 1980

Star School/Medical Link – telecommunications used to link research hospitals to community hospitals

Supplemental Nutrition Assistance Program (SNAP) – formerly known as food stamps; a federal aid program administered by the USDA that provides financial assistance for purchasing food to low- and no-income people living in the United States

Supplemental Revenue Assistance Program (SURE) – the “permanent disaster” program intended to replace ad hoc agricultural disaster assistance legislation

Surface Transportation Board – a bipartisan, decisionally-independent adjudicatory body organizationally housed within the U.S. Department of Transportation. The Board provides a forum for the resolution of surface-transportation disputes and other matters within its jurisdiction. It has the authority to limit or remove regulatory requirements where appropriate

Sustainable –an integrated system of plant and animal production practices having a site-specific application that will, over the long term:

- Satisfy human food and fiber needs;
- Enhance environmental quality and the natural resource base upon which the agricultural economy depends;
- Make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls;
- Sustain the economic viability of farm operations; and
- Enhance the quality of life for farmers and society as a whole.

Thorium – a naturally occurring, slightly radioactive metal found in most rocks and soils

T-levels – a measure of the amount of soil loss that can occur each year (in tons of soil per acre per year) and still allow production to continue at current levels

TMDL – total maximum daily load is a calculation of the maximum amount of a pollutant that a body of water can receive and still meet water quality standards. Commonly referred to as a “pollution diet”

U.S. Warehouse Act – authorizes the secretary of agriculture to license warehouse operators who store agricultural products and meet specific standards

UF – ultra-filtered (milk products)

Unmanned aerial vehicle – an aircraft without a human pilot aboard, commonly known as a drone

USTR – U.S. Trade Representative; responsible for developing and coordinating U.S. international trade, commodity, and direct investment policy, and overseeing negotiations with other countries

VAT – value-added tax

Vermiculture – the raising and production of earthworms and worm castings

Water spreading – the practice of using allocated water on undesignated acres

WFO – World Farmers Organization, of which NFU is a member

WHIP – USDA’s Wildlife Habitat Incentives Program

World Food Summit – U.N. meeting where heads of state committed to reducing hunger

WRP – USDA's Wetlands Reserve Program; voluntary program that offered landowners the opportunity to protect, restore, and enhance wetlands on their property

WTO – World Trade Organization, a body created in the last major trade agreement that handles disputes between signatory nations to the Uruguay Round of the General Agreement on Tariffs and Trade

WTO boxes – used to categorize programs based on their impact on trade. Amber box programs are considered to be the most trade distorting. Blue box programs are less trade distorting, and green box programs have no significant impact on trade

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